

ORIGINAL

IRWIN, CAMPBELL & TANNENWALD, P.C.

ATTORNEYS AT LAW
1730 RHODE ISLAND AVE., N.W.
SUITE 200
WASHINGTON, D.C. 20036-3101
(202) 728-0400
FAX (202) 728-0354

PETER TANNENWALD
(202) 728-0401 Ext.105

EX PARTE OR LATE FILED

February 3, 1997

William F. Caton, Acting, Secretary
Federal Communications Commission
Washington, DC 20554

FILED
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FEDERAL COMMUNICATIONS COMMISSION

Re: **Report of Ex Parte Communication**
MM Docket No. 92-266
CS Docket No. 96-60

Dear Mr. Caton:

Pursuant to Section 1.1206(a) of the Commission's Rules, I am submitting herewith four copies of a memorandum send to Chairman **Hundt** and Commissioners **Quello**, **Ness**, and **Chong**, by Sherwin Grossman, President of **Sherjan Broadcasting Co., Inc.**, relating to leased cable access, which is the subject of the above-reference pending rule making proceedings.

Please place this document in the *ex parte* files for MM Docket No. 92-266 and CS Docket No. 96-60.

Very truly yours,



Peter Tannenwald

Attachment

cc: (w/o att) Mr. Sherwin Grossman
Chairman Reed E. Hundt
Commissioner James H. Quello
Commissioner Susan Ness
Commissioner Rachelle Chong

No. of Copies rec'd 0+4
List ABCDE



WJAN TV

Sherwin Grossman

President

SHERJAN BROADCASTING CO.

January 31, 1997

**TO: Chairman Reed E. Hundt
Commissioner James H. Quello
Commissioner Susan Ness
Commissioner Rachelle B. Chong**

RE: PROPOSED LEASED ACCESS FORMULA

In order to help resolve the current *Leased Access rate issue* in a fair and equitable manner, I wish to propose the following formula for your consideration. Begin by taking the total annual local gross sales of a cable system. Divided this amount by the number of channels on which those sales are based. Then divided this figure by 12 for the months of the year. And finally divide this amount by the total number on subscribers of the cable system. This will provide the average gross revenue generated per subscriber per month.

Example:	Cable Co. Gross sales	\$1,500,000.
	15 Channels divided by	15
	equals	\$100,000.
	Divided by 12 months	\$8333.33
	System subs 85,000	\$0.098 per sub/per month.

While its reasonable to assume that a profit is already generated from these gross sales, you still may want to provide for an ensured 10% profitability. This not only provides for a true market value of the leased channel, it also provides a guaranteed profit on top of this value. It should be eminently fair to all parties. If you have any questions on this proposal, please call me immediately.

Best personal regards.

Sherwin Grossman

President

SG/mg



WJAN TV

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President

SHERJAN BROADCASTING CO.

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FCC, Commissioners

File: CMSNRS.

cc: Jackie Chorney, Esq.
Jane E. Mago, Esq.
Rudolfo Baca, Esq. (Rudy)
Anita Wallgren, Esq.
Peter Tannenwald, Esq.
Alberto Stark, General Mgr. WJAN