

Before The
Federal Communications Commission
Washington, D.C. 20554

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JUL 8 1997
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
Review of the Commission's Regulations Governing Television Broadcasting)	MM Docket No. 91-221
Television Satellite Stations Review of Policy and Rules)	MM Docket No. 87-8
Review of the Commission's Regulations Governing Attribution of Broadcast and Cable/MDS Interests)	MM Docket No. 94-150
Review of the Commission's Regulations and Policies Affecting Investment in the Broadcast industry)	MM Docket No. 92-51
Reexamination of the Commission's Cross-Interest Policy)	MM Docket No. 87-154

To: The Commission

**JOINT SUBMISSION OF AK MEDIA GROUP, INC., AND
HARRON TELEVISION OF MONTEREY
OF CERTAIN REQUESTED FACTUAL INFORMATION
REGARDING TELEVISION LMAs**

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July 8, 1997

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HARRON TELEVISION OF MONTEREY
OF CERTAIN REQUESTED FACTUAL INFORMATION
REGARDING TELEVISION LMAs**

AK Media Group, Inc. ("AK Media") and Harron Television of Monterey ("Harron"), by their attorneys, hereby submit the factual information regarding television Local Marketing Agreements ("LMAs") requested by the Commission.¹ AK Media, the licensee of television station KCBA(TV), Salinas, California ("KCBA"), is the programmer of KION(TV), Channel 46, Monterey, California ("KION"), pursuant to an LMA (the "Monterey LMA") with Harron, the licensee of KION.

¹ *Commission Seeks Further Information Regarding Television LMAs*, Public Notice, DA 97-1246, released June 17, 1997.

Harron and AK Media are pleased to support, by this submission, the Commission's efforts in gathering factual information concerning LMAs before making a decision that could have a broad impact on many stations' continued service to the public through such agreements. Harron and AK Media urge the Commission to continue to permit LMAs, or, at a minimum, to grandfather all existing LMAs permanently, and to permit the renewal and transfer of grandfathered LMAs.

Responses to Specific Questions:

1(a): The Brokering Station

Name of Licensee:	AK Media Group, Inc.
Call Letters:	KCBA(TV)
Channel Number:	Channel 35
Community of License:	Salinas, California

1(b): The Brokered Station

Name of Licensee:	Harron Television of Monterey
Call Letters:	KION(TV) ²
Channel Number:	Channel 46
Community of License:	Monterey, California

2. Designated Market Area ("DMA")

Both of the stations associated with the Monterey LMA are located within the Monterey-Salinas DMA, which is ranked 122 in the nation.

3. Overlapping Signal Contours

The signal contours of KCBA and KION have substantial City Grade, Grade A and Grade B overlap, and have similar geographic coverage.

4. Date on which the Parties entered into the LMA: April 24, 1996.

² KION's former call letters were KCCN-TV. KCCN-TV's call letters were changed to KION(TV) on March 3, 1997. To avoid confusion, the station is referred to throughout as KION.

5. Specific information regarding the term of the LMA

Start date: April 24, 1996.

End date: The earlier of April 19, 1999 or the date on which the Commission modifies its current duopoly rule to permit the common ownership of KCBA and KION, in which event AK Media would be required to purchase KION pursuant to an option agreement.

Renewal: The LMA contains no renewal provision.

6. Percentage of the brokered station's weekly broadcast hours brokered to the brokering station: 99.4%

7. Network ownership of, or affiliation with, brokered or brokering station:

KCBA, the brokering station, is a FOX affiliate.

KION, the brokered station, is a CBS affiliate.

8. All-day Audience share during last three rating periods (9 AM to Midnight)

Rating Period	KCBA	KION
May, 1997	6.8	9.1
February, 1997	7.5	10.0
November, 1996	7.5	9.2

9. Brief Summary of Other Information

But for the LMA between Harron and AK Media, the residents of Monterey and its surrounding areas would have been deprived of one of five sources of local television programming.³ By the time Harron and AK Media entered into the LMA in April, 1996, Harron

³ Nielsen lists five stations in the Monterey-Salinas DMA: 1) KSBW(TV), Channel 8, Salinas, an NBC affiliate; 2) KION; 3) KCBA; 4) KSMS-TV, Channel 67, Salinas, a Univision affiliate, and 5) KNTV(TV), Channel 11, San Jose, an ABC affiliate. Source: Television & Cable Fact Book No. 65 at A-102, A-157-160, A-180 (1997). The City of San Jose is a part of the San Francisco-Oakland-San Jose DMA. Despite this fact, Nielsen reports KNTV-TV as a station serving the Monterey-Salinas DMA. *Id.*

and KION⁴ were in dire financial straits. In 1994, Harron operated KION at a net loss of \$4,307,969. In 1995, KION had a net operating loss of \$3,145,575. In the first three months of 1996, KION lost an additional \$924,362. By the winter of 1995-96, KION's condition had become so precarious that Harron was unable to pay its program suppliers, who were refusing to provide additional product to the station and had begun to file lawsuits to collect amounts owed. Meanwhile, Harron had exhausted its financial resources and had no additional funds to invest in the station. As a result, Harron was considering seeking bankruptcy protection and suspending operation of KION. Without the LMA, Harron would have been forced to cease KION's operations completely.

The Monterey LMA provided immediate benefits to KION and its viewers. First, it enabled AK Media to guarantee a bank loan to Harron, which, in turn, enabled Harron to pay off outstanding obligations that were squeezing the station's scant resources. Once the LMA was in place, Harron authorized AK Media to make technical improvements at KION that have provided measurable benefits to the viewing public. KION's over-the-air signal was enhanced first. The subsequent purchase and installation of a new Optimod boosted the station's audio levels. Finally, the LMA allowed AK Media to provide closed captioning capability to KION. Consequently, KION, once a failing station operating on outmoded facilities, now has the ability to broadcast full stereo sound, has improved its audio levels by 5-6 dB, and provides closed captioning to its viewers.

Perhaps the most important contribution of the Monterey LMA, however, lies in the continuing effort to foster and maintain diversity and competition in news programming in the

⁴ KION's call letters were KCCN-TV at the time. *See* note 3, *supra*.

Monterey-Salinas DMA. Of the five stations serving the DMA,⁵ one station, KSBW(TV), an NBC affiliate, has dominated news programming for at least a decade. In the five year period from 1991 through 1996, KSBW's percentage of total Monday through Friday news viewers (*i.e.*, viewers of both local and national news) never dropped below 50%. A comparison of KSBW's total audience share with that of KCBA and KION demonstrates KSBW's continued dominance of the Monterey-Salinas DMA:⁶

Period	KCBA	KION	KSBW
May, 1997	6.8	9.1	21.3
February, 1997	7.5	10.0	23.3
November, 1996	7.5	9.2	21.8

Since entering into the LMA, AK Media and Harron have increased KION's local news programming by two hours and forty-eight minutes per day. This programming is *in addition to* the CBS network news that KION was already broadcasting prior to the LMA. KION is now broadcasting four hours and eighteen minutes of news each weekday--a full two hours and forty-eight minutes more local news with the LMA than the station was broadcasting without it. The net result of this increase, made possible by the LMA, has been to make KION's news programming more competitive with KSBW, which continues to dominate the market.

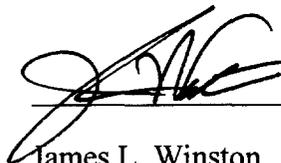
The increase in total news programming and coverage provided by KION, the technical improvements to KION's facilities and, indeed, the fact that KION remains on the air as an independent voice in the Monterey-Salinas DMA are substantial evidence that the LMA entered

⁵ See note 4, *supra*.

⁶ For a complete discussion of KSBW(TV)'s market dominance of news programming in the Monterey-Salinas DMA, see *Comments of AK Media Group, Inc.*, filed in this proceeding on February 14, 1997.

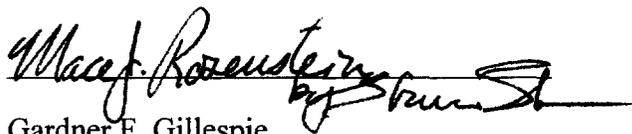
into by AK Media and Harron is in the public interest. These efforts have not gone unnoticed by the community. Attached are copies of letters, received in the past few months, attesting to KION's commitment to, and involvement in, the community.

Respectfully Submitted,



James L. Winston
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(202) 637-5877

Attorneys for Harron Television
of Monterey

July 8, 1997



Family Service Agency of the Monterey Peninsula

544 Pearl Street
Monterey, CA 93940
Telephone (408) 373-4421
Fax (408) 373-7410

*7/20/97
FSA*

April 15, 1997

Ms. Amanda Piper
Marketing Director
KION
1550 Moffett Street
Salinas, CA 93905

Dear Amanda:

Thank you very much for the attention and support KION provided for the Family Service Agency's Fiftieth Anniversary Celebration on April 20, 1997. Without your assistance the Agency would not have been as successful in locating many of the friends and families who have contributed to our history and leadership.

The Family Service Agency is a small and little known nonprofit organization that provides a valuable service to the community. We must rely heavily on the media to help us reach out to our citizens in need. Again, thank you. I look forward to our continued working relationship promoting the Bay Cities Tennis Tournament in June, 1997. Again, thank you.

Sincerely,

Dorothy S. Laage,
Fund Development Associate





A Chapter of the Lupus Foundation of America

Bay Area Lupus Foundation • 2635 No. First St. #206 • San Jose, CA 95134
(408) 954-8600 • (CA) 1-(800)-523-3363 • FAX (408) 954-8129

May 28, 1997

Ms. Amanda Piper, Marketing Director
KION CBS 46
1550 Moffett St.
Salinas, CA 93905

Dear Ms. Piper:

Thank you for promoting the Bay Area Lupus Foundation's Spanish Educational Class About Lupus for lupus patients and their families on your television station's community calendar during the week of May 19th. We appreciate your sharing our belief that promoting this kind of educational program will be of great service to your viewers in the Bay Area.

Our goal is to provide services and programs that help lupus patients look and feel their best as well as create ongoing awareness of lupus so more people will seek diagnosis and treatment. Working together we can educate more people about lupus. Once again, thank you.

Sincerely,

A handwritten signature in cursive script that reads "Pam Stennes".

Pamela Stennes
Communications Coordinator

c: Jo Dewhirst, BALF Executive Director

Monterey Peninsula College/Hartnell College GENDER EQUITY PROGRAM

Memorandum

DATE: May 6, 1997
TO: KION Channel 46/Station Manager
FROM: Nancy Bennett
RE: News Coverage of Non-traditional Job Fair.

Dear Station Manager,

On Friday, April 25th. Robert Santos covered our two day job fair at Hartnell College. The viewing public enjoyed the coverage during the 12:00 noon Eyewitness news and then later in the evening during the 6:00 pm and 11:00 pm evening news. We believe the success of our first-ever "hands-on" job fair was due, in part, to the interest and support of your television station and the skills and talent of Mr. Santos.

Thank you so much for doing such an informative and conscientious news coverage. It really meant a great deal to all the fair presenters. Mr. Santos was kind enough to furnish us with a copy of the news report and everyone is looking forward to reviewing and evaluating the success of the job fair.

Respectfully,
Nancy Bennett
Nancy Bennett
Gender Equity Specialist
(408) 755-6967



PARKS AND RECREATION DEPARTMENT
323 CHURCH STREET
SANTA CRUZ, CALIFORNIA 95060
TELEPHONE (408) 429 - 3777

Mark
4/21/97

May 6, 1997

Ms. Amanda Piper
KION CBS 46
1550 Moffett Street
Salinas, CA 93905

Dear Amanda:

Another wonderful event thanks to KION! On behalf of the City of Santa Cruz and the Santa Cruz Wharf Association. I would like to thank you for the terrific promotional support KION provided the third annual GREAT SALSA TASTE-OFF, Sunday, May 4 on the Santa Cruz Wharf. We had a delightful day with hundreds of salsa lovers enjoying the competition salsas, Latin music, piñatas and fun.

Once again, I received compliments on the spot produced by KION. Great job, Dan! Also, I appreciate Camilla's help with logos, banners etc. And, it was also terrific to have a shooter at the event. (Chip was really pleasant and professional.) We hope KION enjoyed the event too. Following are the promotional benefits received by KION:

- KION was included in the event poster distributed county-wide.
- KION was mentioned in all radio spots on KPIG 107.5 FM.
- KION'S banner was prominently displayed and KION received many verbal mentions throughout the event.
- KION was included in all display ads (Sentinel, Good Times, Metro Santa Cruz and Metro San Jose).
- KION was included in our wharf web site. www.santacruzwharf.com.
- KION was included in our Summer Activity Guide (circulation 67,000) as a sponsor of the event.

Thanks again for the fine work on the Salsa Taste-off. We are already looking forward to Art on the Wharf (this summer art series starts June 15) and the Surf City Classic: Woodies on the Wharf (Saturday, June 21). Hope you are having a terrific spring. We'll be in touch.

Best regards.

Lisa McGinnis, Special Events Coordinator



Family Service Agency of the Monterey Peninsula

544 Pearl Street
Monterey, CA 93940
Telephone (408) 373-4421
Fax (408) 373-7410

*Mark
FVA*

April 15, 1997

Ms. Amanda Piper
Marketing Director
KION
1550 Moffett Street
Salinas, CA 93905

Dear Amanda:

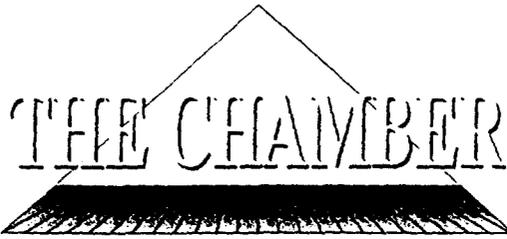
Thank you very much for the attention and support KION provided for the Family Service Agency's Fiftieth Anniversary Celebration on April 20, 1997. Without your assistance the Agency would not have been as successful in locating many of the friends and families who have contributed to our history and leadership.

The Family Service Agency is a small and little known nonprofit organization that provides a valuable service to the community. We must rely heavily on the media to help us reach out to our citizens in need. Again, thank you. I look forward to our continued working relationship promoting the Bay Cities Tennis Tournament in June, 1997. Again, thank you.

Sincerely,

Dorothy S. Laage,
Fund Development Associate





Salinas Valley Chamber of Commerce

February 20, 1997

Mark P. Faylor
Station Manager
KCCN TV 46
1550 Moffett Street
Salinas, CA 93905

Dear Mark:

On behalf of the Salinas Valley Chamber of Commerce, I would like to thank you and KCCN TV 46 for the sponsorship of our 75th Annual Awards Luncheon held February 5th.

The advertising of the luncheon certainly helped boost the attendance as we hit almost 400 guests. The luncheon was great -- food good, decorations wonderful, band a lot of fun, and award winners very pleased. And, of course, your weathor anchor Barry Brown was a wonderful emcee. He's great at transitioning from award to award and keeping the audience interested.

Congratulations to you as our "Volunteer of the Year." We greatly appreciate your support of the Chamber and this luncheon.

Sincerely,

Karen Leja
Administrative Coordinator



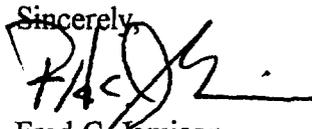
May 6, 1997

Mr. Mark Faylor
KION-TV
1550 Moffett Street
Salinas, CA 93905

Re: 1997 Big Sir Marathon/5K Run/Walking Events & Health Expo Sponsorship

Dear Sir:

I completed the 1997 Big Sir Marathon and enjoyed the whole experience immensely! Your sponsorship was very visible and added tremendously to the quality and success of everybody's experience at Big Sir. Thank you for providing sponsorship support to such a world class event.

Sincerely,

Fred C. Jamison
331 N. Oklahoma
Kennewick, WA 99336



A PR Plus Event

P.O. Box 479

Pacific Grove

California 93950

(408) 646-5995

February 25, 1997

Mark Faylor
KCCN-TV
1550 Moffett Street
Salinas, CA 93905

Dear Mark,

Just a short note to thank you so much for your sponsorship of the first annual Monterey Peninsula Golf Expo. I apologize for the delay in sending this package, but February was a little hectic for me as I had a big Bridal Show just after the Golf Show. What a combination, unh?

Mark, on behalf of Special Olympics, I want you to know how much we truly appreciate your support in promoting the Golf Expo. Our first year was successful in raising over \$5000 for Special Olympics and I have received numerous compliments from our vendors who were very pleased with the show and are excited about next year's event which is scheduled for January 31, 1998.

I hope the Golf Expo brought you additional exposure in this market and hopefully a few new advertisers, also. You are a pleasure to work with, Mark, and we look forward to working with you, Hunter and your KCCN staff again next year. Thanks again for everything!

All the best,

A handwritten signature in cursive script that reads "Labeth".

Labeth Hall
Expo Director
PR Plus

Bill Trapp
8711 Palm Avenue
Orange, CA 92865
May 2, 1997

KION-TV
Mr. Mark Faylor
1550 Moffett Street
Salinas, CA 93905

Dear Mr. Faylor,

Thank you for your support of the Big Sur International Marathon, and your sponsorship of the 5K run. As you may know, this marathon was chosen as the Number One marathon in North America by the authors of The Ultimate Guide to Marathons. I love it not only for its scenic beauty, but also its well-organized and thoughtful staff, its selfless and caring volunteers and musicians, and the sense of humor which is employed. In 1997 I enjoyed my fourth running of the Big Sur Marathon, always with bib number 745, and I hope to continue running it in the coming years.

I also want to thank you for your televised coverage of the various events surrounding the Big Sur Marathon. I always look forward to your 6:30 broadcast on the evening of the run, as it helps me to relive the experience, and of course, to see if I can spot myself or my friends on TV.

Again, my sincerest appreciation for your support of this wonderful life-affirming event.

Sincerely,

Bill Trapp

Flat B, 23/F, Block 2
Grand Panorama
10 Robinson Road
Mid-Levels, Hong Kong

Mr. Mark Faylor
KION-TV
1550 Moffett Street
Salinas, CA 93905

6 May 1997

Dear Mr. Faylor,

Thank you for your sponsorship of the Big Sur Marathon. This is truly a first class event, but it's only possible with your support. I have returned to run this race – for the past eight years and hope to continue this tradition for many years to come!

Sincerely,


Veronica J. Poon



May 21, 1997

CHAIR

Fred Brown

VICE CHAIRS

Rich Begert

Mark Potter

COMMITTEE

Carl Behnke

Paul Borselli

Myles Carrigan

Jane Curley

Grant Dull

Tom FitzGerald

Lou Geilos

Kelly Kemp

Lloyd Low

Art McDonald

Bob Minnott

Rich Moore

Chris Mounsey

Ron Nation

Bill Rynd

David Saline

Pat Scott

Sandra Severtson

Michael Smith

Kathi Sweyer

Shirley Thom

Tove Vinz

Nancy Welts

Mary Williams

KION CBS 46
Mark Faylor
150 Moffet Street
Salinas, CA 93905

Dear Mark,

Thank you for helping make the 2nd annual Really BIG Sports Auction a success!

Your generous donation helped us raise over \$50,000 for our Amateur Athletic Fund. This non-profit fund will be utilized to bring amateur sports and events to the region, including Final Fours and world championships.

Again, thanks for your support.

Best regards,

A handwritten signature in black ink, appearing to be 'Fred Brown', written over a horizontal line.

Fred Brown
Chair

1201 5th Avenue, Suite 2400

Seattle, WA 98101-2505

Phone 206.389.7229

Fax 206.389.7229



OLDTOWN SALINAS ASSOCIATION

P.O. Box 2325
Salinas, CA 93902
Telephone 408/758-0725
Fax 408/758-0503

BOARD OF DIRECTORS

June 24, 1997

Officers

President: Jerry Novara
The Pub Restaurant
V. President: "Jr." Adcock
Adcock Rentals
Secretary: Cookie Roberts
Statements
Treasurer: Marc Fossum
Bank of Salinas

Mr. Mark Faylor
KION/CBS-46
1550 Moffett Street
Salinas, CA 93905

Directors

Ray Borzini
Ray Borzini Insurance
Barbara Bryan
Simply Barbara's
Larry Bussard
Salinas Redev. Agency
Jan Collins
Salinas City Council
R. Jay De Serpa
De Serpa Properties
Linda English
Natividad Med. Found.
Peter Holewinski
Architect
Tom Martella
Martella Printing
Juan Oliverrez
Salinas City Council
Frank Saunders
Gabilan Properties
Mark Silacci
Swenson & Silacci

Dear Mr. Faylor,

Please accept our sincere thanks for your donation of one night's stay at the Lighthouse Lodge, Pacific Grove, and dinner for two at Monterey Joe's! We plan to make the package a live auction item at our second annual Awards and Auction fund raiser on Friday, June 27. The event provides funds used in the coming year to promote historic Oldtown Salinas by our nonprofit organization of small businesses.

It will be our pleasure to acknowledge KION/CBS-46 as an auction donor in the evening's printed program.

Thanks once again for your generous and exciting contribution!



Patricia Calvert
Executive Director

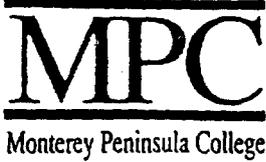
cc: J. Mike Noonan

Executive Director

Patricia Calvert



*Uptown Style,
Downtown Channel*



cc: Mark

25 June 1997

TODD PINSKY, Production Manager
KION Television Channel 46 CBS
1550 Moffett Street
Salinas, CA 93905

phn: (408) 784-1702 / fax: 757-1766

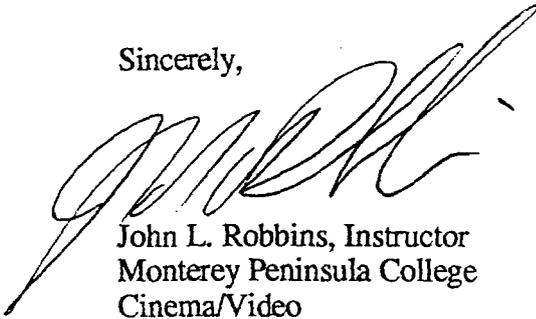
Mr. Pinsky:

On behalf of Monterey Peninsula College, the Department of Cinema/Video and the students of MPC C/V, I want to express our appreciation to KION Television and to you in particular. The tour and presentation you made to our class in May was the perfect conclusion to our semester of study in television and video. Your remarkable knowledge of the broadcasting business and willingness to donate your time to explain and demonstrate the operation of your television station and to answer our many questions, has provided these students with an insight they could gain no other way.

The comments I received from the students afterward were overwhelmingly positive. They expressed their gratitude for the opportunity to meet you, see your facility and learn about the behind-the-scenes operation of a TV station. This was a great tour!

Thank you very much.

Sincerely,



John L. Robbins, Instructor
Monterey Peninsula College
Cinema/Video

P O Box 1604, Monterey, CA 93942-1604

(408) 646-1704 office

(408) 394-9354 24 hour message and fax line

cc: Pat Boles, Art Division Chair
Gary Quinonez, Art Department Chair