

Public Interest Statement

The instant application requests FCC consent to the assignment of the broadcast license of KASW(TV), Phoenix, Arizona (“KASW”), from Sander Operating Co. II LLC (d/b/a KTVK Television) (“Sander”) to SagamoreHill of Phoenix Licenses, LLC (together with its affiliates, “SagamoreHill”). A concurrently-filed application (the “KTVK Application”) seeks consent to the assignment of the broadcast licenses of KTVK(TV), Phoenix, Arizona (“KTVK”), from Sander to KPHO Broadcasting Corporation (together with its affiliates, “Meredith”) (the transactions described in the instant application and the KTVK Application collectively are the “Transactions”). In connection with the Transactions, Meredith and SagamoreHill have agreed to enter into a shared services agreement, pursuant to which Meredith would provide specified services to SagamoreHill to support the operation of KASW.

Throughout most of its history since beginning service in 1995, KASW has been commonly owned with KTVK(TV), Phoenix, Arizona. Thus, the Transactions will result in the independent ownership of KASW for the first time in years. As detailed in Exhibit 16 (Other Authorizations), SagamoreHill is controlled by Louis Wall, an experienced operator with four decades of experience in the broadcast industry. The acquisition of KASW is a continuation of Mr. Wall’s strategy to grow an independently-owned, locally-oriented broadcast business. To date, Mr. Wall and SagamoreHill have concentrated on acquiring and operating stations in small media markets. The Transactions will result in SagamoreHill’s first acquisition in a major, highly-competitive television market.

KASW is affiliated with the CW Network and, based on the most current data available, is the 11th ranked television station in the Phoenix market. As the FCC has noted, CW affiliated stations face a number of significant challenges in a turbulent economy.¹ A recent analysis submitted to the FCC concluded that CW programming generally lacks the major sports, top rated line-ups, and national news services of the competing “Big 4” television broadcast networks. In addition, CW affiliates are likely to pay higher rates for syndicated programming – which makes up the vast majority of such stations’ program schedules – than higher ranked stations with better bargaining power. In addition to detailing a challenging economic picture, the analysis noted that no CW affiliated station in a Top 50 DMA had been sold to an out-of-market purchaser on a stand-alone basis over the prior six-year period. Every CW affiliated station sold during that period was either acquired “as part of a group, by an in-market buyer, or by an entity with a Shared Services Agreement, or a Joint Services Agreement in place with another station in the market.”²

¹ *J. Steward Bryan III and Media General Communications Holdings, LLC*, 28 FCC Rcd 15509, 15524 (Med. Bur. 2013).

² *See, id.*; Letter from Louis McDermott, Vice President of Kalil & Co., dated June 20, 2013, Attachment C, Exhibit 3, of the Comprehensive Exhibit in FCC File Nos. BTCCDT-20130703ABQ *et seq.*

Maximizing the efficiency of station operations is critical to KASW's ability to fulfill its public interest mandate. For this reason, SagamoreHill proposes to enter into a series of agreements pursuant to which Meredith will provide support to SagamoreHill's operation of KASW. In addition to replacing efficiencies that existed for the one and one-half decades during which KASW and KTVK shared a common owner, the Transactions will achieve additional tangible and verifiable public interest benefits in three key areas, subject to the voluntary commitments set forth in the Request for Conditional Grant: an upgrade of physical facilities; new, high-quality programming geared to the local population, much of which will be locally produced; and deeper and broader involvement in and support of the local community.

Facilities Improvements.

As they have for the past two decades, KASW and KTVK currently operate from shared studio facilities. Upon closing, SagamoreHill and Meredith will enter into a Lease Agreement pursuant to which Meredith will provide space and facilities to be used by KASW for its main studio. In addition, Meredith will provide SagamoreHill with access to additional production facilities that KASW could not expect to acquire or sustain on its own. As noted in the KTVK Application, upon consummation of the Transactions, Meredith will invest approximately \$4 million to upgrade shared studio facilities. These improved facilities will be used to produce and broadcast new locally-oriented programming on KASW as described below.³

Improvements to KASW Programming.

The Transactions will result in enhanced programming options for KASW's viewers. As a direct result of the operational assistance it receives from Meredith, SagamoreHill will be able to provide KASW viewers new and local programming tailored to their needs and interests. To this end, SagamoreHill makes the following commitments:

- KASW will broadcast a new weekly half-hour public affairs program focused on the needs and interests of its unique Phoenix audience.
- SagamoreHill will broadcast on KASW an additional one hour of original, Phoenix-focused programming each week.
- KASW will broadcast an additional 0.5 hours of "core" children's E/I television programming on its primary channel each week.
- SagamoreHill will explore, with assistance from Meredith, opportunities to secure rights to broadcast local professional, collegiate, and high school sporting events on KASW.

³ As noted in the KTVK Application, Meredith is committing to making specific improvements to KTVK as part of the Transactions.

Community Involvement.

In addition to programming improvements, the Transactions will enable SagamoreHill to provide substantial non-programming service in its efforts to address the specific needs and interests of the local community and KASW's unique viewers. Meredith has been part of the Phoenix community for more than 60 years – Meredith purchased KPHO in 1952, and the station was the sole English language television station in Phoenix until 1979. SagamoreHill will leverage Meredith's experience and relationships in the community to provide locally-focused service to Phoenix residents from KASW. To this end, SagamoreHill will make the following commitments:

- Enhance KASW's ability to provide severe weather alerts and other emergency information using upgraded facilities.
- SagamoreHill will participate in extensive community outreach.
- KASW will participate in the NABOB/NAB Education Foundation's Media Sales Institute, a "boot camp" held at Arizona State University's Cronkite School of Journalism to provide students from diverse backgrounds the opportunity to learn advertising sales in an immersive environment.

The FCC should grant the instant application and the KTVK Application without delay to enable SagamoreHill to bring these tangible public interest benefits to Phoenix residents.