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May 18, 2001

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

2001 MAY 21 P 2:39

VIA HAND DELIVERY

EX-PARTE - DA 00-2246

Re: Applications Seeking Consent to the Assignment of
Chris-Craft Television Licenses to Fox Television Stations,
Inc.
File nos. BALCT-20000918ABB, BALCT-20000918ABC,
BALCT-20000918ABD, BALCT-20000918ABF,
BALCT-20000918ABK, BALCT-20000918ABL,
BALCT-20000918ABM, BALCT-20000918ABN,
BALCT-20000918ABU, BALCT-20000918ABY
Notice of Oral Ex Parte Presentation

Dear Ms. Salas:

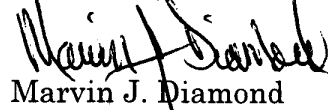
On May 18, 2001, Maureen O'Connell and Michael Regan of News Corporation/Fox Television Stations, Inc. ("Fox"), Robert Giese of Chris-Craft Broadcasting, Inc. ("Chris-Craft"), and Marvin J. Diamond of the Law Offices of Marvin J. Diamond met with Mark Schneider, Senior Legal Advisor to Commissioner Susan Ness, and William J. Friedman IV, Senior Legal Advisor to Commissioner Gloria Tristani. William S. Reyner, Jr. of Hogan & Hartson L.L.P. participated by telephone in the meeting with Mr. Schneider.

Magalie Roman Salas
May 18, 2001
Page 2

The representatives of Fox and Chris-Craft reviewed with Mr. Schneider and Mr. Friedman the proposed transaction that is the subject of the referenced applications and discussed the timing of Commission consideration of and action upon those applications. For the convenience of the advisors, attached hereto are copies of three charts previously filed with the November 9, 2000, Joint Opposition of FTS and Chris-Craft, comparing the FTS structure approved in 1995 and the proposed structure of the current transaction, and a copy of page 5728 from *Fox Television Stations, Inc.*, 11 FCC Rcd 5714 (1995).

In accordance with Section 1.1206(b) of the Commission's rules, a copy of this Notice of Ex Parte Presentation has been provided to each of the staff members identified below and the original and one copy of this letter are being submitted to the Office of the Secretary.

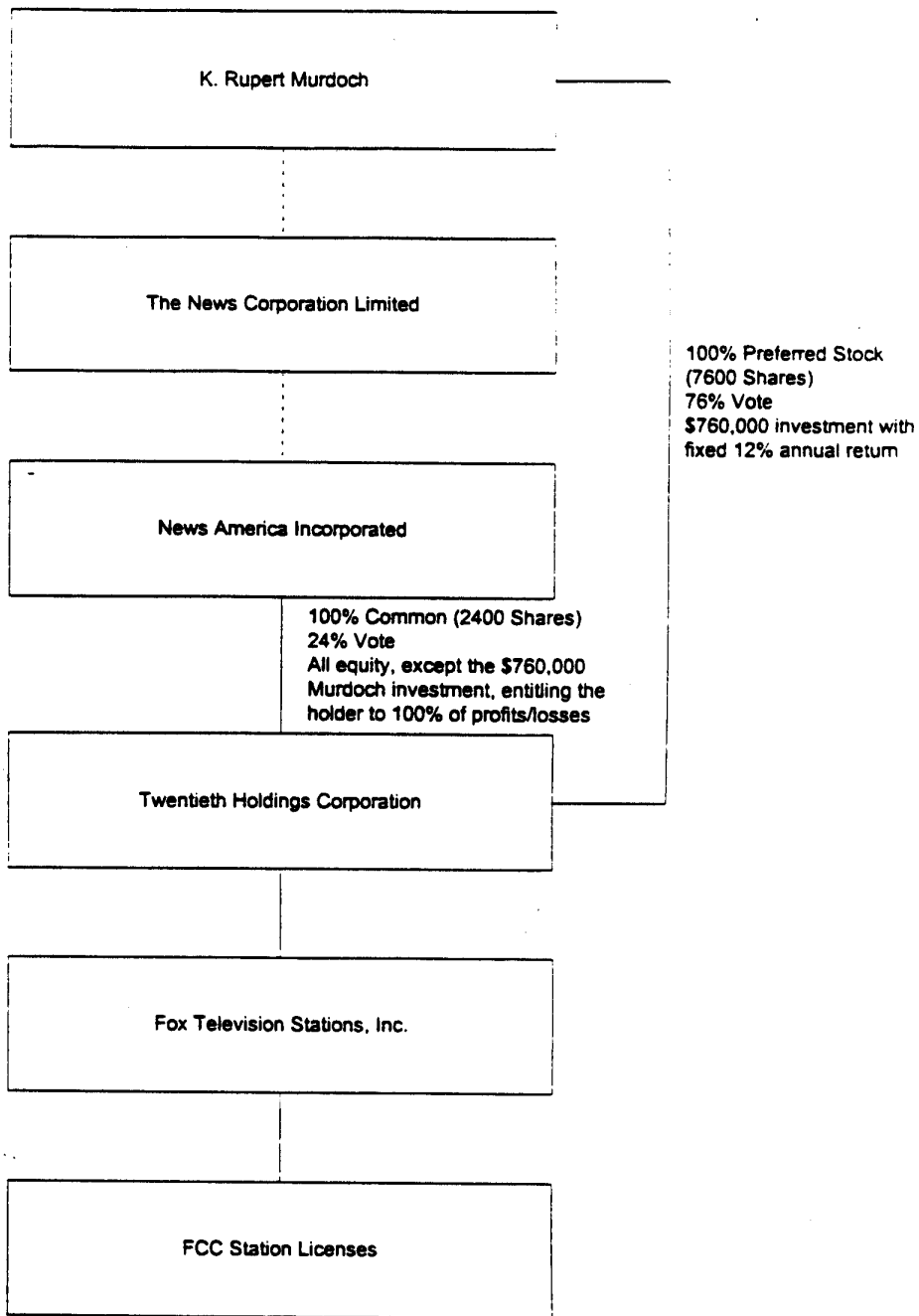
Yours truly,



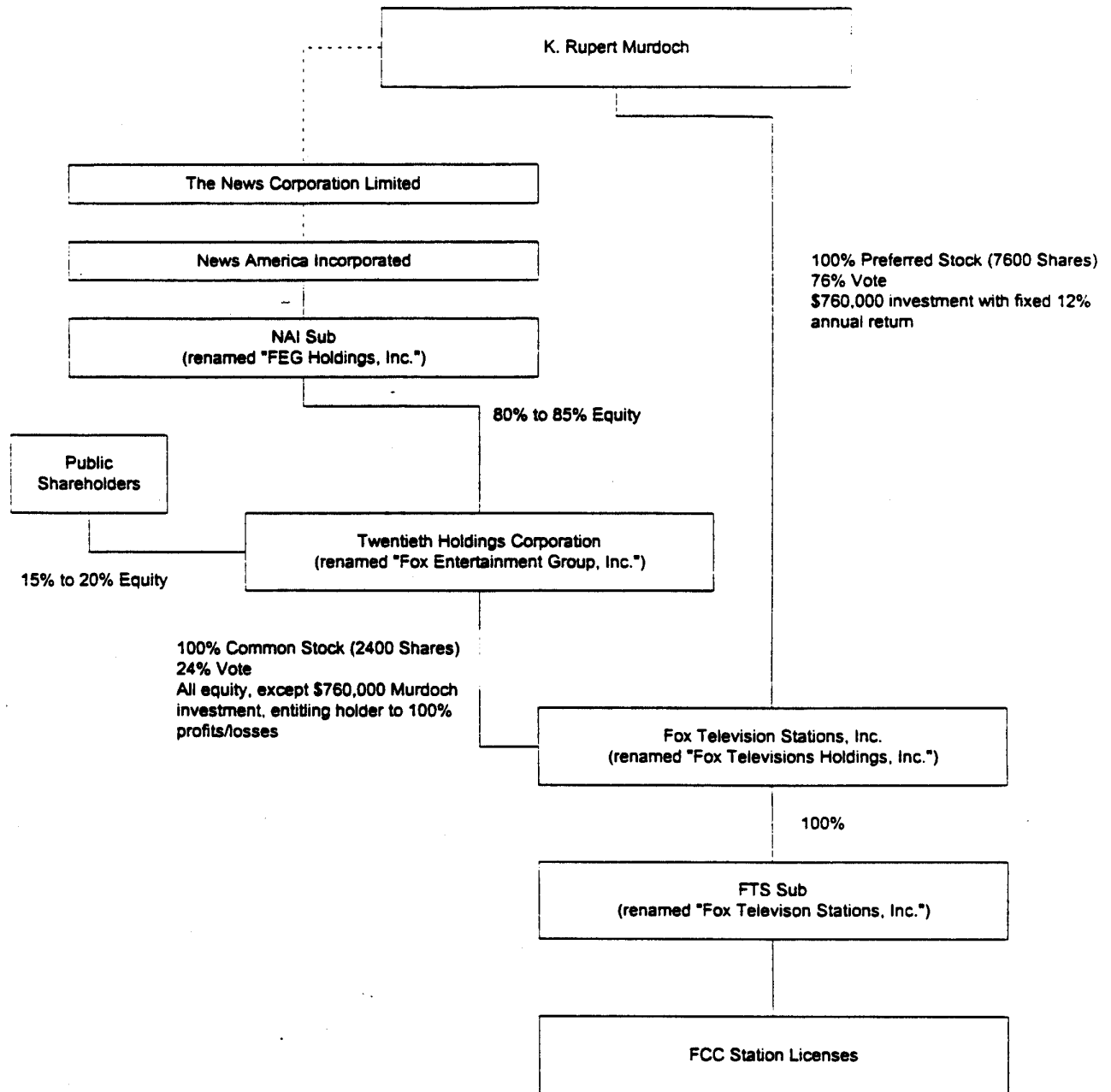
Marvin J. Diamond

cc: Mark Schneider, Senior Legal Advisor to Commissioner Susan Ness
William J. Friedman IV, Senior Legal Advisor to Commissioner Gloria Tristani
James Bird, Office of General Counsel
International Transcription Services, Inc.
William S. Reyner, Esq.
John C. Quale, Esq.
Angela J. Campbell, Esq.

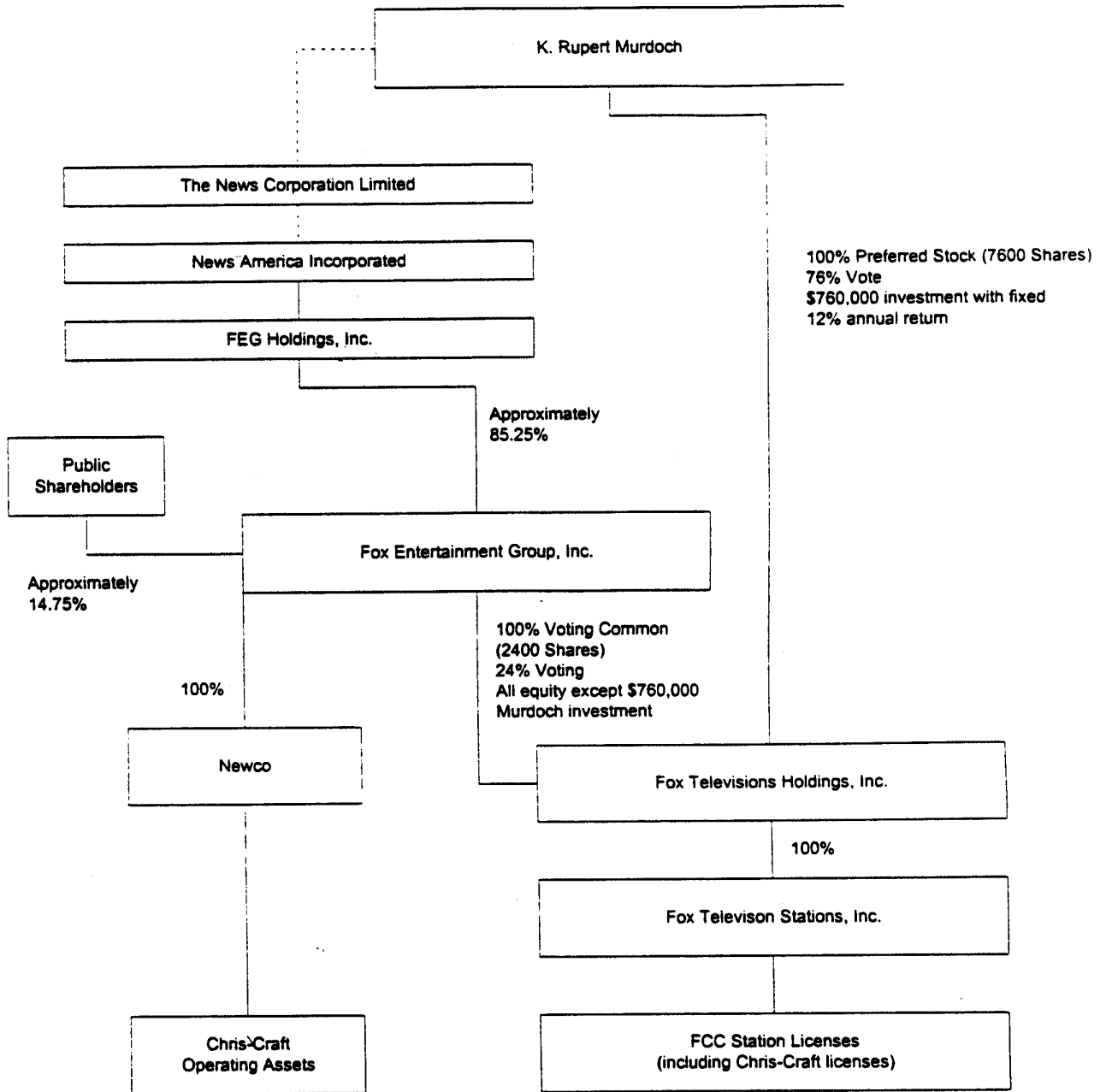
Structure Approved in 1995



Structure Approved in 1998 Following *Pro Forma* Reorganization



Proposed Structure for Chris-Craft Acquisition



C. *The Scope of Our Determination*

33. We have determined that the unique equities of this case support a determination to approve FTS's ownership structure. Having done so, we must also determine the scope of this finding and its applicability to pending and future FTS activities.

34. FTS was formed in 1985 as a vehicle to own and operate six television stations.¹⁵ At that time, the Commission authorized FTS to undertake that enterprise, and today we have decided that it would not be in the public interest to prevent FTS from continuing those activities in its present corporate form. For the same reasons, we believe that it would disserve the public interest to confine our decision to stations FTS already owns, for doing so would unnecessarily hinder the company's ability to expand and frustrate its reasonable expectations of doing so. Having found that it would disserve the public interest to order a restructuring of the company, consistency demands that we not effectively require such a restructuring before the company may enlarge its broadcast interests. Thus, FTS as presently structured may, consistent with the public interest, acquire additional broadcast stations (up to the allowable maximum set forth in our ownership rules, see 47 C.F.R. §73.3555).

35. The equities we have discussed above must also be considered where FTS seeks to make investments in other broadcast properties. FTS has argued that our determination "should be equally applicable to investments by FTS or its corporate affiliates in third-party station ventures." FTS Pub. Int. Filing at 44 n.20. The outcome in such cases will depend, however, on the precise nature of the proposed investment. Two situations may arise: first, FTS may seek to make an investment in a holding company that controls another company that in turn holds broadcast licenses. Those circumstances trigger the application of Section 310(b)(4), which applies to a licensee "directly or indirectly controlled by any other corporation." In that situation, we find that wholly disregarding the substantial alien investment in THC and FTS is not necessary to accommodate FTS's reasonable expectations. FTS has always intended to have 24 percent alien ownership as it understood the statute, and we will accordingly

to buy programming" from a proposed fifth network.

¹⁵ According to the prospectus used in the 1986 refinancing of FTS's debt, "Fox Television was incorporated in May 1985 . . . to purchase the stations from [Metromedia]. . . Following the closing, Fox Television's business will consist of the ownership and operation of the Stations and Fox Television will become the obligor on the Debt Securities which are not surrendered for exchange in the Exchange Offer." See Prospectus for Fox Television Stations, Inc. Increasing Rate Exchangeable Guaranteed Preferred Stock at 138 (Feb. 27, 1986).