

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

In re Application of

TAFT  
BROADCASTING  
COMPANY AND  
NORTHERN  
NEW ENGLAND  
TELEVISION  
(Transferors)

and File No. BTCCT-900426KG

HERITAGE  
MEDIA CORPORATION  
(Transferee)

For Transfer of Control of Station  
WNNE(TV), Hartford, Vermont

**MEMORANDUM OPINION AND ORDER**

Adopted: October 4, 1990; Released: November 19, 1990

By the Commission

1. The Commission has before it for consideration: (1) the above-captioned application for consent to the transfer of control of WNNE-TV, Inc., licensee of station WNNE(TV), channel 31 (NBC), Hartford, Vermont, from Taft Broadcasting Company and Northern New England Television (jointly referred to as Taft) to Heritage Media Corporation (Heritage); (2) a petition to deny the transfer of control application filed by Citadel Communications Company, Ltd. (Citadel), licensee of station WVNY-TV, channel 22 (ABC), Burlington, Vermont; and (3) related pleadings. The ownership of WNNE(TV) by Heritage will result in the overlap of the predicted Grade B contour of that station with the predicted Grade B contour of commonly owned station WPTZ(TV), channel 5 (NBC), North Pole, New York, in a manner inconsistent with Section 73.3555(a)(3) of the Commission's Rules, which generally proscribes common ownership of two television stations whose Grade B contours overlap. However, Heritage proposes to operate WNNE(TV) "primarily as a satellite" of WPTZ(TV) and requests that the transfer of control application be granted pursuant to the exception for satellite operations set forth in Note 5 to the Commission's multiple ownership rule, Section 73.3555.<sup>1</sup>

2. In support of its request, Heritage maintains that the overlap area in this case is *de minimis* because the Green Mountain Range, which separates WNNE(TV) in Hartford from WPTZ(TV) in North Pole, reduces the amount of overlap between the two stations. Using the standard prediction method in Section 73.684 of our Rules, it claims that the overlap area would encompass 934 square miles and a population of 73,205 persons (26,300 television households), representing 9.2 percent of WNNE(TV)'s

Grade B contour (12.9 percent of the population) and 5.6 percent of WPTZ(TV)'s Grade B contour (8.6 percent of the population). When the terrain is considered, Heritage asserts, the area of overlap is only 178 square miles, with a population of 7,116 persons, representing 1.8 percent of WNNE(TV)'s grade B contour (0.8 percent of the population) and only 1 percent of WPTZ(TV)'s Grade B contour (1.3 percent of the population). Thus, Heritage argues that the amount of overlap of the Grade B contours of the stations is minimal and is consistent with commission's grant of satellite operations, citing *Central Minnesota Television, Inc.*, 64 RR2d 36(1987); *Pete Stathakas*, 59 RR2d 169 (1985); and *John McCutcheon*, 4 FCC Rcd 2079 (1989).

3. Additionally, Heritage maintains that satellite operation is warranted because the Hartford community cannot support a full-service stand-alone television station. First, it notes that Hartford is a rural, mountainous community with a population of 7,963 persons located on the periphery of the Burlington-Plattsburgh ADI, the 92nd largest market (202,400 television households).<sup>2</sup> Secondly, Heritage asserts, the Hartford area is economically depressed and is currently undergoing a recession. It maintains that the preceding nine months have been the worst for the area, as evidenced by the status of the region's financial institutions, and the record number of bankruptcies filed in the state.<sup>3</sup> Heritage maintains that economic conditions in the Hartford area are likely to remain dismal due to the astronomical levels of indebtedness faced by the area's businesses.

4. Moreover, Heritage states that WNNE(TV) is one of only three commercial broadcast television stations licensed in the State of Vermont, and is the only station providing local programming to Hartford. Further, Heritage asserts, WNNE(TV) provides the only network service to a substantial portion of its Grade B contour.<sup>4</sup> Presently, Heritage avers, approximately 60 percent of the area (174,848 persons) within WNNE(TV)'s Grade A contour is not covered by the Grade A contour of any other commercial television station. Thus, it claims that the Hartford area is underserved, and that a grant of the instant satellite request is necessary to maintain the provision of Grade A service and local television service to the Hartford community. Additionally, Heritage asserts, a grant of its request would result in an insignificant amount of program duplication given the small amount of overlap between the two stations, and would prevent the spectrum allocated to channel 31 from lying fallow and unutilized. Since WNNE(TV) and WPTZ(TV) are both NBC affiliates, Heritage states, satellite operation of WNNE(TV) would allow the station to continue to provide the Hartford community with that network's programming in addition to the local news and public affairs programming currently provided. In fact, Heritage avers, local news will increase because it anticipates adding a local weekend newscast to its schedule. Without satellite operation, Heritage claims, WNNE(TV) will be forced to cease operation and to file for bankruptcy because the Hartford area is unable to support a stand-alone station. Heritage contends that the inability of WNNE(TV) to continue to operate as a stand-alone operation would result in the loss of Hartford's only outlet for local programming because no other stand-alone station will be able to replace the station due to its location and the limited economic resources of the community.

5. Taft asserts that WNNE(TV) has a history of operating losses, and was struggling to remain on the air even before the onset of the economic recession now plaguing New England. It maintains that WNNE(TV) has suffered annual losses since 1981 ranging from \$301,000 to \$670,000, and that the station's total losses for that period have exceeded \$6 million. Taft notes that while the station generated a positive cash flow in each of the last two years from sales and other income as compared with the cost of sales and operating expenses, it states that when interest on outstanding debt and other properly allocated management expenses are taken into account, there was a negative cash flow in 1989 of \$158,000 and in 1988 of \$515,000. Moreover, it projects that operating losses for 1990 will be approximately \$302,000. Additionally, Taft claims that even if this transaction is approved, Taft Broadcasting, the parent of the licensee, will have to absorb over \$2 million in losses.

6. Further, Taft states, WNNE-TV's management has historically operated under a tight budget, allowing only for the expenditures necessary to cover the costs of keeping the station on the air. When budgetary measures proved insufficient, Taft asserts, management initiated varied efforts to cut costs and increase profitability.<sup>5</sup> Despite these efforts, Taft states, WNNE(TV) has been operating with substantial losses because the station has been unable to attract national sponsors for its programming. Taft claims that national sales agencies do not recognize WNNE(TV) as a valuable advertising candidate because of the station's limited coverage area, which is divided between the Boston and Burlington-Plattsburgh market. This market is too small and insignificant in comparison to the other stations in those markets. It claims that the station's efforts to increase revenues are further exacerbated by the heavy cable penetration in the area (56 percent).

7. Additionally, Taft alleges, television stations across the New England region have experienced a substantial decrease in revenues because of the recession and that several stations have been forced to go dark. In this regard, it states that WNHT(TV), channel 21, Concord, New Hampshire, has been dark since March 31, 1989, and that channel 32, which is allocated to Greenfield, Massachusetts, an area within WNNE-TV's Grade B contour, is dark.<sup>6</sup> In 1989, Taft asserts, New England was the only region in the country in which broadcast television stations consistently experienced decreased revenues (an average of 2 percent) across the board. It states that WNNE(TV)'s revenues have decreased over the past 2 years, and it projects that revenues will decrease approximately 21 percent by the end of 1990. Taft claims that recent rating reports demonstrate that WNNE(TV)'s current circulation and audience ratings are so low that, even with modest to substantial improvement, the station will never generate sufficient revenues to offset its operating expenses. In this regard, it states that the November 1989 and February 1990 Arbitron audience estimates show that WNNE(TV) had a one rating and a three share of viewers from sign-on to sign-off. Additionally, Taft asserts, according to Arbitron's February 1990 audience estimate, the station has a weekly circulation of 42,000 television households, compared to 223,000 for WCAX-TV, Burlington, Vermont; 173,000 for WPTZ(TV), North Pole, New York; and 138,000 for WVNY-TV, Burlington, Vermont.

8. Further, concerning its efforts to sell the station, Taft states, WNNE(TV)'s dismal financial condition and the economic condition of the New England area has made the station an unattractive risk to potential buyers. Taft claims that after hiring three brokers and sending information regarding WNNE(TV) directly to several parties throughout the country over the course of two years, the only serious offer for WNNE(TV) originated from Heritage. It maintains that Heritage is the only party that has come forward with a viable offer to operate the station in a manner that will serve the public and comply with the Commission's policy and precedent. Taft argues that this lack of interest in the station demonstrates that absent a grant of the instant request, WNNE(TV) will go dark leaving the Hartford area without any local service and causing another allocated frequency to lie fallow.

### Pleadings

9. *The Petition.* In its pleadings, Citadel asserts that contrary to Heritage's statements, the Burlington-Plattsburgh market is not unserved or underserved as a total of ten stations (including WNNE(TV)) serve the market. See *Mary R. Kupris*, 5 FCC Rcd 3828 (1990), *recon. dismissed*, 5 FCC Rcd 5142 (1990), *appeal pending sub nom. WLOS TV, Inc. v. FCC*, No. 90-1251 (D.C. Cir. May 14, 1990). It states that while Hartford is a small community, WNNE(TV)'s local market is not. In this regard, Citadel notes that Hartford borders White River Junction, Vermont (location of WNNE(TV)'s main studios); Hanover, New Hampshire (home of Dartmouth College); and Lebanon, New Hampshire (the commercial center of a growing resort area). Moreover, it maintains, WNNE(TV) reaches over 200,000 households and has a larger net weekly (76,000) and average daily (42,000) circulation than many full-service stand-alone television stations.

10. Additionally, Citadel argues that the existence of a potential qualified purchaser who wishes to buy the station and keep it as a full-service facility makes untenable the applicant's claim that the station is not viable. It submitted an affidavit from Elio Betty which states that Betty is interested in acquiring WNNE(TV) and is qualified to do so. Citadel asserts that the Commission has observed that the existence of a buyer willing to operate a station as a full service operation is an important consideration in determining whether the grant of a satellite exception is warranted. See *Central Minnesota Television Co.*, 64 RR2d 36, 38 (1987). Citadel states that the three offers made by Betty to Taft were real and financeable. It claims that Betty had secured preliminary assurances for financing, contingent on the actual terms of the sale, from a commercial bank and from investment bankers who were "enthusiastic" about financing the deal. Citadel maintains that Betty communicated this information to Taft, and that Taft never expressed any doubt as to Betty's ability to obtain financing.<sup>7</sup> Moreover, it states, the fact that Betty's financing was to some extent contingent on the terms of an agreement between Betty and Taft does not undermine the viability of Betty's offers. Further, Citadel asserts, Taft specifically expressed its belief to Betty that WNNE(TV) should remain a stand-alone operation, and that Betty had the experience necessary to preserve the station's integrity and independence.

11. Further, Citadel claims that Heritage's economic showing depicts a financially successful station with good prospects. It states that the applicants manage to present a gloomy picture by presenting net operating results. But a review of the statements submitted, Citadel avers, shows that WNNE(TV)'s history and prospects are bright. In this regard, it states that the financial capability of an enterprise is generally measured by its ability to generate cash flow. It observes that information submitted by the applicants shows that WNNE(TV) has generated positive cash flow for every fiscal year since 1984. In attempting to prove the station's doom, Citadel states, the applicants have included debt service, home office costs, and perhaps non-cash amortization of programming costs as expenses. Therefore, because WNNE(TV) is financially healthy and is capable of surviving on its own, Citadel argues, the applicants cannot show that satellite operation of WNNE(TV) is an economic necessity.

12. Citadel maintains that if WNNE(TV) and WPTZ(TV) are allowed to combine operations, the economic viability of WVNY-TV, which competes with both stations, will be threatened.<sup>8</sup> Despite applicants' claims concerning WNNE(TV)'s performance in the market, Citadel maintains, WNNE(TV)'s ratings are generally not far behind (and sometimes ahead) of WVNY-TV's. Thus, it claims that operation of WNNE(TV) as a satellite station would concentrate economic power in a well functioning market. If the application is granted, Citadel asserts, the combined ratings and audience shares of WPTZ(TV) and WNNE(TV) would make the combination the easy choice for agencies placing national and regional advertising. In fact, Citadel argues, given the market share of the competing stations in the area, it is likely that WVNY-TV will lose advertising revenues in an amount directly proportioned to the amount of revenues that the WPTZ(TV) and WNNE(TV) combination stands to gain. Thus, Citadel contends that the Heritage proposal would give it a "leg-up" on its competitors in Burlington when Heritage already enjoys the enormous competitive benefit of a VHF signal (WPTZ(TV)). Thus, it claims, even if WNNE(TV) were in financial distress, Heritage is not entitled to another advantage. Nor is it relevant, Citadel avers, that Taft may not receive as much for WNNE(TV) from a buyer proposing stand-alone operation as from Heritage. Citing *Kupris*, it states, "the fact that the marketplace causes financial distress for some licensees does not dictate that rules and policies should necessarily be waived in order to assist those licensees."

13. Finally, noting that the Commission has rejected *de minimis* claims where the overlap includes more than one percent of the population in either contour, Citadel maintains that the overlap area in this case is not *de minimis*, citing *Weigel Broadcasting Co.*, 4 FCC Rcd 6200 (1989) (*Weigel*); *Silver King Broadcasting*, 2 FCC Rcd 324 (1986), *recon. dismissed*, 3 FCC Rcd 6640 (1988) (*Silver King*).

14. *The Joint Opposition*. The applicants contend that the information submitted regarding the financial problems plaguing WNNE(TV), the depressed economy in the Hartford area, and the unsuccessful efforts to sell the station clearly demonstrate that WNNE(TV) is not viable as a stand-alone station. The applicants maintain that the cash flow figures cited by Citadel are misleading. They claim that, when interest on outstanding debt and all properly allocated management expenses are taken into account, there was a negative cash flow in 1989 of \$158,000 and 1988 of \$515,000. Concerning the offers of

Betty to purchase the station, Taft states that Betty's offers were contingent upon obtaining financing. Therefore, it avers, the offers were not considered as viable because of the difficulties facing all purchasers seeking financing in New England, and because Betty insisted upon the negotiation and execution of a purchase agreement prior to obtaining any commitment for financing. Moreover, Taft asserts, Betty provided no deposit or letter of credit to give substance to his offers, and supplied few details concerning his background, experience, investors, structured plans, and financing. Taft also submitted letters from Betty wherein Betty stressed the difficult economic climate in New England, the difficulties in obtaining financing, and the continuing cash flow problem at the station. As a result of discussions and correspondence with Betty and his representatives, Taft states, it concluded that Betty's offers were speculative and that the necessary financing would never be obtained. Additionally, Taft maintains, because of WNNE(TV)'s continued losses and the deteriorating economy, it could not expend the time, money and energy necessary to confirm the ultimate failure of Betty's offers. Further, the statements by Betty in his letters to, and discussions with Taft, left a clear impression with Taft that Betty, if he were able to finance a purchase, would undertake major reductions in costs (e.g., elimination of local programming) at the station in order to improve cash flow. Moreover, Taft states, Heritage's offer was more certain than Betty's offers and could be consummated more quickly, since it consisted of an exchange of stock and the assumption of certain liabilities, and was not based upon any financing contingency. Since Heritage was a known commodity, Taft contends, it was convinced that Heritage ownership of the station would provide continued jobs for most of the station's employees and would best serve the local community. In this regard, Taft notes that Heritage is committed to maintaining and actually increasing local news and public affairs programming. Taft further asserts, contrary to Citadel's suggestions, this is not a case of a seller accepting a higher offer from an existing broadcaster desiring to operate the station as a satellite because Betty's offer was higher than that of Heritage.

15. In regard to Citadel's assertions that the area is not unserved or underserved, the applicants state that the information set forth in the amendment to the application, demonstrating that 65 percent of the population within WNNE-TV's Grade A contour is not covered by the Grade A contour of any other commercial television station, establishes that the Hartford area is underserved. Further, they maintain, the population figures for White River Junction (2,582), Hanover (9,119) and Lebanon (11,134) show that Hartford is not an urban population center, but rather an area comprised of separate and distinct small towns and cities. However, the applicants assert that the area is populous enough that it deserves local programming and its own television broadcasting voice and that WNNE(TV) offers the only choice for such voice.

16. Concerning the amount of overlap, the applicants argue that Citadel's reliance upon *Weigel* and *Silver King* is misplaced because the cases do not involve a request for satellite exception, but a waiver of the duopoly rule which is subject to a more stringent standard. Even if the more stringent standard is applied to Heritage's proposal, the applicants argue, satellite operation of WNNE(TV) is warranted. They argue that the overlap in *Weigel* and *Silver*

*King* was greater than the overlap between WNNE(TV) and WPTZ(TV), when terrain obstructions are taken into account. Moreover, the applicants maintain that in both cases the waiver request was granted and the Commission held that while the resulting overlap was not *de minimis*, it was not so large as to require a finding that the stations involved served substantially the same area.

#### Discussion

17. In challenging the WNNE(TV) assignment application, pursuant to Section 309(d) of the Communications Act of 1934, as amended, a petitioner must, as a threshold matter, submit specific allegations of fact sufficient to show that a grant of the application would be *prime facie* inconsistent with the public interest. See *Astroline Communications Co. v. FCC*, 857 F.2d 1556 (D.C. Cir. 1988). Once the pleading standard is satisfied, the Commission must determine whether the record as a whole (*i.e.*, the application, the pleadings, and other matters which may be officially noted) presents a substantial and material question of fact requiring a hearing. See Section 309(d)(2). Against this backdrop, we turn to the question to be resolved here; namely, whether the operation of WNNE(TV) as a satellite of WPTZ(TV) is warranted.

18. The goals of our multiple ownership rules are to promote economic competition and diversity of programming viewpoints. See *e.g.*, *Multiple Ownership of Standard, FM and Television Stations*, 45 FCC 1476, 1476-77, recon. denied, 45 FCC 1728 (1964). The contour overlap or "duopoly" rule serves those goals by insuring that commonly owned stations do not serve significant areas in common. As noted at the outset, our Rules permit exceptions to the duopoly rule for stations that are classified as "satellites" or "primarily satellites." under Note 5 of Section 73.3555 of the Rules. What constitutes a sufficient showing for an exception to the duopoly rule for a satellite operation has been established by case law and involves a balance of various factors, including the degree of overlap between the stations, the capacity of the market to support a full-service station, the level of service available in the market, the financial difficulties of the stations involved, as well as other considerations. See *Further Notice of Proposed Rulemaking* in MM Docket No. 87-8, FCC 90-279 (adopted August 1, 1990) paras. 2, 10.

19. On the basis of the information before us, we believe that a sufficient showing has been made to justify a satellite operation in Hartford. Using the standard prediction method, the overlap in this case is not substantial and is clearly within the range we have previously approved for satellite operation.<sup>9</sup> See, *e.g.*, *Family Group V, LTD.*, FCC 90-299, released September 10, 1990. Further, the applicants have submitted information that supports their contention that the Hartford area will not support a stand-alone operation, especially given current market conditions in Hartford. Hartford, located in the 92nd largest television market, is a small town of 7,963 persons. The Hartford area is comprised of separate and distinct small towns and cities. While WNNE(TV) is part of the 92nd television market, the station has been unable to serve most of the market because of its location on the periphery of the market and its relatively small weekly circulation of television households (82,500).<sup>10</sup> The fact that the Hartford area is currently undergoing a recession, the area is experiencing a record number of bankruptcies by area businesses; and that television stations in the

market have experienced decreases in revenues, with several having gone off the air, have not been refuted by Citadel.

20. While Citadel notes that WNNE(TV) has generated positive cash flow for every year since 1984, it provides no evidence to refute the legitimacy of the management and debt service expenses listed by Heritage. When these expenses are considered, it appears that the station has been operating with substantial losses. Moreover, to reduce these losses, Taft has attempted to cut costs by reducing the station's staff from forty-five to thirty employees, decreasing the purchase of syndicated programming, and purchasing barter programming. Despite these efforts, WNNE(TV) has been unable to reduce operating losses or to compete effectively with the other stations serving its coverage area for national advertising in order to increase its revenues. Additionally, while the station was offered for sale for a period of two years, only two interested parties presented offers, with Heritage making the only viable offer supported by firm financial commitments, to purchase the station. The absence of viable offers to operate the station on a full-service basis further supports the economic justification for satellite operation. Betty's offers, in contrast, were not supported by a bank letter or letter of credit from any financial institution and were in fact contingent on obtaining financing. The fact that Taft rejected Betty's purchase offers even though they were higher than Heritage's further supports our conclusion that Taft, in fact, based its decision on a legitimate business assessment that Betty's offers were too speculative to be seriously pursued. Under these circumstances, and given the difficulty of obtaining financing generally during the period, we believe Citadel has not raised a substantial and material question that Taft should have considered Betty's offers as viable.

21. We believe that grant of the requested satellite authorization is consistent with the purpose of our satellite policy. First, the overlap between the parent and the proposed satellite is relatively small. Compare *Mary R. Kurpis*, FCC 90-275, released August 13, 1990, *appeal pending sub nom. WLOS TV, Inc. v. FCC*, No. 90-1251 (D.C. Cir.). Moreover, we find pertinent the fact that Hartford receives the Grade B signal of only three commercial stations and one operating noncommercial station. Id.<sup>11</sup> The small size of Hartford, the depressed economy, the financial history of WNNE(TV), as well as the lack of viable interested buyers for the station provides additional support for our action. Other factors reinforce the appropriateness of this judgment. Heritage proposes to continue to provide the Hartford area with the local public affairs programming that is currently broadcast and to increase the station's local news by adding a local weekend newscast. Further, WNNE(TV) is the only station providing local programming to the Hartford area, and it provides the only off-the-air NBC network programming to Hartford and a substantial portion of the WNNE(TV) Grade B service area.<sup>12</sup> Thus, we are persuaded that significant public interest benefits would flow from a grant of the application and that such benefits outweigh any impact on diversity and economic competition.<sup>13</sup>

22. In sum, having considered all the foregoing, we find that the petition to deny and related pleadings filed in this proceeding by Citadel do not raise a substantial and material question that would require a hearing. Thus, we

find that the applicants are fully qualified and that operation of WNNE(TV) primarily as a satellite of WPTZ(TV) would serve the public interest.

23. Accordingly, IT IS ORDERED, That the petition to deny filed by Citadel Communications Company, Ltd. IS DENIED.

24. IT IS FURTHER ORDERED, That the application for consent to the transfer of control of WNNE-TV, Inc., licensee of station WNNE(TV), Hartford, Vermont, from Taft Broadcasting Company and Northern New England Television to Heritage Media Corporation IS GRANTED.

25. IT IS FURTHER ORDERED, That copies of this Memorandum Opinion and Order shall be sent Certified Mail-Return Receipt Requested to the parties to this proceeding by the Mass Media Bureau.

#### FEDERAL COMMUNICATIONS COMMISSION

Donna R. Searcy  
Secretary

#### FOOTNOTES

<sup>1</sup> A 100-percent satellite station retransmits all of the programming of its parent, while a station categorized as "primarily a satellite" airs most of its parent's programs but produces less than five percent of its programming locally. *See, e.g., Amateurs Group, Inc.*, 68 FCC2d 899 (1978).

<sup>2</sup> Heritage claims that due to the intervening terrain obstructions and the station's location, WNNE(TV) is unable to provide any coverage to approximately 34 percent of the Burlington-Plattsburgh market. It states that the station's signal does not reach the approximately 90,000 television households located in the more populous northern counties in the market. Heritage claims that while the market has 202,400 television households, WNNE(TV)'s weekly circulation consists of only 42,000 television households.

<sup>3</sup> Heritage states that the Bank of New England, which traditionally has financed the majority of transactions for the Northeastern broadcast market, has suffered losses totalling \$2.5 billion; and that the Chittenden Bank, the largest lender in Vermont, recently reported that \$8.1 million in commercial loans is uncollectible. Moreover, it avers that in 1985 approximately 180 bankruptcy petitions were filed in the United States bankruptcy court in Rutland, and by 1987 the number had increased 60% to 303, and during the first two months of 1990, 91 such petitions had been filed already.

<sup>4</sup> Four commercial stations serve the Burlington-Plattsburgh ADI: WNNE(TV), channel 31 (NBC), Hartford, Vermont; WPTZ(TV), channel 5 (NBC), North Pole, New York; WCAX-TV, channel 5 (CBS), Burlington, Vermont; and WVNY(TV), channel 22 (ABC), Burlington, Vermont. Six educational stations are licensed to the market: WETK(TV), channel 33, Burlington, Vermont; WVER(TV), channel 28, Rutland, Vermont; WVTB(TV), channel 20, St. Johnsbury, Vermont; WVTA(TV), channel 41, Windsor, Vermont; WLED-TV, channel 49, Littleton, New Hampshire; and WCFE-TV, channel 57, Plattsburg, New York. Of the six noncommercial stations, four are owned by Vermont Educational TV, which duplicates the programming on each of the stations.

<sup>5</sup> These efforts include the hiring of new management personnel, investing in equipment to enhance the quality of the over-the-air signal, increasing news programming, decreasing purchase of syndicated programming, purchasing barter programming, and reducing the staff from forty-five to thirty employees.

<sup>6</sup> In fact, the construction permit for channel 32 was issued to LaQueth Fleming and Gloria Fleming d/b/a Greenfield Television on April 29, 1984, and was cancelled on February 26, 1987, for failure to construct.

<sup>7</sup> It points out that Tom Hill, Vice-President of Valley Bank and on the Board of Northern New England Television, stated that the Valley Bank would consider 60 to 70 percent financing of the purchase.

<sup>8</sup> Citadel claims that WVNY-TV, which has a troubled history until recently, was purchased by it just before it was to be foreclosed upon by lenders.

<sup>9</sup> While it appears that the terrain between WNNE(TV) and WPTZ(TV) is such that the actual overlap area may be less than that shown utilizing the standard prediction method of Section 73.684 of our Rules, we cannot state that the overlap area will be as small as that shown by the applicants' alternative method.

<sup>10</sup> WNNE-TV's weekly circulation may, as Citadel contends, exceed that of some full-service stations. This fact, however, does not undermine the applicants' contention that WNNE-TV's circulation is relatively low or that this factor, when taken together with other relevant considerations, precludes stand-alone operation under the conditions prevailing in this particular market.

<sup>11</sup> The commercial stations are WCAX-TV, channel 3 (CBS), Burlington, Vermont; WMTW-TV, channel 8 (ABC), Portland, Maine; and WMUR-TV, channel 9 (ABC), Manchester, New Hampshire. The noncommercial station is WVTA(TV), channel 41, Windsor, Vermont. Noncommercial station WHED-TV, channel 15, Hanover, New Hampshire, also places a Grade B contour over Hartford, but WHED-TV has been off the air for a considerable period of time due to financial difficulties.

<sup>12</sup> The applicants have not provided a figure for the area within the Grade B contour of WNNE(TV) for which the station provides the only NBC service. However, the applicants did provide figures for the area within the Grade A contour.

<sup>13</sup> As noted, Citadel asserts that approval of the application will enhance Heritage's competitive position in the Burlington-Plattsburgh market and cause WVNY-TV to lose advertising revenues. It is not the purpose of the Act to protect licensees from competition. *FCC v. Sanders Brothers Radio Station*, 309 U.S. 470, 475 (1940). Further, while the *Carroll* doctrine has been eliminated (*see Report and Order in MM Docket 87-68*, 3 FCC Rcd 638 (1988)), even if it were still applied in Commission proceedings and were properly applicable in this context, Citadel has not met the heavy burden of pleading to establish that authorization of satellite operation here would result in a net degradation of service. *See also Arnold L. Chase*, 5 FCC Rcd 1642, 1645 (1990) (Competitive effect of creating a TV/radio combination on another area broadcast licensee found not relevant to the decision).