EXHIBIT 20
FCC Form 315
Section IV, Question 8

Multiple Ownership Compliance

As noted in Exhibit 6, this application with its companion applications seek consent to the transfer of control of the entity (Pilot Group GP LLC) that holds control of the Barrington Broadcasting Group television stations listed in Exhibit 8 ("Barrington TV Stations") that will result from the proposed readjustment of the voting interests (but not equity interests) among the existing members of the entity. The transaction will neither alter the operations of the Barrington TV Stations nor create any new combinations implicating the FCC multiple ownership rules. The Barrington TV Stations include parent station WPBN-TV, Traverse City, Michigan, and its long-time satellite station WTOM-TV, Cheboygan, Michigan, both of which operate in the small Traverse City-Cadillac, MI, Designated Market Area, the 119th-ranked DMA. To permit continued common ownership of the two same-market stations,[1] the parties respectfully request that the FCC continue to authorize the operation of WTOM-TV as a satellite of parent station WPBN-TV pursuant to Note 5 of Section 73.3555 which exempts satellite stations from the limits of the multiple ownership rules.

An applicant for satellite status is entitled to a presumption that the proposed satellite operation serves the public interest if it meets three criteria: (1) there is no City Grade overlap between the parent and satellite; (2) the proposed satellite would provide service to an

---

1 The former analog Grade B contours and current digital noise limited service contours of the parent and satellite station partially overlap.

unserved or underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station. *See Television Satellite Stations*, 6 FCC Rcd 4212, 4213-14 (1991). If one or more of the presumptive criteria are not satisfied, the FCC nevertheless may grant the proposal on an *ad hoc* basis when compelling circumstances warrant. *Id*. at 4214.

Due to the existence of compelling circumstances in the small but geographically dispersed Traverse City-Cadillac DMA, the FCC has long authorized WTOM-TV to operate as a satellite station of WPBN-TV. For similar reasons, the FCC has authorized each of the other commercial television stations in the Traverse City-Cadillac DMA to own and operate a satellite station in order to serve residents living in the outlying small communities of the market. Attachment B provides copies of the more recent FCC satellite decisions authorizing the continued satellite status of WTOM-TV, including the most recent Letter Decision of Chief, Video Division of Media Bureau, *Traverse City, Mich.*, 21 FCC Rcd 6477 (2006) (June 14, 2006) [the "*2006 WTOM Decision*"].[2] As confirmed by the attached statement from Brian E. Cobb ("Cobb Statement"), President of the brokerage and appraisal firm of CobbCorp LLC (*see* Attachment C), the core circumstances underlying the previous grants of satellite status continue to exist today. Thus, renewing the status of WTOM-TV would accord with well-established past precedent and continue to serve the public interest.

1. <u>Lack Of City Grade Overlap</u>

---

[2] Also included are the FCC's 1996 and 1998 satellite decisions. *See* Attachment B, *Letter from Chief, Video Division, Media Bureau to Federal Enterprises, Inc. and Raycom Media, Inc.* (Sept. 24, 1996), and *John E. Hayes and William C. Zortman*, 13 FCC Rcd 9407 (1998).

With respect to the first criterion – lack of City Grade contour overlap – analog City Grade contours, of course, no longer exist following the digital transition. The FCC has recognized that digital Principal Community contours "serve much larger areas than their former analog City Grade contours" and that, therefore, "the digital Principal Community contour is not an equivalent standard to use in determining whether a proposed satellite station qualifies for the presumptive satellite exception to the duopoly rule." *HBK NV LLC Transferor*, 25 FCC Rcd 2354, ¶ 7 (2010) ["*HBK Decision*"]. In the *HBK Decision*, the FCC relied, instead, on a showing that, prior to the digital transaction, "there was historically no City Grade overlap" between the parent and satellite station. As shown in the attached Technical Statement of consulting engineers du Treil, Lundin & Rackley, Inc. (Attachment A), the prior analog City Grade contours of parent station WPBN-TV and satellite station WTOM-TV did not overlap.[3] *See* Attachment A, at 1 and 3.

2. Service To Underserved Areas

Under the second criterion, an area is deemed underserved if, under the "transmission test," there are two or fewer full-service stations licensed to the satellite's community of license. *Television Satellite Stations*, 6 FCC Rcd at 4215. As the du Treil, Lundin & Rackley, Inc. Technical Statement observes, WTOM-TV remains the only television station

[3] While the more expansive digital Principal Community contours of WPBN-TV and WTOM-TV partially overlap (*see* Attachment A, at 1), here, as in the FCC-approved satellite showing in the *HBK Decision*, prior to the digital transition, there was no City Grade contour overlap between the parent and satellite station. In previously granting a satellite exemption for WTOM-TV, the FCC repeatedly has found that WPBN-TV and WTOM-TV lack City Grade contour overlap. *See* Attachment B.

licensed to Cheboygan, Michigan. Because the satellite station serves an underserved area, continuing the status of WTOM-TV meets the second criterion. *See* Attachment A, at 2.

3. Unlikelihood Of Finding An Operator Willing and Capable Of Operating WTOM-TV As A Full-Service, Stand-Alone Station

The *2006 WTOM Decision* found that "it would not be feasible to find a purchaser willing to operate [WTOM-TV] on a stand alone basis due to its small viewer and advertising base." (Attachment B, 2006 WTOM Decision at 3. This remains so today. As noted in that decision, the Cheboygan station has long operated as a satellite due to the sparsely-populated coverage area's inadequate population and economic base, which are unable to support a viable full-service, stand-alone operation.

As confirmed by the attached letter from Brian E. Cobb of CobbCorp, LLC (Attachment C), the Traverse City-Cadillac DMA is a small television market, ranked 119th in size but only 130th in revenues. Four commercial television stations, each affiliated with a Big Four network, serve the DMA, and all operate satellite facilities in order to cover the geographically extended market, which reaches across the sparsely populated Upper Peninsula of Michigan. Without these satellite stations, the small towns on and near the Upper Peninsula would be underserved. (*See* Attachment C, at ¶¶ 3-4.)

Mr. Cobb, who has rendered opinions consistent with the above in three previous requests for continued satellite authority for WTOM-TV, also confirms that the major population in the Traverse City-Cadillac DMA is in the cities of Traverse City and Cadillac, which are not covered by the WTOM-TV signal. As he has found in the past, Mr. Cobb states that WTOM-TV would be unlikely to survive as a stand alone station. Mr. Cobb also states that his firm would decline to market WTOM-TV as a stand alone station due to his negative view of its opportunities for success as such a station, and that economic conditions in the Traverse City-Cadillac DMA have declined since 2006. (*See id.*, at ¶¶ 6-7, 3.)

These factors all continue to favor WTOM-TV's continued treatment as a satellite of WPBN-TV. Cheboygan's population of 5,300 is insufficient to provide the viewers and advertising necessary to support a stand alone station. Because all four major networks have affiliates in the Traverse City-Cadillac DMA, a similar affiliation would be unavailable for WTOM-TV if it were a stand alone station. And because all of the other Traverse City television stations operate satellite stations on or near the Upper Peninsula close to the Canadian border, WPBN-TV would be at a competitive disadvantage if it could not operate WTOM-TV as a satellite.

Mr. Cobb's findings concerning the Traverse City market are also consistent with the Commission's treatment of past requests for continuing satellite exemptions from other Traverse City television stations. "The Commission has expressly recognized the difficulties faced by television stations operating in or near the Upper Peninsula of Michigan and has granted satellite status to numerous stations on that basis." *Tucker Broadcasting of Traverse City*, 23 FCC Rcd 874, 875 (2008); *GRK Productions*, 13 FCC Rcd 12168, 12170 (1998) ("the communities of northern Michigan do not generate sufficient revenue to support a full-service station"); *see also Northwoods Ed. Television Ass'n*, 13 FCC Rcd 24138, 24145 (1998) (discussing "structural market conditions" barring the likelihood of stand-alone operations for satellites in northern Wisconsin).[4]

---

[4] In determining that no alternative operator would be wiling to operate current satellite stations in Traverse City as stand alone stations, the Commission has previously relied "on an (continued…)

* * *

The application parties respectfully submit that the record amply shows the existence of compelling circumstances warranting the continued authorization of WTOM-TV's satellite status. Such authorization, of course, would not diminish diversity or competition but would preserve the station's long-established status and service to the sparsely-populated Cheboygan community. Continuance of the existing satellite status provides the only realistic opportunity for WTOM-TV to continue to provide service to residents of the Cheboygan area that have come to rely on its programming.

---

expert's declaration that no potential buyer showed an interest in operating the station as a full-service facility," as well as the "unfeasibility of finding a purchaser willing to operate the station on a stand alone basis." *Tucker Broadcasting*, 23 FCC Rcd at 875.

Attachment A

Technical Statement of Consulting Engineers du Treil, Lundin & Rackley, Inc.

TECHNICAL STATEMENT
IN SUPPORT OF
TELEVISION SATELLITE OWNERSHIP ANALYSIS
WPBN-TV, TRAVERSE CITY, MICHIGAN
WTOM-TV, CHEBOYGAN, MICHIGAN

Technical Narrative

This Technical Statement was prepared in support of a Television Satellite Ownership Analysis for WPBN-TV, Traverse City, Michigan and satellite station WTOM-TV, Cheboygan, Michigan. The current digital and former analog facilities of the subject stations are summarized in the table below:

Call Sign	City of License	Facilities
WPBN-TV	Traverse City, MI	DTV Ch. 47, 500 kW (Max-DA), 393 m, BLCDT-20091203AHC Former Analog Ch. 7, 316 kW (ND), 411 m, BLCT-1578
WTOM-TV	Cheboygan, MI	DTV Ch. 35, 78 kW (Max-DA), 168 m, BLCDT-20040420AAI Former Analog Ch. 4, 100 kW (ND), 189 m, BLCT-1047

It is noted that the Principal Community contours for the DTV operations of WPBN-TV and WTOM-TV overlap. However, in *NVT MO&O*[1] the FCC stated that DTV Principal Community contours serve much larger areas than their former analog City Grade contours. The FCC further stated in *NVT MO&O* that the DTV Principal Community contour is not an equivalent standard to use in determining whether a proposed satellite station qualifies for the presumptive satellite exemption to the duopoly rule. In addition, the FCC also noted in *NVT MO&O* that there was no City Grade contour overlap between KSNW(TV) and KSNC(TV), which had a long history of operating as a satellite of KSNW(TV). As indicated in Figure 1, there was no City Grade contour overlap between the former analog operations of WPBN-TV and WTOM-TV.[2]

[1] See *Memorandum Opinion and Order*, for Transfer of Control of NVT Wichita Licensee, LLC, et al., File Nos. BTCCDT-20091118ABB, et al., DA 10-416 ("*NTV MO&O*").

[2] Distances to the respective contours were determined based on the method outlined in Section 73.684 of the FCC Rules. Terrain data were derived from the U.S.G.S. 3-second computer database for each of the stations using radials evenly spaced every 1 degree of azimuth.

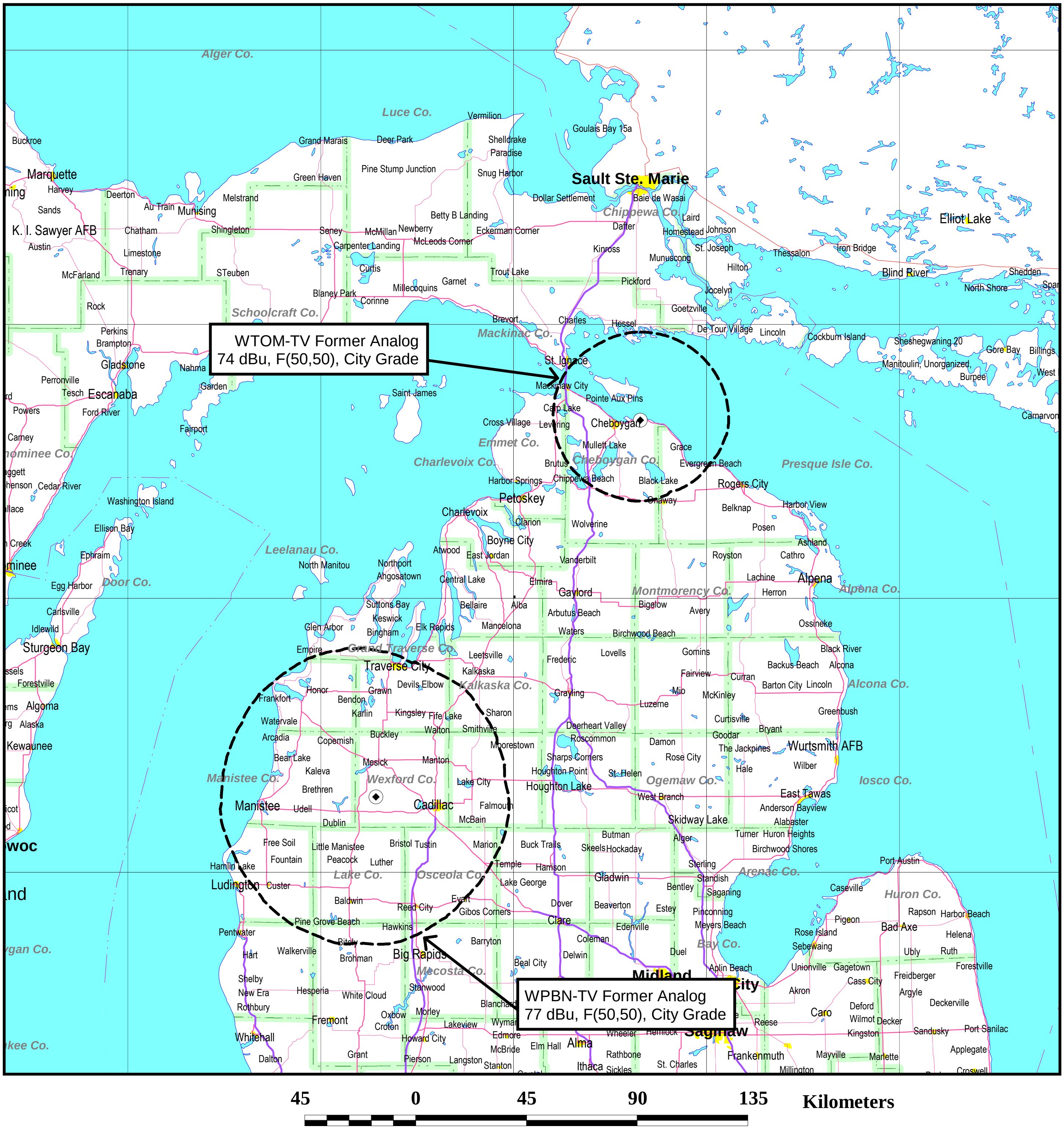
A study was conducted of the number of full-service television stations licensed to the respective communities of Traverse City and Cheboygan. This was based on examination of the FCC's CDBS database and cross-checked using the latest copy of the FCC Rules and *Broadcasting and Cable Yearbook 2010*. The results indicate that there are two full-service television stations licensed to Traverse City: WPBN-TV (Ch. 47) and WGTU(TV) (Ch. 29). Station WTOM-TV (Ch. 35) is the only full-service television station licensed to Cheboygan.

W. Jeffrey Reynolds

W. Jeffrey Reynolds
du Treil, Lundin & Rackley, Inc.
201 Fletcher Avenue
Sarasota, Florida 34237
(941) 329-6000
JEFF@DLR.COM

June 28, 2011

Figure 1



TV SATELLITE CONTOUR OVERLAP ANALYSIS

du Treil, Lundin & Rackley, Inc. Sarasota, Florida

Attachment B

FCC's 1996, 1998, and 2006 Cheboygan Satellite Decisions

Federal Communications Commission
Washington, D.C. 20554

Raycom

F

SEP 2 4 1996

1800E1-KBC

Federal Enterprises, Inc.
c/o William S. Reyner, Jr., Esq.
Hogan & Hartson
555 Thirteenth Street, N.W.
Washington, DC 20004-1109

Raycom Media, Inc.
c/o John E. Fiorini III, Esq.
Gardner, Carton & Douglas
1301 K Street, N.W.
Suite 900, East Tower
Washington, DC 20005

Re: WLUC-TV, Channel 6, Marquette, Michigan;
W05AQ, Channel 5, Calumet, Michigan;
W70AZ, Channel 70, L'Anse, Michigan;
W14CE, Channel 14, Escanaba, Michigan;
W07DB, Channel 7, Marquette, Michigan;

WPBN-TV, Channel 7, Traverse City, Michigan;
WTOM-TV, Channel 4, Cheboygan, Michigan
(Satellite of WPBN(TV));
WSTM-TV, Channel 3, Syracuse, New York;
KTVO, Channel 3, Kirksville, Missouri;
WDAM-TV, Channel 7, Laurel, Mississippi;
KNDO(TV), Channel 23, Yakima, Washington;
KNDU(TV), Channel 25, Richland, Washington
(Satellite of KNDO(TV))

File Nos. BTCCT-960718IB
BTCTTV-960718IH,IK
BTCTT-960718IJ,II

BTCCT-960718IC-IG
BTCCT-960718IL-IM

Gentlemen:

This is in reference to the unopposed application of Federal Enterprises, Inc. (FEI) to transfer control of the licensees of the above-captioned television stations, and their associated translator stations, to Raycom Media, Inc. (Raycom).[1] Pursuant to their Agreement and Plan of Merger, Raycom Media Subsidiary II, Inc. (Raycom II), which is a wholly-owned subsidiary of Raycom, will be merged into FEI. Upon completion of the transaction, FEI will survive and become a wholly-owned subsidiary of Raycom.[2]

Station WTOM(TV), Cheboygen, Michigan, is authorized to operate as a satellite of station WPBN(TV), Traverse City, Michigan; and station KNDU(TV), Richland, Washington is authorized to operate as a satellite of station KNDO(TV), Yakima, Washington. Raycom proposes to continue satellite operation of the stations and requests grant of the applications pursuant to the exception to the duopoly prohibition for satellite operations as set forth in Note 5 of Section 73.3555 of the Commission's Rules.

In *Television Satellite Stations Review of Policy and Rules*, 6 FCC Rcd 4212, 4215 (1991), *on reconsideration Second Further Notice of Proposed Rule Making* in MM Docket No. 87-8, 6 FCC Rcd 5010 (1991), *on further reconsideration Review of the Commission's Regulations Governing Television Broadcasting*, 10 FCC Rcd 3524 (1995), the Commission established the requirement that all applicants seeking to transfer or assign satellite stations justify continued satellite status by demonstrating compliance with the three-part "presumptive" satellite exemption standard applicable to new satellite stations. Alternately, applicants may demonstrate that there exist "other compelling circumstances" to warrant continued satellite authorization. The presumptive satellite exemption is met if three public interest criteria are satisfied. They are: (1) there is no City Grade contour overlap between the parent and satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the proposed satellite as a full-service station. *See Television Satellite Stations*, 6 FCC Rcd at 4213-14.

KNDO(TV)/KNDU(TV)

Less than one year ago, as part of its approval of the transfer of control of Columbia Broadcasting Corp., licensee of stations KNDO(TV) and KNDU(TV), to FEI, the Commission considered and approved the continued satellite operation of KNDU(TV). *See* Letter from Barbara A. Kreisman, Chief, Video Services Division, to Farragut Communications, Inc. and Federal Enterprises, Inc. (December 12, 1995). We found that KNDU(TV) qualified for a presumptive satellite exemption because it satisfied the three-part criteria: (1) the City Grade

[1] The licensees are as follows: WLUC License Subsidiary, Inc.; WPBN/WTOM License Subsidiary, Inc.; WSTM License Subsidiary, Inc.; KTVO License Subsidiary, Inc.; WDAM License Subsidiary, Inc.; KNDO/KNDU License Subsidiary, Inc.

[2] Raycom is currently the licensee of station WJTV(TV), Jackson, Mississippi, and its satellite station, WHLT(TV), Hattiesburg, Mississippi. The Grade B contours of WJTV(TV) and WHLT(TV) overlap the Grade B contour of WDAM-TV, one of the stations involved in the instant transaction. On August 23, 1996, Raycom filed an application to transfer control of WDAM-TV to Media Broadcasting Group, Inc. (See FCC File No. BTCCT-960823IV). Raycom states that, immediately upon consummation of the instant transaction, it will effect a transfer of control of WDAM-TV to Media Broadcasting Group, Inc.

contours of KNDU(TV) and KNDO(TV) did not overlap; and (2) since KNDU(TV) was the only television station licensed to Richland, Richland qualified as an underserved area. *See Television Satellite Stations*, 6 FCC Rcd at 4215.

In support of the third part of the presumptive satellite exemption, FEI submitted a letter from Brian Cobb, a partner in Media Venture Partners, a recognized media brokerage and appraisal firm. In that letter, Mr. Cobb stated that, because a single station is unable to achieve adequate coverage of the entire Yakima-Richland-Pasco Designated Market Area (DMA), all of the other stations in the market are operated as satellites of the Yakima stations. He further claimed that, if KNDU(TV) were converted to a full service station, it would be at a competitive disadvantage to the other stations that have satellites and probably financially unsuccessful. In addition, he stated, even if KNDU(TV) was able to serve a greater portion of the market, it would have no prospect of garnering a network affiliation agreement with any meaningful compensation. Finally, Mr. Cobb asserted that none of the stations' prospective buyers expressed any interest in purchasing either of the stations separately, reaffirming his opinion that the stations needed to be operated in synergy to fully serve the area.

In the instant application, Raycom submits that there have been no material changes in the facts since the Commission's decision. Raycom has submitted a letter from Mr. Cobb, which confirms his earlier conclusions concerning the unavailability of alternative operators for KNDU(TV). Mr. Cobb reasserts his familiarity with the Yakima-Richland-Pasco and surrounding markets, and states that, to his knowledge, there have been no significant changes in the market that would justify operating KNDU(TV) as a stand alone station. Mr. Cobb concludes that KNDU(TV) must continue to operate as a satellite of KNDO(TV) in order to survive and provide service to its community. Based upon our review of the information submitted, we find that KNDU(TV) continues to satisfy the presumptive satellite exemption standard.

WPBN-TV/WTOM-TV

Raycom asserts that WTOM-TV also qualifies for a presumptive satellite exception because it meets the criteria of the Commission's policy. First, a review of the authorized facilities of the stations demonstrates that the City Grade contours of WPBN-TV and WTOM-TV do not overlap. Second, WTOM-TV is the only television station licensed to Cheboygen, Michigan. Accordingly, under the Commission's "transmission test," Cheboygen qualifies as an underserved area. *Television Satellite Stations*, 6 FCC Rcd at 4215.

Raycom submits the statement of Mr. Cobb to demonstrate that WTOM-TV satisfies the third criteria of the Commission's test. Mr. Cobb states that, since he is serving as the broker for the sale of WTOM-TV and WPBN-TV, he is familiar with the stations and with the competitive environment in the Traverse City-Cadillac DMA. He asserts that the DMA contains two major cities, Traverse City and Cadillac, and a plethora of small cities which extend up to the Canadian border. Mr. Cobb states that there are four competitors in the market, all of whom possess additional facilities to cover the expansive market. Mr. Cobb contends that, without satellite status, much of the area would go unserved. He further asserts that, without WTOM-TV, WPBN-TV would be at a competitive disadvantage to the other stations in the DMA who have satellites. Finally, Mr. Cobb avers that WTOM-TV could not financially survive without support of its parent station in Traverse City, and it would not, therefore, be attractive to a responsible owner as a stand alone station. He states that his firm would decline to market WTOM-TV to its clients knowing that its financial success would be in question. Based on the information submitted, we find that WTOM-TV also satisfies the three-part presumptive satellite exemption standard.

CONCLUSION

Based upon our review of the facts presented, we conclude that allowing continued operation of KNDU(TV) as a satellite of KNDO(TV), and WTOM-TV as a satellite of WPBN-TV, would serve the public interest. Accordingly, continued television satellite authorization for stations KNDU(TV) and WTOM-TV pursuant to Note 5 of Section 73.3555, IS GRANTED. Furthermore, having determined that the applicants are qualified in all respects, and that grant of the application would serve the public interest, convenience and necessity, the application to transfer control of the licensees of the above-captioned television stations to Raycom, IS GRANTED, subject to the following condition: immediately upon the consummation of the instant transaction, Raycom shall effect a transfer of control (BTCCT-960823IV) of WDAM-TV to Media Broadcasting Group, Inc.

Sincerely,

Barbara A. Kreisman
Chief, Video Services Division
Mass Media Bureau

Before the
Federal Communications Commission
Washington, D.C. 20554

In re Applications of	)	
JOHN E. HAYES and WILLIAM C. ZORTMAN (Transferors)	)	
and	)	
JOHN E. HAYES, WILLIAM C. ZORTMAN and Qualifying Employees Under the 1997 Raycom Media Restricted Stock Plan (Transferees)	)	
For Consent to the Transfer of Control of Raycom Media, Inc., Controlling Corporation of the Licensees of:	)	
KFVS-TV, Cape Girardeau, MO	)	BTCCT-971223PA
KWWL(TV), Waterloo, IA	)	BTCCT-971223PB
WAFB(TV), Baton Rouge, LA	)	BTCCT-971223PC
WAFF(TV), Huntsville, AL	)	BTCCT-971223PD
WTOC-TV, Savannah, GA	)	BTCCT-971223PE
WTVM(TV), Columbus, GA	)	BTCCT-971223PF
KOLD-TV, Tucson, AZ	)	BTCCT-971223PG
KSLA-TV, Shreveport, LA	)	BTCCT-971223PH
WMC-TV, Memphis, TN	)	BTCCT-971223PK
WUPW(TV), Toledo, OH	)	BTCCT-971223PL
WACH(TV), Columbia, SC	)	BTCCT-971223PM
KSFY-TV, Sioux Falls, SD	)	BTCCT-971223PN
KABY-TV, Aberdeen, SD	)	BTCCT-971223PP
KPRY-TV, Pierre, SD	)	BTCCT-971223PQ
WTNZ(TV), Knoxville, TN	)	BTCCT-971223PR
WTVR-TV, Richmond, VA	)	BTCCT-971223PS
WECT(TV), Wilmington, NC	)	BTCCT-971223PT
KNDO(TV), Yakima, WA	)	BTCCT-971223PU
KNDU(TV), Richland, WA	)	BTCCT-971223PV
KTVO(TV), Kirksville, MO	)	BTCCT-971223PW
WDAM-TV, Laurel, MS	)	BTCCT-971223PX
WLUC-TV, Marquette, MI	)	BTCCT-971223PY
WPBN-TV, Traverse City, MI	)	BTCCT-971223PZ

WTOM-TV, Cheboygan, MI	)	BTCCT-971223QA
WSTM-TV, Syracuse, NY	)	BTCCT-971223QB
WMC(AM), Memphis, TN	)	BTC-971223PI
WMC-FM, Memphis, TN	)	BTCH-971223PJ

MEMORANDUM OPINION AND ORDER

Adopted: May 6, 1998 **Released: May 7, 1998**

By the Chief, Mass Media Bureau:

1. The Commission, by the Chief, Mass Media Bureau, acting pursuant to delegated authority, has before it the above-captioned, unopposed applications seeking consent to the transfer of control of Raycom Media, Inc. (Raycom), which controls the corporate licensees of the above-referenced stations, from John E. Hayes and William C. Zortman (Transferors), each of whom presently has a 50 percent voting interest in Raycom, to John E. Hayes, William C. Zortman and qualifying employees under the 1997 Raycom Media Restricted Stock Plan (Stock Plan). This proposed transfer of control transaction is atypical in that it involves the Transferors' relinquishment of negative control of Raycom, which will occur when additional common voting stock is issued to a number of Raycom's existing, qualifying employees (Raycom Employees), none of whom currently holds any stock in the company. In accordance with the Stock Plan, the number of issued and outstanding shares of common voting stock in Raycom will increase and, though Hayes and Zortman will receive additional shares of stock, their voting interests will decline to 17.5 percent and 13 percent, respectively. Notwithstanding this decrease in their ownership interest, the Transferors will remain the largest voting, and only attributable, shareholders of Raycom. None of the Raycom Employees will hold a five percent or greater voting interest in the company, although they collectively will hold approximately 69.5 percent of Raycom's common voting stock. The parties maintain that, despite the Transferors' relinquishment of negative control of Raycom, the issuance of stock under the Stock Plan will not alter the management, operations or policies of any of the Raycom stations.[1]

2. Raycom controls the corporate licensees of 21 full-service television stations, four "satellite" television stations, one FM radio station and one AM radio station. Over the past two years, Raycom acquired 12 of these 27 broadcast stations pursuant to the grant of certain waivers and requests relating to the Commission's multiple ownership rules. Specifically, Raycom has previously been granted a conditional waiver of Section 73.3555(b), the Commission's duopoly rule, 47 C.F.R. § 73.3555(b), to allow the common ownership of KTVO(TV), Kirksville, Missouri (ABC, Channel 3), and KWWL(TV), Waterloo, Iowa (NBC, Channel 7), whose Grade

[1] We note here that, according to the parties, Mr. Zortman has resigned as a director and officer of Raycom.

B contours overlap.[2] Raycom has also received a permanent waiver of 47 C.F.R. § 73.3555(c), the Commission's one-to-a-market rule, which generally proscribes the common ownership of television and radio stations in the same market,[3] to permit its common ownership and operation of WMC-AM, WMC-FM and WMC-TV (NBC, Channel 5), Memphis, Tennessee.[4] Further, pursuant to Note 5 to Section 73.3555 of the Commission's rules, which exempts from application of the multiple ownership rules those television stations that are "satellite" operations, Raycom has received satellite exemption status for the following stations: (1) KABY-TV, Aberdeen, South Dakota, and KPRY-TV, Pierre, South Dakota, which operate as satellites of KSFY-TV (ABC, Channel 13), Sioux Falls, South Dakota;[5] (2) WTOM-TV, Cheboygan, Michigan, which operates as a satellite of WPBN-TV (NBC, Channel 7), Traverse City, Michigan; and (3) KNDU(TV), Richland, Washington, which operates as a satellite of KNDO(TV) (NBC, Channel 23), Yakima, Washington.[6] Now, to effect the proposed transfer of control, Raycom requests reaffirmation of its earlier-approved multiple ownership waivers, specifically a duopoly waiver for KTVO(TV) and KWWL(TV) conditioned on the outcome of the *Television Ownership Second Further Notice* and a permanent one-to-a-market waiver for WMC-AM, WMC-FM and WMC-TV. It also requests continued satellite exemption status for KABY-TV, KPRY-TV, WTOM-TV and KNDU(TV), so that it may maintain its common ownership of those stations.

3. ***Duopoly Waiver Request.*** Preliminarily, Raycom asserts that KTVO(TV) and KWWL(TV) continue to meet the Commission's interim policy on duopoly waivers, which formed the basis for the conditional grant of Raycom's initial duopoly waiver request for these stations in 1997, *supra* n.2. In this regard, Raycom points to its Technical Exhibit,[7] which

[2] *AFLAC Broadcasting Group, Inc.*, 12 FCC Rcd 3907 (1997). In *AFLAC*, the Commission granted Raycom a waiver of the duopoly rule conditioned upon the outcome of the Commission's pending broadcast television ownership rulemaking concerning the duopoly and other multiple ownership rules, *see Review of the Commission's Regulations Governing Television Broadcasting, Second Further Notice of Proposed Rule Making*, 11 FCC Rcd 21655 (1996) (*Television Ownership Second Further Notice*).

[3] Section 73.3555(c) of the Commission's rules prohibits the common ownership of radio and television stations in the same market if the 2 mV/m contour of an AM station or the 1 mV/m contour of an FM station encompasses the entire community of license of a television station or, conversely, if the Grade A contour of a television station encompasses the entire community of license of an AM or FM station. *See* 47 C.F.R. § 73.3555(c).

[4] The Commission granted a permanent one-to-a-market waiver in connection with Raycom's application to acquire control of Ellis Communications, Inc. (Elcom), which in turn controlled the corporate licensees of WMC-AM, WMC-FM and WMC-TV. *Kelso Partners IV, L.P.*, 11 FCC Rcd 8764 (1996) (*Raycom I*).

[5] *Id.*

[6] Letter from Chief, Video Services Division, to Federal Enterprises, Inc. and Raycom Media, Inc. (Sept. 24, 1996).

[7] Raycom has filed in this case the same Technical Exhibit which was filed as part of the record in the Commission's March 1997 decision, *supra* n.2.

demonstrates that the stations' Grade A contours do not overlap, while the overlap of their predicted Grade B contours encompasses 636 square kilometers and 4,598 people. This overlap represents 1.8 percent of the area and 1.3 of the population within KTVO(TV)'s predicted Grade B contour, and 1.4 percent of the area and .05 percent of the population within KWWL(TV)'s predicted Grade B contour. According to Raycom, though not *de minimis*, the Grade B overlap falls well within the range of those approved by the Commission in granting previous waivers. Raycom further maintains that KTVO(TV) and KWWL(TV), whose respective communities of license are in different states and approximately 133 miles apart, serve separate and distinct markets. Whereas KTVO(TV) is located in the Ottumwa-Kirksville, Missouri Designated Market Area (DMA), the 200th largest DMA, KWWL(TV) is located in the Cedar Rapids-Waterloo-Dubuque, Iowa DMA, the 87th largest DMA.

4. Raycom contends that, in addition to meeting the Commission's interim duopoly policy, its continued common ownership of KTVO(TV) and KWWL(TV), which are separate network affiliates, will not adversely affect competition and diversity in the overlap area. As to diversity, nine other television stations continue to provide service to all or part of the overlap area, with the entire overlap area receiving service from a minimum of three and a maximum of seven other television stations. Furthermore, Raycom states, it will maintain separate management, programming and sales operations, including a general manager and local staff, for each station so that they will continue to operate independently of one another.

5. *Discussion.* In adopting the duopoly rule's fixed standard of a prohibited overlap of Grade B service contours, the Commission also acknowledged the need for "flexibility" in that rule's application, noting that waivers should be granted where rigid conformance to the rule would be "inappropriate." *Multiple Ownership of Standard, FM and Television Broadcast Stations*, 45 FCC 2d 1476, 1479 n.12, *recon. granted in part*, 3 RR 2d 1554 (1964). To that end, the Commission has developed a set of factors to be considered when evaluating an applicant's request for waiver of the duopoly rule, including the extent of the overlap, the number of media voices available in the overlap area, the distinctiveness of the respective markets, the independence of the stations' operations, and the concentration of economic power resulting from the combination. *See Iowa State University Broadcasting Corporation*, 9 FCC Rcd 481, 487-88 (1993), *aff'd sub nom. Iowans for WOI-TV, Inc. v. FCC*, 50 F.3d 1096 (D.C. Cir. 1995); *H&C Communications, Inc.*, 9 FCC Rcd 144, 146 (1993). After weighing the factors, the Commission considers any public interest benefits proposed by the applicant to determine whether, in light of the overlap, the benefits outweigh any detriment which may occur from grant of the waiver. *See, e.g., Iowa State University*, 9 FCC Rcd at 487-88. As with any waiver, it will only be granted if the Commission concludes that the waiver is in the public interest.

6. Currently, the Commission is reexamining its broadcast television ownership policies, including the duopoly rule. In January 1995, the Commission proposed a new analytical framework within which to evaluate its broadcast television ownership rules. *See Review of the Commission's Regulations Governing Television Broadcasting, Further Notice of Proposed Rule Making*, 10 FCC Rcd 3524 (1995) (*Television Ownership Further Notice*). Subsequent to the release of that *Television Ownership Further Notice*, Congress directed the Commission to

conduct a rulemaking proceeding to determine whether to retain, modify or eliminate existing limitations on the number of television stations that an entity may control within the same television market. *See* Section 202(c) of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (Feb. 8, 1996) (Telecomm Act). In response to this Congressional directive in the Telecomm Act and to update the record, the Commission released the *Television Ownership Second Further Notice*. In that *Second Further Notice*, the Commission tentatively concluded to authorize common ownership of television stations that are in separate DMAs and whose Grade A contours do not overlap. *Television Ownership Second Further Notice*, 11 FCC Rcd at 21681.

7. The Commission stated in the *Television Ownership Second Further Notice* that it will be inclined, during the pendency of the television ownership proceeding, to grant duopoly waivers involving stations in different DMAs with no overlapping Grade A contours, conditioned on coming into compliance with the outcome of the proceeding within six months of its conclusion. It also noted there its tentative conclusion that the record in that proceeding "supports relaxation of the geographic scope of the duopoly rule from its current Grade B overlap standard to a standard based on DMAs supplemented with a Grade A overlap criterion." *Id.* The Commission further stated that "we do not believe granting waivers satisfying the proposed standard, and conditioning them on the outcome of this proceeding, will adversely affect our competition and diversity goals in the interim." *Id.* Additionally, the Commission gave the staff delegated authority to act on applications seeking waivers consistent with this interim policy.

8. Based on the Commission's interim ownership policy outlined in the *Television Ownership Second Further Notice*, we believe that grant of a conditional waiver of the duopoly rule, subject to the outcome of the pending ownership proceeding, is justified. Because the two stations are in separate DMAs and the stations' Grade A contours do not overlap, the temporary common ownership of KWWL(TV) and KTVO(TV) would be consistent with the interim policy set forth in the *Television Ownership Second Further Notice*. Moreover, our examination of the record presented here reveals nothing suggesting that we should not follow the established interim policy in this case. Accordingly, we conclude that grant of a temporary waiver, conditioned upon the resolution of the pending broadcast television ownership rulemaking, will serve the public interest, convenience and necessity. Any request to extend the conditional waiver should be filed at least 45 days prior to the end of the six-month period and will be closely scrutinized.

9. *One-to-a-Market Waiver Request.* As noted *supra* ¶ 2, the Commission also previously granted a permanent waiver of the one-to-a-market rule to allow Raycom's acquisition of WMC-AM, WMC-FM and WMC-TV (collectively, the WMC stations) from their former owner, Elcom. Raycom bases its waiver request on the one-to-a-market standards set forth in the *Second Report and Order* in MM Docket 87-7, 4 FCC Rcd 1741 (1988) (*Second Report and Order*), *recon. denied in part and granted in part*, 4 FCC Rcd 6489 (1989) (*Second Report and Order Recon.*). In accordance with these standards, the Commission presumptively favors requests involving: (1) stations serving the top 25 markets where at least 30 separately owned,

operated and controlled stations will remain following the proposed combination;[9] or (2) "failed" stations, *i.e.*, stations which have not been operational for a substantial period of time or are involved in bankruptcy proceedings. Otherwise, waiver requests must be evaluated under the more rigorous case-by-case standard. 47 C.F.R. § 73.3555(c), n.7. Because the WMC stations are located in the Memphis, Tennessee DMA, ranked the 42nd television market in the country, Raycom submits its waiver request here, as it did in 1996, *see supra* n.4, pursuant to the case-by-case standard. To this end, Raycom has filed a showing which updates the information filed with respect to its one-to-a-market request in *Raycom I*, and concludes that the circumstances warranting the Commission's grant of that one-to-a-market waiver support its continued common-ownership of the WMC stations.

10. Under the case-by-case standard, the Commission makes a public interest determination by weighing five factors: (1) the potential public benefits of joint operation of the facilities, such as economies of scale, cost savings, and programming and service benefits; (2) the types of facilities involved; (3) the number of media outlets owned by the applicant in the relevant market; (4) the financial difficulties of the stations involved; and (5) the nature of the relevant market in light of the level of competition and diversity after the joint operation is implemented. *See Second Report and Order*, 4 FCC Rcd at 1753.

11. *Benefits of Joint Operation.* In *Raycom I*, Raycom demonstrated that its joint operation of the WMC stations would produce economic efficiencies totalling approximately $420,000. Raycom based this dollar amount on annual combined studio operation, engineering, business and management savings of $220,000, and avoidance of a one-time cost of $200,000 to relocate and separate the radio and television transmitter sites and studio operations. In addition, Raycom asserted that, without the stability and operating efficiencies that joint ownership provides, the WMC stations "could not continue to produce the abundance of locally-originated programming that they currently broadcast."[10]

12. Here, Raycom contends that, due to joint ownership of the WMC stations, it continues to experience substantial economic efficiencies and cost savings totalling approximately $400,000 per year. This figure includes a savings of $180,000 attributable to the stations' joint news-gathering function. Separating the WMC stations for independent operation, Raycom claims, would involve an additional, one-time cost of approximately $2 million to cover the construction of a new tower and the installation of a new transmitter and antenna. Raycom asserts that, but for these cost savings, it would be unable to produce the breadth of public service

[9] The Commission has been directed to "extend its [one-to-a-market] waiver policy to any of the top 50 markets, consistent with the public interest, convenience, and necessity." *See Telecommunications Act of 1996*, Pub. L. No. 104-104, § 202(d), 110 Stat. 56 (1996). A proposal to implement this extension of our waiver policy is pending. *See Television Ownership Second Further Notice*, 11 FCC Rcd at 21685.

[10] Elcom, Raycom's predecessor-in-interest to the WMC stations, acquired that AM/FM/TV combination from Scripps-Howard Broadcasting Company pursuant to the Commission's grant of a permanent one-to-a-market waiver. *See Scripps-Howard Broadcasting Co.*, 8 FCC Rcd 8012 (1993).

programming it currently offers, such as: (1) *Mike in the Morning*, a listener participation program dealing with local and national issues, including live news, weather and traffic information; (2) *One Hour News Block*, a news program including a simulcast of WMC-TV's news along with additional news, traffic weather and farm information; and (3) WMC-AM's Monday through Friday simulcasts of WMC-TV's news programs. As for other public service benefits derived from joint operation, Raycom refers to the WMC stations' support of the Bridge Builders Speaker Series to promote racial harmony, the Race for the Cure to benefit cancer research and Starry Nights to benefit Metropolitan Interfaith Association. Raycom adds that the WMC stations have a stronger equal employment opportunity "effort" than they might otherwise have as independent stations due to common management and sharing of recruitment sources, job openings and applicant referrals.

13. *Other Media Outlets/Types of Facilities* Having no other media interests in the Memphis market, Raycom refers to our conclusion in *Raycom I* that continuation of the WMC station combination would not present issues of market dominance inconsistent with the public interest given the substantial level of competition in the Memphis market. That conclusion, Raycom argues, remains true today. In support, Raycom maintains that the technical facilities of the WMC stations remain virtually unchanged since our decision in *Raycom I*. WMC-TV is a VHF station operating with 100 kW effective radiated visual power (ERP) from an antenna height at 308 meters above average terrain (HAAT), WMC-AM is a full-time Class B AM station operating on 790 kHz at 5 kW day and night and WMC-FM is a Class C FM station operating on 99.7 MHz at 300 kW ERP from an antenna at 277 meters HAAT. Raycom contends, moreover, that the "technical landscape of the Memphis market has remained relatively constant since *Raycom I*, and that "the facts continue to demonstrate that joint ownership of the WMC [s]tations does not dominate the market." According to Raycom, WMC-TV competes with eight other television stations in the Memphis market, all of which operate at comparable or higher power levels. WMC-FM, though operating at a higher power level, competes with 17 other FM stations within the Memphis television metro market, and WMC-AM competes with 16 other AM radio stations in the Memphis market, 10 of which operate at comparable or superior power levels.

14. *Financial Difficulties.* Noting that none of the WMC stations is experiencing financial difficulties, Raycom asserts that not all of the case-by-case factors are relevant in every case. In addition, Raycom states that we previously granted a one-to-a-market waiver in *Raycom I*, despite "the healthy financial status of the WMC [s]tations."

15. *Competition and Diversity in the Market.* The final factor Raycom addresses concerns the nature of the relevant market *vis-a-vis* the Commission's concerns about diversity and competition. In doing so, Raycom refers to our findings in *Omni Broadcasting Company*, 12 FCC Rcd 9717 (1997), where we recently considered the assignment of an FM radio station in Memphis to Flinn Broadcasting Corporation (Flinn), the licensee of a television station and three other radio stations in the Memphis market. There, Raycom argues, we determined that competition and diversity is high in the Memphis market, finding that Flinn's proposed combination would compete in a market which includes a total of 44 broadcast stations licensed

to over 20 separate owners. Raycom claims that, since it already commonly owns the WMC stations, grant of the requested waiver will not adversely affect this level of diversity and competition. In fact, Raycom argues, the Memphis market will continue to be served by 25 separate "voices," a number which will not be reduced upon grant of the requested waiver. More specifically, Raycom's showing indicates that, including its stations, a total of nine television stations are licensed to the Memphis DMA, and a total of 35 radio stations are licensed to communities in the television metro market. These 44 broadcast stations, Raycom demonstrates, are owned and operated by 25 separate voices. Raycom also points to the wide variety of alternative media in the Memphis DMA, which includes nine daily newspapers, 27 weekly publications, 32 cable operators with a cable penetration of 62 percent, seven low power television stations and a VCR penetration rate of 78 percent. In sum, Raycom asserts that the significant level of diversity enjoyed by the Memphis DMA is consistent with that considered in waiver requests previously granted by the Commission, and will not be diminished by the proposed transaction.

16. *Discussion.* In analyzing a case-by-case request for waiver of the one-to-a-market rule, the Commission's "goal in all situations is to permit the public to benefit from such efficiencies of operation as may be achieved through the use of common facilities and staff, consistent with the maintenance of diversity and vigorous competition within the market areas involved." *Second Report and Order Recon.*, 4 FCC Rcd at 6491. We conclude that, on balance, Raycom's showing in support of its request for waiver of the one-to-a-market rule meets our case-by-case criteria, and that a waiver in this instance would not adversely affect competition and diversity in the Memphis market.

17. As discussed above, Raycom has shown that continued joint ownership of the WMC stations will produce economic benefits and cost savings of at least $180,000 per year, and the avoidance of a one-time expenditure of approximately $2 million. In *Raycom I*, we granted a permanent one-to-a-market waiver based on, among other things, Raycom's demonstration that cost savings, economies of scale and public interest benefits would continue as a result of its common ownership of the WMC stations. We see no reason to discontinue such benefits and cost savings now, simply because of the unique facts of this case, which involve the relinquishment of negative control of Raycom by the Transferors who will nonetheless remain the company's only cognizable shareholders. Rather, we are satisfied that Raycom's continued joint operation will ensure the continuation of the public service programming currently offered on the WMC stations, as well as the other public service benefits realized through the stations' joint sponsorship and promotion of major community events and charitable causes.

18. With respect to the types of facilities involved, the Commission endeavors to predict and avoid any significant adverse effect on diversity or competition from too powerful a combination. *Great American Television and Radio Co.*, 4 FCC Rcd 6347, 6349 (1989). While the technical facilities of the WMC stations are significant, we find that, given the substantial competition in the Memphis market, continuation of the AM/FM/TV combination does not present issues of market dominance inconsistent with the public interest. We have noted elsewhere, moreover, that "as the level of diversity and competition in a market increases, our

concerns grounded in technical strength of the combining facilities decrease." *Louis DeArias*, 11 FCC Rcd 3662, 3666 (1996). In this vein, the Memphis DMA has a significant level of diversity due to the presence of numerous competing television and radio stations in the market and a wide variety of alternative media.

19. Although none of the WMC stations are experiencing financial difficulties, we note that not all of the case-by-case factors are relevant in every case. *See Second Report and Order Recon.*, 4 FCC Rcd at 6491. In fact, the Commission has previously granted one-to-a-market waivers where there was no finding that any of the stations were in financial distress. *See, e.g.*, *Omni Broadcasting*, 12 FCC Rcd at 9721; *Stockholders of Infinity Broadcasting*, 12 FCC Rcd 5012, 5052 (1996).

20. Finally, we find that the continued joint ownership of the WMC stations will not diminish diversity in Memphis, the 42nd television market. Raycom has no other media interests in the Memphis market, and our review of Raycom's showing confirms that, upon grant of these applications, Memphis will continue to be served by 17 AM stations, 18 FM stations and nine television stations. Of these 44 broadcast stations, we find that Memphis is served by 25 separately-owned and operated broadcast "voices." Because grant of these applications will continue an existing combination, there will be no decrease in this level of diversity and competition. Furthermore, a wide variety of other media serves the Memphis DMA, including nine daily newspapers, 27 weekly publications and 32 cable operators with a 62 percent cable penetration and seven LPTV stations. For the foregoing reasons, we are persuaded that the public interest benefit of continued common ownership of WMC-AM, WMC-FM and WMC-TV in Memphis warrants a waiver of the one-to-a-market rule.

21. *Continued Satellite Requests.* Note 5 to Section 73.3555 of the Commission's rules exempts from application of the multiple ownership rules those television stations that are "satellite" operations. In *Television Satellite Stations*, 6 FCC Rcd 4212, 4215 (1991), the Commission established the requirement that all applicants seeking to transfer or assign satellite stations justify continued satellite status by demonstrating compliance with a three-part "presumptive" satellite exemption standard applicable to new satellite stations. Alternatively, applicants may demonstrate that there exist "other compelling circumstances" to warrant continued satellite authorization. The presumptive satellite exemption is met if the following three public interest criteria are satisfied: (1) there is no City Grade overlap between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station. *Id.* at 4212. In furtherance of its proposed transfer of control, Raycom requests continued satellite status for four of its stations. They are: (1) KABY-TV, Aberdeen, South Dakota, and KPRY-TV, Pierre, South Dakota, which operate as satellites of KSFY-TV, Sioux Falls, South Dakota; (2) KNDU(TV), Richland, Washington as a satellite of KNDO(TV), Yakima, Washington; and (3) WTOM-TV, Cheboygan, Michigan, as a satellite of WPBN-TV, Traverse City, Michigan. These four satellite stations, Raycom asserts, presumptively qualify under the Commission's three-part standard.

22. Regarding the first criterion, Raycom demonstrates that no City Grade contour overlap exists between the authorized facilities of the satellite stations and the authorized facilities of their respective parent stations. As to the second criterion, an applicant can use one of two different tests to demonstrate that an area is underserved. Under the "transmission test," a proposed satellite community of license is considered underserved if there are two or fewer full-service stations already licensed to it. *Id.* at 4215. Review of Raycom's submission shows that only one other station is licensed to the respective communities of license of KABY-TV, KPRY-TV and KNDU(TV). More specifically, KABY-TV shares its community of license, Aberdeen, with KTSD-TV, Channel 10, KPRY-TV shares its community of license, Pierre, with KDSD-TV, Channel 16, and KNDU(TV) shares its community of license, Richland, with KTNW, Channel 13. Similarly, WTOM-TV is the only station licensed to Cheboygan, Michigan. Therefore, each of these areas is underserved, and Raycom's four satellite stations satisfy the second presumptive criterion.

23. With respect to the third criterion, an applicant must show that no alternative operator is ready and able to construct, or to purchase and operate, the proposed satellite as a full-service station. Raycom has not attempted to sell any of the stations separately, believing such efforts would have been futile. In support of its belief, Raycom submits a statement from Brian E. Cobb, an experienced broadcast broker. Mr. Cobb had submitted letters relating to Raycom's previous satellite requests for KABY-TV, KPRY-TV, WTOM-TV and KNDU(TV), *see supra* nn.5 & 6, concluding that they would not be viable as stand-alone stations. Upon review of his previous analyses and the relevant market information, Mr. Cobb again concludes that Raycom's four satellite stations would not be viable as stand-alone stations. He explains that, in his judgment, "it is unreasonable to expect that a qualified buyer could be found to operate any of the stations as a full service station, especially in the current environment where buyers are aware of the impending need to expend large sums of money to convert stations from NTSC to DTV service."

24. *KABY-TV (Aberdeen, South Dakota) and KPRY-TV (Pierre, South Dakota).* According to Mr. Cobb's statement, KABY-TV and KPRY-TV provide free over-the-air network television service to small, outlying communities which otherwise would be deprived of such service. He reasons, first, that these stations serve small communities which lack an economic base to support a full-service station. Further, Mr. Cobb doubts that KABY-TV and KPRY-TV could retain network affiliation because they are located in the same Sioux Falls-Mitchell, South Dakota DMA as their parent station, KSFY-TV. It is Mr. Cobb's view, moreover, that the networks are not inclined to affiliate with markets as small as Aberdeen and Pierre, and he notes that KSFY-TV's CBS and Fox competitors also operate satellites to reach underserved areas. Believing no viable buyer exists who would operate either KABY-TV or KPRY-TV as a full-service station, Mr. Cobb states that he would decline an opportunity to list the stations if he was solicited to do so.

25. *KNDU(TV) (Richland, Washington).* Mr. Cobb likewise affirms his previous conclusion that KNDU(TV) would not be viable as a stand-alone station and claims no knowledge of any changes in the Pasco-Richland-Yakima, Washington DMA which would alter that

conclusion. If converted to a full-service station, he maintains, KNDU(TV) has a high probability of being financially unsuccessful, and would operate at a "severe competitive disadvantage" to the other stations in the DMA, each of which operates a satellite station. In addition, he remarks, KNDU(TV) has little chance for survival as a stand-alone facility because it lacks any prospects of meaningful network affiliation, and because neither KNDU(TV) nor its parent station has a sufficient signal to cover the entire DMA, a necessity for viability. Mr. Cobb concludes that, in order for KNDU(TV) to survive and provide service to its community of license, it must continue to operate as a satellite of a viable parent facility.

26. *WTOM-TV (Cheboygan, Michigan)*. As in the case of KNDU(TV), Mr. Cobb reaches the same conclusion, here, as he did in his 1996 analysis, that WTOM-TV would not be viable as a stand-alone station. Nor does he have knowledge of any material changes in the Traverse City-Cadillac, Michigan DMA which would justify operating WTOM-TV as a stand-alone station. Mr. Cobb asserts that WTOM-TV has four competitors in the Traverse City-Cadillac DMA, all of whom operate satellite facilities to cover this expansive market. Without satellite service, he asserts, much of the area in that DMA would go unserved. Mr. Cobb also points out that WTOM-TV is the only television station licensed to Cheboygan, and contends that the station could not financially survive without the support of WPBN-TV, its parent station in Traverse City. Furthermore, he does not believe that WTOM-TV, as a stand-alone, would be attractive to a responsible owner. For these reasons, Mr. Cobb states that he would decline marketing WTOM-TV as a full-service station "knowing that its financial success would be so in question."

27. Based on all of the information provided, we believe that Raycom has not only satisfied the first two criteria of the Commission's presumptive satellite exemption standard, but has demonstrated the unlikelihood of finding an alternative buyer ready and able to operate any of its four satellite stations on a stand-alone basis. Therefore, we find that the continued operation of KABY-TV, KPRY-TV, KNDU(TV) and WTOM-TV as satellites of their respective parent stations would be in the public interest. Among the matters being reexamined in the Commission's broadcast television ownership policies in the *Television Ownership Second Further Notice* is the continued exemption of satellite stations from broadcast ownership restrictions. Accordingly, we will condition the grant of these satellite proposals on whatever action is taken in that proceeding.

CONCLUSION

28. Having determined that the applicants are qualified in all respects, we find that grant of the applications to transfer control of Raycom Media, Inc. from John E. Hayes and William C. Zortman to John E. Hayes, William C. Zortman and qualifying employees under the 1997 Raycom Media Restricted Stock Plan will serve the public interest.

29. IT IS FURTHER ORDERED, That the request for a conditional waiver of the television duopoly rule, Section 73.3555(b) of the Commission's rules, to permit the common ownership by Raycom Media, Inc. of television stations KTVO(TV), Kirksville, Missouri, and KWWL(TV), Waterloo, Iowa IS GRANTED, subject to the outcome of the Commission's

pending broadcast ownership rulemaking, MM Docket Nos. 91-221 and 87-8. Should divestiture be required as a result of that proceeding, the licensee is directed to file, within six months from the release of the final order in MM Docket Nos. 91-221 and 87-8, an application for Commission consent to dispose of such station(s) as would be necessary for Raycom Media, Inc. to come into compliance with the rules as provided in the final order.

30. IT IS FURTHER ORDERED, That the request for a permanent waiver of the Commission's one-to-a-market rule, 47 C.F.R. § 73.3555(c), to allow Raycom's common ownership and operation of WMC-AM, WMC-FM and WMC-TV, Memphis, Tennessee, IS GRANTED.

31. IT IS FURTHER ORDERED, That the requests of Raycom Media, Inc. for operation of KABY-TV, Aberdeen, South Dakota, KPRY-TV, Pierre, South Dakota, WTOM-TV, Cheboygan, Michigan and KNDU(TV), Richland, Washington, pursuant to the satellite exemption of Note 5 to 47 C.F.R. § 73.3555, ARE GRANTED, subject to the outcome of the Commission's pending television ownership rulemaking in MM Docket Nos. 91-221 and 87-8.

32. Accordingly, IT IS ORDERED, That the above-captioned applications for transfer of control of Raycom Media, Inc. from John E. Hayes and William C. Zortman to John E. Hayes, William C. Zortman and qualifying employees under the 1997 Raycom Media Restricted Stock Plan, ARE GRANTED.

FEDERAL COMMUNICATIONS COMMISSION

Roy J. Stewart
Chief, Mass Media Bureau

Federal Communications Commission
Washington, D.C. 20554
June 13, 2006

DA 06-1239
Released: June 14, 2006

Barrington Broadcasting LLC
c/o John Griffith Johnson, Jr., Esq.
Paul, Hastings, Janofsky & Walker LLP
875 15th Street, N.W.
Washington, DC 20005

Re: *Application for Assignment of Licenses*
WPBN-TV, Traverse City, Michigan; Fac. ID No. 21253
WTOM-TV, Cheboygan, Michigan; Fac. ID No. 21254
File No. BALCT-20060407ABU-ABV

Request for Continuing Satellite Authorization
WTOM-TV, Cheboygan, Michigan

Dear Counsel:

This is in reference to the above-captioned application for assignment of licenses from WPBN/WTOM License Subsidiary, LLC, a wholly owned subsidiary of Raycom Media, Inc. ("Raycom"), to Barrington Broadcasting LLC ("Barrington").[1] As part of this transaction, Barrington requests continuing satellite authority for WTOM-TV, Cheboygan, Michigan, which operates as a satellite of WPBN-TV, Traverse City, Michigan, pursuant to the satellite exemption to the duopoly rule.[2] Both stations are located within the Traverse City-Cadillac, Michigan DMA.

In *Television Satellite Stations*,[3] the Commission established the requirement that all applicants seeking to transfer or assign satellite stations justify continued satellite status by demonstrating compliance with a three-part "presumptive" satellite exemption standard applicable to new satellite stations. The presumptive satellite exemption is met if the following three public interest criteria are satisfied: (1) there is no City Grade overlap between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station.[4] If an applicant does not

---

[1] The above-captioned applications are part of a larger transaction to assign ten television stations from Raycom to Barrington. The other eight stations to be assigned to Barrington include: WFXL(TV), Albany, GA (File No. BALCT-20060407ACB); WACH(TV), Columbia, SC (File No. BALCT-20060407ACC); WNWO-TV, Toledo, OH (File No. BALCT-20060407ACD); WSTM-TV, Syracuse, NY (File No. BALCT-20060407ACE); KGBT-TV, Harlingen, TX (File No. BALCT-20060407ACG); KTVO(TV), Kirksville, MO (File No. BALCT-20060407ABO); KXRM-TV, Colorado Springs, CO (File No. BALCT-20060407ABR); WLUC-TV, Marquette, MI (File No. BALCT-20060407ABW).

[2] *See* 47 C.F.R. § 73.3555, Note 5.

[3] 6 FCC Rcd 4212, 4215 (1991) (subsequent citations omitted).

[4] *Id.* at 4213-14.

qualify for the presumption, the Commission will evaluate the proposal on an *ad hoc* basis, and grant the application if there are compelling circumstances that warrant approval.[5]

As to the first criterion, Barrington has submitted an engineering study, which demonstrates that there is no City Grade contour overlap between WPBN-TV and WTOM-TV. Thus, the proposed satellite operation meets the first component of the presumption. With respect to the second criterion, applicants can use two different tests to demonstrate that an area is underserved. Under the "transmission test" a proposed satellite community of license is considered underserved if there are two or fewer television stations already licensed to it.[6] Barrington asserts that WTOM-TV is the only full service station licensed to Cheboygan. Accordingly, Cheboygan qualifies as an underserved area, thereby satisfying the second component of the presumption.

Regarding the third criterion, an applicant must show that no alternative operator is ready and able to construct, or to purchase and operate, the proposed satellite as a full-service station.[7] Initially, we note that Barrington does not base its satisfaction of the third criteria on efforts to sell station WTOM-TV. In support of the continuing waiver request, Barrington submits a letter from Mr. Brian E. Cobb, President of CobbCorp, LLC, a media brokerage firm specializing in television station transactions. Mr. Cobb states that he has over 35 years of experience in the broadcast industry as an owner, manager and broker of broadcast properties. In addition, he was a founding partner of Media Venture Partners, a nationally recognized media brokerage firm, and has served as the past president of the National Association of Media Brokers. Mr. Cobb asserts that he has been involved in the brokerage of more television stations than any other broker. Moreover, Mr. Cobb has rendered opinions in two prior transactions before the Commission regarding the viability of WTOM-TV as a stand alone station. Mr. Cobb asserts that since he submitted his last opinion to the Commission in 1997 regarding this matter, he has not discerned any material changes in the market or the station that would warrant changing the satellite status of WTOM-TV.

Specifically, Mr. Cobb states that the Traverse City-Cadillac DMA is a small television market, ranked 113[th] in size but only 124[th] in revenues. He explains that there are only four commercial television stations in the DMA, and all of them operate satellite facilities in order to cover the geographically extended market. He further states that the major population of the DMA is in the major cities in the market, Traverse City and Cadillac, neither of which is covered by the signal of WTOM-TV. According to Mr. Cobb, if the owner of WTOM-TV were to try to operate the station as an independently-programmed "stand alone" station, rather than as a satellite of WPBN-TV, it would not able to affiliate with one of the four major television networks and most likely would not survive. If requested to do so, Mr. Cobb states that his firm would decline to market WTOM-TV as a stand alone station, due to his negative view of the opportunities for success of such an undertaking.

Based on our review of the materials submitted, we find that Barrington has set forth information sufficient to warrant continued satellite operation for WTOM-TV under our *ad hoc* analysis. Station WTOM-TV has been a satellite of station WPDE-TV for many years, and the Commission

---

[5] *Id. at* 4212.

[6] *Id.. at* 4215.

[7] *Id.*.

approved its continued operation as a satellite in 1996[8] and in 1998.[9] In making these determinations, the Commission relied, in part, on statements from Mr. Cobb, demonstrating that it would not be feasible to find a purchaser willing to operate the station on a stand alone basis due to its small viewer and advertising base. Barrington has submitted further evidence demonstrating the unfeasibility of finding a purchaser willing to operate the station on a stand alone basis. We, therefore, find that the continued operation of WTOM-TV as a satellite of WPBN-TV would be in the public interest. In view of the foregoing, and having determined that Barrington is qualified in all respects, we find that a grant of the above-referenced application would serve the public interest, convenience and necessity.

ACCORDINGLY, the request of Barrington Broadcasting LLC for the continued operation of WTOM-TV, Cheboygan, Michigan, pursuant to the satellite exception to the duopoly rule, Section 73.3555, Note 5, of the Commission's rules, **IS GRANTED**. **FURTHERMORE**, the above-referenced applications for consent to assign the licenses for WPBN-TV, Traverse City, Michigan and WTOM-TV, Cheboygan, Michigan to Barrington Broadcasting LLC **ARE GRANTED**.

Sincerely,

James J. Brown
Deputy Chief, Video Division
Media Bureau

[8] *Letter from Chief, Video Division, Media Bureau, to Federal Enterprises, Inc. and Raycom Media, Inc.* (September 24, 1996).

[9] *See John E. Hayes and William C. Zortman*, 13 FCC Rcd 9407 (1998).

Attachment C

Statement of Brian Cobb, President of CobbCorp LLC

CobbCorp

July 6, 2011

Barbara Kreisman, Esq.
Chief, Video Division
Media Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Application for Transfer of Control
WPBN-TV, Traverse City, MI (Parent)
WTOM-TV, Cheboygan, MI (Satellite)

In connection with the above-referenced application, I have been requested by the parties thereto to supply you with information related to the continued operation of WTOM-TV, Cheboygan, Michigan, as a satellite of parent station WPBN-TV, Traverse City, Michigan. This statement addresses the feasibility of operating and marketing WTOM-TV as a stand-alone operation rather than as a satellite. The stations are licensed to Barrington Traverse City License LLC, an indirect licensee subsidiary of Barrington Broadcast Group LLC ("Barrington").

1. By way of background, I have more than 35 years of experience in the broadcast industry as an owner, manager and broker of broadcast stations. I am the founder and President of CobbCorp LLC, a nationally recognized full-service media brokerage and appraisal firm. I am responsible for the brokerage and appraisal of television stations for CobbCorp LLC and, during the past 30 years, I have personally been involved in the brokerage of hundreds of television stations in the United States. I am also a member and past president of the National Association of Media Brokers.

2. I am familiar with the Traverse City-Cadillac, MI Designated Market Area ("Traverse City DMA") in which parent station WPBN-TV and satellite station WTOM-TV are located, the DMA's surrounding television markets, the signals of the television stations available in the market, the level of competition among them, and other related market data. I have offered my professional opinion as to WTOM-TV's feasibility as a stand-alone station to the FCC as part of three previous successful requests for continued satellite treatment of WTOM-TV in 1996, 1997 and 2006. As summarized below, it continues to be my professional judgment that, as the FCC has previously found, WTOM-TV could not feasibly operate as a stand-alone station in the Traverse City DMA.

3. There are four operating full-service commercial television stations assigned to the small Traverse City DMA. Each of these stations is affiliated with one of the Big Four networks, and each is authorized by the FCC to utilize a satellite to cover the geographically remote and sparsely populated communities on or near Michigan's Upper Peninsula. Since I prepared my report referenced in the FCC's 2006 decision, the market rank of the Traverse City DMA has declined six positions, from 113 to 119. Today, there are only 242,700 television households in the DMA. In addition, the economic conditions in the Traverse City DMA have decined in other respects during this period.

7400 Tamiami Trail N, Suite 102 • Naples, FL 34108
(212) 812-5020 • Fax (239) 596-0660

CobbCorp

4. WTOM-TV (Cheboygan) has long operated as a satellite of WPBN-TV (Traverse City). The parent and satellite air programming from the NBC network. As in the past, the Cheboygan area continues to lack the population and economic base sufficient to support a full-service, stand-alone operation. Cheboygan is located approximately 100 miles from Traverse City and 120 miles from Cadillac, the population and economic centers of the television market. WTOM-TV's coverage area does not include the key Traverse City or Cadillac areas. Cheboygan's population of 5,300 is insufficient to provide the viewers and advertising necessary to support a stand-alone station. The Traverse City DMA has not only declined to the 119th market in population, it now ranks 130th in television station revenue according to BIA. The 2010 television station revenue barely exceeded the 2005 level. Our firm is aware that WTOM-TV requires the financial resources of WPBN-TV in Traverse City to support its continued operations.

5. If WTOM-TV was converted to a full service station, the station would operate at a serious competitive disadvantage, and it is highly probable that it would not be viable and thus could not continue service to residents of the outlying areas. As noted above, for example, the satellite's signal does not adequately cover the DMA to provide enough viewers and hence advertisers for WTOM-TV to survive as a stand-alone, full-service operation. Moreover, the major ABC, CBS, FOX, and NBC affiliations are already taken by other stations, and there would be no realistic prospect that a stand-alone Cheboygan station could wrestle one of these affiliations away. If WTOM-TV were forced to operate as a stand-alone station, competing against the other stations that currently serve the market, its prospects of economic survival would be less than slim.

6. For these reasons, including the insufficiency of the signal to cover key portions of the DMA, the limited population and economic base in that coverage area, and the lack of any realistic prospect to obtain a major network affiliation as a stand-alone station, it is my opinion that WTOM-TV could not operate as a viable stand-alone station in the Traverse City DMA. Moreover, I have not discerned any material changes in the Traverse City DMA, the Cheboygan market, or WTOM-TV to depart from my three previous opinions that WTOM-TV could not successfully operate as a stand-alone station. For the station to survive and provide service to the community, it needs to continue to operate as a satellite of a viable sister facility.

7. Based on these facts, my judgment remains that it is highly unlikely that a qualified buyer would be willing and able to operate WTOM-TV as a stand-alone station. Because WTOM-TV could not, in my judgment, operate viably as a stand-alone station, I would decline to be retained to market it as a full-service station.

If you have any questions concerning the foregoing opinions, I will be available to respond to them.

Sincerely,

Brian E. Cobb

Brian Cobb

7400 Tamiami Trail N, Suite 102 • Naples, FL 34108
(212) 812-5020 • Fax (239) 596-0660