

Before the

Federal Communications Commission
Washington, D.C. 20554

In the matter of Applications of)
)
 Fox Television Stations, Inc.)
 (Assignor))
 and)
)
 Paramount Stations Group of Washington, Inc.)
 (Assignee))
)
 For Consent to the Assignment of the)
 License of Station KBHK-TV)
 San Francisco, California)
)
 Paramount Stations Group of Washington, Inc.)
 (Assignor))
)
 and)
)
 Fox Television Stations, Inc.)
 (Assignee))
)
 For Consent to the Assignment of the)
 License of Station WDCA(TV),)
 Washington, D.C.)
)
 Paramount Stations Group of Houston, Inc.)
 (Assignor))
)
 and)
)
 Fox Television Stations, Inc.)
 (Assignee))
)
 For consent to the Assignment of the)
 License of Station KTXH(TV),)
 Houston, Texas)

File No. BALCT-20010808ABC
FIN: 69619

File No. BALCT-20010808ABD
FIN: 51567

File No. BALCT-20010808ABE
FIN: 51569

MEMORANDUM OPINION AND ORDER

Adopted: October 25, 2001

Released: October 26, 2001

By the Chief, Mass Media Bureau:

1. The Commission, by the Chief, Mass Media Bureau, acting pursuant to delegated authority, has before it for consideration the unopposed application to assign the license of television

broadcast station KBHK-TV, San Francisco, California from Fox Television Stations, Inc. (FTS) to Paramount Stations Group of Washington, Inc. (Paramount). The Commission also has before it the unopposed application to assign the license of television broadcast station WDCA(TV), Washington, D.C. from Paramount to FTS and the unopposed application to assign the license of KTXH(TV), Houston, Texas from Paramount Stations Group of Houston, Inc. (Paramount Houston) to FTS. For the reasons stated below, we grant the applications.

2. Pursuant to an Asset Exchange Agreement between Paramount, its parent, Viacom, Inc., Paramount Houston, and FTS the parties seek to assign the licenses of WDCA(TV) and KTXH(TV) to FTS and the license of KBHK-TV to Paramount. This would create permissible duopolies for FTS in the Washington, D.C. and Houston Designated Market Areas (DMA).¹ Grant of the applications would also create a permissible duopoly for Viacom, Inc. in the San Francisco DMA, where Viacom is already the licensee of station KPIX-TV. Further, grant of the assignment application for KBHK-TV will result in Viacom, Inc. controlling two television stations and seven radio stations in the San Francisco market.² This combination implicates the Commission's radio/television cross-ownership rule, 47 C.F.R. § 73.3555(c) and Paramount has requested a period of six months within which to file an application to divest one radio station and come into compliance with the rule.

3. The Commission's local television multiple ownership rule³ (duopoly rule) permits an entity to own, operate or control two commercial television stations if eight independently owned and operating commercial and noncommercial television stations will remain in the DMA post-merger, and at least one of the stations is not among the top four-ranked stations in the market. FTS and Paramount have submitted a showing demonstrating that each of the television duopolies proposed by this transaction will comply with the television duopoly rule.

4. The radio/television cross-ownership rule allows an entity that is party to a permissible duopoly to also own, operate or control up to six commercial radio stations in the market if at least 20 independently owned media voices would remain in the market post-merger.⁴ If the application to assign KBHK-TV is granted, Viacom has requested a period of six months to file the necessary applications to divest one of the San Francisco radio stations and thereby come into compliance with the radio/television cross-ownership rule.

5. The Commission has long held that allowing those entities proposing mergers or transfers of multiple stations a reasonable period of time to come into compliance with the rules is supported by the benefits derived from such transactions.⁵ The Commission allows such relief where the conflicts are incidental to the larger merger, will promote commerce, encourage investment in the broadcast industry, and allow for the free transferability of broadcast licenses.⁶ In addition, the Commission has stated that a forced, immediate sale could impose severe economic hardship on applicants without offsetting public

¹ FTS is currently the licensee of stations WTTG(TV), Washington and KRIV(TV), Houston.

² Viacom's existing television and radio interests in the San Francisco market are as follows: KPIX-TV and KFRC(AM), KFRC-FM, KYCY(AM), KYCY-FM, KITS(FM), KLLC(FM), KCBS(AM).

³ 47 C.F.R. § 73.3555(b).

⁴ 47 C.F. R. § 73.3555(c).

⁵ *Shareholders of CBS*, 15 FCC Rcd 8230 (2000) (Applicant granted six-month periods to file the applications to come into compliance with radio/television cross-ownership rule). See also *LINT Co.*, 15 FCC Rcd 18130 (MMB 2000) (Applicant granted six-month period to file applications to come into compliance with television duopoly rule).

⁶ See, e.g., *The Providence Journal Company*, 12 FCC Rcd 2883 (1997); *Argyle Television, Inc.*, 12 FCC Rcd 10737 (1997).

interest benefits, restrict the value of the assets, and artificially limit the range of potential purchasers.⁷ Further, given the multiplicity of media voices in the San Francisco market, such limited, temporary waiver would not unduly affect diversity and competition in that market. Consistent with past practice, we will grant Paramount, and its parent Viacom, six months to file the applications necessary to come into compliance with the radio/television cross-ownership rule.

6. We have reviewed the proposed transactions and find that the applicants are fully qualified. In addition, grant of the instant license assignment applications will serve the public interest, convenience and necessity.

7. Accordingly, IT IS ORDERED, That the request by Paramount Stations Group of Washington, Inc. for six months to come into compliance with the radio-television cross-ownership rule, Section 73.3555(c), in the San Francisco market IS GRANTED and within six months of consummation of the transaction, Paramount Stations Group of Washington, Inc. and/or its parent Viacom, Inc. is directed to file the applications necessary to bring it into compliance with the rule.

8. IT IS FURTHER ORDERED, That the applications for consent to assign the license of television station KBHK-TV, San Francisco, California (File No. BALCT-20010808ABC), from Fox Television Stations, Inc. to Paramount Stations Group of Washington, Inc. IS GRANTED and that the applications to assign the licenses of television stations WDCA(TV), Washington, D.C. and KTXH(TV), Houston, Texas to Fox Television Stations, Inc. (File Nos. BALCT-20010808ABD and BALCT-20010808ABE) ARE GRANTED.

FEDERAL COMMUNICATIONS COMMISSION

Roy J. Stewart
Chief, Mass Media Bureau

⁷ See, e.g., *Multimedia, Inc.* 11 FCC Rcd 4883, 4889 (1995).