

ASSIGNEE'S EXHIBIT 14

Tribune Denver Radio, Inc. ("Tribune Denver"), assignee of television stations WTTV(TV), Bloomington-Indianapolis, Indiana, and WTTK(TV), Kokomo, Indiana, hereby certifies that the proposed transaction complies with the Commission's multiple ownership rules. As demonstrated below, the proposed transaction does not violate the Commission's so-called "duopoly" rule. Furthermore, WTTK(TV) continues to qualify for operation as a satellite station of WTTV(TV).

Duopoly Showing: Because Tribune Denver is wholly owned by Tribune Broadcasting Company, which is also the owner of Tribune Television Company, licensee of WXIN(TV), Indianapolis, Indiana, Tribune Denver must demonstrate compliance with the Commission's duopoly rule. Under that rule, an entity may own two television stations licensed in the same designated market area ("DMA") if (i) at least one of the stations is not ranked among the top four stations in the market, as measured by the most recent Nielsen all-day audience share, and (ii) at least eight independently owned and operated full power television stations would remain in the DMA after the acquisition. See 47 C.F.R. § 73.3555(a)(2) (2001)

As demonstrated in the attached Nielsen information for the most recent sweeps period, WTTV(TV) is the fifth-ranked station in the Indianapolis market. See Attachment 1. In fact, over the previous four sweeps periods, WTTV(TV) has been the fifth ranked station in the Indianapolis market, according to all-day audience shares. Thus, at least one of the stations in

the proposed transaction is not among the top four stations in the market, and the first prong of the duopoly showing is satisfied.

Second, as the attached chart illustrates, there are presently 13 independently owned stations in the Indianapolis DMA. See Attachment 2. Following Tribune Denver's acquisition of WTTV(TV) and its satellite station, WTTK(TV), there will still be 12 independently owned and operated stations in the market. Thus, the second prong of the duopoly showing is satisfied, and the proposed transaction complies with the Commission's duopoly rule.

Satellite Showing.¹ Under the Commission's policy regarding satellite television stations, an applicant for assignment of a satellite station must justify the station's continuing operation as a satellite. See In the Matter of Television Satellite Stations Review of Policy and Rules, 6 FCC Rcd. 4212 (1991) ("Satellite Policy"). The applicant is entitled to a presumption that operation of the television station as a satellite is in the public interest by showing that (i) there is no city grade overlap between the parent and the satellite; (ii) the proposed satellite would provide service to an undeserved area; and (iii) no alternative operator is ready and able to purchase and operate the satellite as a full-service station. See Satellite Policy, 6 FCC Rcd. at 4213-14. Applicants that qualify for the presumption and are unopposed will be viewed favorably by the Commission. See id. at 4214. However, if the proposed satellite television station does not qualify for the presumption, the Commission will evaluate the proposal on an ad

¹ The exception to the local television ownership rule for satellite stations remains as an exception to that rule as amended to permit duopolies. See 47 C.F.R. § 73.3555, note 5.

hoc basis and grant the proposed application if there are other public interest benefits or compelling circumstances that warrant approval. See id.

WTTK(TV) presumptively qualifies for continued operation as a satellite television station because it meets the Commission's three criteria outlined above. First, as the attached engineering statement demonstrates, there is no city grade contour overlap between WTTV(TV) and WTTK(TV). See Attachment 3 at 3. Second, continued operation of WTTK(TV) as a satellite station would serve an otherwise underserved area. In its Satellite Policy, the Commission stated that an applicant can demonstrate that an area is underserved if there are two or fewer full-service stations already licensed to it. See Satellite Policy, 6 FCC Rcd. at 4215. As stated in the attached engineering statement, WTTK(TV) is the only full powered television station licensed to Kokomo, Indiana. See Attachment 3 at 2.

Finally, no alternative operator is willing or able to operate WTTK(TV) as a stand-alone station. While it is difficult to prove a negative, there are facts from which it can be concluded that no other operator would be willing to operate WTTK(TV) as a stand-alone station. WTTK(TV) was first put on the air in 1988, has been operated continuously thereafter as a satellite of WTTV(TV), and, on three separate occasions, has been approved by the Commission for transfer as a satellite of WTTV(TV). See Attachment 5 at 2, n. 1. Additionally, as indicated in the attached statement of Sinclair Broadcast Group, Inc.'s ("Sinclair") investment banker, during its efforts to sell these stations, Sinclair received no expression of interest in WTTK(TV) as a stand-alone station. See Attachment 4. Moreover, as indicated in the

assessment of BIA Financial Network ("BIA"), WTTK(TV) is simply not viable as a stand-alone station, and, therefore, would not be marketable on its own. See Attachment 5 at 2.

As BIA notes, WTTK(TV) faces numerous obstacles toward successful operation as a stand-alone station. See Attachment 5 at 1. First, WTTK(TV) would have difficulty securing a network affiliation, and instead would be required to obtain its programming independently. See id. at 3-4. Currently, all major network affiliations are represented in this market. Obtaining programming independently, without the benefits of an association with a network, would be extremely costly for WTTK(TV) and less likely to generate substantial advertising revenue than other stations in the market. See id. at 4. Second, WTTK(TV) would enter the Indianapolis market as the seventh viable commercial television station. See id. at 7. As the attached report demonstrates, a seventh commercial station in a market such as Indianapolis with no network affiliation is unlikely to survive. See id. at 8.

WTTK(TV)'s signal coverage also has a negative impact on its ability to function as a stand-alone station in its market. WTTK(TV)'s location in Kokomo, Indiana makes it unable to reach the entire Indianapolis market. In fact, it reaches approximately 36% of the households in the market. See id. at 5. This makes WTTK(TV)'s ability to obtain cable carriage as a stand alone station uncertain, and thus has a further negative impact on its revenues. However, in combination with WTTV(TV), the two stations provide excellent coverage throughout the Indianapolis market.

Furthermore, the vast majority of television stations licensed to Indianapolis are able to cover the entire market, from Bloomington in the south to Kokomo in the north. See Attachment 6. WTTV(TV), licensed to Bloomington, does not reach as far north as most of its competitors in the market. See id. Only when allied with WTTK(TV) as a satellite is WTTV(TV) able to cover the entire market and compete effectively with the other stations in the market. Thus, the continued operation of WTTK(TV) as a satellite is vital for the competitive viability of WTTV(TV) as well.

Conclusion: Tribune Denver's acquisition of WTTV(TV) and WTTK(TV) satisfies all the multiple ownership requirements under the Commission's rules and policies. The acquisition does not violate the Commission's duopoly rule, and WTTK(TV) qualifies for continued operation as a satellite television station.

ATTACHMENT 1

INDIANAPOLIS

				HOUSEHOLDS		RANK
				RTG	SHR	
<u>Mon-Sun 9:00A - 12:00M</u>						
Feb '02	WTHR	NBC	13	8.7	18.6	1
Feb '02	WISH	CBS	8	6.4	13.7	2
Feb '02	WXIN	FOX	59	3.8	8.0	3
Feb '02	WRTV	ABC	6	3.2	6.9	4
Feb '02	WTTV+	WB	4	2.0	4.3	5
Feb '02	WNDY	UPN	23	1.9	4.0	6
Feb '02	WIPX	PAX	63	0.4	0.8	7
Feb '02	WHMB	IND	40	0.4	0.8	8
Nov '01	WISH	CBS	8	7.0	15.7	1
Nov '01	WTHR	NBC	13	6.3	14.1	2
Nov '01	WRTV	ABC	6	3.7	8.4	3
Nov '01	WXIN	FOX	59	3.7	8.3	4
Nov '01	WTTV+	WB	4	2.2	4.9	5
Nov '01	WNDY	UPN	23	1.5	3.5	6
Nov '01	WIPX	PAX	63	0.4	0.9	7
Nov '01	WHMB	IND	40	0.4	0.9	8
May '01	WISH	CBS	8	6.3	15.7	1
May '01	WTHR	NBC	13	6.0	14.9	2
May '01	WRTV	ABC	6	3.7	9.3	3
May '01	WXIN	FOX	59	2.6	6.5	4
May '01	WTTV+	WB	4	2.0	5.0	5
May '01	WNDY	UPN	23	1.5	3.6	6
May '01	WIPX	PAX	51	0.4	1.0	7
May '01	WHMB	IND	40	0.2	0.5	8
Feb '01	WISH	CBS	8	6.8	15.3	1
Feb '01	WTHR	NBC	13	6.3	14.4	2
Feb '01	WRTV	ABC	6	3.7	8.5	3
Feb '01	WXIN	FOX	59	3.1	7.0	4
Feb '01	WTTV+	WB	4	2.7	6.2	5
Feb '01	WNDY	UPN	23	1.8	4.2	6
Feb '01	WIPX	PAX	51	0.5	1.0	7
Feb '01	WHMB	IND	40	0.3	0.7	8

ATTACHMENT 2

Market: Indianapolis, Indiana
Full-Power Television Stations, On-Air, as of May 1, 2002

Channel #	Call Sign Network Affiliation	Name/Address of Current Licensee	Comments
23	WNDY-TV (UPN)	WVIT Inc. c/o Ray White 5202 River Road Bethesda, MD 20816	Parent company is a Group Owner, Viacom International, Inc.
8	WISH-TV (CBS)	Voting Shareholder of LIN TV Corp. 4 Richmond Square Providence, RI 46207	Parent company is a Group Owner, LIN-TV
13	WTHR (NBC) (JSA w/WIPX)	VideoIndiana, Inc. 1000 N. Meridian Street Indianapolis, IN 46204	Parent company is a Group Owner, Dispatch Broadcasting
6	WRTV (ABC)	McGraw Hill Broadcasting Co. Inc. 1330 N. Meridian Street Indianapolis, IN 46202	Licensee is a Group Owner
4	WTTV (WBN)	SCI-Indiana Licensee LLC 10706 Beaver Dam Road Cockeysville, MD 71030	Parent company is a Group Owner, Sinclair
29	WTTK (WBN)	SCI-Indiana Licensee, Inc. 10706 Beaver Dam Road Cockeysville, MD 21030	Parent company is a Group Owner, Sinclair (Operating as a satellite of WTTV)
59	WXIN (Fox)	Tribune Television Company 1440 N. Meridian Street Indianapolis, IN 46202	Parent company is a Group Owner, Tribune Broadcasting Co.

Market: Indianapolis, Indiana
Full-Power Television Stations, On-Air, as of May 1, 2002

Channel #	Call Sign Network Affiliation	Name/Address of Current Licensee	Comments
63	WIPX (PAX) (JSA w/WTNR)	Paxson Indianapolis License, Inc. 601 Clearwater Park Road West Palm Beach, FL 33401	Parent company is a Group Owner, Paxson
40	WHMB-TV (Independent)	Le Sea Broadcasting Corp. Box 12 South Bend, IN 46250	Licensee is a Group Owner
42	WCLJ (TBN)	Trinity Broadcasting of Indiana, Inc. 2528 US 31 South Greenwood, IN 46143	Parent company is a Group Owner, Trinity
20*	WFYI (educ - PBS)	Metropolitan Indianapolis, et al. 1401 N. Meridian Street Indianapolis, IN 46202	
49*	WIPB (educ - PBS)	Ball State University Edmund F. Ball Boulevard. 2000 University Avenue Muncie, IN 47305	
69*	WTBU-TV (educ - PBS)	Butler University 4600 Sunset Avenue Indianapolis, IN 46208	
30*	WTIU (educ - PBS)	The Trustees of Indiana University IMU, M-19 Indianapolis University Bloomington, IN 47405	

Total number of stations: 14

Total number of voices at present: 13

Total number of voices after this transaction is approved: 12

ATTACHMENT 3

TECHNICAL STATEMENT
CONCERNING THE COMMON OWNERSHIP
OF TV STATIONS
WTTV(TV), BLOOMINGTON, IN
WTTK(TV), KOKOMO, IN

This Technical Statement provides information concerning the location of the predicted Grade B and City Grade contours for two (2) Indiana television (TV) stations. The analog (NTSC) TV stations are WTTV on channel 4 at Bloomington and WTTK on channel 29 at Kokomo.

According to the Federal Communications Commission (FCC) database, station WTTV operates on channel 4 with a non-directional (ND) antenna system (BLCT-19951003KE, Facility ID 56523). The visual effective radiated power (ERP) is 58.9 kilowatts (kW). The antenna height above average terrain (HAAT) is 357 meters. The transmitter site coordinates are 39-24-27, 86-08-52 (NAD-27).

Station WTTK operates as a satellite of station WTTV. Station WTTK operates on channel 29 with a directional antenna (DA) system (BLCT-19880523KI, Facility ID 56526). The maximum visual ERP is 3090 kW and the

antenna HAAT is 236 meters. The transmitter site coordinates are 40-20-20, 85-57-15 (NAD-27). Station WTTK is the only full service TV station licensed to Kokomo, Indiana.

Figure 1 is a map showing the predicted City Grade and Grade B contours for stations WTTV and WTTK. The extent of the contours has been based on the FCC's normal prediction method using a digitized terrain database. Calculations have been made at 10 degree azimuth increments.

If there are questions concerning this Technical Statement, please communicate with the office of the undersigned.

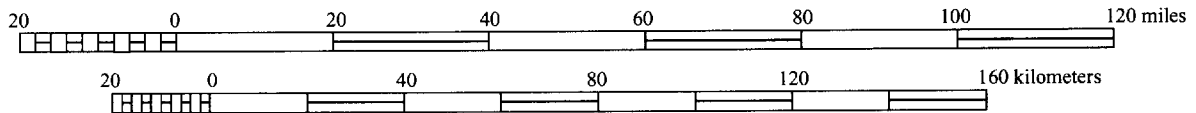
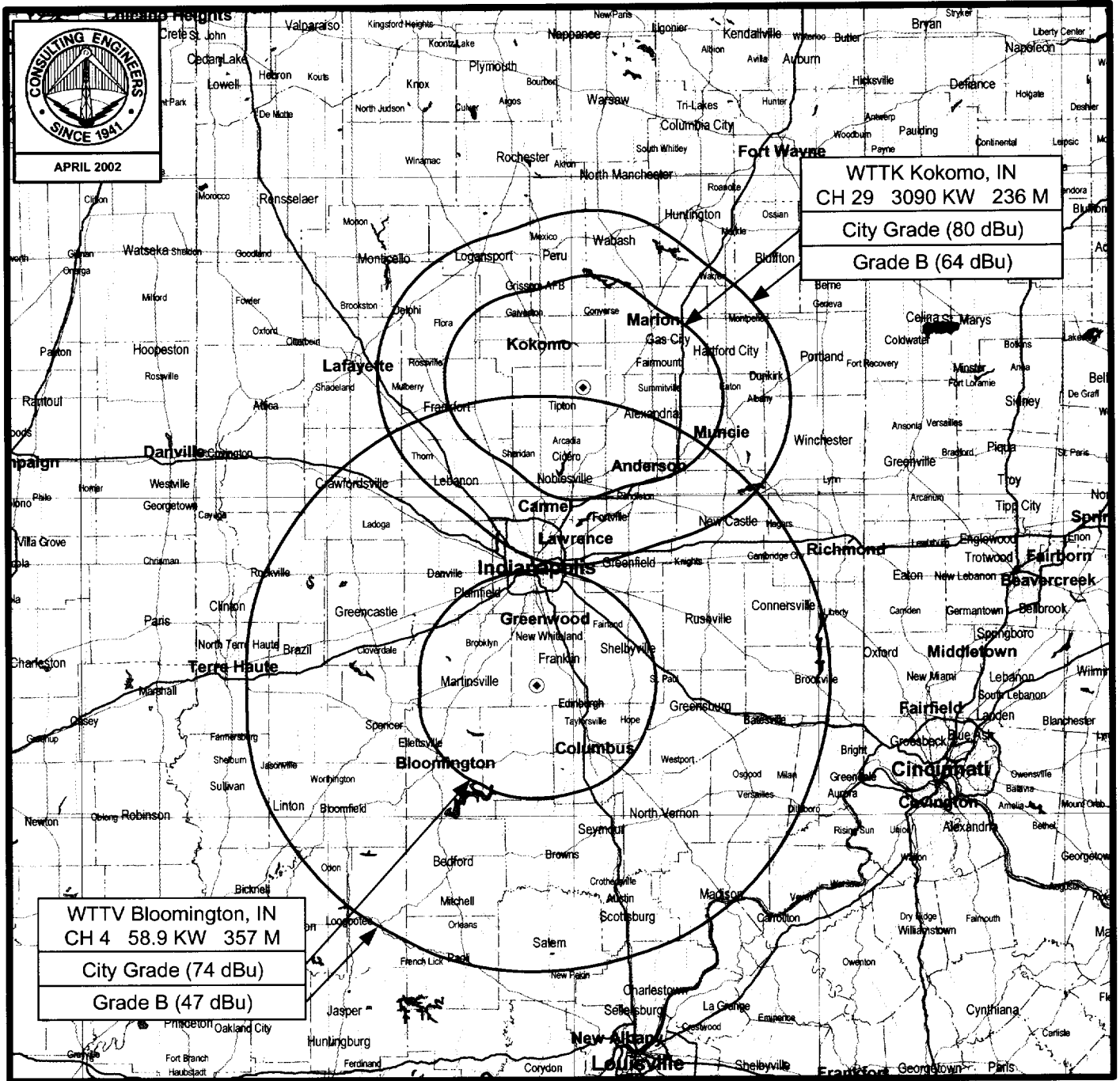


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April 22, 2002

Figure 1



PREDICTED COVERAGE CONTOURS

du Treil, Lundin & Rackley, Inc. Sarasota, Florida

ATTACHMENT 4

DECLARATION OF ADAM BLACKMAN

I, Adam Blackman, hereby declare as follows:

1. I am employed by Bear, Stearns & Co. Inc. ("Bear Stearns") as an investment banker. In my capacity as an investment banker, I represented Sinclair Broadcasting Group, Inc. in its efforts to sell television stations WTTV(TV), Bloomington-Indianapolis, Indiana, and WTTK(TV), Kokomo, Indiana (the "Indianapolis Stations")

2. Beginning November 7, 2001, members of Bear Stearns and/or I contacted approximately 45 parties to gauge their potential interest in the Indianapolis Stations and in other stations owned by Sinclair. Ten (10) parties expressed interest in receiving summary operating and financial information for the Indianapolis Stations, and beginning November 30, 2001, we distributed such information.. .

3. No party whom we contacted expressed an interest in acquiring WTTK(TV) alone, without WTTV(TV).

Date:

5/1/02



Adam Blackman

ATTACHMENT 5

**THE ECONOMIC VIABILITY OF WTTK-TV
IF OPERATED AS A
FULL-SERVICE TELEVISION STATION**

PREPARED FOR

Tribune Broadcasting Company

May 1, 2002



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THE ECONOMIC VIABILITY OF WTTK-TV AS A FULL-SERVICE TELEVISION STATION

Executive Summary

In an era of intense competition, over-the-air television stations face a pronounced challenge to generate enough advertising revenues to meet investor demands. Within this context, the question of whether satellite station WTTK-TV can be operated as a full-service television station is straightforward. Can WTTK-TV generate enough revenues within its portion of the Indianapolis, IN television market to cover the programming, engineering, and other associated operating costs? This study results in one unmistakable conclusion: No.

Considering the constraints WTTK-TV faces within its local service area and within the larger Indianapolis television market, and given the existence of other full-service stations in the market, WTTK-TV would have to operate as an independent station unaffiliated with any of the seven major networks. WTTK-TV also faces the burden of a disadvantaged signal coverage area. Given the level of revenues available in this television market and the costs involved in operating a full-service television station, BIAfn concludes that WTTK-TV could not be profitably operated, and that no one would be willing to make the investment required to transform WTTK-TV into a full-service station.

THE ECONOMIC VIABILITY OF WTTK-TV
AS A FULL-SERVICE TELEVISION STATION

Introduction

In an era of intense competition, over-the-air television stations face a pronounced challenge to generate enough advertising revenues to survive and prosper. Some television stations, typically independent stations and stations in small markets, have great difficulties in raising enough revenues to sustain themselves.

Within this larger industry context, the question of whether WTTK-TV can be operated as a full-service television station is straightforward. Can WTTK-TV generate enough revenues within its portion of the Indianapolis, IN television market to cover the programming, engineering, and other associated operating costs? Moreover, would the additional investment required to transform WTTK-TV into a full-service station be a sound financial decision?

The purpose of this report is to answer those questions under the constraints WTTK-TV faces within its local service area and within the larger Indianapolis television market. Given the existence of other full-service stations in the market, WTTK-TV would have to operate as an independent station unaffiliated with any of the seven major networks. WTTK-TV also faces the burden of a small coverage area. Considering these obstacles and the level of revenues available in the Indianapolis television market and the costs involved in operating a full-service television station, BIAfn concludes that WTTK-TV could not be profitably operated.

This report will first review WTTK-TV's affiliation and programming options. Within WTTK-TV's coverage area, and given the existing television stations in the Indianapolis television

market, WTTK-TV could only be an independent station. Next we will describe WTTK-TV's signal coverage area and its potential market.

As an independent station serving a limited portion of the Indianapolis television market, WTTK-TV will have a restricted revenue base. At the same time, however, WTTK-TV will face substantial costs to operate, especially in securing programming. Using industry norms, we have developed an analysis that proves that WTTK-TV could not be profitably operated as a full-service television station. Finally, transforming WTTK-TV into a full-service television station would require additional equipment and build-out. We will discuss those additional expenses and prove irrefutably that WTTK-TV could not be successfully operated as a full-service television station.

BIAfn concludes that no rational buyer would be willing to make the investments required to transform WTTK-TV into a full-service station. Therefore, BIAfn believes that maintaining WTTK-TV as a satellite station to WTTV-TV is the most beneficial option for the community served by WTTK-TV¹.

¹ WTTK-TV began broadcasting in 1988. WTTK-TV and WTTV-TV were sold as a combination in June 1988, April 1991, and April 1996.

Affiliation and Programming Options for WTTK-TV

If WTTK-TV became a full-service television station, it is very unlikely that the station could secure a network affiliation. As indicated in Table 1 below, there are nine other full-service commercial television stations in the Indianapolis, IN television market.² Of these nine stations, seven carry programming from a major network and two broadcast religious programming (WHMB-TV³ and WCLJ-TV).

Table 1
Full-service Commercial Broadcast Stations in the Indianapolis, IN Television Market

Calls	Channel	Affiliation
WTTV	4	WB
WRTV	6	ABC
WISH-TV	8	CBS
WTHR	13	NBC
WNDY-TV	23	UPN
WTTK	29	WB
WHMB-TV	40	REL
WCLJ-TV	42	TBN
WXIN	59	FOX
WIPX	63	PAX

The only major networks currently not represented in Indianapolis are Spanish broadcasters Univision and Telemundo. This absence is in large part due to the low percentage of Indianapolis' population that is of Hispanic descent (estimated at only 2.5% of the television market's population). Only one television market with a Hispanic population percentage as low as Indianapolis' level

² There are also three construction permits for low-power television stations, two of which are licensed to the city of Indianapolis.

³ WHMB-TV is the ninth revenue competitor in the Indianapolis, IN television market.

(Cleveland-Akron, OH) currently hosts a Univision or Telemundo affiliate. WQHS-TV, licensed to Cuyahoga, OH, broadcasts Univision's Spanish programming in the Cleveland-Akron market, in which the Hispanic population constitutes 2.4% of the entire population. WQHS-TV does not receive measurable Nielsen shares in the Cleveland-Akron market and BIAfn estimates that the station does not earn significant revenues. It should also be noted that gross television market revenues in Cleveland-Akron totaled \$246.4 million in 2001, 32% higher than Indianapolis' \$186.1 million. The next lowest television market after Cleveland-Akron (in terms of Hispanic population percentage) that hosts a Univision or Telemundo affiliate is Boston, MA. Boston has a Hispanic population that constitutes 5.9% of the entire population and the market had \$558.5 million of television revenues in 2001 (more than three times Indianapolis' revenues). As a result of these factors, BIAfn concludes that WTTK-TV would not be successful as a Univision or Telemundo affiliate in Indianapolis.

Consequently, WTTK-TV would be forced to program its station as a pure independent for the foreseeable future. Pure independent stations typically are relegated to inferior programming (like evergreen series) that do not attract very large audiences, and subsequently, do not generate substantial advertising revenues.

WTTK-TV's Signal Coverage Area

In order to evaluate the revenue-earning potential of WTTK-TV as a full-service independent station, we evaluated its signal coverage area given its location in Kokomo, IN. WTTK-TV is not able to reach the entire Indianapolis, IN television market. Figure 1 shows the Grade A (inner circle) and Grade B (outer circle) coverage areas for WTTK-TV. Table 2 lists the seven counties that are

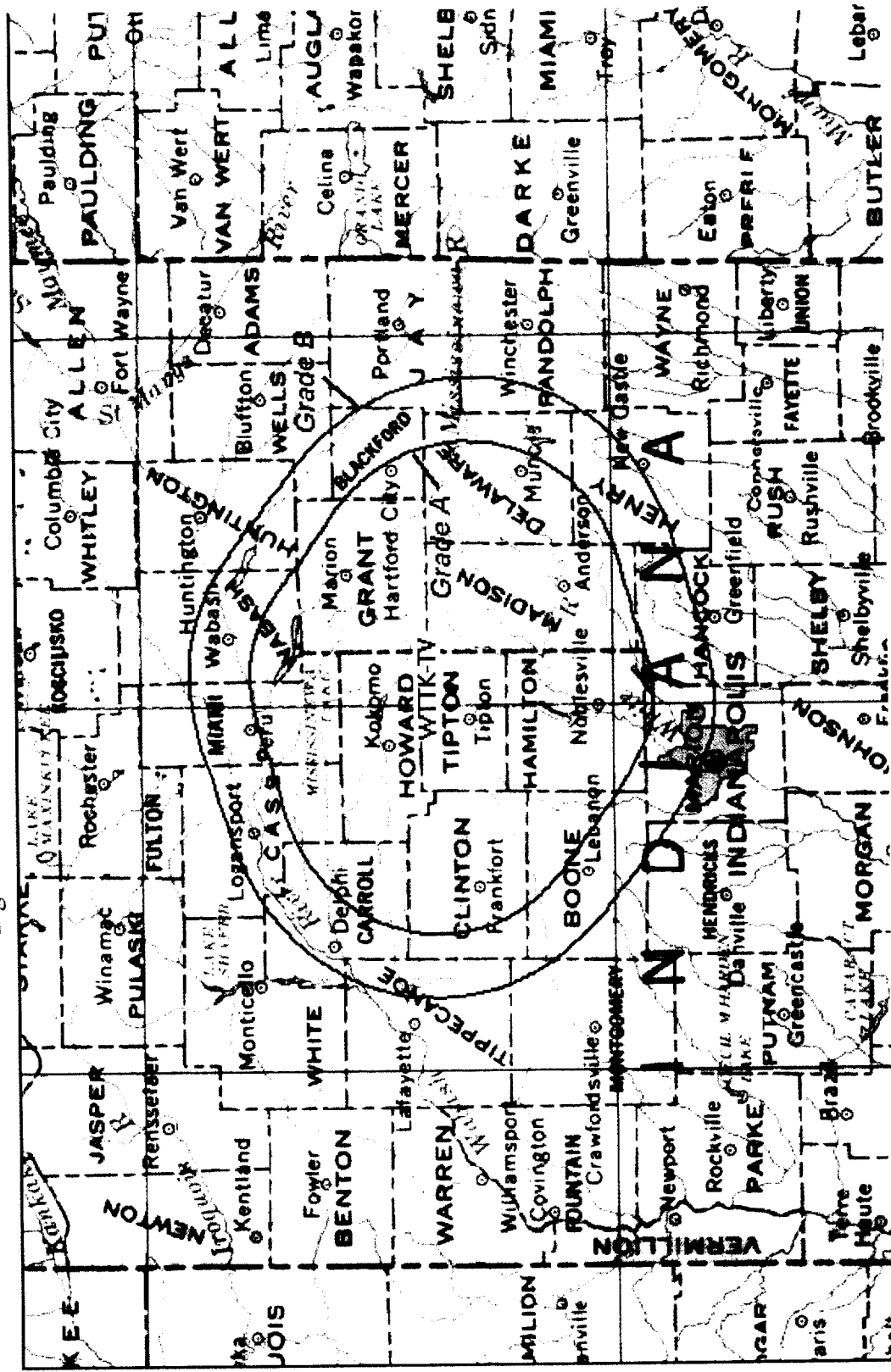
fully or nearly encompassed by the station's Grade A signal contour, and the seven counties that are added by consideration of the station's Grade B contour. These 14 counties account for only 36% of the total households in the Indianapolis television market. This limited coverage area adversely affects its ability to acquire "must-carry" cable carriage in the southern portion of the market, greatly reducing the station's ability to generate advertising revenues.⁴

Table 2
Counties Reached by WTTK-TV's Signal

Grade A			Grade B		
County	2000 Population	TV Households	County	2000 Population	TV Households
Tipton	16,600	6,300	Hancock	56,100	20,400
Madison	133,600	52,800	Henry	48,500	19,200
Grant	73,300	27,500	Blackford	14,000	5,400
Howard	85,300	34,700	Miami	36,000	13,600
Hamilton	188,300	69,900	Cass	41,100	16,100
Clinton	34,100	13,000	Carroll	20,300	7,800
Delaware	118,700	46,300	Boone	46,700	17,500

⁴ While WTTK-TV may be able to secure cable carriage in the seven counties included in the station's Grade B signal contour, BIAfn believes that the cable systems located in Marion County will be loathe to include the signal and will resist adding WTTK-TV as a full-service station. WTTK-TV's Grade B contour covers less than half of Marion County.

Figure 1 – WTT-TV's Grade A and Grade B Contours



Projection of WTTK-TV's Revenues

Indianapolis, IN is the 25th ranked television market in terms of both 2001 revenues and population. Table 3 presents historical and projected revenues for the Indianapolis market and for WTTK-TV as a full-service independent television station. According to BIA Financial Network's *Investing in Television 2002 (IIT)*, Indianapolis gross television market revenues totaled \$202.7 million in 2000 and \$186.1 million in 2001. BIAfn projects that for the full-year 2002, the market will generate \$193.5 million. This figure assumes a modest economic recovery and results in a 4% increase over the 2001 level. From 2003 to 2010, BIAfn projects Indianapolis gross television market revenues to increase by a compound annual growth rate (CAGR) of 4.5%, reaching a high of \$271.2 million in the terminal year.

In order to determine WTTK-TV's potential for earning Nielsen audience shares, we first compared WTTK-TV's signal to the other viable⁵ stations in the market. Indianapolis currently hosts six viable television stations. The "big four" network affiliates (ABC, CBS, NBC, and Fox) all have excellent signal coverage over the entire market and combined to earn 82% of the local commercial share (LCS⁶) in Indianapolis in 2001. WTTV-TV, which currently employs WTTK-TV as a satellite station, earned a 10% LCS in 2001 on the strength of its WB programming and the increased signal coverage allowed by simulcasting on WTTK-TV⁷. Indianapolis' UPN affiliate, WNDY-TV, employs

⁵ Viable television stations are defined as commercial stations that have earned measurable total-day audience shares in three out of the last four Nielsen ratings sweeps.

⁶ Station's combined share divided by sum of shares of local commercial stations, averaged over four ratings sweeps.

⁷ The WTTV-TV and WTTK-TV Grade A signals have almost no overlap and combine to provide signal coverage comparable to Indianapolis's city-based signals. This allows the Bloomington, IN based WTTV-TV to compete with the market's centrally based signals.

a similar signal when compared to WTTK-TV, but WNDY-TV's signal has significantly better coverage over the city of Indianapolis. WNDY-TV earned an 8% LCS in 2001. WIPX, the local PAX affiliate, was considered a viable audience share competitor in 2000 (when it earned a "1" share in three of the four sweeps), but the station hasn't garnered a total day share since the November 2000 book. WIPX's footprint is very similar to the WTTV-TV Channel 4 signal contour, covering the southern portion of the market in addition to the city of Indianapolis.

After analyzing the competing signals in the Indianapolis market and considering that WTTK-TV would be operated as an independent station, we have determined that it is not reasonable to expect WTTK-TV to become the seventh viable station in the Indianapolis market in terms of audience shares. This position is supported by a review of the 14 Nielsen markets that hosted seven viable stations in 2001. In these markets, nine of the seventh ranked stations (in terms of audience shares) were PAX affiliates, two were WB affiliates, one was a TLF (Telefutura) affiliate, and only two were independent stations. Based on WIPX's failure to earn measurable shares in 2001 despite its superior signal (when compared to WTTK-TV) and programming advantages offered by its PAX affiliation, we do not believe that WTTK-TV could reasonably be expected to become a viable audience share competitor in the Indianapolis market.

While WTTK-TV is not projected to earn measurable audience shares over the projection period, we do believe that the station's signal is capable of earning a share of the market's revenues. While only six stations in the Indianapolis market are considered viable in terms of 2001 audience shares, eight stations in the market have earned significant revenues. The "big four" affiliates combined to earn almost 81% of Indianapolis' \$186.1 million in gross market revenues in 2001. The

other two revenue competitors (WTTV-TV and WNDY-TV) combined to earn about 17%, leaving about 2.5% of the market's revenues to WIPX and WHMB-TV. With the assumption that WTTK-TV would enter the Indianapolis market as an independent station competing for revenue share, Indianapolis would have nine revenue competitors.

To investigate the revenue share that WTTK-TV would be likely to achieve as the ninth revenue competitor in Indianapolis, we analyzed markets with a similar number of commercial stations that earn significant revenues. We found that on average, the ninth station in a market with nine revenue-earning stations earned a 0.6% revenue share in 2001. In those markets, three of the ninth-ranked stations were PAX affiliates and only two were independent stations (of 9 in the sample). An analysis of eighth-ranked stations in markets with eight revenue-earning stations was also conducted. A total of 21 markets host eight revenue-earning stations. In eight of these markets, an independent station is the eighth-ranked station in the market in terms of revenue. These stations average a revenue share of 0.6% (the average for all eighth-ranked stations is 1.0%).⁸

After consideration of the above analyses, we have determined that the last revenue-earning station in a market with eight or nine revenue competitors is most likely to earn a 0.6% revenue share. For the purposes of this analysis, and to err on the generous side, we have projected that WTTK-TV could earn a maximum of 0.65% of Indianapolis' revenues after the station has been given an appropriate length of time to reach maturity (2005).⁹

⁸ Seven of the 21 stations are PAX affiliates, earning an average revenue share of 1.3% in their respective markets.

⁹ BIAfn assumes that WTTK-TV would begin operation as a full-service station on January 1, 2003.

Table 3 presents BIA/fn's revenue projections for WTTK-TV if the station was operated as a full-service independent station. We forecast that WTTK-TV could earn 0.4% of Indianapolis gross television revenues in 2003. As the station matures, we project that it is capable of garnering a 0.55% revenue share in 2004 and a 0.65% revenue share in 2005 and for the remainder of the projection period.¹⁰ Applying these revenue shares to Indianapolis gross market revenues results in projected station revenues of \$798,000 in 2003, \$1.15 million in 2004, and \$1.4 million when the station reaches maturity in 2005. By the end of the projection period (in 2010), WTTK-TV is forecast to generate \$1.76 million in gross revenues.

¹⁰ We believe that this revenue share is very generous as WTTK-TV's signal does not cover the entire Indianapolis, IN television market.

Table 3
 Historical and Projected Indianapolis, IN
 Television Market and WTTK-TV Revenues

Year	Gross Market Revenues ¹ (000s)	WTTK-TV		WTTK-TV	
		Local Commercial Share ²	Revenue- Audience Ratio	Revenue Share	Gross Revenues ³ (000s)
2000	\$202,700	n/a	n/a	n/a	n/a
2001	186,100	n/a	n/a	n/a	n/a
2002	193,500	n/a	n/a	n/a	n/a
Projections					
2003	199,400	n/a	n/a	0.40%	\$798
2004	209,300	n/a	n/a	0.55%	1,151
2005	215,600	n/a	n/a	0.65%	1,401
2006	227,500	n/a	n/a	0.65%	1,479
2007	240,013	n/a	n/a	0.65%	1,560
2008	248,413	n/a	n/a	0.65%	1,615
2009	262,076	n/a	n/a	0.65%	1,703
2010	271,248	n/a	n/a	0.65%	1,763
Compound Annual Growth Rate					
2000-2002	-2.3%				n/a
2003-2007	4.7%				18.3%
2007-2010	4.2%				4.2%
2003-2010	4.5%				12.0%

¹ Gross revenue estimates based on BIAfn's Investing in Television 2002, 1st Edition.

² Station's combined share divided by sum of shares of local commercial stations, averaged over four ratings sweeps.

³ Excludes trade and barter.

Projection of Operating Expenses

In order to project operating expenses for WTTK-TV, BIAfn relied on industry norms for operating cost levels as detailed in the *2001 NAB /BCFM Television Financial Report*, and our knowledge of similar local television stations. Table 4 presents the average financials of all Independent stations (in all markets) surveyed with less than \$5 million in net revenues.

To project the fixed portion of operating expenses for WTTK-TV, we referred to the Engineering, Program, Production, Advertising & Promotion, and General & Administrative expenses listed in Table 4. Since WTTK-TV will never reach the level of average gross revenues depicted in Table 4, we adjusted down the level of these expenses we estimate it will face as a full-service television station. Specifically, since WTTK-TV's gross revenues in its second year (2004) are projected to be 60% of the average gross revenues in that table, we estimate that its fixed operating expenses will only be 60% of the average level reported in that table.

The Sales expense incurred by an individual television station is by definition a variable expense. For WTTK-TV, we assumed a 20% charge against gross revenues for the projection period. This is a generous assumption, as it is less than the average sales expense (22.2%) for the stations referenced in Table 4.

Table 4

Financial Norms of Independents

Average of all Stations with Less than \$5 Million in Net Revenues

Revenues	
Nat'l and Regional	857,794
Local	1,038,091
Political	<u>29,620</u>
Gross Revenues	1,925,505
Agency Commissions	253,790
Nat'l & Reg. Rep. Comm.	<u>44,316</u>
Total A/R Commissions	298,106
Network Comp	60,458
Trade/Barter	75,246
Other	<u>130,487</u>
Net Revenues	1,893,590
Operating Expenses	
Engineering	319,892
Program ¹	556,652
Production	48,399
News	141,996
Sales	427,348
Advertising & Promotion	310,626
G&A	<u>702,314</u>
Total Expenses	2,507,227
Cash Flow	(732,472)
<i>As a % of Gross Revenues</i>	
Sales Expenses	22.2%
A/R Commissions	15.5%

Source: *NAB/BCFM 2001 Television Financial Report*, National Association of Broadcasters, Table 89.

¹ Amortization for broadcast rights was deducted and cash payments for broadcast rights were added to derive the average total Program expense.

BIA*fn* made two assumptions to better reflect the estimated operating costs that WTTK-TV would face as an independent full-service station. First, we adjusted downward the programming costs to account for the actual cash payments that WTTK-TV would be required to make in its first year, not the higher level of program amortization costs that it would deduct from net income. Second, we assume that WTTK-TV will not have any news operation during the projection period. Having no news operation will significantly lower its costs and make it more likely that it could achieve, at least, a break-even position.

The final area of costs are the national and regional agency commissions and sales representative fees that stations must pay. This level is generally uniform in the industry, dependent only upon the relative level of national and regional advertising versus local advertising a particular station generates. Using the norms for independent stations shown in Table 4, we assume that 15.5% of WTTK-TV's gross revenues will be deducted as agency/rep commissions.

Table 5 restates WTTK-TV's projected gross revenues, then deducts agency/rep fees and operating expenses, resulting in broadcast cash flows and broadcast cash flow (BCF) margins for WTTK-TV as a full-service television station. Even the use of aggressive revenue projections and conservative expense estimates results in operating losses in each year of the projection term. As seen in Table 5, operating losses range from \$244,000 to \$416,000 between 2003 and 2010. Over the course of the projection term, WTTK-TV is projected to lose a total of \$2.29 million in cash.

Table 5
Projected Operating Profits (Losses)
for WTTK-TV as Full-Service Television Station
(000s)

Year	WTTK-TV Gross Revenues ¹	Agency/ Rep. Fees	Operating Expenses ²	Broadcast Cash Flow	BCF Margin ³
<u>Projections</u>					
2003	\$798	\$124	\$973	(\$299)	-37.5%
2004	1,151	178	1,389	(416)	-36.1%
2005	1,401	217	1,474	(289)	-20.7%
2006	1,479	229	1,525	(275)	-18.6%
2007	1,560	242	1,578	(260)	-16.6%
2008	1,615	250	1,627	(262)	-16.3%
2009	1,703	264	1,684	(244)	-14.3%
2010	1,763	273	1,736	(246)	-14.0%
<u>Compound Annual Growth Rate</u>					
2003-2007	18.3%	18.3%	12.8%		
2007-2010	4.2%	4.2%	3.2%		
2003-2010	12.0%	12.0%	8.6%		

¹ From Table 3.

² Trade, barter, depreciation and amortization, interest, taxes, and corporate allocation excluded.

³ As a percentage of gross revenues.

Investment Considerations

The operating losses presented in Table 2 are exclusive of the capital expenditures that would be required to transform WTTK-TV into a full-service station. To estimate this cost, BIAfn's Senior Appraiser, Sidney E. Shumate, conducted a telephone interview with Tribune Broadcasting Company's Director of Project Engineering, Dan Highland, who is familiar with the technical facilities currently present at WTTK-TV. Table 6 presents Mr. Shumate's estimates of the quantity, type, and cost of equipment that would be required to transform WTTK-TV into a full-service independent station.

Table 6 details the costs that would be required to furnish a studio and office space in a typical available-for-lease "flex-space" office in Indianapolis. Mr. Shumate estimates that 4,000 square feet of floor space would be required for WTTK-TV's studio and office facility. Table 6 assumes that the station's studio and office would be located separately from WTTK-TV's rural transmitter site, and would receive programming primarily via satellite and videotape from program syndicators and programming services.

The equipment detailed is of a quality and quantity that would be required to support a new, independently operated NTSC television station in a competitive mid-to-large market scenario. This equipment list provides for a master control room with modern program and commercial receiving, recording, and playback facilities, automated control systems, and sufficient facilities to field-record and edit competitive local commercials. The office equipment and furniture listed are typical of independent television stations with offices for management, bookkeeping, sales, traffic, production, operations, promotion, and engineering staff.

Table 6
 Cost of Transforming WTTK-TV into a Full-Service Television Station

Quantity	Equipment	Total Cost
Master Control Room:		
1	Digital video commercial and program storage system	\$200,000
1	Master control switcher with automation interfaces	40,000
1	Video Monitors (in lots)	20,000
2	Loudspeakers	1,000
2	Sync Generator (with switchover assembly)	11,000
1	Routing Switcher	60,000
4	Panasonic DVCPRO Videocassette Recorder	80,000
1	Sony BetacamSP Videocassette Player	8,000
1	(Used) 1-inch type C videotape recorder	500
2	Waveform monitor	6,000
2	Vectorscope	7,000
4	Satellite Receiver with Videocypher or MPEG 2 decoder	12,000
1	Audio and Video distribution amplifiers (in lots)	12,000
1	Equipment Racks and Studio Consoles (in lots)	6,000
1	Audio and Video Cable (in lots)	20,000
1	Automation Interface software and traffic automation system	50,000
1	Computer workstation	2,500
1	Audio Power Amplifier	625
1	Misc. UPS units (in lots)	4,000
Commercial Production Edit Room:		
1	Avid Desktop Video Editing System	\$65,000
1	Panasonic DVCPRO Videocassette Recorder	20,000
1	Video Monitors (in lots)	11,000
1	Audio Mixer	600
1	Microphone	789
1	Microphone Boom Arm	135
1	Editing Console Desk	2,000
1	Wireless intercom system	9,000
2	Loudspeakers	800
1	CD player	200
1	Minidisk recorder	360
1	UPS unit	1,000
1	Video Production Switcher	10,000
1	Installation and wiring of Production Studio equipment	50,000

Table 6

Cost of Transforming WTTK-TV into a Full-Service Television Station

Quantity	Equipment	Total Cost
Electronic Field Production Equipment:		
2	3-CCD Broadcast Quality DVC PRO format camcorder	\$60,000
2	Studio lens control kit for camera and studio viewfinder	3,500
2	Field production kit with tripod, lighting kit, batteries and charger	9,500
3	Wireless microphone system	3,000
Engineering Shop:		
1	Oscilloscopes, multimeters and other misc. test equipment (in lots)	\$14,000
1	Misc. hand and power tools (in lots)	2,000
Satellite Antennas:		
1	4.2 meter C-band antenna with motorized mount	\$12,000
1	4.2 meter Ku-band antenna with motorized mount	12,000
1	3.8 meter C-band antenna with fixed mount	6,000
1	3.8 meter Ku-band antenna with fixed mount	6,000
1	Cables, conduit, foundations and installation	10,000
	Construction cost to convert 4,000 square feet of flex-space into a TV studio and office	180,000
Ancillary Items:		
1	Misc. Studio furniture (in lots)	\$3,000
1	Misc. Office Furniture (in lots)	25,000
1	Misc. Office Equipment (in lots)	22,000
1	Office signage (in lots)	2,000
1	STL Tower and foundation	17,500
1	Relocation and realignment of Microwave STL system	10,000
1	Remote Control System Studio unit	3,000
1	Telephone System with 20 multifunction handsets	30,000
1	Misc. monitoring antennas and mast mounts (in lots)	500
Total:		\$1,312,509

In addition to the \$1.3 million investment necessary to transform WTTK-TV into a full-service television station, WTTK-TV will be required by the Federal Communication Commission to convert to digital broadcasting in the next few years. Mr. Shumate estimates that, as a full-service station, WTTK-TV would incur costs of approximately \$1.6 million for this conversion.

Combining the \$1.3 million that would be required to transform WTTK-TV into a full-service television station with the \$1.6 million necessary for conversion to digital television results in minimum capital expenditures of more than \$2.9 million over the projection period. These costs are in excess of the nearly \$2.3 million (Table 5) that WTTK-TV is projected to lose from normal operations as an independent full-service station. Therefore, the owner of WTTK-TV stands to lose \$5.2 million in cash if the station is operated in such a manner.

In addition to the obstacles described earlier in this report and the considerable capital expenditures detailed above, BIAfn believes that a typical television owner would have extreme difficulty securing investment capital for such a risky venture, especially in the current economic climate.¹¹ This difficulty in securing the necessary investment funds supports BIAfn's assertion that operating WTTK-TV as an independent full-service station is not an economically viable prospect.

¹¹ Banc of America Securities reports that same-station television growth in broadcast cash flow was -26.1% in 2001, Bank of America Securities' March 12, 2002 Industry Overview for Radio and Television Broadcasting. Sample includes stations owned by ACME Communications, Emmis Communications, Hearst-Argyle Television, and Sinclair Broadcast Group, excluding ethnic stations.

Conclusion

As operating losses are incurred in every year of the entire projection term, WTTK-TV most certainly has a negative value if operated as a full-service television station. It is pointless to calculate the exact discounted cash flow value, as positive value cannot be achieved. Furthermore, the discount rate for such a risky venture would be very high, especially given the current economic environment. Therefore, it is our opinion that WTTK-TV is not economically viable if operated as a full-service television station licensed to Kokomo, IN.

The conclusion that WTTK-TV cannot be supported as a full-service television station is not surprising. The Indianapolis, IN television market is a competitive marketplace with all of the major networks already represented by local affiliates. Consequently, WTTK-TV would be forced to enter the market as an independent station. While Indianapolis is expected to have solid, though not spectacular revenue growth, the revenues that an independent station could generate in that situation are very low and not enough to cover even the lowest projection of operating expenses. Moreover, the additional capital costs that would be required to first transform WTTK-TV into a full-service television station and later into a digital television station would be overwhelming. BIAfn concludes that operating WTTK-TV as a full-service station is not an economically viable prospect.

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Included in the report are assumptions, which are inherently subject to uncertainty and may be greatly influenced by events that are unforeseeable or otherwise differ or vary from reasonable expectations.

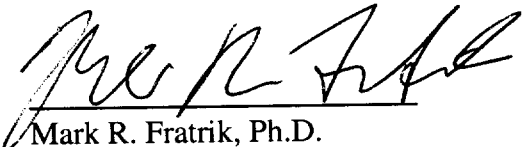
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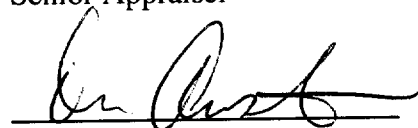

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Qualifications

**QUALIFICATIONS
OF
MARK R. FRATRIK, Ph.D.**

Mark R. Fratrik, Ph.D. is vice president with BIA Financial Network (BIAfn), the premier financial consulting firm specializing in the appraisal and fair market valuation of broadcasting, cable, and telecommunications properties and preparation of bank presentations for communications clients.

As Vice President, Dr. Fratrik is involved in conducting industry studies on the broadcasting and related industries, as well as consulting clients in these industries about their strategic directions. He has also been involved in the estimation of values for assets owned by broadcast stations.

Prior to coming to BIAfn, Dr. Fratrik worked at the National Association of Broadcasters (NAB) for nearly 16 years as vice president/economist. While there, he conducted primary research about the broadcasting and related industries and was responsible for the annual financial and biennial salary and fringe benefits study conducted by the association. He is the author several publications concerning the radio and television industries both from financial and strategic perspectives. He has also spoken at numerous conferences on the status of the broadcasting industries, and their future business prospects.

Before joining NAB in 1985, Dr. Fratrik worked for the Federal Trade Commission in the Bureau of Economics where he spent five years conducting analyses of industry practices to evaluate overall economic impact. Also, Dr. Fratrik has worked closely with broadcasters in determining what opportunities lay in the spectrum as well as exploring regulatory matters concerning the spectrum.

Dr. Fratrik received his Ph.D. and MA in Economics from Texas A& M University, and BA in Economics (Honors) and Mathematics from State University of New York. He is the author of several articles in academic and business trade journals.

**QUALIFICATIONS
OF
SIDNEY E. SHUMATE**

Sidney E. Shumate is a Senior Appraiser for BIA Financial Network, Inc. (BIAfn), a financial consulting firm specializing in the appraisal of broadcasting and related media properties and preparation of bank presentations for communications clients. Prior to joining BIAfn, Mr. Shumate was employed by High Mountain Broadcasting, Inc. to relocate and upgrade WVSX-TV, Lewisburg West Virginia.

Mr. Shumate received his B.S. degree in Electrical Engineering from West Virginia University Institute of Technology. He received EIT certification in 1975. He holds a General Class Radiotelephone Operators License, and a Virginia Contractor's License endorsed for building, electrical, and specialty construction. He is a member and former Chapter Chairman of the **Institute of Electrical and Electronics Engineers (IEEE)**, and is a member of the **IEEE Broadcast Technology Society**.

Mr. Shumate started as a engineer and part-time DJ at WSLW, White Sulphur Springs, West Virginia in 1973, and later served as Chief Engineer of WMON, while attending college. Since receiving his degree he has served at different times as Senior Engineer, Assistant Chief, and, from 1979 to 1995, as Director of Engineering at WVIR-TV in Charlottesville, Virginia. In between, he was employed as a Senior Engineer at WPGH-TV, Pittsburgh, PA, and as Director of Engineering for WAFF-TV in Huntsville, Alabama. While at WAFF, he was also responsible for WHOS and WDRM-FM in Decatur, Alabama.

As Director of Engineering for WVIR-TV he designed and built new studios, made WVIR-TV the first stereo TV station in Virginia, and designed and led the upgrading of the main transmitter. He also designed and built a microwave intercity and translator relay system, ENG vans, remote production facilities, a news bureau in Staunton, Virginia, and installed a new television translator and nulling antenna system at Massanutten Peak, Virginia.

Mr. Shumate has also served as a consultant to several industrial video production studios as the owner of Blue Ridge Video Services, and was also the founder, promoter, builder and original owner of WGVV-TV (now WVSX-TV).

**QUALIFICATIONS
OF
DAN AUSTIN**

Dan Austin is a Financial Analyst with BIA Financial Network, Inc. (BIAfn), a financial consulting firm specializing in the preparation of appraisals and economic studies for the communications industry. The firm prepares appraisals, business plans, feasibility studies, and related analyses and provides financial advisory services.

As a Financial Analyst with BIA Financial Network, Inc., Mr. Austin is responsible for the preparation of valuation studies for television and radio properties. He has performed intangible asset valuations and tax appraisals for numerous broadcast properties. Mr. Austin has also performed feasibility studies for start-up radio and television stations, valuations of companies in the communications tower and outdoor advertising industries, and valuations of Employee Stock Ownership Plans.

Mr. Austin earned a B.S. in Finance from the McIntire School of Commerce at the University of Virginia in Charlottesville, Virginia. He also earned a major in Economics from the University's College of Arts and Sciences.

ATTACHMENT 6

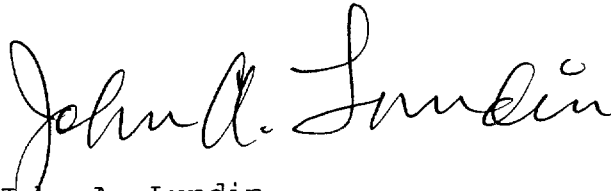
TECHNICAL STATEMENT
CONCERNING THE COMMON OWNERSHIP
OF TV STATIONS
WTTV(TV), BLOOMINGTON, IN
WTTK(TV), KOKOMO, IN

This Technical Statement provides information concerning the location of the predicted Grade B contours for authorized full service analog (NTSC) commercial television (TV) stations serving the Indianapolis, Indiana designated market area (DMA).

Using the Federal Communications Commission (FCC) database, a list was made of the authorized commercial full service analog TV stations with transmitter sites located within the Indianapolis DMA. Figure 1 attached is the list of TV stations. The list includes the visual effective radiated power (ERP) and antenna height above average terrain (HAAT).

Figure 2 is a map showing the predicted Grade B contours for stations listed in Figure 1. The extent of the contours has been based on the FCC's normal prediction method using a digitized terrain database. Calculations have been made at 10 degree azimuth increments.

If there are questions concerning this Technical Statement, please communicate with the office of the undersigned.

A handwritten signature in black ink that reads "John A. Lundin". The signature is written in a cursive style with a large, stylized 'J' and 'L'.

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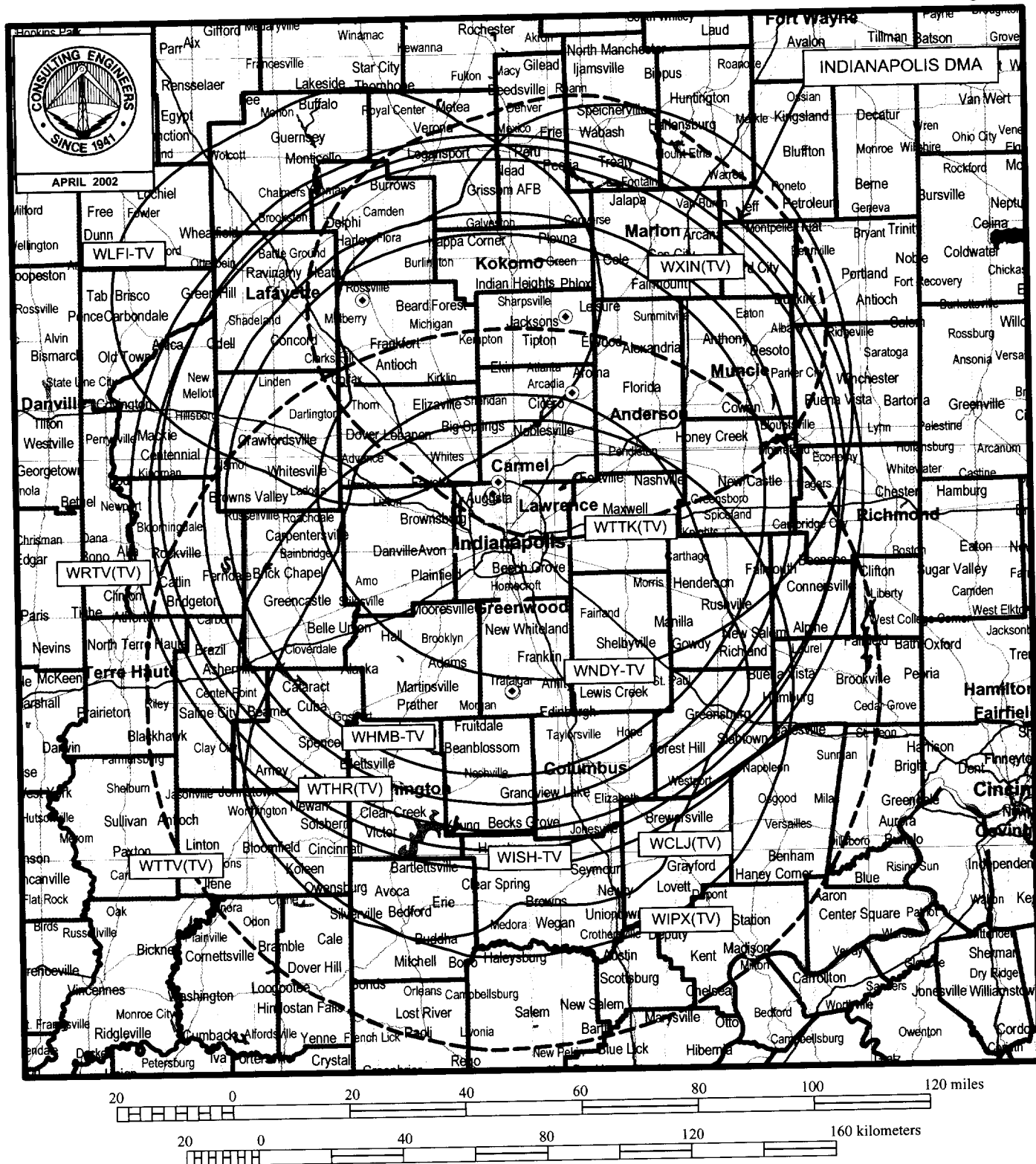
April 30, 2002

Figure 1

COMMERCIAL GRADE B CONTOURS WITHIN INDIANAPOLIS DMA

Channel	Call Letters	City	State	ERP	HAAT
4	WTTV	BLOOMINGTON	IN	58.9 kW	357 m
6	WRTV	INDIANAPOLIS	IN	100 kW	279 m
8	WISH-TV	INDIANAPOLIS	IN	316 kW	305 m
13	WTHR	INDIANAPOLIS	IN	316 kW	299 m
18	WLFI-TV	LAFAYETTE	IN	1480 kW	238 m
23	WNDY-TV	MARION	IN	5000 kW	294 m
29	WTTK	KOKOMO	IN	3090 kW	236 m
40	WHMB-TV	INDIANAPOLIS	IN	2090 kW	301.8 m
42	WCLJ	BLOOMINGTON	IN	5000 kW	317 m
59	WXIN	INDIANAPOLIS	IN	4470 kW	304 m
63	WIPX	BLOOMINGTON	IN	1820 kW	328 m

Figure 2



COMMERCIAL GRADE B CONTOURS

INDIANAPOLIS, INDIANA DMA

du Treil, Lundin & Rackley, Inc., Sarasota, Florida