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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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July 3, 1997

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

Re: MM Docket Nos. 91-221, ~~97-8~~ 87-8,
94-150, 92-51, and 87-154
Station WFTE(TV), Salem, IN

Dear Mr. Caton:

Transmitted herewith, on behalf of Kentuckiana Broadcasting, Inc., is its response to Public Notice, DA 97-1246 (June 17, 1997) with respect to the above-referenced Dockets.

If there are any questions, please contact this office.

Very truly yours,

Dan J. Alpert

Counsel for Kentuckiana Broadcasting, Inc.

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WFTE'S RESPONSE TO PROPOSED RULE MAKING REGARDING LMA'S

1) Brokered Station - Kentuckiana Broadcasting, Inc.
WFTE-TV
Channel 58
Salem, IN

Brokering Station - Independence Television Company
WDRB-TV
Channel 41
Louisville, KY

2) Nielsen DMA - Louisville, KY - 50th

3) Both stations have identical city grade and grade A contours. WFTE's grade B contour is not quite as large as WDRB's. The transmitter sites are co-located.

4) November 8, 1993

5) Term: March 15, 1994 - March 15, 2001 - WDRB-TV has the right to extend this agreement for additional terms of five (5) years each. Notice of the exercise of this option must be delivered to Kentuckiana Broadcasting at least ninety (90) days prior to the end of the existing term.

6) 83.3%

7) WFTE-TV is a UPN Affiliate
WDRB-TV is a FOX Affiliate

8) NSI audience share
(9A - 12 MID)

	WFTE	WDRB
May '97	4	8
Feb '97	3	8
Nov '96	4	10

9) Comments on next page

In May 1990 James T. Ledford received the construction permit for the Channel 58/Salem, Indiana. Salem, Indiana is located approximately 35 miles northwest of Louisville, Kentucky, but is considered a part of the Louisville, Kentucky Market.

Although financing had been arranged in advance of even applying for the facility, changes in the television marketplace, as well as prevailing economic conditions, made it difficult for Ledford to effectuate his financing plans. In the meantime, it became permissible within the television industry to establish local marketing agreements. Kentuckiana (the wholly-owned successor of Ledford) was contacted by Blade Communications, Inc. (the parent company of the licensee of Station WDRB(TV)) with a proposal, which ultimately was agreed to, whereby Blade Communications assisted Kentuckiana in obtaining requisite financial commitments for the construction of the station in return for Kentuckiana entering into an LMA agreement for its utilization of certain of WFTE's broadcast time and commercial availabilities.

As a result of the fortuitous timing of the commencement of WFTE's operations, WFTE became a UPN Network affiliate, thereby providing the Salem community and the surrounding Louisville Market with access to an additional television network that would not otherwise have been available. Moreover, as a result of the LMA agreement, WFTE now had access to WDRB's inventory of syndicated programming, much of which would otherwise not be broadcast in the Salem/Louisville Market on WDRB itself due to the lack of available broadcast time on WDRB. Also, thanks to WFTE's presence in the Salem/Louisville Market, in the Fall of 1997 the Salem/Louisville area will be served by 3 1/2 hours daily (Monday-Friday) of children's programming on WFTE, as well as ten hours during weekends.

Despite the time committed to Blade Communications for presentment of programming of its choosing, by remaining as owner of the licensee, James T. Ledford, as a life-long local resident of Salem, Indiana, has been successful in maintaining WFTE's local ties in its programming. Kentuckiana maintains its own small staff. As a result of Ledford's and Kentuckiana's input, efforts, and/or programming, WFTE has became a voice for Southern Indiana residents, through the broadcast of *e.g.*, Boy's and Girl's State High School Championship Tournaments in basketball and football, Indiana University football and basketball, Indiana Lottery results, the promotion of Salem community events along with notices of their cancellation as they occur, notices of Southern Indiana school closings, and the broadcast of a "Salem Town Meeting" live from Salem, Indiana, itself. The latter event was specifically arranged for by WFTE and Kentuckiana for broadcast on WFTE. Through this synergy of ownership by Kentuckiana, as licensee of WFTE, along with programming by its LMA partner, the Blade (whereby Kentuckiana retains certain broadcast time and ultimate control over WFTE but has access to the Blade's expertise and production skills), it is believed that WFTE has created and carved out for itself a unique identity that otherwise would not have existed (and could not exist) were the FCC either to prohibit LMAs or allow outright duopoly ownership. Moreover, Kentuckiana's financial plans and projections have been premised on its belief that it could rely upon its continued partnership with the Blade in the future. Prohibiting LMAs outright, and preventing Kentuckiana from affording the Blade its pre-existing right to exercise its option to extend the LMA beyond the current term, will of course be detrimental to the Blade, but more importantly, will cut Kentuckiana off from programming, synergies, expertise, and relationships that it has successfully built up over the years. It is believed that such an event will negatively impact Kentuckiana's overall ability to provide the level of programming and services that it currently provides to the public.