

REQUEST FOR “FAILING STATION” WAIVER

Journal Broadcast Corporation (“JBC”), the proposed assignee, hereby requests a “failing station waiver” of Sections 73.3555(b) and (c) of the Commission’s multiple ownership rules to permit the acquisition of the license for KWBA(TV), Sierra Vista, AZ.

KWBA is located in the Tucson (Sierra Vista) Nielsen designated market area (the “Tucson DMA”). KWBA will be JBC’s second television station in the Tucson DMA. JBC is the licensee of KGUN(TV), Tucson, AZ. Because the proposed transaction would result in JBC owning two television stations in the Tucson DMA and there will be fewer than eight independently owned and operated full-power television stations in the market as a result of the transaction, JBC would not be permitted to be the licensee of both KGUN(TV) and KWBA(TV) in the absence of the grant of the requested waiver.

I. COMPLIANCE WITH MULTIPLE OWNERSHIP RULES

A. Local Television Multiple Ownership Rule

As indicated above, KWBA will be JBC’s second television station in the Tucson DMA. The Commission’s local television multiple ownership rule (the “Local TV Rule”) permits the common ownership or control of two commercial television stations in the same DMA that have overlapping Grade B contours if: (i) at the time the assignment application is filed, at least one of the stations is not ranked among the top four stations in the DMA, based on the most recent all-day (9 a.m. – midnight) audience share; and (ii) at least eight independently owned and operating

full-power commercial and non-commercial educational television stations would remain in the DMA following the acquisition.¹

Both KWBA and KGUN are licensed to communities in the Tucson DMA, and their predicted Grade B contours overlap. Although KWBA is not a top-four station, only seven independently owned and operated full-power television stations would remain in the Tucson DMA following consummation of the proposed transaction. Accordingly, JBC may not own both KGUN and KWBA absent the requested waiver.

B. Radio-Television Cross-Ownership Rule

The radio-television cross-ownership rule is also implicated by this transaction.

The radio-television cross-ownership rule is triggered when either (i) the Grade A contour of a television station encompasses the community of license of a commonly owned radio station, or (ii) when the 1 mV/m contour of an FM station or the 2 mV/m groundwave contour of an AM station encompasses the community of license of a commonly owned television station. The radio-television cross-ownership rule is implicated by the proposed acquisition of KWBA(TV), because KWBA's Grade A contour encompasses all of the city of Tucson, the city of license of three radio stations licensed to JBC – KFFN(AM), KMXZ-FM, and KQTH(FM).

Once the radio-television cross-ownership rule is triggered by contour encompassment, the Commission determines compliance with the rule on an Arbitron Metro basis. Under the radio-television cross-ownership rule, an entity may control up to two commercial television

¹ 47 C.F.R. § 73.3555(b).

stations, if permitted by the Local TV Rule, and up to four commercial radio stations in an Arbitron Metro market if at least 10 independently owned and operated media voices would remain in the market post-acquisition.² There is one Arbitron Metro in the Tucson DMA, the Tucson Arbitron Metro, which includes the city of Tucson. KWBA's city of license, Sierra Vista, is located outside of the Tucson Arbitron Metro. However, none of JBC's radio stations has the relevant contour encompassment of Sierra Vista.

1. Tucson Market

The Grade A contour of KWBA(TV) encompasses Tucson, AZ, the city of license of KGUN(TV), KFFN(AM), KMXZ-FM, and KQTH(FM). This combination results in a two television / three radio station grouping.

JBC is also the licensee of a nearby fourth radio station, KGMG(FM), which is licensed to Oracle, Arizona. Oracle is in the Phoenix DMA, not the Tucson DMA, and is located outside of any Arbitron Metro. The 1 mV/m contour of KGMG, Oracle, encompasses all of the city of Tucson, but the relevant contours of KGMG and KWBA do not encompass the community of license of the other station: the Grade A contour of KWBA does not encompass Oracle, and the 1 mV/m contour of KGMG does not encompass Sierra Vista. Thus, Journal will also have a 1 television / 4 radio combination in the Tucson Arbitron Metro, consisting of KGUN-TV, KFFN, KMXZ-FM, KQTH, and KGMG.³ This is the existing combination that JBC owns.

² 47 C.F.R. § 73.3555(c)(2)(ii).

³ *Review of the Commission's Regulations Governing Television Broadcasting*, Memo. Opinion and Second Order on Recon., 16 FCC Rcd 1067, 1081 (2001).

As the charts attached as Exhibit A demonstrate, at least 25 independently owned media voices will remain in the Tucson Arbitron Metro following JBC's proposed acquisition of KWBA. Therefore, JBC is permitted to own the two television / three radio station grouping in the Tucson Arbitron Metro that will be the result of the proposed transaction, as well as the existing one television / four radio station combination that it already owns. Nevertheless, a waiver of the radio-television cross-ownership rule is necessary to the extent that the radio-television cross-ownership rule requires compliance with the Local TV Rule.

2. Sierra Vista Market

KWBA is licensed to Sierra Vista, AZ, a community outside of the Tucson Arbitron Metro. Sierra Vista is not encompassed by the Grade A contour of KGUN(TV), the 1 mV/m contours of KGMG(FM), KMXZ-FM, or KQTH(FM), or the 2 mV/m contour of KFFN(AM). Therefore, no radio-television cross-ownership showing is necessary for the relevant market containing Sierra Vista.

II. REQUEST FOR WAIVER

To qualify for a failing station waiver under Note 7 to Section 73.3555 of the Commission's rules, an applicant must show:

- a) One of the merging stations has had a low all-day audience of no more than 4%;
- b) The failing station has had negative cash flow for three consecutive years immediately prior to the application;
- c) The proposed merger will produce tangible public interest benefits; and

- d) The in-market buyer is the only available candidate willing and able to acquire and operate the failing station, and that selling the failing station to an out-of-market buyer would result in an artificially depressed price.”

As demonstrated below, each of these criteria is satisfied here.

A. KWBA’s All-Day Audience Share Has Not Exceeded 4% During the Past Three Years

Attached hereto as Exhibit B, are the Nielsen audience share reports for the Tucson DMA for the last three years. The following chart shows that KWBA’s highest all-day audience share (Nielsen household share Sunday - Saturday 9:00 a.m. - midnight) between February 2005 and November 2007 was a three share. Over the same three-year period, the station’s average share was only 1.9. In 2007, the station share dropped nearly 100% based on the four 2007 rating periods to an average of a one share. The 2007 average share would likely have been significantly lower but for the station’s now expired programming contract with the Arizona Diamondbacks professional baseball team which ended in September 2007. Another station in the market now has a contract for that programming.

Rating Period	DMA Share Sun. – Sat. 9 a.m. – midnight
Feb 2005	2
May 2005	2
July 2005	3
Nov 2005	2
Feb 2006	2
May 2006	3
July 2006	3
Nov 2006	2
Feb 2007	0
May 2007	2
July 2007	2
Nov 2007	0

KWBA's negligible and declining audience share meets the first criterion for a failing station waiver.

B. KWBA Has Been Operating at a Loss for at Least Three Years

The Declaration of Tom Hettle, the Chief Financial Officer of Tucson Communications and Cascade Broadcasting Group, LLC, attached as Exhibit C, attests to the fact that KWBA is failing financially and that there is no hope of a change in the station's negative financial posture without the efficiencies of joint operation with another in-market station.

KWBA's financial condition is dire and has been worsening over the years as shown in the financial data in Exhibit D and the detailed financial statements submitted separately.⁴ During the last three fiscal years of 2005, 2006 and 2007, KWBA has experienced worsening, negative operating income, negative EBITDA, and negative overall net losses.

KWBA's operating income has been negative and consistently declining during each of the past three years. KWBA's operating income was a loss of \$490,380 in 2005, a loss of \$821,946 in 2006, and a loss of \$894,296 in 2007.

During the same period, KWBA's EBITDA was a loss of \$774,037 in 2005, \$1,681,043 in 2006, and \$1,223,892 in 2007.

KWBA has also had significant overall net losses of \$6,365,891 in 2005, \$5,753,808 in 2006, and \$6,684,006 in 2007.

⁴ Tucson Communications is separately submitting financial statements to the Commission with a request for confidential treatment.

Moreover, during the past three years, KWBA has experienced a steadily declining ratio of current assets to current liabilities, reflecting the station's increasing difficulty in satisfying current financial obligations and its increasingly negative financial outlook. The quick ratio, which reflects the ratio of current assets to current liabilities declined from .435 in 2005, to .366 in 2006, to only .112 in 2007. The station's ratio for short term and long term program assets to short term and long term program liabilities is similarly precarious. The ratio was .726 in 2005, .729 in 2006, and only .471 in 2007.

Tucson Communications has monetized most of KWBA's major available assets to sustain its continued performance. The assets that were sold include the building in which the station was housed, which was sold in 2005, and all spare equipment. Tucson Communications has consolidated KWBA's operations in an out-of-state hub facility with another station owned by the same parent company – reducing to the maximum extent possible KWBA's physical operating costs. Yet its losses continue and are projected to increase.

KWBA's losses are projected to increase because in recent years Tucson Communications has been deferring payment of various liabilities. Tucson Communications has deferred more than \$500,000 in program fees that were due and payable under program contracts during the period 2005 – 2007. KWBA has also deferred interest payments on millions of dollars in outstanding obligations. None of these payments can be deferred indefinitely. Thus, Tucson Communications projects that KWBA's financial condition will worsen and ultimately fail if the station is not sold.

KWBA's declining financial performance and bleak prospects satisfy the second criterion for a failing station waiver.

C. The Proposed Assignment of KWBA to JBC Will Produce Tangible and Verifiable Public Interest Benefits that Far Outweigh Any Potential Harm to Competition and Diversity

The consolidated operation of KWBA and KGUN will result in numerous tangible and verifiable public interest benefits that are more than sufficient to outweigh any potential harm to competition and diversity. KWBA's worsening financial condition and the substantial costs KWBA incurred in constructing its digital facilities have hampered the ability of the present licensee, Tucson Communications, to provide more than minimal public interest benefits. Indeed, KWBA has not broadcast any news programming since December 2005 and broadcasts minimal amounts of public affairs programming.

By contrast, JBC has the financial resources and commitment to dramatically increase KWBA's local public service.⁵ Some of the improvements in public service that will result from JBC's ownership of KWBA include:

- Utilizing the significant news capabilities of KGUN, JBC will initiate a 30-minute daily (Monday – Friday) newscast on KWBA.⁶ KGUN has numerous bilingual news staff members (reporters, photojournalists, producers and news managers) who will also be available to KWBA.

⁵ KGUN is a Tucson community leader, currently broadcasting 3.5 hours of locally produced news programming each weekday and 1 hour of locally produced news programming on each weekend day. KGUN also participates in numerous community outreach programs.

⁶ *William H. Fitz, Esq.*, 22 FCC Rcd 11845, 11847 (MB 2007) ("Assignment of KSCW(TV)"); *KSMO Licensee, Inc.*, 20 FCC Rcd 15254, 15256 (MB 2005) ("Assignment of KSMO-TV").

- KWBA, as permitted under the FCC's rules, maintains its main studio in Tucson. However, much of the station's network and other program distribution and production operations are currently located at an out-of-state hub facility. JBC's ownership of the station will result in KWBA's operations being returned to Tucson where they will be co-located with KGUN(TV). JBC is in the final stages of completing a major technological upgrade of its Tucson studio facilities, converting them to an all digital operation. KWBA will have ready access to these high-tech production facilities.
- Relocation of KWBA's operational facilities will also allow JBC to provide the station's viewers with important alerts regarding traffic, emergencies, and weather.
- JBC will maintain the separate affiliations for KGUN(TV) (ABC) and KWBA (The CW).⁷
- JBC will significantly increase the community outreach efforts of KWBA.⁸ JBC and KGUN devote significant staff and other resources to public service events such as holiday food drives and the collection of phone cards that are provided to military personnel overseas, enabling them to phone relatives back home. JBC will similarly involve KWBA in these types of community events. Due to similar audience demographics, KWBA is a natural partner for JBC licensed KGMG(FM) which is regularly involved in Tucson community programs. That station sponsors an annual holiday party for underprivileged youth and operates a Shoes for School program, which recently collected more than 1,000 pairs of shoes for Tucson School District children.
- JBC will redesign KWBA's online website, increasing the station's online community outreach and enhancing its interactive capabilities to improve communications between the station and local Tucson residents.⁹
- KWBA has an affiliation with LATV, Latino Alternative Television, a bilingual music and entertainment multicast program service. JBC will make significant community outreach efforts on KWBA's LATV multicast channel to provide additional public interest benefits to Tucson's growing Latino audience.

⁷ *Jacob Farber, Esq.*, 22 FCC Rcd 16852, 16854 (MB 2007) ("Assignment of WBUI(TV)").

⁸ *Assignment of WBUI(TV)* at 16854; *Assignment of KSCW(TV)* at 11847; *Assignment of KSMO-TV* at 15257.

⁹ *Assignment of WBUI(TV)* at 16854.

These tangible and verifiable public benefits that will result from the common ownership of KWBA and KGUN more than satisfy the third criterion for a failing station waiver.

D. No Out-of-Market Buyer Exists for KWBA

In June of 2007 Tucson Communications retained Patrick Communications, a leading media brokerage and investment banking firm based in Elkridge, Maryland, to solicit buyers for KWBA. Attached hereto as Exhibit E is a letter from Larry Patrick, President of Patrick Communications attesting to the vigorous efforts made by the firm to solicit offers from out-of-market buyers. As the letter states, Patrick Communications approached more than 35 prospective buyers and found no interest in purchasing KWBA.

Despite the efforts of Patrick Communications to market the station, even to in-market buyers, the only offer to purchase KWBA was made by JBC. The letter from Patrick Communications notes that Tucson Communications will suffer significant losses through the proposed sale of KWBA to JBC.

As the Patrick Communications letter demonstrates, there is no viable out-of-market purchaser for KWBA. Thus, the fourth criterion for a failing station waiver has been met.

III. CONCLUSION

In adopting the failing station waiver, the Commission stated that it would allow joint ownership of two stations “where at least one of the stations has been struggling for an extended period of time both in terms of its audience share and in its financial performance.”¹⁰ The Commission further recognized that allowing such a failing station to partner with a stronger in-

¹⁰ *Local Ownership Order* at 12938.

market station can greatly improve the failing station's operation, thus benefiting the public.¹¹

As has been demonstrated in this waiver request, KWBA has been facing a losing battle for audience share and financial viability for more than three years.

Tucson Communications is no longer able to sustain these losses and therefore must sell KWBA. Despite extensive marketing efforts, Tucson Communications has only been able to secure one offer for KWBA, the offer from JBC.

JBC is willing to commit to substantial public interest enhancements to KWBA including:

- the construction of local production facilities for KWBA;
- the commencement of a 30-minute daily (Monday – Friday) local news program;
- the local production of public service announcements; and
- the institution of local emergency weather and other alerts.

Based on Tucson Communications' dire financial circumstances, KWBA's low audience share, the lack of interest in purchasing the station by any other buyer, and JBC's commitment to make tangible and verifiable improvements to KWBA's public service, JBC respectfully requests that the Commission grant a "failing station" waiver and this application.

¹¹ *Id.* at 12939.

EXHIBIT A

Television Stations in Tucson DMA

Voice	CALLS	Lic. Channel	Lic. City of License	Lic. State of License	Parent
1	KMSB-TV KTTU-TV	11 18	Tucson Tucson	AZ AZ	Belo Corp Belo Corp
2	KVOA	4	Tucson	AZ	Evening Post Publishing Co
3	KGUN KWBA	9 58	Tucson Sierra Vista	AZ AZ	Journal Communications Inc Journal Communications Inc
4	KHRR	40	Tucson	AZ	NBC/GE
5	KOLD-TV	13	Tucson	AZ	Raycom Media Incorporated
6	KUAS-TV KUAT-TV	27 6	Tucson Tucson	AZ AZ	University of Arizona Board of Regents University of Arizona Board of Regents
7	KFTU-TV KUVE-TV	3 46	Douglas Green Valley	AZ AZ	Broadcasting Media Partners Inc Broadcasting Media Partners Inc

Source: BIA Media Access PRO, data as of 02/11/2008.

Radio Stations in Tucson Metro

Voices	CALLS	AM or FM	Lic. City of License	Lic. State of License	Parent
1	KSAZ	AM	Marana	AZ	AIM Broadcasting LLC
2	KCUB	AM	Tucson	AZ	Citadel Communications
	KHYT	FM	Tucson	AZ	Citadel Communications
	KIIM	FM	Tucson	AZ	Citadel Communications
	KSZR	FM	Oro Valley	AZ	Citadel Communications
	KTUC	AM	Tucson	AZ	Citadel Communications
3	KNST	AM	Tucson	AZ	BT Triple Crown Merger Co Inc
	KOHT	FM	Marana	AZ	BT Triple Crown Merger Co Inc
	KRQQ	FM	Tucson	AZ	BT Triple Crown Merger Co Inc
	KTZR	FM	Green Valley	AZ	BT Triple Crown Merger Co Inc
	KWFM	AM	Tucson	AZ	BT Triple Crown Merger Co Inc
	KWMT	FM	Tucson	AZ	BT Triple Crown Merger Co Inc
	KXEW	AM	South Tucson	AZ	BT Triple Crown Merger Co Inc
4	KKYZ	FM	Sierra Vista	AZ	Cochise Broadcasting LLC
5	KRDY	FM	Vail	AZ	Desert West Air Ranchers Corp
6	KAIC	FM	Tucson	AZ	Educational Media Foundation
7	KFLT	AM	Tucson	AZ	Family Life Communications Inc
	KFLT	FM	Tucson	AZ	Family Life Communications Inc
8	KXCI	FM	Tucson	AZ	Foundation for Creative Broadcasting Inc
9	KGMS	AM	Tucson	AZ	Good News Broadcasting Inc
	KVOI	AM	Tucson	AZ	Good News Broadcasting Inc
10	KJLL	AM	South Tucson	AZ	Hudson Communications Incorporated
*	KFFN	AM	Tucson	AZ	Journal Communications Inc
	KGMG	FM	Oracle	AZ	Journal Communications Inc
	KMXZ	FM	Tucson	AZ	Journal Communications Inc
	KQTH	FM	Tucson	AZ	Journal Communications Inc
11	KGYY	AM	Green Valley	AZ	KGYY LLC
12	KZLZ	FM	Kearny	AZ	KZLZ LLC
13	KCMT	FM	Oro Valley	AZ	Lotus Communications Corp
	KFMA	FM	Green Valley	AZ	Lotus Communications Corp
	KLPX	FM	Tucson	AZ	Lotus Communications Corp
	KTKT	AM	Tucson	AZ	Lotus Communications Corp
14	KEVT	AM	Sahuarita	AZ	One Mart Corp
15	KCEE	AM	Cortaro	AZ	Slone Broadcasting
16	KOHN	FM	Sells	AZ	Tohono O'Odham Nation
*	KUAT	FM	Tucson	AZ	University of Arizona Board of Regents
	KUAZ	AM	Tucson	AZ	University of Arizona Board of Regents
	KUAZ	FM	Tucson	AZ	University of Arizona Board of Regents

Source: BIA Media Access PRO, data as of 02/11/2008.

* Radio licensee also owns TV station(s) in the DMA.

English Language Newspapers in Tucson DMA

Voice	Parent/Owner	Newspaper	County Published	Circulation Monday - Friday	DMA Households with TVs	Percentage of Households
1	Lee Enterprises, Davenport, IA	Daily Star	Pima	100,910	446,550	22.60%
*	Lee Enterprises, Davenport, IA	Tucson Citizen	Pima	23,279	446,550	5.21%

In the Tucson (Sierra Vista) DMA, there are two (2) English language newspaper published at least four days a week within the DMA with a circulation exceeding 5% of the households in the DMA. The newspapers are both owned by Lee Enterprises. Source: Audit Bureau of Circulations, *e-Circ Report*, dated 9/30/2007

Cable Systems in Tucson DMA

Voice	Cable Service Provider	Parent	Counties
1	Cox Communications	Cox Communications, Inc., Atlanta, GA	Pima, Cochise

Source: *Television & Cable Factbook 2008*

EXHIBIT B

[illegible]

1.596.950

TUCSON (SIERRA VISTA), AZ

[illegible]

#1=PHOENIX (PRESCOTT)

1,596,950

[illegible]

1,596.950

METRO	DMA HOUSEHOLD
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1,660,430

54

METRO HH		DMA HOUSEHOLD											DMA RATINGS																		PERCENT DISTRIBUTION				TV HH RATINGS IN ADJACENT DMA'S															
DAYPART		SHARE TREND				PERSONS										WOMEN						MEN						TNS		CHILD		MET		HOME DMA		ADJACENT DMA		ADJACENT DMA		ADJACENT DMA										
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1	2	7	8	9	10	11	12	13	15	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51						
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55	55	56	5																																															

1,660,430

DAYPART SUMMARY

1,660,430

TUCSON (SIERRA VISTA), AZ

DAYPART SUMMARY

DMA HOUSEHOLD				DMA RATINGS																															PERCENT DISTRIBUTION					TV HH RATINGS IN ADJACENT DMA'S					
DAYPART		TIME(MTZ)		STATION		SHARE TREND		PERSONS															WOMEN					MEN					CHILD			MET		HOME DMA		ADJACENT DMA			RATINGS		
R	T	R	T	R	T	MAY '06	FEB '06	NOV '05	JUL '05	2	12	12	18	18	21	25	35	35	50	18	12	18	18	25	25	W	18	18	18	21	25	12	2	6	44	45	#1	#2	#3	#1	#2	#3			
G	S	G	S	G	S	7	8	9	10	11	12	13	15	17	18	19	20	21	22	23	24	25	26	27	28	29	31	32	34	35	36	37	38	39	40	41	42	43	46	47	48	49	50	51	
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1	2	1	2	1	2	1	2	1	2	1	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1													

DAYPART SUMMARY

1,725,000

TUCSON (SIERRA VISTA), AZ

[illegible]

#1=PHOENIX (PRESCOTT)

1,725,000

DAYPART SUMMARY

1.725.000

26

TUCSON (SIERRA VISTA), AZ

[illegible]

Nielsen Media Research has been advised that a station(s) conducted a special promotional activity. See special notes.

#1=PHOENIX (PRESCOTT)

1,725,000

677,740

Nielsen Media Research has been advised that a station(s) conducted a special promotional activity. See special notes.

EXHIBIT C

DECLARATION OF TOM HETTLE

I, Tom Hettle, hereby declare and state:

1. I am the Chief Financial Officer of Tucson Communications, L.L.C. ("Tucson LLC") and of Cascade Broadcasting Group, LLC ("Cascade") and have served in that capacity since 2001.
2. Tucson LLC is the licensee of full-power television broadcast station KWBA, Sierra Vista, Arizona (the "Station").
3. The Station is failing financially and there is no hope of a change in the Station's financial posture without the efficiencies of joint operation with another in-market television station.
4. I have read the "Failing Station Waiver" Exhibit which is to be made a part of the application for FCC consent to the voluntary assignment of licenses for the Station from Tucson LLC to Journal Broadcast Corporation. The information contained in that Exhibit relating to Tucson LLC's ownership and operation of the Station, including but not limited to the financial data and Nielsen ratings data, is true and correct to the best of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct.



Tom Hettle

March 18, 2008

Dated

EXHIBIT D

Tucson Communications LLC

PROFIT & LOSS STATEMENT

FOR THE MONTH OF

DEC - 05

	YTD ACTUAL DEC - 05	
Local	3,309,335	
National	2,281,503	
Production & Other	128,506	
Gross cash revenues	5,719,345	
Less commissions and sales deductions	926,234	
Net revenues	4,793,111	
Barter Revenue	2,263,147	
Trade Revenue	107,962	
Total operating revenues	7,164,220	
Operating expenses:		
Technical	593,393	
Programming	89,528	
Creative Services	399,295	
News	521,568	
Sales	1,117,049	
General & administrative	528,549	
Trade expense	107,962	
TBA Expense - Net	0	
TMR - Warner Bros	604	
Program amortization	2,033,507	
Program barter expense	2,263,147	
Total operating expenses	7,654,600	
Operating income(loss)	(490,380)	
Corporate Expenses	283,657	
EBITDA	(774,037)	

Tucson Communications LLC

PROFIT & LOSS STATEMENT

FOR THE MONTH OF

DEC - 05

	YTD ACTUAL DEC - 05	
Other Income(Expense)		
Interest income	0	
Interest expense	(5,035,387)	
All Other Income(Expense)	(9,257)	
Total Other Income(Expense)	(5,044,643)	
Net Income before Depreciation	(5,818,681)	
Depreciation	300,953	
Amortization	246,257	
Total Deprecialon & Amortization	547,210	
Net income (loss)	(6,365,891)	
Preferred Yield	0	
Net income (loss) after yield	(6,365,891)	

Tucson Communications LLC

PROFIT & LOSS STATEMENT

FOR THE MONTH OF

DEC - 06

	YTD ACTUAL DEC - 06	
Local	2,945,542	
National	2,157,900	
Production & Other	276,523	
Gross cash revenues	5,379,966	
Less commissions and sales deductions	908,833	
Net revenues	4,471,133	
Barter Revenue	2,587,973	
Trade Revenue	63,125	
Total operating revenues	7,122,231	
Operating expenses:		
Technical	955,338	
Programming	93,864	
Creative Services	536,042	
News	0	
Sales	1,287,615	
General & administrative	501,344	
Trade expense	63,125	
News Production	0	
TMR - Warner Bros	8,894	
Program amortization	1,909,981	
Program barter expense	2,587,973	
Total operating expenses	7,944,177	
Operating income(loss)	(821,946)	
Corporate Expenses	859,097	
EBITDA	(1,681,043)	

Tucson Communications LLC

PROFIT & LOSS STATEMENT

FOR THE MONTH OF

DEC - 06

	YTD ACTUAL DEC - 06
Other Income(Expense)	
Interest income	12,557
Interest expense	(3,534,155)
All Other Income(Expense)	(51,557)
Total Other Income(Expense)	(3,573,155)
Net Income before Depreciation	(5,254,199)
Depreciation	297,174
Amortization	202,436
Total Depreciaion & Amortization	499,610
Net Income (loss)	(5,753,808)
Preferred Yield	0
Net Income (loss) after yield	(5,753,808)

Tucson Communications LLC

PROFIT & LOSS STATEMENT

FOR THE MONTH OF

DEC - 07

	YTD ACTUAL DEC - 07	
Local		
National	2,815,047	
Production & Other	1,535,602	
	39,387	
Gross cash revenues	4,390,036	
Less commissions and sales deductions	736,666	
Net revenues	3,653,371	
Barter Revenue	3,009,870	
Trade Revenue	84,910	
Total operating revenues	6,748,151	
Operating expenses:		
Technical	786,857	
Programming	86,137	
Creative Services	190,885	
WYCS - TBA	0	
Sales	1,020,147	
General & administrative	709,665	
Trade expense	89,118	
News Production	0	
TMR - Warner Bros	0	
Program amortization	1,749,768	
Program barter expense	3,009,870	
Total operating expenses	7,642,447	
Operating income(loss)	(894,296)	
Corporate Expenses	329,596	
EBITDA	(1,223,892)	

Profit & Loss- 2

2/6/2008 8:28 AM

Tucson Communications LLC
 PROFIT & LOSS STATEMENT
 FOR THE MONTH OF

DEC - 07

Other Income(Expense)
 Interest Income
 Interest expense
 All Other Income(Expense)
 Total Other Income(Expense)
 Net Income before Depreciation
 Depreciation
 Amortization
 Total Depreciaion & Amortization
 Net income (loss)
 Preferred Yield
 Net income (loss) after yield

YTD
 ACTUAL
 DEC - 07

8,943
 (4,999,696)
 1,650
 (4,989,102)
 (6,212,994)
 276,206
 194,806
 471,012
 (6,684,006)
 0
 (6,684,006)

EXHIBIT E



6805 DOUGLAS LEGUM DRIVE

SUITE 100

ELKRIDGE, MD 21075

(410) 799-1740

(410) 799-1705 FAX

www.patcomm.com

March 18, 2008

Media Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: KWBA(TV), Sierra Vista, Arizona

Dear Sir/Madam:

I am writing in connection with the proposed sale of KWBA(TV) from Tucson Communications L.L.C. ("Tucson Communications") to Journal Broadcast Corporation ("Journal"). The application for the license assignment is being made pursuant to the "failing station" waiver to your processing guidelines.

Patrick Communications has brokered the sale of over 125 television stations over the past 15 years. We previously provided the Commission statements used to support a "failing station" waiver in transfers of television properties in the Louisville, Kentucky and Greenville-Spartanburg, South Carolina markets. The Commission accepted these statements in granting those waivers.

The author of this letter and Managing Partner of Patrick Communications is W. Lawrence Patrick, a station licensee himself, who is also a former Senior Vice President of the National Association of Broadcasters and Chief Operating Officer of Gilmore Broadcasting. Mr. Patrick holds both a Ph.D. in communications and management from Ohio University as well as a J.D. from Georgetown University Law Center. Mr. Patrick also recently served as Chairman of the Board of ION Media Networks, the licensee of 60 television stations.

Patrick Communications was retained by Tucson Communications, the licensee of KWBA(TV) in June 2007 in an effort to market the television station for sale. After reviewing the due diligence materials on the station and preparing an Offering Memorandum on the station, we began a thorough marketing effort to sell the station. It was obvious from the outset that this station was losing significant money and its sale would be a challenge.

Our efforts initially were focused extensively on out-of-market buyers. We provided the Memorandum to more than 35 prospective television station owners that we determined to be

financially qualified buyers for KWBA-TV based on our firm's experience. These out-of-market buyers represented a broad range of potential buyers including station owners with television stations in the Southwest region of the U.S, other current CW owners across the U.S., buyers that were actively seeking station acquisition opportunities at the time KWBA-TV was being marketed, companies headed by minorities and women seeking television acquisitions, and television station buyers who had acquired stations within the past several years. We had lengthy discussions with more than two dozen owners. These efforts found absolutely no interest in the station.

We specifically spoke with other owners of CW affiliates and found that many of them operating in medium markets were also struggling financially. Some owners, like ACME Communications, announced shortly thereafter that they were also marketing all of their CW affiliates for sale.

The weakness of the CW network coupled with the weak performance of this station over the preceding years, including significant losses in the Tucson television market, convinced us after several months of intensive marketing efforts that there were no out-of-market buyers for KWBA(TV). Despite our repeated efforts to identify an out-of-market buyer for the property, none ever materialized.

As a result, we approached possible in-market buyers and found that only one of them, Journal, was even mildly interested in acquiring the station.

Journal has offered a price for the station that Tucson Communications has accepted, although Tucson Communications will suffer significant losses in a sale at this price. It is our belief that there are no other buyers for KWBA(TV) and that this sale to Journal is compelled by the financial losses of Cascade.

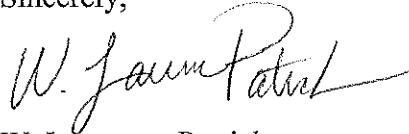
Journal, by combining this station with their existing station in Tucson, KGUN-TV, an ABC affiliate, can provide significantly more informational and public service programming than can Tucson Communications. It is our belief as experienced media brokers that this is the only possible sale opportunity for Tucson Communications. The sale to Journal would be in the public interest under a "failing station" waiver which would serve to keep the station on the air and also provide increased public service and informational programming to the viewers in the Tucson television market.

Please feel free to contact me should you require additional clarification.



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

Sincerely,

A handwritten signature in black ink, appearing to read "W. Lawrence Patrick". The signature is fluid and cursive, with a long horizontal stroke at the end.

W. Lawrence Patrick
Managing Partner

