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UNITED STATES GOVERNMENT

Memorandum

TO : Chairman Ferris DATE: February 9, 1978

FROM : Commissioner James H. Quello

SUBJECT: Commission Reconsideration of WJLA-TV/KOCO-TV Transfer.

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I believe we should fully explore the feasibility of reconsideration on our own motion of the transfer of stations between Perpetual Corporation and Combined Communications in view of the announced sale of the Washington Star to Time, Inc.

As you know, several of us expressed concern with the $55 million of preferred non-voting stock in Combined Communications to be retained by Mr. Albritton.

Some of us reluctantly approved because we believed dividends or earnings from the preferred stock would guarantee the financial viability of the Star.

With the sale of the Star to Time, Inc. this no longer applies and a new set of circumstances exists for Commission consideration.

I question whether I personally would have voted to approve the transfer under the new circumstances. If enough other Commissioners have similar concerns, I suggest a special meeting for full reconsideration. In any event, we should fully discuss and explore all legal and ethical aspects with our General Counsel and other staff members.

James H. Quello

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cc: All Commissioners
General Counsel
Broadcast Bureau--Renewal and Transfer Division