

broadcast facility, the relevant defined service areas of the existing mass media facilities shall be as follows:

- (i) AM broadcast station—principal community contour (*see* § 73.24(i));
- (ii) FM Broadcast station—principal community contour (*see* § 73.315(a));
- (iii) Television broadcast station—television Grade B or equivalent contour (*see* § 73.683(a) for analog TV and § 73.622(e) for DTV);
- (iv) Cable television system—the franchised community of a cable system; and
- (v) Daily newspaper—community of publication.

(3) For purposes of determining whether a proposed broadcast or secondary broadcast facility is in the “same area” as an existing mass media facility, the relevant contours of the proposed broadcast or secondary broadcast facility shall be as follows:

- (i) AM broadcast station—principal community contour (*see* § 73.24(i));
- (ii) FM broadcast station—principal community contour (*see* § 73.315(a));
- (iii) FM translator station—predicted, protected contour (*see* § 74.1204(a) of this chapter);
- (iv) Television broadcast station—television Grade B or equivalent contour (*see* § 73.683(a) for analog TV and § 73.622(e) for DTV).
- (v) Low power television or television translator station—predicted, protected contour (*see* § 74.707(a) of this chapter).

(c) *Unjust enrichment.* If a licensee or permittee that utilizes a new entrant bidding credit under this subsection seeks to assign or transfer control of its license or construction permit to an entity not meeting the eligibility criteria for the bidding credit, the licensee or permittee must reimburse the U.S. Government for the amount of the bidding credit, plus interest based on the rate for ten-year U.S. Treasury obligations applicable on the date the construction permit was originally granted, as a condition of Commission approval of the assignment or transfer. If a licensee or permittee that utilizes a new entrant bidding credit seeks to assign or transfer control of a license or construction permit to an entity that is eligible for a lower bidding credit, the difference between the bid-

ding credit obtained by the assigning party and the bidding credit for which the acquiring party would qualify, plus interest based on the rate for ten-year U.S. Treasury obligations applicable on the date the construction permit was originally granted, must be paid to the U.S. Government as a condition of Commission approval of the assignment or transfer. The amount of the reimbursement payments will be reduced over time. An assignment or transfer in the first two years after issuance of the construction permit to the winning bidder will result in a forfeiture of one hundred (100) percent of the value of the bidding credit; during year three, of seventy-five (75) percent of the value of the bidding credit; in year four, of fifty (50) percent; in year five, twenty-five (25) percent; and thereafter, no payment. If a licensee or permittee who utilized a new entrant bidding credit in obtaining a broadcast license or construction permit acquires within this five-year reimbursement period an additional broadcast facility or facilities, such that the licensee or permittee would not have been eligible for the new entrant credit, the licensee or permittee will generally not be required to reimburse the U.S. Government for the amount of the bidding credit.

NOTE 1 TO § 73.5007: For purposes of paragraph (b)(3)(ii) of this section, the contour of the proposed new FM broadcast station is based on the maximum class facilities at the FM allotment site, which is defined as the perfectly circular standard 70 dBu contour distance for the class of station.

[64 FR 24526, May 7, 1999, as amended at 68 FR 46358, Aug. 5, 2003; 69 FR 72045, Dec. 10, 2004; 75 FR 9807, Mar. 4, 2010]

§ 73.5008 Definitions applicable for designated entity provisions.

(a) *Scope.* The definitions in this section apply to 47 CFR 73.5007, unless otherwise specified in that section.

(b) A *medium of mass communications* means a daily newspaper; a cable television system; or a license or construction permit for a television broadcast station, an AM or FM broadcast station, or a direct broadcast satellite transponder.

(c)(1) An attributable interest in a winning bidder or in a medium of mass communications shall be determined in

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accordance with § 73.3555 and Note 2 to § 73.3555. In addition, any interest held by an individual or entity with an equity and/or debt interest(s) in a winning bidder shall be attributed to that winning bidder for purposes of determining its eligibility for the new entrant bidding credit, if the equity (including all stockholdings, whether voting or nonvoting, common or preferred) and debt interest or interests, in the aggregate, exceed thirty-three (33) percent of the total asset value (defined as the aggregate of all equity plus all debt) of the winning bidder.

(2) Notwithstanding paragraph (c)(1) of this section, where the winning bidder is an eligible entity, the combined equity and debt of the interest holder in the winning bidder may exceed the 33 percent threshold therein without triggering attribution, provided that:

(i) The combined equity and debt of the interest holder in the winning bidder is less than 50 percent, or

(ii) The total debt of the interest holder in the winning bidder does not exceed 80 percent of the asset value of the winning bidder and the interest holder does not hold any equity interest, option, or promise to acquire an equity interest in the winning bidder or any related entity. For purposes of paragraph (c)(2) of this section, an "eligible entity" shall include any entity that qualifies as a small business under the Small Business Administration's size standards for its industry grouping, as set forth in 13 CFR 121.201, at the time the transaction is approved by the FCC, and holds:

(A) 30 percent or more of the stock or partnership interests and more than 50 percent of the voting power of the corporation or partnership that will own the media outlet; or

(B) 15 percent or more of the stock or partnership interests and more than 50 percent of the voting power of the corporation or partnership that will own the media outlet, provided that no other person or entity owns or controls more than 25 percent of the outstanding stock or partnership interests; or

(C) More than 50 percent of the voting power of the corporation that will

own the media outlet if such corporation is a publicly traded company.

[63 FR 48629, Sept. 11, 1998, as amended at 64 FR 24527, May 7, 1999; 64 FR 44858, Aug. 18, 1999; 69 FR 72045, Dec. 10, 2004; 73 FR 28370, May 16, 2008; 75 FR 27200, May 14, 2010]

§ 73.5009 Assignment or transfer of control.

(a) The unjust enrichment provisions found at §§ 1.2111(b) through (e) of this chapter shall not apply to applicants seeking approval of a transfer of control or assignment of a broadcast construction permit or license within three years of receiving such permit or license by means of competitive bidding.

(b) The ownership disclosure requirements found at § 1.2112(a) of this chapter shall not apply to an applicant seeking consent to assign or transfer control of a broadcast construction permit or license awarded by competitive bidding.

[67 FR 45375, July 9, 2002, as amended at 68 FR 43000, July 21, 2003]

Subpart J—Class A Television Broadcast Stations

SOURCE: 65 FR 30009, May 10, 2000, unless otherwise noted.

§ 73.6000 Definitions.

Locally produced programming. For the purpose of this subpart, locally produced programming is programming:

(1) Produced within the predicted Grade B contour of the station broadcasting the program or within the contiguous predicted Grade B contours of any of the stations in a commonly owned group; or

(2) Produced within the predicted DTV noise-limited contour (*see* § 73.622(e) of this part) of a digital Class A station broadcasting the program or within the contiguous predicted DTV noise-limited contours of any of the digital Class A stations in a commonly owned group; or

(3) Programming produced at the station's main studio.

NOTE TO § 73.6000: *See Report and Order*, In the Matter of Establishment of a Class A Television Service, MM Docket No. 00-10, released April 4, 2000; *Memorandum Opinion and*