



Federal Communications Commission
Washington, D.C. 20554

DA 14-539

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Hoak Media, LLC
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Nexstar Broadcasting, Inc.
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Re: KREX-TV, Grand Junction, CO, Fac. ID No. 70596
KREG-TV, Glenwood Springs, CO, Fac. ID No. 70578
KREY-TV, Montrose, CO, Fac. ID No. 70579
File No. BTCCDT - 20131226AAF

WMBB, Panama City, FL, Fac. ID No. 66398
File No. BTCCDT - 20131226AAQ

Dear Counsel:

This letter is in reference to the unopposed, above-captioned applications (Applications) for the transfer of control of subsidiaries holding television licenses from Hoak Media, LLC (Hoak) to Nexstar Broadcasting, Inc. (Nexstar) (collectively, the Applicants). For the reasons stated below, we grant the Applications and Nexstar's requested satellite waiver.

Continuing Satellite Waiver. Nexstar seeks authority to continue to operate KREG-TV, Glenwood, Colorado and KREY-TV, Montrose, Colorado, as satellites to KREX-TV, Grand Junction, Colorado, pursuant to the satellite exemption to the duopoly rule.¹ Hoak Media of Colorado License, LLC is the current licensee of all three stations. Nielsen Media Research currently assigns the stations to the Grand Junction-Montrose Designated Market Area (Grand Junction DMA). Nexstar represents that KREG-TV and KREY-TV have operated as satellites of KREX-TV for 30 and 40 years, respectively, and seeks continuation of those satellite waivers.²

¹ 47 C.F.R. § 73.3555, Note 5.

² KREX-TV Application, Att. 20, Request for Continuation of Satellite Waiver, at 1 (citing *Storm King Television, Inc., Montrose, Colorado*, Memorandum Opinion and Order, 19 FCC 2d 876 (1969); *W. Russell Withers Jr.*, Letter, 2 FCC Rcd. 3460 (1987)).

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 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

With regard to the first criterion, we recognize 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.⁶ Nexstar submits that prior to the digital transition, the analog City Grade contours of KREY-TV and KREG-TV did not overlap.⁷

With regard to the second criterion, Nexstar has demonstrated that both satellite stations are located in underserved areas. 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.⁸ Here, according to Nexstar, KREG-TV is the only full-power television station licensed to Glenwood Springs, and KREY-TV is the only television station licensed to Montrose.⁹

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 Nexstar submits a statement from John Momtazee of investment bank Moelis & Company stating that Moelis approached 52 buyers regarding the purchase of Hoak in whole or in part.¹¹ According to Mr. Momtazee, Moelis did not receive any expressions of interest in the satellite stations as standalone stations. To the knowledge of Moelis, all parties evaluated the satellite stations only as satellites of KREX-TV, and Moelis would not

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.

⁵ *Id.* at 4212.

⁶ See, e.g., *J. Stewart Bryan III and Media General Communications Holdings, LLC*, Letter, 28 FCC Rcd 15509, 15519 ¶ 24 (MB Vid. Div. 2013).

⁷ File No. BTCCDT - 20131226AAF, Application, Att. 20, Request for Continuation of Satellite Waiver (Satellite Waiver Request), Exh. A.

⁸ *Television Satellite Stations* at 4215.

⁹ Satellite Waiver Request at 1-2.

¹⁰ *Television Satellite Stations* at 4215.

¹¹ KREX-TV Application, Att. 20, Request for Continuation of Satellite Waiver, Exh. B, Statement of John Momtazee, Moelis & Company LLC (dated Dec. 18, 2013).

recommend that the satellite stations be marketed for sale as standalone stations.¹² Nexstar also asserts that the Grand Junction DMA is served by full-power affiliates for all of the major networks, and that the small population areas served by KREY-TV and KREG-TV within the DMA make them unable to obtain affordable access to syndicated programming or the licensing rights for local sports events programming.¹³

Based on our review of the materials submitted, we find that the applicants have not met our “presumptive” satellite standard. Nonetheless, we find that Nexstar has provided sufficient information to authorize the continued satellite operation of KREY-TV and KREG-TV under our *ad hoc* analysis. Given the stations’ long history as satellites, the fact that all of the major networks are broadcast in the DMA, and the limited coverage provided by the satellites, it is unlikely that an alternative operator would be willing and able to operate the stations as stand-alone facilities. Accordingly, we find that a grant of a continuing “satellite exemption” to our local multiple ownership rules for KREY-TV and KREG-TV to operate as satellites of KREX-TV would be in the public interest.

Furthermore, having carefully reviewed the applications, we find that the applicants are fully qualified and conclude that the grant of the applications would serve the public interest.

Current Renewals. It is Commission policy, in multi-station transactions, to grant transfer of control applications while renewal applications are pending as long as there are no basic qualification issues pending against the transferor or transferee that could not be resolved in the context of the transfer proceeding, and the transferee explicitly assents to standing in the stead of the transferor in the pending renewal proceeding.¹⁴ Some of the Hoak licensees have applications pending before the Commission for renewal of broadcast licenses.¹⁵ None of these renewals has petitions or other matters currently pending that present a basic character qualification issue. Nexstar has submitted a statement explicitly agreeing to stand in the stead of the transferor in any renewal application that is pending at the time of the consummation of the transfer. Therefore, we will apply the policy set out in *Shareholders of CBS* to those applications. We recognize that other stations to be transferred to Nexstar may need to file their renewal applications prior to closing. This situation is also encompassed by the precedent established by *Shareholders of CBS*.¹⁶

ACCORDINGLY, the request of Nexstar Broadcasting, Inc. for the continued operation of KREG-TV, Glenwood Springs, Colorado, and KREY-TV, Montrose, Colorado, as satellites of KREX-TV, Grand Junction, Colorado, pursuant to the satellite exception to the duopoly rule, Section 73.3555, Note 5, of the Commission’s rules, **IS GRANTED**.

¹² *Id.*

¹³ Satellite Waiver Request at 2.

¹⁴ *Shareholders of CBS Corporation*, Memorandum Opinion and Order, 16 FCC Rcd 16072, 16072-73 (2001).

¹⁵ Stations KREG-TV, Glenwood, Colorado; KREY-TV, Montrose, Colorado; KREX-TV, Grand Junction, Colorado; WMBB, Panama City, Florida.

¹⁶ See *Cumulus Media, Inc. and Citadel Broadcasting Corp.*, Memorandum Opinion and Order, 26 FCC Rcd 12956, 12959 (2011).

FURTHERMORE, the above-referenced applications for consent to transfer control of the licenses of KREG-TV, Glenwood Springs, Colorado; KREY-TV, Montrose, Colorado; KREX-TV, Grand Junction, Colorado; and WMBB, Panama City, Florida (File Nos. BTCCDT-20131226AAF, 20131226AAQ) **ARE GRANTED**.

Sincerely,

A handwritten signature in black ink, appearing to read 'B A K', with a long horizontal flourish extending to the right.

Barbara A. Kreisman
Chief, Video Division
Media Bureau