EXHIBIT SUPPORTING EXTENSION OF CONSTRUCTION DEADLINE PURSUANT TO SECTION 73.3700(b)(5) AND WAIVER OF SECTION 73.3700(b)(5)(iv)

LR Telecasting, LLC is the licensee of television broadcast station KMYA-DT, Camden, Arkansas, a Phase 1 facility with a post-auction construction deadline of November 30, 2018. As required, KMYA-DT **will cease operating on its pre-auction channel (49)** and **begin operating on its post-auction channel (18) by the November 30, 2018 deadline.** However, LR Telecasting is requesting an extension of the construction deadline, because operation on Channel 18 will temporarily be at reduced power. Because this variance from the parameters of the construction authorization will require Special Temporary Authority, a request for an STA is also being filed.

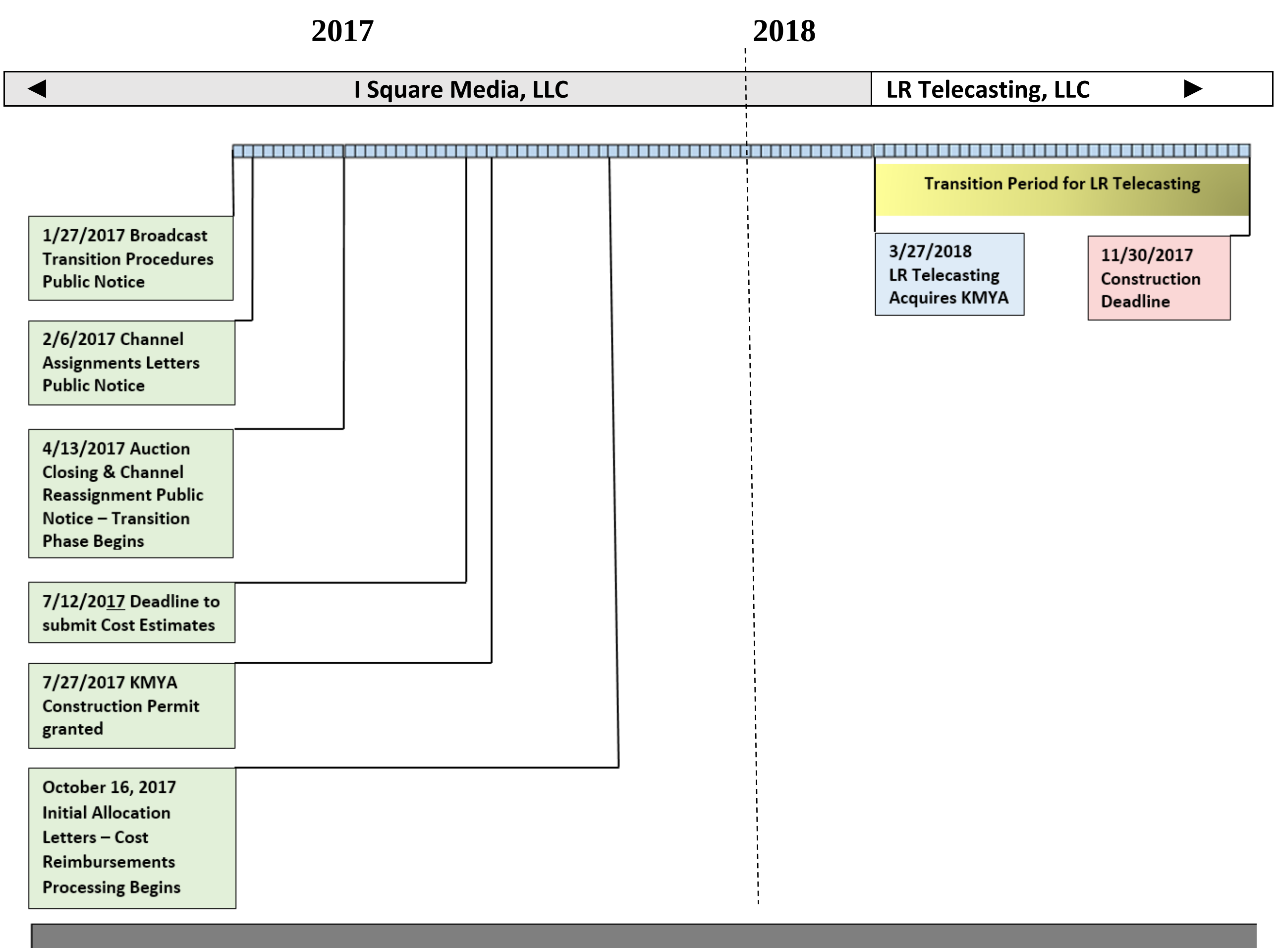
In addition, because this application is being filed within 90 days of the construction deadline, a waiver of Section 73.3700(b)(5)(iv) is requested. The grounds for the waiver are set forth in Section III.

Construction of Channel 18 at its fully-specified parameters will be completed the last week of February 2019. Further details of this schedule are set out on Page 5, *infra*.

I. Why the Extension Application and the STA are Necessary

A. LR Telecasting, LLC acquired KMYA-DT from I Square Media, LLC ("ISM") in a transaction consummated as of March 21, 2018. At that point, the November 30 construction deadline was roughly 36 weeks away. ISM had done nothing to effectuate the transition to Channel 18 beyond compiling cost estimates. It is therefore important to compare the *de facto* transition period available to LR Telecasting against the transition period under which other Phase 1 stations have operated. This is illustrated below:

TABLE 1 – KMYA Transition Period in Perspective



On the left side of Table 1 in the green-shaded areas are the dates and titles of the Commission actions that (i) empowered transitioning stations with the critical information they needed to begin planning their transitions, and (ii) authorized the regulatory procedures and set forth the rules by which the transitions would be accomplished.

The blue chiseled marks along the top of Table 1 indicate weeks, beginning the last week of January 2017 (on the far left) and ending the last week of November 2018 – the November 30 Phase 1 completion date and construction deadline for Phase 1 stations. The FCC sought "to provide broadcasters with as much time as possible to prepare for the post-auction transition" by disseminating as early as possible critical information that stations needed to begin their transition planning.[1] To that end: The post-auction transition procedures were revealed in the *Transition Scheduling Plan Adoption Public Notice*, released January 27, 2017 – 98 weeks prior to November 30, 2018. As early as February 6, 2017 – 95 weeks before the November 30, 2018 deadline – stations were apprised of their new channel assignments. As of April 13, 2017 – some 87 weeks prior to the November 30 deadline – transitioning television stations were informed of the construction deadlines and the technical parameters pertaining to their reassigned channels.

If the Phase 1 transition period were viewed as beginning at any of the early inflection points shown in Table 1, then Phase 1 stations have had anywhere from 98 weeks to 72 weeks to plan and execute their pre-construction and construction actions. By comparison, as shown by the gold-shaded area in the top right of Table 1, the *de facto* transition period for LRT's construction of the post-auction KMYA facilities was approximately 36 weeks.

B. Three further points should be noted for the sake of a clear picture. First, at the time that LRT acquired the KMYA license, it was ***not*** the case that *pro tanto* transition groundwork already had been done on the transition by I Square Media, such that LR Telecasting merely stepped onto a transition path that was conscientiously underway. ISM had done no meaningful planning toward the transition. Presumably it was reluctant to invest in the new facility because it was selling the station. ISM had submitted the estimated costs section of Form 399 by the July 12, 2017 deadline, but this work had not been well developed.[2] Its short-timer's orientation was reflected in ISM's Initial Transition Progress Report submitted October 10, 2017, in which ISM stated expressly that construction of the post-auction facility would depend on LRT's consummating the purchase of the station.[3]

Second, notwithstanding LRT's eventual acquisition of KMYA in late March 2018, it would not have been possible for LRT unilaterally to have done substantial work toward the November 30 deadline prior to the actual closing. In order for LRT to have done so, LRT would have had to possess the legal authority to engage the Commission's processes as station licensee and to enter into commitments with equipment and services vendors, but that authority did not materialize until LR Telecasting became the owner of KMYA-DT in late March 2018.

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[1] *See Public Notice Concerning: Confidential Letters Regarding Post-Incentive Auction Channel Assignments*, DA 17-134 (MB/WTB), released February 6, 2017 (*Channel Assignments Letters Public Notice*).

[2] As the Bureau's records will reflect, it has been necessary for LR Telecasting to make substantial corrections to the initial content of the cost estimates portion of the Form 399.

[3] In the October 10, 2017 report, ISM answered 'no' to virtually all of the questions asking whether particular steps toward construction had yet taken place.

Third, this case involves a unique setting where serious legal challenges clouded LRT's path during the entire period of the transition. LRT executing a binding letter agreement looking toward its acquisition of KMYA-DT and its companion LPTV station (KMYA-LP) in January of 2016. The parties signed the formal Asset Purchase Agreement the next month. Within a few weeks thereafter, ISM and LRT were hit with a Petition to Deny the assignment application filed by a group of shareholders in an entity called Rock City Media LLC. The petitioners claimed that ISM did not have the right to sell the Stations to LRT because Rock City Media already owned them pursuant to an Asset Purchase Agreement ostensibly executed in May of 2014. Rock City Media was not deterred by the fact that its Asset Purchase Agreement was dated four months before ISM acquired the Stations, by its inability to demonstrate when or how it had paid the cited purchase price for the Stations, by its own failure to have ever sought FCC approval for such acquisition, or by the complete lack of evidence that it had ever acted as owner of the Stations. At about the same time, Rock City Media filed suit in the Circuit Court of Pulaski County, Arkansas (Case No. 16-1840) against ISM, its owners and LRT advancing essentially the same claims as were expressed in the pleadings filed with the FCC by certain shareholders in Rock City Media, and demanding that the Court halt the proposed sale to LRT. ISM and LRT opposed the objections lodged at the FCC and the Arkansas Court pleadings of Rock City Media.

On June 21, 2017, the Video Division denied the objections. Unfortunately, the uncertainties posed by the Arkansas litigation remained. Indeed, these deepened as Rock City Media filed a second suit against ISM and its shareholders in the Pulaski County Court (Case No. 16-6186). For reasons unknown, LRT was not made a party to that litigation. Nevertheless, as of early 2018 the Court had not granted Rock City Media's request for an injunction barring the sale. Indeed, the plaintiffs and defendants had filed numerous motions in the Arkansas litigation, but the Court had acted on none of them. LRT derived from the Court's inaction that the Court did not deem the case to be a serious one. For that reason, and because of the need to move forward with the transition to Channel 18, LRT proceeded with the acquisition of the Stations from ISM, completing the purchase near the end of March 2018.

That said, the horizon is still cloudy in terms of LRT's ability to plan for the transition. A few days ago, the Arkansas Court entered an Order Granting Plaintiffs' Motion for Partial Summary Judgment Against Defendant I-Square Media, LLC in Case No. 16-1840, issued November 2, 2018. Without any hint of deference to the FCC's exclusive jurisdiction or its determination of June 21, 2017 that ISM was the owner of the Station licenses and had the right to convey them to LRT, and without giving the defendants the opportunity to submit evidence or cross-examine Rock City Media's witnesses, the Court held "[t]hat Rock City is the owner of the full power digital television station KMYATV [*sic*], licensed to Camden, Arkansas and low power station KMYA-LP, licensed to Sheridan, Arkansas (collectively, the "Station")." The Order also directed ISM to convey the licenses to Rock City Media, which would be a complex trick considering that ISM no longer owns the licenses.

Shortly after receiving a copy of the November 2 Order, LRT discovered that Rock City Media has filed a similar Motion in Case No. 16-1840. The main difference between the two motions is that the summary judgment motion in Case No. 16-1840 demands that the Court "direct LRT to cooperate fully with Rock City in facilitating the transfer of the FCC license to Rock City, its rightful owner."

LRT is proceeding with the channel change at KMYA-DT notwithstanding the confusion sown by the above matters, but wishes the Video Division to understand that it is facing obstacles in respect of its ownership of the Stations unlike those of any other television station licensee.

C. In the *Transition Scheduling Plan Adoption Public Notice*[4], the Bureau conceptualized the tasks and time periods required for phase transitions in terms of two stages. The Pre-construction Stage includes the time required for all planning and administrative activities necessary to prepare for construction,

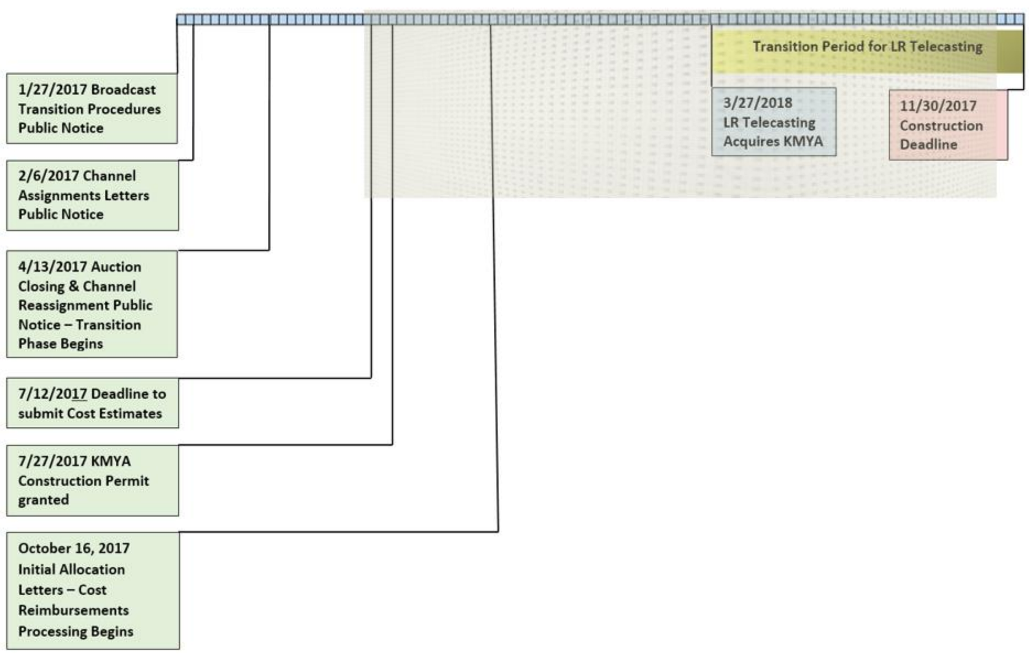
[4] *Incentive Auction Task Force and Media Bureau Adopt a Post-Incentive Auction Transition Scheduling Plan*, DA 17-107, released January 27, 2017 (*Transition Scheduling Plan Adoption Public Notice*).

including zoning, administration, legal work, and pre-construction alterations to tower and transmitter equipment. It also includes the time required for antenna equipment to be ordered, manufactured and delivered. *Id.* at Appendix A, ¶34. The Construction Stage includes the time associated with tower work, installing the transmitter components, combiners, RF mask filters and the transmission line to the base tower, as well as the installation of liquid cooling systems, AC power, connections to remote control equipment, and input signal connections, if required. *Id.* at Appendix A, ¶40.

The Bureau estimated the time needed to complete the Pre-construction Stage to be a *minimum* of 32 weeks (higher for stations in the early transition phases, such as KMYA-DT). *Id.* at Appendix A, Table 3. The minimum estimated time for the Construction Stage was 24-32 weeks. Id. at Appendix A, Table 6.

Licensees' determinations relating to the cost of equipment and services and the FCC's activation of the processes by which stations would be reimbursed for their reasonably incurred expenses, were also critical steps for ensuring an appropriate rate of progress toward the Phase 1 completion deadline. Thus, the deadline to submit cost estimates was July 12, 2017 – roughly 76 weeks prior to the November 30, 2018 construction deadline for Phase 1 stations; and as early as October 16, 2017 – 61 weeks before November 30 – the Commission began accepting and processing expense reimbursement requests.

The interplay of the foregoing timeframes gave the post-transition framework critical momentum. But one consequence – meaningful only from the perspective of LRT – is that other licensees in the Phase 1 environment already were underway in their Pre-construction Stage and Construction Stage efforts by the time LRT acquired the station. Substantial and accelerating congestion among equipment vendors, manufacturers, and service providers had emerged just at the time KMYA was entering that marketplace in late spring 2018. This dynamic is illustrated notionally in Table 2 below:



The hatched area in the top right indicates the intensifying pattern of behavior in the Phase 1 environment enabled by the July 2017 deadline to submit cost estimates, the Commission's subsequent issuance of transition channel construction permits, and the initiation of expense reimbursement processing in October 2017. These dynamics evolved to a state of affairs – extant when LRT closed on the KMYA acquisition – in which equipment ordering and delivery schedules were quite dense, suppliers and manufacturers were under increasing stress, and the typical rhythms of commercial interaction were out of kilter.

All of this is to be expected, given the uniqueness of the transition phenomenon. The point for purposes of our extension request is simply that these and other variables – introduced into LRT's 36-week transition timeline – severely limited the control that LRT could have over the pace and progress of its transition.[5] Concrete repercussions of this included delays in the delivery of the main transmitter, main antenna and primary transmission line.

A contributing, though not determinative, factor was economics. The costs of the key pieces of equipment KMYA requires are substantial: $414,400 for the main transmitter, $186,150 for the main antenna, and $115,495 for the main transmission line – a sum of $716,045. Whereas other reassigned stations were able to begin the cost reimbursement process as early as October 2017, LRT did not close on the acquisition of KMYA until late March of 2018 and thus did not have authority to submit reimbursement requests before that point. LRT attempted to persuade vendors to act on its equipment orders without prior payment, since the eventual reimbursements were virtually guaranteed. Unfortunately, the vendors would not agree to this. In due course, LRT identified a lender whose financing would make the matter of reimbursement-timing temporarily irrelevant – but by that point LRT's primary vendors were advising that their delivering the equipment in sufficient time for LRT to meet the November 30 construction deadline was literally impossible.[6]

The availability of the third-party financing initially was delayed because of the uncertainty created by the recent Arkansas state court decision described on Page 3, *supra*. This issue has been resolved so far as the lender is concerned. The funds will be available the first week in December. Payments will be sent to our transmitter and transmission line vendors at that time. Deliveries will occur within 60-75 days. A tower crew has been scheduled for the last week in February.

D. Notwithstanding the challenges described above, LR Telecasting divined a way forward that would enable it to discontinue operation on Channel 49 by the November 30 deadline and begin operating on Channel 18, also by November 30. First, it located a low power transmitter which its engineer is reconfiguring to Channel 18. This will enable the station to generate a solid signal on the post-transition channel, though at variance from the exact parameters of the construction permit. In addition, LRT benefitted from the good offices of a longtime industry colleague, willing to lend an antenna and transmission line for use in conjunction with the temporary solution. By the same good graces, a tower crew has made itself available to install the equipment beginning the day after the Thanksgiving holiday.

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[5] Under Section 73.3700(b)(5), the Bureau is authorized to grant a single extension of time of up to six months to licensees of reassigned stations to complete construction of their post-auction channel. This requires a showing that failure to meet the construction deadline is due to circumstances that are either unforeseeable or beyond the licensee's control. In the instant case, we have shown that this predicate is satisfied.

[6] On this score, the following logic from the Commission's *Incentive Auction Report and Order* is instructive. "[B]ecause stations will be eligible for an initial allocation of estimated construction costs, **stations should not have to rely significantly on self-financing or outside financing for their construction."** *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, FCC 14-50, released June 2, 2014, ¶582 (*Incentive Auction Report & Order*). Nonetheless, LR Telecasting was prepared to do so, if necessary, in order to meet the November 30 deadline. As explained above, however, even the capability to make payment could not facilitate the timely delivery of the equipment.

In the *Broadcast Transition Procedures Public Notice*[7], the Commission recognized the virtue of exactly the proposal that LR Telecasting is presenting herein: "[I]n order to facilitate timely construction of new facilities and to minimize any time broadcasters may be off the air, reassigned stations . . . may request an STA to operate with temporary facilities while they complete construction of their post-auction channel facilities . . . To illustrate, examples of potential temporary facilities could include: **a station operating on its assigned post-auction channel with parameters at variance from its post-auction construction permit."** *Id*. at ¶¶46-47.

* * *

Although the probability of LRT's meeting the November 30 deadline was compromised by the timing of its acquisition of the Station, LRT was never oriented by that fact. LRT did not seek to modify either its transition phase or its construction deadline. Its view, quite simply, has been that the FCC had established the November 30 deadline and the deadline would be met. Period.

II. Additional Considerations

In the *Transition Scheduling Plan Adoption Public Notice, supra*, the Commission stated: "[O]ur aim is not to discourage stations from proposing alternative transition solutions that could create efficiencies or resolve unforeseen circumstances that could otherwise force a station to go dark. Indeed such proposals may reduce transition costs . . . . Nonetheless, such proposals should specifically demonstrate that implementation would not interfere with other stations' transition efforts and address how implementation of the proposal may affect the transition schedule." *Id*. at ¶50.

The virtues and conditions cited in the foregoing passage are present here:

► The grant of Special Temporary Authority and the extension of LRT's construction permit deadline will resolve unforeseen circumstances that could otherwise force KMYA-DT to go dark.

► The exercise of LRT's determining a plan to meet the November 30 deadline involved a thorough review of the cost estimates posited by the prior licensee (in Form 399 as filed July 12, 2017) and approved by the FCC in the Initial Allocation. An effect of this review was the realization by LRT that its transition to the fully-operational Channel 18 will require substantially less money than the prior licensee had projected. Although this efficiency-savings is not a direct 'result' of the instant proposal, the rigorous costings analysis that LRT's predicament catalyzed and this proposal dictated, generated the revelation that the transition ultimately will require substantially less money than posited in the previous licensee's analysis. This is a salutary effect of LRT's "alternative transition solution," *id.*

► The grant of Special Temporary Authority and the extension of the construction permit deadline will not affect the transition schedule. By November 30, the Station will cease transmitting on its pre-auction channel; and by November 30, the Station will be operating on its post-auction channel. Although an extension of the construction permit deadline is formally necessary because the operation will temporarily be at a lower power, the transition schedule will not be affected.

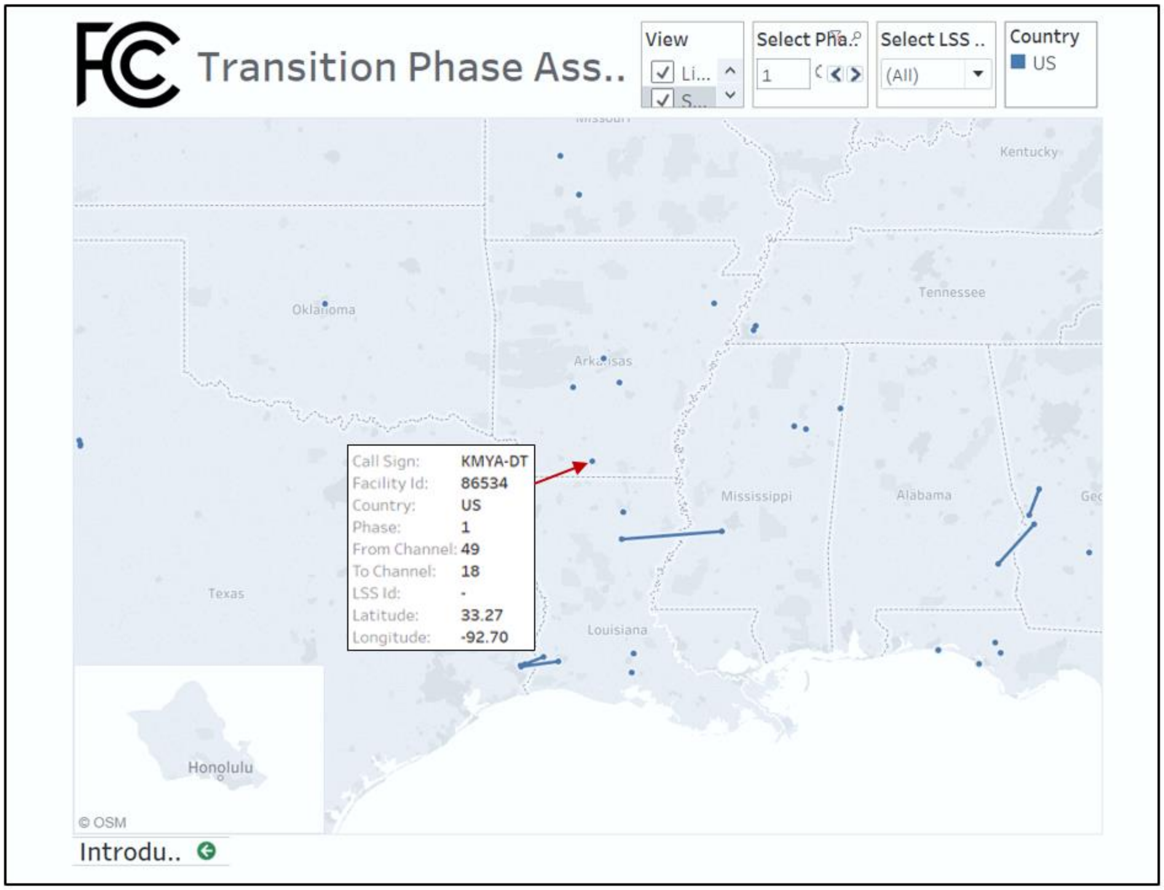
► The grant of Special Temporary Authority and the extension of the construction permit deadline will not interfere with other stations' transition efforts. Below is an excerpt from the Bureau's Linked Station Set database showing that there are no technical dependencies in play in KMYA-DT's transition from Channel 49 to Channel 18.

[7] *Incentive Auction Task Force and Media Bureau Announce Procedures for the Post-incentive Auction Broadcast Transition*, DA 17-106, released January 27, 2017 (*Broadcast Transition procedures Public Notice*).

	A	B	C	D	E	F	G	H
1	Region	DMA	FacId	Call Sign	fromChan	toChanne	Phase	LSS_ID
250	Central Plains	Little Rock-Pine Bluff, AR	86534	KMYA-DT	49	18	1	-

No linked stations

The same state of affairs is illustrated by the following map from the Bureau's Transition Phase Assessment data file:



► In addition, it should be noted that KMYA-DT's situation differs from that of most transitioning stations in that viewership of KMYA-DT's "main" facility near Camden accounts for only a small minority of the station's overall viewership. Most of the station's viewers reside in the Little Rock Metropolitan area, which is more than 80 miles north of the main transmitter site. Those who pick up the broadcasts of KMYA-DT off air do so not from the main station, but rather from KMYA-LP and translators in the Little Rock area. The portion of the Little Rock DMA within reach of the broadcasts of the "main" station antenna is only lightly populated. For example, the population of Ouachita County (of which Camden is the county seat) is only 26,100; that of adjacent Calhoun County only 5,368; that of Dallas County (north of Camden) just 8,116, etc. In contrast, Little Rock and the rest of Pulaski County (which do not receive a viewable signal from the main KMYA-DT antenna now) have a population of 382,748.

III. Waiver Request

This application for additional time to construct is being filed within 90 days of the November 30, 2018 construction deadline. For this reason, we respectfully request a waiver of Section 73.3700(b)(5)(iv).

The FCC may grant a waiver for good cause – for instance, where the particular facts of the matter warrant a deviation from the general rule because by that means the public interest will be advanced. A waiver of the 90-day rule will have that salutary effect here. LR Telecasting's proposal is to vacate its pre-auction channel and activate its post-auction channel by the November 30, 2018 deadline, subject to the Commission's approving operation temporarily at variance from its construction authorization.

The overriding public interest objective of the Commission's post-auction transition proceedings as they relate to station KMYA-DT is that the Station vacate its pre-auction channel and activate its post-auction channel by the deadline for Phase 1 facilities. A grant of this waiver request will enable the realization of that objective. A denial of the waiver request, on the other hand, would require the station to go dark.

LRT apologizes for not having submitted its extension application at the earlier juncture. However, at that point, as our written communications with the Commission's personnel and our Transition Progress Reports indicate, we believed in good faith that it would be possible to build-out the full-conforming facility by the deadline. Unfortunately, in recent weeks is has become clear that this would be impossible. The saving grace is that temporary operation at reduced power can in fact begin on Channel 18 by November 30.

In these circumstances, we ask that the Commission find that waiver of Section 73.3700(b)(5)(iv) would be appropriate.