

Before the  
Federal Communications Commission  
Washington, DC 20554

In the Matter of	)	
	)	
2018 Quadrennial Regulatory Review –	)	
Review of the Commission’s Broadcast	)	MB Docket No. 18-349
Ownership Rules and Other Rules Adopted	)	
Pursuant to Section 202 of the	)	
Telecommunications Act of 1996	)	

To: The Commission

**REPLY COMMENTS**

Mount Wilson FM Broadcasters, Inc. (“Mount Wilson”) hereby submits reply comments for the 2018 Quadrennial Regulatory Review. Mount Wilson continues to oppose raising the limit on the number of radio stations an entity is allowed to own in radio markets with at least 45 radio stations. As stated by many others who submitted comments, raising the broadcast radio subcaps will harm competition, particularly small operators, and hurt AM radio.

Mount Wilson disagrees with the position the National Association of Broadcasters (“NAB”) has taken to support further deregulation of the radio industry. In its comments to the FCC, NAB argues that digital devices have led to changes in media and advertising markets, making the FCC’s restrictions on traditional media, including radio broadcasters, overly restrictive.<sup>1</sup>

While Mount Wilson agrees that digital devices have changed advertising markets, Mount Wilson disagrees with NAB’s conclusion that the FCC’s rules are overly restrictive. In fact, the FCC’s current proposal to raise the number of commercial radio stations an entity can own in markets with at least 45 radio stations from five to eight FM stations, paired with the

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<sup>1</sup> See Comments of the Nat’l Assn of Broadcasters, In the Matter of 2018 Quadrennial Regulatory Review, MB Docket No. 18-349 (April 29, 2019).

ability to add four HD channels to the main program streams, means the biggest players in Los Angeles will be able to own 40 FM channels. As the rules currently stand, a cluster can own 25 channels in Los Angeles, undercutting small broadcasters in advertising buys.

Two groups that have filed comments in support of lifting only AM subcaps are the California Broadcasters Association (“CBA”) and iHeartCommunications, Inc. (“iHeart”). In its comments, CBA stated that “AM only subcaps should be discarded and that such a revision could be critical to the survival and revitalization of AM radio.”<sup>2</sup> Mount Wilson also disagrees with CBA’s position that the AM-only subcaps should be discarded. If the number of AM stations a cluster can own is unlimited, group owners will be able to freeze out operators of single AM stations, which harms their ability to compete.

iHeart argues that lifting the FM subcaps is an overly aggressive change to the FM rules that will ultimately hurt AM stations. Therefore, iHeart supports only lifting the AM subcaps. Mount Wilson agrees with iHeart that doing away with the FM subcaps will cause harm to AM stations, which provide critical service and access to information, news, sports, and weather,<sup>3</sup> but Mount Wilson disagrees with iHeart’s position to lift the AM subcaps.

Mount Wilson is not alone in its opposition to raising or eliminating the AM and FM subcaps. Groups that support diversity in broadcast ownership, like the National Association of Black Owned Broadcasters (“NABOB”) and the Leadership Conference on Civil & Human Rights (“Leadership Conference”) also oppose lifting the ownership caps. The reasons are clear: increased consolidation will have a negative impact on minority station owners and businesses, and such a move goes against the public interest. NABOB notes in its comments that

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<sup>2</sup> See Letter from Gregg P. Skall, Womble Bond Dickinson, to Marlene H. Dortch, Secretary, FCC, (Mar. 4, 2019).

<sup>3</sup> See Comments of iHeartCommunications, Inc., In the Matter of 2018 Quadrennial Regulatory Review, MB Docket No. 18-349 (April 29, 2019).

elimination or relaxation of the subcaps rule would be particularly damaging for the AM radio industry.<sup>4</sup> The Leadership Conference, in its comments states, “[T]he Local Radio Ownership Rule...is essential to the ability of local communities to access sources of news and information. [The rule] protect[s] competition in local advertising for small local businesses and provide[s] critically important information about local elections, schools and economic and natural resources.”<sup>5</sup>

The musicFIRST and the Future of Music Coalitions (“Coalitions”) have also filed comments in support of diversification, not consolidation, of radio ownership.<sup>6</sup> The Coalitions’ comments emphasize the adverse impact consolidation would have on smaller stations and markets:

If the Commission were to further loosen the Local Radio Station Ownership Caps or eliminate the AM/FM subcaps, some smaller clusters of AM/FM radio stations would suffer competitively as other already sizeable local clusters get bigger and wield even more market share than they already enjoy... Increased consolidation will mean fewer choices, less diversity of content and voices on the air, and far less localism for AM/FM listeners. The FCC should stand with local broadcasters and block this attempt by bigger radio ownership groups to get even bigger.”<sup>7</sup>

The Coalitions make the sobering point that independent radio stations are already struggling to compete with the larger clusters, which means further deregulation could result in complete elimination of smaller and independent radio clusters.

The big players will continue to argue for further deregulation, even while the current system is already working for them. One only needs to look at the booming business results for

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<sup>4</sup> See Comments of Nat’l Assn of Black Owned Broadcasters, Inc., In the Matter of 2018 Quadrennial Regulatory Review, MB Docket No. 18-349 (April 29, 2019).

<sup>5</sup> See Comments of The Leadership Conference on Civil & Human Rights, In the Matter of 2018 Quadrennial Regulatory Review, MB Docket No. 18-349 (April 29, 2019).

<sup>6</sup> See <https://www.billboard.com/articles/business/radio/8509142/consolidation-is-harming-diversity-and-localism-in-terrestrial-radio>.

<sup>7</sup> See <http://musicfirstcoalition.org/musicfirst-future-of-music-coalitions-voice-support-for-local-radio-opposition-to-additional-media-consolidation/>.

Entercom Communications (“Entercom”) to see that for the giants, there is no need for further deregulation. Entercom saw its income rise in the fourth quarter of 2018 and expects further gains in 2019, demonstrating that its 2017 acquisition of CBS Radio has paid off.<sup>8</sup> Despite these booming business results, Entercom and other media giants continue to claim they need further deregulation to compete with digital radio.

As technology changes, so must broadcasters evolve to keep up. I started Mount Wilson in 1959 when FM radio was a relatively new technology. My children work in the business with me, and I continue to serve as general manager. Despite the consolidation, Mount Wilson continues to compete in the Los Angeles market as a small operator. We are no strangers to change, and part of our success has been creativity and operating niche formats, including jazz and country music. Just this week, Entercom, which is already at its maximum number of FM stations in Los Angeles, began broadcasting on KCBS-FM HD 2 an out-of-market country station. Imagine the devastating impact if Entercom were to have four more FM stations.

Mount Wilson submits these reply comments to oppose the further deregulation of broadcast radio. The needs of all communities are best served when there is competition and diversity, which includes both large and small operators working in the same market to serve our audiences.

Respectfully submitted

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By: \_\_\_\_\_/S/\_\_\_\_\_  
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<sup>8</sup> See <https://www.philly.com/business/entercom-cbs-radio-kyw-revenues-rise-20190222.html>.