

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of
ION Media Networks Liquidating Trust
(Transferors)
and
Media Holdco, LP
(Transferee)
For Transfer of Control of ION Media Networks,
Inc., and Certain Subsidiaries, Licensees of
Station WPXN-TV, New York, NY, et al.
File Nos. BTCCDT-20090901ABT, et al.

MEMORANDUM OPINION AND ORDER

Adopted: December 16, 2009

Released: December 17, 2009

By the Chief, Media Bureau:

I. INTRODUCTION

1. The Commission, by the Chief, Media Bureau, pursuant to delegated authority, has before it unopposed applications listed in the attached Appendix seeking consent to transfer control of licensee subsidiaries holding 58 full-power broadcast television licenses and associated low-power, Class A, and television translator licenses, from ION Media Networks Liquidating Trust ("ION Trust"), to Media Holdco, LP ("Media Holdco"). The applications have been filed pursuant to a Chapter 11 joint plan for reorganization, which the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") approved on December 3, 2009. In connection with the applications, Media Holdco has requested four continuing satellite exemptions to the television ownership rule pursuant to Note 5 of Section 73.3555.1 For the reasons set forth below, we grant the applications.

II. BACKGROUND

2. On May 19, 2009, ION Media Networks, Inc. ("ION"), and certain of its wholly owned subsidiaries, filed for Chapter 11 bankruptcy with the Bankruptcy Court. On June 5, 2009, the Commission granted FCC Form 316 applications seeking consent to assign certain licenses from ION subsidiaries to such subsidiaries as Debtors-In-Possession ("ION DIP").2 As contemplated in the

1 47 C.F.R. §73.3555(b) (2002).

2 See File Nos. BALCT-20090520AAJ, et al.

reorganization plan submitted and approved by the Bankruptcy Court, all currently issued and outstanding equity interests of ION will be cancelled and extinguished, and new common stock will be authorized and issued. The plan further contemplates that, after approval by the Bankruptcy Court, the new common stock will be transferred to the ION Trust, and the proposed holders of the common stock will be given beneficial interests in the ION Trust. On September 14, 2009, ION DIP filed FCC Form 316 applications seeking consent to assign the new common stock to the ION Trust. The applications were granted September 28, 2009.<sup>3</sup> The new common stock, therefore, is currently being held by the ION Trust for the benefit of certain ION DIP lenders and holders of ION's first lien indebtedness, pending Commission approval of the above-captioned applications, but after approval of the reorganization plan by the Bankruptcy Court.<sup>4</sup> Members of the current board of directors of ION DIP serve as members of a trustee board, and constitute a majority of such board.<sup>5</sup> The ION Trust is also subject to the ultimate supervision, direction, and control of the Bankruptcy Court.

3. In the instant transaction, the applicants seek approval to effectuate ION's reorganization by transferring control of the new common stock from the ION Trust to Media Holdco, LP ("Media Holdco"), an entity controlled by affiliates of Avenue ION Holdings GL, LLC, Black Diamond Capital Holdings, L.L.C., and Trilogy Capital, LLC, three of ION's pre-petition creditors. Media Holdco will hold an approximately 71.7% voting and equity interest in the reorganized ION, while certain second tier ION DIP lenders will hold an approximately 28.3% interest.

4. The transaction will not result in the creation of any new ownership combinations implicating our multiple and cross-ownership rules. However, the applicants have requested Commission consent to continue operating station WPXG-TV, Concord, New Hampshire, and station WDPX-TV, Vineyard Haven, Massachusetts, as satellites of station WBPX-TV, Boston, Massachusetts; to continue operating station WPXU-TV, Jacksonville, North Carolina, as a satellite of station WEPX-TV, Greenville, North Carolina; and to continue operating station WWPX-TV, Martinsburg, West Virginia, as a satellite of WPXW-TV, Manassas, Virginia. Stations WDPX-TV, and WPXG-TV, which were originally authorized as satellites in 1994 and 1995, respectively,<sup>6</sup> are all located in the same Boston, Massachusetts, Nielsen Designated Market Area ("DMA") as parent station WBPX-TV. Station WPXU-TV has been in continuous operation as a satellite since 1993, but became a satellite of station WEPX-TV in 1999.<sup>7</sup> Station WPXU-TV and station WEPX-TV are located in the same Greenville-New Bern-Washington, North Carolina DMA. Station WWPX-TV has operated as a satellite of station WPXW-TV since 2003;<sup>8</sup> both are located in the Washington, D.C. DMA.

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<sup>3</sup> See File Nos. BALCDT-200090901AAN *et al.*

<sup>4</sup> The ION DIP lenders would cumulatively hold 62.5% of the liquidating trust interests, while the holders of ION's first lien indebtedness would hold 37.5% of the liquidating trust interests.

<sup>5</sup> Three other directors unaffiliated with either ION DIP or the beneficiaries will also be members of the trustee board.

<sup>6</sup> *Cape Television, Inc.*, 9 FCC Rcd 6389 (1994); *New England Television, Inc.*, 10 FCC Rcd 7241 (1995).

<sup>7</sup> Letter from Barbara A. Kreisman, Chief, Video Services Division, to Eric A. Moses, Esq., dated October 1, 1999.

<sup>8</sup> Letter from Barbara A. Kreisman, Chief, Video Services Division, to John Feore, Esq., dated July 24, 2003.

### III. DISCUSSION

5. In *Television Satellite Stations*,<sup>9</sup> the Commission established the requirement that all applicants seeking to transfer or assign satellite stations justify continued satellite status by demonstrating compliance with the three-part “presumptive” satellite exemption standard applicable to new satellite stations. The presumptive satellite exemption is met if the following three public interest criteria are satisfied: (1) there is no City Grade overlap between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station.<sup>10</sup> If an applicant does not qualify for the presumption, the Commission will evaluate the proposal on an *ad hoc* basis, and grant the application if there are compelling circumstances that warrant approval.<sup>11</sup>

6. Digital television stations do not have City Grade contours, so the first criterion of the presumptive standard is not applicable in the digital environment. Regardless, prior to the digital transition, there was no City Grade Contour overlap between the satellites and their respective parent stations. Further, in each market at issue, there is only a slight overlap between the digital contours of the satellites and their respective parent stations.

7. With respect to the second criterion, Media Holdco has demonstrated that the respective satellites serve an underserved area by using our “transmission” test. That test deems an area underserved if there are two or fewer full-service stations licensed to a proposed satellite’s community of license. Stations WDPX-TV, WPXG-TV and WWPX(TV) are the only stations licensed to their respective communities of license, while there is only one other station licensed to Jacksonville, North Carolina, station WPXU-TV’s community of license.

8. With respect to the third criterion, Media Holdco has not provided evidence of an attempt to sell the stations, as ION is exiting bankruptcy, but argues that the satellites are not viable as stand-alone stations. Media Holdco contends, however, that the Commission most recently approved continued operation of stations WDPX-TV, WPXG-TV, WPXU-TV, and WWPX-TV as satellites on December 31, 2007, and that, since that time, none of the essential facts underlying their operation have changed.

9. In support of the assertion that the satellites are not viable as full-service stations, Media Holdco has submitted a report from BIA Financial Network, which it claims demonstrates that no alternative operator would be ready and able to purchase and operate the stations on a full-service basis. With respect to the two satellite requests in the Boston DMA, the BIA Report states that thirteen of the 14 full-service stations in the market reach more than 60 percent of the local market households, while WPXG-TV and WDPX-TV reach only 37 percent and 11 percent of the local market households, respectively.<sup>12</sup> In addition, Media Holdco asserts that all English-language and major Spanish-language networks already

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<sup>9</sup> *Television Satellite Stations Review of Policies and Rules*, Report and Order, 6 FCC Rcd 4212, 4215 (1991) (subsequent history omitted) (“*Television Satellite Stations*”).

<sup>10</sup> *Id.* at 4213-14.

<sup>11</sup> *Id.*

<sup>12</sup> Application To Transfer Control of Station WBPX-TV, File No. BTCCDT-20090901ACZ, BIA Advisory Services Economic Viability Study, at 5.

have affiliates in the market.<sup>13</sup> If stations WGPX-TV and WDPX-TV were to operate as full-service stations, then, they would need to operate as independents with inferior market coverage.

10. With respect to the station WPXU-TV satellite request, Media Holdco states that the Greenville DMA is the 103<sup>rd</sup> largest television market, and is presently served by five full-service stations and two full-power satellite stations.<sup>14</sup> According to Media Holdco, station WPXU-TV only reaches a portion of Greenville DMA and, therefore, it would be unable to obtain an affiliation with a national network even if it did operate as a full-service station.<sup>15</sup> The BIA Report concludes that a full-service station would need a strong network affiliation or other source of attractive programming in order to succeed in the market, since advertising revenue growth in the Greenville DMA is expected to be comparatively low.<sup>16</sup>

11. Finally, Media Holdco maintains that all of the full-service stations in the Washington, DC DMA have much greater coverage and coverage that is nearer to the population center of the market, than WWPX-TV.<sup>17</sup> Further, all English-language networks have affiliates in the market and, thus, station WWPX-TV would need to either operate as an independent or a Spanish-language network affiliate, neither of which would be viable options, according to Media Holdco, given the station's inferior coverage and its inability to reach a significant proportion of Hispanic individuals in the market.<sup>18</sup>

12. While we do not find that this showing justifies a continuing satellite exemption under the presumptive standard, based on our review of the materials submitted, we find that Media Holdco has set forth information sufficient to warrant continued operation of stations WDPX-TV, WPXG-TV, WPXU-TV, and WWPX-TV as satellites under our *ad hoc* analysis. Each of the stations has operated as a satellite for many years. They all have limited coverage areas when compared to other stations in their respective markets, a finding on which previous satellite exemptions had been based.<sup>19</sup> Further, to make the switch from satellite to full-service operations, ION would need to invest additional capital to construct master control rooms as well as purchase production and other equipment. The BIA Report estimates those costs to be 1.3 million dollars per station.<sup>20</sup> We agree with Media Holdco that, given the economic climate and ION's exit from bankruptcy, obtaining financing for capital investments would be difficult. Media Holdco has, thus, submitted evidence demonstrating the unfeasibility of finding a purchaser willing to operate the stations on a stand-alone basis. We, therefore, find that continued operation of station WDPX-TV and WPXG-TV as satellites of station WBPX-TV; continued operation of station WPXU-TV as a satellite of station WEPX-TV; and continued operation of station WWPX-TV as a satellite of station WPXW-TV would serve the public interest.

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<sup>13</sup> Application To Transfer Control of Station WBPX-TV, File No. BTCCDT-20090901ACZ, Exhibit 18, at 3.

<sup>14</sup> *Id.* at 4.

<sup>15</sup> *Id.*

<sup>16</sup> BIA Advisory Services Economic Viability Study, at 18, 20.

<sup>17</sup> Exhibit 18, at 3.

<sup>18</sup> *Id.*

<sup>19</sup> Letter from Barbara A. Kreisman, Chief, Video Services Division, to John Feore, Esq., dated May 5, 2000; Letter from Barbara A. Kreisman, Chief, Video Services Division, to Joel Levy, Esq., dated October 1, 1999; Letter from Barbara A. Kreisman, Chief, Video Services Division, to John Feore, Esq., dated July 24, 2003.

<sup>20</sup> BIA Advisory Services Economic Viability Study, at 21.

13. **Pending Renewals.** On September 1, 2004, the Office of Communication of the United Church of Christ, Inc., and the Center for Digital Democracy (“UCC”), filed a Petition to Deny opposing the license renewal applications of Station WPXW(TV), Manassas, Virginia, licensed to ION subsidiary Paxson Washington License, Inc. (“Paxson Washington”),<sup>21</sup> and Station WDCA(TV), Washington, D.C., licensed to Fox Television Stations, Inc. UCC argues that the program *Miracle Pets* aired by Station WPXW(TV) during significant portions of the previous license term fails to qualify as programming specifically designed to serve the educational and informational needs of children (core programming), and that, therefore, Paxson Washington has failed to comply with the processing guidelines of Section 73.671 of the Commission’s rules, and has otherwise failed to demonstrate compliance with the Children’s Television Act of 1990 (“CTA”).<sup>22</sup> Station WPXW(TV)’s Form 398 Children’s Television Programming Report for the quarter ending September 30, 2002, described *Miracle Pets* as a “one-hour live-action program” depicting “short reenactments of pets/animals doing heroic, extraordinary acts,” which provides children with “positive role models, prosocial values and the importance of taking care of the pets in their lives.” *Miracle Pets* was aired by Station WPXW(TV) from the first quarter of 2001 to the third quarter of 2005.

14. In the past, the Commission has stated that “in multi-station transactions, it will grant the transfer of control application while [a] renewal application is pending as long as there are no basic qualification issues pending against the transferor or transferee that could not be resolved in the context of the transfer proceeding, and the transferee explicitly assents to standing in the stead of the transferor in the pending renewal proceeding.”<sup>23</sup> Media Holdco has agreed “to succeed to the place of the current licensee in any pending renewal application[.]”<sup>24</sup> As we found in the 2007 Memorandum Opinion and Order granting transfer of control of the pre-bankruptcy ION to CIG Media, LLC,<sup>25</sup> UCC’s allegations involved only one of the 58 full-power television stations that are subject to the proposed transaction, and that the Station WPXW(TV) renewal is the only one that remains outstanding. Without reaching a conclusion as to whether such programming qualifies as “core programming,” we find, as we did most recently in 2007, that UCC’s allegations do not raise a qualification issue involving Paxson Washington that would preclude action on the instant transfer of control applications. UCC has provided no evidence that Paxson Washington has engaged in intentional misrepresentation.

#### IV. CONCLUSION

15. We have reviewed the application and conclude that the applicants are fully qualified and that grant of above-captioned transfer of control applications, will serve the public interest, convenience, and necessity.

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<sup>21</sup> Paxson Washington has since been renamed ION Media Washington License, Inc.

<sup>22</sup> 47 C.F.R. § 73.671; Pub. L. No. 101-437, 104 Stat. 996-1000, *codified at* 47 U.S.C. Sections 303a, 303b and 394.

<sup>23</sup> *Shareholders of CBS Corporation*, Memorandum Opinion and Order, 16 FCC Rcd 16072, 16072-16073 (2001). *See, also, Stockholders of CBS, Inc.*, Memorandum Opinion and Order, 11 FCC Rcd 3733 (1995), *aff’d, Serafyn v. FCC*, 149 F.3d 1213 (D.C. Cir. 1998); *Capital Cities/ABC, Inc.*, Memorandum Opinion and Order, 11 FCC Rcd 5841 (1996).

<sup>24</sup> WPXW-TV Application for Transfer of Control, File No. BTCCDT-20090901AHQ, Exhibit 15.

<sup>25</sup> *Paxson Management Corporation and Lowell W. Paxson*, Memorandum Opinion and Order, 22 FCC Rcd 22224, 22235-22236 (2007).

**V. ORDERING CLAUSES**

16. **IT IS ORDERED**, That the applications listed in the attached Appendix seeking consent to transfer control of the licensee subsidiaries held in trust by the ION Media Networks Liquidating Trust to Media Holdco, LP, **ARE GRANTED**.

FEDERAL COMMUNICATIONS COMMISSION

William T. Lake  
Chief, Media Bureau

**APPENDIX**

**Authorizations to be Transferred from ION Media Networks Liquidating Trust to Media Holdco,  
LP**

<i>Name of Entity</i>	<i>Call Sign(s)</i>	<i>Facility ID</i>	<i>File No.</i>
ION Media License Company, LLC	WPXN-TV, NEW YORK, NY WPXD-TV, ANN ARBOR, MI WXPX-TV, BRADENTON, FL KWPX-TV, BELLEVUE, WA WPXM-TV, MIAMI, FL WFPX-TV, FAYETTEVILLE, NC WNPX-TV, COOKEVILLE, TN WPXH-TV, GADSDEN, AL WPXV-TV, NORFOLK, VA WPXR-TV, ROANOKE, VA KPXR-TV, CEDAR RAPIDS, IA KPXG-LP, PORTLAND, OR WPXJ-LP, JACKSONVILLE, FL WIPX-LP, INDIANAPOLIS, IN W48AV, DETROIT, MI	73356 5800 6601 56852 48608 21245 28468 73312 67077 70251 21156 69792 29716 65121 68544	BTCCDT-20090901ABT
ION Media Los Angeles License, Inc.	KPXN-TV, SAN BERNARDINO, CA	58978	BTCCDT-20090901AFP
ION Media Chicago License, Inc.	WCPX-TV, CHICAGO, IL	10981	BTCCDT-20090901ADJ
ION Media Philadelphia License, Inc.	WPPX-TV, WILMINGTON, DE	51984	BTCCDT-20090901AGP
ION Media Dallas License, Inc.	KPXD-TV, ARLINGTON, TX	68834	BTCCDT-20090901ADK
ION Media San Jose License, Inc.	KKPX-TV, SAN JOSE, CA	22644	BTCCDT-20090901AIA
ION Media Boston License, Inc.	WBPX-TV, BOSTON, MA WDPX-TV, VINEYARD HAVEN, MA WPXG-TV, CONCORD, NH WMPX-LP, DENNIS, MA	7692 6476 48406 6477	BTCCDT-20090901ACZ
ION Media Atlanta License, Inc.	WPXA-TV, ROME, GA	51969	BTCCDT-20090901ACW
ION Media Washington License, Inc.	WPXW-TV, MANASSAS, VA	74091	BTCCDT-20090901AHQ
ION Media Martinsburg License, Inc.	WPPX-TV, MARTINSBURG, WV	23264	BTCCDT-20090901AIZ
ION Media Houston License, Inc.	KPXB-TV, CONROE, TX	58835	BTCCDT-20090901AEH
America 51, L.P.	KPPX-TV, TOLLESON, AZ	26655	BTCCDT-20090901ACQ
ION Media Minneapolis License, Inc.	KPXM-TV, ST. CLOUD, MN	35907	BTCCDT-20090901AGA
ION Media Akron	WVPX-TV, AKRON, OH	70491	BTCCDT-20090901ACS

License, Inc.			
ION Media Denver License, Inc.	KPXC-TV, DENVER, CO	68695	BTCCDT-20090901ADQ
ION Media Orlando License, Inc.	WOPX-TV, MELBOURNE, FL	67602	BTCCDT-20090901AGO
ION Media Sacramento License, Inc.	KSPX-TV, SACRAMENTO, CA	52953	BTCCDT-20090902ABC
ION Media Portland License, Inc.	KPXG-TV, SALEM, OR	5801	BTCCDT-20090901AHH
ION Media Indianapolis License, Inc.	WIPX-TV, BLOOMINGTON, IN	10253	BTCCDT-20090901AEL
ION Media Raleigh License, Inc.	WRPX-TV, ROCKY MOUNT, NC	20590	BTCCDT-20090901AHK
ION Media Hartford License, Inc.	WHPX-TV, NEW LONDON, CT	51980	BTCCDT-20090901ADX
ION Media Kansas City License, Inc.	KPXE-TV, KANSAS CITY, MO	33337	BTCCDT-20090901AER
ION Media Salt Lake City License, Inc.	KUPX-TV, PROVO, UT	57884	BTCCDT-20090901AHY
ION Media Milwaukee License, Inc.	WPXE-TV, KENOSHA, WI	37104	BTCCDT-20090901AFX
ION Media San Antonio License, Inc.	KPXL-TV, UVALDE, TX	61173	BTCCDT-20090901AHZ
ION Media West Palm Beach License, Inc.	WPXP-TV, LAKE WORTH, FL	27290	BTCCDT-20090901AIQ
ION Media Battle Creek License, Inc.	WZPX-TV, BATTLE CREEK, MI	71871	BTCCDT-20090901ACX
ION Media Oklahoma City License, Inc.	KOPX-TV, OKLAHOMA CITY, OK	2566	BTCCDT-20090901AGJ
ION Media Greensboro License, Inc.	WGPX-TV, BURLINGTON, NC	65074	BTCCDT-20090901ADT
ION Media Brunswick License, Inc.	WPXC-TV, BRUNSWICK, GA	71236	BTCCDT-20090901ADE
ION Media Memphis License, Inc.	WPXX-TV, MEMPHIS, TN	21726	BTCCDT-20090901AFU
ION Media Buffalo License, Inc.	WPXJ-TV, BATAVIA, NY	2325	BTCCDT-20090901ADG
Ocean State Television, L.L.C.	WPXQ-TV, BLOCK ISLAND, RI	50063	BTCCDT-20090901AIT
ION Media New Orleans License, Inc.	WPXL-TV, NEW ORLEANS, LA	21729	BTCCDT-20090901AGE
ION Media Scranton License, Inc.	WQPX-TV, SCRANTON, PA	64690	BTCCDT-20090901AIB
ION Media Albany License, Inc.	WYPX-TV, AMSTERDAM, NY	13933	BTCCDT-20090901ACT
ION Media Knoxville	WPXK-TV, JELLICO, TN	52628	BTCCDT-20090901AFF



License, Inc.			
ION Media Tulsa License, Inc.	KTPX-TV, OKMULGEE, OK	7078	BTCCDT-20090901AIJ
ION Media Lexington License, Inc.	WUPX-TV, MOREHEAD, KY	23128	BTCCDT-20090901AFL
ION Media Charleston License, Inc.	WLPX-TV, CHARLESTON, WV	73189	BTCCDT-20090901AJT
ION Media Des Moines License, Inc.	KFPX-TV, NEWTON, IA	81509	BTCCDT-20090901ADR
ION Media Hawaii License, Inc.	KPXO-TV, KANEHOE, HI	77483	BTCCDT-20090901AEC
ION Media Spokane License, Inc.	KGPX-TV, SPOKANE, WA	81694	BTCCDT-20090901AIC
ION Media Syracuse License, Inc.	WSPX-TV, SYRACUSE, NY	64352	BTCCDT-20090901AIG
ION Media Greenville License, Inc.	WEPX-TV, GREENVILLE, NC	81508	BTCCDT-20090901ADU
ION Media Jacksonville License, Inc.	WPXU-TV, JACKSONVILLE, NC	37971	BTCCDT-20090901AIU
ION Media Wausau License, Inc.	WTPX-TV, ANTIGO, WI	86496	BTCCDT-20090901AIM
ION Media LPTV, Inc.	KPXH-LP, FORT COLLINS, CO WPXU-LP, AMITYVILLE, NY KBPX-LP, HOUSTON, TX WNPX-LP, NASHVILLE, TN WPXB-LD, DAYTONA BEACH, FL W40BO, BOSTON, MA	18509 2129 17746 30258 10321 55114	BTCTT-20090901AGX