

## **Request for Continuation of Satellite Waiver**

Hoak Media of Colorado License, LLC has commonly owned television stations KREX-TV, Grand Junction, Colorado (Facility No. 70596), KREG-TV, Glenwood Springs, CO (Facility No. 70578) and KREY-TV, Montrose, Colorado (Facility No. 70579) in the Grand Junction-Montrose Designated Market Area (“DMA”) pursuant to satellite waivers under the Commission’s local television multiple ownership rule, 47 C.F.R. §73.3555, Note 5. KREY-TV has been operated as a satellite of KREX-TV for more than 40 years and KREG-TV has operated as a satellite of KREX-TV more than 30 years.<sup>1</sup> Thus, Nexstar Broadcasting, Inc. (“Nexstar”), the proposed transferee of the stations, respectfully requests continuation of those satellite waivers so that the stations may maintain their historic operating status and continue to serve the public interest.

Under the *Television Satellite Stations Review of Policy and Rules* operation as a satellite is presumed to be in the public interest if each of three conditions are met: (i) there is no City Grade contour overlap between the parent and the satellite, (ii) the proposed satellite would provide service to an underserved area, and (iii) no alternative operator is ready and able to purchase and operate the satellite as a full-service station. If the proposed satellite operation does not satisfy each of these factors, the Commission will evaluate the proposal on an *ad hoc* basis and authorize satellite status if there are other public interest benefits or compelling circumstances that warrant approval.<sup>2</sup>

*Contour Overlap:* The analog City Grade contours of KREY-TV and KREG-TV did not overlap with KREX-TV’s City Grade Contour (see Exhibit A). Nonetheless, there is some slight overlap of the digital contours of all three stations (see Exhibit A). However, as the Commission has recognized, there is no digital equivalent to the analog “City Grade contour and digital contour overlap is not relevant to satellite determinations.”<sup>3</sup> Therefore, to the extent the Commission continues to consider this criterion at all, however, contour overlap should not preclude continued satellite status for either station KREG-TV or KREY-TV.

*Service to Underserved Areas:* In its Satellite Policy, the Commission indicated that a community with two or fewer full-power stations licensed to it would be considered “underserved.”<sup>4</sup> The only full-power television station currently licensed to Glenwood Springs

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<sup>1</sup> See e.g., *Storm King Television, Inc.*, 19 FCC 2d 876 (1969); *W. Russell Withers, Jr.*, 2 FCC Rcd 3460 (1987).

<sup>2</sup> *Television Satellite Stations Review of Policy and Rules*, Report and Order, 6 FCC Rcd 4212 (1991) (“Satellite Policy”).

<sup>3</sup> *In re J. Stewart Bryan III and Media General Communications Holdings, LLC*, DA 13-2140 (¶ 24) (rel. Nov. 8, 2013) (“[F]ollowing the digital transition, full-power television stations have a digital Principal Community contour that serves a much larger area than their former analog City Grade contour. Thus, the principle community contour is not an equivalent standard to use in determining whether a satellite qualifies for the presumptive satellite exemption to the duopoly rule.”); see also *Selenka Communications, LLC*, 25 FCC Rcd 278, 279 (¶ 3) (2010).

<sup>4</sup> *Satellite Policy*, 6 FCC Rcd at 4215.

is KREG-TV and the only full-power television station currently licensed to Montrose is KREY-TV. Accordingly, each satellite station serves an underserved area.

*Viability as Full-Service Station:* The Satellite Policy requires an applicant show that no alternative operator is ready and able to purchase and operate the proposed satellite station as a stand-alone full service station.<sup>5</sup> During the sale process that preceded this transaction, no potential buyer expressed interest in purchasing either KREY-TV or KREG-TV as a stand-alone station (see Exhibit B). In addition, Grand Junction-Montrose, one of the smallest DMAs (DMA 185) is served by full-power affiliates for all of the major networks (ABC, CBS, FOX and NBC) and there is already a MyNetwork TV in the market. Further, with each of KREG-TV and KREY-TV covering small population areas within the DMA, none of the stations on a stand-alone basis would be able to obtain access to expensive syndicated programming or purchase licensing rights for local sports events programming or produce local news programming. For all of these reasons each of KREY-TV and KREG-TV has operated as a satellite of KREX-TV for nearly (or more than) forty years.

For the foregoing reasons, Nexstar respectfully submits that continued satellite treatment for KREY-TV and KREG-TV is appropriate and requests that the Commission authorize each of KREY-TV and KREG-TV to continue operating as a satellite station of KREX-TV.

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<sup>5</sup> *Id.*

# **EXHIBIT A**



**Chesapeake RF Consultants, LLC**  
Radiofrequency Consulting Engineers  
Digital Television and Radio

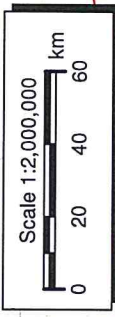
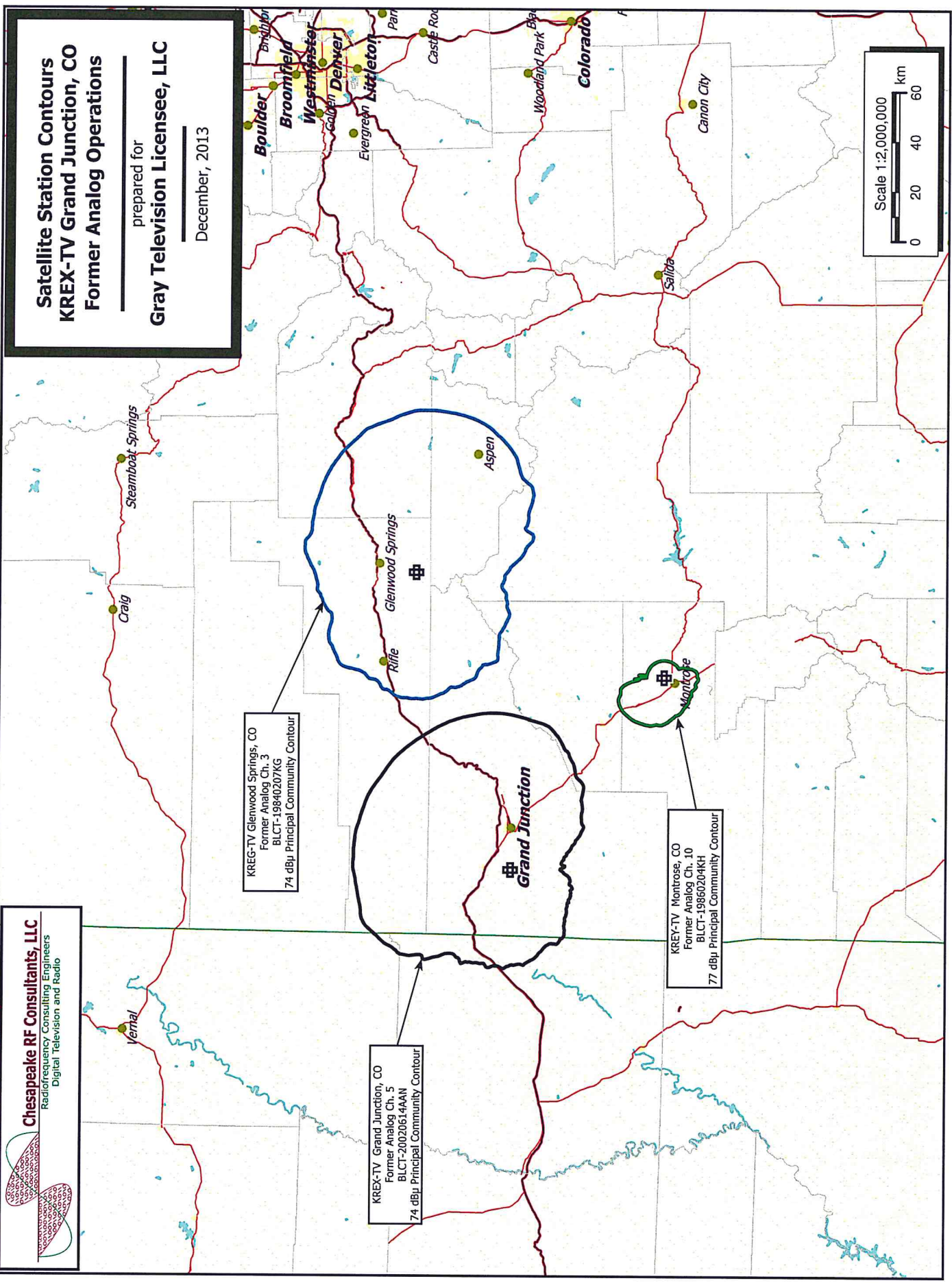
**Satellite Station Contours**  
**KREX-TV Grand Junction, CO**  
**Former Analog Operations**

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prepared for  
**Gray Television Licensee, LLC**

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December, 2013





**Chesapeake RF Consultants, LLC**  
Radiofrequency Consulting Engineers  
Digital Television and Radio

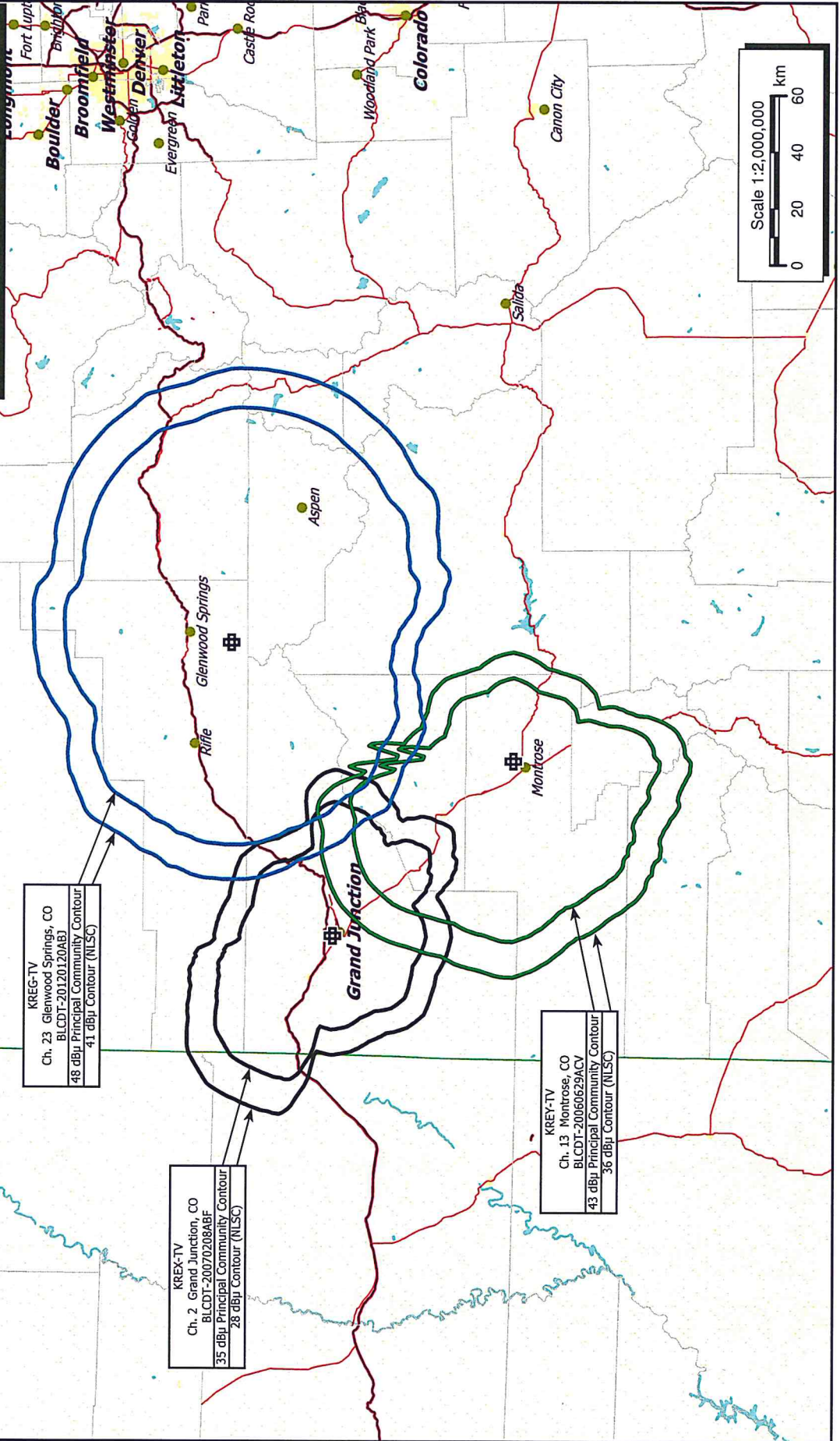
**Satellite Station Contours**  
**KREX-TV Grand Junction, CO**

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prepared for  
**Gray Television Licensee, LLC**

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December, 2013



# **EXHIBIT B**

1999 AVENUE OF THE STARS  
SUITE 1900  
LOS ANGELES, CALIFORNIA 90067

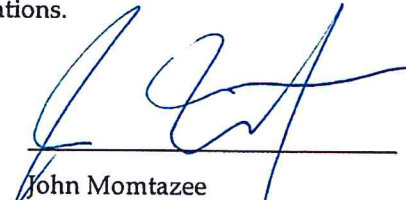
## MOELIS & COMPANY

1 310.443.2300  
1 310.443.8700

December 18, 2013

Moelis & Company LLC ("Moelis") is a global investment bank that provides financial advisory, capital raising, and asset management services to a broad client base including companies in the television and media industries. Moelis has been asked to provide its views concerning the feasibility of selling KABY-TV, Aberdeen, South Dakota and KPRY-TV, Pierre, South Dakota in the Sioux Falls (Mitchell) Nielsen Designated Market Area (DMA); KMOT(TV), Minot, North Dakota; KQCD-TV, Dickinson, North Dakota; and KUMV-TV, Williston, North Dakota in the Minot-Bismarck-Dickinson (Williston) DMA; and KREG-TV, Glenwood Springs, Colorado and KREY-TV, Montrose Colorado in the Grand Junction-Montrose DMA (collectively the "Satellite Stations").

In June 2013, Hoak Media Corporation ("Hoak") retained Moelis to advise Hoak on the sale of its television stations, including the seven Satellite Stations listed above, and to conduct a broad sale process. Beginning in August 2013, Moelis approached 52 buyers regarding a purchase of Hoak in whole or in part. During the sale process, which lasted several months, Moelis received no expressions of interest in the Satellite Stations, as standalone stations. To our knowledge, all interested parties evaluated the Satellite Stations only as satellites of KSFY-TV, KFYZ-TV, and KREX-TV, respectively, and Moelis would not recommend that the Satellite Stations be marketed for sale as standalone stations.

  
John Momtazee  
Moelis & Company LLC  
Date: 12/18/13

NEW YORK	BEIJING	BOSTON	CHICAGO	DUBAI	FRANKFURT	HONG KONG
HOUSTON	LONDON	LOS ANGELES	MUMBAI	PALO ALTO	PARIS	SYDNEY