

## **MULTIPLE OWNERSHIP**

The proposed transferee, Mrs. Myoung Hwa Bae ("Mrs. Bae"), is a Member currently holding a 33⅓% membership interest in Pocatello Channel 15, L.L.C. ("Pocatello-15"), the permittee for a new commercial full power television station on Channel 15 at Pocatello, Idaho (File No. BPCT-970328KK; Facility ID No. 86205, the "Station"), and proposes by this application to acquire the remaining 66⅔% membership interests in Pocatello-15 and the Station from the other two Members. Pocatello-15 does not hold any interest in any other broadcast stations that are subject to the Commission's broadcast multiple ownership rules, 47 C.F.R. § 73.3555, other than the construction permit for the Station. Since Mrs. Bae would end up holding 100% of the membership interests in, and would be the only Member, officer or director of, Pocatello-15, Mrs. Bae would become the only attributable interest holder in Pocatello-15 as a result of the proposed transfer, and therefore Mrs. Bae is the only party to the transferee's portion of this application.<sup>1</sup>

Mrs. Bae also is the President, Treasurer, Manager, sole Director, and Member holding 100% of the membership interests in KM Television of Jackson, L.L.C. ("KM-Jackson"), licensee of commercial full power television broadcast station KBEO(TV), Jackson, Wyoming (Facility ID No. 35103, "KBEO"), among other stations that are not relevant to analysis of compliance with the Commission's broadcast multiple ownership rules. See Exhibit 16. Therefore, this exhibit demonstrating compliance with the Commission's local television broadcast multiple ownership rule, § 73.2555(b), is required. Pocatello and the Station are located in Bannock County, Idaho, which is in the Idaho Falls-Pocatello, Idaho Designated Market Area ("DMA"), as defined by Nielsen Media Research ("Nielsen"). See 2001 *Television & Cable Factbook* ("Factbook") at A-404. Although Teton County, Wyoming also is assigned to the Idaho Falls-Pocatello, Idaho DMA, id., KBEO itself appears to have been assigned by Nielsen to the Salt Lake City, Utah DMA. Id. at A-1419; see also, Factbook 2003 (online version).

The Commission expressly stated, in its recently-adopted Broadcast Multiple Ownership Order,<sup>2</sup> that in that circumstance, where "a station's community of license is physically located in one DMA, but the station is assigned by Nielsen to a different DMA", that the "station will be considered to be 'within' a given DMA if it is assigned to that DMA by Nielsen, even if that station's community of license is physically located outside the DMA." See Broadcast Multiple Ownership Order at n.399; see also, § 73.3555(b)(1) ("a television station's market shall be defined as the [DMA] to which it is assigned by Nielsen"). Accordingly, KBEO should be considered to be

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<sup>1/</sup> Although Mrs. Bae's stepson, Kevin Bae, was the original Manager of Pocatello-15, he resigned that position in March 2002, and Pocatello-15 has been managed by its Members since that time. Since the governing documents for Pocatello-15 require a unanimous vote for any significant action, each of the three Members has negative control over Pocatello-15, and under this application it is proposed that Mrs. Bae gain positive control.

<sup>2/</sup> See 2002 Biennial Regulatory Review - Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, MB Docket No. 02-277, Report and Order and Notice of Proposed Rulemaking, FCC 03-127 (released July 2, 2003)(the "Broadcast Multiple Ownership Order").

in the Salt Lake City, Utah DMA, and the proposed transfer should raise no local television multiple ownership issue under Section 73.3555.

However, Mrs. Bae recently was advised informally by the Commission staff that the private BIA databases, on which the Commission staff relies and on which the Commission's television market definitions are based (but to which Mrs. Bae does not have access), list KBEO as being "located" in the same Idaho Falls-Pocatello, Idaho DMA as the Station, such that compliance with Section 73.3555(b), the local television multiple ownership rule, must be addressed. Under Section 73.3555(b)(2), Mrs. Bae may have a "cognizable" interest in two commercial television broadcast stations as long as no more than one of the stations is ranked among the top four stations in the DMA. Since the Station that is the subject of this application is not yet constructed nor on-the-air, by definition it has no ratings, and in any event necessarily would be rated lower than the at least four other commercial full power television stations that are operating in the Idaho Falls-Pocatello, Idaho DMA.<sup>3</sup> Therefore, since the Station is not ranked among the top four stations in the DMA, the proposed transfer is permitted under Section 73.3555(b), the local television multiple ownership rule, see § 73.3555(b)(2)(i)-(ii)(A), regardless of the ranking of KBEO.<sup>4</sup>

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<sup>3/</sup> There are at least four other full power commercial television stations operating in the Idaho Falls-Pocatello, Idaho DMA; the stations in the DMA, with their respective Facility ID numbers ("FIDs"), include: (1) KIDK(TV), Idaho Falls ID (FID #56028); (2) KIFI(TV), Idaho Falls ID (FID #66258); (3) KFXP(TV), Pocatello ID (FID #78910); and (4) KPVI(TV), Pocatello ID (FID #1270).

<sup>4/</sup> Mrs. Bae notes, however, that due to the small size of its community of license of Jackson, Wyoming and its small coverage area, KBEO has not been able to gain a network affiliation with any of the seven largest major or emerging national networks, and instead, KBEO is affiliated with a smaller programming network. As a result, KBEO very likely is not ranked among the top four stations in the DMA, and indeed has not been able to generate any significant advertising revenues to date. As a result, at a later date Mrs. Bae may seek to convert KBEO into a satellite of the Pocatello station (assuming, of course, that this transfer of control application is granted, Mrs. Bae acquires control of Pocatello-15 and the construction permit for the Station, and is successful in constructing the Station prior to the fast-approaching construction permit expiration date).