ATTACHMENT 4

DECLARATION OF
BRIAN BYRNES

1. I have been a television broadcast operator, consultant and broker for the past 30 years. I am currently a principal in Media Venture Partners, a media brokerage firm. A significant amount of my work as a broker is spent evaluating and valuing television stations in a variety of markets. Without the ability to assess television station values reliably, I simply would not be able to remain in the media brokerage business.

2. Based on my experience, my review of the Declaration of Jon Cadman and my research of both the Wilkes Barre-Scranton television market in late 1998, the year that WSWB went on the air, and the stations operating in that market, no prudent out-of-market buyer would have purchased, or would be inclined to purchase, WSWB-TV to operate it as a "stand alone" station. The remainder of this declaration will discuss the factors that formed the basis for my conclusion.

3. The Wilkes Barre-Scranton market had (and has) a number of attributes that make it extremely difficult for a station like WSWB-TV to flourish or even survive as a stand alone facility.

4. In 1998, the Wilkes Barre-Scranton market was ranked 51st in market size and yet was ranked 70th in revenue. Typically, TV homes market size and TV market revenue size would be the same or within a couple of digits of each other. It is rare to see a market of any size have such a disparity between its TV household ranking and its TV revenue ranking. This fact alone would clearly have discouraged any out-of-market buyer from investing in this market.

5. A disparity between market rank and revenue rank of this size is always a function of the dominant stations in the market going after a high percentage of TV budgets with little regard for advertising rate integrity. For a fledgling new station like WSWB-TV, this basic market factor, more than the additional factors outlined below, would have prevented WSWB-TV from operating at a profit and discouraged any out of market buyer from investing in the station as a stand-alone facility.

6. In 1998, there were (and still are) three dominant stations in the Wilkes Barre-Scranton television market. Those stations are owned and operated by Nexstar Broadcasting (NBC), acquired in April, 1997; The New York Times (ABC), acquired in October, 1985; and Mission Broadcasting (CBS), acquired in December, 1997. These three companies are all major broadcast companies of considerable size and are very well-financed. A knowledgeable, prudent out-of-market television operator would not have undertaken the stand alone operation of WSWB-TV due to the significant difficulties it would encounter in competing with these three well-financed companies. Furthermore, the NBC station and the CBS station, the 2nd and 3rd ranked revenue stations in the market, have been operated under a joint sales agreement, LMA or a similar arrangement since Mission Broadcasting acquired the CBS station in 1997. Any knowledgeable, prudent out-of-market television broadcaster reviewing the potential of WSWB-TV as a stand alone station in late 1998 would quickly discern that WSWB-TV could never be operated profitably as a stand alone station.

7. These three extremely dominant stations in the Wilkes Barre-Scranton market would have made it practically impossible for WSWB to buy any popular syndicated programming, especially if it were operated on a stand alone basis in 1998. WSWB-TV could not compete successfully in the market for syndicated programming because as a new station in

the market, which it effectively was, it could only produce a tiny fraction of the cash flow generated by the other stations in the market. In addition, it could not compete with the "group" approach to program buying that the other stations in the Wilkes Barre-Scranton market enjoyed. In 1998, Nexstar had 7 stations that they could include in a "group" programming transaction. Today, Nexstar has 26 stations that they can bring to the table in a "group" programming buy. Mission Broadcasting only had 1 station in 1998, but today they have 12 stations and presumably can buy programming for all in one transaction. Mission's single station in 1998 undoubtedly explains its interest in partnering with another station in the market, namely the NBC station, to keep costs down and increase its bargaining position in programming negotiations. The number one station in the market, The New York Times Company has 8 stations that they could use in a "group" programming transaction. A programming sales person would have little incentive to even call on WSWB-TV if it were a stand alone station. The only time WSWB-TV would be contacted for programming would be when no one else in the market wanted a particular program, an opportunity of dubious competitive value.

8. All television stations have a very high "fixed cost" factor. For stations with large audience ratings, this contributes to the high operating margins that are typically seen in the television industry. In other words, because of the fixed costs factor, there are very small increases in incremental operating costs after you reach your break-even point. Once a station's break-even point is reached, over 90 percent of your incremental revenues drop to the bottom line, thereby potentially producing operating margins up to 30-45%.

9. A station like WSWB-TV operating on a stand alone basis in the Wilkes Barre-Scranton market would never reach its break even point due to the difficult market circumstances noted above. In 1998, BIA estimated that the entire Wilkes Barre-Scranton television market

accounted for $52,800,000 in television revenue. Revenue shares are generally commensurate with audience shares. In 1998, WSWB-TV had less than a 1 percent share of the audience in the Wilkes Barre-Scranton market. The 1 percent share roughly translates to approximately $528,000 in gross revenue for the year. Barring an LMA or other joint operating agreement in market, WSWB-TV could not have kept operating. In addition to commissions and the operating and programming costs that would have been incurred to produce the $528,000 in revenue, an out-of-market buyer would also have made a capital investment (fixed costs) in the neighborhood of $1.8 million to construct the station. No rationale, out-of-market buyer would have invested in these circumstances because the station had virtually no chance of reaching its break even point.

10. In 1998, WSWB-TV also had minimal cable carriage in the Wilkes Barre-Scranton television market with very poor dial position on the cable systems. This was due in part to WSWB-TV's inadequate signal coverage in the market. As cable carriage was added, WSWB-TV continued to receive poor dial positions and also different cable dial positions for each cable system that carried the station's signal. This cable carriage disparity in the number of cable systems carrying WSWB-TV and the various dial positions made uniform promotion of the station extremely difficult if not impossible. It also undoubtedly confused the viewing audience when they were asked to complete diaries of their viewing with the Wilkes Barre-Scranton market with the potential to misrepresent the actual viewing of the station reported by the rating services.

11. Based on all these factors – poor revenue rank, competition from three well-financed and well-established other stations and poor cable carriage – there is no doubt in my mind that a station such as WSWB-TV in a market such as Wilkes Barre-Scranton could not

have been operated profitably in 1998 on a stand alone basis and could not be operated profitably today. There is also no chance that an informed, prudent, out-of-market buyer would ever have purchased WSWB-TV to operate on a stand alone basis in 1998. In my opinion, the only chance for economic success for this station is as a part of a duopoly, LMA or other joint operating agreement.

12. A station such as WSWB-TV has significant difficulty attracting qualified personnel due to its weak financial position and the commensurate lower pay scales. This is very evident in the sales department where a qualified and experienced sales person could make considerably more money at one of the other stations in the market and it would be a much easier task to make the sale.

13. WSWB would have great difficulty as a stand alone station securing a National Sales Organization to represent the station to national advertising agencies. A typical commission rate for a national rep organization to rep a "typical" (read-reasonable share of market) station would be somewhere between 4.5% and 7% of the net revenues after agency commission. Any rep organization looking at WSWB would almost certainly say NO. If they were to be persuaded to rep the station, the commission rate would most likely be in the 20-25% range.

14. In 1998, "News, Sports, and Weather Programming," in some format, was an important component of a station's "branding identity." With ever increasing number of cable channels, it is even more important today. WSWB will never be able to generate the revenue resources to broadcast even the most basic form of a "News" or "Sports" or "Weather" type informational program. Generating the revenues would come after a capital investment of

several hundreds of thousands ($350,000.00) of dollars. No prudent knowledgeable television broadcaster could begin to contemplate making such an investment is WSWB-TV.

CERTIFICATION

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

Brian Byrnes

Date: April 16 , 2004