

## **EXHIBIT 15**

### **DEMONSTRATION OF COMPLIANCE WITH LOCAL TELEVISION OWNERSHIP RULE AND REQUEST FOR CONTINUATION OF SATELLITE STATUS FOR STATION WIRS(TV)**

#### **I. INTRODUCTION**

By this FCC Form 314 application, CaribeVision Station Group, LLC (“CaribeVision”) seeks Commission consent to the assignment of the assets and license for WIRS(TV), Yauco, Puerto Rico, from Televiscentro of Puerto Rico, LLC, (“Televiscentro”), which is now a subsidiary InterMedia Partners VII, L.P. (“InterMedia Partners VII”). In addition, through a separate Form 315 application, CaribeVision seeks Commission consent to acquire from a wholly owned subsidiary of InterMedia Partners VII control of S&E Network, Inc. (“S&E Network”). S&E Network is the licensee of WJPX(TV), San Juan, Puerto Rico, WKPV(TV), Ponce, Puerto Rico, and WJWN-TV, San Sebastian, Puerto Rico. In addition, CaribeVision seeks Commission permission to maintain the satellite status of stations WKPV(TV), WJWN-TV, and WIRS(TV) pursuant to the Note 5 exception to the local television ownership limitation contained in Section 73.3555(b) of the Commission’s rules. As demonstrated below, the proposed ownership and operation of these stations are fully consistent with the Commission’s multiple ownership rules and policies and within well-established precedent that recognizes the unique and difficult competitive and geographic circumstances facing television broadcasters in Puerto Rico.

#### **II. DESCRIPTION OF TRANSACTION**

The transfer of control and assignment of license contemplated in this transaction will occur as described below. CaribeVision will purchase from InterMedia Español Holdings, LLC (“InterMedia Español”), a direct subsidiary of InterMedia Partners VII, all of the stock of S&E Network. At the same time, CaribeVision will also purchase from Televiscentro, an indirect

subsidiary of InterMedia Español, the station license and other assets of WIRS(TV).

Televiscentro also is the licensee of WAPA-TV, San Juan, Puerto Rico; WTIN(TV), Ponce, Puerto Rico; and WNJX-TV, Mayaguez, Puerto Rico. Televiscentro will continue to hold these interests following the consummation of the transaction proposed herein and in the accompanying Form 315 application. InterMedia Partners VII, its subsidiary InterMedia Español, and other subsidiaries acquired their interests in seven television stations, including the four that are a part of the transaction proposed herein and the three that are to remain licensed to Televiscentro and its subsidiary, as a part of one transaction with LIN Television Corporation and its subsidiaries. InterMedia Español is now proposing to sell its interests in four of the seven stations that it acquired.

### **III. REQUEST FOR CONTINUATION OF SATELLITE STATUS**

#### **A. Overview of the Puerto Rico Television Market**

By this application and the accompanying Form 315 application, CaribeVision seeks permission to continue the ongoing satellite operations of stations WKPV(TV), WJWN-TV, and WIRS(TV), all of which rebroadcast the programming of WJPX(TV). The Commission very recently reaffirmed that all of these satellite relationships serve the public interest.<sup>1</sup> The stations in question, together with the stations that will remain licensed to Televiscentro, have been involved in satellite relationships approved by the Commission at various times over a number of years.<sup>2</sup> Since those decisions, and in particular the most recent decision which was released only

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<sup>1</sup> *Televiscentro of Puerto Rico, LLC*, 22 FCC Rcd 2176 (Med. Bur. 2007) (granting consent to transfer of control of S&E Network, Televiscentro, and WNJX-TV, Inc. to InterMedia Partners VII and approving continuing satellite status for WKPV(TV), WJWN-TV, WIRS(TV), WTIN(TV), and WNJX-TV).

<sup>2</sup> *See Application of T. Michael Whitney and LIN Television of San Juan, Inc.*, Memorandum Opinion and Order, 16 FCC Rcd 2297 (2001) (“*Whitney*”) (granting LIN’s

approximately three months ago, the premises upon which those findings were based, and in particular the economic circumstances on Puerto Rico, have not changed. Moreover, it should be noted that the Media Bureau recently approved common ownership by InterMedia Partners VII of two parent television stations and five satellite stations, including the stations involved in the transaction proposed herein.<sup>3</sup> The currently proposed transaction will, in effect, break off a piece of the larger transaction and will therefore introduce a new, independent voice into the Puerto Rico television market. The proposed transfer and assignment thus will add to the diversity in the market, thereby serving the public interest. Additionally, continuation of the stations' satellite status will permit CaribeVision to continue making high-quality programming available to residents living beyond the economic center of San Juan by maintaining signal coverage on the island generally equivalent to that enjoyed by the stations' major competitors.

Television stations licensed to communities on Puerto Rico are not ranked as part of United States television Designated Market Areas ("DMAs"). On numerous occasions, however, the Commission has treated Puerto Rico as a single market for purposes of the media ownership rules.<sup>4</sup> Moreover, advertisers who buy time consider the island to be a single market.<sup>5</sup> Thus, the

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request to operate WNJX-TV as a satellite of WAPA-TV); *Applications of Paxson Communications of San Juan, Inc. and LIN Television Corporation*, Memorandum Opinion and Order, 16 FCC Rcd 14139 (2001) ("*Paxson*") (permitting LIN to continue its attributable rebroadcasting agreement with WTIN(TV), which at the time was not licensed to LIN, and granting continued satellite exceptions for WKPV(TV) and WJWN-TV); *Broadcast Actions*, Public Notice, Report No. 45633 (Dec. 16, 2003) (approving the assignment of WIRS(TV) to Televiscentro and approving its operation as a satellite of station WJPX(TV)); *Broadcast Actions*, Public Notice, Report No. 45725 (rel. Apr. 29, 2004) (granting the voluntary assignment of the license for WTIN(TV) to Televiscentro).

<sup>3</sup> *Televiscentro of Puerto Rico* at 2176.

<sup>4</sup> See *Paxson* ¶ 4; *Applications of Milton S. Maltz and Raycom Media, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 15527 (1998); see also *2002 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules*

financial viability of television stations licensed to Puerto Rican communities remains dependent upon reliable island-wide coverage. Yet, as the Commission is aware, Puerto Rico's mountainous topography prevents such coverage. Recognition of these facts has led Puerto Rico broadcasters to enter into various teaming relationships with other island stations - rebroadcast agreements, satellite arrangements, and local marketing agreements ("LMAs") - or to implement unusual engineering solutions<sup>6</sup> to achieve necessary signal coverage. These teaming arrangements have been approved repeatedly by the Commission.<sup>7</sup>

**B. The Commission Has Tailored Its Regulation of Television Ownership in Puerto Rico to the Unique Nature of the Broadcast Market.**

In its licensing and regulation of television stations located on Puerto Rico, the Commission has repeatedly recognized that the island is a geographically small and highly concentrated and competitive broadcast market (approximately 100 radio stations and 30 television stations located on an island that is only 125 miles long and 30 miles wide), which presents uniquely difficult challenges to television broadcasters.<sup>8</sup> These challenges stem from

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*Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13620, n.399 (2003) ("Broadcast Ownership Order").*

<sup>5</sup> See *Paxson* ¶ 5.

<sup>6</sup> See *Siete Grande Television, Inc.*, Memorandum Opinion and Order, 7 FCC Rcd 5299 (1992) (granting waivers of technical rules to permit an unusual set of full power boosters to support a Ponce station).

<sup>7</sup> *Paxson* ¶¶ 9, 14-15.

<sup>8</sup> See *Paxson* ¶¶ 14-15; *Whitney* ¶ 4. See also *Applications of JEM Communications, Inc., (Assignor) and Interstate General Properties Limited Partnership, S.E. (Assignee)*, Memorandum Opinion and Order, 9 FCC Rcd 4874, ¶ 9 (1994) ("*JEM Communications*"); *Canal 48, Inc.*, Memorandum Opinion and Order, 8 FCC Rcd 2193, ¶ 7 (1993) ("*Canal 48, Inc.*"); *Hector Nicolau*, Memorandum Opinion and Order, 5 FCC

the island's extreme topography and generally poor economic conditions, as well as from the unusually large number of broadcast stations licensed to a comparatively small area. The Commission has responded to these challenges by developing a unique body of law applicable to Puerto Rico that recognizes the necessity of rebroadcasting or satellite arrangements among the island's television stations.

**1. Puerto Rico's Mountainous Terrain Prevents Island-Wide Coverage.**

Puerto Rico's topography is "dominated by a central mountain range that runs east to west along the island."<sup>9</sup> As the Commission has recognized, the extension of Grade B service by television stations located in Puerto Rico is constrained by the island's mountainous terrain, which has a "significant limiting affect [sic] on the actual over-the-air coverage of television stations operating on the island."<sup>10</sup> In a 1993 decision, the Commission described the impact of terrain on Puerto Rico broadcasters as follows:

Puerto Rico is a highly concentrated broadcast market having more than 100 radio stations and more than 30 licensed or authorized television stations, with San Juan dominating the island's economy. Puerto Rico, as an island, is approximately 125 miles long (east to west) and thirty miles wide (north to south), bisected east to west by a central mountain range which effectively blocks television signals directed across its heights.... In fact, we have previously determined that useful television service for stations in Puerto Rico usually does not extend beyond the Grade A contour and is sometimes not satisfactory within that area.<sup>11</sup>

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Rcd 6370, ¶ 10 (1990) ("*Nicolau*"); *Seglares Iglesia Catolica, Inc.*, Memorandum Opinion and Order, 2 FCC Rcd 7539, ¶¶ 6-7 (1987).

<sup>9</sup> Declaration of Jose E. Ramos, Attachment A, at Exhibit 1, ¶ 6.

<sup>10</sup> *Nicolau* ¶ 10; *see also Canal 48, Inc.* ¶ 7 (noting that "the area between the stations is mountainous, and none of the stations is likely to be received much beyond their immediate communities of license").

<sup>11</sup> *Canal 48, Inc.* ¶ 7.

Despite the lack of over-the-air coverage and the poor cable and DBS penetration on the island,<sup>12</sup> advertisers expect their messages to reach all of the island's population centers.

Because no single station can reach all or even most of the island, Puerto Rico television stations have developed a long-standing practice of entering into rebroadcast agreements to provide service to the entire market. According to Jose E. Ramos, general manager of stations WAPA-TV and WJPX(TV), "commercial stations outside of the San Juan area can only survive by serving as satellite stations (formally or informally), and the primary stations in San Juan can only succeed financially by rebroadcasting their programming island-wide."<sup>13</sup> These symbiotic relationships are intended to provide the island-wide coverage demanded by advertisers while providing the economic and programming support needed by non-San Juan stations to survive. As a result, the generally stronger stations in the eastern section of the island have for many years been teamed with – and provided financial and technical support to – the generally weaker stations in the other parts of the island.<sup>14</sup>

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<sup>12</sup> The percentage of TV households subscribing to cable on Puerto Rico is only about 25 percent. *See Television & Cable Factbook* at F-3 (2006) (stating that there are 345,000 subscribers to basic cable on Puerto Rico); MediaFax Ratings at Attachment E (stating that there are 1,371,910 television households on Puerto Rico), and Declaration of Jose E. Ramos at ¶ 7. By contrast, the percentage of television households in the United States subscribing to cable was 59.7 percent at the end of the first half of 2005. *See Annual Assessment of the Status of Competition in Markets for the Delivery of Video Programming, Twelfth Annual Report*, 21 FCC Rcd 2503, ¶¶ 8, 10 (2006) ("2006 Video Competition Report") (stating that there are 109.6 million television households in the United States, of which 65.4 million subscribe to cable). The percentage of TV households on the island subscribing to DBS is only approximately 20 percent. *See* Declaration of Jose E. Ramos at ¶ 7. By contrast, 23.8 percent of television households in the United States subscribe to DBS. *See 2006 Video Competition Report* ¶¶ 8, 13 (noting that there are 109.6 million television households in the United States, of which 26.1 million subscribe to DBS).

<sup>13</sup> Declaration of Jose E. Ramos, Attachment A at Exhibit 1, ¶ 7.

<sup>14</sup> *Paxson* ¶¶ 16-19.

**2. Puerto Rico's Generally Poor Economic Conditions and Related Factors Unique to Puerto Rico Necessitate Rebroadcast Arrangements.**

Problems caused by Puerto Rico's mountainous terrain are aggravated by the generally poor economic conditions on the island and, more specifically, in the population centers beyond San Juan. These disparities can be illustrated with reference to data collected by the United States Census Bureau in the year 2000, which indicate that the median per capita income in San Juan in 1999 was \$12,437.<sup>15</sup> By contrast, the median per capita incomes for the communities of license for the stations involved in the instant transactions were dramatically lower. The 1999 median per capita income in Mayaguez was \$8,003, in Ponce was \$7,276, in San Sebastian was \$5,681, and in Yauco was \$6,434.<sup>16</sup> The gross national income per capita, a measurement of the income actually accruing to residents of the island, is currently only about 30 percent of the United States' average.<sup>17</sup> And, the average wage earned by island residents is a mere 54 percent of the average earned by mainland residents.<sup>18</sup> The Commonwealth of Puerto Rico also "stands out for the extraordinarily low proportion of its population that is employed."<sup>19</sup> In 1990, the

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<sup>15</sup> See United States Census Bureau, *Puerto Rico -- Municipio GCT-P14. Income and Poverty in 1999*, U.S. Census Bureau American FactFinder (2000), available at [http://factfinder.census.gov/servlet/GCTTable?\\_geo\\_id=04000US72&-mt\\_name=DEC\\_2000\\_SF3\\_U\\_GCTP14\\_ST2&-ds\\_name=DEC\\_2000\\_SF3\\_U](http://factfinder.census.gov/servlet/GCTTable?_geo_id=04000US72&-mt_name=DEC_2000_SF3_U_GCTP14_ST2&-ds_name=DEC_2000_SF3_U).

<sup>16</sup> *Id.*

<sup>17</sup> Barry P. Bosworth and Susan M. Collins, Economic Growth, *in* The Economy of Puerto Rico 18 (Susan M Collins, Barry P. Bosworth, and Miguel A. Soto-Class eds., 2006) (noting that income per capita "rose from a little more than 20 percent of the U.S. average in 1950 to roughly 40 percent by the early 1970s. But it has drifted down to only about 30 percent in recent years.").

<sup>18</sup> *Id.* at 45.

<sup>19</sup> *Id.* at 18.

unemployment rate on the island was 14.2 percent.<sup>20</sup> By the year 2000, however, the percentage of the island's jobless population had decreased to 10.1 percent.<sup>21</sup> In a few short years, however, the employment trend on the island had again taken a turn for the worse. By 2004, the total unemployment rate on the island had climbed to 12 percent.<sup>22</sup>

The island's high unemployment rate and poor wages have contributed to an "overall slowdown of the Puerto Rico economy over the last few years."<sup>23</sup> The decline in general retail sales ranges between an estimated five to ten percent.<sup>24</sup> Sales of automobiles, a "very important industry and economic indicator on Puerto Rico," have declined at least ten percent.<sup>25</sup> These reductions have led to a corresponding downturn in the sale of television advertising on the island. By November 2006, the amount of television advertising sold by stations across Puerto Rico in 2006 was projected to decline by approximately ten percent as compared to 2005 totals.<sup>26</sup>

These factors considered, the Commission's previous conclusions that "economic conditions existing in Puerto Rico indicate that satellite operations or rebroadcast arrangements are a necessity," even in cases where the stations' communities of license and their surrounding areas are not technically unserved or underserved, remain well-supported.<sup>27</sup> The Commission

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<sup>20</sup> *Id.* at 39.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> Declaration of Jose E. Ramos, Attachment A at Exhibit 1, ¶ 3.

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> *Nicolau* ¶ 10.



has recognized that the satellite arrangements are necessary to bring service to all residents of the island, as “without the use of satellite operation or rebroadcast arrangements, television operations and programming choices beyond San Juan would be limited.”<sup>28</sup> This recognition continues to be valid today.

**3. Stations Operating Under Satellite Status on Puerto Rico Would Not Be Economically Viable on a Stand-Alone Basis.**

The Commission has acknowledged that satellite stations on Puerto Rico could not survive economically as stand-alone local commercial stations. “[S]atellite operations or rebroadcast arrangements are essential to the provision of programming choices” to communities that are “effectively isolated from the island’s economic center in San Juan.”<sup>29</sup> For the most part, advertisers who buy time on Puerto Rico broadcast stations expect to reach consumers across the island. Thus, as a general matter, time is not sold by the satellite stations on the island for local, targeted spots. As a result, none of the three satellite stations in this transaction generates any local revenues.<sup>30</sup> Clearly, therefore, it would be impossible for these stations to survive without affiliation with a more economically powerful San Juan station.

**IV. PROPOSED CONTINUED SATELLITE OPERATIONS OF STATIONS WIRS(TV), WKPV(TV), AND WJWN-TV**

Pursuant to the Commission’s general television satellite policy, a television applicant’s proposed satellite operation presumptively will serve the public interest upon the satisfaction of three criteria: (1) the proposed satellite will provide service to an underserved area; (2) no alternative operator is ready and able to construct or purchase and operate the satellite as a full-

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<sup>28</sup> *Id.*

<sup>29</sup> *Canal 48, Inc.* ¶ 8.

<sup>30</sup> Declaration of Jose E. Ramos at Exhibit 1, ¶ 5.

service station; and (3) no city grade overlap exists between the parent and the satellite.<sup>31</sup> The Commission also will evaluate satellite proposals on an *ad hoc* basis<sup>32</sup> and, in the case of stations licensed to Puerto Rico, on the basis of the discrete body of law developed by the Commission to foster television service on the island. For instance, the Commission has employed a flexible analysis in determining whether satellite stations on Puerto Rico could be purchased or operated as full-service stations, an analysis that acknowledges the unique economic and geographic obstacles faced by broadcasters on the island and takes into consideration the stations' histories and financial viability. The Commission already has performed multiple satellite analyses for stations WIRS(TV), WKPV(TV), and WJWN-TV, in each case finding the operation of the stations as satellites to stations located in San Juan to be in the public interest, and, ultimately, approving the common ownership of the stations together with their present full service television station partner. The most recent such decision, which involved precisely the same stations involved in the current proposed transaction plus one additional full-service station and two additional satellite stations, was released only approximately three months ago. In the exceedingly short time that has elapsed since that decision, the circumstances supporting the approval of continued satellite status for the stations remain unchanged. Thus, it is clear that the public interest would continue to be best served by permitting the stations' satellite operations to go forward.

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<sup>31</sup> See *Television Satellite Stations*, Report and Order, 6 FCC Rcd 4212, ¶ 12 (1991) ("*Television Satellite Policy*").

<sup>32</sup> *Id.* ¶ 14.

*WIRS(TV)*. As a part of its recent decision, the Commission approved the continued operation of *WIRS(TV)* as a satellite to *WJPX(TV)*.<sup>33</sup> The station's circumstances warrant the continuation of this arrangement. First, Yauco, *WIRS(TV)*'s community of license, qualifies as an underserved area under the Commission's transmission test because *WIRS(TV)* remains the only television station licensed to that community.<sup>34</sup> Second, there is substantial and long-standing evidence of the station's inability to operate as a full-service, stand-alone station. The Declaration of Jose E. Ramos demonstrates that operation of the station as a full-service, stand-alone station is not a financially viable option.<sup>35</sup> As Mr. Ramos attests, *WIRS(TV)* does not generate any revenues through the sale of local advertising time.<sup>36</sup> Thus, in the absence of the rebroadcast arrangement with station *WJPX(TV)*, *WIRS(TV)* would lack the financial wherewithal to continue operations.

As was the case the last two times the Commission last examined the satellite arrangement between *WJPX(TV)* and *WIRS(TV)*, there is an area of city grade overlap between the 80 dBu signal contours of stations on the northeast coast in the vicinity of San Juan and small pockets of overlap on the north-central coast.<sup>37</sup> The Commission has concluded that the central

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<sup>33</sup> *Televiscentro of Puerto Rico, LLC*, 22 FCC Rcd at 2180.

<sup>34</sup> *See Broadcasting & Cable Yearbook 2006* at B-102 (2006) ("*Broadcasting & Cable Yearbook 2006*"). Under the transmission test, a community is deemed underserved if two or fewer full-service stations are licensed to it. *See Television Satellite Policy* ¶ 19.

<sup>35</sup> Declaration of Jose E. Ramos at Exhibit 1, ¶ 5.

<sup>36</sup> *Id.*

<sup>37</sup> Due to Puerto Rico's mountainous terrain, as the Commission has previously recognized, the standard predictive methodology does not produce meaningful results. This finding is equally applicable here, because the engineering facilities for the stations have not materially changed since the last time the Commission reviewed them in the context of a request for satellite status. *See Engineering Statement on Behalf of InterMedia Partners*,

mountain range that separates Yauco and San Juan, the communities of license of WIRS(TV) and WJPX(TV), “causes significant signal blockage,” thus warranting grant of satellite status to stations located on the opposite side of the mountain range from their parent stations.<sup>38</sup> The Commission has granted satellite status to stations located on the mainland in circumstances where the city grade contours of the two stations overlapped.<sup>39</sup> The circumstances described in those cases remain remarkably similar to those facing WIRS(TV). Indeed, it is apparent that WIRS(TV) would still qualify for satellite status even if it were located on the mainland. When the additional burdens – both economic and geographical - facing broadcast stations in Puerto Rico are factored in, it is clear that WIRS(TV) will continue to best serve the interests of the residents of Puerto Rico as a satellite of WJPX(TV).

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VII, L.P. Re Section 73.3555 of the FCC Rules Regarding Television Stations WJPX(TV), San Juan, Puerto Rico and Satellite Stations WKPV(TV), Ponce, Puerto Rico, WIRS(TV), Yauco, Puerto Rico, WJWN-TV, San Sebastian, Puerto Rico, November 2006, Attachment B, at 3 (“Engineering Statement for WKPV(TV), WIRS(TV), and WJWN-TV”). While that Statement is dated November 2006, review of the Commission’s Consolidated Data Base System (“CDBS”) confirms that there have been no technical changes in the stations during the past six months.

<sup>38</sup> See *JEM Communications* ¶ 16. See also *Paxson* ¶ 10; *Hector Nicolau* ¶ 10.

<sup>39</sup> See, e.g., *Applications of Precht Communications, Inc. (Transferor) and The DGH Company (Transferee)*, Memorandum Opinion and Order, 13 FCC Rcd 8659 (1998) (“*Precht Communications*”); *Applications of AT&T Corp. (Transferor) and LIN Holdings Corp. (Transferee)*, Memorandum Opinion and Order, 13 FCC Rcd 4633 (1998). In *Precht Communications*, the Commission concluded that departure from the presumptive criteria was justified by competing considerations, including the fact that the proposed satellite station was the only station licensed to its community of license (Kalispell, Montana); provided the only Grade B service to significant portions of the community of license and surrounding area; and presented particularly difficult operating conditions, including “sparse market revenues,” a disadvantaged signal, competition from stations in the larger neighboring markets of Missoula and Spokane, and unusually high programming/operating expenses. The Commission concluded that these circumstances precluded a knowledgeable broadcaster from attempting a stand-alone operation and that satellite status was warranted despite the presence of city grade overlap. *Precht Communications* ¶ 14.

*WKPV(TV) and WJWN-TV*. In 1994, the Commission granted authority to operate stations *WKPV(TV)* and *WJWN-TV* as satellites to *WJPX(TV)*, San Juan. That authority was continued in 1996, 2001, and again earlier this year. As was the case in each of those instances, there is no city grade overlap between *WJPX(TV)* and either *WKPV(TV)* or *WJWN-TV*. Although the predicted city grade contours of the two satellite stations overlap, the Commission has concluded in the past that no actual overlap exists between the two stations when terrain is considered.<sup>40</sup>

With regard to the presumptive criterion regarding provision of service to an underserved market, the San Sebastian area to which *WJWN-TV* is licensed remains “underserved,” with that facility being the only full-service station licensed to that community.<sup>41</sup> While Ponce, to which *WKPV(TV)* is licensed, does not qualify as “underserved,” the Commission “due to the stringent economic circumstances and the unusually severe terrain conditions on the island,”<sup>42</sup> the Commission “has not previously considered this fact to be an obstacle to satellite status.”<sup>43</sup>

As demonstrated in the Declaration of Jose E. Ramos, neither *WKPV(TV)* nor *WJWN-TV* would be economically viable as a stand-alone station.<sup>44</sup> As discussed above, neither station

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<sup>40</sup> *Paxson* ¶ 18. This finding is equally applicable here. See Engineering Statement for *WKPV(TV)*, *WIRS(TV)*, and *WJWN-TV*, Attachment B, at 3-4, explaining that there have been no essential changes in the technical operations of the stations or their city grade contours since the last transfer of the ownership. That explanation remains valid today.

<sup>41</sup> *Broadcasting & Cable Yearbook 2006* at B-102.

<sup>42</sup> *JEM Communications* ¶ 5. See also *Canal 48, Inc.* ¶ 7.

<sup>43</sup> *Paxson* ¶ 18.

<sup>44</sup> Declaration of Jose E. Ramos at Exhibit 1, ¶ 5.

generates any revenues through the sale of local advertising. The continued satellite operations of these facilities are crucial to the stations' financial viability.

Thus, the bases for the Commission's prior decisions regarding the satellite operations of these stations remain unchanged. Accordingly, authorizing continued operation of WKPV(TV) and WJWN-TV as satellites of WJPX(TV) is consistent with Commission precedent and will serve the public interest.

## **V. CONCLUSION**

As the foregoing demonstrates, the proposed continued satellite operation of stations WKPV(TV), WJWN-TV, and WIRS(TV), fully satisfy the criteria established by the FCC for satellite operation in Puerto Rico. In addition, the transfers contemplated herein will not result in any violation of the Commission's local television ownership rules. Accordingly, grant of this application, including approval of the continued satellite operations of stations WKPV(TV), WJWN-TV, and WIRS(TV) is consistent with Commission rules and precedent and will serve the public interest.

## ATTACHMENT A

**DECLARATION**


I, Jose E. Ramos, hereby declare and state as follows:

I am the General Manager of television station WJPX(TV), San Juan, Puerto Rico. My professional responsibilities include overseeing the operations of WJPX(TV), together with the satellite stations rebroadcasting its programming: WNJX-TV, Mayaguez, Puerto Rico; WKPV(TV), Ponce, Puerto Rico; and WIRS(TV), Yauco, Puerto Rico. I submitted the Declaration attached hereto as Exhibit 1 in November 2006 in connection with the then-proposed transfer of control of the licensees of these stations, S&E Network, Inc. and Televiscentro of Puerto Rico, LLC (which is also the licensee of WAPA-TV, San Juan, Puerto Rico, and its satellite stations), as well as WNJX-TV, Inc., the former licensee of WNJX-TV, Mayaguez, Puerto Rico. Those transfers of control now have been consummated in accordance with Federal Communications Commission approval.

I have reviewed the Declaration submitted in November 2006, and there have been no changes in the facts set forth therein since that time.

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

Dated this 8 day of May, 2007.

  
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Jose E. Ramos



## EXHIBIT 1

### **DECLARATION OF JOSE E. RAMOS**

1. My name is Jose E. Ramos. My business address is State Road 19 km 0.5, Guaynabo, Puerto Rico 00966.

2. I have served as General Manager of WAPA-TV, San Juan, Puerto Rico, since December 1997, and I have served in that same capacity for WJPX(TV), also licensed to San Juan, since August 2001, when that station was acquired by LIN Television Corp. In that role, I am responsible for all matters relating to the operations of those stations, as well as their satellite operations, WTIN(TV), Ponce, Puerto Rico, WNJX-TV, Mayaguez, Puerto Rico, WKPV(TV), Ponce, Puerto Rico, WIRS(TV), Yauco, Puerto Rico, and WJWN-TV, San Sebastian, Puerto Rico. This declaration is submitted in support of the applications to the Federal Communications Commission (“FCC”) for transfer of control of the licensees of these stations from LIN Television Corporation to InterMedia Partners VII, L.P. (the “FCC Applications”).

3. Television advertising in 2006 will decline island-wide by about 10 percent compared to 2005. This is a reflection of the overall slowdown of the Puerto Rico economy over the last few years. Estimates of the decline in general retail sales range from 5 to 10 percent. Estimated declines in auto sales – a very important industry and economic indicator on Puerto Rico – start at 10 percent.

4. The broadcast television stations operating in San Juan account for over 95 percent of the revenues for broadcast television stations on the island. Only an estimated two percent of revenues for all broadcast stations on Puerto Rico are derived from local sales of advertising for stations located on the western part of the island, specifically WNJX-TV, WTIN(TV), WORA-TV and WOLE-TV. For these stations,

advertisements targeted to consumers on the western part of the island are “dropped in” to the programming transmitted by the broadcast signals of stations operating in San Juan.

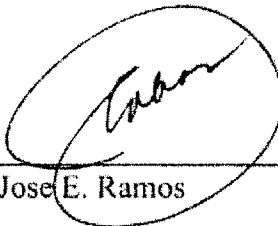
5. Of the stations that are the subject of the FCC Applications, only WAPA-TV and WJPX(TV) in San Juan, Puerto Rico, and satellite stations WNJX-TV, Mayaguez, Puerto Rico, and WTIN(TV), Ponce, Puerto Rico, derive any revenues from local sales. As stated above, the revenues derived from operation of satellite station WNJX-TV and WTIN(TV) are minimal, and none of the remaining satellite stations derive any revenues from local sales of advertising time. More importantly, although the minimal sales on these two satellite stations may be characterized as “local” sales, they are inserted in the programming originating from the San Juan primary stations. Without that programming, the satellite stations would not be able to generate even those minimal local sales. As a result, none of the satellite stations involved in the FCC Applications could exist as independent commercial stations.

6. Puerto Rico’s topography is dominated by a central mountain range that runs east to west along the length of the island. This mountainous terrain has required the use of multiple broadcast stations to reach all portions of Puerto Rico, which is a necessity for broadcasters seeking to sell advertising time on the island. Therefore, commercial stations outside of the San Juan area can only survive by serving as satellite stations (formally or informally), and the primary stations in San Juan can only succeed financially by rebroadcasting their programming island-wide. This symbiotic relationship has enabled broadcasters to extend free, over-the-air broadcast television service to residents in all portions of the island.

7. Over-the-air reception of broadcast signals remains critically important on Puerto Rico. The percentage of TV households subscribing to cable on Puerto Rico is only about 25 percent, which is far below that which is present on the mainland; while the percentage of TV households subscribing to DBS is only approximately 20 percent.

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I declare under penalty of perjury that the foregoing is true and correct. Executed  
on this \_\_\_ day of November, 2006.

  
Jose E. Ramos 11/6/06

## ATTACHMENT B

Engineering Showing

ENGINEERING STATEMENT  
ON BEHALF OF  
INTERMEDIA PARTNERS, VII, L.P.  
RE SECTION 73.3555 OF THE FCC RULES  
REGARDING TELEVISION STATIONS  
WJPX(TV), SAN JUAN, PUERTO RICO  
AND SATELLITE STATIONS  
WKPV(TV), PONCE, PUERTO RICO  
WIRS(TV), YAUCO, PUERTO RICO  
WJWN-TV, SAN SEBASTIAN, PUERTO RICO  
NOVEMBER 2006

COHEN, DIPPELL AND EVERIST, P.C.  
CONSULTING ENGINEERS  
RADIO AND TELEVISION  
WASHINGTON, D.C.

COHEN, DIPPELL AND EVERIST, P. C.

City of Washington            )  
  ) ss  
District of Columbia         )

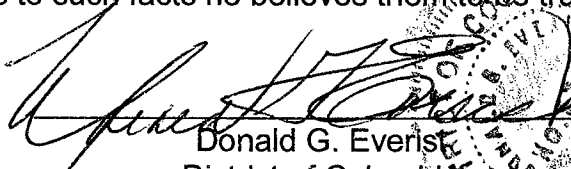
Donald G. Everist, being duly sworn upon his oath, deposes and states that:

He is a graduate electrical engineer, a Registered Professional Engineer in the District of Columbia, and is President, Secretary and Treasurer of Cohen, Dippell and Everist, P.C., Consulting Engineers, Radio - Television, with offices at 1300 L Street, N.W., Suite 1100, Washington, D.C. 20005;

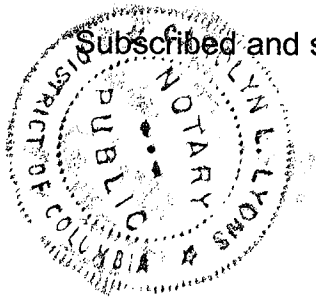
That his qualifications are a matter of record in the Federal Communications Commission;

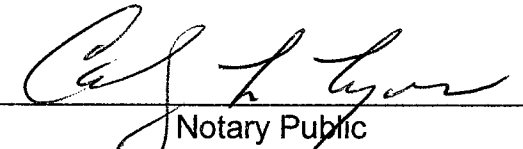
That the attached engineering report was prepared by him or under his supervision and direction and

That the facts stated herein are true of his own knowledge, except such facts as are stated to be on information and belief, and as to such facts he believes them to be true.

  
Donald G. Everist  
District of Columbia  
Professional Engineer  
Registration No. 5714

Subscribed and sworn to before me this 6<sup>th</sup> day of November, 2006.



  
Notary Public

My Commission Expires: 2/28/2008



This engineering statement has been prepared on behalf of InterMedia Partners, VII, L.P. ("InterMedia Partners, VII"). It provides information to accompany InterMedia Partners VII's request for continuation of satellite status pursuant to Section 73.3555 of the Commission's Rules for television stations WJPX(TV), licensed to San Juan, Puerto Rico (Facility ID 58340) NTSC Ch. 24 (Z), 676 kW Max DA ERP and 582 meters HAAT and satellite stations WKPV(TV), Ponce, Puerto Rico (Facility ID 58341) NTSC Ch. 20 (Z), 77.6 kW Max DA ERP and 288 meters HAAT; WIRS(TV), Yauco, Puerto Rico (Facility ID 39887) NTSC Ch. 42(Z), 1510 kW Max DA ERP and 852 meters HAAT; and WJWN-TV, San Sebastian, Puerto Rico (Facility ID 58342) NTSC Ch. 38 (Z), 85.1 kW Max DA ERP and 332 meters HAAT.

A study or analysis was performed on the predicted principal contours for WJPX(TV) and satellite stations WKPV(TV), WIRS(TV) and WJWN-TV when LIN Television Corporation through its wholly owned subsidiaries, Televiscentro of Puerto Rico, LLC and S&E Network, Inc., acquired the FCC authorizations for the stations. For WKPV and WJWN, the analysis was performed in 2001; for WIRS, the analysis was performed in 2003.

The present facilities for each station abstracted from CDBS are as follows:

WJPX(TV), San Juan, Puerto Rico, Ch. 24 (Z), 676 kW Max DA ERP, 582 Meters HAAT

NAD-27

North Latitude: N 18° 16' 45"

West Longitude: W 65° 51' 14"

Satellite Stations

WKPV(TV), Ponce, Puerto Rico, Ch. 20 (Z), 77.6 kW Max DA ERP, 288 meters

HAAT

NAD-27

North Latitude: N 18° 04' 49"

West Longitude: 66° 44' 53"

WIRS(TV), Yauco, Puerto Rico, Ch. 42(Z), 1510 kW Max DA ERP, 852 meters

HAAT

NAD-27

North Latitude: 18° 10' 10"

West Longitude: 66° 34' 36"

WJWN-TV, San Sebastian, Puerto Rico Ch. 38 (Z), 85.1 kW Max DA ERP,  
332 meters HAAT

North Latitude: 18° 19' 06"

West Longitude: 67° 10' 42"

WJPX(TV)

For television station WJPX(TV), examination of the technical database dated August 26, 1996 revealed that the facility on that date is almost identical to that now licensed. The exception is that an engineering statement entitled, "Technical Exhibit Application for Construction Permit NTSC Station WJPX (Facility ID 58340), San Juan,

Puerto Rico Ch. 24 676 kW (Max-DA) 582 Meters, dated August 15, 2000", was submitted along with an application for construction permit (FCC File No. BPCT-20000821ABY) that requested to correct transmitter coordinates. In Paragraph One, it states, "this application proposes only to correct the site coordinates to reflect the tower registration." Thus, the filing made insignificant changes to the technical operations of the station. The correction adjusted the latitude coordinates in the CDBS by two geographical seconds. This application for construction permit was granted by the FCC and represents the currently licensed facility (FCC File No. BLCT-20000821ACE).

WKPV(TV)

For television station WKPV(TV), examination of the report entitled, "Technical Exhibit Application for TV Construction Permit Station WKPV, Ponce, Puerto Rico Ch. 20, 78 kW (Max-DA) 288 Meters, dated April 13, 1998", was performed. The examination revealed that the facilities described therein continue to form the basis of the current operation.

WIRS(TV)

For television station WIRS(TV), examination of the technical database dated August 26, 1996 reveals that the facilities are unchanged and form the basis of the current operation.

WJWN-TV

For television station WJWN-TV, examination of the technical database dated August 26, 1996 reveals that there has been no change in technical parameters from that

currently authorized. Examination of the filing (FCC File No. BMLCT-20030516ACI)<sup>1</sup> reveals that the only change was in the replacement of the existing antenna per Section 73.1690(c)(3) of the FCC Rules. The technical exhibit states in the heading “Response to Paragraph 11–Replacing a Directional Antenna”, that “the horizontal plane relative field patterns for the existing Bogner and proposed Dielectric antennas are identical.”

### Summary

Since the last transfer of these stations to the current ownership configuration, there have been no essential changes in the technical operations of these stations or their City Grade contours.

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<sup>1</sup>Engineering Statement entitled, “Technical Exhibit Application for Modification of License NTSC Station WJWN-TV Facility ID 58342 San Sebastian, Puerto Rico Ch. 38 85.1 kW (Max-DA) 332 Meters, dated May 15, 2003.”