

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

In the Matter of:)	
)	
Amendment of Section 74.1231(i) of the Commission’s Rules on FM Broadcast Booster Stations)	MB Docket No. 20-401
)	
Modernization of Media Initiative)	MB Docket No. 17-105
)	
Amendment of Section 74.1231(i) of the Commission’s Rules on FM Broadcast Booster Stations)	RM-11854
)	
)	

**COMMENTS OF
CONNOISSEUR MEDIA AND NEUHOFF COMMUNICATIONS**

I. INTRODUCTION AND SUMMARY

Connoisseur Media and Neuhoff Communications submit these comments to oppose any effort by the Commission to modify its rules to allow FM broadcasters to use FM booster stations to air geo-targeted content, including news and advertisements, independent of the signals of its primary station.¹ This proposal is the wrong idea at the wrong time, for several reasons.

First, the proposal could cripple the radio industry by fragmenting the advertising market and driving down revenues, starving local radio stations of support while they are already struggling during an extended pandemic. Second, the proposal raises complex technical issues that have not yet been sufficiently explored and which could undermine radio stations’ reliability and

¹ *Amendment of Section 74.1231(i) of the Commission’s Rules on FM Broadcast Booster Stations*, Notice of Proposed Rulemaking, MB Docket No. 20-241, FCC No. 20-166 (rel. Dec. 1, 2020) (Notice).

reach. Third, the proposal could have the unintended consequence of harming smaller and medium size broadcasters in communities surrounding large urban cores, or in small cities adjacent to larger cities, by allowing larger stations to extend their reach and geo-target advertising to those surrounding communities. Finally, the proposal opens the door to a new form of advertising “redlining” by allowing advertisers to potentially target more affluent or segregated communities.

For these reasons, as discussed in more detail below, we urge the Commission to reject this proposal in its entirety and close this proceeding with no further action.

II. THE GEO-TARGETING PROPOSAL COULD HAVE DEVASTATING UNINTENDED CONSEQUENCES FOR THE RADIO INDUSTRY.

Connoisseur Media’s thirteen radio stations and various digital brands deliver well-researched and targeted programming to four markets in Maryland, New York, and Connecticut. Over the past eighteen years, Neuhoff Communications has grown its business to serve over a million consumers in six markets in Illinois and Indiana, operating over twenty radio stations as well as sixteen locally focused digital music, information, and entertainment sites. We are proud to be a part of radio’s 100-year history and take pride in creating and delivering engaging and entertaining local content and making a meaningful impact in the lives of the consumers and businesses we serve.

While we continue to believe radio has a vibrant future, it is undeniable that our industry faces significant challenges. Radio broadcasters, including the undersigned, have risen to meet the challenges presented by increasing competition from unregulated entities and adverse economic conditions by diversifying their respective offerings to deliver content and products to consumers on multiple platforms as the marketplace and technology have evolved. We also have become proficient at doing more with less due to an increasingly difficult advertising market, and more recently, the devastating economic effects of the coronavirus pandemic.

We therefore would normally welcome any effort by the Commission to work with radio on new and creative initiatives to provide the flexibility necessary for the industry to continue to evolve and adapt to changing market conditions and increased competition from unregulated entities. Unfortunately, the Commission’s proposals in this proceeding will do nothing to “help FM broadcasters, including small and independent broadcast stations owned by women, minorities, and small business, to provide important and or locally relevant information and to better compete for advertising revenue in an increasingly dynamic media marketplace”² and in fact will do substantial harm.

A. Adopting the Geo-Targeting Proposal Could Undermine the Local Advertising Market

Advertising revenue is the lifeblood of local radio. A robust advertising market is critical to the future of the entire radio industry. Given this, the Commission should proceed with extraordinary care in considering any proposal that has the potential to reshape radio’s advertising market, even on a voluntary basis. The proposal at issue in this proceeding would modify the Commission’s rules to permit booster radio stations to originate their own programming for a limited portion of each broadcast hour on a voluntary basis to allow for the transmission of “hyper-localized content” to different parts of a station’s community of license.³ This would risk splintering the local advertising market and crippling local radio stations at the worst possible moment for the industry.

The theory behind the proposal is that it will make radio advertising more attractive by allowing targeted ads.⁴ The appeal for advertisers is obvious – they could pay less to reach a

² Notice at ¶ 3.

³ *Id.* at ¶ 5.

⁴ Petition for Rulemaking of GeoBroadcast Solutions LLC at 18-20, RM-11854 (March 13, 2020).

desirable audience (such as more affluent areas of a community or areas more likely to include certain demographic groups, like young people). But for radio stations, this could prove to be a trap. There is no reason to believe that stations will be able to make up for lost revenue by hyperlocal ads directed at other parts of the communities they serve. Instead, it is far more likely that advertisers will forego those other parts of the community entirely and look to other media (including social media) to target ads to the same areas and groups they can now target with radio. The entirely predictable outcome will be to strangle advertising revenues that support local broadcasting.

It is no answer to say that use of this technology is “voluntary.” In practice, adoption of geo-targeting technology by any radio station in a market will give advertisers a cudgel to beat other stations into adoption and to drive down advertising rates more broadly. It would allow stations on the fringe of a market to undercut stations trying to serve the entire community. Radio stations will find themselves in a race to the bottom to offer competitive rates – with no ability to make up the lost revenue. This would cripple the local radio industry at the worst imaginable time – when it is *already* facing challenges from new forms of advertising as well as a pandemic that has undermined the local businesses that serve as radio’s most important partners.

It is certainly true that competition from new and unregulated advertising platforms has presented a challenge for the radio industry. And undoubtedly addressable advertising is one advantage those unregulated competitors have. But radio will never be able to compete with unregulated platforms by using a far coarser and less sophisticated targeted advertising model that relies only on geography rather than a customer’s digital trail. Instead, radio must continue to focus on the unique advantages it offers, such as its broad reach throughout its community.

B. The Proposed Changes Could Threaten Stations in Smaller Markets

The proposed changes could also have significant unintended consequences for stations in markets embedded in or adjacent to larger markets. In particular, stations in the larger parent metro market could use geo-targeting technology to strip stations in embedded markets of critical advertising revenue they will be unable to make up elsewhere. Small markets that are adjacent to larger markets and experience some spillover from those larger markets could similarly suffer losses in advertising revenue if stations in those larger markets use geo-targeting to direct ads to portions of those smaller markets.

For example, Connoisseur Media has stations licensed in Nassau-Suffolk, New York and Fairfield County, Connecticut, both of which are embedded in the New York Metro market, but do not cover the entire New York metro area. Even absent a change to the booster rules, it is more difficult to operate a business in embedded markets because stations in the larger market can capture advertising dollars from businesses that want to simultaneously target the embedded market and the larger parent market. Connoisseur's stations are therefore largely dependent on advertising revenue that comes for businesses local to the embedded market in which they operate. Along the same lines, markets such as Allentown, Pennsylvania, Akron, Ohio, or Princeton, New Jersey are adjacent to much larger markets and may experience some degree of spillover coverage from stations in those larger cities. The proposed changes could make it much easier for stations in the larger market to siphon off local advertising dollars to the severe detriment of Connoisseur's stations. As the petitioner's own filings in this proceeding illustrate,⁵ under this proposal a larger radio station licensed in the New York Metro market could use boosters to sell targeted ads to

⁵ Letter from Gerard J. Waldron, Counsel for GeoBroadcast Solutions LLC, to Marlene H. Dortch, Secretary, FCC, RM-11854, attachment at 6 (Sep. 25, 2020).

businesses in Nassau-Suffolk and Fairfield, undercutting the rates of Connoisseur’s stations. As local businesses inevitably choose to buy targeted ads at lower rates from the larger New York stations, Connoisseur’s stations will have little choice but to lower its prices or forego the revenue altogether, neither of which will allow them to continue to provide quality service and programming to listeners. Stations in embedded markets across the country will face the same catastrophic consequences.

Similarly, stations in small markets adjacent to larger markets could be threatened if larger stations are able to use geo-targeting technology to target advertisements to the edges of the smaller market – effectively peeling away layers of the smaller market and choking off revenues to smaller stations. In either scenario, geo-targeting could have the unintended consequences of benefitting larger stations at the direct expense of smaller stations already facing significant challenges.

C. The Proposal Raises Significant Technical Concerns that Could Also Undermine Local Stations

The Notice seeks comment on the potential for FM boosters transmitting geo-targeted content to cause interference to FM stations serving the same area.⁶ This could consist of “self-interference” caused to the primary station associated with the boosters providing geo-targeted content or to other FM stations. We are concerned that this proposal has not been vetted with sufficient care and that premature adoption could undermine FM reception. This, in turn, would drive reduced listenership and reduced revenues that would only serve to harm the radio industry.

We are particularly troubled by the potential for interference while listeners are driving. As a car travels from the area where the primary station’s contour meets or overlaps with a booster

⁶ Notice at ¶ 11.

transmitting geo-targeted programming, the listener may experience noticeable interference. As a practical matter, a listener who experiences interference even briefly may simply change to a different station or a different audio input (such as a mobile device or satellite radio) rather than wait to see how long the interference lasts. Worse, if that listener regularly experiences interference on a particular driving route (for example, her regular commute), she may stop listening to a particular FM station altogether.

In this case, the issue would be self-interference, so one might reasonably respond that individual stations can make the choice that best suits them. There are at least two problems with this response. First, the implications are potentially broader than interference to only the station that chooses to adopt geo-targeting technology. If some listeners begin to regularly experience interference – even if only intermittent – on FM stations, they may begin to associate FM radio with unreliability and transition more and more of their drive time to alternative media with which FM radio competes. This could have industry-wide ramifications for listener behavior and ultimately even threaten radio’s position on automobile dashboards.

Second, and more generally, there has not yet been sufficient testing under real-world conditions to provide FM stations with confidence regarding the potential for self-interference or adjacent channel interference. The Commission notes that the petitioner has provided testing results for just three stations.⁷ FM stations cannot plausibly assess the potential harms associated with this proposal without a much greater understanding of, for example, how long interference might last as a car passes through a transition zone at various speeds, whether the results are different for analog or digital receivers, and how the results may vary for short-spaced or

⁷ Notice at ¶ 9, n. 30.

grandfathered stations.⁸ In short, we respectfully submit that it is premature to consider rule changes that could have industry-wide unintended consequences based on the technical record to date.

D. The Proposal Opens the Door to a New Form of Redlining

The proposal is also contrary to the public interest because it will throw open the doors to a new and pernicious form of redlining by advertisers. While the petitioner in this case claims that its proposal will benefit localism and diversity, in reality it will likely marginalize minority and lower income communities by affording advertisers new opportunities to discriminate among the radio audience, contrary to longstanding FCC rules and policy.

The traditional advantage of radio advertising is reach. Radio offers an economical and reliable means of delivering advertising to *all* listeners in a given market. Beyond the economic implications for radio stations, discussed above, the Commission should think seriously about whether it wants the traditionally universal medium of radio to look more like the fractured, siloed landscape of social media. But the Commission should also be mindful of the risks of setting the stage for explicit redlining by allowing advertisers to selectively target only *some* listeners in *some* neighborhoods. This obviously runs the risk that these advertisers will choose to target listeners they find most desirable based on income or demographic factors. The Commission has already fought hard to limit advertisers' ability to employ discriminatory strategies such as "no urban dictates."

Consider the implications if a home developer or a bank wants to target advertisements for homes or home loans to a predominantly white audience. Such a campaign would not even need to be explicit; it could rely on targeting of neighborhoods or portions of a market that happen to have

⁸ *Id.* at ¶ 17.

a disproportionately white population. Under these circumstances, a radio station might have no idea of the advertiser's intentions – but the consequences would be reprehensible and contrary to the fundamental values we believe make radio vital. We fail to see how this proposal could plausibly be considered in the public interest. It is certainly inconsistent with our view of radio's unique ability to bring communities together, not break them apart.

III. CONCLUSION

We appreciate the Commission's interest in proposals to help ensure that FM radio remains a dynamic and competitive service. Unfortunately, the proposals set forth in the Notice could readily have dramatic consequences for the radio industry as a whole by threatening advertising revenues, favoring larger metro stations, creating new and not fully understood interference risks, and opening the door to a new and pernicious form of advertising redlining. While unintended, these consequences are entirely foreseeable. Accordingly, we respectfully ask the Commission not to adopt rule changes at this time.

Respectfully submitted,

/s/
Jeff Warshaw
Chief Executive Officer
Connoisseur Media
180 Post Road East Suite 201
Westport, CT 06880
203.227.1978

/s/
Elizabeth T. Neuhoff
President and Chief Executive Officer
Neuhoff Communications
P.O. Box 418
Jupiter, FL 33468
561.745.1188

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