

## **EXHIBIT 2**

### **FURTHER STATUS REPORT**

NRJ TV SF License Co, LLC (“Licensee”), the licensee of Station KTNC-TV, Concord, California (Facility ID No. 21533),<sup>1</sup> hereby provides this further status report on its efforts to fulfill Special Operating Condition 3 of its Construction Permit. That condition requires Licensee to provide documentation that its full-power operations on DTV channel 14 will not cause objectionable interference to existing land mobile radio facilities. As described in further detail below, despite the extensive efforts of KTNC-TV’s current and prior ownership, Licensee is not able to provide the documentation required by the Special Operating Condition 3. As a result, KTNC-TV is currently operating at 30% of its authorized ERP (12 kW) pursuant to Special Temporary Authority expiring on December 20, 2013 (File Nos. BDSTA-20110607ABA and BEDSTA-20130619AGH). Concurrent with the filing of this status report, NRJ is filing a request for extension of KTNC-TV’s reduced power STA.

As the instant application on Form 302-DTV reflects, Licensee has completed construction of the DTV facilities specified in its underlying construction permit (File No. BMPCDT-20080222ABB) (the “Construction Permit”) within the parameters of Section 73.1690(c)(1) of the Commission’s rules. The application remains pending, however, due to Licensee’s inability, thus far, to satisfy Condition 3 of the Construction Permit, regarding interference to land mobile facilities.

#### ***Efforts to Resolve Passive Intermodulation at Mt. Diablo***

In June 2011, the prior licensee of KTNC-TV, TTBG/KTNC License Sub, LLC, submitted an amendment to the instant application, which provided a status report on efforts to identify and resolve the land mobile interference issues. As reported in the June 2011 status report, although a spectrum mask filter was expected to provide adequate interference protection to land mobile receivers located on the same tower, ultimately it has not. Equipment tests indicated that land mobile stations operating in the 466 – 470 MHz band are not protected if KTNC-TV operates at its full, authorized power of 40 kW ERP.

In a January 2012 further amendment to the instant application, TTBG noted that it had retained S. Merrill Weiss to analyze KTNC-TV’s transmission system and to propose solutions to eliminate objectionable interference to existing land mobile stations. Over the course of many months and several site visits, Mr. Weiss has concluded that the

---

<sup>1</sup> On July 1, 2013, NRJ TV SF OpCo, LLC, a subsidiary of NRJ Holdings LLC (“NRJ”), completed its acquisition of TTBG/KTNC License Sub, LLC from TTBG LLC (“TTBG”). See FCC File No. BTCCDT-20130115ADM.

sources of interference being experienced by the neighboring land mobile operations are external to KTNC-TV's RF system.

Mr. Weiss made thirteen recommendations to the tower's owner and operator, American Tower Corporation ("ATC"), to help reduce the passive intermodulation ("PIM") being produced by the interaction between KTNC-TV's transmission with one or more of the external conditions on or around the multi-use tower. In the January 2012 amendment, TTBG reported that ATC had engaged a crew to partially address two of the items in Mr. Weiss' report, but that these efforts did not produce any measurable improvement in the PIM.

In a July 2012 further amendment to the instant application, TTBG detailed the additional efforts that ATC, in consultation with Mr. Weiss, was implementing across the entire tower (as compared to the upper levels of the tower, which had been the focus of initial efforts) to reduce the PIM. ATC now has completed its remediation efforts at Mt. Diablo. This included removing certain unused transmission lines which run the entire length of the tower, removing all loose and disconnected cables, tightening or removing all loose tower hardware, cleaning rust from joints and treating with antirust compound, installing filers, miscellaneous Superflex cables, connectors, hardware, and rack panels, and making sure all ground connections were in good mechanical and electrical condition. ATC has advised KTNC-TV that it has expended well-over \$100,000 on its efforts to implement Mr. Weiss' recommendations.

Finally, in a February 2013 further amendment to the instant application, TTBG described a visit by Mr. Weiss to Mt. Diablo in late December 2012 for an overnight session to make spectral measurements of KTNC-TV's signal and adjacent land mobile frequencies at the Mr. Diablo site. Measurements were made with the KTNC-TV's transmitter operating at ten percent (10%), twenty-five percent (25%), fifty percent (50%), seventy-five percent (75%), and one hundred percent (100%). The results indicated little improvement from the prior testing and KTNC-TV's transmitter was returned to reduced power pursuant to the STA.

TTBG and NRJ have undertaken extensive efforts to resolve the land mobile interference issues so that they can submit the required proof-of-performance documentation required by Special Operating Condition 3. The cost of these efforts has exceeded \$500,000, as documented in the January 2012 further status report (an amount that does not account for the significant amount of time expended by TTBG and NRJ personnel).

Recently, the Licensee replaced KTNC-TV's transmitter exciter. The Licensee currently is working to determine whether additional adjustments will result in any improvement to the interference problem.

NRJ, the new parent company of the Licensee, currently is evaluating all options to satisfy the minimum operating conditions and commence full-power operation. Given

the unsatisfactory results of the efforts detailed above, Licensee is working to determine whether any additional efforts at Mt. Diablo would be likely to resolve the PIM interference.

***Efforts to Identify an Alternative Transmission Site***

As an alternative to resolving the PIM at Mt. Diablo, Licensee has identified Sutro Tower as a site to which KTNC-TV's transmission facilities might be relocated. Licensee has initiated the testing, permitting, and antenna design processes at Sutro Tower to evaluate whether the noise environment is conducive to KTNC-TV's operations on DTV channel 14, and, if so, to facilitate the potential relocation of KTNC-TV's transmission facilities.

In furtherance of this effort, Mr. Weiss, with the cooperation of all of the stations operating at the site, used the signal from channel 19 to determine whether there was any detectable PIM in the area surrounding Sutro Tower. This involved shutting down all of the transmitters at the tower to establish a noise baseline and turning them on individually and in combinations. Mr. Weiss observed no substantial increase in the noise power noted in regions of the spectrum around channel 19 that were used for the measurements. Other testing has similarly indicated that the environment at Sutro Tower may accommodate KTNC-TV's operations on DTV channel 14.

Based on these initial results, Licensee is taking additional steps to assess the feasibility of operating at Sutro Tower. In late March, field reception tests were conducted on Sutro Tower and the surrounding area to document current land mobile frequencies in use at or near the facility. The results of that testing indicated the presence of a minimal number of land mobile signals near the channel 14 lower band edge.

Sutro Tower, LLC, operator of Sutro Tower, has applied to the City of San Francisco planning board for approval to install the new channel 14 antennas necessary for KTNC-TV to operate from the site. This application remains pending.

Meanwhile, Licensee has retained an additional engineering consultant, Walter Beaver, to assist with the KTNC-TV's potential relocation. Mr. Beaver has broad experience with digital transmission systems, including design, installation and maintenance of channel 14 broadcast transmitters in major markets. Licensee has obtained a specially-designed channel 14 mask filter for installation at Sutro Tower for testing of Channel 14 transmissions. Due to space limitations, however, the filter cannot be installed until certain other equipment is removed. Additionally, KTNC-TV has secured a specially-designed narrow band ATSC exciter that provides a channel 14 signal with reduced energy on the lower band edge to assist in reducing land mobile interference.

Finally, the Licensee has undertaken additional planning to test channel 14 transmissions from Sutro Tower. The current plan involves temporarily converting one of the two MSDC power amplifiers of co-located station KCNS to allow a substantial transmitter

power level to be delivered during the test period. This will be the most efficient means of conducting tests at Sutro Tower with meaningful ERP levels. The power amplifier will be connected through the specially-designed narrow band mask filter and routed to the antenna through an existing 6 1/8" transmission line that Mr. Weiss PIM tested in December 2012.

Licensee desires to resolve the land mobile interference issues as soon as possible so that it can perfect this application and commence full-power operation. Licensee will continue to amend this application, as necessary, to keep the Commission apprised of its progress and plans.