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May 29, 2003

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20445

Re: MB Docket 02-277

Dear Ms. Dortch

On May 28, 2003, Mark Pagon, Chairman and CEO of Pegasus Communications, Cheryl Crate, Vice President of Corporate Communications and Government Relations of Pegasus Communications and I, a consultant to Pegasus Communications, met with Catherine Bohigian of the Office of Commissioner Martin. In the meeting, the Pegasus officials presented arguments in favor of granting greater flexibility for combinations among television stations in smaller markets. The Pegasus officials described the financial challenges of operating a station in a small market, particularly as a new entrant. The Pegasus officials urged that, in the long run, the Commission's goals of localism and the numerosity of voices would be best served by rules endorsing flexibility in small markets. A case-by-case waiver approach, they urged, would not best serve the goal of regulatory certainty.

Very truly yours,

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Kathleen M.H. Wallman