

**EXHIBIT 18
FCC Form 315
Section IV, Question 8
Multiple Ownership Compliance**

Request For Continued Satellite Authority for KTRE, Lufkin, TX.

By this application, Transferee Raycom Media, Inc. seeks consent to acquire, through transfer of control of The Liberty Corporation (including its licensee subsidiary CivCo, Inc.), parent station KLTN (Facility ID 68540), Ch. 7, Tyler, Texas, and its satellite station KTRE (Facility ID 68541), Ch. 9, Lufkin, Texas.

The stations, which are licensed to CivCo, Inc.¹ and are affiliated with the ABC Television Network, operate in the Tyler-Longview (Lufkin & Nacogdoches), Texas Designated Market Area (“Tyler-Longview DMA”), the 111th ranked DMA. The market is sparsely-populated but geographically widespread over 14 Texas counties. The parent-satellite relationship has enabled KTRE to extend the ABC network programming service of parent station KLTN to the southern portion of the DMA. Moreover, it has enabled KTRE to develop and broadcast locally-produced programming directed to the underserved Lufkin area. Since some Grade B contour overlap exists between KTRE and KLTN, KTRE has long been authorized by the FCC to operate as a satellite of KLTN. Raycom respectfully requests that the FCC continue its longstanding authorization for the operation of KTRE (Lufkin) as a satellite of KLTN (Tyler) pursuant to Note 5 of Section

¹ CivCo, Inc., also is the licensee of WLBT(TV), Jackson, Mississippi. Transferee does not have an attributable interest in another station in either the Jackson, MS or Tyler-Longview television markets.

73.3555, which exempts satellite stations from the limits of the local television multiple ownership rules.²

An applicant for satellite status is entitled to a presumption that the proposal serves the public interest if it meets three public interest criteria: (1) there is no City Grade contour overlap between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station.³ If the station does not meet all three criteria, the FCC may still grant the application on an *ad hoc* basis if there are compelling circumstances that warrant approval.⁴

The FCC initially granted satellite status to KTRE (Lufkin) in 1954;⁵ and, more recently, in 1988 and again in September 2000, it found that authorization of KTRE to operate as a satellite of KLTV (Tyler) satisfied the three criteria warranting a presumption that the proposal serves the public interest.⁶ As shown herein, the core circumstances underlying the most recent FCC grants of satellite status for KTRE warrant continuation of the satellite authorization. The continuing need for satellite status to

² Section 73.3555(b)(1) would permit co-ownership of both stations in the same market without satellite status (although there are fewer than eight full-power independent stations) in the absence of Grade B contour overlap between KLTV and KTRE. As reflected in the Engineering Statement prepared by du Treil Lundin & Rackley (Attachment A hereto), some such overlap exists based either on the current licensed operations of the satellite or on its proposed operations utilizing a new combined analog and digital antenna. As shown below, in neither case would the City Grade or Grade A contours overlap.

³ See *Television Satellite Stations Review of Policy and Rules*, 6 FCC Rcd 4212, 4123-14 (1991) (“Satellite Order”).

⁴ *Id.* at 4214.

⁵ See *Forest Capital Broadcasting Co.*, 44 FCC 69 (1954).

⁶ See Attachment B, Letter from Barbara A. Kreisman, Chief, Video Services Division, Media Bureau, to E. Joseph Knoll III, Counsel for Cosmos Broadcasting Corp., BTCCT-20000801ACV/ACW (Sep. 25, 2000) (“2000 Satellite Decision”).

sustain KTRE's service to the underserved Lufkin area remains especially strong in view of the critical challenge faced by both KTRE and KLTV to convert to digital operations and provide digital service on an on-going basis. Further, the attached September 7, 2005 Supplemental Study of Patrick Communications, LLC ("2005 Patrick Study"), an investment banking and brokerage consulting firm, reconfirms, as the FCC has found previously, that it remains highly unlikely that an alternative buyer would be willing and able to acquire and operate KTRE (Lufkin) as a stand-alone, full-service station.⁷

1. Lack Of City-Grade Overlap.

The du Treil Lundin & Rackley Engineering Study (Attachment A) demonstrates that the City Grade contours of satellite KTRE and parent KLTV do not overlap.⁸ Accordingly, the first criterion of the FCC's presumptive waiver test is met.

2. Service To Underserved Area.

Second, KTRE serves an underserved area. An applicant may demonstrate that a proposed satellite serves an underserved area by demonstrating either (a) that there are two or fewer full-service stations licensed to the station's community of license (the "transmission test"), or (b) that 25% or more of the area within the satellite's Grade B contour, but outside the parent station's Grade B contour, is served by four or fewer services.⁹ As the FCC previously determined,¹⁰ and as confirmed by Section

⁷ Although KTRE qualifies under the presumptive standard, compelling circumstances would exist for continuing such status under *ad hoc* review as well.

⁸ As noted in Attachment A, KTRE has a pending NTSC modification application to authorize the use of a combined NTSC-digital antenna. That facilities modification, as shown in Attachment A, would not cause any City Grade contour overlap. (Nor would there be any Grade A overlap.)

⁹ *Satellite Order* at 4215.

¹⁰ *See* Attachment B.

73.606 of the rules, KTRE remains the only television station licensed to Lufkin, Texas. Thus, under the “transmission test,” the instant satellite proposal meets the second of the three-part standard as well.

3. Continuing Infeasibility Of Owning And Operating KTRE As A Viable Full-Service, Stand-Alone Station Serving Lufkin.

As most recently determined by the FCC in its *2000 Satellite Decision*, operation of KTRE (Lufkin) as a satellite of KLTN (Tyler) also meets the third prong of the FCC’s presumptive standard. KTRE was the first station in the FCC’s history to be granted permission to operate as a satellite station. KTRE has operated continuously as a satellite since 1954¹¹ — first as the satellite of a Houston station, and, beginning in the mid-1960s and thereafter, as a satellite of KLTN (Tyler).¹² The attached 2005 Patrick Study (Attachment C)¹³ confirms that the circumstances making operation of KTRE as a viable full-service station infeasible continue to warrant extension of the satellite status authorization.

As the 2005 Patrick Study reflects, KTRE’s coverage area does not realistically provide the basis to support full-service, stand-alone operations.¹⁴ The

¹¹ See *Forest Capital Broadcasting, supra*.

¹² See Request For Continued Satellite Exemption in 2000 Transfer of Control Application, BTCCT-20000801ACV/ACW.

¹³ Attachment C updates and supplements the earlier study prepared by Patrick Communications, LLC in support of the 2000 satellite exemption showing (BTCCT-20000801ACV/ACW). The 2000 Study is also attached.

¹⁴ As noted in the 2005 Patrick Study, the DMA now includes a full complement of network stations, with CBS having affiliated with KYTX, which has the second largest population coverage of stations in the DMA, and UPN having affiliated with KCEB, a new station at Longview, also with much greater population coverage than KTRE. Consistent with its long-time practice in 100 plus markets, the WB network has affiliated with a cable system. The 2005 Patrick Study concludes that the opportunity for KTRE to affiliate with a network other than ABC is more remote today than at the time of the 2000

Tyler-Longview DMA is a small television market that is geographically widely dispersed over 14 counties, generally extending approximately 175 miles north to south. As noted in Attachment A, the Grade B signal of KLTN covers the northern counties of the DMA, which include the largest counties of Smith and Gregg. With the southern DMA location of Lufkin, the Grade B contour of KTRE covers the smaller southern DMA counties. Significantly, it does not cover Smith and Gregg counties or the largest and most economically significant communities of Tyler and Longview. KTRE's Grade B signal covers a relatively small portion of the television households in the market,¹⁵ and, as noted, the disadvantaged signal of the satellite station does not extend to the DMA's most important population and economic centers in Tyler and Longview. Since the FCC's *2000 Satellite Decision*, moreover, the Tyler-Longview DMA has declined in market size from the 108th to the 111th ranked television market. As noted, the inability of the Lufkin area to support a stand-alone operation has led the FCC, repeatedly, to grant satellite status to KTRE.

Operating as a satellite has enabled KTRE to provide important service to an underserved area. KTRE extends off-air ABC network television service to over 200,000 persons who would otherwise not receive such off-air service.¹⁶ Importantly, the Station's ability to rebroadcast the basic entertainment and information programming

Study, given the existing affiliations and the much smaller population coverage area of KTRE than the other stations in the market.

¹⁵ The authorized facilities of KTRE cover approximately 31% of the television households in the Tyler-Longview DMA (and the pending application to utilize a combined new analog-digital antenna would cover only slightly more). See Attachment A at 3. As the Patrick Study (Table 1) notes, KTRE covers much less of the total Tyler-Longview DMA population than the other stations in the market.

¹⁶ See Attachment A at 3.

of parent station KLTV — which is relevant to viewers throughout the Tyler-Longview DMA — has helped subsidize the substantial resources necessary to develop and broadcast a number of separate local newscasts on KTRE which are directed to the underserved Lufkin area as well as support efforts to provide other local community service.¹⁷ Transferee Raycom shares existing owner Liberty's strong commitment to localism. Thus, following consummation of the transaction, Raycom proposes to continue to invest in and support, as well as look for ways to enhance, KTRE's local and community service which makes the station an important outlet for addressing local needs and interests.

Satellite station KTRE faces particularly significant financial strains today due to the major expenditures needed for the digital conversion process. KTRE has a pending application for extension of the time to construct its digital facilities. Operating as a satellite of KLTV, Raycom proposes to carry forward to completion the construction of KTRE's new digital facilities and conversion of both KTRE and its parent station KLTV to digital operations. As noted in the 2005 Patrick Study, if KTRE were forced to operate as a stand-alone station, the underserved area could not realistically be expected to maintain the current level of service and support the near-term need to convert to digital operations.

Based on these and other factors, the 2005 Patrick Study reconfirms its earlier considered judgment that KTRE (Lufkin) could not realistically function as a full-

¹⁷ Such separate local service includes: newscasts, Monday through Friday, from 5 to 5:30 p.m., 6:00 to 6:30 p.m. and 10 to 10:35 p.m.; newscasts on Saturdays from 6 to 6:30 p.m. and, on Saturdays and Sundays, from 10 to 10:35 p.m.; on Sundays, KTRE provides an outlet for broadcast of two different local religious services; periodically during the year, KTRE airs specials directed to the needs and interests of the area.

service, stand-alone station and that no knowledgeable, qualified buyer of TV station would be interested in acquiring KTRE to own and operate it as a full-service station.

* * *

Raycom respectfully submits that the record amply supports a favorable presumption under the three-prong satellite standard for continued authorization of KTRE's satellite status. Such authorization, of course, would not diminish diversity or competition in the Tyler-Longview market, but, rather, would preserve KTRE's long-established satellite status. As shown, this status provides the opportunity for KTRE to extend the ABC network and other service of parent station KLTV to the southern portion of the service area while also providing significant separate local news and other community service for the underserved Lufkin area.