

**Exhibit 15**  
**Section III, Item 6b**  
**Statement in Support of Continued Satellite Status of**  
**Stations KABY-TV and KPRY-TV**

The Grade B contours of KABY-TV, Aberdeen, South Dakota (“KABY”) and KPRY-TV, Pierre, South Dakota (“KPRY”), overlap the Grade B contour of KSFY-TV, Sioux Falls, South Dakota (“KSFY”) (collectively, the “Stations”). Stations KABY and KPRY currently operate as satellite stations of KSFY and thus the current joint ownership is compliant with the Federal Communications Commission’s (“Commission”) local television ownership rule. Hoak proposes to continue to operate stations KABY and KPRY as satellite stations of KSFY. The local television ownership rule does not apply to satellite stations.<sup>1</sup>

The Commission requires that all applicants seeking to transfer or assign satellite stations justify continued satellite status by demonstrating compliance with the satellite exemption policy that is applicable to new satellite stations.<sup>2</sup> Pursuant to the Commission’s satellite exemption policy, an applicant is entitled to a presumption that its proposed satellite operation is in the public interest if it meets three criteria: (1) no city grade contour overlap exists between the parent and the satellite; (2) the proposed satellite station will provide service to an underserved area; and (3) no alternative operator is ready and able to either construct or to purchase and operate the satellite as a full-service station.<sup>3</sup> An applicant seeking Commission consent to the assignment or transfer of a station that previously has been granted satellite status must demonstrate that these three criteria are applicable or, in the alternative, that compelling circumstances exist to warrant continued satellite status.<sup>4</sup> If an applicant cannot qualify for the presumption, the Commission will evaluate the proposal on an ad hoc basis, and grant the application if there are compelling circumstances that warrant approval.<sup>5</sup> Both of the Stations meet all three of the satellite waiver criteria and thus should continue to qualify as satellite stations following the consummation of the proposed assignment.

First, as the attached engineering exhibit demonstrates, no overlap exists between the city grade contours of KSFY and its two satellite stations, KABY and KPRY.<sup>6</sup> Second, the proposed satellite stations provide service to “underserved” areas. Specifically, the communities of license of the two satellite stations – Aberdeen, South Dakota and Pierre, South Dakota – constitute

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<sup>1</sup> 47 CFR § 73.3555 Note 5. As such, operation of KABY and KPRY as satellites of KSFY will not violate the Commission’s local television ownership rule. See Review of the Commission’s Regulations Governing Television Broadcasting, MM Docket No. 91-221, Television Satellite Stations Review of Policy and Rules, *Report and Order*, MM Docket No. 87-8, FCC 99-209, 14 FCC Rcd. 12903 (1999).

<sup>2</sup> See Television Satellite Stations, 6 FCC Rcd. 4212, 4215 (1991) (“Satellite Order”).

<sup>3</sup> Id.

<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> See Attachment A, Engineering Exhibit.

underserved communities for purposes of satellite status analysis. A proposed satellite community of license is considered underserved if there are two or fewer television stations, including commercial, noncommercial, and satellite stations, already licensed to it.<sup>7</sup> Aberdeen and Pierre each have only one other television station, a non-commercial station.<sup>8</sup> Thus, the proposed satellite stations will continue to provide service to underserved areas.

Third, as stated in the attached expert opinion, it is clear that no alternative operator is ready and able to purchase and operate either satellite station as a full-service station.<sup>9</sup> Whereas satellite stations KABY and KPRY both cover only small outlying communities within the Sioux Falls-Mitchell DMA, neither station would be able to gain access to network or syndicated programming without operating as a satellite of another station in the market. Further, the four major broadcast networks already have affiliates in the Sioux Falls-Mitchell DMA and are likely to have DMA-wide exclusivity for such programming, as is typical in affiliation agreements. Given the small market and level of revenues available in these markets, neither station operating as a stand-alone station would be able to afford to purchase licensing rights for local programming such as college sports events. It also is unlikely that either station operating as a stand-alone station could afford to produce and air local news such as that aired throughout the Sioux Falls-Mitchell DMA on KSFY. The Commission most recently granted stations KABY and KPRY continued satellite status on February 27, 2004.<sup>10</sup> Accordingly, for the reasons set forth above, the Media Bureau should grant continued satellite status for these stations. Assuming such status is granted, the stations will not be counted and considered for purposes of evaluating the assignee's compliance with the local television ownership rule.

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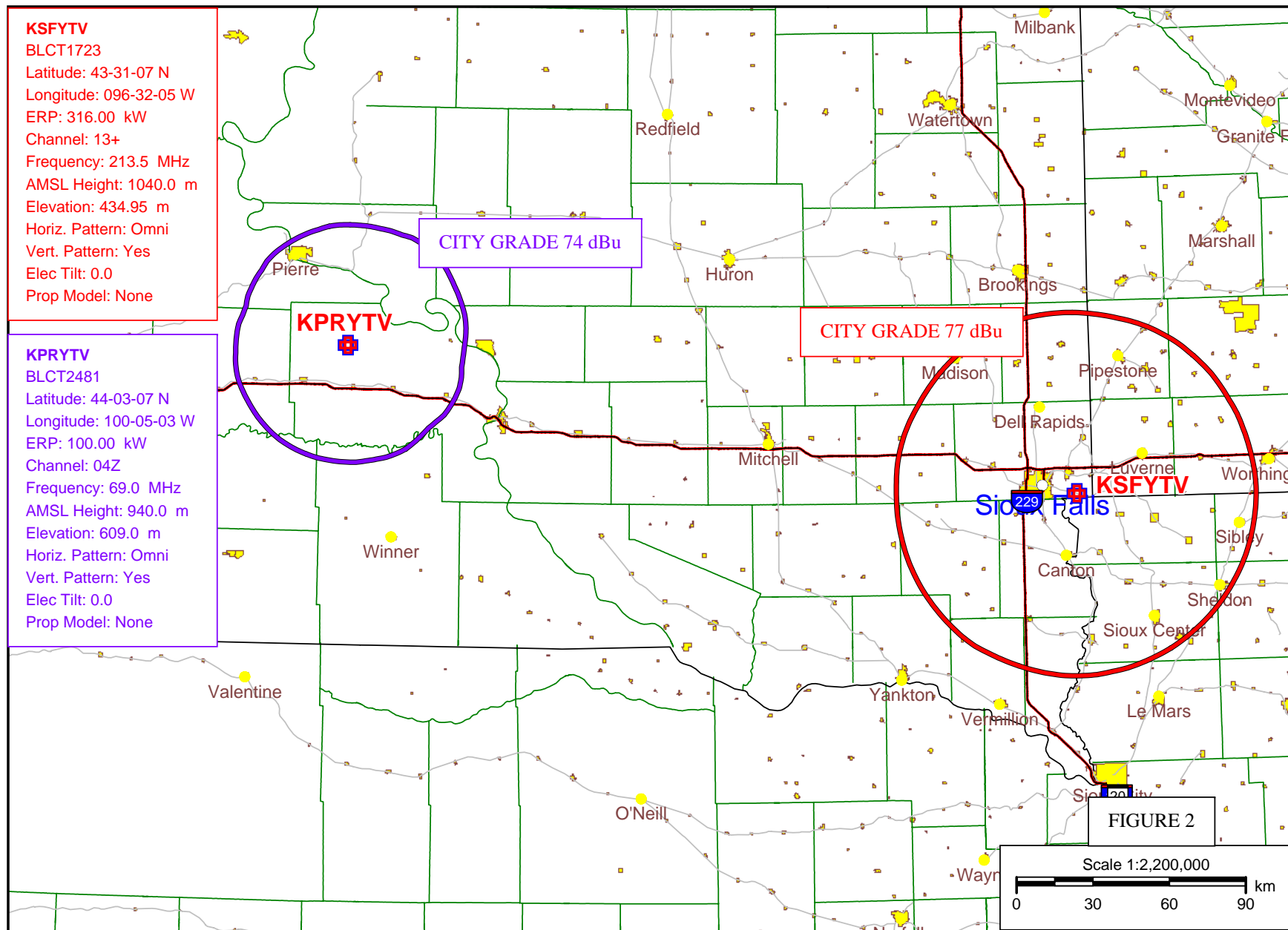
<sup>7</sup> See Satellite Order at 4215.

<sup>8</sup> *BIA Media Access Pro* database (consulted July 19, 2006).

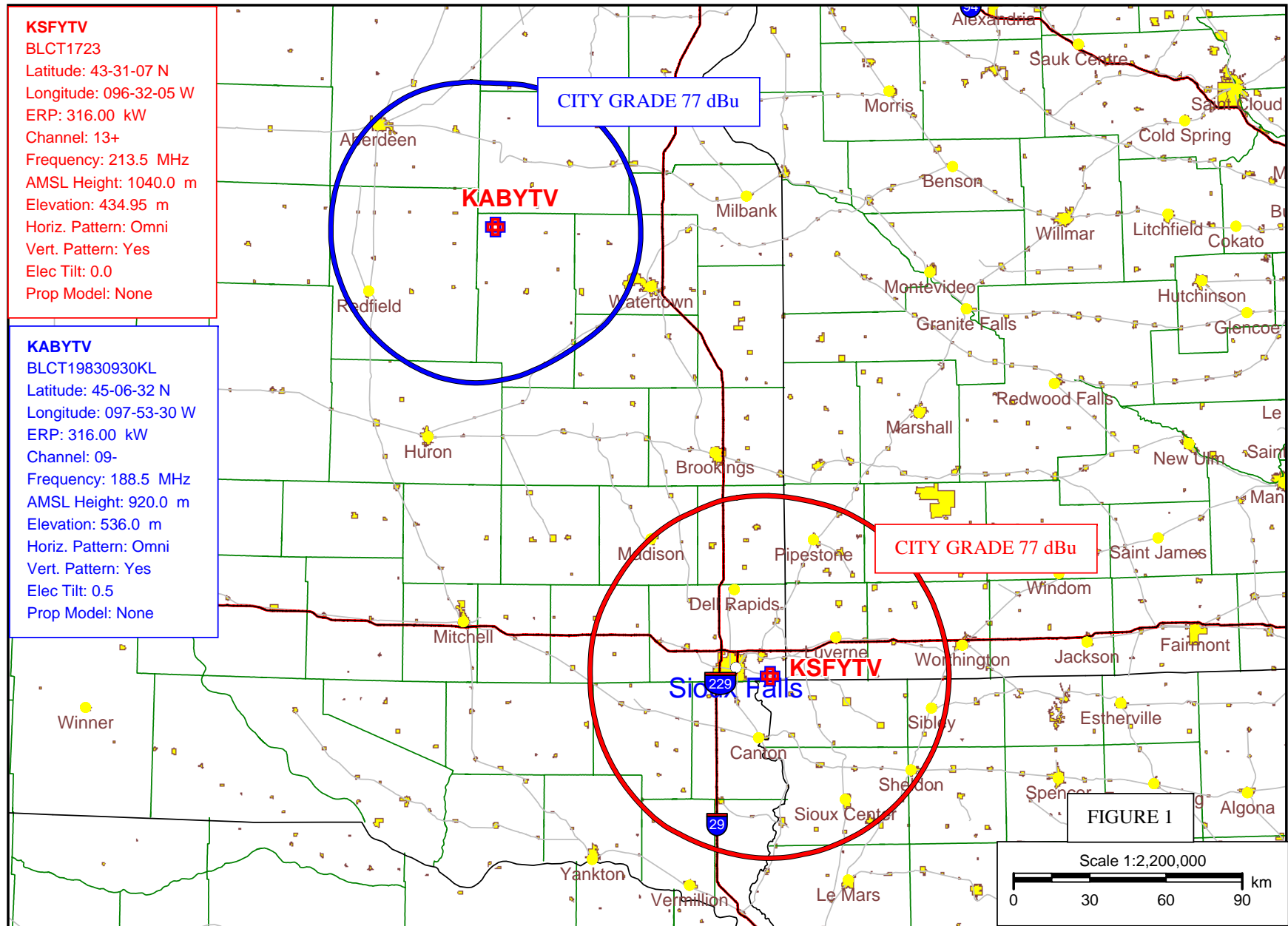
<sup>9</sup> See Attachment B, Expert Opinion.

<sup>10</sup> See Letter from Barbara A. Krisman, Chief, Video Division, Media Bureau to South Dakota Television License Sub, L.L.C., File Nos. BALCT-20031218AAH, BALCT-20031218AAI, BALCT-20031218AAJ, BALTTV-20031218AAK (February 27, 2004).

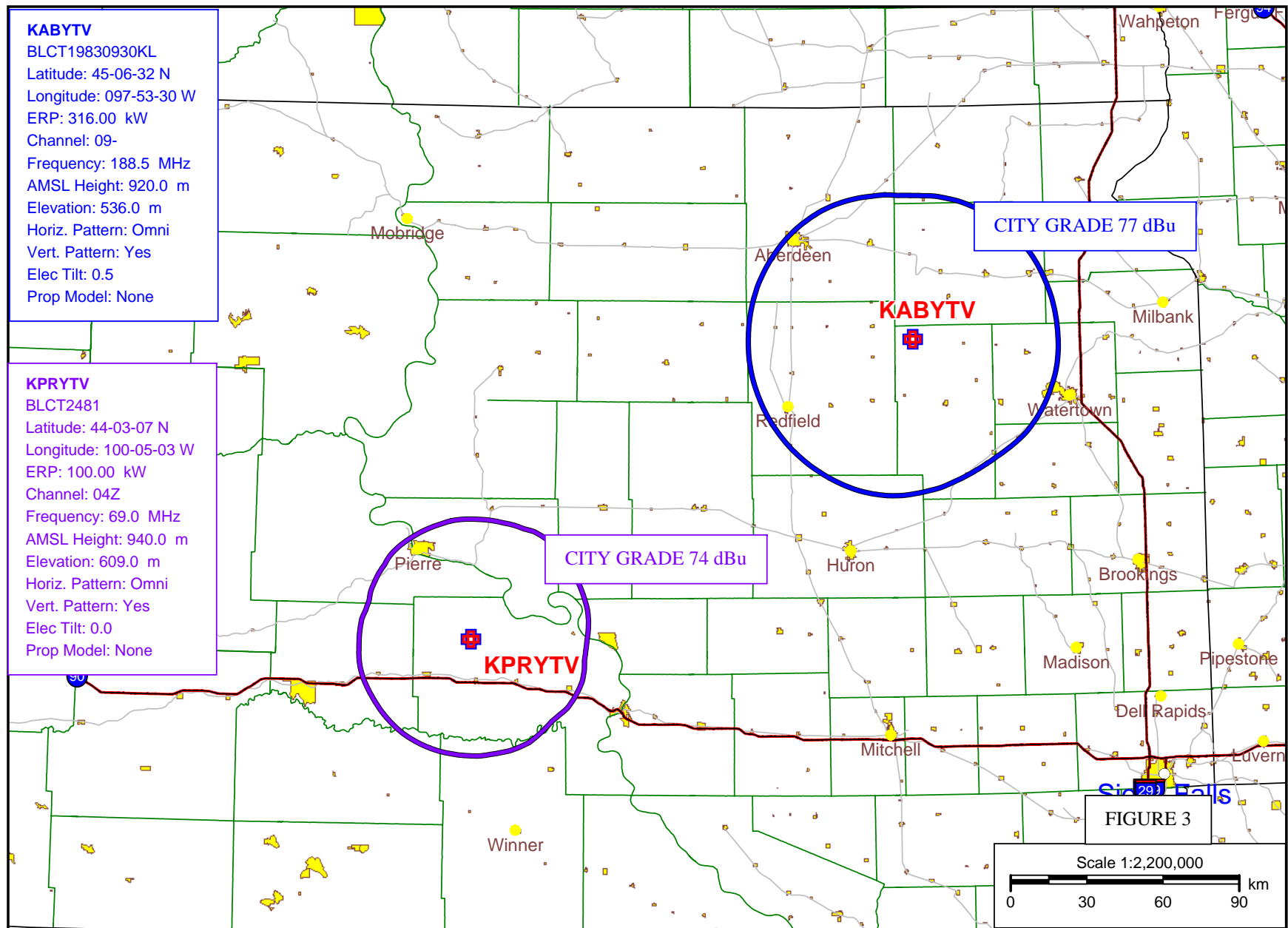
**Attachment A**  
**Engineering Exhibit**



COMPUTED CITY GRADE CONTOURS FOR THE LICENSED OPERATIONS OF KSFY-TV AND SATELLITE TV STATION KPRY-TV



COMPUTED CITY GRADE CONTOURS FOR THE LICENSED OPERATIONS OF KSFY-TV AND SATELLITE TV STATION KABY-TV



COMPUTED CITY GRADE CONTOURS FOR THE LICENSED OPERATIONS OF SATELLITE TV STATIONS KABY-TV AND KPRY-TV

**Attachment B**  
**Expert Opinion**

**ECONOMIC VIABILITY STUDY REGARDING THE SATELLITE STATUS OF  
KABY-TV, ABERDEEN, SOUTH DAKOTA AND  
KPRY-TV, PIERRE, SOUTH DAKOTA**

**Introduction**

This study was prepared by Kelly Callan, Vice President of Kalil & Co., Inc. ("Kalil"), in support of the application seeking Federal Communications Commission ("Commission") consent to the assignment of the licenses and assets of full-power commercial television station KSFY-TV, Sioux Falls, South Dakota ("KSFY"), and satellite television stations KABY-TV, Aberdeen, South Dakota ("KABY") and KPRY-TV, Pierre, South Dakota ("KPRY") (collectively, the "Stations") from South Dakota Television License Sub, L.L.C. ("SDTV") to Hoak Media of Dakota License, LLC ("Hoak"). Specifically, this study was prepared to support Hoak's request that the Commission grant continued satellite status to KABY and KPRY.

Kalil & Co., Inc. is located in Tucson, Arizona and has been in the media brokerage business for over thirty five years. Kalil & Co., Inc. is involved in all phases of the broadcast brokerage business and represents some of the most prestigious broadcasters in the business. Kalil & Co., Inc. conducts transactions in all sections of the United States and are widely recognized as one of the top brokerage organizations in the country. Over the past three years, Kalil & Co., Inc. handled transactions totaling approximately one billion dollars. Kelly Callan is Vice President of Kalil & Co., Inc. and has been with the firm for over 20 years. The opinions expressed in this study are solely those of Kalil. Neither he nor his firm has any interest, direct or indirect, in SDTV or Hoak. The opinions expressed in this study also are not contingent on any fee paid to Kalil by Hoak for this analysis.

**Analysis**

KABY, licensed to Aberdeen, South Dakota, and KPRY, licensed to Pierre, South Dakota, both currently operate as satellite television stations of KSFY, which is licensed to Sioux Falls, South Dakota. All of the Stations are assigned to the Sioux Falls-Mitchell Nielsen Designated Market Area ("DMA"). The Sioux Falls-Mitchell DMA currently is served by five (5) commercial television stations listed in Table 1 as "MAIN" facilities and six (6) satellite commercial television stations, which are listed as "SAT" facilities. All of these stations are presented in Table 1. In addition to these commercial television stations, there are also six (6) public television stations operating in the Sioux Falls-Mitchell DMA. Because these public stations do not compete for television advertising revenue, they have been excluded from the economic analysis presented in this study.



**TABLE 1: Full-Power and Other Network-Affiliated Stations Serving  
Sioux Falls-Mitchell DMA<sup>1</sup>**

<b>Station</b>	<b>Community of License</b>	<b>Channel</b>	<b>Affiliation</b>	<b>Type</b>
KDLT-TV	Sioux Falls	46	NBC	MAIN
KELO-TV	Sioux Falls	11	CBS	MAIN
KSFY-TV	Sioux Falls	13	ABC	MAIN
KTTW	Sioux Falls	17	FOX	MAIN
KWSD	Sioux Falls	36	WB	MAIN
KABY-TV	Aberdeen	9	ABC	SAT
KDLO-TV	Florence	3	CBS	SAT
KDLV	Mitchell	5	NBC	SAT
KPLO-TV	Reliance	6	CBS	SAT
KPRY-TV	Pierre	4	ABC	SAT
KTTM	Huron	12	FOX	SAT

The Sioux Falls-Mitchell DMA is a small market. Specifically, the Sioux Falls-Mitchell DMA is ranked number 114 and contains only 631,000 people and 246,000 television households.<sup>2</sup> It is the opinion of the principals of Kalil that, if converted to full service stations, KABY and KPRY would not be financially successful in this market. Beyond the fact that the market itself is small, the terrain of the market is such that KABY and KPRY are each able to cover only a small population area within the Sioux Falls-Mitchell DMA. As a general rule, significant coverage within a DMA is necessary for a television station to generate sufficient viewership and advertising revenues to be successful as a stand-alone station. In this case, both KABY and KPRY have only minimal coverage in the DMA and therefore are unlikely to be successful. Specifically, because KABY and KPRY both cover only small outlying communities within the Sioux Falls-Mitchell DMA, neither station would be able to gain access to network or syndicated programming without operating as a satellite of another station in the market. Even if it were possible for the satellites to serve a greater portion of the market, they would have no prospect of reaching affiliation agreements with any meaningful compensation, if at all, from any of the existing networks because the four major broadcast networks already have affiliates in the Sioux Falls-Mitchell DMA. These affiliates are likely to have DMA-wide exclusivity for such programming, as is typical in affiliation agreements. The total amount of television advertising revenues available in the small Sioux Falls-Mitchell DMA would prevent either KABY and KPRY from operating profitably as a stand-alone station and having sufficient revenue to purchase licensing rights for off-network, syndicated, and other attractive entertainment programming such as college sports events and to produce and air local news. Without the ability to secure an affiliation agreement or air other attractive entertainment, sports, and local

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<sup>1</sup> *BIA Media Access Pro* database (consulted July 18, 2006).

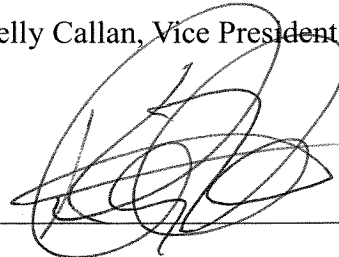
<sup>2</sup> *Id.*

programming such as news, neither of these stations can be economically viable as a stand-alone station. Further, forcing either or both stations to operate as a stand-alone station would prevent KSFY from providing the service throughout the Sioux Falls-Mitchell DMA that it currently is able to provide via its satellite stations. There is very little contour and population overlap between KSFY and each of its satellite stations, and KSFY requires these two satellite stations to reach as many households as possible in the market, with the objective of generating sufficient revenues to make a profit. Based on the experience of the principals of Kalil, neither KABY nor KPRY could survive as a stand-alone station in the Sioux Falls-Mitchell DMA, and loss of either of these satellite stations would compromise the service provided to the market by KSFY.

Review of the statement of income for 2005 for the two satellite stations further supports the opinion of the principals of Kalil that neither KABY nor KPRY could survive as a stand-alone station. Specifically, in 2005 KABY and KPRY generated no revenue. Instead, all of SDTV's revenue was generated from the operation of KSFY. Furthermore, any entity wishing to purchase KABY or KPRY as full-power stations would be forced to hire numerous employees as neither KABY nor KPRY employ any personnel and are currently run by the employees of KSFY. Accordingly, the financial materials reviewed by Kalil fully support continued satellite status for KABY and KPRY in order for these stations to remain economically viable. Furthermore, KSFY would also be damaged financially trying to compete with other strong affiliates in the DMA that have the advantage of having satellite stations.

Kalil, in its capacity as a media brokerage firm, was retained by SDTV in Kalil to list stations KSFY, KABY and KPRY for sale. All potential buyers of the stations expressed that their interest in the stations was as a package. There was no interest in a purchase of either KABY or KPRY as a stand-alone station. In fact, had Kalil been asked to list just KABY or KPRY for sale as a stand-alone station, the firm would have declined to do so. It is the opinion of the principals of Kalil that there would be no knowledgeable, qualified buyers of television stations who would be interested in KABY or KPRY as stand-alone stations.

This study is submitted on July 20, 2006 by Kelly Callan, Vice President of Kalil & Co., Inc.

A handwritten signature in black ink, appearing to read 'Kelly Callan', is written over a horizontal line.

Kelly Callan  
Vice President  
Kalil & Co., Inc.