

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

In the Matter of

Rules and Policies to Promote New
Entry and Ownership Diversity in the
Broadcasting Services

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MB Docket No. 17-289

REPLY COMMENTS OF GRAY TELEVISION, INC.

Gray Television, Inc. (“Gray”) submits these reply comments in the above-captioned proceeding to encourage the Commission to adopt an incubator program to help increase diversity of ownership in the broadcast industry. In particular, Gray urges the Commission to abide by the recommendations of the National Association of Broadcasters (“NAB”) in its comments in this proceeding.¹ Gray’s experience shows that established broadcasters are willing to assist new entrants to the industry, but the ability to do so is limited under existing rules. An incubation program that provides meaningful incentives coupled waivers of stringent ownership rules would have the best chance of successfully promoting minority and female broadcast ownership.

Over the last several years, Gray has worked with minority and female owned businesses and local colleges and universities to help them acquire and operate almost a dozen broadcast television stations. In 2014, Gray spun off six full power television stations to three different minority and female owned companies.² Two of those companies did not own any other full power television stations and the other company owned only one other full power station. These

¹ Comments of the NAB, MB Docket Nos. 17-289, et al. (Mar. 9, 2018) (NAB Comments).

² BALCDT-20140909ADL; BALCDT-20141028ABJ; BALCDT-20140910APB; BALCDT-20140910ACA; BTCCDT-20140925ACK.

transactions were groundbreaking. Gray sold the stations for the minimum amount necessary to cover Gray's transaction costs. In addition, during the transition to new independent ownership Gray offered to the new owners, at no additional cost, any unused equipment in Gray's possession that the new owners felt would assist them in creating a new competitive station in the local market. The new owners then operated their stations completely independent of Gray.

In 2016, Gray followed up those transactions by selling for only one dollar two more television stations to female-owned Legacy Broadcasting.³ As part of that transaction, Gray also provided to Legacy, at no additional cost, office space in Gray's main studio for Legacy's local employees.

In addition to its transactions with minority and female-owned broadcasters, Gray also has donated television stations to state-owned entities to further expand the reach of their state-owned PBS networks. In 2015, Gray donated KUHM-TV, Helena, Montana, to Montana State University.⁴ This allowed Montana residents in the state capital to finally have access to a local PBS affiliate. Currently, Gray has a pending application to donate KGWC-TV to Central Wyoming College, which is the owner of the Wyoming network of PBS affiliates.⁵ This transaction would allow Central Wyoming College to expand its offerings to residents in Casper, Wyoming.

In short, Gray is proud of its history of advancing the cause of diverse ownership, and it remains committed to doing so. When an opportunity arises for Gray to spin off a station to a local university or to a minority or female-owned broadcaster, Gray will pursue it. But, those opportunities are rare. The Commission should not rest on the hope that broadcasters

³ See FCC File No. BALCDT-20151013AFS.

⁴ See FCC File No. BALCDT-20150710ABE.

⁵ See FCC File No. BALCDT-20180314ACX.

occasionally will donate a station to a new entrant. Instead, to meaningfully increase the diversity of broadcast ownership and to ensure the participation of established broadcasters, the Commission must provide real word incentives. The incubator program described by the NAB in its Comments provides the necessary incentives to encourage broadcasters to think creatively and work with eligible entities to give them the assistance they may need to enter the industry.

Respectfully submitted,

Gray Television, Inc.



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