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**Brandon Burgess**  
Chairman and Chief Executive Officer

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FCC Mail Room

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The Honorable Kevin Martin  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Martin:

Thank you for your support of our efforts to preserve and strengthen ION Media Networks as one of America's last independent television broadcasting companies. We remain committed to utilizing digital television (DTV) in the public interest while growing ION into a 21<sup>st</sup> Century media enterprise. I am happy to report to you that we are making substantial progress toward our goals, while significant challenges remain.

Last month, *Broadcasting & Cable* described ION as an "up-and-coming" network, for good reason. John Lawson recently briefed Elizabeth Biley Andrion on our latest developments. I also wanted to report to you directly—and to ask for your continued support.

- Recapitalization and new investment: Thanks to your vote on December 31 of last year, the licenses of our 59 local stations and all voting stock in ION Media Networks were transferred to our new owners, Citadel Investment Group, based in Chicago. Our debt remains substantial, but Citadel's investment has recapitalized our balance sheet, allowing for sound financial management of our company. Citadel also provided a fresh infusion of cash funding to acquire quality programming and make other investments needed to grow our network.
- Major increase in quality programming: Our "upfront" event last month at the New York Public Library was greeted by many as a turning point in rebuilding our network. At the packed presentation, we highlighted ION's exciting programming initiatives for the 2008 and 2009 television seasons, including "Boston Legal," "ER," "The Dead Zone," "Ghost Whisperer," "Criminal Minds" and "RHI Entertainment" originals. Branded as "Positively Entertaining" for a broad general audience, these programs offer great new prospects for both advertisers and consumers.
- Serving the underserved: Our investment in quality programming includes a commitment to diversity. In January, we announced a strategic partnership for the creation and exhibition of African-American programming on ION. The initiative already has backing from major charter sponsors McDonald's, State Farm and P&G, with others expected to follow. Initially, the partnership will use the syndication marketplace and TV libraries of Warner Bros. and other major studios to program urban and diverse content. The longer term goal is to reinvest net proceeds from this enterprise into an original programming

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fund that can help create new African-American and diverse content to be aired on our network.

- New DTV Channels in the Public Interest:

- *qubo* is the nation's only free, over-the-air, 24/7, nationally distributed children's programming service. *qubo* provides a safe, educational viewing destination for kids and their parents. Our recent adoption of nutritional guidelines for *qubo* advertisers is a direct outgrowth of my service on the FCC's Task Force on Media and Childhood Obesity. We are also taking *qubo* to the community level, including events across the nation this summer. Before the recent Cable Show, we donated sponsorship and volunteer support to construct a playground at a school in East New Orleans.

*ION Life*, also a 24/7 programming service, inspires active and empowered living. Much of our programming focuses on wellness and healthy lifestyles, which is extremely important given the healthcare crisis that our nation is facing. Recent show additions have included collaboration with NFL Films on inspiring stories behind the leagues athletes and teams, as well as a local collaboration with Madison Square Garden to bring the "50 Greatest Moments of Madison Square Garden" under the *ION Life* brand.

- Digital conversion nearly complete: After a capital investment of nearly \$80 million, we will be ready when digital-only broadcasting begins this February. With additional planned capital outlays, we will be able to broadcast our great new content in full high-definition. We also are continuing to invest to improve the reach and quality of our broadcast signals, such as next year's upgrading of the transmitter serving Washington, DC and its relocation from Fairfax, VA to a shared tower site in Northwest Washington.
- DTV education: ION is conducting a sustained consumer education campaign designed to inform the public about the DTV transition. We are airing "DTV Action Spots" daily on each of ION's stations and during all day parts, including primetime. Our on-air alert crawls and banners emphasize DTV messages in an informational and entertaining style. We also have an online consumer education Web page ([www.ionline.tv/dtv](http://www.ionline.tv/dtv)) featuring DTV action spots, a DTV User Guide and printable flyers, informative videos highlighting consumer benefits of the digital transition, and a 24/7 live countdown to the exact transition time.
- Exploring a new localism: ION currently provides some local programming on each of our stations every week, although our previous financial condition greatly reduced our capacity. We understand the importance of local programming and community outreach as integral to our public service mission. We are currently exploring strategies to increase our local programming that make sense in terms of financial viability, new technologies, and the new media environment. Digital technology may allow

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us to redefine localism in ways that provides even greater benefit to communities than traditional approaches, and we would welcome an exploration of new local services with you.

- Mobile video through DTV—a breakthrough consumer benefit: The roll out of a robust mobile video service, the “third” leg of DTV, is now within our sights. I am grateful to have played a leading role in the formation last year of the Open Mobile Video Coalition (OMVC) and to serve as the chairman of its board of directors. Already, OMVC has made great progress in encouraging the adoption of a unified standard through the ATSC adoption process, including the recent, groundbreaking announcement by LG and Samsung to merge their efforts. Mobile video from broadcasters will provide many consumers benefits, including competition for services from wireless carriers and dramatically enhanced alert and warning for the public.

I hope that you will agree that ION is beginning to deliver on our promise to fully utilize our television stations licenses for the public interest. We are doing what the FCC asked of us as an independent broadcasting company. As we generate increased cash flow, we hope to do much more.

However, we need your continued support if ION is to continue to fully utilize DTV to serve the public interest. Specifically, we need your assistance to ensure that the American public has access to the services we are providing, especially our *qubo* and *ION Life* digital channels. To date, with the exception of the telcos and smaller cable systems, we have experienced very slow adoption of *qubo* and *ION Life* by multichannel video programming distributors. At these minimal distribution levels and slow adoption rates, *qubo* and *Life* are not financially sustainable, and at some point we must reevaluate our continued investment in them.

We deeply appreciate your past support for ION, including our recapitalization. We also applaud you for your leadership on the recent orders on “viewability” and carriage of high-definition programming from local stations. However, we are still left in a situation where our additional digital channels are not viewable to most Americans.

I would appreciate the opportunity to visit you again in coming weeks. I can brief you more fully on the continued progress of our company.

Sincerely,



Brandon Burgess  
Chairman and CEO

Cc: Elizabeth Biley Andrion  
John Lawson