

Before the  
**Federal Communications Commission**  
Washington, D.C. 20554

In the Matter of )  
 )  
**ENTRAVISION HOLDINGS, LLC** ) File No. BPH-20190723AAN  
 ) Facility ID No. 2750  
For Construction Permit )  
KDVA(FM), Buckeye, AZ )

To: Office of the Secretary  
Attention: Media Bureau

**REPLY TO RESPONSE**

Prescott Valley Broadcasting Co. Inc. (“PVBC”), by its counsel, hereby submits this Reply to the Response filed by Entravision Holdings, LLC (“Entravision”) on March 4, 2022. Just cause exists for the Commission to consider this Reply because: (1) Entravision’s Response includes new information and arguments that Entravision had not raised previously; (2) the Response is littered with preposterous statements and incorrect assertions of law and fact that must be brought to the Commission’s attention; and (3) neither the Commission’s rules, nor the Memorandum Opinion and Order released by the Media Bureau on January 25, 2022 (FCC 22-4) (“January 2022 Order”), prohibit this filing or the Bureau’s consideration of it.

Pursuant to the January 2022 Order, on February 24, 2022, PVBC filed a Report Regarding Preliminary Assessment of Legitimate and Prudent Expenses (“February 24 Report”). On March 4, 2022, PVBC filed a routine update thereto (“March 4 Update”). In those filings, PVBC complied with the January 2022 Order by providing the Commission with a list of the legitimate and prudent costs and expenses that PVBC expected to incur associated with the forced channel change of KPPV(FM), Prescott Valley, Arizona (Facility No. 53414) (“KPPV”), consistent with *Circleville*,<sup>1</sup> as

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<sup>1</sup> *Amendment of Section 73.202, Table of Assignments (Leitchfield, KY, et al.)*, 8 FCC 2d 159 (1967).

well as relevant supporting documentation.

The January 2022 Order entitled Entravision to file a response to the February 24 Report (and, should it desire, to the March 4 Update). However, the January 2022 Order did not entitle Entravision to substitute its value judgment for that of PVBC, in terms of how PVBC has marketed KPPV for the past 35-plus years. PVBC has the right to operate its station the way it sees fit; Entravision has the same right with respect to its stations. It is statutory law, as confirmed by the Supreme Court, that not even the Commission has the right to tell a station how its business is to be run.<sup>2</sup> The only standard that matters here is whether PVBC's expected costs associated with the forced channel change are objectively "legitimate and prudent." Entravision's subjective judgment as to how it has dealt with a forced channel change for one of its stations in the past (or how it might deal with one in the future) is of no moment whatsoever.

The Response is riddled with statements that are at best odd, and at worst outright falsehoods. PVBC merely is seeking to be reimbursed by Entravision for PVBC's objectively reasonable legitimate and prudent costs associated with the forced channel change of KPPV, including but not limited to advertising across various media and replacement of important marketing items that will be rendered obsolete by the forced channel change.

In over three decades' worth of experience (and therefore, by definition, the reasonable judgment of PVBC) about how to market its stations, PVBC has determined that effective marketing has included the placement of station logos, such as "KPPV 106.7" or "Mix 106.7," on a multitude of items, such as letterhead, envelopes, PCR forms, rate cards, bumper stickers, box truck wrap, interior signage, t-shirts and caps, lip balm, pens, keychains, pint glasses, car shades, and numerous

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<sup>2</sup> See 47 U.S.C. § 326; see also *Changes in the Entertainment Formats of Broadcast Stations*, Memorandum Opinion and Order, 60 FCC 2d 858, 865-66 (1976), *recon. denied*, Memorandum Opinion and Order, 66 FCC 2d 78 (1977), *rev'd sub nom.*, *WNCN Listeners Guild v. FCC*, 610 F.2d 838, 197 U.S. App. D.C. 319 (D.C. Cir. 1979), *rev'd*, 450 U.S. 582, 101 S. Ct. 1266, 67 L. Ed. 2d 521 (1981).

other articles of clothing. PVBC has routinely given away such marketing items to listeners throughout the Prescott Quad Cities and Cottonwood/Verde Valley communities, and each such item would be rendered obsolete by the forced channel change. The February 24 Report and the March 4 Update provided past invoices demonstrating that PVBC routinely has ordered these items, and PVBC provided representative photographs as further proof that these items exist in KPPV's service area.

It is Entravision's decision to upset the apple cart by seeking to force KPPV off of the 106.7 frequency that its listeners in the area have enjoyed for over 35 years. In so doing, Entravision is forcing PVBC to re-create each and every item of "KPPV 106.7" or "Mix 106.7" marketing material that exists, whether such item has already been distributed, or is intended to be distributed at some future date. Following the forced channel change, every single item bearing the "KPPV 106.7" or "Mix 106.7" logo will be rendered obsolete, like those of SunTrust Bank (now "Truist") or Bell Atlantic (now "Verizon"). Therefore, each such item must be re-created. If a person presently is wearing a polo shirt with "KPPV 106.7" or is driving a car with a "KPPV 106.7" bumper sticker, PVBC is entitled to replace those items with materials reflecting the updated "KPPV 106.9" or "Mix 106.9" logos.

To suggest otherwise not only runs counter to a rational application of *Circleville*, but also would be patently unfair. It is Entravision, as the aggressive party, who is forcing this channel change. Entravision is required under the law and common sense to reimburse PVBC's reasonable and prudent expenses associated with the channel change. The February 24 Report and the March 4 Update make very plain that the amounts of reimbursement will not go into PVBC's account, but rather will be used to pay PVBC's vendors.

As indicated above and herein, the Commission cannot countenance Entravision's efforts to

substitute its value judgment for that of PVBC, in terms of how KPPV should be marketed to the public. PVBC acknowledges that it is possible that a big Wall Street darling such as Entravision, with its market capitalization north of Five Hundred and Fifty Million Dollars (\$550,000,000.00) may not have to engage in “old school” marketing tactics because it has so many resources at its disposal, but PVBC has found that, as a “mom and pop” small business, little touches such as exchanging business cards in markets like Prescott Quad Cities and Cottonwood/Verde Valley, go a long way toward cementing business relationships. Again, it is not up to Entravision to direct PVBC how to conduct its business.

Set forth herein are PVBC’s specific replies to the Entravision’s inaccurate statements of fact and miscomprehensions of law that appear throughout the Response.

**1. “There is not a single reference to what most broadcasters would agree is the most effective method for informing listeners as to a channel change: announcements broadcast on the station itself.” (Response at 2).**

This is quite a bizarre opening argument for Entravision to make. Apart from the fact that Entravision cited no study as to what “most broadcasters would agree is the most effective method for informing listeners as to a channel change,”<sup>3</sup> the purpose of the February 24 Report was to provide a list of the legitimate and prudent costs and expenses that PVBC expects to incur. Nevertheless, it goes without saying that PVBC intends to educate KPPV’s listeners regarding the forced channel change by airing such announcements on KPPV itself (and other commonly-owned stations under the “Hometown Media Group” umbrella). However, PVBC does not presently anticipate incurring any additional out-of-pocket costs associated with airing those announcements, so such announcements were not included as a line item as part of the February 24 Report. If Entravision desires to reimburse the time of PVBC’s employees in cutting such announcements, or

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<sup>3</sup> Indeed, such study likely does not exist. And PVBC posits that if the Commission were to ask ten broadcasters what the most effective mechanism is, the Commission likely would receive ten different answers.

for PVBC's lost revenues associated with airing such announcements, PVBC would be happy to oblige by providing cost estimates to Entravision and the Commission as part of another update to its February 24 Report.

- 2. "This argument [regarding KPPV's unique standing in the Prescott Quad Cities and Cottonwood/Verde Valley markets] must be rejected as untimely as it has not been presented until this late date." (Response at 3).**

To paraphrase one of Entravision's rhetorical questions set forth in the Response, did Entravision even read any of PVBC's prior submissions in this proceeding? Every single one of them have very clearly stated that KPPV is not a run-of-the-mill station. Accordingly, Entravision's argument regarding "untimeliness" lacks any merit whatsoever.

PVBC has gone through great pains to explain to Entravision, both publicly and privately, that the amounts that other stations have agreed will satisfy the reimbursements for their legitimate and prudent expenses have no bearing whatsoever on KPPV, which is truly an extraordinary station. The February 24 Report simply provided additional examples of how KPPV serves the Prescott Quad Cities and Cottonwood/Verde Valley markets, and how much work will be necessary to educate the public regarding the forced channel change. The proper application of *Circleville* commands that PVBC be reimbursed for that work. It boggles the mind that Entravision, with its market capitalization of more than Five Hundred and Fifty Million Dollars (\$550,000,000.00), continues to fight over what are nickel-and-dime expenses to Entravision, but what are make-or-break expenses to a small business such as PVBC.

- 3. "There is no precedent for adding subjective considerations to the channel change reimbursement process." (Response at 3).**

PVBC could not agree more with this statement. But what is amazing is that adding "subjective considerations" is precisely what Entravision has done in its Response! Apparently, Entravision disagrees with the way that PVBC has marketed KPPV over the past 35+ years, by, for

example, distributing clothing, bumper stickers and other marketing materials to its listeners. As demonstrated by the February 24 Report and the March 4 Update, PVBC's marketing efforts with respect to KPPV were in place long before Entravision darkened PVBC's door with its effort to force a KPPV channel change. A proper application of *Circleville* requires that PVBC be reimbursed to replace all of the marketing items that include the "KPPV 106.7" or "Mix 106.7" logos that would be rendered obsolete by changing KPPV to 106.9 FM.

To the extent that Entravision wants to engage in "discovery as to PVBC's financial history, its revenue, its ratings, its listenership, and its economic performance" (Response at 4), PVBC welcomes such discovery. However, in exchange, PVBC must be permitted to engage in discovery as to why Entravision, with its market cap of over half a billion dollars, cannot seem to afford reimbursing PVBC's legitimate and prudent costs associated with the proposed forced channel change of KPPV. Perhaps Entravision's finances are not as sound as they are being reported to investors?

**4. "There is no evidence presented [that the digital environment demands an extensive marketing campaign for KPPV]." (Response at 4).**

PVBC is at a loss as to what this means. On the one hand, Entravision seems to be arguing that PVBC should not be utilizing the "digital environment" to conduct a public education campaign regarding the proposed forced channel change of KPPV, and perhaps instead should rely only on an "analog environment." But on the other hand, quite a bit of Entravision's Response is dedicated to arguments as to why KPPV should be ignoring the "analog environment" and utilizing ONLY the "digital environment."<sup>4</sup> Thus, Entravision is arguing out of both sides of its mouth, and the Commission should ignore this altogether because it makes no sense.

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<sup>4</sup> See, e.g., Response at 11 ("[t]he Commission should ask how many letters go out per month in today's environment where most communications are electronic and in digital form"); and Response at 12 ("Entravision questions the need for such forms in a digital world").

In any event, it is quite bizarre for Entravision to claim that PVBC should not utilize the “digital environment” to engage in a marketing campaign associated with KPPV’s proposed forced channel change. That is especially the case when there are literally dozens (perhaps hundreds?) of articles and blog posts dedicated to recognizing the synergies between radio and digital advertising.<sup>5</sup> Thus, Entravision’s odd conclusion that “there is no evidence of any crossover between digital users and radio listeners” (Response at 4) not only is wholly unsupported in its Response, but also is contrary to actual fact and common sense. The Commission must reject outright Entravision’s weird and wholly unsupported conclusion that somehow a listener of KPPV listens only to broadcast radio, and that no Internet user listens to KPPV’s over the air broadcasts.

5. **“Entravision is providing (at Exhibit A) the reasonable cost showing provided by the accommodating party in the *Appaloosa Broadcasting Company, Inc.* case that PVBC has relied upon. This showing can be used as the starting point for the award of a reasonable cost reimbursement to PVBC.” (Response at 7, note 5.)**

PVBC has relied upon the *Appaloosa* case as a prime example of how aggressive licensees, such as Entravision, have treated accommodating ones, such as PVBC. In the *Appaloosa* proceeding, the accommodating licensee waited **eight years** to obtain reimbursement, a clear and obvious example of how aggressive licensees abuse the Commission’s processes and bully accommodating licensees.

Moreover, comparing the accommodating licensee in *Appaloosa* to PVBC is like comparing apples and rocks. The station in *Appaloosa*, KCMI, is licensed to Terrytown, Nebraska and is in the Scottsbluff Metro Area, which has a total population of 38,666.<sup>6</sup> In contrast, KPPV is licensed to

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<sup>5</sup> See, e.g., <https://blog.leightonbroadcasting.com/blog/integrating-radio-advertising-digital-advertising/>; <https://michmab.com/editorial-heres-what-your-radio-station-should-be-sharing-on-social-media/?print=print>; <https://www.radiomatters.org/index.php/2020/09/01/the-power-of-integrating-radio-and-digital-advertising/>; <https://rainstormmediagroup.com/powerful-marketing-strategies-for-radio-stations>.

<sup>6</sup> See <https://statisticalatlas.com/metro-area/Nebraska/Scottsbluff/Population>.

Prescott Valley, Arizona, in the Prescott Metro Area, with a total population of 218,586.<sup>7</sup> Obviously, the Prescott Metro Area dwarfs that of Scottsbluff, making it even more obvious why PVBC would have to embark on such an extensive marketing campaign associated with the proposed forced channel change of KPPV.

6. **“Entravision has determined that the population served by KPPV is 147,000 people. On a per person basis, this represents approximately \$10.04 per person in the service area. Applying this ratio to a 1 million population service area, a benefitting party would be obligated to pay in excess of \$10 million. This alone evidences the excessive nature of PVBC’s request.” (Response at 7, Note 6.)**

As is the case throughout the Response, Entravision simply is making things up. There is no evidence whatsoever that spending a given amount per person is either reasonable or not. And there is no law, rule or standard that states that \$10.04 per person somehow is “unreasonable.” If the Audio Division were to establish such a limit in this proceeding, doubtless it would be unsustainable by any reviewing authority as arbitrary and capricious.

Entravision’s argument also is illogical and lacks common sense. For example, manufacturers and other vendors do not establish prices based on how many people will be affected. That is, for example, if new equipment had to be ordered associated with a particular channel change, which cost \$25,000, but the service area was only 2,000 people, the “per person” amount reimbursement would exceed \$10.04. It strains credulity for Entravision to claim that, in such case, the Audio Division would not allow reimbursement because the “per person” amount exceeded \$10.04. Accordingly, there simply is no merit at all to establishing a “per person” limit on the amount that is subject to reimbursement.

7. **Entravision’s Misleading and Inaccurate Reliance on Prior Decisions Applying *Circleville* (Response at 7-8).**

Prior Commission decisions applying *Circleville* are misleading and/or inapposite. At the

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<sup>7</sup> See <https://statisticalatlas.com/metro-area/Arizona/Prescott/Population>

outset, not all decisions where the Commission has served as the “reimbursement amount referee” are published; therefore it is impossible to confirm whether the greatest reimbursement amount that the Commission has granted to an aggrieved accommodating licensee is just over \$100,000.<sup>8</sup> Indeed, the Commission has made plain that it involves itself in the reimbursement negotiations “only as a last resort”<sup>9</sup> and that, in the Commission’s experience, parties generally enter into good faith negotiations and resolve the level of reimbursement without further Commission involvement.<sup>10</sup> Given that the number of published Section 73.202(b) decisions involving forced channel changes far exceeds the number of instances where the Commission was involved in the reimbursement negotiation process, it stands to reason that most of the time, the parties are able to resolve the amounts of reimbursement on their own. It is very possible that in those non-public negotiations, the amount of the reimbursement far exceeded \$100,000.

Because the Commission has not passed upon the reimbursement amounts in all prior forced channel change situations, it is impossible to prove whether \$100,000 represents the high end, low end or median of all reimbursement amounts. And because of that impossibility, it would be arbitrary and capricious for the Commission to rely solely on reimbursement awards in published decisions to find that PVBC’s anticipated costs and expenses submitted as part of the February 24 Report (and March 4 Update) are somehow not legitimate and prudent.

**8. Entravision’s Irresponsible Rejection of Reimbursement for Technical Costs (February 24 Report Attachment 1; Response at 8).**

In a remarkable act of chutzpah, and in keeping with Entravision’s efforts to make this process as difficult as possible on PVBC, Entravision actually has claimed with a straight face that

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<sup>8</sup> For example, the recent *Bob Silverman* decision (DA 22-144, rel. Feb. 11, 2022), relating to a *Circleville*-type dispute, is unpublished.

<sup>9</sup> *KBEX(FM), Dalhart, Texas*, 28 FCC Rcd 3234, 3246 (Audio Div. 2013).

<sup>10</sup> *See, e.g., Denison-Sherman, Texas, et al.*, 12 FCC Rcd 10265, 10267 (Mass Media Bur. 1997).

PVBC's proposed expenses associated with re-tuning the KPPV transmitter are somehow not "legitimate and prudent." This is truly amazing. Below is a detailed explanation of the seven items on the estimate from Arizona Broadcast Service, conclusively demonstrating why all of them are reasonable and prudent expenses that Entravision would have to reimburse:

- The first item (total of \$350) is what needs to be done to change the 106.7 to 106.9 on the main transmitter itself.
- The second item (\$1,800) is the work required to re-tune the KPPV antenna to ensure maximum forward power, no mismatch and/or no reflected power as a result of the frequency change. A tower climber must be hired.
- The third item (\$5,950) is work associated with the auxiliary KPPV transmitter site with a fixed frequency transmitter that is activated when and if a problem or disruption at KPPV's main site occurs. In a few recent instances when the entire western power grid went down, KPPV was the only station left operating on the band, so this backup site is quite important. PVBC believes that this backup site is used about 4-6 times per year due to weather or power related outages. If the existing transmitter were frequency agile, PVBC could simply re-tune it, but it is a fixed frequency piece of equipment, which would have to be entirely replaced due to the proposed forced channel change.
- The fourth item (\$2,400) is a re-tuning of the KPPV antenna in line with the backup described above to maximize signal output and ensure against reflected power due to any potential mismatch between the antenna and the new frequency. A tower climber must be hired.
- The fifth item (\$2,100) is the KPPV booster site located on Mingus Mountain, which would have to have a new antenna manufactured specifically to 106.9. In addition, the transmitter would have to be re-tuned.
- The sixth item (\$200) is the off-air receiver that would have to be re-tuned to 106.9. Depending on reception, it also may need to be relocated or replaced.
- The seventh item (\$1,500) describes field strength measurements for the new signals/re-tuned transmitters to make sure they are not being interfered with or that any on air signals provide identical coverage to their 106.7 predecessors. This line item is for the main KPPV antenna, the backup, and the booster. There is significant mileage and hours involved in covering the entire area with a spectrum analyzer.

In short, each and every one of the items listed on Attachment 1 are objectively legitimate and prudent and there is no conceivable way that Entravision can wriggle out of its reimbursement obligations with respect to them.

**9. Entravision’s Wrongful Rejection of Reimbursement for Legal Fees (February 24 Report Attachment 3; Response at 9-10).**

Entravision’s argument here is just pure gaslighting. Entravision has the gall to claim that the *Dalhart, Texas* decision stands for the proposition that the only legal expenses that are reimbursable are those relating to the questioning of the aggressive party’s financial qualifications (and where such qualifications were necessarily at issue).

This is absurd on its face. The *Dalhart, Texas* decision actually was quite clear, finding, at 28 FCC Rcd 3234, 3238 that:

With respect to legal expenses, the Commission has allowed reimbursement for legal fees ‘incurred in the negotiation process’ and for filing or responding to pleadings ‘reasonably related to the necessary change of channel.’...Although [the aggressive licensee] claims that the amount of the legal fees in this case is excessive, the amount is related to the lengthy time period in which the parties were negotiating and filing pleadings. Accordingly, we will allow [the accommodating licensee’s] claims for reimbursement in their entirety. [Internal footnotes and citations omitted.]

The language set forth in the *Bob Silverman* decision (DA 22-144, rel. Feb. 11, 2022), at 11, is strikingly similar. In *Bob Silverman*, the Bureau omitted only those legal expenses from reimbursement that were incurred prior to the release of the Report and Order in that proceeding or were associated with prohibited *ex parte* communications with Commission staff.

The February 24 Report (and its Attachment 3) set forth PVBC’s legal expenses through the end of January 2022 “incurred in the negotiation process” and for filing or responding to pleadings “reasonably related” to the proposed forced channel change of KPPV. The vast majority of the legal fees set forth at Attachment 3 were incurred after to the release of the initial Letter Decision in this proceeding<sup>11</sup>, and none were associated with prohibited *ex parte* communications with Commission staff.<sup>12</sup>

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<sup>11</sup> Letter to Entravision Holdings, LLC c/o Barry Friedman, Esq. from Albert Shuldiner, re: KDVA(FM), Buckeye, AZ, et al., dated July 21, 2020.

<sup>12</sup> The March 4 Update provided an update to PVBC’s legal costs, through the end of February 2022, reasonably related

Other than merely fighting for the sake of fighting, there is no rational reason for why PVBC's legal fees incurred between July 21, 2020 to date that are associated with filing or responding to pleadings "reasonably related" to the proposed forced channel change of KPPV should be excluded.<sup>13</sup> In addition, because Entravision continues to engage in legal fisticuffs, PVBC's reimbursable legal expenses will only increase over time. Despite Entravision's claim to the contrary, there is no "line in the sand" date at which PVBC's legitimate and prudent expenses are cut off. That is, for as long as PVBC incurs legitimate and prudent expenses associated with the forced channel change of KPPV, then Entravision must reimburse those expenses, consistent with *Circleville*.

**10. Entravision's Wrongful Rejection of Reimbursement for Replacement of Business Cards (February 24 Report Attachment 5; Response at 10).**

As indicated above, it is not Entravision's place to decide how PVBC conducts its business. For over 35 years, PVBC has marketed KPPV by utilizing business cards, letterhead and card stock, envelopes, etc. and has been quite successful in doing so.

As indicated in the February 24 Report (did Entravision not read the Report?) and the March 4 Update, KPPV staff members carry two business cards, one with just the "KPPV 106.7" or "Mix 106.7" logos, and one with logos for all of the stations marketed under the Hometown Radio Group umbrella, including "KPPV 106.7" and/or "Mix 106.7." All of these cards would have to be replaced following the implementation of the forced channel change.

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to the proposed forced channel change of KPPV.

<sup>13</sup> PVBC firmly disagrees with any conclusion that filing pleadings associated with responding to the Order to Show Cause in this proceeding (*Prescott Valley Broad. Co. Inc.*, BLH-19930204KB, Letter Order (Media Bur., rel. Oct. 10, 2019) are not "reasonably related to the necessary change of channel" and will insist that they be reimbursed. Nevertheless, in the event an administratively final decision is reached that excludes PVBC's legal costs incurred prior to July 21, 2020, PVBC notes that such costs incurred between July 21, 2020 through the end of February 2022 are \$40,905.

**11. Entravision’s Wrongful Rejection of Reimbursement for Replacement of Company Letterhead and Cardstock (February 24 Report Attachment 6), Window Envelopes (February 24 Report Attachment 7), Envelopes (February 24 Report Attachment 8), and PCR Forms (February 24 Report Attachment 9), Rate Cards (February 24 Report).**

Once again, it is not up to Entravision or the Commission to direct the manner in which PVBC conducts its business. And the issue is not, for example, notifying listeners via letter of the proposed forced channel change. Rather, upon implementation of such forced channel change, the “KPPV 106.7” and “Mix 106.7” logos would change to “KPPV 106.9” and/or “Mix 106.9,” rendering obsolete all prior letterhead and cardstock, window envelopes, non-window envelopes,<sup>14</sup> and PCR forms and rate cards. It does not matter how many letters PVBC sends out per month, how many envelopes it has used (or whether it has used all of the obsolete envelopes, PCR forms, and rate cards) because all of such items would have to be replaced solely due to the actions of Entravision in seeking a forced channel change.

**12. Entravision’s Wrongful Rejection of Reimbursement for Replacement of Company Box Truck Wrap, Interior Signage (March 4 Update Attachment 32), Repainting (February 24 Report Attachment 17), T-Shirts and Caps (February 24 Report Attachment 20), Lip Balm, Pens and Keychains (February 24 Report Attachment 23), Car Shades (February 24 Report Attachment 24), Pint Glasses (February 24 Report Attachment 26), and Clothing (February 24 Report Attachments 27-29 and March 4 Update Attachment 34 (Response at 10-12, 14-18)).**

All of these important marketing materials, such as box truck wrap, interior signage, t-shirts and caps,<sup>15</sup> lip balm, pens, keychains, car shades, and clothing will be rendered obsolete following the forced channel change. Representative examples of these important KPPV marketing items were included as part of the March 4 Update. As those representative examples demonstrate, PVBC has been actively giving away various articles of clothing with the “KPPV 106.7” or “Mix 106.7” logo

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<sup>14</sup> Even *Circleville*, released in 1967, specifically referenced stationery as one of the items that an aggressive licensee must reimburse. Yet somehow Entravision is fighting its reimbursement responsibility. Is Entravision aware of the law?

<sup>15</sup> In PVBC’s reasonable estimation and experience, over the past 35 years, PVBC believes it has purchased over 30,000 t-shirts and 20,000 caps, all of which will need to be replaced.

on it, which logo would become obsolete following the forced channel change.

All of the marketing items set forth herein, including the various articles of clothing (t-shirts, fleece jackets, satin jackets, windbreakers, and polo shirts), will have to be replaced, but with the updated logo for KPPV. Any rational application of *Circleville* commands that Entravision pay for the costs of replacement of all items containing the “KPPV 106.7” or “Mix 106.7” logos with items containing the updated logos.

**13. Entravision’s Wrongful Rejection of Production Costs Associated with New Station ID (February 24 Report Attachment 10; Response at 12).**

This rejection truly demonstrates Entravision’s lack of awareness of how a radio station operates. The script of the current station identification for KPPV is “The Mix 106.7 FM is KPPV, Prescott Valley/Prescott and Cottonwood/Verde Valley.” This station ID has been used at all times, and does not require any update. But if the station’s frequency changes, then of course the required station ID must be modified, to reference the change in frequency to 106.9. Quite clearly, the outsourced production costs associated with such a station ID change are objectively legitimate and prudent, and therefore must be reimbursed.

**14. Entravision’s Wrongful Rejection of Prescott Valley Chamber of Commerce Ad (February 24 Report Attachment 11; Response at 13).**

“Hometown Radio Group” is the umbrella group of stations licensed to various companies ultimately owned by the principals of PVBC. The “Hometown Radio Group” logo includes the “KPPV 106.7” and/or “Mix 106.7” logos. Because the “KPPV 106.7” and “Mix 106.7” logos would be rendered obsolete following the forced channel change, a new advertisement will be necessary. The estimate for such new advertisement is the same as the one from 2021. Accordingly, \$465.00 is a legitimate and prudent expense that Entravision must reimburse.

**15. Entravision's Wrongful Rejection of Prescott Valley Chamber of Commerce Ad (February 24 Report Attachment 13; Response at 13).**

Among the ways in which PVBC intends to educate the listening public regarding the proposed forced channel change of KPPV to 106.7 is to advertise using billboard signs, so that drivers on local highways and other main roads are aware of the channel change. There is no requirement that PVBC to have previously engaged in the use of advertising on billboard signs in order to obtain reimbursement for this expense. And it is quite bizarre for Entravision to claim that radio stations do not utilize billboard signs to advertise their stations. In fact, as Exhibit 15 hereto demonstrates, PVBC already utilizes billboard advertising with respect to its stations.

It is objectively reasonable for PVBC to seek to engage in this type of legitimate and prudent expense as a means of informing listeners seeking to hear KPPV, to change their receivers to 106.9. If the licensee in the *Bob Silverman* proceeding sought only to use two months on a single billboard, that is that licensee's prerogative. However, PVBC does not establish the rates set by the billboard company. It is objectively legitimate and prudent for PVBC to advertise the existence of the forced KPPV channel change for 12 months at various locations throughout the Prescott Quad Cities and Cottonwood/Verde Valley markets, as set forth on Attachment 13 to the February 24 Report.

**16. Entravision's Wrongful Rejection of Use of Bumper Stickers (February 24 Report Attachment 14; Response at 13-14).**

Entravision's laughable rejection requires its own paragraph in response. Here is Entravision's bald statement, which has been made up of whole cloth: "Bumper stickers, which are rarely used as a promotional tool other than for political candidates..." (Response at 14). This statement is patently false. For anecdotal evidence of the use of bumper stickers, PVBC suggests that Entravision's principals leave their homes and see the country. There, they will see bumper stickers on cars that not only support radio stations, but also to identify student drivers, dog lovers, climbers of Mount Washington, and a myriad of other uses. Indeed, one only has to conduct an

Internet search for “bumper stickers images” to see hundreds – if not thousands – of uses for bumper stickers other than for political candidates.

As for PVBC itself, as indicated *ad nauseum*, the issue is that all of the existing – and yet to be distributed – “KPPV 106.7” or “Mix 106.7” bumper stickers in the Prescott Quad Cities and Cottonwood/Verde Valley marketplaces will become obsolete upon implementation of the forced channel change to 106.9 FM. Thus, 10,000 bumper stickers is a legitimate and prudent expense, given that there are over 200,000 persons in the Prescott Quad Cities and Cottonwood/Verde Valley markets.

**17. Entravision’s Wrongful Rejection of Use of Scoreboard at Local Stadium (Response at 16).**

As indicated by the attached Exhibit 17, the current signage at the Yavapai Soccer stadium includes the “KPPV 106.7” logo. It will have to be replaced due solely to Entravision’s actions seeking the forced channel change.

**18. Entravision’s Wrongful Rejection of Use of Newspapers (Response at 13-14).**

Here is another statement that Entravision has entirely made up, with zero support whatsoever: “why in a time period where newspapers are in a significant decline and read by few [is newspaper advertising necessary?]” (Response at 15). The Response also questions why newspaper circulation information was not provided.

Not only is Entravision’s statement regarding the “significant decline” of newspapers false, but also it is irrelevant. Even if print subscriptions are falling, the fact remains that the medium of print advertising remains an extremely effective mechanism of reaching a consumer.<sup>16</sup> There simply is no basis on which any rational person could claim that newspapers should be ignored when launching a marketing campaign as important as informing KPPV listeners regarding a forced

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<sup>16</sup> See, e.g., <https://thedsmsgroup.com/type-advertising-effective>; and <https://www.appletoncreative.com/blog/what->

channel change. Accordingly, there is no basis on which Entravision may categorically exclude newspaper advertising from the list of expenses for which it must reimburse PVBC under *Circleville*.

**19. Entravision’s Wrongful Rejection of Use of Television Advertising (February 24 Report Attachment 19; Response at 16).**

The only reason that Entravision provides to reject the use of television advertising to educate listeners about the proposed forced channel change is that “few, if any radio stations utilize expensive television advertising for promotional purposes.” (Response at 16). This is yet another example of Entravision just making things up. PVBC suggests that if the Commission were to survey radio stations across the country, a significant percentage of them would respond that they have utilized television advertising for promotional purposes.

In reply to PVBC’s query about Attachment 19 from Sparklight Advertising, PVBC can clarify that Sparklight utilizes the terms “Prescott” and “Prescott Valley” interchangeably, and attached as Exhibit 19 hereto is a revised document from Sparklight Advertising that makes such correction. All of KPPV’s listeners or potential listeners would be reached by the proposed television advertising package that Sparklight has proposed. As indicated in the February 24 Report, the Prescott Quad Cities and Cottonwood/Verde Valley areas are not in rated markets. However, as indicated in the February 24 Report at Attachment 21, KPPV is the most popular station in the area.

**20. Entravision’s Wrongful Rejection of Need to Repair Websites (March 4 Update Attachment 35; Response at 18).**

Entravision’s rejection of this proposed expense demonstrates, once again, how out of touch it is. Like a Luddite who rejects all aspects of the modern world, Entravision seems to have no idea how the Internet works. Because the station has been marketed as “KPPV 106.7” and “Mix 106.7,” that means that a user seeking to access the KPPV website, or listen to the station on the Internet, typing “KPPV 106.7” or “Mix 106.7” into an Internet search engine may not get the proper website

following implementation of the forced channel change. The website repairs proposed by PVBC would be necessary, not just to kppv.com, but to all streaming services that carry KPPV.

The services of PC Works, included as Attachment 35 to the February 24 Report, would make sure that the user is directed to the proper website following the forced channel change. In this day and age, it is absolutely crucial that stations can ensure that their listeners are able to access the station via the Internet. PVBC is at a loss as to how Entravision possibly could think that this is not a legitimate and prudent expense that Entravision would have to reimburse.

**21. Entravision’s Wrongful Rejection of Direct Mail Advertising (February 24 Report Attachments 30 and 31).**

Here we are, with yet another bald and unsupported assertion from Entravision: “it is well accepted in today’s marketing world that junk mail, such as these advertising packets, are never examined by frustrated recipients.” So, according to Entravision, it is “well accepted” (but with no proof provided) that this type of advertising is “never” (which one supposes to mean not once, not ever) examined. This preposterous statement cannot possibly be taken seriously.

Unfortunately for Entravision, the truth gets in the way of its ridiculous assertions. In fact, nearly half (42.2 percent) of direct mail recipients either read or scan the mail that they receive<sup>17</sup> and seventy percent of customers like the personal approach that direct mail provides.<sup>18</sup> So before Entravision makes another claim that has no basis in reality, Entravision may first decide to do some research. In the meantime, however, Entravision may wish to retract its false statement.

**Conclusion**

In Entravision’s haste to reply to the February 24 Report, it has submitted a Response that is particularly sloppy (even by Entravision’s own sloppy standards, as demonstrated on multiple

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<sup>17</sup> See <https://www.smallbizgenius.net/by-the-numbers/direct-mail-statistics/#gref>.

<sup>18</sup> See <https://predictableprofits.com/is-direct-mail-marketing-still-an-effective-strategy-in-an-increasingly-digital-world>; and the articles listed at Note 16 hereto.

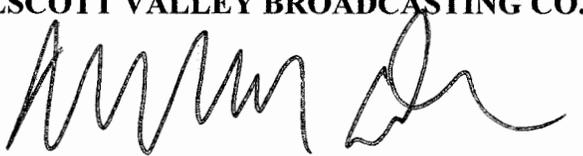
occasions in this proceeding), and lacks any support in law, fact or common sense. This is the very definition of “frivolous.” PVBC has met its burden of demonstrating that its list of expenses, set forth in the February 24 Report and the March 4 Update, are objectively legitimate and prudent. However, Entravision has failed to meet its burden of demonstrating that such items are not legitimate and prudent, in many cases showing absolute ignorance as to how radio stations are operated in today’s world. This is quite shocking from a company that engenders so much love from Wall Street.

Under any rational application of *Circleville* and the Commission’s own procedures, the Commission must accept PVBC’s list of expenses set forth in the February 24 Report and the March 4 Update and order Entravision to reimburse all of them.

Respectfully submitted,

**PRESCOTT VALLEY BROADCASTING CO. INC.**

By:



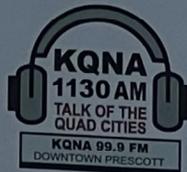
Mark B. Denbo  
Its Attorney

**SMITHWICK & BELENDIUK, P.C.**  
5028 Wisconsin Avenue, N.W., Suite 301  
Washington, DC 20016  
202-350-9656

April 1, 2022

**Exhibit 15**  
**Billboard Advertising**

THANK YOU CITY OF PRESCOTT  
FOR NAMING US "PRESCOTT'S BEST"



ARIZONA'S HOMETOWN RADIO



[AZHOMETOWNRADIO.COM](http://AZHOMETOWNRADIO.COM)

**Exhibit 17**  
**Soccer Stadium Advertising**



| YAVAPAI SOCCER |       |            |       |       |       |          |    |
|----------------|-------|------------|-------|-------|-------|----------|----|
| HOME           |       | 0:00       |       |       |       | GUEST    |    |
| 7              |       |            |       |       |       | 2        |    |
| 1ST HALF       |       | DAKTRONICS |       |       |       | 2ND HALF |    |
| CK             | SHOTS | SHOTS      | SHOTS | SHOTS | SHOTS | CK       | CK |
| 6              | 19    | 23         | 23    | 23    | 23    | 6        | 6  |




 PRESCOTT VALLEY BROADCASTING CO.  
 SINCE 1985  
 CATTLE COUNTRY  
 NEWS TALK SPORTS  
 OR RADIO ADVERTISING INFORMATION  
 CALL: (928) 775-5277

**Exhibit 19**  
**Sparklight Advertising**

# Arizona Hometown Radio Group TV Campaign

FEBRUARY 16, 2022

## Marketing Project Overview

Sparklight Advertising can meet the needs of Arizona Hometown Radio Group by making its professional video equipment, story-telling expertise and ad placement services available for the terms set in this proposal.



## Recommended Marketing Services

### TV Campaign

\$12,500 Monthly Investment

Sparklight Advertising will provide an aggressive advertising TV schedule. This schedule will provide TV commercials for Arizona Hometown Radio Group to reach Northern Arizona with :15 and :30 second video commercials.

### Sparklight TV + Streaming TV Proposed Schedule

March 2022 – February 2023

- 1,800,000 Total Streaming TV (OTT) Impressions reaching adults 25-64 targeted to reach Prescott, Prescott Valley Verde Valley
- 12,000 Total Sparklight TV commercials to air in Prescott/Cottonwood across your choice of up to 6 Networks airing Monday-Sunday in ROS between 6am- Midnight.  
Recommended Sparklight TV Networks: A&E, ESPN, Fox News, History Channel, TBS and USA Network

Added Value: Receive an additional 200 Sparklight TV Commercials each month (2,400 Total Added Value Commercials) airing in rotation in Prescott/Cottonwood across all networks each month with a 12 month agreement. 32 Possible Networks, airing 24 hour/day.

### Example TV Schedule:

March 2022- February 2023

| Network              | Daypart      | Mon | Tue | Wed | Thurs | Fri | Sat | Sun | Prescott | Cottonwood | Total # of Spots per month  |
|----------------------|--------------|-----|-----|-----|-------|-----|-----|-----|----------|------------|---|
| Streaming TV         | 24 Hours     | X   | X   | X   | X     | X   | X   | X   | ✓        | ✓          | 150,000 Impressions per month   |
| Fox News             | 6am-Midnight | X   | X   | X   | X     | X   | X   | X   | ✓        | ✓          | 166   |
| A&E                  |              | X   | X   | X   | X     | X   | X   | X   | ✓        | ✓          | 168   |
| ESPN                 |              | X   | X   | X   | X     | X   | X   | X   | ✓        | ✓          | 168   |
| History Channel      |              | X   | X   | X   | X     | X   | X   | X   | ✓        | ✓          | 168   |
| TBS                  |              | X   | X   | X   | X     | X   | X   | X   | ✓        | ✓          | 168   |
| USA                  |              | X   | X   | X   | X     | X   | X   | X   | ✓        | ✓          | 162   |
| All Networks*        | 24 hours     | X   | X   | X   | X     | X   | X   | X   | ✓        | ✓          | 200   |
| <b>Monthly Total</b> |              |     |     |     |       |     |     |     |          |            | 150,000 Streaming TV Impressions<br>1,000 Sparklight TV Commercials<br><b>\$12,500 Monthly Investment</b> |

Client Authorization

Title

Date

Total Investment  
See Terms & Conditions on page 2

# Arizona Hometown Radio Group TV Campaign



## Digital Retargeting Campaign *(optional)*

The number of consumers streaming content on connect TV devices is rapidly growing, with [86% of U.S. households](#) owning a connected TV. The growth in viewership presents the perfect opportunity to build awareness, and now you can go even further to drive direct actions from users who were served Streaming TV ads.

With Sparklight Advertising's new Retargeting capability, you can retarget consumers who were previously served Streaming TV (OTT) ads across any of their devices such as desktop, mobile, or tablet with additional creative types.

Using Sparklight Advertising's Streaming TV Retargeting, Arizona Hometown Radio Group can personalize messaging to guide consumers through the marketing funnel by generating awareness with Streaming TV ads and then retarget those same users with new call to actions on their mobile and desktop devices to encourage direct consumer behavior such as LISTEN NOW.

Retargeting Proposed Schedule      March 2022 – February 2023      \$1,520 Monthly Investment

- 1,920,000 Animated Retargeting Banner total impressions retargeting Arizona Hometown Radio Group website visitors, online behavior retargeting, and retargeting consumers served Streaming TV video ads.

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| Client Authorization | Title | Date | Total Investment |
|----------------------|-------|------|------------------|
|----------------------|-------|------|------------------|



Notwithstanding to whom bills are rendered, advertiser, agency and media buying service, jointly and severally, shall remain obligated to pay to Sparklight the amount of any bills rendered by Sparklight net 30 days unless otherwise specified. Payment by advertiser to agency or to media buying service or payment by agency to media buying service, shall not constitute payment to Sparklight. Sparklight will not be bound by conditions, printed or otherwise, on contracts, insertion orders, copy instructions or any correspondence that conflict with the above terms and conditions. Two week advance cancellation notice is required unless otherwise specified. Sparklight will have the right to reject any ads at any time in its sole judgement and the advertiser, agency and media buying service, jointly and severally, agree to hold harmless and indemnify Sparklight from any expenses, costs or legal judgements that may result from Sparklight's performance of the contract. System will make commercially reasonable efforts to make good missed spots within flight and similar network programming unless otherwise specified by advertiser. Supplemental ratings delivery is not guaranteed to air. If after good faith attempts Sparklight is unable to make good certain spots, it will discontinue efforts after the contracted flight period. Make good spots are subject to availability, are immediately pre-emptible without notice and expire at the end of flight per order and traffic instructions. Sparklight will make best efforts to fulfill digital campaigns and website development within contracted dates. Website management/hosting requires a 12 month commitment. SEO (Search Engine Optimization) SEM (Search Engine Marketing/AdWords) and SMM (Social Media Management) require a 6 month commitment. Client can cancel hosting, SEO, SEM or SMM with 30 days' notice, but will be charged for remaining months of commitment. Advertiser may transfer website and domain to another provider after 12 month commitment, subject to a transfer fee of \$400. All set up fees for digital services are non-refundable. Targeted Display Campaigns may be cancelled with 30 days' notice and without further charges for the remaining term. For Creative services, once the project fee is paid in full to Sparklight, any elements of text, graphics, photos, contents, or other artwork created by Sparklight and furnished to the client for inclusion in the marketing are owned by the client. The client warrants that it owns or has permission from the rightful owner to use any code, scripts, data, and reports provided for inclusion in its materials, and will hold harmless, protect, and defend Sparklight from any claim or suit arising from the use of such work. Sparklight retains the right to display graphics and other web content elements of a client project as examples of their work in their portfolio and as content features in other projects.

Plus 2.75% Tax

**CERTIFICATE OF SERVICE**

I, Mark B. Denbo, do hereby certify that a copy of the foregoing "Reply to Response" was mailed by First Class U.S. Mail, postage prepaid, this 1<sup>st</sup> day of April, 2022 to the following:

Barry A. Friedman, Esq.  
Thompson Hine LLP  
1919 M Street, NW, Suite 700  
Washington, DC 20036  
(Counsel to Entravision Holdings, LLC)

A handwritten signature in black ink, appearing to read "M. Denbo", written in a cursive style.

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Mark B. Denbo