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October 21, 1996

BY HAND

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Federal Communications Commission
Office of Secretary

The Secretary
Federal Communications Commission
Washington, D.C.

Re: Notice of Ex Parte Presentations
MM Docket Nos. 94-150, 92-51 & 87-154

Dear Sir:

On behalf of Silver King Communications, Inc., notice is hereby given pursuant to Section 1.1206 of the Rules that the undersigned, together with Douglas Binzak, Executive Vice President of Silver King Communications, Inc., met on October 18, 1996 with a representative of the office of the Chairman and representatives of the offices of Commissioners Quello, Chong and Ness. During these meetings, matters under consideration in the above-referenced rulemaking proceedings were discussed, as outlined in the attachment hereto.

Very truly yours,

HOGAN & HARTSON L.L.P.

By: William S. Reyner, Jr.

William S. Reyner, Jr.

Attorneys for Silver King Communications, Inc.

WSR/ljc

cc: Lauren J. Belvin, Esq.
Julius Genachowski, Esq.
Jane E. Mago, Esq.
Anita Wallgren, Esq.

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TALKING POINTS

FOR REVISIONS TO TV

OWNERSHIP RULES AND POLICIES

10/18/96

35% Audience Reach Limitation

- Allow for a 3% increase in the 35% reach limitation every two years, subject to further review.

- Continue to allow a 50% reduction for UHF stations, with the understanding that the rule will be reviewed at such time that UHF stations achieve parity with VHF stations as a result of the conversion to DTV and acceptable penetration of DTV receivers in the marketplace.

- Clarify that the same audience will not be counted twice where a licensee has permissible interests in two stations within the same market.

Typical UHF stations operate with approximately 55% to 67% of the coverage reach of VHF stations. Due to height and utility cost constraints, many operate with significantly less coverage. Cable is not an equalizer. (35% of homes do not subscribe to cable; 25% of the homes in the U.S. that have access to cable have elected not to subscribe; and there are multiple sets in cabled homes that still rely on over-the-air reception.) Obviously, it is clear that the transition to DTV with meaningful digital receiver penetration is still at least 10 years away so that the UHF disparity will continue in place for many years.

The Cross-Interest Policy

- Clear and understandable *rules* should be implemented, and the nebulous cross-interest policy should be eliminated.

The existing lack of clear rules has created uncertainty and confusion which interferes with the marketplace and unduly burdens the Commission's limited resources. It is not uncommon for transfers or assignments raising cross-interest issues to be delayed for a year. Interests that are so significant as to likely impact diversity or competition can and should be clearly identified and spelled out in the Commission's rules.

TV Overlaps

- The existing prohibition on overlapping Grade B contours should be eliminated. Overlaps should be permitted as long as the cities of license for the stations are located in different DMA's.

The preservation of competition and diversity will be unaffected by the common ownership of stations in different DMA's. Such stations simply do not compete with one another for advertisers or programming.

TV Duopoly Rule

- At the very least, in the largest markets -- e.g., the top-25 markets -- allow the ownership of attributable interests in two television stations where one of the two stations is a UHF station.

- An LMA giving a station the right to program more than 50% of the hours between 6 A.M. and midnight should be attributable.

- In the event that an entity has permissible attributable interests in more than one station in a market, the audience in the market should be counted only once for purposes of the national audience reach limitation.

There is precedent for imposing less restrictions for stations within the larger markets. In fact, Section 202(d) of the 1996 Telecom Act instructed the Commission to extend its presumptive radio-TV waiver standard from the top-25 to the top-50 markets. It is irrefutable that there is ample video diversity and competition of all types of programming, including locally-produced programming, in the top markets.

When dealing with television, it is appropriate to consider the available choices and competition provided from all forms of video delivery (cable, wireless, DBS and over-the-air). And, since these other providers are able to offer multiple channels and generally are not restricted in the number of channels in which they have an ownership interest (only cable is restricted to having attributable interests in more than 40% of the channels), it makes little sense to disadvantage TV licensees vis a vis those with whom they must compete.

In fact, allowing some form of joint ownership in the largest markets is essential to the enhancement of competition and diversity. First, a combination between a dominant and non-dominant station in a market with many media voices will not harm competition and diversity. On the other hand, by sharing certain common costs and achieving operating efficiencies, such combinations make it possible to lower the significant economic barriers that preclude the weaker UHF stations from producing original programming. Indeed, if the must-carry rules are struck down, it will be even more difficult for weaker and developing voices to mature and become competitive.