



Federal Communications Commission
Washington, D.C. 20554

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DA 10-1085

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New Young Broadcasting Holding Company, Inc.
c/o William Wiltshire, Esq.
Wiltshire & Grannis LLP
1200 18th Street, NW, Suite 1200
Washington, DC 20036

Re: Applications for Assignment of Licenses
WCDC-TV, Adams, Massachusetts, Fac. ID No. 74419
WTEN(TV), Albany, New York, Fac. ID No. 74422
KWQC-TV, Davenport, Iowa, Fac. ID No. 6885
KDLO-TV, Florence, South Dakota, Fac. ID No. 41975
WBAY-TV, Green Bay, Wisconsin, Fac. ID No. 74417
WATE-TV, Knoxville, Tennessee, Fac. ID No. 71082
KLFY-TV, Lafayette, Louisiana, Fac. ID No. 35059
WLNS-TV, Lansing, Michigan, Fac. ID No. 74420
WKRN-TV, Nashville, Tennessee, Fac. ID No. 73188
WRIC-TV, Petersburg, Virginia, Fac. ID No. 74416
KCLO-TV, Rapid City, South Dakota, Fac. ID No. 41969
KPLO-TV, Reliance, South Dakota, Fac. ID No. 41964
KRON-TV, San Francisco, California, Fac. ID No. 65526
KELO-TV, Sioux Falls, South Dakota, Fac. ID No. 41983
File Nos. BALCDT-20090820ACC, ACD, ACJ, ACL,
ACO, ACP, ACR, ACU, ACV, ACW and ACY
Requests for Continuing Satellite Authorization
WCDC-TV, Adams, Massachusetts
KDLO-TV, Florence, South Dakota
KPLO-TV, Reliance, South Dakota

Dear Counsel:

This is in reference to the above-captioned applications for the assignment of fourteen television licenses from subsidiaries of Young Broadcasting, Inc. (“Young”) to New Young Broadcasting Holding Co., Inc. (“New Young”)¹, pursuant to the implementation of a Chapter 11 plan of reorganization. As part of this transaction, 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 duopoly rule.²

¹ New Young was formed on behalf of a consortium of senior secured lenders of Young and its subsidiaries.

² 47 C.F.R. § 73.3555, Note 5.

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

As to the first criterion, in the digital television era there is no longer a concept of a City-Grade contour. Instead, full-power television stations have principle community contours that serve much larger areas than their former analog City-Grade contours. Thus, the principle 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.

As to the second criterion, New Young has demonstrated, using our transmission test, that all three satellite stations are located in underserved areas. The "transmission" test deems an area underserved if there are two or fewer full-service television stations licensed to a proposed satellite's community of license.⁶ According to New Young, WCDC-TV is the only television station licensed to Adams, Massachusetts. Likewise, 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.⁷ In this regard, the seller is expected to establish its diligence in trying to find a buyer.⁸ In support of its continuing waiver request, New Young asserts that throughout the bankruptcy proceeding, including a scheduled auction, no alternative operator has expressed any interest, let alone readiness, to the bankruptcy court in purchasing and operating any of these satellite stations as a full-service station. Specifically, the assignor recently submitted an amendment explaining that Young made contact with 69 potential buyers in connection with the auction process. Ultimately, three potential buyers placed qualifying bids for Young's stations. Young points out that no party expressed any interest in purchasing or operating any of the satellite stations as full-service stations. In this regard, Young notes that all of the bids were for all of Young's stations together, and presumably all of the interested parties evaluated WCDC-TV, KDLO-TV and KPLO-TV as they are presently operated by Young as satellites.

³ *Television Satellite Stations Review of Policy and Rules*, MM Docket No. 87-8, Report and Order, 6 FCC Rcd 4212, 4215 (1991) ("Television Satellite Stations") (subsequent history omitted).

⁴ *Id.* at 4213-14.

⁵ *Id.* at 4212.

⁶ *Id.* at 4215.

⁷ *Id.*

⁸ *Id.*

Moreover, the applicants assert that Commission approval of continued satellite authority will serve the public interest by, among other things, allowing the subsidiaries of Young to: (1) promptly complete their reorganization under Chapter 11 of the Bankruptcy Code, thus serving the public interest objectives of that statute; (2) eliminate the significant financial and operational burdens associated with operating under bankruptcy protections, thus freeing additional financial and operational resources to focus on upgrading programming and technical facilities in order to better serve the needs and interests of Albany, New York, Adams, Massachusetts, Sioux Falls, South Dakota, Florence, South Dakota, and Reliance, South Dakota; and (3) promptly emerge from bankruptcy protection as stronger, more robust competitors in their respective local broadcast markets.

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. Specifically, granting continuing satellite authority will allow Young to emerge from bankruptcy. New Young argues that the Commission has recognized that facilitating a company's successful emergence from bankruptcy advances the public interest in providing economic and social benefits. Additionally, Young has submitted further evidence demonstrating the unfeasibility of finding a purchaser willing to operate the stations on a stand-alone basis. We, therefore, 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 New Young is qualified in all respects, we find that a grant of the above-referenced applications would serve the public interest, convenience and necessity.

ACCORDINGLY, the requests of New Young Broadcasting Holding, Inc. 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 assign the licenses for WCDC-TV, Adams, Massachusetts, WTEN(TV), Albany, New York, KWQC-TV, Davenport, Iowa, KDLO-TV, Florence, South Dakota, WBAY-TV, Green Bay, Wisconsin, WATE-TV, Knoxville, Tennessee, KLFY-TV, Lafayette, Louisiana, WLNS-TV, Lansing, Michigan, WKRN-TV, Nashville, Tennessee, WIRC-TV, Petersburg, Virginia, KCLO-TV, Rapid City, South Dakota, KPLO-TV, Reliance, South Dakota, KRON-TV, San Francisco, California, KELO-TV, Sioux Falls, South Dakota (File Nos. BALCDT-20090820ACC, ACD, ACJ, ACL, ACO, ACP, ACR, ACU, ACV, ACW and ACY) **ARE GRANTED**.

Sincerely,

Barbara A. Kreisman
Chief, Video Division
Media Bureau

cc: Mark J. Prak, Esq.