

Engineering Statement

Ownership Study & Market Determination

This consultant has been retained by Waller Broadcasting, Inc. for the purpose of preparing a multiple ownership study in conjunction with its proposed acquisition of KLJT (FM) in Jacksonville, TX. Waller Broadcasting Inc. owns KOOI (FM) and KEBE (AM) in Jacksonville, TX, KYKX (FM) and KFRO (AM) in Longview, TX, KFRO-FM in Gilmer, TX, KOYE (FM) in Frankston, TX, and KKUS (FM) in Tyler, TX. This report analyzes the principal contours involved in the proposed acquisition as well as all other principal contours in the market as set forth in 47 CFR 73.3555 of the Rules.

In order to determine the nature of the market(s) created by the proposed acquisition the principal community contours of all area radio stations that are to be commonly owned were plotted on a digitally generated map. That map is included in this report as Exhibit 1. As shown in Exhibit 1, there are two distinct markets associated with KLJT (FM)¹. Market 1 is the KLJT (FM), KOOI (FM), KOYE (FM), and KYKZ (FM) market and Market 2 is the KLJT (FM), KOOI (FM), KOYE (FM), and KEBE (AM) market. Market 1 is thus comprised of 4 FM radio stations and Market 2 is comprised of 3 FM and 1 AM radio stations. Ownership in market 1 is permissible provided that the market contains at least 15 commercial radio stations². Ownership in Market 2 is permissible provided that the proposed combination of radio stations represents 50% of the total number of radio stations in the market³.

¹ There are additional multiple ownership markets shown in Exhibit 1 however they are not affected by the acquisition of KLJT (FM).

² See 47 CFR 73.3555 (b)(1)(C) which states, "in a radio market with between 15 and 29 (inclusive) commercial radio stations, a party may own, operate, or control up to 6 commercial radio stations, not more than 4 of which are in the same service (AM or FM)."

³ See 47 CFR 73.3555 (b)(1)(D) which states, "In a radio market with 14 or fewer commercial radio stations, a party may own, operate, or control up to 5 commercial radio stations, not more than 3 of which are in the same service (AM or FM), except that a party may not own, operate, or control more than 50 percent of the stations in such market".

In order to demonstrate that the proposed ownership is compliant with 47 CFR 73.3555 of the Commission's rules two additional map exhibits were prepared which show additional commercial radio stations in the respective markets. Exhibit 2 shows the proposed combination of radio stations in Market 1 along with the principal community contours or transmitter sites of an additional 21⁴, not commonly owned, commercial radio stations for a total of 25 commercial radio stations. Exhibit 3 shows the proposed combination of radio stations in Market 2 along with the principal community contours or transmitter sites of an additional 17, not commonly owned, commercial radio stations for a total of 21 commercial radio stations.

As shown in Exhibit 2, Market 1 indeed has in excess of 15 commercial radio stations and, as shown in Exhibit 3 the proposed combination of radio stations in Market 2 represents well under 50% of the total number of commercial radio stations in Market 2. Ownership in these markets is thus permissible under the provisions of 47 CFR 73.3555.

Methodology

The principal contours of the FM facilities were determined and plotted, with 1° resolution, by utilizing an in-house copy of the Commission's F(50,50) prediction routine and the AM contours of KFRO (AM) and KEBE (AM) were predicted based on the equivalent distance methods as set forth in 47 CFR 73.183 of the Rules. Conductivities for the AM contour determinations was extracted from a digital model of the M3 conductivity map. All AM information was extracted from the Commission's February 9, 2000 AM database release and all FM information was extracted for the Commission's January 12, 2002 FM database. Specific facility information for facilities utilized in this report is included in as Exhibit 4.

⁴ The additional radio stations shown in Exhibits 2 and 3 do not describe the entire number of radio stations in the respective markets. In order to limit the clutter on the map exhibits, only a sufficient number of additional commercial radio stations to demonstrate, beyond doubt, that the proposed ownership is permissible were included in the exhibits.

Certification

All information in this report and its associated exhibits is true and accurate to the best of my belief. Having had numerous matters before the Commission, my qualifications are a matter of record.

Date

R. Lee Wheeler