



Federal Communications Commission
Washington, D.C. 20554

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DA 13-2209

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Cunningham Broadcasting Corporation
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2300 N Street, NW
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Re: Application for Assignment of License

WGTU(TV), Traverse City, MI, ID No. 59280
WGTQ(TV), Sault Ste. Marie, MI, ID No. 59279
File Nos. BALCDT-20130315ACP-ACQ

Dear Counsel:

This letter is in reference to the unopposed, above-captioned application for assignment of the licenses of (1) WGTU(TV), Traverse City, Michigan, and WGTQ(TV), Sault Ste. Marie, Michigan, from Tucker Broadcasting of Traverse City, Inc. to Traverse City (WGTU-TV) Licensee, Inc., an indirect, wholly-owned subsidiaries of Cunningham Broadcasting Corporation (Cunningham). Although the assignment does not create any new ownership combinations, Cunningham has requested authority to continue operating WGTQ as a satellite station, pursuant to Note 5 of Section 73.3555 of the Commission's rules.¹ For the reasons set forth below, we grant the request for continuing satellite authority and the application.

In *Television Satellite Stations*,² 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.³ 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.⁴

¹ 47 C.F.R. § 73.3555, Note 5.

² *Television Satellite Stations Review of Policies and Rules*, Report and Order, 6 FCC Rcd 4212, 4215 (1991)(subsequent history omitted)(*Television Satellite Stations*).

³ *Id.* at 4213-14.

⁴ *Id.* at 4212.

With respect 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. The digital Principal Community contour thus does not provide an equivalent standard for determining whether a station qualifies for the presumptive satellite exemption. However, prior to the digital transition, there was no City Grade contour overlap between WGTU and WGTQ.

Regarding the second criterion, the Commission's "transmission" test deems an area underserved if there are two or fewer full-power television stations (including commercial, noncommercial, and satellite stations) licensed to the proposed satellite's community of license. Here, there are only two full-power television stations licensed to Sault Ste. Marie, Michigan, both of which operate as satellites.

As for the third criterion, Cunningham submits a statement from W. Lawrence Patrick, Managing Partner of media brokerage firm Patrick Communications, who observes that each of the four full-service commercial television stations assigned to the Traverse City-Cadillac DMA is affiliated with a "Big Four" network and uses a satellite to reach Michigan's sparsely populated Upper Peninsula. He states that WGTQ "does not provide a signal remotely capable of covering the market" or its two largest cities, Traverse City and Cadillac. Moreover, with all of the major network affiliations already present in the market, WGTQ "would not have access to programming sufficient to viably compete for audience and revenue." He concludes that, due to negative population growth in the market and strong competition among the network-affiliated stations, the "marketing of WGTQ as a standalone station would be unsuccessful given the marginalized nature of the operation" and lack of available "compelling programming."

While the instant request does not satisfy the Commission's presumptive satellite exemption standard, Cunningham has provided information sufficient to warrant continued satellite operation for WGTQ under our *ad hoc* analysis. Given the station's long history as a satellite, the sparse population within its coverage area, and the declining position of the Traverse City-Cadillac DMA, it is unlikely that an alternative operator would be willing and able to operate WGTQ as a stand-alone facility. Accordingly, we find that the continued operation of WGTQ as a satellite of WGTU would serve 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.

ACCORDINGLY, IT IS ORDERED That the application for the assignment of the licenses of WGTU(TV), Traverse City, Michigan, and WGTQ(TV), Sault Ste. Marie, Michigan, from Tucker Broadcasting of Traverse City, Inc. to Traverse City (WGTU-TV), Licensee, Inc. (File Nos. BALCDT-20130315ACP-ACQ) IS GRANTED.

Sincerely,

Barbara A. Kreisman
Chief, Video Division
Media Bureau