

COMPREHENSIVE EXHIBIT
May 2016

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I. DESCRIPTION OF TRANSACTION

The instant application is one of two FCC Form 314 applications filed by Gray Television Group, Inc., (“Gray”) and Withers Broadcasting Company. (“Withers”), in each case on behalf of their broadcast subsidiaries, requesting the Commission’s consent to the assignment to Gray Television Licensee, LLC (“Gray Licensee”) of certain broadcast licenses held by Withers subsidiaries.

Gray seeks consent from the Commission to the assignment of the license of WDTV(TV), Weston , West Virginia (FID 70592) and WVFX(TV), Clarksburg, West Virginia (FID 10976). Both stations are currently owned by subsidiaries of Withers. Both stations are located in the Clarksburg-Weston Designated Market Area (“DMA”). Withers has owned and operated WVFX(TV) since 2008 pursuant to a failing station waiver granted to Withers by the Media Bureau. The parties also have entered into a Local Programming and Marketing Agreement whereby Gray will provide certain programming to Withers for WDTV(TV) and WVFX(TV) until the later of the consummation or termination of the assets purchase agreements.

Given the significant public interest benefits that will flow from the transaction, the applicants respectfully request that the Commission approve the transaction and grant the continuation of failing station waiver included herein.

II. OTHER MEDIA INTERESTS

Gray holds the following full-power broadcast licenses through Gray Licensee:

The following stations are licensed to Gray Television Licensee, LLC:
KABY-TV , Aberdeen, SD (FID 48659) <i>(Satellite of KSFY-TV)</i>
KALB-TV , Alexandria, LA (FID 51598)
KBSD-DT , Ensign, KS (FID 66414) <i>(Satellite of KWCH-DT)</i>
KBSH-DT , Hays, KS (FID 66415) <i>(Satellite of KWCH-DT)</i>
KBSL-DT , Goodland, KS (FID 66416) <i>(Satellite of KWCH-DT)</i>
KBTX-TV , Bryan, TX (FID 6669) <i>(Satellite of KWTX)</i>
KCRG(TV) , Cedar Rapids, IA (FID 9719)
KCWY-DT , Casper, WY (FID 68713)
KNEP(TV) , Scottsbluff, NE (FID 17683)
KFYR-TV , Bismarck, ND (FID 41427)
KGIN(TV) , Grand Island, NE (FID 7894) <i>(Satellite of KOLN)</i>
KGNS-TV , Laredo, TX (FID 10061)
KGWN-TV , Cheyenne, WY (FID 63166)
KHSD-TV , Lead, SD (FID 34348) <i>(Satellite of KOTA-TV)</i>

The following stations are licensed to Gray Television Licensee, LLC:
KKCO(TV) , Grand Junction, CO (FID 24766)
KKTV(TV) , Colorado Springs, CO (FID 35037)
KMOT(TV) , Minot, ND (FID 41425) <i>(Satellite of KFYZ-TV)</i>
KMVT(TV) , Twin Falls, ID (FID 35200)
KNOE-TV , Monroe, LA (FID 48975)
KNOP-TV , North Platte, NE (FID 49273)
KOLN(TV) , Lincoln, NE (FID 7890)
KOLO-TV , Reno, NV (FID 63331)
KOSA-TV , Odessa, TX (FID 6865)
KOTA-TV , Rapid City, SD (FID 34347)
KPRY-TV , Pierre, SD (FID 48660) <i>(Satellite of KSFY-TV)</i>
KQCD-TV , Dickinson, ND (FID 41430) <i>(Satellite of KFYZ-TV)</i>
KSCW-DT , Wichita, KS (FID 72348) <i>(Satellite of KWCH-DT)</i>
KSFY-TV , Sioux Falls, SD (FID 48658)
KSGW-TV , Sheridan, WY (FID 17680)
KSNB(TV) , Superior, NE (FID 21161)
KSTF(TV) , Scottsbluff, NE (FID 63182) <i>(Satellite of KGWN-TV)</i>
KTUU-TV , Anchorage, AK (FID 10173)
KTVH-DT , Helena, MT (FID 5290)
KUMV-TV , Williston, ND (FID 41429) <i>(Satellite of KFYZ-TV)</i>
KVLY-TV , Fargo, ND (FID 61961)
KWCH-DT , Hutchinson, KS (FID 66413)
KWTX-TV , Waco, TX (FID 35903)
KXII(TV) , Sherman, TX (FID 35954)
KYTV(DT) , Springfield, MO (FID 36003)
WAGM-TV , Presque Isle, ME (FID 48305)
WAGT(TV) , Augusta, GA (FID 70699)
WBKO(TV) , Bowling Green, KY (FID 4692)
WBXX-TV , Knoxville, TN (FID 72971)
WCAV(TV) , Charlottesville, VA (FID 363)
WCTV(TV) , Thomasville, GA (FID 31590)
WDBJ(TV) , Roanoke, VA (FID 71329)
WEAU(TV) , Eau Claire, WI (FID 7893)
WHSV-TV , Harrisonburg, VA (FID 4688)
WIBW-TV , Topeka, KS (FID 63160)
WIFR(TV) , Freeport, IL (FID 4689)
WILX-TV , Onondaga, MI (FID 6863)
WITN-TV , Washington, NC (FID 594)

The following stations are licensed to Gray Television Licensee, LLC:
WJHG-TV , Panama City, FL (FID 73136)
WJRT-TV , Flint, MI (FID 21735)
WKYT-TV , Lexington, KY (FID 24914)
WLUC-TV , Marquette, MI (FID 21259)
WMTV(TV) , Madison, WI (FID 6870)
WNDU-TV , South Bend, IN (FID 41674)
WOWT(TV) , Omaha, NE (FID 65528)
WRDW-TV , Augusta, GA (FID 73937)
WQCW(TV) , Portsmouth, OH (FID 65130)
WSAW-TV , Wausau, WI (FID 6867)
WSAZ-TV , Huntington, WV (FID 36912)
WSWG(TV) , Valdosta, GA (FID 28155)
WTAP-TV , Parkersburg, WV (FID 4685)
WTOK-TV , Meridian, MS (FID 4686)
WTVG(TV) , Toledo, OH (FID 74150)
WTVY(TV) , Dothan, AL (FID 4152)
WVLT-TV , Knoxville, TN (FID 35908)
WYMT-TV , Hazard, KY (FID 24915)

On October 9, 2015, an application was filed requesting FCC consent to the assignment of KYES-TV, Anchorage, Alaska (FID 21488), from Fireweed Communications LLC to Gray Television Licensee, LLC.¹

Elizabeth R. Neuhoff, a Director of Gray Television, Inc., also has an attributable interest in the following:

Elizabeth R. Neuhoff, a Director of Gray Television, Inc., also has an attributable interest in the following:
WDAN(AM) , Danville, IL (FID 48330)
WDNL(FM) , Danville, IL (FID 48332)
WRHK(FM) , Danville, IL (FID 57465)
WCVS-FM , Virden, IL (FID 70275)
WFMB(AM) , Springfield, IL (FID 48333)
WFMB-FM , Springfield, IL (FID 48331)
WXAJ(FM) , Hillsboro, IL (FAC ID 4738)
WCZQ(FM) , Monticello, IL (FAC ID46942)
WDZ(AM) , Decatur, IL (FAC ID 53348)
WDZQ(FM) , Decatur, IL (FAC ID 47004)
WSOY(AM) , Decatur, IL (FAC ID 36945)
WSOY-FM , Decatur, IL (FAC ID 36951)
WBBE(FM) , Heyworth, IL (FAC ID 164104)
WIHN(FM) , Normal, IL (FAC ID 4617)

¹ See FCC File No. BALCDT-20151009ADJ.

WWHX(FM) , Normal, IL (FAC ID 164105)
WASK(AM) , Lafayette, IN (FAC ID 71065)
WASK-FM , Battle Ground, IN (FAC ID 59361)
WKHY(FM) , Lafayette, IN (FAC ID 63185)
WKOA(FM) , Lafayette, IN (FAC ID 71064)
WXXB(FM) , Delphi, IN (FAC ID 72676)

III. PARTIES TO APPLICATION

The following chart provides ownership information for the proposed assignee of the license – Gray Television Licensee, LLC.

Gray Television Licensee, LLC

1	Gray Television Licensee, LLC 4370 Peachtree Road, NE Atlanta, GA 30319	Gray Television Group, Inc. 4370 Peachtree Road, NE Atlanta, GA 30319
2	Nevada Limited Liability Company	Delaware Corporation
3	N/A	Sole Member
4	N/A	100%
5	N/A	N/A

Name	Citizenship	Positional Interest	% Votes	% Total Assets
Hilton H. Howell, Jr.	US	Director/ Officer	0%	0%
Kevin P. Latek	US	Director/Officer	0%	0%
Kristine W. Eppes	US	Director/Officer	0%	0%
Robert J. Folliard, III	US	Officer	0%	0%
James C. Ryan	US	Officer	0%	0%
Wendy Mavrinac	US	Officer	0%	0%

Gray Television Group, Inc.

1	Gray Television Group, Inc. 4370 Peachtree Road, NE Atlanta, GA 30319	WVLT-TV, Inc. 4370 Peachtree Road, NE Atlanta, GA 30319
2	Delaware Corporation	Georgia Corporation
3	N/A	Sole Shareholder
4	N/A	100%
5	N/A	N/A

The following individuals are officers or directors of **Gray Television Group, Inc.**

Name	Citizenship	Positional Interest	% Votes	% Total Assets
Hilton H. Howell, Jr.	US	Director/ Officer	0%	0%
Kevin P. Latek	US	Director/Officer	0%	0%
Jason A. Effinger	US	Officer	0%	0%
James C. Ryan	US	Officer	0%	0%
Bob Smith	US	Officer	0%	0%
Nick Waller	US	Officer	0%	0%
Greg Conklin	US	Officer	0%	0%
Jackson S. Cowart, IV	US	Officer	0%	0%
Robert J. Folliard, III	US	Officer	0%	0%
Jan Goldstein	US	Officer	0%	0%
Lisa Guill	US	Officer	0%	0%
Vance F. Luke	US	Officer	0%	0%
Chris Baker	US	Officer	0%	0%
Jay Barton	US	Officer	0%	0%
Jim Beck	US	Officer	0%	0%
James Berman	US	Officer	0%	0%
Spencer Bienvenu	US	Officer	0%	0%
Mike Braun	US	Officer	0%	0%
Robert Brokke	US	Officer	0%	0%
Ulysses Carlini	US	Officer	0%	0%
Julia Campbell	US	Officer	0%	0%
Tim Coles	US	Officer	0%	0%
Rick Dean	US	Officer	0%	0%
Matt Eldredge	US	Officer	0%	0%
Jose Gaona	US	Officer	0%	0%
Mark Gentner	US	Officer	0%	0%
Michele D. Godard	US	Officer	0%	0%
Chris Gross	US	Officer	0%	0%
Rob Jamros	US	Officer	0%	0%
Annette Heath	US	Officer	0%	0%
Matt Jaquint	US	Officer	0%	0%
Tracey Jones	US	Officer	0%	0%
Mike King	US	Officer	0%	0%
Allan Lancaster	US	Officer	0%	0%
Kelly Landeen	US	Officer	0%	0%
Laura Long	US	Officer	0%	0%
Andy MacLeod	US	Officer	0%	0%
Nick Matesi	US	Officer	0%	0%
Rick McCue	US	Officer	0%	0%
Brian McDonough	US	Officer	0%	0%
Becky Meyer	US	Officer	0%	0%

Name	Citizenship	Positional Interest	% Votes	% Total Assets
Neil Middleton	US	Officer	0%	0%
Brad Moses	US	Officer	0%	0%
Chris Mossman	US	Officer	0%	0%
Terry McHugh	US	Officer	0%	0%
Tim Myers	US	Officer	0%	0%
John O'Brien	US	Officer	0%	0%
Heather Peeples	US	Officer	0%	0%
Thom Pritz	US	Officer	0%	0%
Matt Pumo	US	Officer	0%	0%
Sue Ramsett	US	Officer	0%	0%
John Ray	US	Officer	0%	0%
Vic Richards	US	Officer	0%	0%
Barry Schumaier	US	Officer	0%	0%
Roger Sheppard	US	Officer	0%	0%
Stacey Stewart	US	Officer	0%	0%
Don Vesely	US	Officer	0%	0%
Pete Veto	US	Officer	0%	0%
Tim Walker	US	Officer	0%	0%
James Wareham	US	Officer	0%	0%
Tregg White	US	Officer	0%	0%
Mike Wright	US	Officer	0%	0%
Luis Villarreal	US	Officer	0%	0%

WVLT-TV, Inc.

1	WVLT-TV, Inc. 4370 Peachtree Road, NE Atlanta, GA 30319	Gray Television, Inc. 4370 Peachtree Road, NE Atlanta, GA 30319
2	Georgia Corporation	Georgia Corporation
3	N/A	Sole Shareholder
4	N/A	100%
5	N/A	N/A

The following individuals are officers or directors of **WVLT-TV, Inc.**

Name	Citizenship	Positional Interest	% Votes	% Total Assets
Hilton H. Howell, Jr.	US	Director/ Officer	0%	0%
Kevin P. Latek	US	Director/Officer	0%	0%
James C. Ryan	US	Officer	0%	0%
Jackson S. Cowart, IV	US	Officer	0%	0%
Jan Goldstein	US	Officer	0%	0%
Vance F. Luke	US	Officer	0%	0%

Christopher D. Baker	US	Officer	0%	0%
Robert J. Folliard, III	US	Officer	0%	0%

Gray Television, Inc.

The following individuals or entities are an officer, director or hold an attributable interest in Gray Television, Inc.

Name	Citizenship	Positional Interest	% Votes	% Total Assets
Harriet J. Robinson ²	US	Owner/Director	32.4%	0%
Hilton H. Howell, Jr. ³	US	Director/ Officer	12.65%	0%
Atlantic American ⁴ Corporation	US	Stockholder	5.16%	0%
Richard L. Boger	US	Director	0%	0%
T.L.(Gene) Elder	US	Director	0%	0%
Robin R. Howell	US	Director	0%	0%
Howell W. Newton	US	Director	0%	0%
Hugh E. Norton	US	Director	0%	0%
Elizabeth R. Neuhoff	US	Director	0%	0%
Kevin P. Latek	US	Officer	0%	0%
Jason A. Effinger	US	Officer	0%	0%
James C. Ryan	US	Officer	0%	0%
Bob Smith	US	Officer	0%	0%
Nick Waller	US	Officer	0%	0%
Jackson S. Cowart, IV	US	Officer	0%	0%
Robert J. Folliard, III	US	Officer	0%	0%

² The attributable ownership interest reported herein for Harriet Robinson includes: (i) her ownership of Class A Common Stock (ten votes each share) and Class B Common Stock (one vote each share); (ii) the stock held in trust for children or grandchildren; and (iii) shares held by companies controlled by Mr. Robinson's Estate that own both Class A Common and Class B Common Stock of Gray except Atlantic American Corporation, which is reported separately above. See Note 3.

³ The attributable ownership interest reported herein for Hilton H. Howell, Jr. includes: (i) his individual ownership of Class A Common Stock (ten votes each share) and Class B Common Stock (one vote each share); (ii) the stock owned by his wife, Robin R. Howell, and (iii) the stock held in trust by his wife for their children. It is not represented that Mrs. Howell's media interests are independently held and not subject to common influence or control. *See In re Clarification of Commission Policies Regarding Spousal Attribution*, Policy Statement, 7 FCC Rcd 1920, para. 1 (finding that "spouses' media interests will not be attributed where the spouses' disclosures confirm that such media interests are independently held and are not subject to common influence or control.").

⁴ Atlantic American Corporation is controlled by Mrs. Robinson who owns more than 50% of the stock of this corporation.

Vance F. Luke	US	Officer	0%	0%
Jan Goldstein	US	Officer	0%	0%

IV. CONTINUATION OF FAILING STATION WAIVER

Gray seeks consent from the Commission to the assignment of the license of WVFX(TV), Clarksburg, West Virginia (FID 10976). Gray requests that the Commission waive its local television ownership rule to permit this assignment, because WVFX(TV), which is located in the Clarksburg-Weston DMA, is a “failing” station. This transaction meets the test for a “failing” station set forth in Note 7(2) to Section 73.3555 of the Commission’s Rules.⁵

Section 73.3555(b) generally bars common ownership of multiple television stations with overlapping Grade B contours in the same television market unless at least one of the stations in the proposed combination is not ranked among the top four stations in the market, and there would be at least eight independently owned and operated full-power stations in the market after an acquisition is consummated. In addition to WVFX(TV), Gray is the proposed assignee of WDTV(TV), Weston, West Virginia (FID 70592). WVFX(TV) and WDTV(TV) currently are owned by Withers Broadcasting Company (“Withers”). Withers acquired WVFX(TV) after the Media Bureau granted Withers a failing station waiver in 2008.⁶ Since that time, Withers has made significant improvements to WVFX(TV); however, WVFX(TV) continues to be a failing station that could not operate as a stand-alone station. Because there will not be eight independently-owned stations in the market following Gray’s acquisition of WDTV(TV) and WVFX(TV), Gray respectfully requests a continuation of the failing station waiver to permit its acquisition of both stations.

The Commission will presume a “failing” station waiver request to be in the public interest if (1) the “failing” station has a low all-day audience share (*i.e.*, no more than four percent); (2) the station has had negative cash flow for three consecutive years prior to the application; (3) the parties demonstrate public interest benefits that will flow from the proposed transaction; and (4) there is no out-of-market buyer willing and able to acquire the station at other than an artificially depressed price.⁷ As discussed below, the proposed transaction meets all four of these standards.

WVFX(TV) Has a Low All-Day Audience Share

WVFX(TV) consistently has failed to achieve all-day audience shares in excess of four percent. Indeed, over the past four Nielsen “sweeps” periods, WVFX(TV) has consistently failed to receive even a two percent share. In none of those ratings periods did WVFX(TV)’s all-day audience share approach the four percent maximum threshold. With a consistent failure to achieve an audience share at the four percent benchmark, WVFX(TV) satisfies the first criterion of the failing station exception.

⁵ 47 C.F.R. § 73.3555.

⁶ *Davis Television Clarksburg, LLC (Assignor) and Withers Broadcasting Company, LLC (Assignee) for Assignment of License of Station WVFX(TV), Clarksburg, West Virginia*, 23 FCC Rcd 5472 (2008).

⁷ 47 C.F.R. § 73.35555, Note 7.

Poor Financial Condition

This prong of the standard focuses on the three years immediately preceding the filing of the application. As the separately filed financial data reveals, WVFX(TV) would have lost money as a standalone station during each of the last three years. Furthermore, the financial data demonstrates that WVFX(TV) could not operate without support from WDTV(TV).⁸

Public Interest Benefits

The Commission recognized when it adopted its “failing station” waiver policy in 1999 that “[a]llowing a ‘failing’ station to join with a stronger station in the market can greatly improve its ability to improve its facilities and programming operations, thus benefiting the public interest.”⁹ It understood that these waivers might be “of particular assistance to struggling stations in smaller markets that are not covered by the eight voice/top four ranked station test.”¹⁰

Substantial programming and operational improvement would result from Gray’s common ownership of WVFX(TV) and WDTV(TV) and provide tangible, transaction specific public interest benefits:

- Prior to combining with WDTV(TV), WVFX(TV) provided no local news. Gray will continue to air the 10 p.m. local newscast that WVFX(TV) airs. In addition, Gray is considering the addition of morning or weekend local newscasts. Without WVFX(TV)’s utilization of WDTV(TV)’s resources, it would be impossible for WVFX(TV) to provide any local newscasts.
- Gray currently owns the top ranked stations in the Charleston-Huntington, WV and Parkersburg, WV DMAs. Gray will bring additional news coverage from Charleston and other areas across the state to provide viewers in the Clarksburg-Weston DMA with comprehensive coverage of the important issues facing all West Virginians.
- Gray operates a Washington, DC news bureau providing an important outlet for lawmakers in Washington to reach their constituents back home in Gray’s markets. Gray’s seasoned reporters in its Washington news bureau will complement the local reporting by bringing a Washington perspective to WVFX(TV) in a way that is not possible under the station’s current ownership.
- Maintaining broadcast facilities in West Virginia’s rugged environment and climate is a unique challenge. WVFX(TV) will continue to have access to the full support of and resources from WDTV(TV)’s experienced engineering team.

⁸ Financial data from the previous three years is confidential financial data that will be filed separately with the Commission, together with a request for confidential treatment.

⁹ *Review of the Commission’s Regulations Governing Television Broadcasting*, 14 FCC Rcd 12903, 12939 (1999).

¹⁰ *Id.*

Furthermore, Gray will explore whether it can convert WVFX(TV)'s analog low power facilities to digital operations.

- In addition to continuing to provide WVFX(TV) with the full support of and resources from WDTV(TV)'s experienced engineering team, the station will obtain industry-leading resources, technology, and assistance from Gray's media technology, production, and digital media staff.
- Gray has a proven track record of running strong news operations. Indeed, Gray has the number-one or number-two ranked television station operations in essentially all of its 50 television markets.

No Rational Out-of-Market Buyer

Buyers are not willing and able to acquire and operate a failing station such as WVFX(TV) without the ability to operate it in conjunction with a stronger, in-market station (such as WDTV(TV)) and take advantage of the synergies that generate public interest benefits like those described above. Exhibit 1 hereto is the letter of W. Lawrence Patrick describing his firm's efforts to sell WVFX(TV) to an out-of-market buyer. In the letter, Mr. Patrick demonstrates that he is an expert on television sales generally. He also has particular expertise with respect to WVFX(TV) because he has been involved in the two most recent sales of the station. Mr. Patrick also reflects on the prior owners' failed attempts to operate the station without common ownership of another in-market station.

In regards to the current sale of WVFX(TV), Mr. Patrick states that no out-of-market buyer had "even a remote interest" in purchasing WVFX(TV) on a standalone basis, and that only three entities even considered purchasing the two stations together. He further explains that the lack of potential revenue growth, the risk of losing the Fox affiliation, and the small DMA size lead him to conclude that "even if an out-of-market buyer was found after an exhaustive marketing effort . . . it would only be at a severely depressed price." Thus, the fourth prong of the failing station test is satisfied, because no reasonable out-of-market buyer would be willing to acquire WVFX(TV).

Gray respectfully submits that the public interest would be served by granting a failing station waiver in order to allow common ownership of WVFX(TV) and WDTV(TV). In adopting the failing station exception to the Duopoly Rule, the Commission stated that allowing failing stations to combine with a stronger station would "pose minimal harm to our diversity and competition goals, since their financial situation typically hampers their ability to be a viable 'voice' in the market."¹¹ That is the case here, where a waiver will allow WVFX(TV) to strengthen its "voice" in the market. A combination with WDTV(TV) would make available new financial, operational, and programming resources that would provide improved service to viewers throughout the Clarksburg-Weston DMA.

¹¹ *Id.* at 12938-39.

In light of the demonstrable benefits of common ownership, and given that WVFX(TV) is a “failing” station under the Commission’s rules, the public interest would be served by waiver of the duopoly rule.

Exhibit 1



6805 DOUGLAS LEGUM DRIVE

SUITE 100

ELKRIDGE, MD 21075

(410) 799-1740

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May 11, 2016

Mr. William Lake
Chief-Media Bureau
Federal Communications Commission
445 12th Street S.W.
Room 3-C740
Washington, D.C. 20554

Re: WVFX-TV, Clarksburg, West Virginia
WDTV-TV, Weston, West Virginia

Dear Mr. Lake:

I have been asked to opine on the operation of WVFX-TV, based on a failing station analysis, with regard to the transfer application involving WVFX-TV and the proposed purchase of the station by Gray Television Inc. ("Gray"). WVFX-TV is the FOX network affiliate in the Clarksburg-Weston, WV DMA and also carries the CW on its D-2 channel. Gray also is the proposed assignee of WDTV-TV, the CBS affiliate in the market. WDTV-TV carries weather programming on its D-2 channel. WVFX-TV has been operating with WDTV-TV under a failing station waiver for many years. This letter addresses the feasibility of operating and marketing WVFX-TV as a full-service standalone operation versus the benefits of continued operation with WDTV-TV.

I am Managing Partner of Patrick Communications, a leading media brokerage firm in the industry with over \$7.5 billion in transactions. I have been involved in the broadcast industry for over forty years and my firm has sold 170 television stations in the past ten years, more than any other brokerage firm. In addition to my responsibilities with Patrick Communications, I served from 2005 to 2008 as Chairman of the Board of ION Media Networks, the licensee of 60 television stations. I am also a past president of the National Association of Media Brokers and am the current chairman of the National Association of Broadcasters Educational Foundation, and past chairman of the National Association of Broadcaster's PAC. I also own a minority interest in television stations in New York, Los Angeles, Chicago, Boston, Philadelphia, San Francisco, San

Diego, Houston and Harrisburg-York. In addition, I speak regularly to industry groups and have a long history of experience in television operations, management and transactions.

I am very familiar with the Clarksburg-Weston, WV market and the various television station signals, competition and market conditions there, as well as the current television economic environment and station transaction market. I have also provided numerous opinions to the FCC on failing station waivers. I believe that I am qualified to opine on the viability and marketability of WVFX-TV as a standalone television station. I have sold this station twice over the past 20 years. Both sales were difficult and neither owner was able to survive in the market as a stand-alone station. Only when the Withers family, the current Seller, was granted a failing station waiver was the station able to remain on the air.

There are two owners of full power commercial television stations in the market. Five television networks are represented including ABC, NBC, CBS, FOX and the CW. As will be discussed in this letter, this is a very small DMA with limited television market revenues that are barely sufficient to support this number of network affiliates on primary and D-2 channels. The level of market revenue is certainly not sufficient to support multiple stand-alone stations.

Ranked as the 169th DMA in the U.S., the Clarksburg-Weston market has an estimated population of 275,000. The population growth for the market was only 0.2 percent for the past five years. Population growth of 0.3 percent is projected through 2020. According to BIA Kelsey, total DMA television advertising dollars increased by 2.6 percent from 2010 to 2015. From 2014 to 2015, however, the market lost revenue at the rate of a negative 3.1 percent. BIA Kelsey projects growth over the next five years of 5.0 percent, however, almost all of that is represented in a bump in revenue for the 2016 election cycle with another boost in the 2020 election year. After the 2016 election year, television revenues are expected to return to 2015 levels. Revenue growth in the years between 2016 and 2020 is expected to be well under 1.0 percent. Total 2015 television revenues in the DMA totaled only \$18.3 million, which is very low and not sufficient to adequately sustain a full complement of full service stand-alone television stations.

Although there are only three full power stations serving the market, WBOY-TV, owned by Nexstar, has the NBC affiliation on its primary channel and has carried ABC on its D-2 channel for many years. WBOY-TV dominates the DMA with a 46.4 percent share of the local TV ad revenue in the market for its NBC/ABC combination. WVFX-TV, the subject of this letter, only has 9.8 percent of local TV ad revenue despite having been on the air in the DMA since 1981. WVFX-TV has both a FOX affiliation and a CW affiliation, yet still consistently underperforms the revenue shares of the other stations in the DMA by a significant margin. In addition, WVFX-TV's revenue share has declined over the past few years according to BIA Kelsey. WDTV-TV, the CBS station that is also a subject of this letter, has a revenue share of 34.4 percent. Even on a combined



basis, WVFX-TV and WDTV-TV account for 44.2 percent of revenues with the CBS/FOX/CW programming—less than the dominant NBC/ABC station owned by Nexstar.

Given the dominance of WBOY-TV and the overall minimal level of market television revenues, WVFX-TV is unable to operate as a viable standalone full power station. Operated alone, WVFX-TV would have no studios, no personnel, no news programming, no engineering, no production and no sales effort and would have to be totally rebuilt as a functioning operation by a new owner. It would essentially be a stick purchase with only a transmitting facility, license and perhaps a FOX affiliation. Although it is possible that FOX would prefer to transfer to WDTV-TV's D-2 channel rather than remain with a total start-up situation on WVFX-TV under a new owner.

In addition, WVFX-TV would not be able to afford to offer its current level of local programming and service to the community if it was not operated in conjunction with WDTV-TV. WVFX-TV has been a FOX network affiliate for many years and it has never achieved a competitive position in the market capable of generating a revenue base sufficient for a standalone operation. Although the CW is also carried on its D-2 channel, that programming also has failed to find a sustainable audience. There are no other viable primary networks, and little secondary television programming, that would be available to WVFX-TV other than what it already carries. In addition, due to the small size of the DMA, both WDTV-TV and WVFX-TV struggle to achieve competitive retransmission consent rates from area cable operators, while facing continually increasing payments to their respective networks. Given the limited revenues in the market, this ever increasing network cost further diminishes WVFX-TV's ability to operate as a full service station on its own.

It is clear that WVFX-TV benefits significantly from its operation with WDTV-TV in terms of shared expenses, staff and facilities. WVFX-TV's audience enjoys a level of local programming and public service programming that WVFX-TV could never afford to provide as a standalone station with such a small and declining revenue base.

As a broker, I believe that the marketing of WVFX-TV as a standalone station would be unsuccessful given the marginalized nature of the operation and the lack of studio facilities, news presence, sales, administrative and engineering staff and most of the important features that make up a viable television station. A buyer also would be hard-pressed to find compelling syndicated programming sufficient to survive.

I have spoken with several dozen owners about this station and confirmed that none of them have even a remote interest in WVFX-TV as a stand-alone operation. The potential loss of the FOX affiliation or the increasing burden of the network retransmission payments along with the total rebuild of the station is simply too much for them to consider. In fact, only three potential buyers were interested in the two television stations together.



Mr. William Lake
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WVFX-TV has comparable coverage in the DMA with population coverage of 732,442. WDTV-TV has population coverage of 981,953 and WBOY-TV has coverage of 711,560 people. However, WVFX-TV has struggled to find an audience large enough to sustain a full service operation since going on the air in 1981. It is my opinion that WVFX-TV will continue to struggle to sustain a level of advertising revenue sufficient to cover its operational costs. Local market conditions remain poor here, particularly for WVFX-TV which has lost market revenue share. Further, the Clarksburg-Weston market overall, in non-election years, shows virtually no revenue growth.

As a broker, if I were asked to market the station solely to out-of-market entities, I would be hard-pressed to identify any potential viable buyers. WVFX-TV is not marketable as a standalone station. Given the low chance of success in finding any buyer other than an in-market-buyer, I would decline to take the listing as I would have to invest in a widespread effort including personal and telephonic contact, direct mail, and possibly trade press advertising in order to try and find a qualified out-of-market buyer. The cost of these efforts would be prohibitive, and would take a significant investment of my time as well. It is my opinion that even if an out-of-market buyer was found after an exhaustive marketing effort that it would only be at a severely depressed price.

Respectfully,



W. Lawrence Patrick
Managing Partner

