

Amendment to Assignment Application

On February 1, 2024, Marquee Broadcasting West, Inc. (“Marquee”) and Gray Television Licensee, LLC (“Gray”) filed applications (the “Applications”) requesting Commission consent to (1) the assignment of Gray’s television stations serving the Cheyenne-Scottsbluff and Casper-Riverton Designated Market Areas (“DMAs”) from Gray to Marquee and (2) the assignment of the unbuilt construction permit for KCBU(TV) in Price, Utah, from Marquee to Gray. To the extent that the Applications are subject to the Commission’s recently announced case-by-case approach to the transfer of multiple Top 4 affiliated program streams serving a single DMA, Marquee and Gray hereby submit additional information that demonstrates the public interest would be best served by permitting Marquee to acquire KGWN-TV and to continue broadcasting both its CBS- and NBC-affiliated broadcast streams.¹

As described in the Comprehensive Exhibit to the Applications, Gray provides extensive over-the-air local service to communities throughout the multistate Cheyenne-Scottsbluff DMA using full power television stations KGWN-TV, which primarily serves Cheyenne, Wyoming and semi-satellite stations KSTF(TV) and KNEP-TV, which serve the Scottsbluff, Nebraska area.² The Stations provide 17 hours of high-quality local news per week, as well as CBS and NBC Network programming. It’s no wonder that Gray’s local news efforts in the DMA are consistently acknowledged. For example, in 2023, the Wyoming Association of Broadcasters announced nine awards for KGWN’s local news team for various aspects of their local news coverage. This level of local service is possible only because Gray has been able to realize local advertising and retransmission consent revenues associated with the Stations’ dual affiliations with the CBS and NBC networks.

Even with this dual affiliation arrangement, Gray, one of the most prolific and successful small-market broadcasters in the industry, has made the judgment that, because of the limited economic opportunities in the Cheyenne-Scottsbluff DMA, Gray cannot sustain the current level of local service to Cheyenne and Scottsbluff viewers for the long term. Gray seeks Commission authorization to assign the Stations to Marquee. Owned and led by Patricia Lane, Marquee is another successful small-market broadcaster with the hope and expectation that it will be able to maintain and improve KGWN-TV’s local service. But Marquee will only achieve this result if the Commission approves the Applications with both the CBS and NBC affiliation relationships intact. The Applicants request that the Commission give Marquee that opportunity.

¹ This showing is offered to satisfy the requirements of the Commission’s case-by-case approach to the transfer of ownership of multiple top 4 rated program streams pursuant to the *Report and Order* in MB Docket No. 18-349 released on December 26, 2023 (FCC 18-349). The Applicants do not concede that the case-by-case approach should be applied to the Applications.

² One party is permitted to own KGWN-TV and KSTF(TV) because the noise limited contours of the stations do not overlap. *See* 47 C.F.R. §73.3555(b)(1)(i). Gray operates KSTF(TV) as a semi-satellite of KGWN-TV, with the only difference in programming between the two being that each station sells its own local advertising. As described in Attachment 1, KSTF(TV) would not be a viable station as a stand-alone network affiliate. KNEP-TV is assigned to the Denver DMA.

Local service -- particularly local news service -- and network-affiliated program distribution are two of the chief public interest benefits that local television stations provide. The preservation and improvement of those services that would occur if the Applications are approved as submitted clearly serves the public interest. To the contrary, failing to grant the Applications or requiring termination of one of the Stations' network affiliations will lead to diminished local service, likely cutbacks on local news, and the unavailability of over-the-air network programming in the Cheyenne-Scottsbluff DMA. As described more fully below, the Applications serve the public interest, satisfy any version of the case-by-case approach, and should be granted without delay.

I. The Cheyenne-Scottsbluff DMA Presents Unique Challenges to Providing Local and Network-Affiliated Programming.

KGWN-TV provides television viewers in the Cheyenne-Scottsbluff DMA with many public interest benefits. The obvious ones include over-the-air television service, local news, weather, sports, and emergency programming services, and CBS- and NBC-affiliated network programming services. KGWN-TV is also a significant employer in the market, and its local advertising inventory is a mainstay of local small businesses throughout the DMA. These crucial services, however, are very expensive to provide and are growing more expensive by the day. Moreover, the fundamental geographic and population characteristics of the Cheyenne-Scottsbluff DMA make these services increasingly difficult to sustain.

The Cheyenne-Scottsbluff DMA is a geographically large, but sparsely populated, market covering portions of Wyoming and Nebraska. The market is comprised of Goshen and Laramie Counties in the southeast corner of Wyoming and Scotts Bluff County in western Nebraska. With a total of just 61,010 TV households thinly spread over 5,665 square miles, the DMA ranks 196th out of 210 in the country. BIA estimates that in 2022, every television station in the Cheyenne-Scottsbluff DMA combined generated only \$11 million in total revenue, including advertising, retransmission consent, and digital. By contrast, the eighth ranked Washington, DC (Hagerstown, MD) DMA is only about twice as big geographically but has more than forty times as many television households (2,577,690 in 2023) and generates nearly sixty times the annual revenue (\$657,100,000 in 2023).³

Not only is the Cheyenne-Scottsbluff DMA thinly populated, but it is also difficult (and expensive) to serve from an engineering perspective. Given its small population, serving as many viewers as possible is an economic imperative. But those viewers are located in three population centers --Cheyenne, Scottsbluff, and Laramie-- that are nowhere near each other, and certainly not within the radius of a single full-power television station.⁴ Consequently, providing

³ Nine stations in the Washington DC-Hagerstown DMA generated more revenue in 2023 than did KGWN-TV and none of the stations that generated less revenue in the DC market air any local news.

⁴ Although Laramie, Wyoming is in Albany County and the Denver DMA, it is considered an important economic market for Cheyenne television stations. Many of the stations in Cheyenne are carried on Laramie cable systems and have translators or satellite stations repeating their programming into Laramie.

over-the-air signals to the entire market requires broadcasters to operate multiple facilities to cover these dispersed population centers. Unless they operate multiple facilities, broadcasters must choose which of the population centers in the DMA (not to mention small towns between them) will receive an over-the-air signal – and, more importantly, which will not.

Ensuring retransmission of the broadcast signal by MVPDs to all subscribers in the Cheyenne-Scottsbluff DMA creates a separate, expensive challenge. Charter is the largest MVPD in the market, and it has separate headends that serve Cheyenne and Scottsbluff. Thus, if a broadcaster cannot provide an over-the-air signal over both headends, it risks losing carriage in an important portion of its market. Moreover, retransmission consent revenues do not sufficiently supplement advertising revenue in the market. S&P Global estimates that MVPD subscriber numbers in the market have fallen by almost 20% in the last two years. In addition, DIRECTV does not provide local-into-local service in Cheyenne-Scottsbluff. Thus, DIRECTV subscribers do not receive KGWN-TV's local news, and DIRECTV does not pay local stations in the market for their signals. In other words, none of the broadcasters in the Cheyenne-Scottsbluff DMA can fully realize even their limited potential to generate revenue from the quickly shrinking base of MVPD customers.

These significant cost and revenue challenges are already reflected in the makeup of broadcast television service in the Cheyenne-Scottsbluff DMA. There are only four full-power television stations licensed to the market. Gray owns KGWN-TV in Cheyenne and KSTF(TV) in Scottsbluff. The stations' noise-limited service contours do not overlap, and Gray operates KSTF(TV) as a semi-satellite of KGWN-TV (the only difference is some limited local advertising insertion on KSTF(TV)).⁵ Each of these stations provides the same local news and CBS- and NBC-affiliated network programming. Coastal Television LLC ("Coastal") owns KLWY(TV), which operates as the DMA's FOX affiliate but is a semi-satellite of Coastal's Casper, Wyoming station KFNB-TV.⁶ Coastal also operates KKTQ-LD, which is owned by Vision Alaska Television Holdings, as an ABC affiliate. KLWY(TV) rebroadcasts KKTQ-LD's signal on a digital multicast to increase the station's reach within the DMA. KLWY(TV) and KKTQ-LD provide limited "local" news. KLWY(TV) and KKTQ-LD rely on a "local" news source that is produced in Little Rock, Arkansas and supplemented with a handful of news segments produced in Casper, more than 175 miles distant from both Scottsbluff and Cheyenne. The only other full-power station in the market is KQCK(TV), which is owned by Christian TV Network and broadcasts religious programming.⁷

⁵ Gray also operates KNEP(TV), which is assigned to the Denver DMA, as satellite television station of KGWN-TV.

⁶ To provide FOX-affiliated programming to the Scottsbluff area, Coastal uses translator K09YH-D.

⁷ Stand-alone low-power stations are not a viable alternative for distributing local news or network-affiliated content in the Cheyenne-Scottsbluff DMA. This is because absent partnership with a full-power station, a low-power station will not have the technical capability of serving a substantial proportion of television households over-the-air or reaching the necessary MVPD headends.

II. Requiring a Divestiture of KGWN-TV's NBC Affiliation Would Not Serve the Public Interest.

The Commission's case-by-case analysis is designed to determine whether the public interest in the Cheyenne-Scottsbluff DMA is served by allowing Marquee to continue to deliver multiple network-affiliated programming streams to viewers. The presumptions behind that analysis are that (1) the public is better served if network-affiliations are held by separate owners; and (2) that network-affiliation with four independent stations is an option. As the foregoing demonstrates, regardless of whether the first assumption is true, the second is absolutely false in the Cheyenne-Scottsbluff DMA. Gray and Coastal both provide multiple network-affiliated streams in the market by realizing the efficiencies of combined station operation. Cheyenne-Scottsbluff today does not support even one stand-alone network-affiliated station. Indeed, the only reason Cheyenne even has ABC and Fox network affiliates is because Coastal can run them from a neighboring market.

There is no basis for the Commission to conclude that given its many challenges, Cheyenne-Scottsbluff can support even one stand-alone network affiliate that produces local news, let alone two, three, or four. Rather, if the Commission does not approve the transfer of KGWN-TV with both the CBS and NBC affiliations, the most likely result is that Cheyenne-Scottsbluff viewers will lose over-the-air access to NBC programming, local news service, or both. That would not serve the public interest.

A. KGWN-TV's NBC-Affiliated Program Stream Would Not Be Viable as a Stand-Alone Station.

As described in the attached letter from [broker], he does not believe any entity would be willing to try to operate a stand-alone NBC affiliated station in the Cheyenne-Scottsbluff DMA. In his experience, given the small-market realities, buyers are not willing and able to acquire and operate a failing station without the ability to operate it in conjunction with a stronger, in-market station or with multiple Big 4 affiliations (such as KGWN-TV). Only by taking advantage of the synergies from combining Big 4 affiliated signals can a failing station become profitable and afford to provide for the public interest benefits like those described above. Any prospective buyer would need to invest significant amounts of capital to build out the station to operate on a stand-alone basis and improve performance – without any promise that the investment would bring additional revenue. Indeed, in the Cheyenne-Scottsbluff DMA, it is a near certainty that the investment would not produce additional revenue – such revenue simply does not exist in this DMA. Moreover, as described in more detail above, it does not appear that any in-market station operator (other than Coastal, which already operates stations with two Big 4 affiliations) is available to acquire the NBC affiliation. This is because there are no suitable facilities to broadcast the NBC programming to the whole market and, in any event, these competitors are already pursuing programming strategies that would not permit airing an entire program schedule of network programming.

Moreover, Gray's experience shows that its NBC feed on KGWN-TV would have qualified as a "failing" station under the Commission's rules.⁸ Gray reviewed its market-level financials for each of the last three years. If the CBS and NBC programming streams were separated and operated independently, the NBC affiliated stream (1) would have had a low all-day audience share (*i.e.*, no more than four percent),⁹ (2) would have had negative cash flow for three consecutive years prior to the Applications,¹⁰ (3) could demonstrate public interest benefits that will flow from the proposed transaction,¹¹ and (4) could show that there is no out-of-market buyer willing and able to acquire the station at other than an artificially depressed price.¹²

Gray is proposing to sell KGWN-TV with both of its network affiliation agreements, along with a number of other stations, to Marquee in exchange for an unbuilt construction permit that Marquee purchased at auction for only \$875,000. That should demonstrate the very limited value of the NBC affiliation as a stand-alone asset would hold for any station owner. Likewise, Gray's experience with the economics and viewership of the NBC-affiliated stream demonstrates that there is no likelihood that another station owner (other than Coastal, which already operates the FOX and ABC affiliates in the market) will secure the affiliation should Gray (or Marquee) be compelled to surrender it by Commission order.

B. Requiring Divestiture of KGWN-TV's NBC Affiliation Would Jeopardize Local News Service in Cheyenne and Scottsbluff.

Since it is extremely unlikely that another owner would acquire KGWN-TV's NBC network affiliation and operate it as a stand-alone station, the question before the Commission is whether grant of the Applications and preservation of the service that KGWN-TV currently

⁸ See, *e.g.*, Ramar Communications, Inc. and Gray Television Licensee, LLC, *Letter Order*, DA 20-1541 (Dec. 29, 2020); Fireweed Communications LLC, and Gray Television Licensee, LLC, *Letter Order*, 31 FCC Rcd 6997 (MB 2016); Nexstar Broadcasting, Inc., and Estate of Milton Grant, *Letter Order*, 29 FCC Rcd 13522 (MB 2014).

⁹ For each of the past three years, the NBC stream has failed to achieve an audience share in excess of three percent. With a consistent failure to achieve an audience share that reached four percent, KGWN-TV would easily satisfy the low market-share test.

¹⁰ In each of the last three years, KGWN-TV only barely achieved positive cash-flow. If the CBS and NBC programming streams were split between two independent owners in the market, there would be no way to avoid negative cash flow for the NBC-affiliated stream because that station would incur substantial new operating costs that it does not pay today. For example, each station would need a separate local studio and its own station personnel to operate the station and to sell local advertising. These would be new, separate operating costs without any plausible corresponding increase in revenue to cover them. The increase in costs would substantially reduce cash flow such that the NBC station would certainly have negative cash flow unless it substantially reduced operating costs by cutting employees, local programming, or both.

¹¹ As described more fully in Section II.B and III, KGWN-TV provides the only truly local newscast in Cheyenne-Scottsbluff, and the possibility that the transaction will preserve that service would satisfy this criterion.

¹² See Attachment 1.

provides would serve the public interest. A review of KGWN-TV's track record shows the answer to that question is "yes."

KGWN-TV has long served the Cheyenne-Scottsbluff DMA, including the last ten years under Gray's ownership. As the CBS and NBC affiliate in the market, KGWN-TV provides the only locally produced television news programming in the market. In 2023 and early 2024, Gray aired 17 hours of local news each week across the CBS and NBC streams. While the primary CBS stream was the most watched channel in the market each of the last two years, the NBC stream had just a three share each year.¹³

Given the inherent challenges, it is no surprise that KGWN-TV is the only local broadcast television with a stand-alone, independent newsroom in the market.¹⁴ KGWN-TV also is the only station in the market that employs its own local meteorologists, so it is the only station that provides local emergency weather and news information to viewers. KGWN-TV also is the only station in the market that has a dedicated reporter covering the statehouse when it is in session.

In Gray's experience operating stations in small markets like Cheyenne-Scottsbluff, it is virtually impossible to produce a local newscast in a small market with only a single network-affiliated broadcast stream without losing money. Producing local television newscasts is a difficult and expensive venture in any market, but the challenges are exacerbated in very small markets like Cheyenne-Scottsbluff. It is very difficult to attract and retain on-air talent who may wish to move to a larger market with more viewers and higher compensation. Recruiting experienced personnel that can help in the production, sales, and engineering needs of the station has become increasingly challenging as well. These recruiting and retention problems are reflected in rapidly increasing payroll expenses. In the last two years, KGWN-TV's payroll expenses have increased by more than \$900,000 and the station's payroll expenses now exceed the amount KGWN-TV earns in local and regional advertising revenue combined. Meanwhile, as costs are skyrocketing, revenue is not. Like many broadcast stations across the country, KGWN-TV has seen significant decreases in national advertising revenue over the past two years. Indeed, KGWN-TV has lost approximately \$246,000 (or 35%) of national advertising in just the past two years.

Gray has faced these challenges and made heavy investments over the last decade in its local news product. Nonetheless, Gray now believes that the financial health of KGWN-TV's local newsroom is unlikely to improve without new ownership.¹⁵ In Marquee, Gray has found

¹³ See Attachment 2. The NBC stream is identified as NGWN+.

¹⁴ As used in this amendment, stand-alone, independent local newsrooms do not include news departments that import "local" news from outside of the local market or any news that is produced under a news sharing agreement or in conjunction with a JSA partner or other Big 4 affiliate. In other words, a truly local and independent local newscast.

¹⁵ Mark R. Fratrik, Ph.D., BIA Advisory Services, *The Impact on the Amount of News Programming from Consolidation in the Local Television Station Industry* (Sept. 23, 2020),

such a buyer with experience in small-market ownership that is willing and able to take on that challenge. Preserving Marquee's ability to provide local news in Cheyenne-Scottsbluff clearly requires continuation of KGWN-TV's dual affiliation. Both results are in the public interest. Splitting the CBS and NBC affiliations risks substantially reducing the amount of local news that Marquee can air on KGWN-TV after the Transaction closes. As described below, Marquee will make every attempt to continue KGWN-TV's local operations, but forcing divestiture of the NBC affiliation likely would be the final nail in the coffin for local television news production for the Cheyenne-Scottsbluff market.

III. Marquee Adds Diversity of Ownership and Local News Production

Marquee and its affiliates have been in the television broadcasting business for ten years. During that time, Marquee has grown from a single station to eight full power stations, mostly in very small markets. It is one of the few woman-owned and woman-led television broadcast groups, with Patricia Lane being CEO and the majority owner. It is a small family-owned company with the trademark "because local matters." Most of the Big 4 affiliated stations acquired by Marquee have either had no local news or limited offerings at the time of Marquee's acquisition. In each of those cases, Marquee has made substantial investments in building local newsrooms, creating dozens of new local jobs. In an era of dying local news, Marquee has defied the trend, and has enhanced local service in each of the markets it has entered. Marquee also has added diversity of ownership, and in particular diversity of ownership of stations producing local news, in an industry facing consolidation.

Being a small group, Marquee faces different financial pressures than do the larger ownership groups. With its ownership of Big-4 affiliated stations concentrated in very small markets, Marquee does not have the leverage to negotiate retransmission rates as favorable as larger groups with more stations in large markets. Smaller ownership groups are also more impacted by industry trends like cord-cutting and declines in national advertising. Yet, smaller companies can be more nimble and innovative in responding to their local communities, as Marquee has demonstrated by enhancing local news in the markets it has entered.

For example, since purchasing WNKY(TV), Bowling Green, Kentucky in 2017, Marquee has more than doubled the amount of local news that WNKY(TV) airs each week and hired approximately 20 new local newsroom employees. In 2019, Marquee bought WSWG(TV) in the Albany, GA DMA. At the time Marquee acquired the station, it did not have any locally produced news. Since then, Marquee built a new newsroom, hired approximately 12 people, and now airs 5 hours of local news each week. Marquee's proven approach will be necessary to try to preserve and grow KGWN-TV's local presence in Cheyenne and Scottsbluff. Even these innovative approaches, however, rely on a station that is financially viable. As demonstrated herein, if the FCC requires divestiture of KGWN-TV's NBC affiliation, that action will almost certainly doom to failure any of KGWN-TV's efforts to preserve local service.

<https://ecfsapi.fcc.gov/file/101310626616/Gray%20-%20Notice%20of%20Ex%20Parte%2010-13-2020.pdf>.

A newsroom in DMA 196 is nearly as expensive to maintain as one in DMA 96, yet the revenues in market 196 are a small fraction of those available in market 96. A local broadcaster must hold multiple affiliations in tiny markets to have the revenue to serve the local community. To divide affiliations is to doom stations in small markets, leading to eventual news deserts. As it has demonstrated in its other markets, Marquee is up to the challenge of preserving and enhancing local news in Cheyenne-Scottsbluff, but it needs the Commission to recognize that requiring divestiture of KGWN-TV's NBC affiliation would make this an impossible challenge. By allowing Marquee to retain both affiliations, the Commission can serve the public interest by enabling new small entrants like Marquee to come to the aid of small markets that face the danger of being forgotten, in favor of larger markets that could be more profitable.

IV. Conclusion

Gray and Marquee respectfully submit that the public interest would best be served by granting the Applications. By granting the Applications, the Commission will demonstrate to viewers in the Cheyenne-Scottsbluff DMA that it truly values local voices, including coverage of critical local news and emergencies. Furthermore, allowing Marquee to re-envision KGWN-TV's operations in order to make it a viable local voice for years to come will bring new energy to KGWN-TV's operations.

Attachment 1



32 Office Park Road, Suite 212
Hilton Head Island, SC 29928
(443) 415-5455

April 10, 2024

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
45 L Street NE
Washington, DC 20554

Re: NBC Affiliation for Cheyenne-Scottsbluff DMA

Dear Ms. Dortch:

I have been asked to opine on the prospects for a divestiture of the NBC affiliation in the Cheyenne-Scottsbluff DMA from Gray to another broadcaster to operate it on a standalone basis. I have consulted hundreds of broadcast clients and personally brokered more than 300 radio and television deals worth more than \$2 billion during the past 25 years. I have conducted broadcast station valuations for banks, broadcasters, and investors worth more than \$3 billion and serve as a strategic consultant for broadcasters looking to make upgrades and operational improvements. Based on my knowledge of broadcast sales and this market specifically, I would not recommend that the NBC affiliation be marketed for sale to standalone stations.

The Cheyenne-Scottsbluff DMA (rank 194), one of the tiniest DMAs in the country, has just 61,010 television households. The existing allocation of affiliations in the market demonstrates exactly why the sparse population spread over rural Wyoming and Nebraska cannot support four independent television station operators of the "Big 4" affiliations. The only commercial full power television stations in the market are KGWN-TV, owned by Gray Television; KLWY(TV), owned by Coastal Television; and KQCK(TV), owned by Christian Television Network. KGWN-TV operates as the CBS and NBC affiliate in the DMA. KLWY(TV) operates as the Fox affiliate and broadcasts ABC on its digital subchannel while providing various services to Vision Alaska, which operates KKTQ-LD, the ABC affiliate in the market. KLWY(TV) is not a full-service station in the Cheyenne-Scottsbluff DMA. It operates as a semi-satellite of Coastal Television's Casper, Wyoming station. KQCK(TV) provides valuable English and Spanish language religious programming. There are two low power stations that serve the DMA – Channel 38 Christian Television's KGSC-LD and Bridge News' KXCY-LD.

None of the in-market stations is a more viable option for the NBC affiliation than KGWN-TV. KGWN-TV has existing infrastructure to broadcast the over-the-air signal across each of the major population centers in the market. In addition, Gray has existing agreements with each MVPD and OTT provider in the market to ensure that those providers' customers also have access to KGWN-TV's CBS and NBC programming. Moreover, Gray is the only in-market operator that can provide a truly local news product. The benefits of a local newscast are immeasurable for a broadcaster and for the viewing public. The FCC knows well the value that local news provides to viewers, but as a broker, I value the amount of revenue that a station airing local news can generate to support station operations. Local newscasts provide valuable local advertising inventory, which can be sold to local businesses that value a one-to-many advertising source. Broadcasters, like Gray, that can blanket the market with an over-the-air signal and MVPD/OTT viewers can more easily generate revenue to cover the expense to produce the local news.

None of the other in-market broadcasters is a viable option for the NBC affiliation without substantial losses to the local community. KLWY(TV) already is affiliated with FOX and provides services for ABC affiliate KKTQ-LD. Neither KQCK, KGSC-LD, nor KXCY-LD has local production facilities necessary to continue to air locally-produced programming or sufficient local staff to sell any local advertising for those newscasts. Moreover, even if the FCC were willing to forego the locally produced programming that would immediately disappear upon a sale of the NBC affiliation, none of options has the ability to serve the entire DMA. KQCK(TV) is a religious station that does not have experience operating Big 4 affiliates. Moreover, KQCK(TV)'s facilities target Ft. Collins, CO and the northern portion of the Denver DMA. KQCK(TV) provides only a marginal signal to Cheyenne and does not provide over-the-air service to Scottsbluff. The same is true for KGSC-LD and KXCY-LD. Neither has experience operating a Big 4 affiliation and neither station has any over-the-air coverage in Scottsbluff.

In addition, a stand-alone NBC affiliate in Cheyenne is unlikely to be commercially successful. Indeed, it appears that if Gray were operating the NBC affiliate as a stand-alone station, it would qualify as a "failing" station under previous Commission precedent. KGWN's NBC channel has consistently earned around a 3 share over the last several years. Gray has informed me that the NBC affiliated stream would have had a negative cash flow for the last three years if it were operated independently of the CBS affiliated stream. Under these circumstances, no out-of-market buyer would be likely to acquire the NBC affiliation to operate as a stand-alone affiliate. This is particularly the case because the cost of setting up the NBC channel as a stand-alone, including hiring a sales staff and finding a new studio location, is likely to be cost prohibitive given the limited revenue opportunities in the Cheyenne market. Indeed, in the very smallest markets like the Cheyenne-Scottsbluff DMA, it is not uncommon for the market to not have a full complement of Big 4 affiliates. For example, Parkersburg, WV (#193) and Mankato, MN (#199) do not have local ABC affiliates. I would expect the result of Gray being unable to continue operating the NBC affiliation in Cheyenne-Scottsbluff would be that the market would simply have to go without an over-the-air outlet for NBC-affiliated programming.

In conclusion, if a company were to acquire the NBC affiliation, in my opinion, it would not be financially viable. There would exist no technical, sales, programming, or management absent support from an experienced operator that can operate the station in one of the most resource-constrained markets in the country. The cost of outfitting, staffing, and programming a new NBC affiliation simply would not be covered by the revenues that could be generated. In other words, the only sustainable option for the NBC affiliation is to continue to operate on KGWN-TV's digital subchannel.

Sincerely,

By: 
Greg Guy
Founder
Tideline Partners

Attachment 2

Cheyenne 2022-2023 HH (NSI)

	Program Info		HH		
Station	Program	Time	RTG	SHR	IMP
	Cheyenne				
	2023 Avg (L+SD)				

