Federal Communications Commission
Washington, D.C. 20554

DA 12-1830
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Standard General Fund
c/o Scott R. Flick
Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, NW
Washington, DC 20037

Re: *Applications for Transfers of Control of Licenses*
WCDC-TV, Adams, Massachusetts, Fac. ID No. 74419
KDLO-TV, Florence, South Dakota, Fac. ID No. 41975
KPLO-TV, Reliance, South Dakota, Fac. ID No. 41964
File Nos. BTCCDT-20120809ABP, ACO, and ACN

Dear Counsel:

This letter is in reference to the unopposed, above-captioned applications for the transfer of control of five television licenses from New Young Broadcasting Holding Co., Inc. ("New Young")[1] and its broadcast licensee subsidiaries to Standard General Fund L.P. ("Standard General Fund"). As part of its applications, New Young requests continued authority to operate station WCDC-TV, Adams, Massachusetts, as a satellite of WTEN(TV), Albany, New York, and continued authority to operate stations KDLO-TV, Florence, South Dakota, and KPLO-TV, Reliance, South Dakota, as satellites of KELO-TV, Sioux Falls, South Dakota, pursuant to the satellite exemption to the local television ownership rule.[2] For the reasons set forth below, we grant the request for continuing satellite authority and the applications.

In *Television Satellite Stations*,[3] the Commission established the requirement that all applicants seeking to transfer or assign satellite stations justify continued satellite status by demonstrating compliance with a three-part "presumptive" satellite exemption standard applicable to new satellite stations. The presumptive satellite exemption is met if the following three public interest criteria are satisfied: (1) there is no City Grade overlap between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station.[4] If an applicant does not qualify

[1] New Young was formed on behalf of a consortium of senior secured lenders to Young Broadcasting, Inc. ("Young"), when Young entered into Chapter 11 of the U.S. Bankruptcy Code.

[2] 47 C.F.R. § 73.3555, Note 5.

[3] *Television Satellite Stations Review of Policies and Rules,* Report and Order, 6 FCC Rcd 4212, 4215 (1991) (subsequent history omitted) ("*Television Satellite Stations*").

[4] *Id.* at 4213-14.

for the presumption, the Commission will evaluate the proposal on an *ad hoc* basis and grant the application if there are compelling circumstances that warrant approval.[5]

In 2010, the Commission granted a similar waiver to New Young as part of the approval of the sale of the same stations at issue here from Young to New Young.[6] With regard to the first criterion, we note that, following the digital transition, full-power television stations have a digital Principal Community contour that serves a much larger area than their former analog City Grade contour. Thus, as we stated previously, the Principal Community contour is not an equivalent standard to use in determining whether a proposed satellite qualifies for the presumptive satellite exemption to the duopoly rule.[7]

With regard to the second criterion, Standard General Fund has demonstrated that all three satellite stations are located in underserved areas.[8] The "transmission" test deems an area underserved where there are two or fewer full-service television stations licensed to a proposed satellite's community of license.[9] Here, according to Standard General Fund, WCDC-TV is the only television station licensed to Adams, Massachusetts, KDLO-TV is the only television station licensed to Florence, South Dakota, and KPLO-TV is the only television station licensed to Reliance, South Dakota.

Regarding the third criterion, an applicant must show that no alternative operator is ready and able to construct, or to purchase and operate, the proposed satellite as a full-service station.[10] In support of its continuing waiver request, Standard General cites to the previous waiver, where Young contacted 69 potential buyers during the bankruptcy proceeding and none of them expressed any interest in purchasing or operating any of the satellite stations as full-service stations. It asserts that Sioux Falls, South Dakota DMA, in which KDLO-TV and KPLO-TV are located, covers a vast area and is made up of over 60 counties. Each of the top four network affiliates in the market operates one or more satellites to cover the DMA. While the Albany-Schenectady-Troy, New York DMA that is home to WCDC-TV is smaller, according to the applicants, the station still only has complete coverage of only 3 of the 14 counties in the DMA. The Applicants have submitted an amendment to the satellite waiver request from the founder of a media brokerage and appraisal firm who maintains that while the veil of bankruptcy has been lifted, the underlying facts regarding the satellite stations and the markets they serve have not changed. Specifically, he asserts that all of the major networks are broadcast in the respective DMAs and would preclude WCDC-TV, KDLO-TV, and KPLO-TV from obtaining a major network affiliation. Further he does not envision a scenario in which any of the satellites could survive as a standalone station.

While the instant requests do not satisfy all of the criteria of the Commission's presumptive satellite standard, we find that the applicants have set forth information sufficient to warrant continued satellite status for WCDC-TV, KDLO-TV, and KPLO-TV pursuant to our *ad hoc* analysis. Given the stations' long

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[5] *Id.* at 4212.

[6] *New Young Broadcasting Holding Company, Inc.*, 25 FCC Rcd 7518 (MB 2010).

[7] *Id.* at 7519.

[8] *Id.*

[9] *Television Satellite Stations* at 4215.

[10] *Id.*

history as satellites, the geographically challenging nature of their coverage areas, and the fact that all of the major networks are broadcast in the respective DMAs, the large rural nature of the Sioux Falls DMA and the minimal coverage provided by WCDC-TV, it is unlikely that an alternative operator would be willing and able to operate the stations as stand-alone facilities. Accordingly, we find that the continued operation of WCDC-TV as a satellite of WTEN-TV, and continued authority to operate stations KDLO-TV and KPLO-TV as satellites of KELO-TV would be in the public interest. In view of the foregoing, and having determined that Standard General is qualified in all respects, we find that a grant of the above-referenced transfer of control applications would serve the public interest, convenience and necessity.

ACCORDINGLY, the requests of Standard General Fund L.P. for the continued operation of WCDC-TV, Adams, Massachusetts, as a satellite of WTEN(TV), Albany, New York, and the continued operation of KDLO-TV, Florence, South Dakota, and KPLO-TV, Reliance, South Dakota, as satellites of KELO-TV, Sioux Falls, South Dakota, pursuant to the satellite exception to the duopoly rule, Section 73.3555, Note 5, of the Commission's rules, **ARE GRANTED**.

FURTHERMORE, the above-referenced applications for consent to transfer control of the licenses of WCDC-TV, Adams, Massachusetts, KDLO-TV, Florence, South Dakota, and KPLO-TV, Reliance, South Dakota (File Nos. BTCCDT-20120809ABP, ACO, and ACN), **ARE GRANTED**.

Sincerely,

Barbara A. Kreisman
Chief, Video Division
Media Bureau