

Satellite Showing for KHAU-TV and KAU-TV

This application seeks Commission consent to the assignment of commercial television stations KHON-TV, Honolulu, Hawaii, KHAU-TV, Hilo, Hawaii, and KAU-TV, Wailuku, Hawaii from Montecito Hawaii License, LLC to NVT Hawaii Licensee, LLC ("New Vision"). KHAU-TV and KAU-TV are currently operated as satellite stations of KHON-TV.¹ New Vision hereby respectfully requests that the Commission grant continued authority pursuant to Section 73.3555, Note 5 of the Commission's rules, to operate KHAU-TV and KAU-TV as satellite stations of KHON-TV.

KHON-TV, KHAU-TV and KAU-TV are located in the Honolulu, Hawaii Designated Market Area ("DMA"). All three stations are Fox affiliates. The Honolulu DMA encompasses all the islands which make up the state of Hawaii. The unique geographic features of this DMA, including its rugged terrain and the distance between the islands where the largest population centers are located, make it almost impossible for stations licensed to Honolulu, which is located on the island of Oahu, to reach the entire DMA. Therefore, all four major network affiliates in this DMA also operate satellite stations. The system of parent and satellite stations has served the viewers of this DMA well, and grant of the instant request will ensure continuity in the provision of Fox network programming throughout this DMA. Conversely, a denial of this request will likely result in the proposed satellite stations being unable to continue operations, thus depriving viewers of the service upon which they rely. See Letter of Brian E. Cobb, President of CobbCorp, LLC, a nationally-recognized media brokerage firm, attached as Exhibit 2.

The Commission in *Television Satellite Stations*, 6 FCC Rcd 4212 (1991) ("Satellite Order") established a three-part test to determine if the operation of a satellite station is presumptively in the public interest. The three-part test considers whether:

- (1) there is no city-grade contour overlap between the parent and the satellite;
- (2) the satellite provides service to an underserved area; and
- (3) no alternative operator is ready and able to purchase and operate the satellite as a full-service station.

In the instant case, as shown in the Engineering Study attached as Exhibit 1, there is no city-grade contour overlap between the stations. Thus, the first criterion of the Satellite Order is satisfied.

The second prong of the Commission's presumptive test, which requires that the satellite station provide service to an "underserved area," can be satisfied by the "reception test". The reception test requires a showing that 25% or more of the area within the satellite's Grade B contour, but outside the parent's Grade B contour (the

¹ Authority to operate KHAU-TV and KAU-TV as satellite stations of KHON-TV was reaffirmed in DA 05-3219, released December 20, 2005.

“Difference Area”), receives four or fewer television services, not counting the proposed satellite station.

KHAW-TV – As demonstrated by the attached Engineering Statement, 64.8% of the Difference Area is served by four or fewer television services. KHAW-TV satisfies the reception test.

KAIH-TV - As demonstrated by the attached Engineering Statement, 7.6% of the Difference Area is served by four or fewer television services. Although KAIH-TV does not meet the presumption of the reception test, the Commission may grant KAIH-TV continued authority to operate as a satellite station upon a consideration of other compelling reasons. See Satellite Order at 4214.

While several other stations serve the Difference Area, most are satellite or translator stations, which rebroadcast the signal of a main station located on Oahu. Specifically, the ABC, NBC and CBS affiliated stations licensed to Honolulu all have satellite stations located on Maui that serve this Difference Area. As discussed above, the unique geographic features of the Hawaiian Islands make it difficult if not impossible for a station located on Oahu to adequately serve viewers located on Maui, unless a satellite station is employed. Further, the limited population located on Maui² makes it infeasible from an economic standpoint to operate a stand-alone station on Maui. Without a grant of the continued satellite status of KAIH-TV, it is unlikely that Maui will continue to receive Fox programming.³

Finally, in satisfaction of the third criterion of the Satellite Order, no alternative operator is ready to purchase and operate either KHAW-TV or KAIH-TV as a full-service, stand-alone station. The Commission has previously reviewed and approved the sale of these stations as a group with KHON-TV as the parent station and KHAW-TV and KAIH-TV as satellite stations. Further, as indicated in the attached Letter from Brian E. Cobb, KHAW-TV and KAIH-TV are simply not viable as stand-alone stations. The stations are not located in a sufficiently large community to be economically successful on their own, and furthermore, would be unlikely to retain any network affiliation. Indeed, Mr. Cobb adds that were he asked to list these station for sale as stand-alone facilities, he would be unwilling to accept the listing.

² 2000 Census, Maui County has a population of 128,094 (including the islands of Aui, Molokai, Lanai, Kaho’olawe).

³ See Satellite Order at 4214 (providing that if a station cannot meet the presumptive test, satellite status for that station may still be approved if it brings a full complement of network signals to a service area.)

Exhibit 1

Engineering Statement



ENGINEERING STATEMENT
OF
JOHN F.X. BROWNE, P.E.
IN SUPPORT OF
APPLICATION FOR SATELLITE OPERATION
KAIH-TV, KHAW-TV
as satellites of
KHON-TV
HONOLULU, HAWAII

This engineering statement has been prepared in support of an application to continue to operate stations KAIH-TV (Wailuku, HI) and KHAW-TV (Hilo, HI) as satellites of KHON-TV (Honolulu, HI).

The statement reports on analyses conducted in conformance with the Commission's "Satellite Order" of 1991. That order states that an applicant for assignment or transfer of a satellite station will be entitled to a presumptive finding that a satellite operation is in the public interest if it satisfies the following criteria:

- (i) there is no overlap of the Principal City contours of the parent and satellite stations
- (ii) the satellite provides service to an underserved area
- (iii) no alternative licensee / applicant is available to run and operate the station on a full-service basis

This statement addresses items (i) and (ii) above.



City Grade Overlap

Figure 1, attached hereto, depicts the principal city contours of all three facilities. It is clear that no overlap exists and condition (i) is satisfied.

Underserved Areas

The “reception test” approach is recognized by the Commission as satisfying condition (ii) if at least 25% of the satellite’s Grade B area (the “Difference Area”) that is not common with the parent’s Grade B area is predicted to receive service from four or fewer TV services (not including the satellite). The respective contours of all relevant stations were calculated using standard FCC methodology and the difference areas were determined.

The calculated percentages for each station are as follows:

Four or Fewer Services

KHAW-TV	64.8% of Difference Area
KAIL-TV	7.6% of Difference Area

Figures 2 and 3, attached hereto, are maps depicting the locii of the difference areas.

Table 1, attached, lists all facilities considered in these analyses.

Discussion of these results vis-à-vis the Commission’s requirements is contained elsewhere in the application which this statement supports.

**Certification**

I hereby certify that the foregoing report or statement was prepared by me but may include work performed by others under my supervision or direction. The statements of fact contained therein are believed to be true and correct based on personal knowledge, information and belief unless otherwise stated; with respect to facts not known of my own personal knowledge, I believe them to be true and correct based on their origin from sources known to me to be generally reliable and accurate. I have prepared this document with due care and in accordance with applicable standards of professional practice.

John F.X. Browne, P.E.
July 27, 2007



Table 1 – Stations Considered in Analysis of KHON-TV Satellite Stations

Call Sign	Community in Hawaii	Channel
KHBC-T	HILO	2
KGMV	WAILUKU	3
K04FE	HILO	4
KITV	HONOLULU	4
K05LD	HILO	5
KFVE	HONOLULU	5
K06NC	HANAMAULU	6
KLEI	KAILUA-KONA	6
KGMD-T	HILO	9
KGMB	HONOLULU	9
KMEB	WAILUKU	10
KHET	HONOLULU	11
KMAU	WAILUKU	12
KHVO	HILO	13
KHNL	HONOLULU	13
KWHH	HILO	14
KWHE	HONOLULU	14
KOGG	WAILUKU	15
KOIW-L	MT. VIEW	16
K17GR	KULA	17
K19FV	KULA	19
KIKU	HONOLULU	20
KWHM	WAILUKU	21
K26HL	HOLUALOA	26
KA AH-T	HONOLULU	26
K27DW	WAILUKU	27
KBFD	HONOLULU	32
K32GJ	KAILUA-KONA	32
K34HC	HILO	34
K38HZ	HILO	38
KALO	HONOLULU	38
K38IE	KAHULUI	38
K38HU	KAILUA-KONA	38
K42CO	HONOLULU	42
KWBN	HONOLULU	44
K45CT	HILO	45
KH LU-L	HONOLULU	46
KHIK	KAILUA-KONA	47
KHHI-L	HONOLULU	48
KDKU	KULA	48
K48IY	WAILUKU	48



Table 1 (Continued) – Stations Considered in Analysis of KHON-TV Satellite Stations

Call Sign	Community in Hawaii	Channel
K49IA	HILO	49
KKAI	KAILUA	50
K51BB	LIHUE	51
KAUI-L	WAILUKU	51
K42CO	HONOLULU	52
K52JG	LIHUE	52
K53IO	LIHUE	53
K54JP	LIHUE	54
K55DZ	LIHUE	55
K56EX	HONOLULU	56
K56BD	KILAUEA MILITARY CAMP	56
KMGT	WAIMANALO	56
K57BI	WAIMEA	57
K59IH	LIHUE	59
KHLU-L	HONOLULU	60
KAMN-L	WAILUKU	61
K62AQ	KILAUEA, KAUAI, ETC.	62
K63AZ	ANAHOLA, ETC.	63
K63DZ	KAILUA-KONA	63
K63AI	KAUMAKANI, ETC.	63
K63BB	NAALEHU, ETC.	63
K63DT	WAIMEA	63
K65BV	LIHUE, ETC.	65
KPXO	KANEOHE	66
K66AY	WAIPAKE	66
K67BA	HAKALAU	67
K67AV	KIHUE	67
K68BE	HANALEI, ETC.	68
K69BZ	LIHUE, ETC.	69
K68CF	SOUTH POINT	69

KHON-TV

BLCT20040326ALH
Latitude: 21-17-39 N
Longitude: 157-50-18 W
ERP: 50.00 kW
Channel: 02+
Frequency: 57.5 MHz
AMSL Height: 143.0 m

KAIi-TV

BLCT1156
Latitude: 20-42-41 N
Longitude: 156-15-26 W
ERP: 29.50 kW
Channel: 07Z
Frequency: 177.0 MHz
AMSL Height: 3050.0 m

KHAW-TV

BLCT19950620KE
Latitude: 19-43-57 N
Longitude: 155-04-04 W
ERP: 30.90 kW
Channel: 11Z
Frequency: 201.0 MHz
AMSL Height: 51.0 m

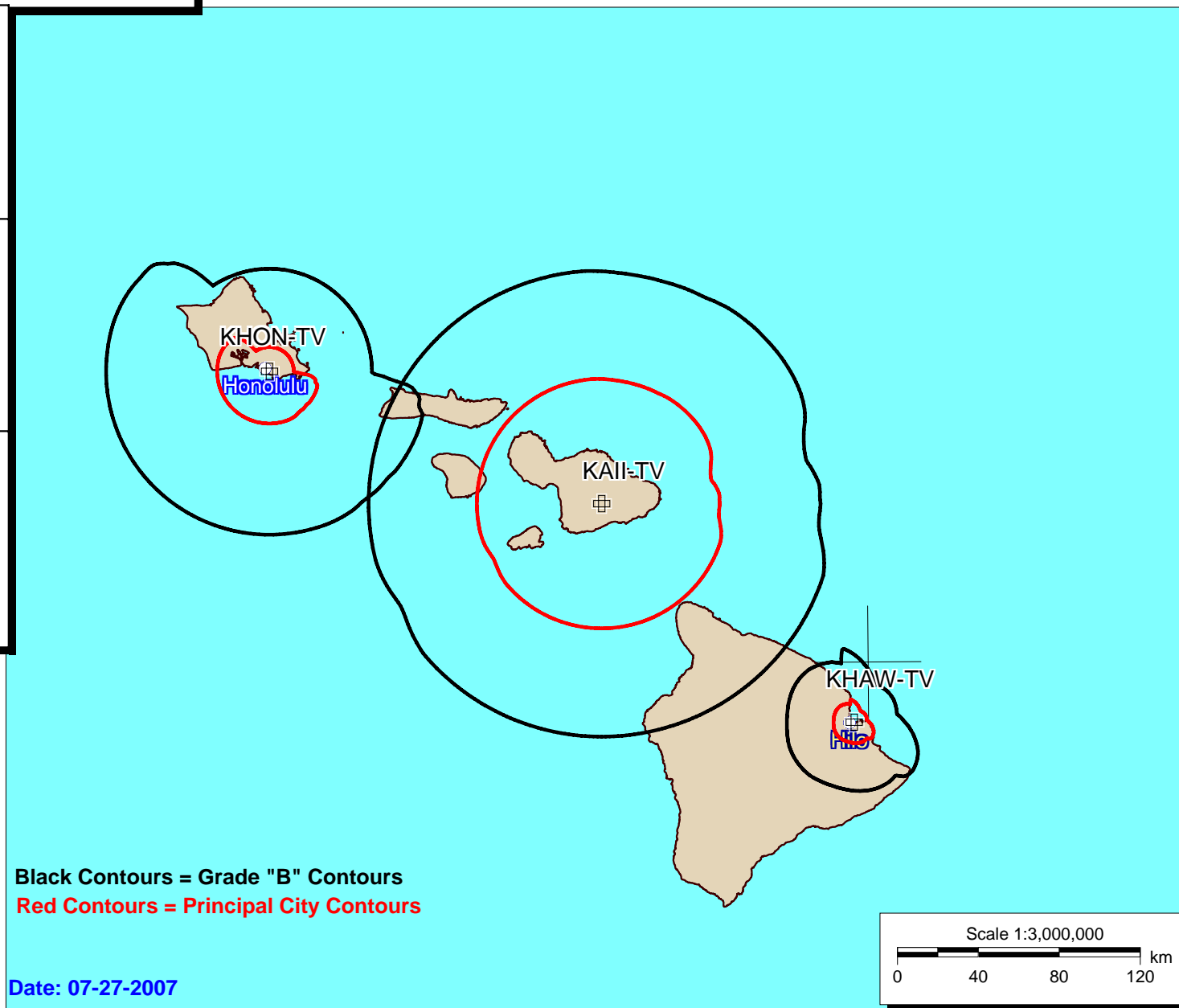


Figure 1

Figure 2 KHAU-TV Difference Areas

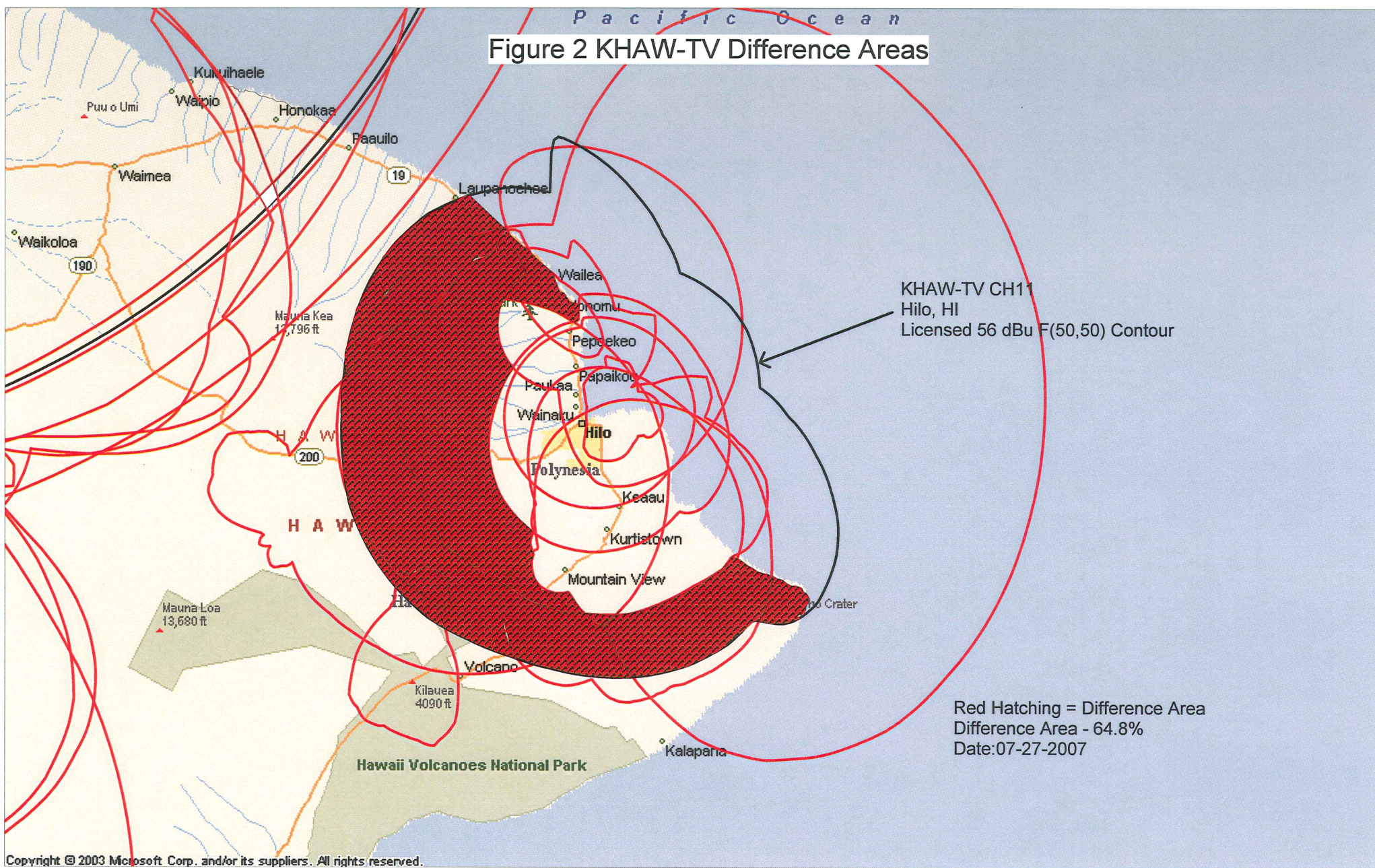


Figure 3 KAIL-TV Difference Areas

KAIL-TV CH7
Wailuku, HI
Licensed 56 dBu F(50,50) Contour

KHON-TV CH2
Honolulu, HI
Licensed 47 dBu F(50,50) Contour

Red Hatching = Difference Area
Difference Area = 7.6%
Date:07-27-2007

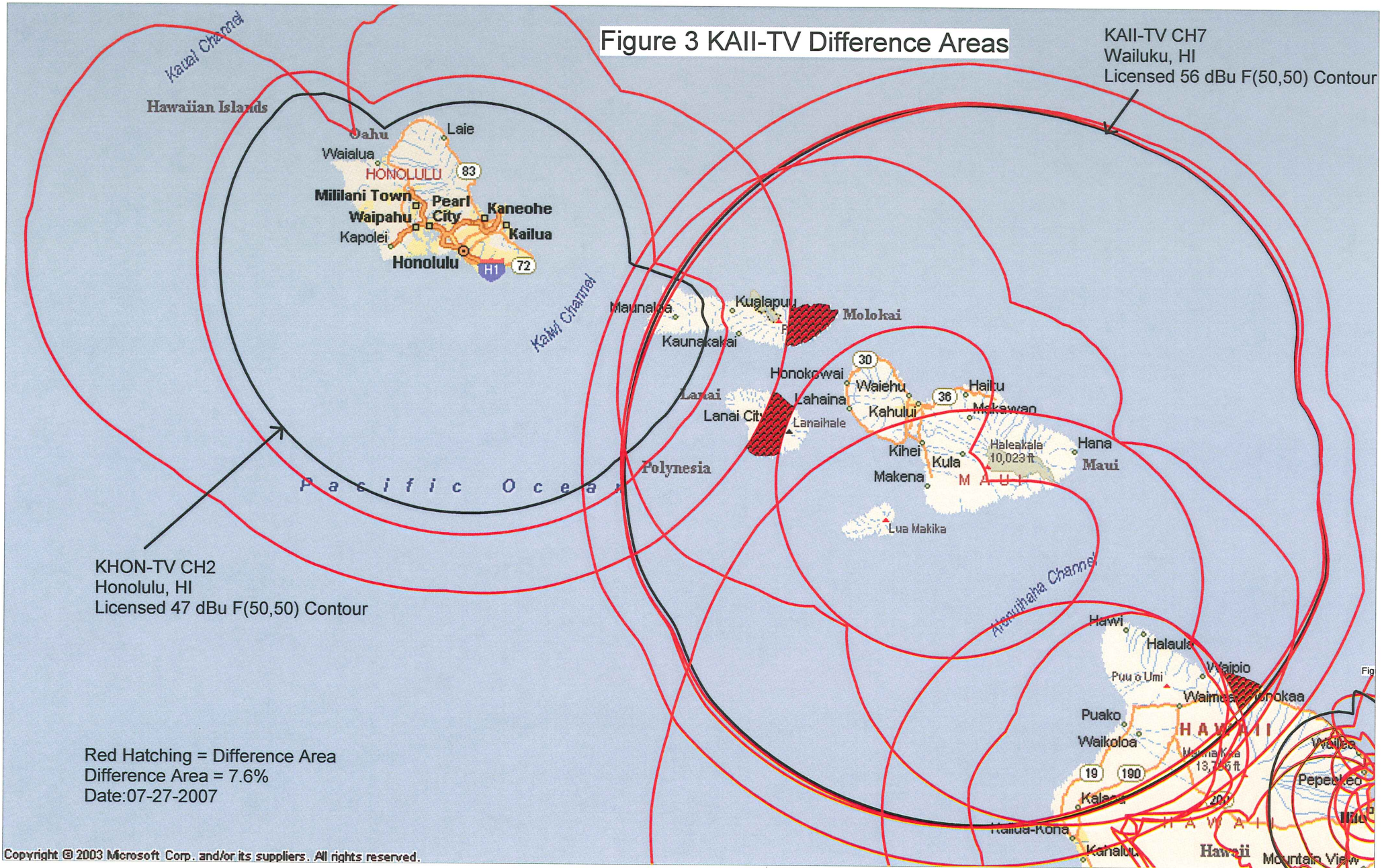


Exhibit 2

Letter of Brian E. Cobb, President of CobbCorp, LLC

July 27, 2007

Ms. Monica Desai
Chief-Media Bureau
Federal Communications Commission
445 12th St. S.W.
Room 3- C740
Washington, D. C. 20554

Re: KHON-TV, Honolulu, Hawaii
KHAU-TV, Hilo, Hawaii
KAIL-TV, Wailuku, Hawaii

Dear Ms. Desai:

In regard to the transfer application for the above properties, I have been requested to opine on the continued operation of KHAU-TV and KAIL-TV as satellites of KHON-TV. This letter addresses the feasibility of operating and marketing the stations as full service stand alone operations versus their continued operation as satellites.

By way of background, I have over thirty-five years of experience in the broadcast industry as an owner, manager and broker of broadcast properties. I am President of CobbCorp, a media brokerage and investment and merchant banking firm specializing in television station transactions. I was a founding member of Media Venture Partners, a nationally recognized media brokerage firm, and I was responsible for the appraisal and brokerage of television stations for that firm. Over the past twenty-five years, I have been involved in the brokerage of more television stations than any other broker. I am a past president of the National Association of Media Brokers and regularly speak on industry panels.

Having acted as broker in a transaction and opined at a different time on the satellite status of a station in the market, I am familiar with the market and the television stations' signals, the level of competition among the stations and other relevant market data. I believe I am qualified to reach certain conclusions concerning the subject stations' positions in the market.

There are nine owners with full power commercial television outlets licensed to the city of Honolulu. All four of the major network affiliates are licensed to Honolulu but have satellites to cover the DMA. The Honolulu market is ranked as the 67th largest according

to Nielsen, but the DMA is comprised of several islands in addition to Oahu where Honolulu is located. It is impossible to fully serve the DMA without satellite stations on other islands.

Conversely, it would be impossible for any of the satellite stations to adequately serve the DMA without covering Honolulu, the hub of the DMA. With such a high level of competition in the Honolulu market, it would not be viable for any of the satellite stations to be forced to compete with other full power stations that all have network affiliations. The stations would not have an affiliation available capable of competing. None of the current satellite stations provide a signal strong enough to cover the market nor do any of them reach Honolulu, the largest city in the DMA. Neither KHAW or KAHN have a signal that reaches Oahu even with a grade B signal.

With no network affiliations available, and over the air coverage that covers a small percentage of the population without Oahu, the ability of the satellites to serve as full service facilities would be an unviable economic pursuit. If any of the stations were forced to operate as stand alone operations and compete in the market, not only would they suffer financially, but the viewers in their coverage area would be denied network programming and news and weather pertinent to their lives that they now receive from KHON. The stations are ideal examples why certain outlets should operate as satellites.

As a broker, I would be unwilling to offer these stations on the market knowing that a prospective buyer would be hard pressed to find a successful format. It is highly unlikely that a viable operator could be found to provide a full service operation to the outlying communities.

Sincerely,



Brian E. Cobb
President