MULTIPLE OWNERSHIP COMPLIANCE (SUPPLEMENT)

As reflected in Exhibit 14 of the pending application for assignment of licenses of Wyoming stations KGWR-TV (Rock Springs), KGWL-TV (Lander), and KGWC-TV (Casper) from Benedek License Corporation to Chelsey Broadcasting of Casper, LLC ("Assignee"), the Rock Springs and Lander stations have long been co-owned and jointly operated as satellites of KGWL-TV (Casper), as authorized by the FCC under Note 5 of the satellite exemption to the TV duopoly rule.[1] The circumstances that warranted such joint operations—so that KGWR-TV and KGWL-TV could continue television service to the underserved Rock Springs and Lander areas—remain present today, including the lack of an economic base in those areas to support full-service, stand-alone TV operations.

Following its most recent grant of satellite status to the stations,[2] however, the FCC has relaxed its duopoly rule to permit co-ownership of more than one same-market television station where the stations' Grade B contours do not overlap.[3] As demonstrated below, the Grade B contours of KGWR-TV and KGWL-TV do not overlap the Grade B contour of KGWC-TV, and the public

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1 47 C.F.R. § 73.3555(b).

2 *See* Letter to Benedek Broadcasting Corporation, BALCT-960111P-IX (April 8, 1996). *Accord, Stauffer Communications Inc.*, 10 FCC Rcd 5165 (1995) (finding that the public interest was served by granting a satellite exemption for KGWR-TV and KGWL-TV to operate as satellites of KGWC-TV). *See* Exhibit 14 Annex B.

3 47 C.F.R. § 73.3555(b)(1). While the community of license of KGWR-TV (Rock Springs) is located in Sweetwater County, which is in the Salt Lake City (Utah) DMA, Nielsen considers KGWR-TV, operating as a long-time satellite of KGWC-TV, as serving the Casper-Riverton DMA, the DMA also served by KGWL-TV (Lander) and KGWC-TV (Casper).

interest would be well served by granting a waiver of the duopoly rule to allow the *de minimis* Grade B overlap that exists between KGWR-TV and KGWL-TV.[4]

Annex A to Exhibit 14 of the pending application demonstrates that the Grade B contours of the two current satellite stations, KGWR-TV and KGWL-TV, do not overlap the Grade B contour of the parent station, KGWC-TV. While there is small Grade B overlap between KGWR-TV and KGWL-TV, the overlap (as shown below) is properly considered to be *de minimis* because it represents less than 1% of the population and area within the Grade B contour of each station. For this reason, co-ownership of KGWR-TV (Rock Springs) and KGWL-TV (Lander) does not raise any regulatory concerns under the multiple ownership rules.[5]

The attached Technical Statement of Consulting Engineers du Treil, Lundin & Rackley, Inc. (Annex 1 hereto) reflects that the predicted Grade B

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4 Because the ownership of the three stations may be granted under the revised duopoly rule (Section 73.3555(b)(1)), it is unnecessary for the staff to address the Assignee's initial showing, in Annex B to Exhibit 14, regarding continuation of the satellite status of KGWR-TV under Note 5 of the duopoly rule.

5 *See Review of the Commission's Regulations Governing Television Broadcasting,* 14 FCC Rcd 12903, 12929 (1999) (citing *Hubbard Broadcasting, Inc.*, 2 FCC Rcd 7374 (1987)) (referencing the FCC's policy of waiving the duopoly rule to allow co-ownership of TV stations with *de minimis* Grade B contour overlap, *i.e.*, where the area of overlap encompasses less than 1% of the population and the area of the Grade B contour of each station).

Furthermore, the FCC repeatedly has approved the use of the Longley-Rice model to take into account the impact of terrain in the predicted overlap area. *See e.g., Heritage Media Services, Inc.* 13 FCC Rcd 5644, 5648-49 (1998) (granting a *de minimis* duopoly waiver where a terrain-limited analysis showed that the mountainous real-world overlap area encompassed 0.83% and 0.50% of the stations' predicted contours and included 0.23% and 0.26% of the population(1,500 persons)).

overlap area includes less than 1% of the population of either station (indeed, only eight persons), while including somewhat more than 1% of the area of each station. The portion of the predicted Grade B overlap area that actually receives Grade B service is significantly less, however, because the overlap area occurs over portions of the Rocky Mountains. Using the terrain-sensitive Longley-Rice model, the Consulting Engineers have determined that this overlap area would constitute only 0.28% of the Grade B contour of KGWL-TV and only 0.17% of the Grade B contour of KGWR-TV. Also, when taking into account the real-world mountainous terrain, the overlap area would include zero population.

Because co-ownership of the two stations would not result in the stations serving common populations or areas to any significant degree (indeed, the mountainous area does not include any population), grant of a *de minimis* waiver would serve the public interest. Furthermore, as shown in Annex 2 hereto, continued co-ownership of KGWR-TV (Rock Springs) and KGWL-TV (Lander) would serve the public interest because it provides the only realistic chance for the residents of the Rock Springs and the Lander areas to continue to receive analog service—and to later receive digital service—from KGWR-TV and KGWL-TV. For these reasons, and because the Grade B contours of KGWR-TV and KGWL-TV do not overlap the Grade B contour of KGWC-TV, Assignee respectfully requests authority to jointly own and operate the three Wyoming stations under Section 73.3555(b)(1).

* * *

Annex 2 hereto contains Assignee's request for waiver of Section 73.1125 of the rules to permit KGWR-TV (Rock Springs) and KGWL-TV (Lander) to share a main studio with KGWC-TV (Casper).

ANNEX 1

TECHNICAL STATEMENT

TECHNICAL EXHIBIT
PREPARED ON BEHALF OF
KGWL-TV, LANDER, WY AND
KGWR-TV, ROCK SPRINGS, WY

Technical Narrative

The technical exhibit of which this narrative is part was prepared on behalf of TV stations KGWL-TV on channel 5 at Lander, WY and KGWR-TV on channel 13 at Rock Springs, WY. The purpose of this technical exhibit is to provide information concerning the Grade B contour overlap between KGWL-TV and KGWR-TV.

Station KGWL-TV is licensed (BLCT-19821101KJ) to operate on NTSC channel 5 with a nondirectional effective radiated power (ERP) of 100 kilowatts (kW)and an antenna height above average terrain (HAAT) of 82 meters. Station KGWR-TV is licensed (BLCT-19900425KN) to operate on NTSC channel 13 with a nondirectional effective radiated power (ERP) of 209 kilowatts (kW) and an antenna height above average terrain (HAAT) of 495 meters.[1]

Figure 1 is a map which depicts the Grade B contours for KGWL-TV (47 dBu) and KGWR-TV (56 dBu). The contour locations were determined every 10 degrees of azimuth based on the provisions of Section 73.684 and each station's licensed facilities. As indicated on Figure 1, the Grade B contours of KGWL-TV and KGWR-TV overlap. The following provides a tabulation of the population and land area within each stations Grade B contour, the Grade B overlap area and the percentage of the total population and area the Grade B overlap area represents.

Area	Land Area (km^2)	2000 Census Pop.
KGWL-TV Grade B	22,160	37,727
KGWR-TV Grade B	36,380	44,223
Grade B Overlap Area	1,726	8
% of KGWL-TV Grade B	7.8%	0.02%
% of KGWR-TV Grade B	4.7%	0.02%

As indicated above, the Grade B overlap area contains only 8 persons (and one US Census population centroid) representing only 0.02% of the total population within the KGWL-TV and KGWR-TV Grade B contours.

[1] The facilities for KGWL-TV and KGWR-TV were obtained from the FCC's current CDBS.

Furthermore, as demonstrated on Figure 2, which is a terrain profile between the KGWL-TV and KGWR-TV transmitter sites, the KGWL-TV/KGWR-TV FCC predicted Grade B overlap area is located within the Rocky Mountains.[2] It is apparent from Figure 2 that the effect of "terrain shielding" caused by intervening mountains would be significant within the KGWL-TV/KGWR-TV FCC predicted Grade B overlap area. Therefore, the Longley-Rice propagation model[3] was used as a more "real world" depiction of the KGWL-TV and KGWR-TV coverage within the FCC predicted Grade B overlap area. The following parameters were used in employing the Longley-Rice model:

Location Variability	50%
Time Variability	50%
Situation Variability	50%
Frequency	79 MHz (KGWL-TV)/213 MHz (KGWR-TV)
Conductivity	0.005 S/m
Climate Zone	Continental Temperate
Polarization	Horizontal
Transmitter Antenna Height AMSL	1821 m (KGWL-TV)/2650 m (KGWR-TV)
Effective Radiated Power	100 kW (KGWL-TV)/209 kW (KGWR-TV)
Receive Antenna Height	9.1 m
Clutter Factor	5 dB

Figure 3 is a map which depicts the FCC predicted KGWL-TV/KGWR-TV Grade B overlap area. Also shown are the KGWL-TV and KGWR-TV signal levels within the FCC predicted Grade B overlap area based on the Longley-Rice propagation model. Grade B or greater KGWR-TV/KGWL-TV signals are represented by the unshaded (clear) areas, whereas signals less than Grade B are represented with cross-hatching. Thus, unshaded areas located within the FCC predicted Grade B overlap area represent areas where both the KGWL-TV and KGWR-TV field strengths based on the Longley-Rice propagation model would be Grade B or greater (i.e. Longley-

[2] Terrain profiles were derived using the NGDC 3-second digitized terrain database.

[3] Rice, P. L., A. G. Longley, K. A. Norton, and A. P. Barsis, "Transmission Loss Predictions for Tropospheric Communication Circuits," Technical Note 101 (Issued May 7, 1965, Revised January 1, 1967) National Bureau of Standards, Boulder, Colorado. See also Longley, A. G., and P. L. Rice, "Prediction of Tropospheric Radio Transmission Loss Over Irregular Terrain; A Computer Method-1969," ESSA Technical Report ERL-ITS 67, Institute for Telecommunications Sciences, Boulder, Colorado, July 1968.

Rice Grade B overlap area). As indicated, based on the Longley-Rice propagation model, the KGWL-TV/KGWR-TV Grade B overlap area would be significantly diminished. Specifically, it has been determined that based on the Longley-Rice propagation model, the KGWL-TV/KGWR-TV Grade B overlap area would contain no population (0 persons) within 63 square kilometers. In addition, although the predicted Grade B overlap area constitutes 7.8% of the total Grade B area of KGWL-TV and 4.7% percent of the total Grade B area of KGWR-TV, based on the Longley-Rice propagation model the areas receiving Grade B service within that predicted Grade B overlap area would be only 0.28% of the total Grade B area of KGWL-TV and only 0.17% of the total Grade B area of KGWR-TV.

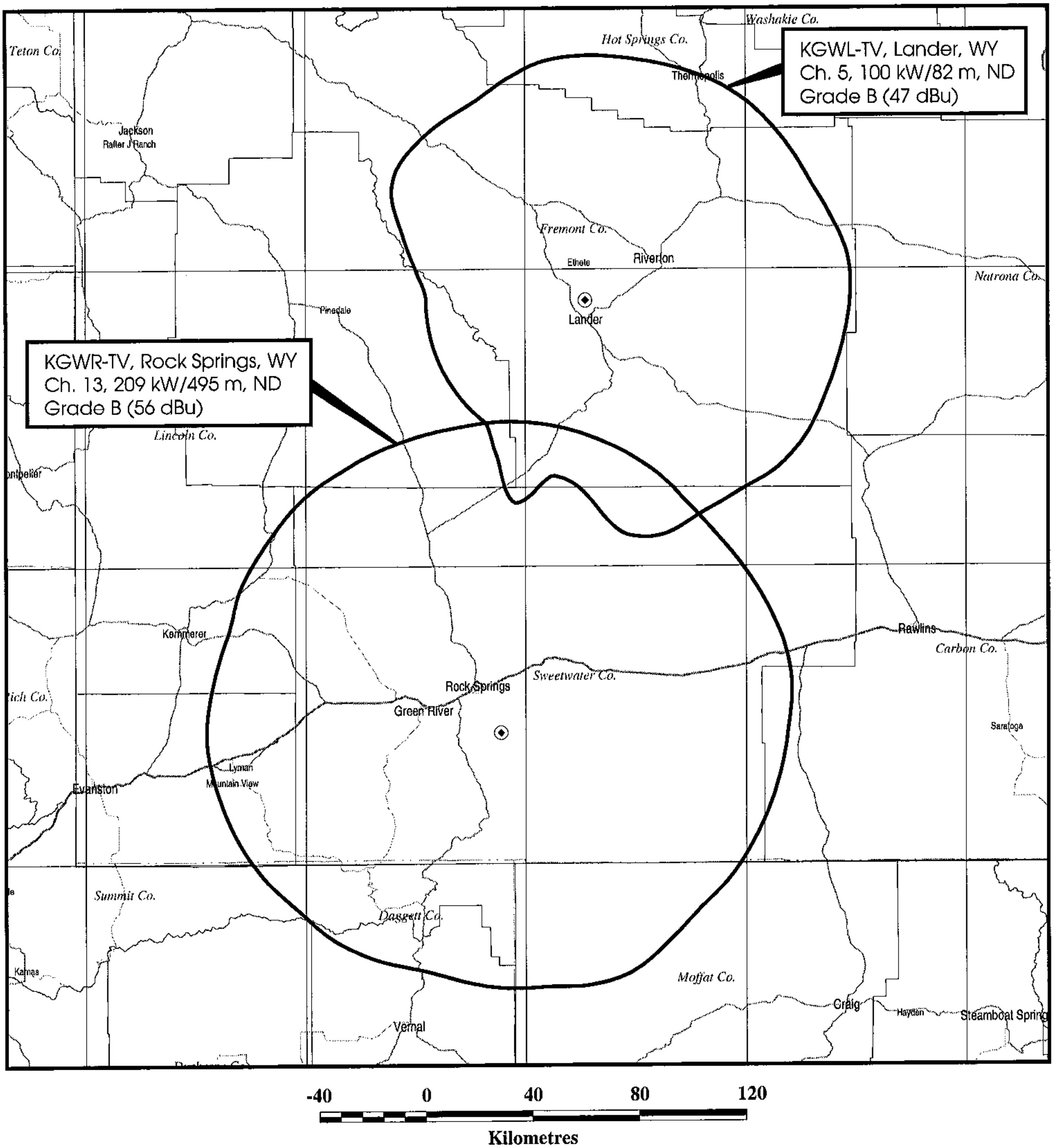
This technical exhibit has been prepared by or under the direct supervision of W. Jeffrey Reynolds, technical consultant with the firm of du Treil, Lundin and Rackley, Inc., a telecommunications consulting firm located in Sarasota, Florida, who states that his qualifications are a matter of record with the Federal Communications Commission, having been presented on previous occasions. All data and statements contained herein are true and correct to the best of his knowledge and belief.

W. Jeffrey Reynolds

W. Jeffrey Reynolds

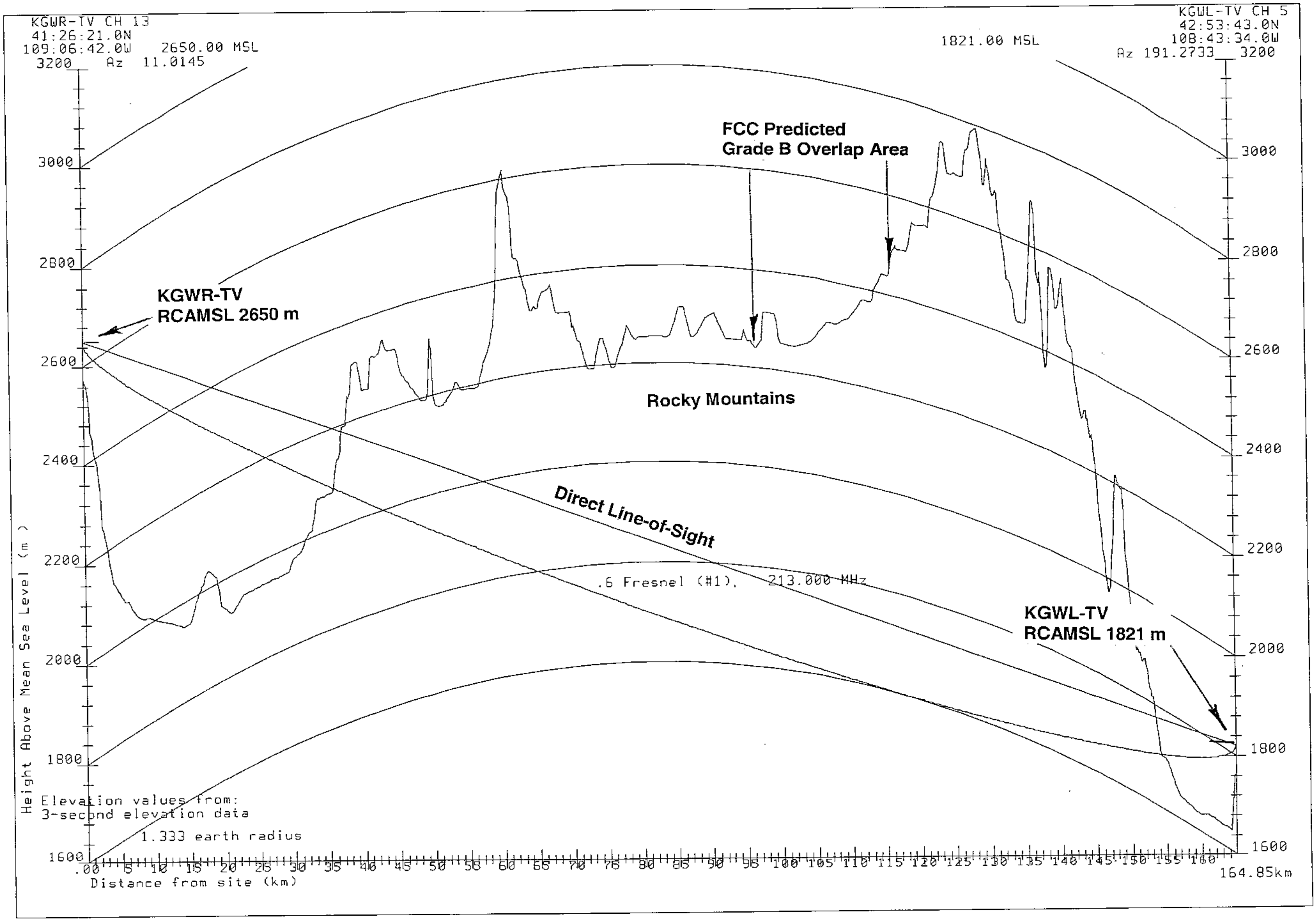
du Treil, Lundin & Rackley, Inc.
201 Fletcher Avenue
Sarasota, FL 34237
(941) 329-6000
JEFF@DLR.COM

June 28, 2002



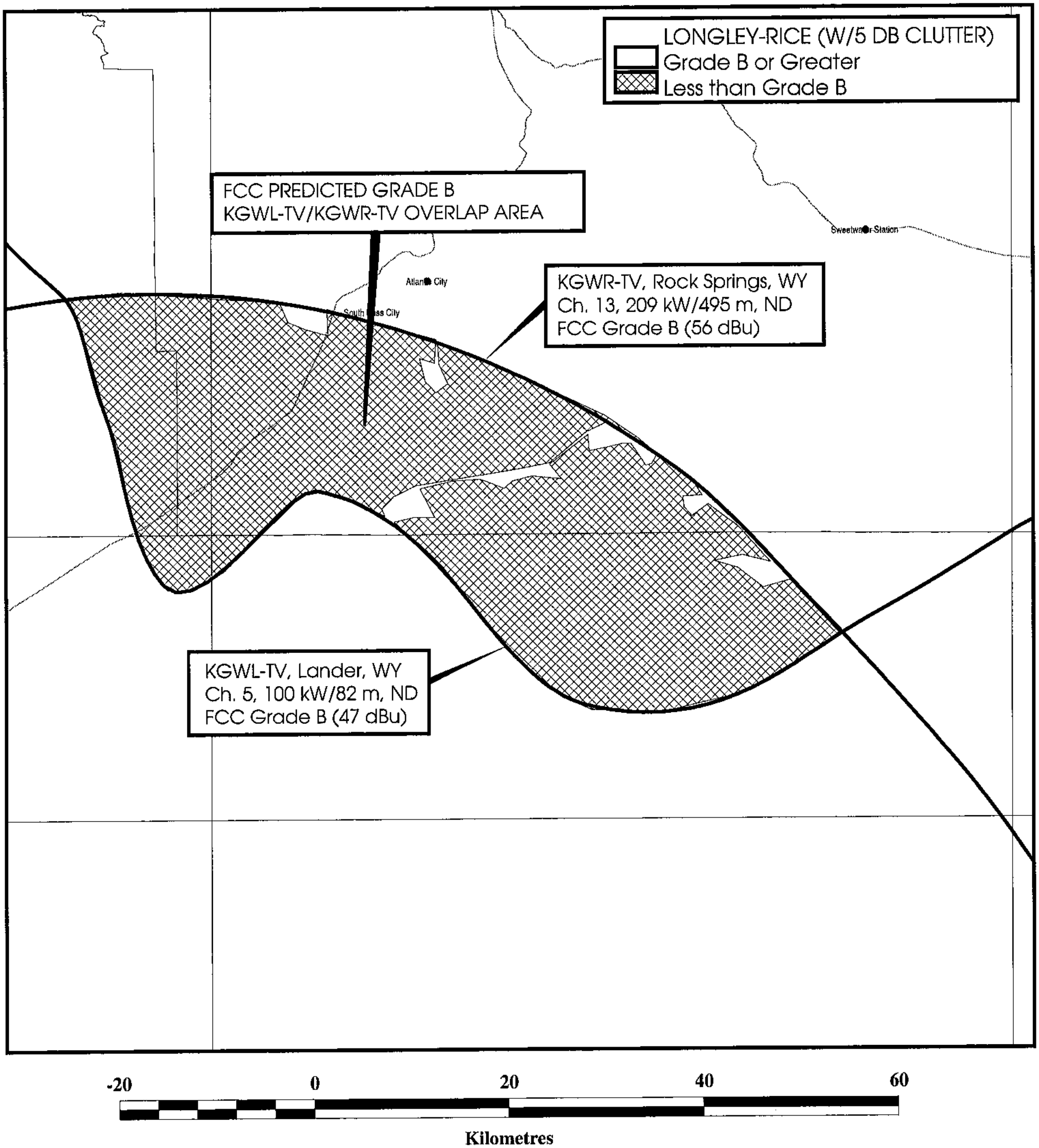
FCC PREDICTED GRADE B CONTOURS

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



KGWR-TV CH 13
41:26:21.0N
109:06:42.0W
2650.00 MSL
Az 11.0145
KGWL-TV CH 5
42:53:43.0N
108:43:34.0W
Az 191.2733
1821.00 MSL
FCC Predicted
Grade B Overlap Area
KGWR-TV
RCAMSL 2650 m
Rocky Mountains
Direct Line-of-Sight
.6 Fresnel (#1), 213.000 MHz
KGWL-TV
RCAMSL 1821 m
Height Above Mean Sea Level (m)
3200
3000
2800
2600
2400
2200
2000
1800
1600
Elevation values from:
3-second elevation data
1.333 earth radius
.00 5 10 15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100 105 110 115 120 125 130 135 140 145 150 155 160
164.85km
Distance from site (km)

Figure 2



FCC PREDICTED AND LONGLEY-RICE GRADE B COVERAGE

ANNEX 2

MAIN STUDIO WAIVER

REQUEST FOR MAIN STUDIO RULE WAIVER

Chelsey Broadcasting of Casper, LLC ("Chelsey"), Assignee in a pending FCC Form 314 application to acquire Wyoming television stations KGWC-TV (Casper), KGWR-TV (Rock Springs), and KGWL-TV (Lander),[1] hereby requests waiver of the FCC's main studio rule, Section 73.1125, for KGWR-TV (Rock Springs) and KGWL-TV (Lander). As shown below, "good cause" exists and the public interest would be served by authorizing the stations to utilize the main studio facilities of KGWC-TV at Casper on a joint basis.[2]

KGWR-TV (Rock Springs) and KGWL-TV (Lander) have long-operated as satellites of KGWC-TV (Casper), as authorized by the FCC under Note 5 of the satellite exemption to the television duopoly rule, Section 73.3555(b).[3] As reflected in the FCC's Stauffer Decision and its Benedek Decision, the City-Grade contours of KGWR-TV, KGWL-TV and KGWC-TV do not overlap; both

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1 See BALCT-20020619ABN-ABP (assignment of license of KGWC-TV, KGWR-TV and KGWL-TV from Benedek License Corporation to Chelsey Broadcasting of Casper, LLC ("Chelsey Application").

2 47 C.F.R. § 73.1125(b)(2).

3 *See, e.g.*, Letter to Benedek Broadcasting Corporation, BALCT-960111P-IX (April 8, 1996) ("Benedek Decision"); *Stauffer Communications, Inc.*, 10 FCC Rcd 5165 (1995) ("Stauffer Decision"). Appendix A includes the Stauffer and Benedek Decisions. *See also Television Satellite Stations Review of Policy and Rules*, 6 FCC Rcd 4212, 4215 (1991), *on recon.*, Second Further Notice of Proposed Rulemaking, 6 FCC Rcd 5010 (1991), *on further recon., Review of the Commission's Regulations Governing Television Broadcasting*, 10 FCC Rcd 3524 (1995) (collectively, "TV Satellite Order"). *Accord, Review of the Commission's Regulations Governing Television Broadcasting*, 14 FCC Rcd 12903, 12943 (1999) (Commission will continue to except satellite stations from the new TV duopoly rule).

KGWR-TV and KGWL-TV serve underserved areas; and these rural, underserved areas lack the economic base to support full-service television operations; and qualified buyers are not willing to acquire and operate either station on a full-service, stand-alone basis.[4] While these factors remain true today, the FCC, following its most recent satellite ruling for the Wyoming stations, has relaxed the duopoly rule to permit co-ownership of more than one TV station in the same Nielsen Designated Market Area ("DMA") where the stations' Grade B contours do not overlap.[5] As shown by the contour maps submitted to the FCC in connection with the previous satellite exemption requests as well as by the contour map submitted with the pending Chelsey Application,[6] the Grade B contours of KGWR-TV (Rock Springs) and KGWL-TV (Lander) do not overlap the Grade B contour of KGWC-TV (Casper). Further, as shown in the Exhibit 14 (Supplement), the insubstantial Grade B overlap of KGWR-TV (Rock Springs) and KGWL-TV (Lander) which exists over portions of the Rocky Mountains is properly considered *de minimis* — including <u>no</u> population and encompassing less than

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4 *See* Benedek Decision, Stauffer Decision.

5 47 C.F.R. § 73.3555(b)(1). While the community of license of KGWR-TV (Rock Springs) is located in Sweetwater County, which is in the Salt Lake City (Utah) DMA, Nielsen considers KGWR-TV, operating as a long-time satellite, as serving the Casper-Riverton DMA ("Casper DMA"), the DMA also served by KGWL-TV (Lander) and KGWC-TV (Casper).

6 The contour maps are reproduced in Appendix B to Annex 2, together with statements from Media Venture Partners that were previously submitted to the FCC.

1% of the area of either station's Grade B contour. Thus, it is no longer necessary, to pursue a satellite exemption under Note 5 of Section 73.3555(b). Nevertheless, due to the continuing inability of KGWR-TV and KGWL-TV to operate on a full-service, stand-alone basis, it is necessary to seek waiver of the main studio requirement which applies to full-service stations.

The Casper DMA is geographically large but very sparsely populated—today constituting the 200th-ranked television market, one of the smallest DMAs in the country.[7] Of the three Wyoming stations, KGWC-TV (Casper) serves the largest community, but that community only has a population of 49,644 persons. Rock Springs and Lander are rural areas with a population of 18,708 and 6,867, respectively.[8] As the FCC found in its Stauffer and Benedek Decisions, these small communities are unable to support full-service TV stations, and service by KGWR-TV and KGWL-TV to residents of the outlying rural areas depends on joint operations with, and rebroadcasting the CBS and other programming of, KGWC-TV in Casper.

The necessity for such joint operation of KGWR-TV and KGWL-TV with KGWC-TV is especially compelling today. The already-small Casper DMA has shrunk significantly—declining from its 192nd DMA rank (1995 Nielsen circulation)

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7 *See Television & Cable Factbook* 2002, Vol. 70, A-1504.

8 U.S. Census Bureau, *available at* http://www.uscensus.gov; *Stauffer Communications, Inc.*, 10 FCC Rcd. 5165, 5167 n.3 (1995).

to its current 200th DMA rank.[9] Further, as shown in the attached declaration of Mr. K. James Yager (Appendix C), the licensee's President and Chief Operating Officer, KGWR-TV (Rock Springs) and KGWL-TV (Lander) remain unable to generate sufficient revenue to support their operations. The losses of KGWR-TV and of KGWL-TV add to the operating losses which KGWC-TV itself sustains.

As Mr. Yager further notes, these three stations have sustained losses even while operating jointly and while implementing significant cost-cutting measures. As a result, despite serious sales efforts, the licensee has not received any offers to purchase and operate either KGWR-TV or KGWL-TV as a full-service, stand-alone facility. Due to these difficulties, the stations face an especially daunting challenge of building and operating digital facilities. As Mr. Yager indicates, joint operation of the stations with continued cost-cutting measures provides the only possible avenue for the costly digital conversion of the stations. Under these circumstances, it is particularly necessary for the owner of the three Wyoming stations to operate with a single main studio facility in the larger community of Casper. As previously noted, the ability of the KGWR-TV (Rock Springs) and KGWL-TV (Lander) to continue to provide service—analog and eventually digital—to the outlying Wyoming communities vitally depends on their joint operations with KGWC-TV (Casper).

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9 *See Television & Cable Factbook* 1996, Vol. 64, A-1236; *Television & Cable Factbook* 2002, Vol. 70, A-1504.

Finally, to accommodate residents of the Rock Springs and Lander communities, the Assignee will maintain a toll-free telephone number listed in the Rock Springs and Lander telephone directories. Moreover, if such residents seek information about matters in the public inspection file, staff at the Casper main studio will provide assistance over the telephone and mail items in the public file that may be requested.

For the foregoing reasons, Chelsey respectfully requests that the FCC waive Section 73.1125 to permit KGWR-TV (Rock Springs) and KGWL-TV (Lander) to share the main studio of KGWC-TV in Casper, Wyoming.

APPENDIX A

STAUFFER DECISION; BENEDEK DECISION

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

In re Applications of

STAUFFER COMMUNICATIONS, INC.
(Transferor)

and

File Nos. BTCCT-940915KH-KP
BTCTTV-940915KS
BTCTT-940915KT-KV

MORRIS COMMUNICATIONS
CORPORATION
(Transferee)

For Consent to the Transfer of Control
of Licenses of Stations:
KCOY-TV, Santa Maria, California
KMIZ(TV), Columbia, Missouri
WIBW-TV, Topeka, Kansas
KGWN-TV, Cheyenne, Wyoming
KSTF(TV), Scottsbluff, Nebraska
KTVS(TV), Sterling, Colorado
KGWC-TV, Casper, Wyoming
KGWR-TV, Rock Springs, Wyoming
KGWL-TV, Lander, Wyoming
K05IQ, Laramie, WY
K65DC, Clareton, WY
K16AB, Gillette, WY
K44DN, Paso Robles, CA

MEMORANDUM OPINION AND ORDER

Adopted: May 2, 1995 Released: May 8, 1995

By the Commission:

1. The Commission has before it for consideration the unopposed applications for consent to the transfer of control of Stauffer Communications, Inc. (Stauffer), licensee of the above-captioned stations, to Morris Communications Corpo ration (Morris). Stauffer is also the owner of The Topeka Capital-Journal, a daily newspaper published in Topeka, Kansas, which is being acquired by Morris.

2. Stauffer has owned and operated television station WIBW-TV and The Topeka Capital-Journal for twenty years, pursuant to its grandfathered status under our multiple ownership rules. However, the proposed transfer to Morris would violate the Commission's television-newspaper cross-ownership rule. Accordingly, Morris has requested a temporary waiver of Section 73.3555(d)(3) of our Rules during which it will arrange to sell station WIBW-TV. We also consider here the proposal of Morris to continue operating stations KSTF(TV) and KTVS(TV) as satellites of KGWN(TV), and KGWR(TV) and KGWL(TV) as satellites of KGWC-TV.

TEMPORARY WAIVER OF THE TELEVISION-NEWSPAPER CROSS-OWNERSHIP RULE

3. Within the market of Topeka, Kansas, Stauffer has owned and operated WIBW-TV and The Topeka Capital-Journal daily newspaper for twenty years, pursuant to its grandfathered status under our multiple ownership rules. However, grandfathered status under our multiple ownership rules terminates upon Commission approval of a transfer of control. *See* 47 C.F.R. §73.3555, Note 4. Consequently, the proposed transfer of control to Morris will violate the Commission's television-newspaper cross-ownership rule, which prohibits common ownership of a daily newspaper and a television broadcast station license in the same market. *See* 47 C.F.R. §73.3555(d)(3).

4. In order to come into compliance with Section 73.3555(d)(3) of the Commission's rules, Morris has requested an eighteen-month waiver of that rule. Within that waiver period, Morris proposes to dispose of television station WIBW-TV. In support of its request, Morris asserts that eighteen months is necessary because an immediate sale would "unnecessarily restrict" the value of the station and "artificially limit" the range of potential buyers. Morris points to minority-controlled and local groups as entities who could be precluded by an immediate sale of WIBW-TV, noting that such entities often do not have immediate access to the capital required for acquisition of a station. According to Morris, in the past the Commission has allowed such considerations as justification for temporary waiver of the multiple ownership rules. *See e.g., Citadel Communications Company, Ltd.*, 5 FCC Rcd 3842, 3844 (1990).

5. Morris also claims that grant of the requested waivers would not violate the Commission's objectives of economic competition and diversity of programming and viewpoints. It indicates that the Topeka market is served by fourteen radio stations, four television stations, one low power television station and an abundance of cable television systems. Thus, Morris maintains that the community of Topeka, Kansas would continue to be served by a number of media voices if its waiver request was granted.

6. Morris further notes that a grant of the waiver request would not create any new media combinations but would merely continue the existing common ownership of WIBW-TV and The Topeka Capital-Journal for a short period pending divestiture of the acquired television station. Moreover, unlike the television-newspaper combined operation under Stauffer's ownership, Morris states that following the transfer of control, WIBW-TV will be operated with a staff separate from the staff involved in the daily operation of The Topeka Capital-Journal. Morris contends such daily operation by independent staffs actually promotes the Commission's goal of diversity.

7. Based on the representations provided above, we believe that a temporary waiver of Section 73.3555(d)(3) is consistent with Commission precedent and will serve the public interest. *See e.g., Metromedia Radio and Television, Inc.*, 102 FCC2d 1334 (1985), *recon. denied*, 59 RR2d 1211 (1986). As we have stated in the past, the primary goals of our multiple ownership rules are to promote diversity of ownership and viewpoint, as well as to prevent any undue concentration of economic power contrary to the public interest. We find that a temporary waiver of our multiple ownership rules will not appreciably affect the principles of diversity or competition in the circumstances present in this case. First, the market of Topeka hosts a multiplicity of alternative media services. In addition, the instant televi-

sion-newspaper combination has existed for several years without undue adverse effects on the public interest. We believe the proposed temporary continuation of that multiple ownership combination would not create any significant additional burden adverse to our interests in diversity and competition. Further, this transaction would eventually allow a grandfathered newspaper-television cross-ownership in Topeka to be broken up as a result of the grant of these applications. Therefore, competition among the mass media will ultimately increase. Further, we believe that requiring an immediate sale of the televisi on station could artificially limit the range of potential buyers to those with immediate access to the necessary capital, and could work an economic hardship on Morris without offsetting public interest benefits. *See Knoxville Channel 8 Limited Partnership*, 4 FCC Rcd 4760, 4761 (1989). An eighteen-month waiver period, on the other hand, would avoid such hardship and would provide the opportunity for a broader range of potential buyers, thus serving our policies of diversity and economic competition. Accordingly, we will grant the requested temporary waiver.

SATELLITE PROPOSALS

8. Pursuant to the satellite exception to the multiple ownership rule set forth in Note 5 to Section 73.3555 of the Commission's Rules, television stations KSTF(TV), Scottsbluff, Nebraska and KTVS(TV), Sterling, Colorado, operate as satellites of KOWN-TV, Cheyenne, Wyoming. Television stations KOWR-TV, Rock Springs, Wyoming and KOWL-TV, Lander, Wyoming operate as satellites of KOWC-TV, Casper, Wyoming. Morris seeks to acquire these six television stations and to maintain the satellite status of KSTF(TV), KTVS(TV), KOWR-TV and KOWL-TV. In support of its request, Morris contends that the continued operation of the stations as satellites meets the three criteria established by the Commission in *Television Satellite Stations*, 6 FCC Rcd 4212 (1991) (petitions for partial stay and reconsideration pending).[1] The Commission requires all applicants seeking to transfer existing satellite stations and to continue these stations' satellite status to demonstrate that the stations meet our satellite policy at the time of transfer. *Id.* at 4215.

9. Pursuant to the Commission's satellite policy, an applicant is entitled to a presumption that its proposed satellite operation is in the public interest if it meets three criteria: (1) no City Grade contour overlap exists between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able either to construct or to purchase and operate the satellite as a full-service station. *Id.* at 4212. If an applicant cannot qualify for the presumption, we will evaluate the proposal on an ad hoc basis to determine whether other compelling circumstances warrant grant of the application. *Id.* at 4214.

10. With regard to the first criterion of the presumption, Morris has submitted an engineering study which demonstrates that the City Grade contours of KOWN-TV and its two satellites, KSTF(TV) and KTVS(TV), do not overlap. Moreover, the engineering study demonstrates that there is no City Grade contour overlap between KOWC-TV and its two satellites, KOWR-TV and KOWL-TV. Thus, both proposed satellite operations meet the first component of the presumption.

11. With respect to the second criterion, Morris has demonstrated that the area where each satellite station is located is underserved by using one of our two tests. The first is a "transmission test," which defines as "underserved" an area with two or fewer full-service stations already licensed to the community.[2] Morris has certified that KTVS(TV) is the only full-service station licensed to Sterling, Colorado; and KSTF(TV) is one of only two full-service stations licensed to Scottsbluff, Nebraska. Further, Morris has shown that KOWR-TV is the only full-service station licensed to Rock Springs, Wyoming; and KOWL-TV is one of only two television stations licensed to Lander, Wyoming. Accordingly, these stations also meet the second criterion for the satellite presumption.

12. As to the third criterion to qualify for the presumption, an applicant must demonstrate that no alternative operator is ready and able to construct or to purchase and operate the proposed satellite as a full-service stand-alone station. In this regard, Morris has submitted a declaration from Gerald N. Holley, Vice President-Broadcasting of Stauffer, which states that, in its eight years of ownership, Stauffer has received no solicitations to purchase and operate any of the four satellite stations as a stand-alone television facility. Morris has also submitted two statements by Brian E. Cobb, a media broker and a founding partner of Media Venture Partners, a media brokerage firm, asserting that neither the Cheyenne-Scottsbluff-Sterling market nor the Casper-Riverton-Lander-Rock Springs market would be able to sustain a full-service stand-alone station. Mr. Cobb states that if approached, he would refuse to list the four satellite stations for sale because he considers such efforts to be futile. Moreover, he contends that any competent media brokerage firm would view such a project as a "misuse" of time, given the sparsity of available revenue in each market. Further, the media broker points out that each of the four satellite stations serves only a small community. Therefore, Mr. Cobb does not believe they would be able to obtain a *bona fide* national sales representation firm willing to represent them in an effort to gain additional revenues. He asserts that, to be competitive in a market covering such a large geographic area, a station must serve the largest community. With regard to KOWL (Lander, Wyoming) and KOWR (Rock Springs, Wyoming), the applicants' engineering review concludes that neither of these stations, even if operating with maximum facilities, would be able to cover Casper, the main population center in the market. Likewise, with regard to KSTF (Scottsbluff, Nebraska) and KTVS (Sterling, Colorado), neither of these

[1] We note that there is an outstanding proceeding that invites comment on whether television satellite stations should continue to be exempted from the national multiple ownership rules. *Second Further Notice of Proposed Rulemaking* in MM Docket No. 87-8, 6 FCC Rcd 5010 (1991). Grant of the applications now before us would not implicate the 12-station rule. *See also Further Notice of Proposed Rulemaking in MM Docket Nos. 91-221 and 87-8*, FCC 94-322, released January 17, 1995.

[2] We have also defined an "underserved area" in terms of a "reception test," but that test is not material here. *See Television Satellite Stations*, 6 FCC Rcd at 4215.

stations, even if operating with maximum facilities, would be able to cover Cheyenne, the main population center in its market.[3] Thus, Mr. Cobb maintains that each station's inability to serve the largest community in the market would render the stations non-competitive, force them to go dark, and leave their own small communities unserved.

13. Based upon the above, we believe that the applicants have adequately demonstrated the unlikelihood of finding an alternative operator willing and able to operate the four satellite stations as full-service stand-alone facilities. *See P.P.D. & G., Inc.*, 8 FCC Rcd 8229 (1993). Thus, we conclude that the applicants have satisfied the third criterion and that allowing continued operation of KOWL-TV and KGWR-TV as satellites of KGWC-TV, and KSTF(TV) and KTVS(TV) as satellites of KGWN-TV would, therefore, be in the public interest.

CONCLUSION

14. Having determined that the applicants are qualified in all respects, we find that grant of the transfer of control of the licenses held by Stauffer to Morris will serve the public interest, convenience and necessity.

15. Accordingly, IT IS ORDERED, that the above-captioned applications for transfer of control of Stauffer Communications, Inc. to Morris Communications Corporation ARE GRANTED.

16. IT IS FURTHER ORDERED, that the requests for operation of stations KSTF(TV), Scottsbluff, Nebraska, KTVS(TV), Sterling, Colorado, KGWR-TV, Rock Springs, Wyoming and KOWL-TV Lander, Wyoming, pursuant to the satellite exception to Section 73.3555 of the Commission's Rules, IS GRANTED.

17. IT IS FURTHER ORDERED, that the request for temporary waiver of Section 73.3555(d)(3) of the Commission's Rules IS GRANTED, subject to the condition that Morris divest itself of its interest in WIBW-TV no later than eighteen months from the consummation of this transaction.

FEDERAL COMMUNICATIONS COMMISSION

William F. Caton
Acting Secretary

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[3] Pursuant to Section 73.614(b)(3), a maximum facility would have an effective radiated power of 5,000 kilowatts with a height above average terrain (HAAT) of 610 meters. This would provide Grade B coverage to an approximate distance of 66 miles. As calculated in the engineering statement submitted with the application, the distance from Casper to Lander is 122.9 miles and the distance from Casper to Rock Springs is 172.9 miles. With regard to KSTF(TV) and KTVS(TV), as calculated in the engineering statement, the distance from Cheyenne to Scottsbluff is 78.3 miles and the distance from Cheyenne to Sterling is 90.9 miles.

Federal Communications Commission
Washington, D.C. 20554

COPY

APR 8 1996

MD-1800B1

William H. Fitz, Esquire
Covington & Burling
1201 Pennsylvania Ave, NW
P.O. Box 7566
Washington, DC 20044

Irving Gastfreund, Esquire
Kaye, Scholer, Fierman, Hays & Handler
901 Fifteenth St., NW
Suite 1100
Washington, DC 20005

Re: KCOY-TV, Santa Maria, CA
KMIZ(TV), Columbia, MO
WIBW-TV, Topeka, KS
KGWN-TV, Cheyenne, WY
KSTF-TV, Scottsbluff, NE
KTVS(TV), Sterling, CO
KGWC-TV, Casper, WY
KGWR-TV, Rock Springs, WY
KGWL-TV, Lander, WY
K08IQ, Laramie, WY
K58DC, Clareton, WY
K16AW, Gillette, WY
K44DN, Paso Robles, CA

File Nos. BALCT-960111IP-IX, BALTTV-960111IY and BALTT-960111IZ, JA-JB

Gentlemen:

This is in reference to the unopposed applications for assignment of the above-captioned television and TV translator licenses from Stauffer Communications, Inc. (Stauffer) to Benedek Broadcasting Corporation (Benedek). Benedek is the current licensee of KHQA-TV, Hannibal, Missouri. Because the Grade B contours of KMIZ(TV) and KHQA-TV overlap, the proposed assignee has requested a waiver of the Commission's duopoly rule, Section 73.3555(b), which proscribes common ownership of television stations whose Grade B contours overlap. We also consider here the proposal of Benedek to continue operating

8-Apr-96 3:26p

stations KSTF(TV) and KTVS(TV) as satellites of KOWN(TV), and KOWR(TV) and KOWL(TV) as satellites of KOWC-TV.[1]

SATELLITE PROPOSALS

Pursuant to the satellite exception to the multiple ownership rule set forth in Note 5 to Section 73.3555 of the Commission's Rules, television stations KSTF(TV), Scottsbluff, Nebraska and KTVS(TV), Sterling, Colorado, operate as satellites of KOWN-TV, Cheyenne, Wyoming. Additionally, television stations KOWR-TV, Rock Springs, Wyoming and KOWL-TV, Lander, Wyoming operate as satellites of KOWC-TV, Casper, Wyoming. Benedek seeks to acquire these six television stations and to maintain the satellite status of KSTF(TV), KTVS(TV), KOWR-TV and KOWL-TV. In support of its request, Benedek contends that the continued operation of the stations as satellites meets the three criteria established by the Commission in Television Satellite Stations, 6 FCC Rcd 4212 (1991) (petitions for partial stay and reconsideration pending).[2] The Commission requires all applicants seeking to assign existing satellite stations and to continue these stations' satellite status to demonstrate that the stations meet our satellite policy at the time of assignment. Id. at 4215.

Pursuant to the Commission's satellite policy, an applicant is entitled to a presumption that its proposed satellite operation is in the public interest if it meets three criteria: (1) no City Grade contour overlap exists between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able either to construct or to purchase and operate the satellite as a full-service station. Id. at 4212. If an applicant cannot qualify for the presumption, we will evaluate the proposal on an ad hoc basis to determine whether other compelling circumstances warrant grant of the application.

---

[1] Grant of the instant applications will result in Benedek having an interest in 14 television stations with a national audience reach of 1.36%. Therefore, the applicants also requested temporary waiver of the twelve-station limit, Section 73.3555(e) of the Commission's rules, in order to come into compliance with that rule. On February 8, 1996, President Clinton signed into law the Telecommunications Act of 1996 (Telecom Act). Section 202(c)(1) of the Telecom Act directs the Commission to "modify its rules for multiple ownership set forth in Section 73.3555 of its regulations by eliminating the restrictions on the number of television stations that a person or entity may directly or indirectly own." As a result, Benedek has requested grant of the assignment applications without a divestiture order. Accordingly, because the modification of our rules became effective on March 15, 1996, upon publication in the Federal Register, see 61 Fed. Reg. 10,692 (to be codified at 47 C.F.R. § 73.3555), a waiver is unnecessary and the applicants are not required to divest.

[2] We note that there is an outstanding proceeding that invites comment on whether television satellite stations should continue to be exempted from the national multiple ownership rules. Second Further Notice of Proposed Rulemaking in MM Docket No. 87-8, 6 FCC Rcd 5010 (1991).

Id. at 4214.

With regard to the first criterion of the presumption, Benedek has submitted an engineering study which demonstrates that the City Grade contours of KGWN-TV and its two satellites, KSTF(TV) and KTVS(TV), do not overlap. Moreover, the engineering study demonstrates that there is no City Grade contour overlap between KGWC-TV and its two satellites, KGWR-TV and KGWL-TV. Thus, both proposed satellite operations meet the first component of the presumption.

With respect to the second criterion, Benedek has demonstrated that the area where each satellite station is located is underserved by using one of our two tests. The first is a "transmission test," which defines as "underserved" an area with two or fewer full-service stations already licensed to the community.[3] Benedek has certified that KTVS(TV) is one of only two full-service stations licensed to Sterling, Colorado[4] and KSTF(TV) is one of only two full-service stations licensed to Scottsbluff, Nebraska. It maintains that this fact is reflected in the Television Table of Allotments. Further, Benedek has shown that KGWR-TV is the only full-service station licensed to Rock Springs, Wyoming; and KGWL-TV is one of only two television stations licensed to Lander, Wyoming. Accordingly, these stations also meet the second criterion for the satellite presumption.

As to the third criterion to qualify for the presumption, an applicant must demonstrate that no alternative operator is ready and able to construct or to purchase and operate the proposed satellite as a full-service stand-alone station. In this regard, Benedek has submitted a statement by Brian E. Cobb, a media broker and a founding partner of Media Venture Partners, a media brokerage firm. In that statement, dated December 21, 1995, Mr. Cobb asserts that the satellite stations "serve sparsely settled rural areas which lack the resources to support full-service operations unrelated to the parent stations' more populous (but still very small) communities." He states that the stations serve very small television markets which have each declined one DMA rank since last year: Cheyenne, Wyoming-Scottsbluff, Nebraska-Sterling, Colorado has dropped to the 193rd ranked DMA market; and Casper-Riverton, Wyoming has dropped to the 194th ranked DMA market. Mr. Cobb contends that while small in population, "the markets are geographically large, requiring use of satellites to cover the market area." Further, the media broker points out that each of the four satellite stations serves only a small community. Finally, Mr. Cobb states that the circumstances recited in his letter dated August 29, 1994, and relied on by the Commission in granting the transfer of control of these stations from Stauffer to Morris, continue to exist. See Stauffer Communications, Inc., 10 FCC Rcd 5165 (1995). In that letter, Mr. Cobb stated that based on the small communities served he did not believe the applicants would be able to obtain a

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[3] We have also defined an "underserved area" in terms of a "reception test," but that test is not material here. See Television Satellite Stations, 6 FCC Rcd at 4215.

[4] The other Sterling allotment is noncommercial Channel 18, which is vacant.

bona fide national sales representation firm willing to represent them in an effort to gain additional revenues. He explained that, to be competitive in a market covering such a large geographic area, a station must serve the largest community. With regard to KGWL (Lander, Wyoming) and KGWR (Rock Springs, Wyoming), neither of these stations, even if operating with maximum facilities, would be able to cover Casper, the main population center in the market. Likewise, with regard to KSTF (Scottsbluff, Nebraska) and KTVS (Sterling, Colorado), neither of these stations, even if operating with maximum facilities, would be able to cover Cheyenne, the main population center in its market. Mr. Cobb claimed that each station's inability to serve the largest community in the market would render the stations non-competitive, force them to go dark, and leave their own small communities unserved or underserved. Thus, as he stated one year ago, Mr. Cobb continues to maintain that if approached he would refuse to list the four satellite stations for sale because he considers such efforts to be futile, and a misuse of time given the sparsity of revenue available in each area. It remains his professional judgment that the communities of Scottsbluff, Sterling, Rock Springs, and Lander "would likely lose the service provided by the stations if the [Commission] did not allow the stations to operate as satellites."

Based upon the above, we believe that the applicants have adequately demonstrated the unlikelihood of finding an alternative operator willing and able to operate the four satellite stations as full-service stand-alone facilities. See R.F.D. & G., Inc., 8 FCC Rcd 8229 (1993). Thus, we conclude that the applicants have satisfied the third criterion and that allowing continued operation of KGWL-TV and KGWR-TV as satellites of KGWC-TV, and KSTF(TV) and KTVS(TV) as satellites of KGWN-TV would, therefore, be in the public interest.

DUOPOLY WAIVER

Benedek has also requested a waiver of our duopoly rule, Section 73.3555(b), so that it may acquire KMIZ(TV), Columbia, Missouri, despite the overlap of the Grade B contour of that station with the Grade B contour of Benedek's station KHQA-TV, Hannibal, Missouri. In support of its waiver request, Benedek has submitted an engineering exhibit which purports to show that the overlap area created by the intersection of the Grade B contours of the stations encompasses 49 square kilometers and 700 persons, in a sparsely populated rural area. This overlap constitutes .46 percent of the area and .21 percent of the population within the Grade B contour of KHQA-TV and .68 percent of the area and .17 percent of the population within the Grade B contour of KMIZ(TV). Benedek maintains that the overlap percentages in this case meet the Commission's de minimis standard, and are therefore in the range of overlaps that have been authorized by the Commission.[3]

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[3] Benedek also notes that KHQA-TV and KMIZ(TV) operate in separate markets, Quincy, Illinois-Hannibal, Missouri-Keokuk, Iowa (ranked 157) and Columbia-Jefferson, Missouri (ranked 149), respectively. It further states that the stations have different network affiliations resulting in a continued offering of diverse programming.

In adopting the duopoly rule's fixed standard of prohibiting overlap of Grade B service contours, the Commission also acknowledged the need for "flexibility" in that rule's application, noting that waivers should be granted where rigid conformance to the rule would be "inappropriate." Multiple Ownership of Standard, FM and Television Broadcast Stations (Multiple Ownership), 45 FCC 2d 1476 n.1, recon. granted in part, 3 RR 2d 1554 (1964). To that end, the Commission has allowed common ownership of stations with overlapping Grade B contours where signal overlap is de minimis, see e.g. Hubbard Broadcasting, Inc., 2 FCC Rcd 7374 (1987), or where the public interest benefits to be gained from waiving the rule would be greater than any detrimental effects resulting from the overlap. See e.g. Capital Cities Communications, Inc., 59 RR 2d 451 (1985). Our past waiver cases have characterized a de minimis signal overlap as one in which the overlap area represents less than one percent of both the area and the population of the Grade B contour of each station. Hubbard Broadcasting, Inc., 2 FCC Rcd 7374. Upon review of the applicant's engineering exhibit, we agree that the overlap area is de minimis. Accordingly, we find that grant of Benedek's duopoly waiver request would be in the public interest.

In view of the foregoing, and having determined that the applicants are qualified in all respects, we conclude that grant of the instant applications would serve the public interest, convenience and necessity.

Accordingly, acting pursuant to delegated authority, the request for continued operation of stations KSTF(TV), Scottsbluff, Nebraska, KTVS(TV), Sterling, Colorado, KGWR-TV, Rock Springs, Wyoming and KGWL-TV Lander, Wyoming, pursuant to the satellite exception to Section 73.3555 of the Commission's Rules, IS GRANTED. Further, the request for permanent waiver of the Commission's duopoly rule, Section 73.3555(b), to permit the common ownership and/or control of television stations KHQA-TV and KMIZ(TV) also IS GRANTED. Finally, upon finding that the public interest would be served thereby, the above-noted applications ARE GRANTED this day.

Sincerely,

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

APPENDIX B

TECHNICAL EXHIBITS; MEDIA VENTURE PARTNERS STATEMENTS

TECHNICAL EXHIBIT
PREPARED ON BEHALF OF
KGWL-TV, LANDER, WY AND
KGWC-TV, CASPER, WY

Technical Narrative

The technical exhibit of which this narrative is part was prepared on behalf of TV stations KGWL-TV on channel 5 at Lander, WY and KGWC-TV on channel 14 at Casper, WY to demonstrate that the Grade B contours of KGWL-TV and KGWC-TV do not overlap.

Station KGWL-TV is licensed (BLCT-19821101KJ) to operate on NTSC channel 5 with a nondirectional effective radiated power (ERP) of 100 kilowatts (kW)and an antenna height above average terrain (HAAT) of 82 meters. Station KGWC-TV is licensed (BLCT-19800822KE) to operate on NTSC channel 14 with a nondirectional effective radiated power (ERP) of 1380 kilowatts (kW) and an antenna height above average terrain (HAAT) of 573 meters.[1]

Figure 1 is a map which depicts the Grade B contours for KGWL-TV (47 dBu) and KGWC-TV (64 dBu). The contour locations were determined every 10 degrees of azimuth based on the provisions of Section 73.684 and each station's licensed facilities. As indicated on Figure 1, there is no Grade B contour overlap between KGWL-TV and KGWC-TV.

This technical exhibit has been prepared by or under the direct supervision of W. Jeffrey Reynolds, technical consultant with the firm of du Treil, Lundin and Rackley, Inc., a telecommunications consulting firm located in Sarasota, Florida, who states that his qualifications are a matter of record with the Federal Communications Commission, having been presented on previous occasions. All data and statements contained herein are true and correct to the best of his knowledge and belief.

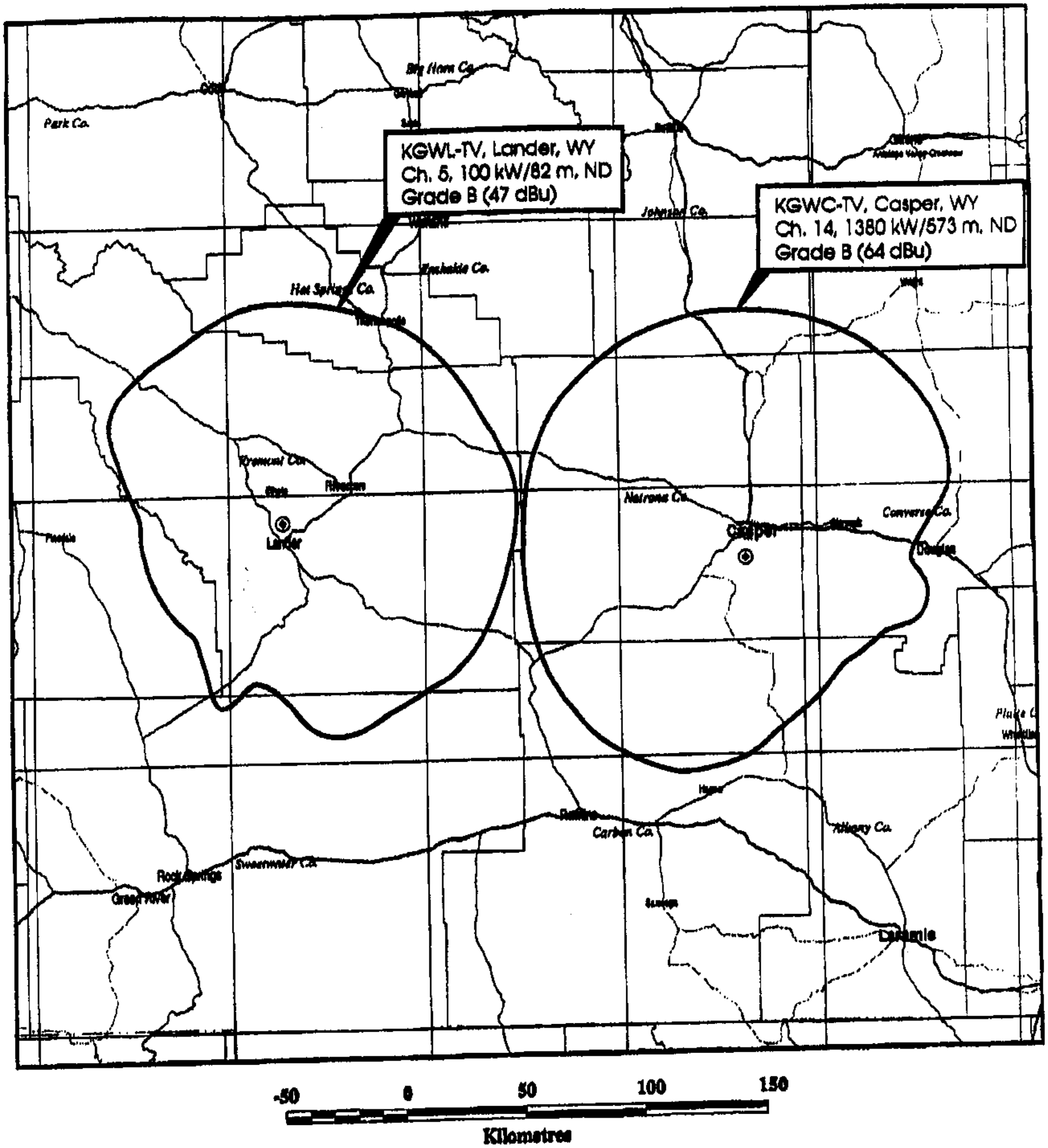
W. Jeffrey Reynolds
W. Jeffrey Reynolds

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

May 16, 2002

[1] The facilities for KGWL-TV and KGWC-TV were obtained from the FCC's current CDBS.

Figure 1



FCC PREDICTED GRADE B CONTOURS

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

Appendix I

Contour Methodology
Area and Population Determination Methodology

prepared for

Morris Communications Corporation
Augusta, Georgia

In preparing the maps of Figures 1 and 2 which accompany the Engineering Statement to which this is attached as Appendix I, pertinent data on each station were extracted from the FCC's engineering databases. Specifically, the database information regarding the antenna elevation above mean sea level, geographic coordinates, effective radiated power, and, where appropriate, directional antenna patterns were used from each station's record. A conservative assumption of maximum power in the horizontal plane was employed for the purposes of this showing. Distances to contours were determined using NGDC TPG-0050 30-second terrain data along each of the 8 standard 45-degree spaced radials from the transmitter site and an implementation of the Commission's TVFMFS computer program which simulates the TV propagation curves. For directional antennas, the radials were spaced every 10 degrees, in addition to the standard 45-degree spaced radials. The distances to contours were then fed into a computer algorithm[1] which interpolates distances to contours for one degree of azimuth (ie: 360 distanced per contour file). This data from this algorithm was used, in turn, to drive a digital plotter to produce the contours shown on the maps attached herewith.

The land area served by each proposal was determined by numerical integration of the contour distances determined by the above method. The area within the overlap regions was determined by compensating polar planimeter measurement. The populations contained within the pertinent service contours and overlap areas was determined by using a computer program which sums the population of the 1990 Census enumeration districts and blocks whose centroids fall within the area of interest.

[1] The specific method used is based on Algorithm 433 of the Association for Computing Machinery; *see* Communications of the ACM: Volume 15, Number 10; October 1972.

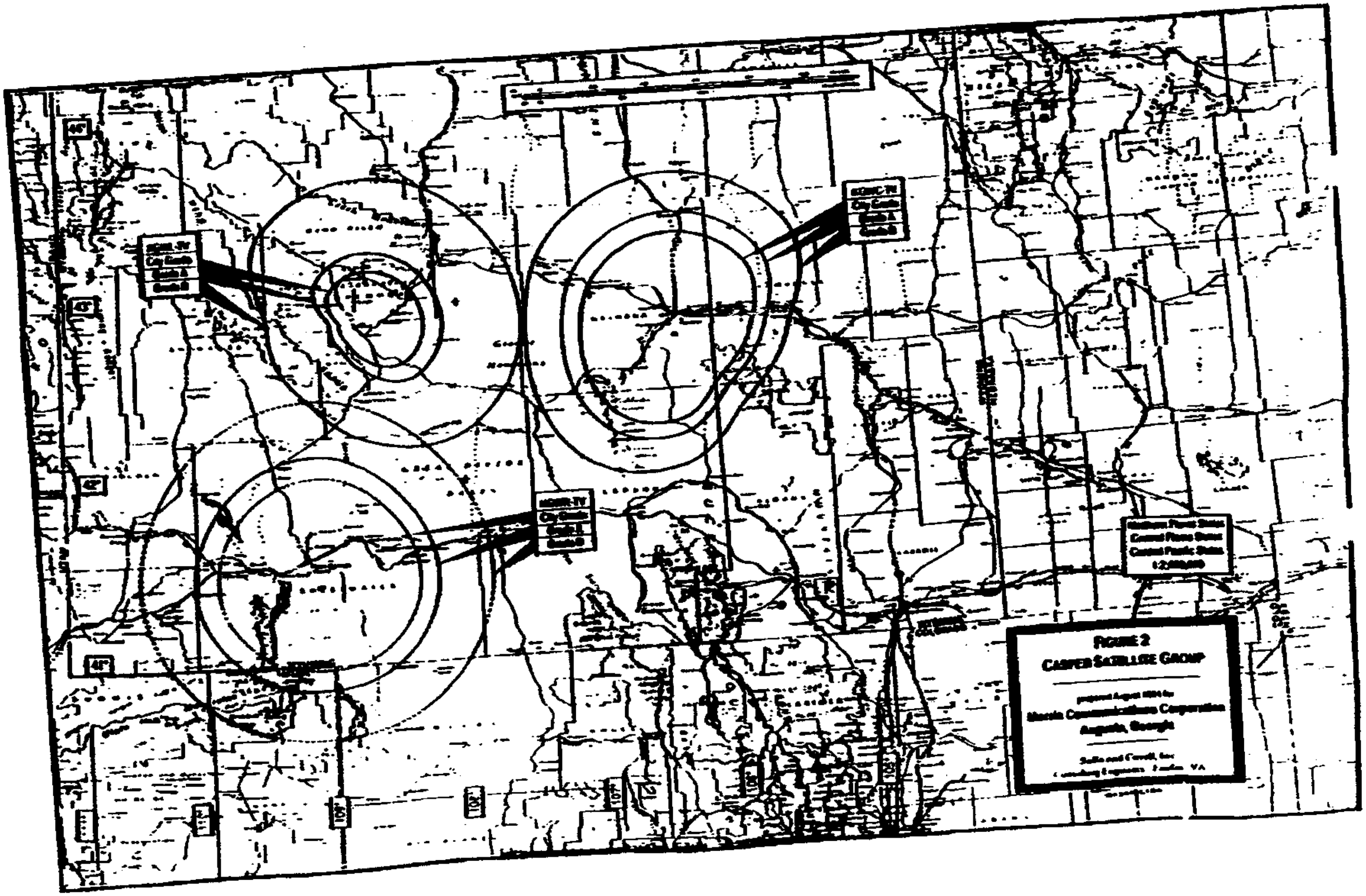


FIGURE 2
CASPER SATELLITE GROUP
Communications Corporation
Augusta, Georgia

MEDIA VENTURE PARTNERS

December 21, 1995

Mr. Clay C. Pendarvis
Chief, Television Branch
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Purchase of Stauffer TV Stations

Dear Mr. Pendarvis:

As part of Benedek Broadcasting Corporation's acquisition of the TV stations of Stauffer Communications, Inc., it proposes to continue to operate KSTF-TV, Scottsbluff, Nebraska, and KTVS-TV, Sterling, Colorado, as satellites of KGWN-TV, Cheyenne, Wyoming, and to operate KGWR-TV, Rock Springs, and KGWL-TV, Lander, both Wyoming, as satellites of KGWC-TV, Casper, Wyoming.

The basic circumstances recited in my August 29, 1994 letters (copies attached) have not materially changed. The Stauffer satellite stations serve sparsely settled rural areas which lack the resources to support full-service operations unrelated to the parent stations' more populous (but still very small) communities. As in the past, the stations serve very small television markets: Cheyenne, WY-Scottsbluff, NE-Sterling, CO is the 193rd ranked DMA market; and Casper-Riverton, WY is the 194th ranked DMA market. Both markets have declined one DMA rank over the past year. While small in population, the markets are geographically large, requiring use of satellites to cover the market area.

For the reasons outlined in my August letters, it remains my professional judgment that it would be futile, and a misuse of time given the sparsity of revenue available in each area, to list any of the Stauffer satellites for sale as a non-satellite station and that none of the satellite stations could viably operate as a full-service station. In other words, the communities of Scottsbluff, Sterling, Rock Springs, and Lander would likely lose the service provided by the stations if the FCC did not allow the stations to operate as satellites.

If I can answer any questions regarding this update to my earlier letters, I would be happy to respond.

Sincerely,

Brian E. Cobb

Brian B. Cobb
Managing Director

Enclosures

MEDIA VENTURE PARTNERS
WASHINGTON, D.C. · ORLANDO · SAN FRANCISCO

August 29, 1994

Mr. Clay C. Pendarvis
Chief-Television Branch
Federal Communications Commission
1919 M Street
Room 700
Washington, D.C.

Re: KGWC(TV), Casper, Wyoming,
KGWL(TV), Lander, Wyoming and
KGWR(TV), Rock Springs, Wyoming

Dear Mr. Pendarvis:

In connection with the above referenced stations, I have been asked by the parties to supply you with information related to the continued operation of KGWL(TV) and KGWR(TV) as satellites of KGWC(TV). This letter will address the feasibility of operating and marketing the stations as stand alones rather than as satellites.

In reference to my background, I have over thirty years of experience in the broadcast industry as an owner, manager and broker of broadcast properties. I am a founding partner of Media Venture Partners , a nationally recognized media brokerage firm with offices in four cities in the United States. I specialize in television brokerage for Media Venture Partners and during the last seven years, I have personally been involved in the brokerage of more television stations than any other broker in this country. Currently, I serve as President of the National Association of Media Brokers.

I am familiar with the Casper market, since I have previously served as a broker of a station in that market. As a result, I feel that I am qualified to reach certain conclusions concerning the viability of the satellites in that market as stand alone operations.

As you can see from the enclosed copy of information from BIA's Investing in Television, there is less than $5,000,000 in net revenue to be divided among three network affiliated stations. In my opinion, this is a very small amount of revenue to be apportioned among three stations. With

[illegible] Towers Boulevard, Suite [illegible] McLean, Virginia [illegible] · Facsimile [illegible]

the three properties averaging about $1,600,000 in net revenue per station, there is hardly room for another station to operate as a full service facility without at least one of the stations' survival becoming suspect.

I do not think that there are any foreseen changes in the market that would enable KGWL or KGWR to operate successfully as full service stations. Both KGWL and KGWR serve small communities that could not support a full service facility. Due to the distance from the Casper market, they would not be able to cover the main population center in order to garner additional revenue. I don't feel that they could find a bonified national sales representation firm that would be willing to represent them. To be competitive in a market with such a large DMA, a station must serve the largest community. Neither of these would. Their coverage of the major population center would be inferior. My fear is that if an entity attempted to operate them as stand alones, they would have a good probability of going dark leaving the Lander and Rock Spring communities unserved.

Even if KGWL or KGWR were able to serve a greater portion of the market, there is only the FOX affiliation available. In the event that FOX would grant an affiliation to one of them, there certainly would not be network compensation available.

In summary, as a result of the insufficient signals to cover the main population center, the large geographical area to be covered, and the lack of prospects for them to each have an affiliation, it is my opinion that KGWL and KGWR could not operate as stand alone stations. For the stations to survive, they need to operate as satellites of a more viable facility.

If the owners of KGWL and KGWR approached me to list these stations for sale, Media Venture Partners would not have an interest in doing so. I would consider listing these stations to be futile. Furthermore, I do not think that any competent brokerage firm would take on such a project, as it would be a misuse of time.

If I can answer any questions regarding my opinion, I would be happy to respond.

Sincerely,

Brian E. Cobb

Brian E. Cobb

Enclosure

Casper-Riverton Market Overview

Demographic and Economic Overview

(000s, except Retail Sales and EBI in $000,000s)

	1987	1992	Growth Rate	1992	1997	Growth Rate
ADI Population	143	125	-2.1%	125	129	0.6%
Households	53	48	-2.0%	48	50	0.8%
Retail Sales	1,037	869	-3.5%	869	1,32%	8.8%
EBI	1,477	1,484	0.1%	1,484	2,148	7.8%

Pop Rank #199	ADI Counties	6	White	99.1%	Avg Household	$35,985
HH Rank #198	TV Households	47	Black	0.5%	Per Capita	$13,472
RS Rank #202	DMA Cable	68%	Asian	0.4%	Spanish Speaking	4.2%
EBI Rank #196	DMA VCR	72%				

Market Television Financials

(all figures in 000s, except percentages)

	1987	1988	1989	1990	1991	1992	Δ 87-92
ESTIMATED NET REVENUES	$ 3,800	4,100	4,200	4,200	4,400	4,400	4.1%

Δ 92-93	1993	1994	1995	1996	1997	Δ 93-97
5.0%	$ 4,600	4,800	5,100	5,400	5,600	5.0%

Estimated Breakouts	% Network	% Natl/Regl	% Local
	16.8%	26.5%	56.7%

	1987	1992	1997
Revenue/Retail Sales	$ 3.67/1,000	$ 5.06/1,000	$ 4.25/1,000
Revenue/Capita	$25.17	$35.16	$43.48

Casper-Riverton Competitive Overview

Calls	City of License	Ch	Visual Power (kW)	HAAT	Aff	Rep	Owner	Date Trd	Date Acq	Sales Price (000)		Est '93 Revenue (000) 1/	Est Power Ratio	Avg 93 LCS	May 93	Feb 93	Nov 93	Jul 93	May 92	Feb 92	Nov 92	Jul 92
• KTWO	Casper	2	100	2,000	NBC	Blair	Eastern Broadcasting	57	9/86		sp	2,900	1.06	43%	25%	21%	25%	28%	21%	21%	23%	20%
KGWC	Casper	14	1,300	1,087	CBS	Katz	Stauffer Comm	80	8/88	3,500	cl	1,300	0.91	35	15	22	17	14	16	15	12	11
KFNB	Casper	20	60	1,760	ABC	Seall	Grenadin Corp	84	9/112		nc	1,200	1.00	26	16	12	14	13	12	12	14	13
KCWL	Casper	5	100	272	SAT	Katz	Stauffer Comm	82	8/88		cl											
KFNE	Lander	5	100	1,725	SAT	Seall	First National Bcstg	57														
KFNR	Riverton	10	170	230	SAT	Seall	First National Bcstg	98	9/90													
KGWR	Rawlins, WY	11	2	1,626	SAT	Katz	Stauffer Comm	77	8/88		cl											
KGWR	Rock Springs	13	200																			
*KCWC	Lander	4	100	1,520	PTV		Central WY College	83														

	May 93	Feb 93	Nov 93	Jul 93	May 92	Feb 92	Nov 92	Jul 92
ADJACENT MARKET STATIONS				2	2	2	2	
	6	5	6	6	8	7	15	12
Total	58%	60%	62%	55%	59%	52%	64%	64%
unt %	29%	36%	34%	28%	31%	33%	35%	31%

Other allocations: Ch 13, Casper Note: KFNE and KFNR are satellites of KFNB.

• indicates a change since last edition.

1/ See Introduction section for interpretation of revenue estimates.

APPENDIX C

DECLARATION OF K. JAMES YAGER

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I, K. James Yager, declare the following:

1. I, K. James Yager, am President and Chief Operating Officer for Benedek License Corporation and its parent, Benedek Broadcasting Corporation (collectively referred to herein as "Benedek").

2. In June 1996, Benedek acquired stations KGWC-TV (Casper, Wyoming) and its satellite stations KGWR-TV (Rock Springs, Wyoming) and KGWL-TV (Lander, Wyoming), together with certain other television stations, from Stauffer Communications, Inc.

3. According to Nielsen Market Research, the parent and two satellite stations serve the Casper-Riverton Designated Market Area ("DMA"). The DMA currently is ranked 200, one of the least-populated DMAs in the country. The market includes only sparsely populated counties with a total of less than 51,000 TV households. Since Benedek contracted to acquire the stations, the DMA has shrunk substantially from its then-market rank of 192 (1995 Nielsen circulation). Because Casper is located more than 170 miles from Rock Springs and more than 120 miles from Lander, it is not possible for KGWC-TV (Casper) to cover Rock Springs, Lander, or other distant outlying portions of the DMA (nor, of course, could KGWR-TV (Rock Springs) or KGWL-TV (Lander) cover the distant community of Casper).

4. At the time of Benedek's acquisition, KGWR-TV (Rock Springs) and KGWL-TV (Lander) had long operated as satellites of the Casper parent station, and the FCC authorized Benedek to continue to own and operate them as satellites. The FCC found, based partly on information and analysis previously supplied by veteran media broker Media Venture Partners, that the areas served by KGWR-TV (Rock Springs) and KGWL-TV (Lander) did not provide a sufficient economic base to generate revenues to operate the stations on a stand-alone basis and

that the nature of the geographically large but sparsely populated DMA necessitated the continued operation of KGWR-TV (Rock Springs) and KGWL-TV (Lander) as satellites in order to provide program service to the outlying portions of the television market. The circumstances leading to that conclusion continue to exist today.

5. In connection with Benedek's acquisition of the stations, we learned that the parent station and the satellite stations had experienced losses for many years. The satellite stations, as well as the parent station, have continued to incur losses each year under Benedek's ownership. Despite very substantial cost-cutting measures at the stations, operation of KGWR-TV and KGWL-TV have increased the losses sustained by KGWC-TV. In addition, KGWR-TV (Rock Springs) and KGWL-TV (Lander) have been unable to produce enough revenue on their own to cover their expenses. As a result, the stations remain unable to operate as full-service, stand alone stations.

6. Benedek has made serious, but unsuccessful, attempts to sell KGWC-TV (Casper), KGWR-TV (Rock Springs), and KGWL-TV (Lander). Despite these efforts, Benedek has not received any offer to purchase either KGWR-TV or KGWL-TV for operation as a full-service, stand-alone facility.

7. The prospect of finding a qualified buyer to own and operate either KGWR-TV or KGWL-TV as a stand-alone facility is made especially remote by the requirement to convert all of the stations to digital operation. As noted in Benedek's FCC Form 337 Requests for Extension of the May 1, 2002, digital construction deadline (File Nos. BEPCDT-20020301AAJ, BEPCDT-20020301ACV, and BEPCDT-20020301ACT), the conversion of each station will require an investment of about $750,000 per station. In view of the small size of the market and

of its economic base, the digital conversion of the stations does not appear realistic without continued joint operations.

I declare, under penalty of perjury, that the foregoing Declaration is true and correct to the best of my knowledge, information and belief.

June 19, 2002

K. James Yager