

## **EXHIBIT 2**

### **Explanation of Transaction**

This application seeks Commission consent to the pro forma assignment of the authorizations for noncommercial educational broadcast Stations WNYE, WNYE-TV & DT, New York, New York, (“Stations”) from the Board of Education of the City of New York (“Board”) to the Department of Information Technology and Telecommunications (“DoITT”), an agency of the City of New York (“City”).

#### Background

On April 15, 2003, the Board of Education of the City of New York (“Board”) filed an application to transfer control of its non-commercial educational broadcast Stations WNYE, WNYE-TV & DT, New York, NY from the outgoing members of the Board to the Chancellor of the Board (File No. BTCET-20030415ACG). The Commission granted the application on September 8, 2003.

That application was filed to reflect New York State legislation designed to give the Mayor of the City greater control over the City’s school system. To achieve this end, the enacted statute, which was submitted as Exhibit 13 to the application, reorganized the Board. Under the statute, the Chancellor and a majority of the other members of the Board are appointed by and serve at the pleasure of the Mayor. The Chancellor exercises effective control over the operation of the school system and the stations.

#### This Application

Pursuant to the instant application, the Stations’ authorizations will be assigned to DoITT in order to better rationalize the communications resources available to the City by bringing them all together under common management. DoITT is headed by a

Commissioner who, like the Chancellor, is appointed by and serves at the pleasure of the Mayor, and is responsible for the bulk of the City’s communication needs, including government and educational programming for cable television and many of the City’s public safety and operational communications activities.

As a result of the legislation reorganizing the Board, the City no longer has an “independently constituted educational organization” “having autonomy with respect to carrying out the [City’s] educational program” as those terms are used in Section 73.621(b) of the FCC’s rules<sup>1</sup> as applicable to broadcast station licensing. Consequently, DoITT is an appropriate entity to hold non-commercial educational authorizations.

DoITT will continue to operate the Stations as nonprofit, non-commercial educational broadcast facilities primarily serving the educational needs of the community and advancing the City’s educational programs. As required by the Commission’s rule, the Stations will continue to offer educational, cultural and entertainment programs designed to meet the educational and social needs of the residents of the City.

These assignments involve no change in control or beneficial interest and are administrative only, since both the Board and DoITT are headed by public officials who are appointed by and serve at the pleasure of the Mayor. Therefore, this Application is a *pro forma* assignment—the municipal equivalent of an assignment between two wholly-owned subsidiaries of a corporation. The assignments will be consummated by Executive Order and act of the Chancellor following Commission consent.

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<sup>1</sup> 47 C.F.R. § 73.621(b).