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July 22, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

VIA HAND DELIVERY
Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: Ex Parte Notice
MM Docket Nos. 87-8, 87-154, 91-221, 92-51, 94-150, & 96-197

Dear Ms. Salas:

On behalf of Granite Broadcasting Corporation ("Granite"), Antoinette Cook Bush of Skadden Arps Slate Meagher & Flom, LLP and the undersigned made an oral ex parte presentation on July 15, 1999, regarding the above-referenced proceedings to Kim Matthews, Interim Legal Advisor to Commissioner Susan Ness. In this meeting we discussed Granite's position on proposed changes in the television duopoly rule. Specifically, Granite supported a relaxation of the television duopoly rule to allow the ownership of two television stations in the same Designated Market Area ("DMA") upon the satisfaction of certain criteria advocated in previous ex parte submissions. Granite also supported adoption of an exception to the duopoly rule to permit common ownership of two television stations that have overlapping signal contours as long as the stations are assigned by Nielsen Media Research to separate DMAs. The oral ex parte presentation presented the same arguments reflected in the attached written ex parte submission, which was distributed at the meeting. A draft rule, attached hereto, reflecting the DMA-only standard also was distributed at the meeting.

Very truly yours,

Tom W. Davidson

Tom W. Davidson, Esq.

Enclosures

cc: Toni Cook Bush, Esq.
Kim Matthews, Esq.

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PROPOSED LANGUAGE FOR FCC DUPOLY RULE

73.3555(b) *Television contour overlap (duopoly).* No license for a TV broadcast station shall be granted to any party (including all parties under common control) that directly or indirectly owns, operates, or controls another TV broadcast station unless (i) the grant of such license will not result in overlap of the Grade B contour of the station sought to be obtained (computed in accordance with Section 73.684) and the Grade B contour of any other station directly or indirectly owned, operated or controlled by such party; or (ii) in situations in which there is overlap of the signal contours (whether City Grade, Grade A or Grade B) of the station to be obtained and any other station directly or indirectly owned, operated or controlled by such party, the stations with such overlapping signal contours are assigned by Nielsen Media Research to separate Designated Market Areas which are set forth in its Nielsen Station Index or any successor publication.

SEPARATE DMA ONLY EXCEPTION AND LARGE MARKET EXCEPTION TO TELEVISION DUOPOLY RULE

I. The FCC should adopt an exception to the television duopoly rule that permits the common ownership of two television stations that have overlapping signal contours (Grade A and/or Grade B) as long as the stations are assigned by Nielsen to separate Designated Market Areas ("DMAs").

- Adoption of such an exception will promote diversity and competition.
- Television programming is sold on a DMA basis.
- A DMA represents the local geographic market served by a television station and reflects actual household viewing patterns and the local advertising market.
- The FCC has recognized that the DMA represents a television station's local market.
- Television stations assigned by Nielsen to separate DMAs serve separate markets.
- Adoption of a separate DMA only exception will preserve diversity irrespective of predicted or actual signal contour overlap between the two television stations.
- Situations where exception would apply arise primarily in areas where there already are a plethora of television stations and other competing media.
- Adoption of a separate DMA only exception to the television duopoly rule will benefit consumers and further competition.

II. The FCC should adopt an exception to the television duopoly rule that permits common ownership of two television stations located in the same DMA provided there is ample competition in the DMA and the combination will not result in an excessive combination of economic power in the DMA.

- Competition and diversity will be furthered by the common ownership of two television stations located in the same DMA provided: (1) there is a sufficient number of independent media voices in the DMA after the combination; and (2) the combined audience share of the two stations is not significant.
- Fifteen independent television stations in the same DMA ensures ample competition and is a sufficient number of independent media voices to trigger application of the exception.
- A same DMA combination will not result in an excessive combination of economic power provided the combined audience share of the two stations is not significant (e.g., less than the share of the fourth highest rated station in the DMA).