

Description of the Transaction

The instant application seeks the Commission's consent to the assignment of license for KYOU-TV, Ottumwa, IA (Facility ID 53820) from KYOU License Subsidiary, LLC, a subsidiary of American Spirit Media, LLC ("American Spirit") to KYOU Raycom License Subsidiary, LLC, a subsidiary of Gray Television, Inc. ("Gray").¹

Gray has pending with the Commission, several applications that seek the Commission's consent to its proposed merger with Raycom Media, Inc. ("Raycom").² As part of the merger between Raycom and Gray, Raycom planned to acquire the license of KYOU-TV and then assign those licenses to Gray at the closing of the merger. Accordingly, American Spirit filed an application to assign the license of KYOU-TV to Raycom, and on September 14, 2018, the Commission granted the assignment of license application. American Spirit and Raycom have agreed not to consummate that transaction. Instead, Raycom has agreed to assign and Gray has agreed to assume the purchase agreement between American Spirit and Raycom.

As described in the merger applications, Gray's acquisition of KYOU-TV complies with the FCC's local television ownership rule. KYOU-TV is the Fox and NBC affiliate for the Ottumwa-Kirksville market. After consummating the merger, KYOU-TV will be Gray's only station in the Ottumwa-Kirksville market, thus, Gray's acquisition of KYOU-TV complies with the Commission's local television ownership rule.

Raycom and American Spirit currently are parties to a shared services agreement with respect to KYOU-TV. That shared services agreement will terminate upon Gray's acquisition of KYOU-TV.

Because the instant application is associated with the merger between Gray and Raycom, Gray has included as attachments to this application, copies of the merger agreement, the comprehensive exhibit, and the amendments to the pending merger applications.

¹ KYOU License Subsidiary, LLC and Gray inadvertently filed an application to transfer control of KYOU License Subsidiary, LLC on September 21, 2018. American Spirit and Gray plan to seek dismissal of the transfer of control application after the Commission issues a public notice that accepts for filing the instant application.

² See *Media Bureau Establishes Pleading Cycle for Applications Filed for the Transfer of Control and Assignment of Broadcast Television Licenses from Raycom Media, Inc. to Gray Television, Inc., Including Top-Four Showings in Two Markets, and Designates Proceeding as Permit-But-Disclose for Ex Parte Purposes*, Public Notice, DA 18-782 (rel. July 27, 2018).