



Federal Communications Commission
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Re: Application for Consent to Transfer Control of License
and Request for Continued Satellite Authority
KTXS-TV, Sweetwater, Texas, Fac. ID No. 308
WCYB-TV, Bristol, VA, Fac. ID No. 2455
KAEF-TV, Arcata, CA, Fac. ID No. 8263
KRCR-TV, Redding, CA, Fac. ID No. 8291
KTVM-TV, Butte, MT, Fac. ID No. 18066
KCFW-TV, Kalispell, MT, Fac. ID No. 18079
KECI-TV, Missoula, MT, Fac. ID No. 18084
File No. BTCCDT-20170505ABL

Dear Counsel:

By this letter, we grant the above-captioned uncontested application (Application) for the transfer of control of 7 full-power television licenses, licensed to Bluestone License Holdings, Inc., from Bonten Media Group LLC (Bonten) to Sinclair Television Group, Inc. (STG). In connection with the sale, we grant STG continued authority to operate station KCFW-TV (KCFW), Kalispell, Montana, as a satellite of KECI-TV (KECI), Missoula, Montana, pursuant to the satellite exemption to the local television ownership rule.¹

In *Television Satellite Stations*, the Commission adopted “a presumption that TV satellite operations are in the public interest if individual applicants can satisfy certain public interest criteria:” (1) the proposed satellite does not have a City Grade overlap between itself and its parent; (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.² In the *2014 Quadrennial*

¹ 47 C.F.R. § 73.3555, Note 5. The other five stations are: KTXS-TV, Sweetwater, Texas; WCYB-TV, Bristol, Virginia; KAEF-TV, Arcata, California; KRCR-TV, Redding, California; and KTVM-TV, Butte, Montana.

² *Television Satellite Stations Review of Policies and Rules*, Report and Order, 6 FCC Rcd 4212, 4213-14 (1991) (subsequent history omitted) (*Television Satellite Stations*).

Second Report and Order, the Commission stated that “because there is no “digital counterpart to a station’s analog city grade contour” it will, “consistent with case law developed after the digital transition,” evaluate all future requests for new or continued satellite status on an *ad hoc* basis.³

Here, STG provides evidence that KCFW serves an underserved area. According to STG, KCFW is the only full-service television station licensed to the community of Kalispell, Montana,⁴ and therefore meets the Commission’s standard of an underserved area pursuant to the “transmission test.”⁵ STG also provides evidence that there is no alternative operator that is ready and able to construct or to purchase and operate the satellite as a full-service station. According to a letter from Mr. Frank J. Higney, Vice President of Kalil & Co., Inc. a nationally recognized brokerage and appraisal firm,⁶ Kalispell, KCFW’s community of service, is a “popular seasonal tourist destination . . . , but tourist and service personnel traffic is primarily limited to a three month window.”⁷ Mr. Higney states that such an economy cannot support a year-round, standalone, full-power television station.⁸ Furthermore, the Kalil Opinion Letter claims that it is also significant that KCFW could not be sold individually in all of its prior transactions because it lacks the “ability to cover Missoula, the main economic center of the [Missoula Designated Market Area (Missoula DMA), and serving such a small population, [KCFW] would have no chance to garner a Big Four affiliation.”⁹ The Kalil Opinion Letter argues that without “a major affiliation, the cost of programming (even without the local news that the station currently provides), staffing, and technical support would be beyond the dollars generated by local and/or national advertising” - making it unviable to sell as a stand-alone station. Moreover, the Kalil Opinion Letter states that it would decline to list KCFW as a standalone operation.¹⁰

Based on the foregoing reasons, we find that STG has set forth information sufficient to warrant continued satellite status for KCFW pursuant to our *ad hoc* analysis. Given that KCFW is the only full-power television station in its community of license, is located in a community of license with limited economic viability, and is costly to operate as a stand-alone station, it is unlikely that an alternative operator would be willing and able to purchase or operate the station as a stand-alone facility. Moreover, KCFW has operated as a satellite of KECI under Commission authority for almost 50 years, most recently

³ 2014 *Quadrennial Regulatory Review - Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Second Report and Order, 31 FCC Rcd 9864, 9876 n.72 (2016) (2014 *Quadrennial Review Second Report and Order*).

⁴ Application, Comprehensive Exhibit, Exhibit C, Request for Reauthorization of Existing Satellite Exemption at 2 (Satellite Waiver Request).

⁵ According to the “transmission test,” an area is underserved if there are two or fewer full-service television stations (including commercial, noncommercial, and satellite stations) licensed to a proposed satellite’s community of license. See *Television Satellite Stations*, 6 FCC Rcd at 4215.

⁵ *Television Satellite Stations*, 6 FCC Rcd at 4215.

⁶ Satellite Waiver Request, Exhibit C-1, Letter from Frank J. Higney, Kalil & Co. to David Gibber, Sinclair Broadcast Group (dated May 2, 2017) (Kalil Opinion Letter).

⁷ *Id.* at 2.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

reauthorized in 2007 in the Missoula DMA,¹¹ and we see no evidence in the record that continuing the satellite exemption will harm competition in that market.

Having reviewed the Application and other facts before us, we conclude that, not only will granting the Application and the request for reauthorization comply with Commission rules, but will also serve the public interest, convenience, and necessity.

ACCORDINGLY, IT IS ORDERED, that the request for the continued operation of station KCFW-TV as a satellite of KECI-TV, Missoula, Montana, pursuant to the satellite exception to the duopoly rule, Section 73.3555, Note 5, of the Commission's rules, **IS GRANTED**.

IT IS FURTHERED ORDERED, pursuant to Section 154(i) of the Communications Act, as amended,¹² and by the authority delegated by Sections 0.61 and 0.283 of the Commission's rules,¹³ that the above-referenced application for consent to transfer control of the licenses of 7 stations from Bonten Media Group, LLC to Sinclair Television Group, Inc. (File No. BTCCDT-20170505ABL) **IS GRANTED**.

Sincerely,

Barbara A. Kreisman
Chief, Video Division
Media Bureau

¹¹ Satellite Waiver Request at 1 (citing *Bonten Media Group, LLC*, Letter Order, 22 FCC Rcd. 7279 (Vid. Div. 2007)).

¹² 47 U.S.C. § 154(i).

¹³ 47 CFR §§ 0.61, 0.283.