

PLAGIARISM

Plagiarism strikes at the very heart of journalistic credibility. To claim another person's work as your own is unethical, immoral and illegal. Material from other sources must be attributed.

(NOTE: Contractually, we are given the right to use most wire service and video/audio news service material without attributing the source. Any questions regarding the use of such material should be directed to your news director and general manager).

FAMILY AND PRIVATE LIFE

Generally speaking, the Scripps Howard Broadcasting News Code of Conduct has no binding effect on your family. However, we can expect that your family members will not accept gifts or other special considerations given because of your connection with a television or radio station.

To protect your credibility as a journalist, you may not be allowed to cover certain stories if a member of your family becomes involved in issues such as politics or commercial matters. You are expected to notify the news director or general manager of such family involvement so we can avoid any appearance of conflict of interest.

IN CONCLUSION

These guidelines are not intended to unduly limit your participation in community or family life, but we must all understand that our stations' credibility rests on the integrity of each of us, and on the way each of us is perceived by the public.

If at any time you feel you or your station faces a situation involving ethical or conflict of interest questions, consult immediately with your news director, general manager or a corporate manager at Scripps Howard headquarters.

Ours is a public trust, and we have complete confidence in your ability to keep and build upon that trust.

It is essential that we each maintain the highest standard of conduct as we go about the business of informing the public. As journalists, we must be accurate, honest, fair and our motives must be above suspicion.

EXHIBIT 6

**Scripps Howard Broadcasting Inter-Office Memo Regarding
Issues/Programs Lists**

**(Information protected by the attorney-client privilege
has been redacted from this exhibit.)**



SCRIPPS HOWARD
BROADCASTING

FILE
SOP

INTER-OFFICE MEMO

TO	FG	TCG	EH	WJB	BJW	PDB	FROM	
	RGK	JFM	DWM	JHK	WJD	JPF		Terry H. Schroeder
DATE	January 4, 1990						SUBJECT	Issues/Programs Lists

(Information protected by the attorney-client privilege has been redacted from this exhibit.)

Dick Janssen and I would like to reaffirm to all of you that Scripps Howard Broadcasting continues to stress the importance of this quarterly report and the commitments made in prior license renewals for public service announcements, news and public affairs programming. As you are aware our Quarterly Program Analysis Report continues to measure this compliance even though not currently required by the FCC.

Please make sure these reports are prepared thoroughly and filed properly by the due date. A copy of the Quarterly Issues/Programs List and the Quarterly Program Analysis Report should be sent to Dick and also to Linda Bocchi who is in the Washington office of Baker & Hostetler.

If you have any questions regarding our procedures in these two matters please call me.

TERRY

cc: RJJ
KWL
DPZ

EXHIBIT 7

EXHIBIT 7

**SCRIPPS HOWARD BROADCASTING COMPANY - FOUNDED AUGUST 24, 1935
AS CONTINENTAL RADIO CO.**

BECAME SCRIPPS HOWARD RADIO, INC. MAY 1937

**BECAME SCRIPPS HOWARD BROADCASTING CO.
DECEMBER 31, 1961**

STATION	PURCHASED BY SCRIPPS HOWARD	ON AIR
WEWS-TV	+	12-17-47
WMC-TV	+	12-11-48
WCPO-TV	+	07-26-49
WPTV-TV	12-27-61	
KJRH-TV	01-01-71	
KSHB-TV	10-28-77	
KNXV-TV	01-11-85	
WFTS-TV	01-02-86	
WXYZ-TV	01-02-86	
WMAR-TV	05-30-91	

EXHIBIT 8

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

Martin R. Leader, Esq.
Fisher, Wayland, Cooper and Leader
1225 Twenty-Third Street, N.W.
Washington, D.C. 20037-1125

IN REPLY REFER TO:

8940-DEB

Inc.'s equity. The Term Note provides for interest-only payments for the first ten years. Principal payments are to be paid in years eleven to fifteen. The Term Note is secured by a "Security Agreement" and a "Stock Pledge Agreement." In addition the agreement between CRI and WPTT, Inc. requires that Edwards enter into an "Employment Agreement" with WPTT, Inc. As originally filed, the application did not contain copies of the Term Note, Security Agreement or Employment Agreement.

The Pleadings Baseman's main concern with the Channel 22 assignment² is the extent of control that CRI and its owners will have over Station WPTT-TV after consummation of the sale. First, Baseman notes that CRI/WPTT, Inc. failed to provide a copy of the Term Note with the application. Petitioner believes that the Commission should scrutinize the terms of the Term note, to ascertain the extent to which CRI might be attempting to retain a reversionary interest in WPTT-TV through the default terms in the note. Second, Baseman argues that the debenture provision giving CRI the right to convert its interest into eighty percent of WPTT, Inc.'s voting stock, coupled with the Term Note violates the Commission's multiple-ownership rule, Section 73.3555(a)(3), because CRI will have attributable interests in two television stations in the same market. Moreover, Baseman contends that the relationships created by these agreements would violate the cross-interest policy because CRI would have a meaningful relationship in a competing station in the same market. Petitioner concludes that CRI is retaining interests which will provide it with substantial control over WPTT-TV and its licensee and that such interests ensure that Channel 22 (operated as a Home Shopping Network affiliate) will remain noncompetitive with Station WPGH-TV.

In response, CRI denies that the WPTT-TV transaction violates the multiple-ownership rule, the cross-interest policy or the reversionary rule (Section 73.1150 of the Commission's rules). Moreover, CRI states that WPTT-TV has never been a serious competitor with WPGH-TV because WPTT-TV has consistently been last among Pittsburgh's over-the-air stations and even lags behind three different cable channels in terms of market share.

Staff Inquiries On April 22, 1991, in response to a request by the staff, CRI provided copies of the Security Agreement and Stock Pledge Agreement. On May 10, 1991, the staff wrote the applicants and raised several matters concerning some of the terms of these documents. We questioned: (a) CRI's right to convert the debenture into eighty percent (80%) of WPTT, Inc.'s voting common shares; (b) certain events of default (such as, default if there has been a material adverse change in the condition of WPTT, Inc. and default if the prospect of repayment of interest or principal is impaired for any reason); and (c) certain provisions which appeared to limit the assignee's discretion in determining the station's operation (for example, a limitation on the amount of assignee's gross revenue; a limitation, without any reference to a zone of reasonableness, on the amount of liabilities and obligations assignee can incur; and a limitation on the amount assignee can expend on the acquisition of programming). We afforded the applicants an opportunity to respond to our

² Baseman also raises some equal employment opportunity (EEO) concerns with respect to both WPTT-TV and WPGH-TV. These are discussed below.

concerns. We also afforded petitioner the opportunity to respond.

On May 15, 1991, the applicants amended the application. First, the debenture was amended to provide that any conversion by CRI into the assignee's equity "shall be into nonvoting common shares" and is "subject to and must comply with all rules, regulations, and policies of the FCC." Next, the questioned events of default were eliminated. Finally, limitations on assignee's gross revenues and programming liabilities were eliminated; limits on annual capitalized lease obligations were changed from \$25,000 singly or in the aggregate, to \$100,000 singly or \$250,000 in the aggregate; and limits on annual capital expenditures were changed from \$100,000 to \$250,000.

On May 22, 1991, Baseman filed a response to the May 15th amendment. Petitioner raises concerns that the applicants had not submitted copies of certain documents and agreements, such as the tower site and studio building leases, and the Employment Agreement between assignee and Edwards. Petitioner questions the arrangement whereby CRI will lease, to the assignee, the station's tower for a one-year period and studio/office building on a month-to-month basis. Baseman also speculates about possible restrictive clauses in the employment agreement between Edwards and WPTT, Inc. Furthermore, petitioner contends that the provision in the Term Note that prohibits prepayment by WPTT, Inc. without prior written consent of CRI, means that assignee cannot refinance or sell Channel 22 (for example, to a strong competitor) without CRI's consent. In addition, Baseman contends that the cross-interest policy will be violated because CRI has access to the assignee's financial statements and other information with respect to the operation of the assignee and CRI can enter WPTT, Inc.'s place of business to examine assignee's records. Petitioner also raises a question about the provision that assignee's receipts are to be placed in a bank account that CRI alone can access and the provision which permits CRI to direct parties who owe money to WPTT, Inc. to pay such money directly to CRI.

On May 29, 1991, the applicants submitted copies of the leases, the Edwards' employment agreement and a modified security agreement. The applicants also submitted declarations of David D. Smith (President of both CRI and SBC) and Edwards. In his declaration, Smith states that the leases are for short terms for business reasons. In that regard, CRI wants to maintain its flexibility over the tower site; for example, it may want to use the present WPTT-TV tower for a microwave facility in connection with its operation of WPGH-TV or to sell or lease the tower and real estate on which it stands. Similarly, he asserts that the studio lease is on a month-to-month basis to maintain CRI's flexibility to sell or lease the building because WPTT, Inc. may not need to lease that much space for its operation. Edwards responds that he wants only a one-year tower lease because he may want to move the WPTT-TV transmission facility from Monroeville, fifteen miles east of downtown Pittsburgh, to a downtown site. Thus, a one-year lease would give Edwards flexibility. Likewise, Edwards states that he needs flexibility with respect to the studio facilities. The studio contains approximately 34,000 square feet. Upon reviewing the type of programming that WPTT-TV may air after the acquisition, Edwards feels that he may need as little as 2,000 square feet. Thus, he wants to keep his options open to move WPTT-TV's studios to a smaller building for reasons of efficiency and cost savings.

Smith explains that CRI's reason for requiring Edwards to enter into an employment agreement with WPTT, Inc. is based on the fact that Edwards is a "key person" in the transaction. He states that CRI chose to sell WPTT-TV to Edwards "at extremely favorable terms" since CRI was purchasing WPGH-TV and had to sell Channel 22, it had no leverage and was in a weak position to obtain a market price for the station. Secondly, the sale to Edwards was a reward for his many years of loyal service to the station. Further, CRI wished to encourage minority ownership in a top 20 television market. Therefore, it was necessary, in CRI's opinion, to have Edwards remain with the station. Also, from a business standpoint, CRI needed to ensure that WPTT, Inc. would not immediately sell the station without CRI realizing the value it expects from the transaction. "Thus, the employment agreement, in connection with a loan provision requiring CRI's consent to any sale of the station, operate to ensure that if WPTT, Inc. sells the station within the term of Mr. Edwards' employment agreement, it will first satisfy its loan obligation to CRI. These provisions do not prohibit WPTT, Inc. from selling the station at any time, they in no way represent an effort by CRI/SBG to control Mr. Edwards' operation of the station, and they do not restrain competition in the Pittsburgh market."

Edwards explains that there are two reasons why he was willing to enter into an employment agreement with WPTT, Inc. First, on a purely emotional level, he has been with WPTT-TV for approximately 13 years and has developed a great sense of loyalty to the station. Secondly, from a business perspective, "I am aware that I am the key person in the proposed sale, and that WPTT-TV's creditors are relying on the continued presence of my talents and managerial skills at the station. I therefore determined it would benefit both me and the station to enter into an employment agreement as a material term of the sale."

Discussion The Commission has long supported increased minority participation and ownership in the broadcast industry. Such participation benefits not only minorities, but the general public as well, by diversifying control of the media and thus the selection of available programming. Commission Policy Regarding the Advancement of Minority Ownership in Broadcasting, 99 FCC 2d 1249 (1985). The Commission recognized in that report, that seller financing can facilitate minority entrance into the broadcast industry. However, the Commission concluded that even in the context of seller financing to minority buyers, any automatic reversionary interest in a license is prohibited. When we questioned CRI's right to convert the debenture into 80% of the assignee's voting stock, the applicants amended the agreement to specify nonvoting stock. Note 2(f) of Section 73.3555 of the Commission's rules provides that holders of nonvoting stock shall not be attributed an interest in the issuing entity unless and until conversion is affected. We, therefore, find that CRI has not retained an interest in the WPTT-TV license in contravention of Section 73.1150 of the Commission's rules.

Section 73.3555(a)(3) of the rules prohibits control of two television stations in the same area. The cross-interest policy, which complements the multiple-ownership rules, is intended to prevent the principals of a licensee of a broadcast facility to have a "meaningful relationship" with a second facility serving essentially the same area. See Re-examination of the

Commission's Cross-Interest Policy, 4 FCC Rcd 2208 (1989). "The objective of the policy is the promotion and maintenance of full competition within a given broadcast area," Cleveland Television Corp. v. FCC, 732 F. 2d, 962, 969 (D. C. Cir. 1984). The Commission has recognized that "to allow one entity to

EEO Matters

The Pleadings Baseman also objects to a grant of the WPTT-TV and the WPGH-TV applications because of allegedly inadequate minority employment at Channel 53 and Channel 22. Relying on the Annual Employment Reports submitted to the Commission, petitioner states that in 1989, WPGH-TV had four full-time minority employees (out of 58 total full-time employees) and for 1990, minority employment declined to three full-time minority employees (out of 58 total full-time employees). Likewise, Baseman alleges that CRI's record for WPTT-TV is also deficient. In 1989, Channel 22 had six full-time minority employees (out of a total of 43 full-time employees), while in 1990, WPTT-TV had five full-time minority employees (out of a total of 49 full-time employees.) Baseman concludes that these numbers demonstrate serious violations of the Commission's EEO policies and that the WPGH-TV application should not be granted.

WPGH-TV responds that the reduction of one full-time minority employee between 1989 and 1990 occurred only because one minority employee's status had been changed, at her request (owing to child care arrangements), from full-time to part-time. Moreover, WPGH-TV argues that since the total minority labor force percentage in Pittsburgh is 7.3%, its 5.2% 1990 minority employment level is 71% of labor force parity and, thus, is in compliance with EEO guidelines. SBC also responds that its EEO record provides no basis for denying the assignment. Even after the 1990 decrease in full-time minority positions, the total percentage of minority employees at WPTT-TV is 10.2%, which is more than 100% parity with the total Pittsburgh minority labor force.

Discussion The EEO policies and practices of Stations WPGH-TV and WPTT-TV were reviewed by the Commission and found to be acceptable at the time of the stations' last renewal in 1989. There is nothing in the materials submitted by Baseman that would alter our earlier determinations or otherwise cause us to now deviate from our usual practice of reviewing EEO related complaints against particular stations in the context of license renewal applications. See

denied and the assignment applications are granted this day, subject to the condition that the sale of Station WPTT-TV be consummated prior to the consummation of the sale of Station WPGH-TV.

Sincerely,

Barbara A. Kreisman
Chief, Video Services Division
Mass Media Bureau

cc: Donald E. Martin, Esq.
Arthur B. Goodkind, Esq.

/usr/VIDEO/blank/pitts.final *04b*

June 21, 1991 11:15am

PROGRAMMING EXHIBIT A

PROGRAMMING EXHIBIT A

**Local Non-Entertainment Programming
(Comparative Showing)**

This exhibit consists of tables and supporting program grids identifying the number of hours of locally produced non-entertainment programming offered by Scripps Howard's VHF, network-affiliated stations and their competitors on a regularly scheduled basis during May 1990 and July 1991.¹

The grids were prepared by the identified Scripps Howard stations using Nielsen or Arbitron research data as indicated thereon. The decision to identify a program as local non-entertainment programming was made by station personnel based upon their knowledge of their own programming and knowledge of their competitors' programming. Where it appeared that a program might qualify, but it was unfamiliar to station personnel, personnel at the originating station were contacted for clarification.

The criteria used for comparison were that a program must be locally produced, non-entertainment news or public affairs programming. No effort was made to segregate "soft" news out of programs produced by a station's news department, but programs devoted exclusively to sports news reporting were excluded. In addition, programming presented by a religious group was excluded

religious points of view. All stations' repeat broadcasts of local programming were included, including late night repeats where the relevant information was available.

It is emphasized that Scripps Howard has no group policy that simply encourages the offering of greater quantities of this type of programming than that offered by competitors in the market. Scripps Howard expected that a positive showing would result in this comparison because of its special policies encouraging the production of local programming which serves community needs.

The two months researched here were selected for being relevant and for being reasonably easy to research. These are the only time periods to date which have been systematically reviewed by Scripps Howard for market-wide comparison of non-entertainment program quantity.

Finally, since Station WMAR-TV was not a Scripps Howard station until May 30, 1991, a different time-period comparison is offered for it: July 1991 and mid-September 1991. As the table and grids show, the July 1991 market-wide comparison shows WMAR-TV in third place. As of mid-September 1991, however, the station had added the locally produced "Morning Show" news program which moved WMAR-TV into a strong first place in the Baltimore market.

TABLE

MAY 1990

**-- MARKET --
DETROIT, MICHIGAN**

Station	Hours	Rank
WXYZ-TV*	29	1
WDIV-TV	20.5	2
WJBK-TV	20	3
WKBD-TV	9	4
WXON-TV	0	5

JULY 1991

Station	Hours	Rank
WXYZ-TV*	27	1
WDIV-TV	26	2
WJBK-TV	20	3
WKBD-TV	6.5	4
WXON-TV	0	5

* Scripps Howard station.

TABLE

MAY 1990

**-- MARKET --
CINCINNATI, OHIO**

Station	Hours	Rank
WCPO-TV*	20	1
WKRC-TV	15	2
WLWT-TV	14.5	3
WXIX-TV	0	4 (tie)
WSTR-TV	0	4 (tie)

JULY 1991

Station	Hours	Rank
WCPO-TV*	17.5	3
WKRC-TV	20	2
WLWT-TV	20.5	1
WXIX-TV	0	4 (tie)
WSTR-TV	0	4 (tie)

* Scripps Howard station.

TABLE

-- MARKET --
CLEVELAND, OHIO

MAY 1990

Station	Hours	Rank
WEWS-TV*	25.5	1
WJW-TV	24	2
WKYC-TV	18	3
WUAB-TV	7.5	4
WOIO-TV	2	5

JULY 1991

Station	Hours	Rank
WEWS-TV*	25.5	1

TABLE

**-- MARKET --
MEMPHIS, TENNESSEE**

MAY 1990

Station	Hours	Rank
WMC-TV*	19	1
WHBQ-TV	14.5	2
WREG-TV	11	3
WPTY-TV	.5	4
WLMT-TV	0	5

JULY 1991

Station	Hours	Rank
WMC-TV*	19.5	1
WHBQ-TV	14.5	2
WREG-TV	12.5	3
WPTY-TV	.5	5
WLMT-TV	5	4

* Scripps Howard station.

TABLE

-- MARKET --
WEST PALM BEACH, FLORIDA

MAY 1990

Station	Hours	Rank
WPTV-TV*	15.5	1
WPEC-TV	15	2
WPBF-TV	13	3
WFLX-TV	1.5	4
WTVX-TV	.5	5

JULY 1991

Station	Hours	Rank
WPTV-TV*	21.5	1
WPEC-TV	20.5	2
WPBF-TV	10.5	3
WFLX-TV	1.5	4 (tie)
WTVX-TV	1.5	4 (tie)

* Scripps Howard station.

TABLE

-- MARKET --
TULSA, OKLAHOMA

MAY 1990

Station	Hours	Rank
KJRH-TV*	16**	1
KOTV-TV	15.5	2
KTUL-TV	9.5	3
KOKI-TV	0	4

JULY 1991

Station	Hours	Rank
KJRH-TV*	16**	2
KOTV-TV	18	1
KTUL-TV	14.5	3
KOKI-TV	0	4

* Scripps Howard station.

** Arbitron did not report late-night programming in this market, and the station was unable to confirm the presence of late-night local public affairs programming on the other market stations. Accordingly, while the attached grids show that KJRH-TV offered an additional two and one-half hours of local news programming per week during these periods, the tables do not include this programming.

TABLE

**-- MARKET --
BALTIMORE, MARYLAND**

JULY 1991

Station	Hours	Rank
WMAR-TV*	20.5	3
WJZ-TV	21	2
WBAL-TV	24.5	1
WBFF-TV	12	4
WNUV-TV	0	5

MID-SEPTEMBER 1991

Station	Hours	Rank
WMAR-TV*	26	1
WJZ-TV	23.5	2
WBAL-TV	22.5	3
WBFF-TV	12.5	4
WNUV-TV	0	5

* Scripps Howard station.