

MULTIPLE OWNERSHIP COMPLIANCE

Journal Broadcast Corporation (“JBC”), licensee of KIVI(TV) (ABC), Nampa, Idaho, seeks consent of the Commission to the assignment of the license of CW affiliate KNIN-TV, Caldwell, Idaho, from Banks-Boise, Inc. (“Assignor”).

Assignor is a wholly-owned subsidiary of Banks Broadcasting, Inc. (“Banks”), in which Mr. Lyle Banks is the President and sole voting shareholder. Both KIVI and KNIN-TV operate in the 113th-ranked Boise, Idaho Nielsen Designed Market Area (“Boise DMA”) and their Grade B contours overlap. While KNIN-TV is not among the top four ranked stations in the Boise DMA,¹ there would remain six independently-owned television stations in the Boise DMA following the closing,² two less than the eight voices required by Section 73.3555(b)(2)(ii) of the local TV ownership rule to permit the proposed acquisition.

In addition, the Grade A contours of KIVI and KNIN-TV encompass the communities of license of six radio stations licensed to JBC, thereby triggering the radio-TV cross-ownership requirements of Section 73.3555(c).³ All six radio stations are assigned to the Boise Arbitron Metro. Under the radio-TV cross-ownership rule, a party authorized to own two same-market TV stations under the local-TV ownership rule may own up to six commercial radio stations (if permissible under the local radio ownership rule) where at least 20 independently-owned media voices will remain in the market after the acquisition. As shown in

¹ See Attachment A, Declaration of Lyle Banks (“Banks Declaration”), at 1.

² See Attachment B, Full-Power, Commercial and Non-Commercial TV Stations in the Boise DMA.

³ The six radio stations are: KGEM(AM), Boise, ID, Facility ID No. 6328; KJOT(FM), Boise, ID, Facility ID No. 6329; KCID(AM), Caldwell, ID, Facility ID No. 68593; KTHI(FM), Caldwell, ID, Facility ID No. 68589; KRVB(FM), Nampa, ID, Facility ID No. 17397; and KQXR(FM), Payette, ID, Facility ID No. 42650.

Attachment C, at least 20 independently-owned media voices (as defined under Section 73.3555(c)(3)) will remain in the market following the closing. Therefore, JBC is permitted to own the resulting two TV/six radio station combination under the radio-TV cross ownership rule, provided it is permitted to acquire KNIN-TV pursuant to a waiver of the local-TV ownership rule.⁴

Grant of the instant application, however, well serves the public interest because, as demonstrated herein, KNIN-TV is a “failing” station and the proposed transaction meets the test for a “failing” station duopoly waiver set forth in Note 7(2) to Section 73.3555. To qualify for a “failing” station duopoly waiver under Note 7 to Section 73.3555, an applicant must show:

- One of the merging stations has had a low all-day audience share of 4% or lower;
- The financial condition of one of the stations is poor, with a waiver more likely to be granted where one station has had negative cash flow for three consecutive years immediately prior to the application;
- The proposed merger will produce tangible public interest benefits; and
- The in-market buyer is the only reasonably available candidate willing and able to acquire and operate the failing station, and selling the station to an out-of-market buyer would result in an artificially depressed price.⁵

The instant transaction meets each prong of the “failing” stations waiver standard.

⁴ To the extent that a waiver of the radio-TV cross ownership rule is necessary for compliance with the local TV ownership rule, such a waiver is requested.

⁵ 47 C.F.R. § 73.3555, note 7; *see also* Report & Order, *Review of the Commission’s Regulations Governing Television Broadcasting*, 14 FCC Rcd 12,093, 12,939 (1999), *recon. granted in part*, 16 FCC Rcd 1067, 1076-78 (2001) (“TV Broadcasting Report & Order”); *KWBA(TV)*, DA 98-1273, released June 2, 2008, at 2 (“KWBA Decision”).

I. KNIN-TV Has Consistently Achieved Low All-Day Audience Shares.

As an affiliate of the nascent CW network (and previously the UPN network), KNIN-TV has struggled to achieve meaningful audience viewing in a very competitive market which includes several major media companies. While small in terms of population, the geographically expansive 113th ranked Boise DMA includes affiliates of CBS, NBC, ABC, Fox, and PBS, as well as an America One-affiliated station. In this environment, KNIN-TV has struggled to obtain viewers and has consistently failed to achieve a meaningful audience share. The attached Banks Declaration includes A.C. Nielsen Research audience data for the last three full calendar years. The demonstrated low audience viewing levels of KNIN-TV have been consistent.⁶ For calendar years 2005, 2006 and 2007, KNIN-TV garnered average household audience shares of only 3.60, 3.675 and 3.65 percent, respectively, based on a Nielsen four-book average (February-May-July-November), Mondays through Sundays from 9:00 a.m. to midnight. During the most recent February and May 2008 sweeps periods, KNIN-TV achieved only a 3.6 and 3.8 household audience share respectively.⁷ Thus, the record demonstrates that the proposed transaction satisfies the first prong of the “failing” station waiver standard.

II. KNIN-TV Has Experienced Persistent Negative Cash Flows.

KNIN-TV has struggled financially to remain operational, much less to become a viable voice and competitor in the Boise DMA. The Banks Declaration provides financial reports covering the last four years of operations.⁸ As Mr. Banks explains, KNIN-TV “has

⁶ See Banks Declaration at 1.

⁷ See *Davis Television*, 2008 WL 850610 (March 31, 2008), at ¶ 17 (“the relevant audience share is that most recent to the filing of the application”).

⁸ Exhibits B and C to the Banks Declaration, which contain confidential financial data, are being filed separately, along with a request for confidential treatment.

suffered significant negative cash flow for the past four years.” In 2004, 2005, and 2006, the station had a six-digit negative cash flow. In 2006 alone, the station’s cash flow was a negative \$124,945, and in 2007 the station experienced a negative cash flow in excess of \$94,000. In addition, its annual pre-tax losses between 2004 and 2007 have averaged more than \$1.5 million.⁹

This poor financial performance has persisted despite KNIN-TV undertaking substantial measures to limit and reduce costs in an effort to keep the station operational. As Mr. Banks explains, the lack of financial resources has resulted in KNIN-TV operating on a threadbare budget and postponing needed capital expenditures. For example, the Boise DMA extends approximately 200 miles east-to-west and 235 miles north-to-south, covering twelve mostly rural counties across mountainous terrain – eleven in Southwest Idaho and one in Southeast Oregon. Thus, LPTV/translator facilities provide an important means of reaching outlying areas.¹⁰ However, due to its financial condition, the station has been unable to acquire LPTV/television translator facilities and upgrade or back up its transmitters and related equipment. These shortcomings have placed the weak CW affiliate at a significant disadvantage

⁹ Banks Declaration at 2-3. As Exhibit C notes, the station’s financial statement for 2006 shows an impairment charge of \$5,113,000, included in accordance with general accounting principles and practices. Even if the impairment charge is not included, the station’s annual pre-tax losses between 2004 and 2007 have averaged \$289,529.

¹⁰ For example, KTVB (NBC), owned by Belo Corp., operates K05DC, Cambridge, ID; K05DD, Glenns Ferry, ID; K13GO, Cascade, ID; and K13SO, McCall & New Meadows, ID; as well as KTFT-LP at Twin Falls, ID. KBCI-TV (CBS), owned by Fisher Broadcasting, operates K09HS, Glenns Ferry, ID; K10FD, McCall, ID; K11GR, Cascade, ID; K13IA, Lowman, ID; K55GM, Cambridge, ID; K10GQ, Huntington, ID; and K11LS, Jordan Valley, ID. JBC’s station KIVI (ABC) operates KSAW-LP at Twin Falls, ID. KAID (PBS), owned by the Idaho State Board of Education, operates K51FL, Garden Valley, ID; K41EO, Crouch, ID; K41HS, Donnelly, ID; K05GO, Council, ID; K05FG, McCall, ID; K09LO, Cascade, ID; and K11PB, Cambridge, ID.

vis-à-vis its major network competitors due to the area's geography.¹¹ In addition, approximately 30% of area households rely on off-air viewing, nearly twice the national average, which makes KNIN-TV's disadvantage even more pronounced.¹² KNIN-TV's lack of LPTV/translator facilities and intermittent disruptions of service due to equipment malfunctions have impaired the station's ability to become competitive.

In addition, the station's poor financial condition has rendered KNIN-TV unable to upgrade its master control board for digital operations, has forced it to incur significant repair costs from operating with second- and third-hand equipment and has led to deferral of other important capital improvements. In all, KNIN-TV has postponed needed capital expenses estimated at between \$750,000 and \$1.3 million.¹³ Furthermore, the station has been short-staffed for long periods, including going without a full-time general manager for up to a year at a time. Significantly, unlike its major competitors in the Boise market, KNIN-TV has been unable to achieve sufficient solvency to hire the staff and facilities necessary to offer local news to the expansive Boise DMA.¹⁴

Mr. Banks states that financial prospects for KNIN-TV for 2008, operating as a stand-alone station, are "similarly poor." Based on the financial performance of KNIN-TV for the five-month period from January 1 to May 31, 2008, KNIN-TV is projected to experience approximately \$379,000 in negative cash flow and approximately \$278,000 in pre-tax losses in

¹¹ KNIN-TV was affiliated with the UPN Network from 1995 to 2006 before UPN merged with the WB Network, which caused it to change its affiliation to CW.

¹² See Banks Declaration at 2-3.

¹³ The FCC recently found that "deferring payments of various liabilities and obligations to sustain continued performance" is evidence of a failing station's poor financial condition. See KWBA Decision at 2.

¹⁴ The FCC has found that a "worsening financial posture [that] has hampered the ability of the current licensee to provide more than minimal public interest benefits" such as news and public affairs programming is also evidence of poor financial condition. See *id.* at 2-3.

2008.¹⁵ Like many CW affiliates and independent stations in smaller markets, KNIN-TV is particularly hard-hit by market downturns, and is often the first station in the Boise DMA to lose national ad buy revenue.¹⁶ In short, there is no prospect of improvement for the station's financial state.

The record of consistent negative cash flow performance demonstrates that the proposed acquisition of KNIN-TV by JBC meets the second prong of the "failing" station waiver standard.

III. JBC's Ownership of KNIN-TV Will Produce Tangible And Verifiable Public Interest Benefits.

By consolidating the operations of KNIN-TV with KIVI, KNIN-TV will be able to achieve important tangible and verifiable public interest enhancements to its service that are more than sufficient to outweigh any potential harm to competition and diversity in the Boise market. JBC has the financial, manpower and other resources necessary to increase KNIN-TV's local public service, and it is committed to making KNIN-TV into a viable competitor increasing the diversity of programming provided to viewers in the Boise DMA.¹⁷ Some of the improvements in public service that will result from JBC's ownership of KNIN-TV include:

- Due to financial constraints, KNIN-TV does not broadcast local news. JBC will initiate a 30-minute daily (Monday – Friday) local newscast on KNIN-TV utilizing the significant news capabilities of KIVI.¹⁸

¹⁵ Banks Declaration at 3.

¹⁶ *Id.* at 2.

¹⁷ KIVI is a Boise community leader, currently broadcasting 4 hours of locally produced news programming each weekday and 1 hour of locally produced news programming on each weekend day. KIVI also participates in numerous community outreach programs.

¹⁸ The FCC has repeatedly recognized the public interest benefits of an Assignee providing enhanced local news programming to a failing station. *See, e.g., KSCW(TV)*, 22 FCC Rcd 11845, 11847 (MB 2007) ("KSCW Decision"); *KSMO Licensee, Inc.*, 20 FCC Rcd 15254, 15256 (MB 2005) ("KSMO Decision").

- JBC is in the process of planning a major technological upgrade of its Boise/Nampa studio facilities, to convert them to an all digital operation. KNIN-TV will have ready access to these high-tech production facilities, as JBC's ownership of the station will result in KNIN-TV's operations being co-located with KIVI. These facilities will give KNIN-TV the ability to go live, and to provide a better, more consistent on-air broadcast picture and signal.
- Due to financial constraints, KNIN-TV does not offer local weather programming or have the capability to monitor weather events. With the resources of KIVI, KNIN-TV will be able to provide its viewers with important alerts regarding weather events, traffic and emergencies.
- JBC will significantly increase the community outreach efforts of KNIN-TV.¹⁹ JBC and KIVI devote significant staff and other resources to public service events such as the Susan G. Komen "Race for the Cure," the annual "Toys for Tots" drive in cooperation with the U.S. Marine Corps, and the "Community Baby Shower" that provides clothes and essential items for local families in need. JBC will similarly involve KNIN-TV in these types of community events and other outreach campaigns, including the "Children's Miracle Network Telethon," the "Safe/Smart" bicycle helmet project, sponsorship of the Boise "4th of July Fireworks Celebration" and participation in the "Idaho Green Living" environmental awareness campaign.
- JBC will redesign KNIN-TV's online website, increasing the station's online community outreach and enhancing its interactive capabilities to improve communications between the station and local Boise residents.²⁰
- JBC commits to maintain the separate affiliations for KIVI (ABC) and KNIN-TV (CW).²¹

The improvements to the operation and programming that would result from

JBC's operation of KNIN-TV will provide tangible and verifiable public benefits to the public in

¹⁹ See *WBUI(TV)*, 22 FCC Rcd 16852, 16854 (MB 2007) ("WBUI Decision"); *KSCW Decision* at 11847; *KSMO Decision* at 15257.

²⁰ See *WBUI Decision* at 16854.

²¹ The FCC has recognized that an Assignee's commitment to maintain a failing station's separate affiliation constitutes another public interest benefit. See, e.g., *WBUI Decision* at 16854; *KWBA Decision* at 3 (noting JBC's commitment to maintain a separate affiliation for acquired failing station KWBA).

the Boise DMA. They are similar to the benefits which the Commission has found supported previous failing station waivers.²²

IV. An In-Market Buyer Is The Only Reasonably Available Candidate For KNIN-TV.

The attached declaration of Kelly Callan, an experienced station broker at Kalil & Company, Inc. (“Kalil”) demonstrates that an in-market buyer is the only reasonably available candidate willing and able to acquire and operate KNIN-TV. As Callan’s declaration notes, Kalil conducted broad outreach to out-of-market entities. Of 28 out-of-market prospects, only eight requested and received non-disclosure agreements, only five executed those agreements, and only one made an offer for the station. Based on Kalil’s appraisal of the station, it determined that the offer was at a level well below the station’s fair market value and would result in an artificially depressed price, fully 56% less than the station’s independently appraised fair market value. Given the absence of a viable out-of-market purchaser, Kalil approached station owners in the Boise market, and an agreement with JBC ensued. The final agreement is for a purchase price that is significantly less than the investments Banks has made in KNIN-TV, but would result in a loss that is several million dollars less than one incurred through a sale to an out-of-market purchaser.²³ As Mr. Callan concludes, “it is the considered judgment of Kalil that, despite an extensive marketing process, including an independent valuation and significant outreach to prospective out-of-market buyers, the only potential bona fide purchaser of KNIN-TV is an in-market buyer.”²⁴

²² See *supra* notes 18-21.

²³ Attachment A, Banks Declaration at 3-4.

²⁴ Attachment D, Callan Declaration at 2.

The Commission has made clear that the presumption that a failing station waiver would be in the public interest rests on a showing that “no out-of-market buyer is willing to operate the station, and that sale to such a buyer would result in an artificially depressed price.”²⁵ As the Callan Declaration demonstrates, an in-market buyer is the only reasonably available candidate to acquire KNIN-TV.

* * *

As the Commission concluded in adopting its failing station waiver policy, “[p]ermitting such stations to merge should pose minimal harm to our diversity and competition goals, since their financial situation typically hampers their ability to be a viable ‘voice’ in the market.”²⁶ Here, KNIN-TV’s poor financial performance has led the stand-alone CW affiliate to broadcast a significantly reduced level of local service and rendered it unable to invest needed capital into the station. JBC’s proposed acquisition of the station, on the other hand, will allow KNIN-TV not only to continue to provide diverse CW over-the-air programming to viewers in the Boise DMA, but most significantly, to offer a new outlet for local news and public affairs programming, as well as to perform long-needed equipment and technical upgrades. The transaction, therefore, achieves precisely what the Commission had in mind in developing the “failing” station waiver policy. Thus, the public interest is well served by granting a waiver of the local television ownership rule.

²⁵ Order on Reconsideration, *Review of the Commission’s Regulations Governing Television Broadcasting*, 16 FCC Rcd 1067, 1076 (2001); *see also* KSCW Decision at 3 & n.12 (finding a similar declaration sufficient to demonstrate an in-market station was the “only reasonably available buyer”).

²⁶ *See* TV Broadcasting Report & Order at 12,938-39.

ATTACHMENT A:
DECLARATION OF LYLE BANKS

DECLARATION OF LYLE BANKS

I, Lyle Banks, do hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am President, Chairman and controlling owner of Banks Broadcasting, Inc. ("Banks"), a minority-controlled broadcast television company. Banks is the sole and managing member of Banks-Boise, Inc., the licensee of station KNIN-TV, the CW affiliate in Caldwell, Idaho.

2. I have served in my current position since Banks acquired KNIN-TV in 2000. In that capacity, I have been personally responsible for the financial and programming operations of KNIN-TV. Prior to forming Banks and becoming President and Chairman, I worked for LIN Television Corporation ("LIN TV") for 12 years, first in various Sales Management capacities and then as General Manager of its station WAVY-TV, the NBC affiliate in Portsmouth, Virginia. Later, I served as General Manager of WMAQ-TV, the NBC owned and operated station in Chicago. In all, I have more than 25 years experience in management, budgeting, and planning for broadcast television stations in markets of all sizes.

3. I understand that this Declaration, which provides detailed information on the ratings performance and financial condition of KNIN-TV, will be provided to the Federal Communications Commission (FCC) in support of a request for a "failing" station waiver of the FCC's multiple ownership rules, in connection with an application for consent to assign the license of KNIN-TV from Banks-Boise, Inc. to Journal Broadcast Corporation ("JBC").

4. KNIN-TV serves the 113th ranked Boise, Idaho DMA, and is affiliated with the new CW network. The station made its first on-air broadcast in December 1992 as an affiliate of the Home Shopping Network. Banks acquired KNIN-TV from Lambert Broadcasting in 2000, when the station was a UPN affiliate. KNIN-TV changed its affiliation to the CW soon after the WB-UPN merger in 2006. All four major networks have affiliates in the Boise DMA.

5. As the attached Exhibit A shows, KNIN-TV, which is not among the top four-ranked television stations in the Boise DMA, has struggled to obtain any meaningful audience share. Based on the average of the four A.C. Nielsen Media Research audience sweeps periods for the past three full calendar years, KNIN-TV's all-day (Monday-Sunday, 9 a.m. to midnight) audience share has regularly fallen below 4%. For 2007, the station's average all-day audience share was 3.65. For 2006, the station's average all-day audience share was 3.675. For 2005, the station's average all-day audience share was 3.60. The station's average all-day audience share over all three calendar years was 3.64, and the station's all-day audience share for the February 2008 sweeps period was 3.6 and for the May 2008 sweeps period was 3.8.

6. The attached financial information in Exhibit B was prepared in consultation with the financial officers of LIN TV. LIN TV, as a nonvoting investor of Banks, provides financial advisory services and regularly provides support services in connection with the analysis and preparation of Banks' financial information. The information provided in the Exhibit accurately

represents the financial condition of KNIN-TV. The cash flow schedule at Exhibit B was compiled using broadcasting industry standards.

7. The station's poor financial condition is demonstrated by its persistent negative cash flow. KNIN-TV has never generated a profit in its existence. As shown in Exhibit B, KNIN-TV has suffered significant negative cash flow over the past four years, as summarized in the following table:

Cash Flow for KNIN-TV

Year	Cash Flow
2004	(424,444)
2005	(109,684)
2006	(124,945)
2007	(94,639)

As the table shows, the station has suffered an average negative cash flow of more than \$109,750 over the past three years.

8. The station has also suffered significant operating losses over the same period, as reflected on Exhibit C:

Pre-Tax Losses for KNIN-TV

Year	Losses
2004	\$469,278
2005	\$396,950
2006	\$5,341,435
2007	\$63,455

9. These losses have accumulated despite substantial cost-cutting measures. The station has never been financially solvent enough to hire the staff and acquire the facilities to offer local news. Much of the station's equipment, including its master control board, have not been updated for digital operations. It has also been unable to acquire LPTV or translator facilities or upgrade its transmitters so as to ensure a meaningful coverage footprint comparable to its competitors. Its inability to invest in its intermittently failing transmitters has also kept it from enjoying consistent over-the-air market coverage, a significant disadvantage in a market such as Boise where approximately 30% of area households rely on off-air viewing. In addition, the station has gone short-staffed for significant periods, including going for more than a year without a general manager. Like many CW affiliates and independent stations in smaller markets, KNIN-TV is particularly hard-hit by market downturns, and is often the first station in the Boise DMA to lose national ad buy revenue. In all, more than \$15 million has been invested in KNIN-TV, but to date the station still has postponed needed capital expenses of up to \$1.3 million. Based upon our projections, the financial results in 2008 are similarly poor, if not worse. Based on the financial performance of KNIN-TV for the five-month period from January 1 to May 31, 2008, KNIN-TV is projected to have by year-end 2008 about \$379,000 in negative cash flow and about \$278,000 in pre-tax income losses.

10. The poor financial condition of KNIN-TV renders impractical the raising of additional investment funds or incurrence of additional debt on commercially acceptable terms, either of which would be essential for the continued operation of the station. The current state of the lending markets also make access to additional revenue to support the station highly unlikely. Accordingly, there is no commercially viable alternative for KNIN-TV's survival other than the sale of the station to a third party that could achieve the efficiencies of joint operation.

11. A separate declaration from Kelly Callan, Vice President of Kalil and Company, Inc., details the extensive efforts to sell KNIN-TV and the reasons for turning to an in-market buyer as the only reasonably available prospect to acquire KNIN-TV to operate it as a viable local voice for the Boise community.

12. While the offer KNIN-TV has received from an in-market buyer is for more than \$7 million less than what it has invested in the station, these losses are significantly less than the losses that would occur if KNIN-TV were sold to an in-market buyer at a nonviable price.

Executed on this 26th day of June, 2008.


Lyle Banks

Exhibit A: Audience Share, KNIN-TV

Year	Average Audience Share
2005	3.60
2006	3.675
2007	3.65

Source: Nielsen 4-book average (Feb/May/July/Nov.), Mon-Sun 9am-12am

Exhibit B:
Cash Flow Schedule, KNIN-TV

Submitted Separately With Request For Confidential Treatment

Exhibit C:
Income Statements, KNIN-TV

Submitted Separately With Request For Confidential Treatment

ATTACHMENT B:
Full-Power, Commercial and Non-Commercial
TV Stations in the Boise DMA (#113)
(Source: TV & Cable Factbook 2008 and FCC CDBS Database)

Station Count	Market Rank	Station Call Sign (FCC Facility ID)	Channel/DTV (Network)	Community of License	Licensee (Owner)
1		KBCI-TV (49760)	2/28 (CBS)	Boise, ID	Fisher Broadcasting-Idaho TV, LLC (Fisher Broadcasting Company)
2		KTVB (34858)	7/26 (NBC)	Boise, ID	King Broadcasting Company (Belo Corp.)
3		KNIN-TV (59363)	9/10 (CW)	Caldwell, ID	Banks-Boise, Inc. (Banks Broadcasting, Inc.)
4		KIVI (59255)	6/24 (ABC)	Nampa, ID	Journal Broadcast Corporation (Journal Communications, Inc.)
5		KTRV-TV (28230)	12/13 (FOX)	Nampa, ID	Idaho Independent Television, Inc. (Block Communications, Inc.)
6		KAID* (62442)	4/21 (PBS)	Boise, ID	State Board of Education, State of Idaho (Same)
7		KKJB (35097)	39 (AM1)	Boise, ID	Boise Telecasters, L.P. (Cocola Broadcasting Companies, LLC)

*Denotes Educational Television Station.

ATTACHMENT C:

**VOICE ANALYSIS:
BOISE, ID DMA**

Television Stations in the Boise DMA

Voice	Calls	Lic. Channel	Lic. DTV Channel	Lic. City of License	Lic. State of License	Parent
1	KNIN-TV	9	0	Caldwell	ID	Banks Broadcasting Inc
2	KTVB	7	26	Boise	ID	Belo Corp
3	KTRV-TV	12	13	Nampa	ID	Block Communications Inc
4	KKJB	39	0	Boise	ID	Cocola Broadcasting Companies LLC
5	KBCI-TV	2	28	Boise	ID	Fisher Communications Inc
6	KAID	4	21	Boise	ID	Idaho State Board of Education
7	KIVI	6	24	Nampa	ID	Journal Broadcast Group Inc

Source: BIA Media Access PRO, data as of 06/09/2008.

Radio Stations Counted in the Boise Metro

Voices	CALLS	AM or FM	Lic. City of License	Lic. State of License	Owner
1	KDBI	FM	Emmett	ID	Bustos Media Enterprises LLC
1	KQTA	FM	Homedale	ID	Bustos Media Enterprises LLC
2	KDJQ	AM	Meridian	ID	Churchill Communications LLC
3	KBOI	AM	Boise	ID	Citadel Communications
3	KIZN	FM	Boise	ID	Citadel Communications
3	KKGL	FM	Nampa	ID	Citadel Communications
3	KQFC	FM	Boise	ID	Citadel Communications
3	KTIK	AM	Nampa	ID	Citadel Communications
3	KZMG	FM	New Plymouth	ID	Citadel Communications
4	KARJ	FM	Kuna	ID	Educational Media Foundation
5	KNJY	AM	Boise	ID	First Western Inc
6	KMXM	FM	McCall	ID	FM Idaho Co LLC
6	KQLZ	FM	Gooding	ID	FM Idaho Co LLC
6	KSRV	FM	Ontario	OR	FM Idaho Co LLC
6	KTMB	FM	Mountain Home	ID	FM Idaho Co LLC
7	KTSY	FM	Caldwell	ID	Idaho Conference of Seventh-Day Adventists Inc
*	KBSU	AM	Boise	ID	Idaho State Board of Education
*	KBSU	FM	Boise	ID	Idaho State Board of Education
*	KBSX	FM	Boise	ID	Idaho State Board of Education
*	KCID	AM	Caldwell	ID	Journal Broadcast Group Inc
*	KGEM	AM	Boise	ID	Journal Broadcast Group Inc
*	KJOT	FM	Boise	ID	Journal Broadcast Group Inc
*	KQXR	FM	Payette	ID	Journal Broadcast Group Inc
*	KRVB	FM	Nampa	ID	Journal Broadcast Group Inc
*	KTHI	FM	Caldwell	ID	Journal Broadcast Group Inc
8	KBXL	FM	Caldwell	ID	KSPD Inc
8	KSPD	AM	Boise	ID	KSPD Inc
9	KIOV	AM	Notus	ID	Media Enterprises LLC
10	KAWO	FM	Boise	ID	Peak Broadcasting LLC
10	KCIX	FM	Garden City	ID	Peak Broadcasting LLC
10	KFXD	AM	Boise	ID	Peak Broadcasting LLC
10	KIDO	AM	Nampa	ID	Peak Broadcasting LLC
10	KSAS	FM	Caldwell	ID	Peak Broadcasting LLC
10	KXLT	FM	Eagle	ID	Peak Broadcasting LLC
11	KWEI	FM	Fruitland	ID	Treasure Valley Broadcasting
12	KBGN	AM	Caldwell	ID	Wilson, Nelson & Karen

Source: BIA Media Access PRO, data as of 06/09/2008.

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

English Language Newspapers in Boise DMA

Voice	Parent/ Owner	Newspaper	County Published	Circulation Monday - Friday	DMA Households with TVs	Percentage of Households
1	The McClatchy Company, Sacramento, California	Idaho Statesman	Ada Co.	61,927	251,920	24.58%
2	Pioneer Newspapers, Inc., Seattle, Washington	Idaho Press-Tribune	Canyon Co.	19,454	251,920	7.72%

Sources: Audit Bureau of Circulations, *FAS-FAX Report - 03/31/2008*; www.idahostatesman.com, and www.idahopress.com, as of 03/20/2008.

Cable Systems in Boise DMA

Voice	Cable Service Provider	Parent	County
1	Cable One	The Washington Post Company, Washington, DC	Ada Co.

Source: *Television & Cable Factbook 2008*.

ATTACHMENT D:
DECLARATION OF KELLY CALLAN

DECLARATION OF KELLY CALLAN

I, Kelly Callan, do hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am Vice President of Kalil and Company, Inc. (“Kalil”), a media and brokerage consulting firm based in Tucson, Arizona. Kalil has provided full service to clients in the media brokerage business for more than thirty-five years, and its seven brokers have more than a hundred combined years of experience in media brokerage. For the last four years, Kagan Research has rated Kalil the top media brokerage firm in the country in terms of total deal volume, and over the same period Kalil has brokered media transactions totaling more than a billion dollars.

2. As Vice President of Kalil, I have extensive knowledge of the television industry in general, having worked as a media broker for the past 20 years. I have both consulted for and appraised television stations for a variety of purposes, including acquisitions, divestitures, mergers, financing, and restructuring of debt. I have been personally involved in the acquisition or sale of hundreds of broadcast properties, including stations in small, medium, and large markets. Prior to joining Kalil, I held a position in sales in the communications industry for three years.

3. In July 2006, Kalil was retained by Banks Broadcasting, Inc., a minority-controlled television broadcasting company and sole owner of Banks-Boise, Inc., licensee of KNIN-TV, Channel 9, Boise, Idaho (“Banks”), to make an independent assessment of the fair market value of television station KNIN-TV and to undertake efforts to locate a qualified buyer.

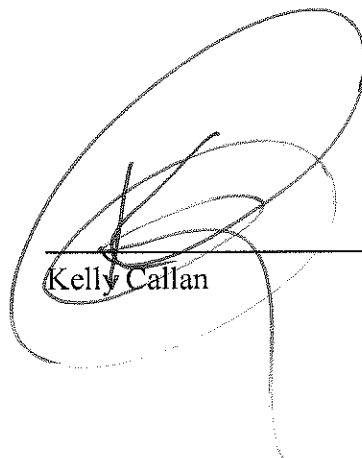
4. KNIN-TV, which is affiliated with the nascent CW Network, is located in the Boise, Idaho, Nielsen Designated Market (the 113th ranked DMA). The geographically expansive DMA — extending approximately 200 miles long (east to west) and 235 miles wide (north to south) — includes 12 predominantly rural counties, representing over two-thirds of the area of Idaho, as well as a large county in Southeastern Oregon. Its full-power commercial competitors in the Boise market include all Big Four television network affiliates. Unlike KNIN-TV, the CBS, NBC and ABC affiliates, as well as the local PBS affiliate, operate LPTV and/or translator facilities to cover the Boise DMA’s large and mountainous coverage area.

5. After a review of our regional and national television station marketplace contacts, Kalil developed a list of 28 out-of-market prospects for KNIN-TV. After following up with these prospects, it became clear that KNIN-TV did not represent even a potentially attractive opportunity to the majority of broadcast companies that Kalil contacted. Specifically, only eight requested and received non-disclosure agreements. Only five out-of-market prospects executed non-disclosure agreements with Kalil, and only one made an offer for the station. That one offer was for a purchase price 56% less than the independently appraised fair market value for the station. In light of its extensive marketing efforts, Kalil concluded that it would be unable to obtain any reasonable offer for the station from an entity located outside the market.

6. Given the lack of bona fide interest in KNIN-TV at the national and regional levels, Kalil and Banks decided to pursue potential buyers in the Boise market. Kalil contacted six prospective in-market buyers, but only two made proposals.

7. In light of these facts, it is the considered judgment of Kalil that, despite an extensive marketing process, including an independent valuation and significant outreach to prospective out-of-market buyers, the only potential bona fide purchaser of KNIN-TV is an in-market buyer.

Executed on this 26 day of June, 2008.



Kelly Callan