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

MAY 25 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In re Applications of	)	MM Docket No. 88-487
	)	
GOODLETTSVILLE BROADCASTING	)	File No. BPH-861215MI
COMPANY, INC.	)	
	)	
BLEDSON COMMUNICATIONS, LTD.	)	File No. BPH-861216MD
	)	
HEIDELBERG-STONE BROADCASTING	)	
COMPANY	)	File No. BPH-861217MA
	)	
WILLIAM E. BENNS, III	)	File No. BPH-861217MQ
	)	
For Construction Permit for a	)	
New FM Station, Channel 246C2,	)	
Goodlettsville, Tennessee	)	
	)	
	)	
TO: The Full Commission	)	

**RESPONSE TO "MASS MEDIA BUREAU'S COMMENTS ON  
JOINT REQUEST FOR APPROVAL OF SETTLEMENT AGREEMENT"**

Goodlettsville Broadcasting Company, Inc. ("GBC"), Bledsoe Communications, Ltd. ("Bledsoe"), and Williams E. Benns, III ("Benns"), by their respective attorneys, hereby respond to the "Mass Media Bureau's Comments on Joint Request for Approval of Settlement Agreement", filed on May 14, 1999, as follows:

1. In its Comments, the Bureau expresses concern that the proposed Agreement, as modified, may give DBBC rights which make it a "White Knight", entitled to bid at the auction in violation of the Congressional intent, expressed in Section 309(1)(2) of the Communications Act, that

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only pre-July 1, 1997, applicants may participate in the auction. The Bureau's concerns are without foundation.

2. Congress, obviously, restricted the auction to eligible applicants for the benefit of those applicants, so that they, and they alone, could benefit from the auction. Here, three of the four applicants have elected to join forces and bid through a new entity, Mid-TN Broadcasters, LLC ("Mid-TN"), which is their creation. This is to benefit these applicants, as Congress intended. Moreover, it does not prejudice the rights of the fourth applicant, Heidelberg-Stone Broadcasting Company ("HSB"), which has not complained of the arrangement. To the contrary, it benefits HSB since, if HSB does not join in the arrangement and chooses instead to also go to auction, it faces only one competitive bidder instead of three.

3. At footnote 4, the Bureau expresses concern that the "buy back" provisions of the Agreement may not be realistic; that Mid-TN cannot, in fact, exercise any rights which it may have under those provisions. This concern is not justified. The Option Fee to be paid by DBBC for its rights under the Agreement is a nominal fee, amounting to only \$100,000 per applicant. Thus, in the case of a construction permit which may sell for several millions of dollars, the need to return the fee in order to buy back the option is a non-factor.

4. Under the Agreement, DBBC will purchase the interests of the merged applicants for a Purchase Price, based upon the price paid to the government for the construction permit. DBBC has already made a judgment as to the price which it is willing to pay. There may well be others, however, who would have a different judgment and be willing to pay 25% more for the permit than DBBC is willing to pay.

5. As a result of the Commission's recent rulings in Non-Technical Streamlining,<sup>1</sup> the permit, itself, is a freely transferable piece of paper, which can be bought and sold in the marketplace, without regard to price. Hence, if Mid-TN determines that there is someone else who will pay 25% more for the permit than DBBC is willing to pay, and Mid-TN might well make such a determination, or if Mid-TN decides to construct and operate independently, it is free to buy out the DBBC option, and will be in a position to do so. Thus, DBBC is not a "White Knight" within the meaning of the Auction Order.<sup>2</sup>

May 24, 1999

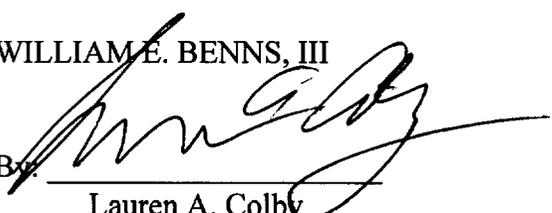
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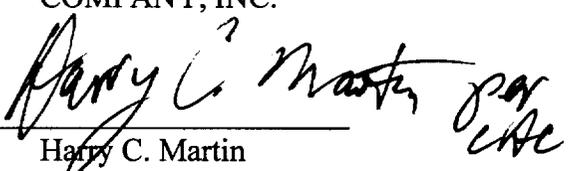
Respectfully submitted,

WILLIAM E. BENNS, III

By: 

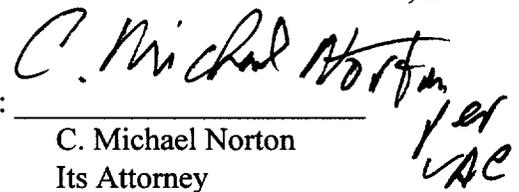
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<sup>1</sup>Non-Technical Streamlining Report and Order, 13 FCC Rcd 23060 (1999).

<sup>2</sup>Amendment of Parts 1, 73 and 74 - Competitive Bidding, 13 FCC Rcd 15920, recon. FCC 99-74, released April 20, 1999.

**CERTIFICATE OF SERVICE**

I, Traci Maust, a secretary in the law office of Lauren A. Colby, do hereby certify that copies of the foregoing have been sent via first class, U.S. mail, postage prepaid, this 24<sup>th</sup> day of May, 1999, to the offices of the following:

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