

Question 7

Meridian Communications of Idaho

On August 18, 1999, Meridian Communications of Idaho, Inc. ("Meridian") and Flat Iron Ranches, Inc. ("Flat Iron") submitted a settlement agreement to the Commission seeking its approval to resolve the impasse between their mutually exclusive applications for a construction permit for a new UHF television station on Channel 20 in Idaho Falls, Idaho. These applications had been pending since 1995. Shortly after Meridian filed its original application, on May 15, 1995 The Post Company ("Post"), the licensee of station KIFI-TV, Idaho Falls, Idaho filed a petition to deny that application. Some four years later, on December 17, 1999, after the settlement agreement was filed, Post filed a supplement to its earlier petition alleging that Meridian had violated the FCC's multiple ownership rules because of familial ties with Sunbelt Communications Company ("Sunbelt"); had made misrepresentations and lacked candor; and that Meridian was otherwise not qualified to be a licensee.

On the same date, December 17, 1999, Post also filed a petition to deny or revoke the licenses held by Sunbelt through its subsidiaries for stations KPVI(TV), Pocatello, Idaho, KJWY(TV), Jackson, Wyoming, and KXTF(TV), Twin Falls, Idaho. Therein Post claimed there were substantial family, ownership and business relationships between Meridian and Sunbelt.

On January 27, 2000, Fisher Broadcasting, Inc. ("Fisher"), the licensee of KIDK(TV), Idaho Falls, Idaho, also filed comments in support of Post's petition stating it was concerned about the relationship between Sunbelt and Meridian. They also questioned the propriety of a local marketing agreement between Sunbelt's station KXTF(TV), Twin Falls, Idaho and Compass Communications of Idaho, Inc. ("Compass"), the licensee of KFXP(TV) Pocatello, Idaho.

In a letter dated July 22, 2003 from Barbara A. Kreisman, Division Chief, Video Division, Media Bureau to J. Dominic Monahan, Esquire, the Commission staff rejected all of the Post and Fisher allegations finding that neither had raised a substantial material question of fact. In its letter decision the FCC acknowledged that Post had also challenged licenses of stations KPVI(TV), KFXP(TV), and KJWY(TV). However, the Commission staff stated that the petition against those stations would be addressed in a separate proceeding.

The result of the Commission's July 22, 2003 decision was to resolve all character issue allegations against Meridian and Sunbelt in their favor. To the extent the issue remained regarding the Local Marketing Agreement between stations KXTF(TV) and KFXP(TV), its impact on the licenses of stations KPVI(TV), KXTF(TV) and KJWY(TV), that was left to a separate proceeding. Moreover, no character issues (e.g. misrepresentation or lack of candor) were associated with that matter. No residual issues exist with regard to character qualifications.

Notwithstanding the Commission staff's favorable letter ruling regarding Meridian and Sunbelt with respect to the Post and Fisher allegations, Post filed a Petition for Reconsideration of the letter decision on August 21, 2003 challenging the staff's findings on Meridian's financial qualifications and the real party in interest issue. Absent from the request for reconsideration was any reference to the earlier alleged misrepresentation issue (i.e. character issue). Sunbelt filed its opposition thereto on September 4, 2003 and a reply pleading was filed by Post on September 15, 2003. In a letter dated July 21, 2005 from Barbara A. Kreisman, Division Chief, Video Division, Media Bureau to Post, Meridian and Sunbelt, the Commission staff denied the Petition for Reconsideration stating that Post failed to provide the Commission with any new evidence to support its claims.

NPG of Idaho ("NPG"), the new licensee of KIFI-TV filed an Application for Review on August 22, 2005 challenging the staff findings. Sunbelt filed its opposition on September 6, 2005 and a reply pleading was filed by NPG on September 13, 2005.

Beartooth Communications Company

Beartooth Communications Company ("BCC") is a wholly owned subsidiary of Sunbelt. On February 13, 2004, MMM License, LLC ("MMM") filed a Petition to Revoke and Deny the Licenses, Authorizations and Applications of BCC ("MMM Petition"), concerning, with respect to BCC, the Applications for Television Translator Stations in Billings, Bozeman, Butte, Great Falls, Havre, Helena, Kalispell, Lewistown, and Missoula, MT ("BCC Translator Applications"), and the Application for On-Channel Booster Station for Channel 12, Great Falls, Montana (Fac. ID 159493), FCC File No. BNPTVB-20030915ACY ("BCC Booster Application").

In the MMM Petition, MMM alleges that BCC lacks the necessary financial resources to complete construction on the above-referenced Applications, that BC made material misrepresentations concerning their financial qualifications, and that they violated the FCC's multiple ownership rule (47 C.F.R. §73.3555). MMM also filed a First Supplement to the MMM Petition (dated March 30, 2004) in which it puts forth additional speculative arguments as to the issues it raised initially in the MMM Petition ("First Supplement"). Through Counsel, BCC filed its Opposition to the MMM Petition on February 26, 2004, and filed their Motion to Strike and Opposition to First Supplement of MMM License, LLC on April 13, 2004. In both of these responsive pleadings, BCC demonstrates that MMM has offered only speculative claims concerning BCC that are wholly unsupported by anyone with personal knowledge, and are in no way supported by the Commission's rules and application procedures.

On January 16, 2004, KRTV Communications, Inc., KXLf Communications, Inc., KPAX Communications, Inc., and KTVQ Communications, Inc. ("Cordillera") filed several Informal Objections to some of BCC's Translator Applications alleging that BCC violated Commission policy with respect to site availability. On April 1, 2004, Cordillera filed Comments with the Commission with respect to its previously filed Informal Objections and reciting the same issues raised by MMM and BCC, its parent company, Sunbelt, and its affiliates. BCC filed a response to the Informal Objection on April 30, 2004, reiterating that none of the Cordillera statements hold any merit and that all should be dismissed by the Commission. Cordillera filed its Reply Comments on May 17, 2004. Both the MMM Petition and the Cordillera Comments include allegations that were rejected by the Commission in its July 22, 2003 letter.

Bozeman Trail Communications Company

Bozeman Trail Communications Company ("BTCC") is a wholly owned subsidiary of Sunbelt. BTCC held a minority 49% interest in Sweetwater Broadcasting Company ("SBC"), the licensee of KCWY, Casper, Wyoming, with James E. Rogers holding an attributable interest in SBC as an officer and a director. On February 17, 2004, SBC filed an application to transfer control of KCWY to Bozeman Trail (FCC Form 315), File No. BTCCT-20040217ACN. On March 29, 2004 Max Media of Montana, LLC, the parent of MMM License, LLC, filed a Petition to Deny the transfer of control application, arguing that Bozeman Trail has de facto control over KCWY. Sweetwater filed its Opposition to Max Media's Petition on April 12, 2004. Max Media filed its reply to the Opposition on April 22, 2004. In a letter dated July 29, 2005 from Donna C. Gregg, Chief, Media Bureau, to SBC, BTCC and Uhlmann/Latshaw Broadcasting, LLC, the Bureau found Max Media lacked standing to file the Petition to Deny and dismissed the allegation of de facto control. Although the Bureau issued a Notice of Apparent Liability ("NAL") against Sweetwater in this proceeding, the foundation for the NAL is not based upon issues of character.

This explanatory exhibit is provided out of abundance of caution and in the interest of full disclosure.