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FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

OFFICE OF
MANAGING DIRECTOR

May 17, 2011

Robert J. Rini, Esq.
Jonathan E. Allen, Esq.
Rini Coran, PC
1140 19th Street, N.W., Suite 600
Washington, D.C. 20036

Re: Denver TV Licenses, LLC
FY 2010 Regulatory Fees
Fee Control No. RROG-10-00013067

Dear Counsel:

This is in response to your request filed August 31, 2010, (*Request*), on behalf of Denver TV Licenses, LLC (Denver TV Licenses), licensee of Stations KQCK(TV) and KQDK-CA, for a waiver of the Fiscal Year (FY) 2010 regulatory fees on the grounds of financial hardship. Our records reflect that you have not paid the [redacted] FY 2010 regulatory fees. For the reasons stated herein, we grant your request.

You assert that the stations were recently acquired by Denver TV Licenses and that severe financial constraints have limited station revenues in this start-up phase.[1] You aver that Denver TV Licenses is in active negotiations to procure additional financing.[2] You state that the president of the licensee's parent is paid on a monthly basis "to manage all aspects of programming, engineering and transmission for the station although . . . a portion is paid to others for station-related expenses."[3] You submit a financial document entitled "Denver TV Group, LLC: Profit & Loss YTD Comparison July 2010" (*Financial Statement*), which reflects Denver TV Group, LLC's revenues and expenses from January 2010 through July 2010.[4] You state that "Denver TV Group, LLC is the sole owner of Denver TV Licenses, LLC and holds no interests in other subsidiaries."[5] You aver that "Denver TV Licenses, LLC was formed for the purpose of serving as a licensee

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[1] *Request* at 1-2.

[2] *Id.* at 2.

[3] *Id.* at 4.

[4] *Id.*, Attachment.

[5] Letter from Robert J. Rini, Esq. to FCC, Office of the Managing Director (May 2, 2011), Attachment at 1 (Declaration of Barbara Laurence).

holding subsidiary" and that "the financial position of the parent . . . fully reflects the licensee's financial condition."[6]

In establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship."[7] In reviewing a showing of financial hardship, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits, and considers whether the station lacks sufficient funds to pay the regulatory fee and maintain service to the public.[8] Thus, even if a station loses money, any funds paid to principals and deductions for depreciation or amortization are considered funds available to pay the fees.

Our review of the record, including Denver TV Group, LLC's *Financial Statement,* indicates that the company suffered a financial loss in calendar year 2010 that was only partially offset by a depreciation deduction and funds payable to a principal of Denver TV Group, LLC. Given that Denver TV Group, LLC suffered a financial loss in calendar year 2010, we grant your request for a waiver of the FY 2010 regulatory fee.

You have also requested confidential treatment of the financial data that you submitted with your request for fee relief. Pursuant to section 0.459(d)(1) of the Commission's rules, 47 C.F.R. §0.459(d)(1), we do not routinely rule on requests for confidential treatment until we receive a request for access to the records. The records are treated confidentially in the meantime. If a request for access to the information submitted in conjunction with your regulatory fees is received, you will be notified and afforded the opportunity to respond at that time.[9]

If you have any questions concerning this letter, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,

Mark Stephens
Chief Financial Officer

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[6] *Id.*

[7] *See Implementation of Section 9 of the Communications Act*, 9 FCC Rcd 5333, 5346 (1994), *recon. granted,* 10 FCC Rcd 12759 (1995) (*Memorandum Opinion and Order*).

[8] *See Memorandum Opinion and Order* at 12761-62.

[9] By this letter, we also grant your request for a deferral of payment while the waiver request was pending.