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**SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP**

1440 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000  
FAX: (202) 393-5760  
<http://www.skadden.com>

DIRECT DIAL  
(202) 371-7200  
DIRECT FAX  
(202) 371-7475  
EMAIL ADDRESS  
JQUALE@SKADDEN.COM

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**VIDEO SERVICES  
DIVISION**  
FEB 15 2 22 PM '01

February 14, 2001

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**VIA HAND DELIVERY**

**EX-PARTE - DA 00-2246**

Re: Applications Seeking Consent to the Assignment of  
Chris-Craft Television Licenses to Fox Television Stations, Inc.  
File nos. BALCT-20000918ABB, BALCT-20000918ABC,  
BALCT-20000918ABD, BALCT-20000918ABF,  
BALCT-20000918ABK, BALCT-20000918ABL,  
BALCT-20000918ABM, BALCT-20000918ABN,  
BALCT-20000918ABU, BALCT-20000918ABY  
Notice of Oral Ex Parte Presentation

Dear Ms. Salas:

On February 13, 2001, Maureen O'Connell of News Corporation/Fox Television Stations, Inc. ("Fox"), Bob Giese of Chris-Craft Broadcasting, Inc. ("Chris-Craft"), William S. Reyner, Jr. of Hogan & Hartson, L.L.P., John C. Quale of Skadden, Arps, Slate, Meagher & Flom, LLP and Marvin J. Diamond of the Law Offices of Marvin J. Diamond met with Roy Stewart, Chief of the Mass Media Bureau, and members of his staff identified below, and with Susan Eid, Legal Advisor to Chairman Michael Powell, Jay Friedman, Senior Legal Advisor to Commissioner Gloria Tristani, Ben Golant, Legal Advisor to Commissioner Harold Furchtgott-Roth, David Goodfriend, Legal Advisor to Commissioner Susan Ness, and Jennifer Ashworth, intern in Chairman Powell's office.

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The representatives of Fox and Chris-Craft discussed the structure of the proposed transaction, compliance with the duopoly and newspaper/broadcast cross-ownership rules, the proposed protective order submitted to the Commission on February 8, 2001, and the issues raised in the letter from the Mass Media Bureau, dated December 21, 2000. Also discussed were the expected timing and processing of the applications. In addition, the representatives of Fox and Chris-Craft provided the persons listed above with a copy of "Summary Status of Chris-Craft/Fox TV Transfer Applications," a copy of which is attached hereto.

In accordance with Section 1.1206(b) of the Commission's rules, a copy of this Notice of Ex Parte Presentation has been provided to each of the staff members identified below and the original and one copy of this letter are being submitted to the Office of the Secretary.

Respectfully submitted,



John C. Quale

cc: Susan Eid, Legal Advisor to Chairman Michael Powell  
Jay Friedman, Senior Legal Advisor to Commissioner Gloria Tristani  
Ben Golant, Legal Advisor to Commissioner Harold Furchtgott-Roth  
David Goodfriend, Legal Advisor to Commissioner Susan Ness  
Roy Stewart (Mass Media Bureau)  
Barbara Kreisman (Mass Media Bureau)  
Jamilla Bess Johnson (Mass Media Bureau)  
David Brown (Mass Media Bureau)  
Chuck Dziedzic (Mass Media Bureau)  
Robert Ratcliffe (Mass Media Bureau)  
David Roberts (Mass Media Bureau)  
Jennifer Ashworth, Intern (Chairman Powell's office)  
James Bird, Office of General Counsel  
International Transcription Services, Inc.

Summary  
Status of  
Chris-Craft/Fox TV Transfer Applications

On September 18, 2000, applications were filed to assign the licenses of the ten television stations owned by subsidiaries of Chris-Craft Industries, Inc. to Fox Television Stations, Inc. ("FTS") in connection with Chris-Craft's planned merger into a subsidiary of The News Corporation Limited ("NewsCorp"). To comply with federal income tax law requirements relating to tax-free reorganizations, the Applicants have proposed a structure whereby the FCC licenses of Chris-Craft's ten stations (the "Stations") will be assigned to and held by FTS; the other assets of those Stations will be held by Newco, a newly formed subsidiary of Fox Entertainment Group, Inc. ("FEG"), an indirect subsidiary of NewsCorp; and the Stations will be operated under FTS's control pursuant to an operating agreement between FTS and Newco. A Petition to Deny the applications was filed by several organizations on October 27, 2000. Chris-Craft and FTS filed a joint Opposition on November 9, 2000, explaining and supporting the propriety of the proposed structure, to which the petitioners replied on November 22, 2000.

On December 22, 2000, the Mass Media Bureau sent the Applicants a letter requesting additional information. The letter stated that "in previous decisions, the Commission found that FTS was under the *de facto* and *de jure* control of Rupert Murdoch, an American citizen. See Fox Television Stations, 11 FCC Rcd 5714 (1995)(Fox II)." The letter further stated, "the Commission made clear that FTS would be permitted to acquire additional broadcast licenses, so long as it retained the structure approved at the time of the *Fox II* decision and so long as the breakdown of economic benefits between aliens and American citizens remained the same."

More specifically, the FCC Letter questioned "whether Newco will be the controlling party and the *de facto* licensee of the stations being acquired," and whether the involvement of Newco will result in increased economic benefits to FTS's alien investors. FCC Letter at 2. The staff tentatively concluded that, if Newco were the actual controlling party, the Chris-Craft Stations would be "acquired outside of the ownership structure approved in *Fox II*" (*Id.* at 2), and requested Applicants to provide additional information and explanations regarding these issues. The FCC Letter also directed the Applicants to submit a supplementary showing of how the proposed transaction would serve the public interest; requested the Applicants to waive their rights to confidentiality under the Hart-Scott-Rodino Act ("HSR") to permit the FCC staff to review documents filed by the Applicants with the Department of Justice ("DOJ") pursuant to HSR; and noted the absence in the record of facts in support of FTS's general statements in the Application regarding the current financial condition of the *New York Post*.

In their response filed on January 25, 2001, FTS and Chris-Craft provided:

(1) Proof that the ownership structure of Newco, in terms of "the breakdown of economic benefits between aliens and American[s] . . ." is identical to the ownership structure approved by FCC in *Fox II*. (The extent of alien ownership and participation in economic benefits will actually be less than that approved in *Fox II*.)

(2) Proof that FTS, an entity controlled by K. Rupert Murdoch, will have *de jure* and *de facto* control of the Chris-Craft Stations.

(3) Proof that under the Operating Agreement between FTS and Newco, FTS will set the policies for programming, personnel, and finances of the Chris-Craft Stations and will exercise control of the Stations.

(4) Declarations from officers of FTS and Newco that FTS has no intention to relinquish, and Newco has no intention to assert, control over the Chris-Craft Stations within the meaning of Section 310 of the Communications Act.

(5) A supplementary showing of the public interest benefits of the proposed transaction, together with a discussion of why established Commission practice in the area of broadcast regulation does not require such a showing.

(6) An explanation why Applicants respectfully decline to waive their confidentiality rights with respect to the HSR review of the transaction, a review of which has recently been terminated by the DOJ, except for a decree to require divestiture of a station in Salt Lake City as the Applicants have already proposed in the Application. As a result, responses to DOJ's request for information are not being required.

(7) Under separate cover, a declaration with additional facts regarding the operating losses incurred by the *New York Post*, together with a request for confidentiality and a protective order in accordance with Sections 0.457 and 0.459 of the Commission's rules, as permitted by the FCC Letter.