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July 12, 2001

**VIA HAND DELIVERY**

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, DC 20554

Re: *Ex Parte Communication*: DA 00-2246  
Fox Television Stations, Inc. Applications for Assignment of Broadcast  
Licenses and Assets of Chris-Craft Industries, Inc.  
File Nos. BALCT-20000918ABB-ABD; BALCT-20000918ABF-ABS;  
BALCT-20000918ABU-ABZ; BALCT20000918ACA-ACE

Dear Ms. Salas:

On Wednesday, July 11, 2001, Christopher R. Day and Angela J. Campbell of the Institute for Public Representation met with Commissioner Martin and his legal advisor, Samuel Feder, on behalf of the Office of Communication, Inc. of the United Church of Christ, Academy of Latino Leaders in Action, Black Citizens for a Fair Media, Center for Media Education, Consumer Federation of America, Consumers Union, New York Metropolitan Association of the United Church of Christ, Rainbow/PUSH Coalition and Valley Community Access Television ("Petitioners") regarding the above-referenced proceeding.

During the meeting, the Petitioners presented a history of the transaction and discussed their continuing concern about certain issues in the above-referenced proceeding. Specifically, Petitioners focused on Fox's request for a permanent or long-term waiver of the Newspaper/Broadcast Cross-Ownership Rule and the foreign ownership issues associated with this case. Attached to this letter are copies of the written materials that were distributed at the meeting to illustrate the above points.

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VIDEO SERVICES  
DIVISION

Magalie Roman Salas  
July 12, 2001  
Page 2

In compliance with the Commission's rules regarding *ex parte* communications, an original and one (1) copy of this letter are being filed. Should you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,



Christopher R. Day

Counsel to the Petitioners

Attachments

cc: Commissioner Kevin J. Martin  
Samuel Feder, Office of Commissioner Martin  
Barbara Kreisman, MMB  
David Roberts, MMB  
David Brown, MMB  
James R. Bird, OGC  
John C. Quale  
William S. Reyner, Jr.  
Marvin J. Diamond

## Summary of Issues Fox Television Applications

On September 18, 2000, Fox Television Stations, Inc. ("FTS") filed applications to acquire the licenses and broadcast assets of ten television stations owned by Chris-Craft Industries, Inc. and its subsidiaries ("Chris-Craft"). These applications requested waivers of three broadcast ownership rules: 1) the Newspaper/Broadcast Cross-Ownership Rule; 2) the Duopoly Rule; and 3) the National Market Cap Rule. In addition, Fox proposed an ownership structure that would split the Chris-Craft station assets from the Chris-Craft licenses in order to minimize the payment of capital gains taxes. Under the proposed ownership structure, the stations assets would be held by "Newco," a direct subsidiary of News Corporation, an Australian corporation, while the station licenses would be held by FTS. This ownership structure would differ materially from the ownership structure approved by the Commission in 1995.

On October 27, 2000, the Office of Communication, Inc. of the United Church of Christ, Academy of Latino Leaders in Action, Black Citizens for a Fair Media, Center for Media Education, Consumer Federation of America, Consumers Union, New York Metropolitan Association of the United Church of Christ, Rainbow/PUSH Coalition, and Valley Community Access Television ("Petitioners") filed a Petition to deny the applications. This Petition, and the accompanying Motion to Dismiss, delineates a number of substantial and material questions of fact regarding the proposed ownership structure and the degree of foreign influence involved. In addition, the Petition also details certain substantial questions of material fact concerning the broadcast ownership waivers sought by Fox.

On December 21, 2000, the Mass Media Bureau ("Bureau") sent Fox a letter requesting clarification of certain material foreign ownership issues. The letter states that "it appears that Newco is a corporation that may be 100% foreign owned and controlled." The letter further states that: "If Newco is in control of the licenses of the Chris-Craft stations, this would appear to be a violation of Section 310(b)(4) of the Communications Act." In order to resolve this factual question, the letter requested that Fox provide: 1) an explanation showing how Fox's proposed Operating Agreement between FTS and Newco comports with *Fox II*; 2) "information that details the level of foreign investment and control in Newco, FEG and their parent companies;" 3) a showing of how Fox's proposed ownership structure would serve the public interest; and 4) permission to access and review documents submitted to the U.S. Department of Justice ("DOJ") in connection with the Hart-Scott-Rodino review of this transaction.

The Bureau letter also requested further information regarding the financial situation of the *New York Post*, and a statement detailing the overall public interest benefit that would occur as a result of this transaction. On January 25, 2001, Fox provided its response to the letter. In the response, Fox offered minor changes to the proposed Operating Agreement between FTS and Newco. Fox also stated that the public interest would be served through its acquisition of the Chris-Craft assets because those stations would have access to "Fox News Edge," a centralized

news gathering service. In addition, News Corporation and filed limited financial information concerning the operations of the New York Post.

On April 3, 2001, the Commission issued yet another information request to News Corporation and Fox requesting "any available, independently audited certified financial statements, prepared in accordance with Generally Accepted Accounting Principles (GAAP), or similarly probative statements that support your contentions regarding the New York Post's financial viability. On April 9, 2001, News Corporation filed some addition information with the Commission.

On April 12, 2001, Mortimer B. Zuckerman, Chairman & Co-Publisher of the *New York Daily News* forwarded a letter to Petitioners' counsel stating that, in the event the Commission requires divestiture of the *New York Post*, that he would be prepared to "make a bid to purchase the *New York Post*," and that if such bid was successful that he would operate the *New York Post* as an editorially independent newspaper." A copy of this letter was filed with the Commission on April 16, 2001.

On April 30, 2001, Petitioners filed their response to Fox and News Corporation's latest submission. In that response, Petitioners noted that the information submitted was not audited by any independent party and was not a sufficient statement of the Post's financial situation. Petitioners also noted that Mr. Zuckerman's letter contradicted one of Fox and News Corporation's center claims: that the Post would fail if another waiver of the Newspaper/Broadcast Cross-Ownership Rule was not granted.

Attached is a copy of a summary of legal showing required to justify a waiver of the Commission's Newspaper/Broadcast Cross-Ownership Rule. This summary further details, point-by-point, the failure of News Corporation and Fox to justify the grant of a second waiver to acquire WWOR-TV, while maintaining control of WNYW and the *New York Post*.

Also attached is a summary of the items requested by the Commission in its December 21, 2000, letter that were never submitted by Fox. To date, the Mass Media Bureau has made no effort to obtain this information. In the absence of this information, Petitioners submit that it is difficult, if not impossible, for the Commission to compile a sufficient record to address the substantial foreign ownership and Section 310(d) concerns raised be Petitioners.

## NEWSPAPER/BROADCAST CROSS-OWNERSHIP

FACTORS SUPPORTING PERMANENT WAIVERS	FOX'S SHOWING
<p>1. Unsuccessful efforts to sell the media entity to be acquired. <i>See Columbia Montour Broadcasting Co.</i>, 13 FCC Rcd 13007, 13013 (1998); <i>Kortes Communications, Inc.</i>, 15 FCC Rcd 11846, ¶ 17 (2000).</p> <p>a. In all previous permanent waiver cases detailed evidence of efforts to sell the entity to be acquired have been presented. <i>See, e.g., Columbia Montour</i>, 13 FCC Rcd at 13009-10, ¶¶ 9-12; <i>Kortes Communications</i>, 15 FCC Rcd 11846, ¶¶ 7-8; <i>Fox Television Stations, Inc.</i>, 8 FCC Rcd 5341, 5346-47, ¶¶ 30-32.</p>	<p>Neither Fox nor Chris-Craft have presented information suggesting that WWOR cannot be sold. <i>See</i> Petition to Deny Application for Assignment of Licenses, filed Oct. 27, 2000, at 10; Further Response To Amended Application for Assignment of Licenses, filed Mar. 14, 2001, at 7-8. Media reports indicate that a sale of WWOR would be highly lucrative. <i>See</i> Petition to Deny at 10.</p> <p>Furthermore, an experienced publisher has expressed an intention to bid for the New York Post and operate the paper as an "editorially independent" entity if divestiture is ordered. <i>See</i> Letter from Christopher R. Day and Angela J. Campbell to Magalie Roman Salas, filed April 16, 2001, at 1; Letter from Mortimer B. Zuckerman to Magalie Roman Salas, filed April 26, 2001.</p>
<p>2. Financially troubled status of the media entity to be acquired. <i>Columbia Montour</i>, 13 FCC Rcd at 13013; <i>Kortes Communications</i>, 15 FCC Rcd 11846, ¶ 17.</p> <p>a. In all previous cases audited financial information, including tax returns, was presented to prove that the entity was on its "deathbed." <i>See, e.g., Columbia Montour</i>, 13 FCC Rcd at 13008-09, ¶¶ 7-8; <i>Kortes Comm.</i>, 15 FCC Rcd 11846, ¶ 5-6.</p> <p>b. In the 1993 WNYW/<i>Post</i> waiver case, such evidence was not required because the <i>Post</i> was in bankruptcy. <i>See Fox Television Stations</i>, 8 FCC Rcd at 5349-50, ¶¶ 43-44 &amp; n. 23-25.</p>	<p>WWOR is a highly successful VHF station. <i>See</i> Petition to Deny at 10 &amp; n.28.</p> <p>The Commission has now sent two letters to Fox requesting specific financial information for the Post. <i>See</i> Letter from Roy J. Stewart to William S. Reyner, Jr., et al., dated Dec. 21, 2000; Letter from Barbara Kreisman to William S. Reyner, Jr., dated April 3, 2001.</p> <p>In response, Fox has failed to submit tax returns or any audited financial information, as the Commission specifically requested in its April 3, 2001, letter. <i>See</i> Letter from Arthur M. Siskind to Magalie Roman Salas, dated Jan. 22, 2001; Letter from William S. Reyner, Jr., et al. To Magalie Roman Salas, dated April 9, 2001.</p> <p>Furthermore, the limited financial information actually provided by Fox does not rise to the level required in <i>all</i> earlier cases. <i>Cf.</i> Petition to Deny at 10 &amp; n.26-27; Further Response at 4.</p>

## NEWSPAPER/BROADCAST CROSS-OWNERSHIP

<p>3. Common ownership limited to one newspaper and one AM station (as in <i>Columbia Montour</i> and <i>Kortes Comm.</i>). <i>Columbia Montour</i>, 13 FCC Rcd at 13013; <i>Kortes Communications</i>, 15 FCC Rcd 11846, ¶ 17.</p> <p>a. All previous permanent waiver cases involved <i>one</i> radio or television station and <i>one</i> daily newspaper. <i>See generally Columbia Montour, Kortes Communications, Fox Television Stations; Field Communications Corp.</i>, 65 F.C.C.2d 959 (1977).</p>	<p>Fox seeks a waiver to hold <i>two</i> large VHF television stations along with a daily newspaper.</p>
<p>4. High level of media diversity in the market. <i>Columbia Montour</i>, 13 FCC Rcd at 13013; <i>Kortes Communications</i>, 15 FCC Rcd 11846, ¶ 17.</p> <p>a. The FCC has never found that media diversity in and of itself is sufficient to allow a waiver. <i>See Stockholders of Renaissance Communications Corp.</i>, 12 FCC Rcd 11866, 11885, ¶ 46 &amp; n.36 (“the existence of even a considerable number of media voices in a market is not sufficient, without additional ‘special circumstances,’ to justify a waiver”).</p>	<p>Unlike the 1993 waiver case, Fox fails to present an extraordinary and compelling reason as to why a second permanent waiver is advisable here. Media diversity in and of itself has never been an extraordinary and compelling reason. <i>Cf. Petition to Deny</i> at 11-12 &amp; n.31; <i>Reply to Joint Opposition</i>, filed Nov. 22, 2000, at 16 &amp; n.36.</p>
<p>5. Entity to be acquired not a significant competitive force. <i>Columbia Montour</i>, 13 FCC Rcd at 13013; <i>Kortes Communications</i>, 15 FCC Rcd 11846, ¶ 17.</p>	<p>WWOR is one of the top 6 television stations in the New York market. In addition, Fox fails to prove that the <i>Post</i> is not a competitive force. To the contrary, Fox’s information reveals an increasingly viable newspaper. <i>See Petition to Deny</i> at 11 &amp; n.27; <i>see also Fox App. Ex. No. 4</i> at 27.</p>
<p>6. Proposed combination is unlikely to have an adverse effect on competition. <i>Columbia Montour</i>, 13 FCC Rcd at 13013; <i>Kortes Communications</i>, 15 FCC Rcd 11846, ¶ 17.</p>	<p>Fox fails to show how combined ownership of two large VHF stations in New York, in addition to a large daily newspaper, are unlikely to have an adverse effect on competition. <i>See Petition to Deny</i> at 13, 16; <i>Reply to Joint Opposition</i> at 13-14.</p>

**OTHER INFORMATION REQUESTED BY THE COMMISSION**

REQUEST FROM THE COMMISSION	RESPONSE FROM FOX
<p><b>Foreign Ownership</b></p>	<p>1. Fox failed to provide the Commission with information on:</p> <ul style="list-style-type: none"> <li>a. Citizenship of the outside investors of FEG (Newco's parent company). <i>See</i> Letter to Commission Secretary, Applications for Assignment of Licenses, filed Jan. 25, 2001, at 7 ("Fox Letter"); Response to Amended Application, filed Feb. 8, 2001, at 21-22, 23.</li> <li>b. Ownership of News Corp. Fox included a small footnote in its amended application stating that Mr. Murdoch controls 20%-30% of News Corp. However, Mr. Murdoch is not listed as a shareholder on News Corp's Australian Financial Report. Available information (gathered without Fox's aid) suggests that Mr. Murdoch may not actually control the 20%-30% of News Corp stock listed in the amended application. <i>See</i> Fox Letter, Attachment C at 15; Response to Amended Application at 24-25.</li> </ul>
<p><b>Hart-Scott-Rodino</b></p>	<p>2. Fox refused to:</p> <ul style="list-style-type: none"> <li>a. Allow the FCC to review the HSR documents filed with DOJ. <i>See</i> Fox Letter at 23-24; Response to Amended Application at 32.</li> <li>b. Provide a copy of a letter that it claims to have received from DOJ terminating<sup>4</sup> the "review of this transaction, subject to News Corp's agreement . . . [to divest] one of the stations in the Salt Lake City market." Fox Letter at 23; <i>see also</i> Response to Amended Application at 32 (stating that DOJ claims that this is still an 'open investigation').</li> </ul>

**OTHER INFORMATION REQUESTED BY THE COMMISSION**

**Public Interest Showing**

3. "We therefore require the applicants to supplement the record with an explanatory statement illustrating how the proposed transaction will serve the public interest." Commission Letter at 3.

3. Fox claims that no response is needed because the request "does not reflect the law." Fox Letter at 18; Response to Amended Application at 28-29.

a. Notwithstanding the above, however, Fox reiterated its earlier claim that the Chris-Craft stations' ability to access "Fox News Edge," a centralized news service, satisfies the public interest standard delineated in Section 310(d) of the Act. *See* Fox Letter at 20-22; Response to Amended Application at 28, 30-31.



## **A Further Waiver of the Newspaper/Broadcast Cross-Ownership Rule Will Substantially Harm Diversity in the New York DMA**

### Television:

- There are 20 full power television stations licensed to the New York DMA. Of those 20 full power television stations, only 6 (including WNYW and WWOR-TV) provide substantial local news and public affairs programming.
- Fox's proposed acquisition of WWOR-TV will likely lead to the demise of any independently produced local news and public affairs programming on that station. See Jeremy Murphy, *Fox's Station Combinations*, MEDIAWEEK, May 14, 2001, at 7. (Attached as Exhibit A).

### Radio:

- The New York Radio Market has already seen massive consolidation, and provides much less diversity and locally oriented programming than existed in 1993
- In 1993, there were 37 owners of the 52 licensed radio stations in the New York DMA.
- In 2000, there was only 34 owners of the 74 licensed radio stations. (See chart attached as Exhibit B).

### Newspapers:

- Of the 25 daily newspapers in the entire New York DMA, the vast majority are targeted towards small geographic areas. In addition, only 13 have independent owners (See Exhibit C).
- There are only 3 local daily newspapers (*New York Times*, *New York Daily News* and the *New York Post*) based in New York City with daily circulations exceeding 100,000 (in a city with over 8 million people).

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5/14/01 MEDIAWEEK 7			MEDIAWEEK
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MEDIAWEEK

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Fox's Station Combinations. (pending acquisition of Chris-Craft by News Corp.)  
Jeremy Murphy

FULL TEXT

Efficiencies weighed with Chris-Craft outlets in New York, L.A. and Phoenix

With News Corp's \$5.35 billion purchase of 10 Chris-Craft stations nearly complete, News Corp. executives are exploring opportunities to combine operations in markets where both companies own stations, according to insiders, When the deal is finalized (the Department of Justice has given its stamp of approval, but the FCC has yet to sign off), insiders say News Corp.'s Fox Television Stations unit will consolidate operations in three markets: New York, Los Angeles and Phoenix.

"They're probably going to look for efficiencies in technical operations," said a source familiar with the plans. The company will also look to combine programming and backroom functions, but it's still not clear if ad-sales departments will also be merged.

Fox is likely to get rid of several weaker 10 p.m. newscasts, specifically on Chris-Craft's New York UPN affiliate WWOR (which competes with a higher-rated newscast on Fox owned-and-operated WNYW) and on Chris-Craft's Los Angeles UPN affiliate KCOP (which trails Fox O&O KTTV in ratings). In addition, Fox will own two stations in Salt Lake City--Fox O&O KSTU and ABC affiliate KTVX--but the DOJ is demanding the company divest KTVX so it does not violate standing duopoly restrictions (a company cannot own more than one Big Four affiliate in the same market).

"If at the end of 240 days [News Corp. chairman and CEO] Rupert Murdoch can't sell the station, the Justice Department will do it for him," said another executive involved in the transaction.

Fox officials declined to comment on plans for the Chris-Craft stations, but executives with knowledge of the acquisition said the

general managers for the Fox O&Os will likely assume control of the duopolies. That means Michael Wach, general manager for WNYW in New York, would oversee WWOR; David Boylan, gm/vp of KTTV in L.A., would also head KCOP; and Kevin Hale, gm/vp of Fox's Phoenix O&O KSAZ, might take over UPN affiliate KUTP. "It's very likely the operation of the stations will be done out of one place," said the executive.

Only last winter, Fox station group president Mitch Stem, in a speech to analysts, held the company's Dallas operation up as a template for future duopolies. The company owns independent KDFI and Fox O&O KDFW. Kathy Saunders, gm/vp of both outlets, has been successful in consolidating operations there.

There are likely to be major obstacles in merging operations, however. Technicians at the New York and L.A. stations belong to different unions, which could make streamlining tricky. Technicians at WNYW belong to the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts; while technicians at WWOR belong to the National Association of Broadcast Employees and Technicians. In L.A., technicians at Fox's KTTV belong to NABET, while KCOP's techs are with IATSE.

Insiders say working with the unions will be especially hard, since the company hopes to eliminate duplicated positions. "They've got it all locked up in corporate," said Don Jernigan, international staff rep from the NABET-CWA, who is responsible for negotiating the contract with WWOR. "It's very hush-hush."

THREE KEY DUOPOLIES  
From News Corp.'s Pending Purchase  
of Chris-Craft:  
2000 REVENUE

MARKET (RANK)	(RANK IN MARKET)
NEW YORK (1)	
WNYW-TV (Fox O&O)	\$270 million (3)
WWOR-TV (Chris-Craft/UPN)	\$176 million (6)
LOS ANGELES (2)	
KTTV-TV (Fox O&O)	\$216 million (3)
KCOP-TV (Chris-Craft/UPN)	\$117 million (7)
PHOENIX (17)	
KSAZ-TV (Fox O&O)	\$56 million (3)
KUTP-TV (Chris-Craft/UPN)	\$39 million (5)

Source: BIA Financial Network

---- INDEX REFERENCES ----

COMPANY (TICKER): News Corp.; News Corp. (Ads); Chris-Craft Industries Inc.  
(A.NCP NWS CCN)

KEY WORDS: DIVERSIFIED COMPANIES; NEWSPAPERS; TELEVISION BROADCASTING;

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TELEVISION STATIONS; UNITED STATES; AUSTRALIA; NEW YORK; ARIZONA; CALIFORNIA;  
ORGANIZATIONAL HISTORY; ACQUISITIONS & MERGERS; ASSET SALES & DIVESTITURES;  
NEWSPAPER PUBLISHERS; TELEVISION BROADCASTING

NEWS SUBJECT: Corporate and Industrial News; Television and Radio;  
Corporate Changes; Acquisitions, Mergers and Takeovers; Acquisitions, Mergers  
and Takeovers; Divestitures or Asset Sales; English language content; Dow Jones  
Total Market Index; High-Yield Issuers; American Depository Receipts; Arts and  
Entertainment; Political and General News; Ownership Changes (CCAT GTVRAD C02  
TNM C181 C182 ENGL WEI HIY ADR GENT GCAT C18)

MARKET SECTOR: Consumer Cyclical (CYC)

INDUSTRY: Conglomerates; Newspaper Publishers; Publishing; Media;  
Broadcasting; Dow Jones Asian Titans Index components; Media: TV and Radio  
Broadcasting; All Entertainment & Leisure (CGL NWP PUB MED BRD XATI IBRD ENT)

PRODUCT: Leisure; Media (DLE DME)

SIC: 2711; 4833

REGION: United States; Australia; Asia; Far East; Pacific Rim;  
Australia; Arizona; North America; United States; Western U.S.; United States -  
Arizona; California; United States - California; North American Countries;  
Australia and New Zealand (USA ASA ASI FE PRM AUSTR AZ NME US USW USAZ CA USCA  
NAMZ AUSNZ)

Word Count: 579  
5/14/01 MEDIAWEEK 7  
END OF DOCUMENT

**Commercial Radio Station Ownership in New York City  
1993 versus 2000\***

1993	Owner	2000
	Alexander Bcstg	WRCR-AM
	AM/FM Inc	WALK-AM WALK-FM WHTZ-FM WKTU-FM WAXQ-FM WTJM-FM WLTW-FM
WALK-AM WALK-FM	American Media Inc	
WBLI-FM	Back-Room Comm	
WHLI-AM WKJY-FM	Barnstable Bcstg Inc	WGSM-AM WHLI-AM WMJC-FM WKJY-FM WBZO-FM WRCN-FM
WYNW-FM	Bcstg Partners Inc	
	Big City Radio	WWXY-FM WWZY-FM WYNY-FM
WBBR-AM	Bloomberg Comm Inc	WBBR-AM
WMXV-FM	Bonneville Intl	
WOR-AM	Buckley Bcstg	WOR-AM
WABC-AM WPLJ-FM	Capital Cities/ABC	WABC-AM WPLJ-FM
WCBS-AM WCBS-FM	CBS Inc	
	Cox Radio Inc	WHFM-FM WKHL-FM WBWB-FM WBLI-FM
WFAS-AM WFAS-FM	CRB Bcstg Corp	
WSNW-AM	Douglas Bcstg	
WQHT-FM	Emmis Radio Bcstg	WQHT-FM WRKS-FM WQCD-FM
WFME-FM	Family Stations Inc	WFME-FM
WEVD-AM	Forward	WEVD-AM
WGSN-AM WCTC-AM WNJC-FM WMGQ-FM	Greater Media	WCTC-AM WMGQ-FM
WRTN-FM	Hudson	WVOX-AM WRTN-FM
WFAN-AM WZRC-AM WXRK-FM	Infinity Bcstg Corp	WFAN-AM WCBS-AM WINS-AM WXRK-FM WCBS-FM WNEW-FM
WLIB-AM WBSL-FM	Inner City Bcstg	WLIB-AM WBSL-FM
WORE-FM	Jarad Bcstg Co	WLIR-FM WDRE-FM

\* Source: Investing in Radio 1993, BIA Publications, Inc. (2d ed. 1993); Investing in Radio 2000, BIA Research, Inc. (2d ed. 2000).

WBAB-FM	Liberty Bcstg Corp	
	Long Is Multi-Media	WLUX-AM
WHTZ-FM	Malrite Comm Group	
	Mariana Bcstg Inc	WGHT-AM
	Mega Comm Inc	WKDM-AM
WCAA-FM	Multicultural Bcstg	WPAT-AM WNSW-AM WZRC-AM
	Nassau Bcstg Ptrs	WFAS-AM WJLK-FM WFAS-FM WFAF-FM
WWRL-AM	National Black Ntwk	
	New Jersey Bcstg	WWTR-AM
WQEW-AM	New York Times Co	WQEW-AM
WQXR-FM		WQXR-FM
WNCE-FM	Newco Holdings	
WDHA-FM	Northern NJ Radio	WMTR-AM WDHA-FM
	One-On-One	WJWR-AM
	Pamal	WLNA-AM WHUD-FM
WPAT-AM WPAT-FM	Park Comm Inc	
	Polnet Comm Ltd	WRKL-AM
WHLO-FM	Radio Terrace LP	
	Radio Unica	WJDM-AM WWRU-AM
WWRV-AM	Radio Vision	WWRV-AM
	Salem Comm Corp	WMCA-AM WWDJ-AM
WSKQ-AM WSKQ-FM	Spanish Bcstg System	WPAT-FM WSKQ-FM
WADO-AM	Spanish Radio Ntwk/Hispanic Bcstg	WADO-AM WCAA-FM
WRCN-FM	Starr, Gary et al	
WRKS-FM	Summit Comm Group	
WQCD-FM	Tribune Bcstg Co	
WKDM-AM	United Bcstg Co	
	Unity Bcstg	WWRL-AM
	Universal Bcstg	WVNJ-AM
WINS-AM WNEW-FM	Westinghouse Bcstg	
WNEW-FM	Westinghouse Bcstg	

**1993**  
**37 Owners**  
**52 Stations**

**2000**  
**34 Owners**  
**74 Stations**

\* Source: Investing in Radio 1993, BIA Publications, Inc. (2d ed. 1993); Investing in Radio 2000, BIA Research, Inc. (2d ed. 2000).

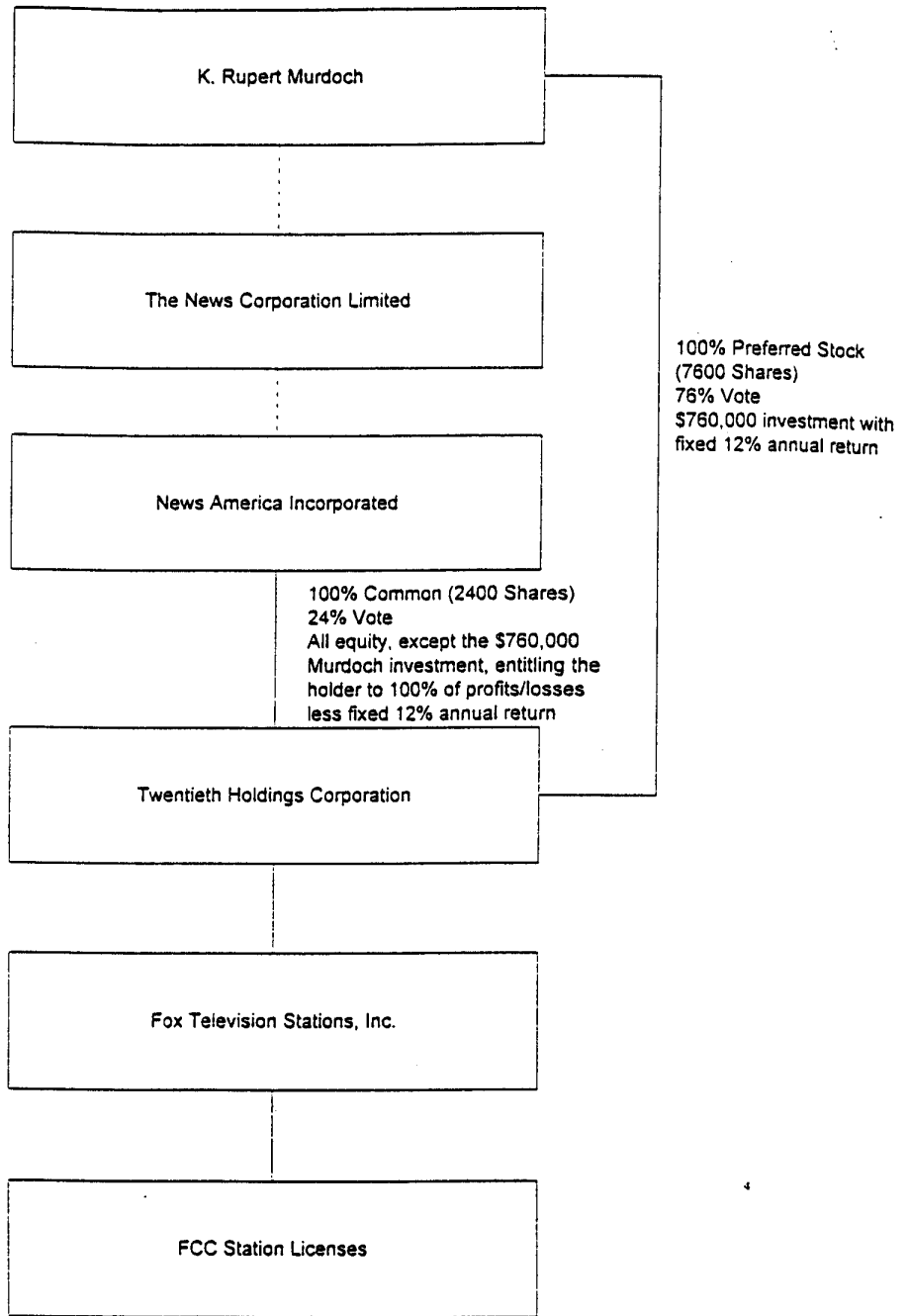
**Daily Newspapers in the New York DMA  
(Metropolitan New York, Northern New Jersey and Southern Connecticut)**

- |     |                        |                                                                                                                                                                                               |
|-----|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | Gannett Co.            | Bridgewater Courier News<br>Morristown Record<br>Neptune Asbury Park Press<br>New Brunswick Home News Tribune<br>Poughkeepsie Journal<br>Toms River Ocean County<br>White Plains Journal News |
| 2.  | Times Mirror Co.       | Greenwich Times<br>Long Island Newsday<br>Stamford Advocate                                                                                                                                   |
| 3.  | Advance Publications   | Jersey City Journal<br>Newark Star-Ledger<br>Staten Island Advocate                                                                                                                           |
| 4.  | Journal Register Group | Kingston Freeman<br>Middletown Times Herald/Record                                                                                                                                            |
| 5.  | Macromedia             | Bergen County Record<br>Passaic North Jersey Herald News                                                                                                                                      |
| 6.  | Thompson Newspapers    | Bridgeport Post                                                                                                                                                                               |
| 7.  | Dow Jones Co.          | Danbury News/Times                                                                                                                                                                            |
| 8.  | Daily News, L.P.       | New York Daily News                                                                                                                                                                           |
| 9.  | New York Times Co.     | New York Times                                                                                                                                                                                |
| 10. | News Corporation       | New York Post                                                                                                                                                                                 |
| 11. | El Diaro/La Prensa     | New York El Diaro/La Prensa                                                                                                                                                                   |
| 12. | Quincy Newspapers Inc. | Newton NJ Herald                                                                                                                                                                              |
| 13. | The Hour               | Norwalk Hour                                                                                                                                                                                  |

**13 Independent Owners**

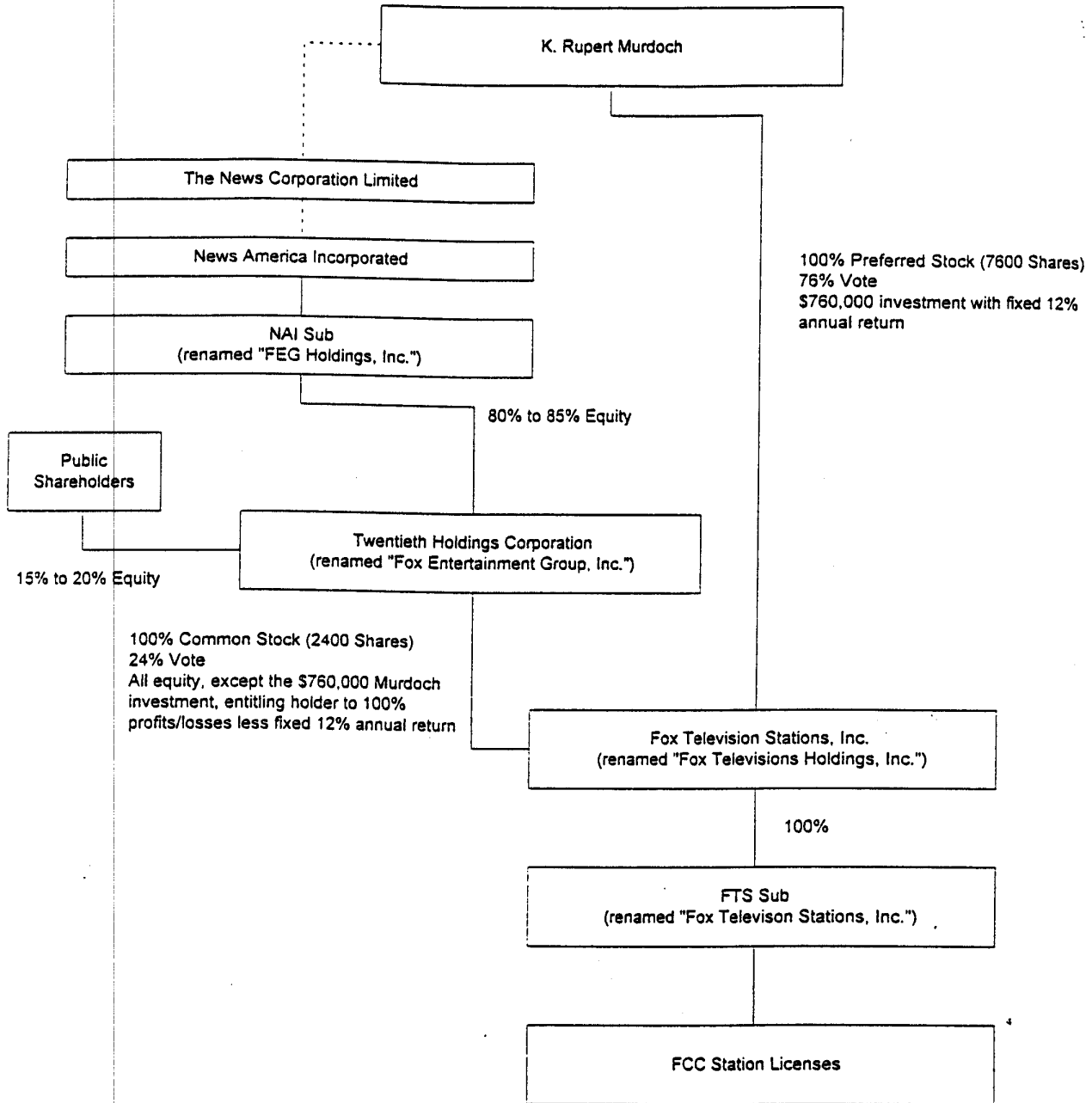
**25 Daily Newspapers**

# Structure Approved in 1995

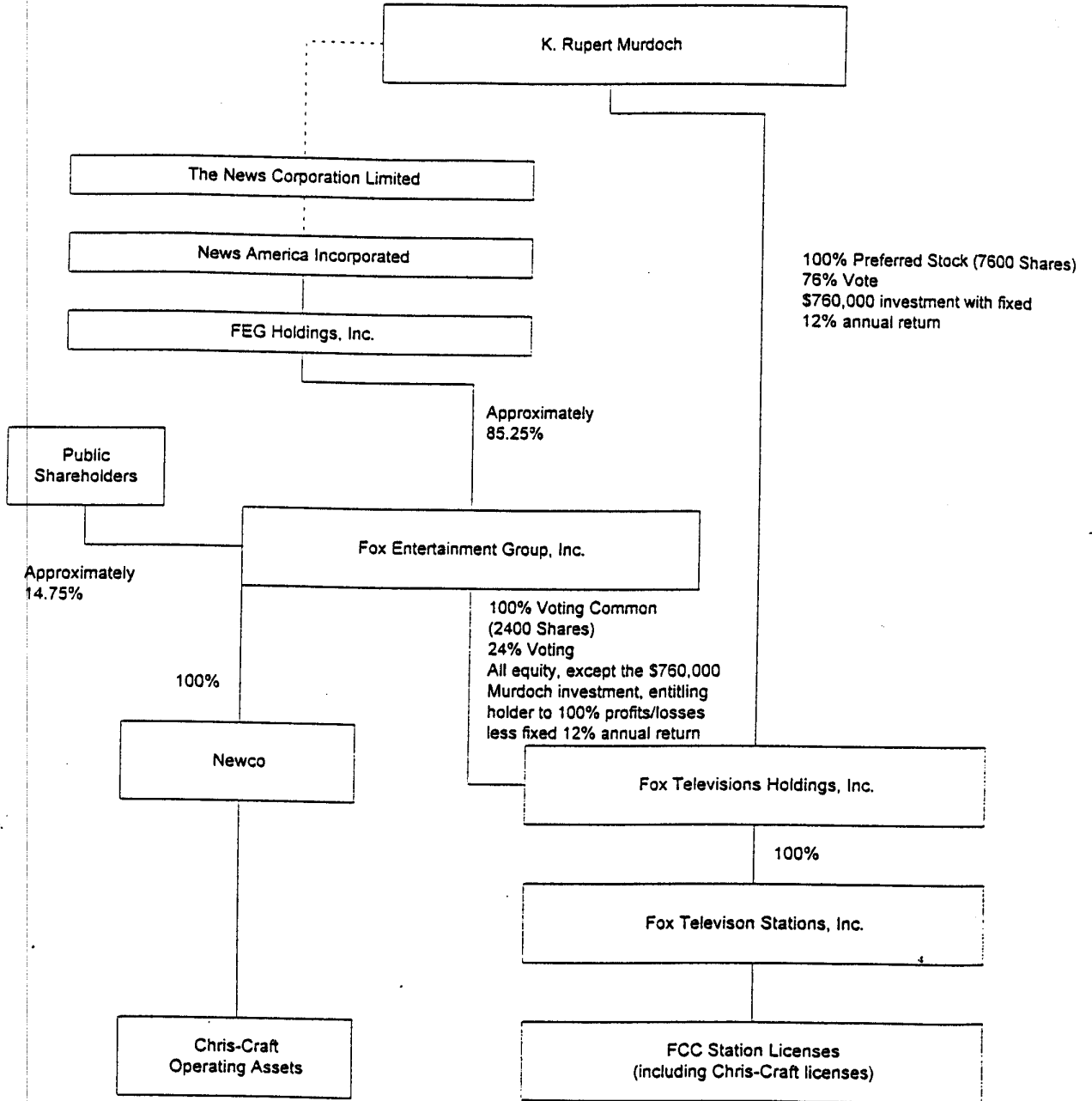




# Structure Approved in 1998 Following *Pro Forma* Reorganization



# Proposed Structure for Chris-Craft Acquisition



**Attachment C**

[charts of officers, directors, and shareholders of Newco and its parents]

Attachment C

**The officers, directors, and 5% or greater stockholders of Newco:**

Newco				
(1)	(2)	(3)	(4)	(5)
Chase Carey 281 West Hills Road New Canaan, CT 06840	USA	Chairman & Director	0	0
Mitchell S. Stern 8446 Carlton Way Los Angeles, CA 90069	USA	Chairman & Chief Executive Officer	0	0
Raymond L. Parrish, III 14263 Baker Street Westminister, CA 92683	USA	Vice President & Trea- surer	0	0
Lawrence A. Jacobs Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President & Secretary	0	0
Gerald Friedman 2705 Edwin Place Los Angeles, CA 90046	USA	Senior Vice President & Secretary	0	0
David E. Miller 26802 Seurat Lane Valencia, CA 91355	USA	Treasurer	0	0
Elisabeth Swanson 3668 Grand View Blvd. Los Angeles, CA 90066	USA	Vice President & Assis- tant Treasurer	0	0
Lesley Cohen 500 E. 77th Street Apt. #233 New York, NY 10162	USA	Assistant Secretary	0	0
Rita L. Tuzon 850 Devon Avenue Los Angeles, CA 90024	USA	Assistant Secretary	0	0
Gary D. Roberts 8822 Evanview Drive Los Angeles, CA 90069	USA	Assistant Secretary	0	0

Newco				
(1)	(2)	(3)	(4)	(5)
Muriel Reis 1136 5th Avenue New York, NY 10028	USA	Vice President	0	0
Molly Pauker 1855 California Street, N.W. Washington, DC 20009	USA	Vice President	0	0
Bonnie I. Bogin 1443 Warnall Avenue Los Angeles, CA 90024	USA	Assistant Secretary	0	0
Daphne Gronich 611 Las Casas Avenue Pacific Palisades, CA 90272	USA	Assistant Secretary	0	0
Raymond L. Parrish, III 14263 Baker Street Westminster, CA 92683	USA	Assistant Secretary	0	0
Randall F. Kender 1422 19th Street, Unit D Santa Monica, CA 90404	USA	Assistant Secretary	0	0
Michelle V. Francis 31 West 16th Street New York, NY 10011	USA	Assistant Secretary	0	0
Paula Wardynski 55 Central Park West Apt. 6A New York, NY 10023	USA	Vice President	0	0
Jan Constantine 10 West 66th St., #22D New York, New York 10023	USA	Vice President	0	0
David DeVoe Brewster Penninsula P.O. Box 870 Lake Placid, NY 12946	USA	Director	0	0
K. Rupert Murdoch 141 Prince Street New York, NY 10012	USA	Director	0	0

Newco				
(1)	(2)	(3)	(4)	(5)
Fox Entertainment Group, Inc. c/o 1211 Avenue of the Americas New York, NY 10036	USA	N/A	100%	100%

The officers, directors, and 5% or greater stockholders of Fox Entertainment Group, Inc. are:

Fox Entertainment Group, Inc.				
(1)	(2)	(3)	(4)	(5)
K. Rupert Murdoch 141 Prince Street New York, NY 10012	USA	Chairman, Chief Executive Officer & Director	0	0
Peter Chernin Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	President, Chief Operating Officer & Director	0	0
Chase Carey 281 West Hills Road New Canaan, CT 06840	USA	Co-Chief Operating Officer & Director	0	0
Christos Cotsakos Fox Entertainment Group, Inc. c/o 1211 Avenue of the Americas New York, NY 10036	USA	Director	0	0
David F. DeVoe Brewster Peninsula P.O. Box 870 Lake Placid, NY 12946	USA	Senior Executive Vice President, Chief Financial Officer & Director	0	0
Arthur M. Siskind Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Executive Vice President, General Counsel & Director	0	0
Laura D'Andrea Tyson c/o Fox Entertainment Group, Inc. 1211 Avenue of the Americas New York, NY 10036	USA	Director	0	0
Mitchell S. Stern 8446 Carlton Way Los Angeles, CA 90069	USA	Executive Vice President	0	0

Fox Entertainment Group, Inc.				
(1)	(2)	(3)	(4)	(5)
David Hill Fox Entertainment Group c/o 10201 West Pico Blvd. Los Angeles, CA 90035	USA	Executive Vice President	0	0
Lawrence A. Jacobs Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President & Secretary	0	0
Greg Gelfan Fox Entertainment Group c/o 10201 West Pico Blvd. Los Angeles, CA 90035	USA	Senior Vice President	0	0
Gary Ginsberg Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President	0	0
Paul Haggerty Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President	0	0
John Nallen Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President	0	0
Ellen Agress Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President	0	0
Jay Itzkowitz 19 Lonsdale Road London W11 2BY	USA	Senior Vice President, Associate Secretary & Associate General Coun- sel	0	0
Bonnie I. Bogin 1443 Warnall Avenue Los Angeles, CA 90024	USA	Vice President & Assis- tant Secretary	0	0
Robert P. Gannon Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Vice President, Control- ler & Assistant Secretary	0	0

Fox Entertainment Group, Inc.				
(1)	(2)	(3)	(4)	(5)
Peter Giacalone Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Vice President & Finance	0	0
Daphne Gronich 611 Las Casas Avenue Pacific Palisades, CA 90272	USA	Vice President & Assistant Secretary	0	0
Randall F. Kender 1422 19th Street, Unit D Santa Monica, CA 90404	USA	Vice President & Assistant Secretary	0	0
Paula Wardynski 55 Central Park West Apt. 6A New York, NY 10023	USA	Vice President, Treasurer & Assistant Secretary	0	0
Janet Nova Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Vice President & Assistant Secretary	0	0
Raymond L. Parrish, III 14263 Baker Street Westminster, CA 92683	USA	Vice President	0	0
Gary D. Roberts 8822 Evanview Drive Los Angeles, CA 90069	USA	Vice President & Assistant Secretary	0	0
Rita L. Tuzon 850 Devon Avenue Los Angeles, CA 90024	USA	Vice President & Assistant Secretary	0	0



<b>Fox Entertainment Group, Inc.</b>				
(1)	(2)	(3)	(4)	(5)
Rodney Parnter Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Assistant Controller	0	0
Laura O'Leary Fox Entertainment Group c/o 1211 Avenue of the Americas New York, NY 10036	USA	Assistant Secretary	0	0
FEG Holdings, Inc. c/o Corporation Service Company 1013 Centre Road Wilmington, DE 19805	USA	N/A	97.8%	82.76%

**The officers, directors, and 5% or greater stockholders of FEG Holdings, Inc. are:**

<b>FEG Holdings, Inc.</b>				
(1)	(2)	(3)	(4)	(5)
Peter Macourt FEG Holdings, Inc. c/o Corporation Service Company 1013 Centre Road Wilmington, DE 19805	Australia	President & Director	0	0
Leslie Hinton FEG Holdings, Inc. c/o Corporation Service Company 1013 Centre Road Wilmington, DE 19805	USA	Executive Vice President & Director	0	0
K. Rupert Murdoch 141 Prince Street New York, NY 10012	USA	Director	0	0
Paula Wardynski 55 Central Park West Apt. 6A New York, NY 10023	USA	Vice President, Treas- urer & Secretary	0	0
Raymond L. Parrish, III 14263 Baker Street Westminster, CA 92683	USA	Assistant Treasurer & Assistant Secretary	0	0

<b>FEG Holdings, Inc.</b>				
(1)	(2)	(3)	(4)	(5)
News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	N/A	100%	100%

**The officers, directors, and 5% or greater stockholders of News America Incorporated are:**

<b>News America Incorporated</b>				
(1)	(2)	(3)	(4)	(5)
K. Rupert Murdoch 141 Prince Street New York, NY 10012	USA	Member Executive Committee & Director	0	0
Chase Carey 281 West Hills Road New Canaan, CT 06840	USA	Member Executive Committee, Director, President & Chief Operating Officer	0	0
Paul V. Carlucci News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Director, News America Incorporated; Executive Vice President, Chairman & Chief Executive Officer, News America Marketing Group	0	0
Peter Chernin News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Member Executive Committee, Director, Chairman & Chief Executive Officer	0	0
David F. DeVoe Brewster Peninsula P.O. Box 870 Lake Placid, NY 12946	USA	Member Executive Committee, Director, Senior Executive Vice President & Chief Financial Officer	0	0

News America Incorporated				
(1)	(2)	(3)	(4)	(5)
Anthea Disney News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Director; Executive Vice President, Chairman & Chief Executive Officer, News America Publishing Group	0	0
Lachlan K. Murdoch News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Member Executive Committee & Director	0	0
Stanley Shuman The News Corporation Limited c/o News America Incorporated 1211 Avenue of the Americas New York, NY 10036	USA	Director	0	0
Arthur M. Siskind News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Member Executive Committee, Director, Senior Executive Vice President & General Counsel	0	0
Leon Hertz News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Executive Vice President	0	0
James Murdoch News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Executive Vice President	0	0
William A. O'Neill News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Executive Vice President	0	0
Gary Ginsberg News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President	0	0

<b>News America Incorporated</b>				
(1)	(2)	(3)	(4)	(5)
Paul Haggerty News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President	0	0
Joachim Kiener News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	Germany	Senior Vice President	0	0
Jan F. Constantine 10 West 66 <sup>th</sup> St., #22D New York, New York 10023	USA	Executive Vice President, Secretary, Deputy General Counsel	0	0
Lawrence A. Jacobs News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President & Deputy General Coun- sel	0	0
John Nallen News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President	0	0
Ellen Agress News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President & Deputy General Coun- sel	0	0
Eugenie Gavenchak News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President & Deputy General Coun- sel	0	0
Greg Gelfan News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Vice President & Deputy General Coun- sel, Fox Group	0	0

<b>News America Incorporated</b>				
(1)	(2)	(3)	(4)	(5)
Jay Itzkowitz 19 Lonsdale Road London W11 2BY	USA	Senior Vice President, Assistant Secretary & Associate General Counsel	0	0
News International plc 1 Virginia Street London E1 9XN	UK	N/A	18%	18%
News Publishing Australia Limited 1300 North Market Street Suite 404 Wilmington, DE 19801	USA	N/A	82%	82%

**The officers, directors, and 5% or greater stockholders of News International plc are:**

<b>News International plc</b>				
(1)	(2)	(3)	(4)	(5)
Leslie F. Hinton News International plc c/o 1 Virginia Street London E1 9XN	USA	Director	0	0
Andrew S. B. Knight News International plc c/o 1 Virginia Street London E1 9XN	UK	Director	0	0
Richard M. Linford News International plc 1 Virginia Street London E1 9XN	UK	Director	0	0
Jay Itzkowitz 19 Lonsdale Road London W11 2BY	USA	Director	0	0
K. Rupert Murdoch 141 Prince Street New York, NY 10012	USA	Director	0	0

<b>News International plc</b>				
(1)	(2)	(3)	(4)	(5)
William A. O'Neill News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Director	0	0
Peter W. Stehrenberger News International plc c/o 1 Virginia Street London E1 9XN	Swiss	Director & Secretary	0	0
Carla Stone News International plc c/o 1 Virginia Street London E1 9XN	UK	Assistant Secretary	0	0
Newscorp Investments Limited c/o 1 Virginia Street London E1 9XN	UK	N/A	95.84%	95.84%

**The officers, directors, and 5% or greater stockholders of News Publishing Australia Limited are:**

<b>News Publishing Australia Limited</b>				
(1)	(2)	(3)	(4)	(5)
Peter Macourt 1300 N. Market Suite 404 Wilmington, DE 19801	Australia	President & Director	0	0
Leslie Hinton 1300 N. Market Suite 404 Wilmington, DE 19801	USA	Executive Vice President & Director	0	0
K. Rupert Murdoch 141 Prince Street New York, NY 10012	USA	Director	0	0
Paula Wardynski 55 Central Park West Apt. 6A New York, NY 10023	USA	Vice President, Treasurer & Secretary	0	0

<b>News Publishing Australia Limited</b>				
(1)	(2)	(3)	(4)	(5)
Raymond L. Parrish, III 14263 Baker Street Westminster, CA 92683	USA	Assistant Treasurer & Assistant Secretary	0	0
Lesley Cohen 500 E. 77th Street Apt. #233 New York, NY 10162	USA	Assistant Treasurer & Assistant Secretary	0	0
Newscorp Investments c/o 1 Virginia Street London E1 9XN	UK	N/A	10.7851%	10.7851%
The News Corporation Limited c/o News House 2 Holt Street Surry Hills NSW 2010	Australia	N/A	88.1098%	88.1098%

**The officers, directors, and 5% or greater stockholders of Newscorp Investments Limited are:**

<b>Newscorp Investments</b>				
(1)	(2)	(3)	(4)	(5)
Peter W. Stehrenberger c/o News International plc 1 Virginia Street London E1 9XN	Swiss	Director	0	0
Leslie F. Hinton c/o News International plc 1 Virginia Street London E1 9XN	USA	Director	0	0
Richard M. Linford c/o News International plc 1 Virginia Street London E1 9XN	UK	Director	0	0
K. Rupert Murdoch 141 Prince Street New York, NY 10012	USA	Director	0	0

NewsCorp Investments				
(1)	(2)	(3)	(4)	(5)
The News Corporation Limited c/o News America Incorporated 1211 Avenue of the Americas New York, NY 10036	Australia	N/A	100%	100%

**The officers, directors, and 5% or greater attributable stockholders of The News Corporation Limited are:**

The News Corporation Limited				
(1)	(2)	(3)	(4)	(5)
K. Rupert Murdoch 141 Prince Street New York, NY 10012	USA	Chairman, Chief Executive Officer & Director	30%*	20%*
Geoffrey C. Bible The News Corporation Limited c/o News America Incorporated 1211 Avenue of the Americas New York, NY 10036	USA	Director	0	0
Chase Carey 281 West Hills Road New Canaan, CT 06840	USA	Co-Chief Operating Officer & Director	0	0
Peter Chernin News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	President, Chief Operating Officer & Director	0	0

\* Approximate percentage is calculated based on 2,044,746,771 ordinary shares outstanding on November 15, 2000, and includes ordinary shares owned by (1) Mr. K. Rupert Murdoch, (2) Cruden Investments Pty. Limited, a private Australian investment company owned by Mr. K. Rupert Murdoch, members of his family and various corporations and trusts, the beneficiaries of which include Mr. K. Rupert Murdoch, members of his family and certain charities and (3) corporations, including a subsidiary of Cruden, which are controlled by trustees of settlements and trusts set up for the benefit of the Murdoch family, certain charities and other persons. By virtue of shares of News Corporation owned by such persons and entities, and Mr. K. Rupert Murdoch's positions as Chairman and Chief Executive of News Corporation, Mr. K. Rupert Murdoch may be deemed to control the operations of News Corporation. In addition, Mr. K. Rupert Murdoch, Cruden Investments Pty. Limited and such other entities beneficially own 233,098,527 preferred ordinary shares.



<b>The News Corporation Limited</b>				
(1)	(2)	(3)	(4)	(5)
Kenneth E. Cowley, AO News House 2 Holt Street Surry Hills NSW 2010	Australia	Director	0	0
David F. DeVoe Brewster Peninsula P.O. Box 870 Lake Placid, NY 12946	USA	Senior Executive Vice President, Chief Financial Officer & Director	0	0
Roderick I. Eddington The News Corporation Limited c/o News America Incorporated 1211 Avenue of the Americas New York, NY 10036	Australia	Director	0	0
Dr. Aatos J. Erkko, KBE The News Corporation Limited c/o News America Incorporated 1211 Avenue of the Americas New York, NY 10036	Finland	Director	0	0
Andrew S. B. Knight News International plc c/o 1 Virginia Street London E1 9XN	UK	Director	0	0
Lachlan K. Murdoch News America Incorporated 1211 Avenue of the Americas New York, NY 10036	USA	Senior Executive Vice President, Deputy Chief Operating Officer & Director	0	0
Thomas J. Perkins c/o The News Corporation Limited c/o News America Incorporated 1211 Avenue of the Americas New York, NY 10036	USA	Director	0	0
Bert C. Roberts, Jr. c/o The News Corporation Limited c/o News America Incorporated 1211 Avenue of the Americas New York, NY 10036	USA	Director	0	0

<b>The News Corporation Limited</b>				
(1)	(2)	(3)	(4)	(5)
Stanley S. Shuman c/o The News Corporation Limited c/o News America Incorporated 1211 Avenue of the Americas New York, NY 10036	USA	Director	0	0
Arthur M. Siskind News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Senior Executive President, Group General Counsel & Director	0	0
James Murdoch News America Incorporated c/o 1211 Avenue of the Americas New York, NY 10036	USA	Executive Vice President & Director	0	0
Graham Kraehe c/o News Limited 2 Holt Street, Surry Hills Sydney NSW 2010	Australia	Director	0	0



Federal Communications Commission  
Washington, D.C. 20554

**DEC 21 2000**

William S. Reyner, Jr.  
Hogan & Hartson, L.L.P.  
Columbia Square  
555 Thirteenth Street, N.W.  
Washington, D.C. 20004

John C. Quale  
Skadden, Arps, Meagher & Flom, L.L.P.  
1440 New York Avenue, N.W.  
Washington, D.C. 20005

Marvin J. Diamond  
Law Offices of Marvin J. Diamond  
444 Common Street, PMB365  
Belmont, MA 02478

Re: Applications for Assignment of Licenses from  
Subsidiaries of Chris-Craft Industries, Inc. to Fox Television  
Stations, Inc., File Nos. BALCT-20000918ABB, et al.

Gentlemen,

On September 18, 2000, you filed applications on behalf of your clients to assign the licenses of the television stations held by subsidiaries of Chris-Craft Industries, Inc. (Chris-Craft) to Fox Television Stations, Inc. (FTS). We note that a petition to deny was filed by the Office of Communication, Inc. of the United Church of Christ, *et al.* (Petitioners). We also note that pursuant to a Public Notice dated October 3, 2000, DA 00-2246, this proceeding was designated as permit-but-disclose for *ex parte* purposes. While we have not reached any conclusions regarding the applications and pleadings, by this letter we seek additional information to aid in our review of certain issues. Our continuing review of these applications is not limited to the matters raised in this letter.

The application sets out an ownership structure whereby the licenses would be held by FTS and the station assets would be held by a newly created subsidiary of FTS's parent company, The News Corporation Limited (News Corp.), called Newco. Newco would run the stations pursuant to an operating agreement between it and FTS. Under the terms of the operating agreement, Newco would own all of the stations' assets and employ all of the stations' personnel. Newco would perform all of the day-to-day operations of the stations, purchase the stations' equipment, enter into and administer programming contracts and pay all station expenses and capital costs. Newco would also retain all the advertising and other receipts from station operations and would receive 95% of the net income from the stations. If the stations were sold, Newco would receive

95% of the proceeds of the sale. Finally, Newco has the right to approve or disapprove any sale. Newco's ownership of assets, combined with its dominance of station operations, station income and its power to control the sale of the station, raises the issue of whether Newco will be the controlling party and the *de facto* licensee of the stations being acquired.

The record indicates that FTS is a 100% owned subsidiary of Fox Television Holdings, Inc. (FTH). Rupert K. Murdoch owns 100% of the preferred stock and has 76% of the voting interest in FTH. News Corp. is the ultimate parent of Fox Entertainment Group (FEG), which owns 100% of the common stock and has 24% of the voting control of FTH. FEG also owns 100% of Newco, while FTS has no interest in Newco. In previous decisions, the Commission found that FTS was under the *de facto* and *de jure* control of Rupert Murdoch, an American citizen. See *Fox Television Stations*, 11 FCC Rcd 5714 (1995)(*Fox II*). Under the *Fox II* ownership structure, 99% of the economic benefit of the station operations flowed to the alien investors in the company, while 1% flowed to an American citizen, Mr. Murdoch. The Commission made clear that FTS would be permitted to acquire additional broadcast licenses, as long as it retained the structure approved at the time of the *Fox II* decision and as long as the breakdown of economic benefits between aliens and American citizens remained the same. *Id.* Subsequently, FTS did acquire additional television broadcast licenses within the ownership structure approved in *Fox II*. Newco, however, is not part of that ownership structure. Furthermore, with Newco receiving 95% of the economic benefits of the station, and with 99% of the remaining 5% going to the alien investors in FTS, the economic benefits to aliens in this new structure appear to exceed 99%. Moreover, if Newco is the actual controlling party with respect to the Chris-Craft stations, then those stations will have been acquired outside of the ownership structure approved in *Fox II*.

As discussed above, Newco is a wholly owned subsidiary of FEG. According to the application, FEG is owned 85.25% by FEG Holdings, Inc. and 14.75% by outside investors. The application does not state the citizenship of those investors. FEG Holdings, Inc. is in turn majority owned by News America Incorporated, which is owned by an Australian corporation, News Corp. Based on the application, it appears that Newco is a corporation that may be 100% foreign owned and controlled. This is in contrast to the Commission's decision in *Fox II*, where it found that Mr. Murdoch had *de jure* and *de facto* control of FTS. On the basis of Mr. Murdoch's control of FTS, the Commission permitted it to acquire television broadcast station licensees in spite of its level of foreign ownership. The Commission has never made a finding that Mr. Murdoch controls FEG or News Corp., so its decision in *Fox II* would not provide a basis to permit Newco to control broadcast licensees. If Newco is in control of the licenses of the Chris-Craft stations, this would appear to be a violation of Section 310(b)(4) of the Communications Act.

We require the applicants to explain how the operating agreement, which appears to place virtually all control of the Chris-Craft licensees and 95% of the income from those stations in the hands of Newco, comports with *Fox II*. We also require the applicants to provide information that details the level of foreign investment and control in Newco, FEG and their parent companies. Further, in that this ownership structure differs from that approved in *Fox II*, we require the applicants to explain why the ownership structure proposed in the application is in the public interest. Finally, we request the applicants' permission to access and review the documents submitted to the U.S. Department of Justice in connection with Hart-Scott-Rodino review of the transaction, and to discuss the transaction with U.S. Department of Justice officials

involved in the investigation. Kindly submit a draft of your proposed waiver letter to be sent to the U.S. Department of Justice at your earliest convenience.

In *Fox Television Stations, Inc.*, 8 FCC Rcd 5341 (1993), the Commission granted a permanent waiver of the television/newspaper cross-ownership rule, 47 C.F.R. § 73.3555(d), that permitted FTS to own television station WNYW(TV), New York, while another subsidiary of News Corp. owned the *New York Post*. In the application, FTS contends that this waiver is sufficient to permit the continued ownership of the *New York Post* and WNYW(TV) by News Corp. subsidiaries and to permit FTS to acquire an additional television station in the New York City DMA, WWOR-TV, Secaucus, New Jersey. In the alternative, FTS argues that it should be granted an interim waiver to permit ownership of the *New York Post* and the two New York City DMA television stations pending the outcome of a rulemaking on whether to revise the television/newspaper cross-ownership rule.


To support its argument on the waiver issues, FTS contends that the New York media market is at least as competitive as it was at the time that the original waiver was granted and that the *New York Post* continues to suffer from serious financial difficulties. Although the application contains evidence in support of the argument regarding competition, it does not contain anything other than general statements, not supported by affidavits, regarding the current financial condition of the *New York Post*. While acknowledging its intention to provide further information with respect to the financial condition of the *New York Post*, FTS has not, as yet, proffered a documented factual showing in support of its assertion. Rather, by letter of December 13, 2000, FTS requested that the Commission confirm that "any and all financial information" FTS may, in the future, submit will be treated as confidential in accordance with Sections 0.457 and 0.459 of the Commission's Rules. Petitioners oppose FTS's request, stating that the request does not comport with the strictures of the Freedom of Information Act, 5 U.S.C. § 552 (b)(4), or Commission precedent. We find that FTS's request is premature and inconsistent with Section 0.459 of the Commission's Rules, which sets forth the procedures and specificity requirements for submitting requests that materials or information furnished to the Commission be withheld from public inspection. Accordingly, FTS's letter request will be dismissed without prejudice to FTS's subsequent submission, if it so chooses, of a request for confidentiality filed in accordance with Section 0.459 of the Commission's Rules.

In addition to the information requested above, Section 310(d) of the Act requires that, in order for a station license to be transferred or assigned, there must be a finding by the Commission that the public interest, convenience and necessity will be served thereby. We therefore require the applicants to supplement the record with an explanatory statement illustrating how the proposed transaction will benefit the public interest. The applicants may, for example, address the effects of the proposed transaction on such issues as local programming, economic competition, transaction-specific efficiencies that can demonstrably lead to consumer benefits, productivity enhancements that will flow through to consumers, and improved incentives for innovation that can lead to foreseeable benefits to consumers.

The requested information must be submitted in the form of an amendment to the applications, accompanied by a declaration of a person having personal knowledge of the truth of any factual

statements made. *See* 47 C.F.R. § 1.16. The applicants should provide the requested information as soon as possible, but in any event within 30 days from the receipt of this letter. Petitioners will be provided 10 days from receipt of the applicants' amendment to file a response. As the Bureau's evaluation of the license assignment applications at this point cannot proceed further without the additional information requested in this letter, the 180-day clock has stopped on day 80 until we receive sufficient information to allow the Bureau to proceed. Copies of the amendment must be served on Barbara J. Kreisman, Chief, Video Services Division, Mass Media Bureau and Angela J. Campbell, counsel for Petitioners.

Sincerely,

  
Roy J. Stewart  
Chief, Mass Media Bureau

cc: Angela Campbell, Esq.



Federal Communications Commission  
Washington, D.C. 20554

April 3, 2001

William S. Reyner, Jr.  
Hogan & Hartson, L.L.P.  
Columbia Square  
555 Thirteenth Street, N.W.  
Washington, D.C. 20004

John C. Quale  
Skadden, Arps, Meagher & Flom, L.L.P.  
1440 New York Avenue, N.W.  
Washington, D.C. 20005

Marvin J. Diamond  
Law Offices of Marvin J. Diamond  
444 Common Street, PMB365  
Belmont, MA 02478

Re: Applications for Assignment of Licenses from Subsidiaries of  
Chris-Craft Industries, Inc. to Fox Television Stations, Inc., File  
Nos. BALCT-20000918ABB, et al.

Gentlemen,

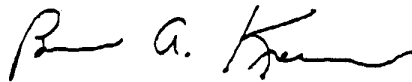
On September 18, 2000, you filed applications on behalf of your clients to assign the licenses of the television stations held by subsidiaries of Chris-Craft Industries, Inc. (Chris-Craft) to Fox Television Stations, Inc. (FTS). We note that a petition to deny was filed by the Office of Communication, Inc. of the United Church of Christ, *et al.* (Petitioners). We also note that pursuant to a Public Notice dated October 3, 2000, DA 00-2246, this proceeding was designated as permit-but-disclose for *ex parte* purposes. On December 21, 2000, we requested additional information regarding, *inter alia*, the financial condition of the *New York Post*. While we have not reached any conclusions regarding the applications and pleadings, by this letter we seek additional information to aid in our review of certain issues. Our continuing review of these applications is not limited to the matters raised in this letter.

As discussed in our previous letter, the Commission granted a permanent waiver of the television/newspaper cross-ownership rule, 47 C.F.R. § 73.3555(d), to FTS in *Fox Television Stations, Inc.*, 8 FCC Rcd 5341 (1993), that permitted FTS to own television station WNYW(TV), New York, while another subsidiary of News Corp. owned the *New York Post*. In the application, FTS contends that this original waiver is sufficient to permit the continued ownership of the *New York Post* and WNYW(TV) by News Corp. subsidiaries and to permit FTS to acquire an additional television station in the New York City DMA, WWOR-TV, Secaucus, New Jersey. In the alternative, FTS argues that it should be granted an interim waiver to permit ownership of the *New York Post* and the two New York City DMA television stations pending the outcome of a rulemaking on whether to revise the television/newspaper cross-ownership rule. FTS states that the "economic viability" of the *New York Post* "remains in question," and contends that the waiver is necessary to "avoid the threat to diversity that could result from the premature divestiture of [this] greatly improved, but still struggling," newspaper. Fox Assignment Application, Assignee's Exhibit 4, at 23, 26.

As we discussed in the December 21 letter, the application contains only general statements, not supported by affidavits, regarding the current financial condition of the *New York Post*. Although some information on this issue was submitted in response to our December 21 letter, we believe that additional information is necessary if we are to evaluate properly FTS's claims regarding the financial condition of the newspaper. We therefore request that you provide any available, independently audited certified financial statements, prepared in accordance with Generally Accepted Accounting Principles (GAAP), or similarly probative statements that support your contentions regarding the *New York Post's* financial viability. The documents requested should be accompanied by an explanation and analysis of their contents made by a properly qualified expert with personal knowledge of the accuracy of the facts contained therein. We will entertain requests for confidential treatment of the foregoing financial information consistent with our protective order procedures in this proceeding. *Protective Order*, DA 01-528 (released March 1, 2001).

The requested information must be submitted in the form of an amendment to the applications, accompanied by a declaration of a person having personal knowledge of the truth of any factual statements made. See 47 C.F.R. § 1.16. The applicants should provide the requested information as soon as possible, but in any event within 15 days from the receipt of this letter. Petitioners will be provided 10 days from receipt of the applicants' amendment to file a response. As the Bureau's evaluation of the license assignment applications at this point cannot proceed further without the additional information requested in this letter, the 180-day clock has stopped on day 154 until we receive sufficient information to allow the Bureau to proceed. Copies of the amendment must be served on Barbara J. Kreisman, Chief, Video Services Division, Mass Media Bureau and Angela J. Campbell, counsel for Petitioners, subject, if necessary, to a permissible protective order.

Sincerely,



Barbara A. Kreisman  
Chief, Video Services Division  
Mass Media Bureau

cc: Angela Campbell, Esq.