



Federal Communications Commission
Washington, D.C. 20554

JAN 07 2002

Michael L. Parker
President
Desert 31 Television, Inc.
22720 S.E. 410th Street
Enumclaw, Washington 98022

Re: Desert 31 Television, Inc.
Station KVMD, Twentynine Palms, CA
Fiscal Year 2000 Regulatory Fee
Fee Control No. 0111078835357001

Dear Mr. Parker:

This is in response to your request, dated November 2, 2001 (and reiterated in a letter dated November 15, 2001), filed on behalf of Desert 31 Television, Inc. (Desert 31) for a waiver of the \$15,205.00 fiscal year (FY) 2000 regulatory fee for Station KVMD, Twentynine Palms, CA. Our records reflect that the FY 2000 regulatory fee for KVMD has been paid.

You state that Twentynine Palms is a small city of approximately 12,000 people and that it is located 100 air miles east of Los Angeles, California. You state that a substantial mountain range ensures that no off-air Los Angeles television signals can be received in Twentynine Palms and that KVMD's 1000-watt signal cannot be seen outside of the immediate vicinity of Joshua Tree and Twentynine Palms, California. You assert that due to the method of establishing Arbitron designated market area (DMA) boundaries and the fact that individual California counties cover vast areas that include metropolitan areas and isolated communities such as Twentynine Palms, KVMD is part of the nation's second largest television market with a correspondingly high regulatory fee. You state that the station has had no revenue since it commenced operation in 1996 and that the FY 2000 regulatory fee amount equals two to three months of operating expenses for the station. You maintain that absent a waiver, the regulatory fee will break the station financially and will result in an almost certain cessation of station operations.

With respect to your argument that the FY 2000 regulatory fee will cause KVMD financial hardship, the Commission may waive, reduce, or defer regulatory fees only upon a showing of good cause and a finding that the public interest will be served thereby. *See* 47 U.S.C. §159(d); 47 C.F.R. §1.1166; *see also Implementation of Section 9 of the Communications Act, Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year, Report and Order*, 9 FCC Rcd 5333, 5344 (1994), *on recon., Memorandum Opinion and Order*, 10 FCC Rcd 12,759, para. 12 (1995)

(regulatory fees may be waived, deferred, or reduced on a case-by-case basis in extraordinary and compelling circumstances upon a clear showing that a waiver would override the public interest in reimbursing the Commission for its regulatory costs). The Commission will waive, reduce or defer its regulatory fees in those instances where a petitioner presents a compelling case of financial hardship. See *Implementation of Section 9 of the Communications Act*, 9 FCC Rcd 5333, 5346 (1994), *on recon*, 10 FCC Rcd 12759 (1995). Regulatees can establish financial hardship by submitting:

information such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with an explanation of how calculated), a list of their officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information. 10 FCC Rcd at 12761-12762.

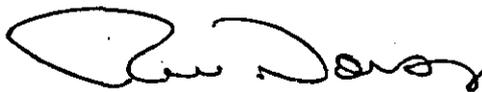
You have submitted no information to support your claim of financial hardship. In the absence of such documentation, we find that you have failed to make a compelling showing that the public interest would be served by a waiver of KVMD's FY 2000 regulatory fee on this basis. In view of your allegations regarding financial hardship, however, you may refile KVMD's request, along with appropriate supporting documentation establishing that KVMD meets the standards set forth above, within 30 days of the date of this letter.

With respect to your argument that the FY 2000 regulatory fee for KVMD should be waived given the limited coverage of the station's signal and KVMD's inclusion in the Los Angeles DMA, the Commission has set standards for determining whether the regulatory fees for a television station may be reduced below the fees assessed for stations in the relevant DMA. *Implementation of Section 9 of the Communications Act*, 10 FCC Rcd 12759, 12763 (1995). The Commission will reduce fees for television stations having certain characteristics. *Id.* Such a station must be located outside the metropolitan area of the principal city in the assigned DMA and may not provide a Grade B signal to a substantial portion of the assigned market's metropolitan areas. *Id.* Stations that meet these criteria and request fee reductions will be assessed regulatory fees based on the number of households they serve; stations that serve fewer television households than are in the top 100th market will be assessed the regulatory fee for remaining market stations. *Id.*

In the absence of appropriate documentation, you have not met the Commission's standards set forth above for reducing the FY 2000 regulatory fee established for KVMD as a station in the Los Angeles DMA. Your request for a waiver of the regulatory fee is therefore denied on this basis. In view of your allegations, however, you may refile KVMD's request, along with appropriate supporting documentation establishing that KVMD meets the standards set forth above, within 30 days of the date of this letter. Such supporting documentation should include, among other things, evidence regarding the number of television households served by KVMD.

We therefore deny your waiver request. If you have any questions concerning this matter, please contact the Revenue & Receivables Operation Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Reger". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.A small, handwritten mark or flourish, possibly a stylized "M" or a similar symbol, located to the left of the printed name.

Mark Reger
Chief Financial Officer

~~0109278835764003~~ 0110788353570
supplemental

DESERT 31 TELEVISION, INC.

22720 S.E. 410th Street
Enumclaw, Washington 98022

Phone: 360-825-1099
Fax: 360-825-4517

November 15, 2001

Thomas Putnam
Office of Managing Director
Federal Communications Commission
Washington, D.C. 20554

BY FACSIMILE

**Re: Commercial Television Station KVMD
Twentynine Palms, California
Request for Waiver of Regulatory
Fees**

Dear Mr. Putnam:

On November 2, 2001, Desert 31 Television, Inc. ("Desert 31"), licensee of commercial television station KVMD, Twentynine Palms, California, transmitted to the Commission a written request for waiver of regulatory fees.

That request stated that fcc waiver was sought for fees which were due to be paid in September 2000. It was and remains the intention of Desert 31 by that letter to seek waiver of regulatory fees which were due to be paid in September 2000.

This letter was prepared under the direction of the undersigned, president of Desert 31 Television, Inc.

Respectfully submitted,

DESERT 31 TELEVISION, INC.



Michael L. Parker
President

11/06/01 TUE 07:34 FAX

0111078835357001

DESERT 31 TELEVISION, INC.

22720 S.E. 410th Street
Enumclaw, Washington 98022

Phone: 360-825-1099
Fax: 360-825-4617

November 2, 2001

Andrew S. Fishel, Esq.
Managing Director
Federal Communications Commission
Washington, D.C. 20554

Re: *Commercial Television Station KVMD
Twentynine Palms, California
Request for Waiver of Regulatory
Fees*

Dear Mr. Fishel:

Desert 31 Television, Inc. ("Desert 31"), licensee of commercial television station KVMD, Twentynine Palms, California, herewith requests that the Commission waive the requirement that Desert 31 pay \$15,205 in fees due in September 2000.

Desert 31's Background: Twentynine Palms is a small city of about 12,000 people located slightly more than 100 air miles east of Los Angeles, California, in sparsely-populated high desert. A substantial mountain range ensures that no off-air Los Angeles television signals can be received in Twentynine Palms, and KVMD's modest 1000-watt signal cannot be seen outside of the immediate vicinity of Joshua Tree and Twentynine Palms, California.

Desert 31 commenced operation of commercial television station KVMD in about 1996. Since that time, the station has had no revenue whatsoever, and it continues to air free programming without any commercial announcements or block-time sales. The station has two employees. As sole shareholder of Desert 31, I have personally financed and I continue to finance its operation. The station is seen on no cable television systems at all.

Desert 31's Market Position: Due to the peculiar means of establishing Arbitron DMA boundaries and the fact that California counties, almost unique among the lower 48 contiguous states, cover vast areas, leaving isolated communities such as Twentynine Palms in the same counties with large metropolitan areas located many miles away. Thus, Desert 31 finds itself in the nation's second largest television market, with a regulatory fee of \$15,205, which equals about 2-3 months operating expenses for the station.

Andrew S. Fishel, Esq.
Federal Communications Commission
November 2, 2001
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Conclusion: KVMD is clearly operating as an extremely small-market station on the far reaches of the Los Angeles market. The Commission's assessment of a \$15,205 regulatory fee on the station is a burden which will break the station financially, and result in an almost certain cessation of operations.

This request was prepared under the direction of the undersigned, president of Desert 31 Television, Inc., and is true to the best of my personal knowledge. I have signed this letter under penalty of perjury under the laws of the United States.

Respectfully submitted,

DESERT 31 TELEVISION, INC.


Michael L. Parker
President

From: Tom Putnam
To: John Riffer; Rhonda Hill
Date: 12/10/01 10:43AM
Subject: Re: 6 Fee Letters

Please make sure that Rhonda adds this to our Fee Tracking system

John,

It looks like Desert 31 paid an FY 2000 fee on 11-5-2001 it includes an amount for late payment penalty of \$ 8,832.50

The fee control number is 0111078835357001. I have set up a file and made an entry to the fee decision tracking database using that number.

I will make a copy of the fee payment record and bring it up

Tom

>>> John Riffer 12/07/01 04:04PM >>>

I got the 11-2-01 filing re Desert 31. I think that we should do two separate letters for FY 2000 and FY 2001, so please assign new fee control number to the 11-2-01 request for FY 2000 regulatory fees and let us know what it is. Thanks.

>>> Tom Putnam 12/05/01 02:54PM >>>

Thanks Rhonda,

All of these were reviewed by me today and sent on to Claudette Pride for her review & approval except Desert 31 Television, Inc. which was returned to John Riffer via interoffice mail with additional information enclosed.

Tom Putnam
Accountant
Revenue & Receivables Operations

Ph 202-418-2992
Fax 202-418-2843

Non Public
For Internal Use Only

>>> Rhonda Hill 12/04/01 03:33PM >>>

Attached

Arso Radio Corp.
United States Wireless Systems, Inc.
Texas Grace Communications
Friendly Community Television Service
Reading Broadcasting, Inc.
Desert 31 Television, Inc.

CC: Claudette Pride; Shelia Foster; Susan Donahue