

MULTIPLE OWNERSHIP SHOWING

Great Scott Broadcasting (“Great Scott”) hereby demonstrates that grant of the instant application will be fully consistent with the Commission’s local radio multiple ownership rule. By this application, Great Scott proposes to downgrade the technical facilities of radio station WKHI(FM) (Facility ID No. 4107), Fruitland, Maryland (“WKHI”) from Class B1 to Class A, pursuant to the FCC’s Report and Order in MB Docket No. 04-409.

The Commission’s local radio multiple ownership rule provides that in markets with 30 to 44 (inclusive) full-power, commercial and noncommercial radio stations, one party may have a cognizable interest in licenses for up to seven commercial radio stations, no more than four of which are in the same service (AM or FM). 47 C.F.R. § 73.3555(a)(1)(ii). The Commission defines the relevant market to be the “Arbitron Metro,” in those markets so designated by Arbitron. *See 2002 Biennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, 18 FCC Rcd 13620, 13712-13 (2003) (“*Ownership Report and Order*”).

For purposes of the local radio ownership rule, WKHI, which is licensed to Fruitland, Maryland, is deemed to be a part of the Salisbury-Ocean City, MD Arbitron Metro. According to BIA Research, Inc.’s *Media Access Pro* database as of December 25, 2006, there are 41 full-power, commercial and noncommercial radio stations licensed to communities within the Salisbury-Ocean City Metro or which Arbitron designates as “home” to the Salisbury-Ocean City Metro. Accordingly, the current local radio

ownership rule permits Great Scott to have a cognizable interest in seven commercial radio stations (with four in the same service) in the Salisbury-Ocean City market.

Great Scott either directly or indirectly through affiliate companies has a cognizable interest in nine radio stations in the Salisbury-Ocean City Arbitron Metro -- seven in the FM service and two in the AM service -- more than the current local radio ownership rule would normally allow.¹ However, the Commission, recognizing that its dramatic change in the definition of radio markets could significantly impact some group owners that had acquired stations in compliance with the previous rules, granted grandfathered status to existing station clusters, refusing to require any station divestiture by owners of such clusters. Because Great Scott lawfully acquired its combination of stations in the Salisbury-Ocean City Metro prior to the change in the definition of radio markets, Great Scott's Salisbury-Ocean City cluster is grandfathered as described by the *Ownership Report and Order* at ¶¶ 482-95 and reflected in Note 4 to 47 C.F.R. §73.3555.

Current Section 73.3555 applies only where an application would bring about a “new violation” of the local radio ownership rule. See Note 1033 to the *Ownership Report and Order* (“modification of the facilities of a station in a grandfathered combination will be prohibited if the proposed modification would create a new violation of the ownership rules.”). No such “new violation” is created in cases such as this one. In addition, Note 4 to 47 C.F.R. § 73.3555 expressly provides that divestiture requirements will be imposed on grandfathered clusters only in connection with FCC

¹ These stations are: WGBG(FM), Seaford, DE (Facility ID #4340); WJKI(FM), Bethany Beach, DE (Facility ID #30858); WJWK(AM), Seaford, DE (Facility ID #4339); WJWL(AM), Georgetown, DE (Facility ID #25007); WKDB(FM), Laurel, DE (Facility ID #16661); WKHI(FM), Fruitland, MD (Facility ID #4107); WOCQ(FM), Berlin, MD (Facility ID #47107); WZBH(FM), Georgetown, DE (Facility ID #25003); and WZEB(FM), Ocean View, DE (Facility ID #53993).

processing of a limited universe of applications, into which this implementing minor change application does *not* fall. For example, the most relevant category of applications requiring divestiture under Note 4 would be those for “minor changes to existing stations that implement an approved change in an FM radio station’s community of license....” In this case, WKHI’s community of license remains Fruitland, and so no divestiture is required. The Commission has routinely granted Applications for Minor Change to a Licensed Facility involving stations that are part of a grandfathered cluster, without requiring divestiture. *See* BPH-20040205EZ (Clear Channel Broadcasting Licenses, Inc. allowed to upgrade the facilities of WYLD-FM, New Orleans, Louisiana (Facility ID # 11972) from Class C1 to C0 without divestiture). *See also* BPH-20050503ABV (one-step upgrade from Class A to Class C3 granted to one station in a grandfathered cluster without requiring divestiture).

In this case, where WKHI is downgrading from Class B1 to Class A, such a result makes even more sense. Great Scott’s station count in the Salisbury-Ocean City Metro will not be altered and WKHI’s station class will be reduced. Therefore, the WKHI change does not disturb in any way Great Scott’s grandfathered status in the Salisbury-Ocean City Metro. Indeed, Great Scott will own the *same* nine stations in the Salisbury-Ocean City Metro before and after grant of the instant application, making grant of this minor application a non-event for purposes of the multiple ownership rule.

For all of these reasons, grant of this application is fully consistent with the local radio ownership rule and the continuing grandfathered status of Great Scott’s Salisbury-Ocean City, MD cluster.