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August 5, 2016

**VIA HAND DELIVERY**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, DC 20554

Re: *Supplemental Statement of Connoisseur Media LLC*  
*MB Docket Nos. 09-182 and 14-50*

Dear Ms. Dortch:

Connoisseur Media LLC (“Connoisseur”) filed unopposed comments in this proceeding asking that the Commission change its methodology used in the analysis of multiple ownership compliance for stations located in an “embedded market.” Representatives of the company have also had several meetings with various offices at the FCC and explained how the current policy on embedded markets is not reflective of marketplace realities and is actually detrimental to the public interest. Connoisseur files this letter to reiterate its concerns with the current policy, and to urge that the Commission, in its final order on the ownership rules, to address the realities of the marketplace that Connoisseur has demonstrated, and make clear that there is *a presumption that*, in evaluating the acquisition of a station in an embedded market by a prospective owner who has no attributable interest in any station licensed to any county in the core of the market (a county that is not home to one of the embedded markets), ownership is to be evaluated only in the embedded market.

The Commission must provide a clear statement that there has been a change of policy in the evaluation of ownership compliance in these markets. A change in policy cannot be left to a case-by-case analysis without a strong statement that the new presumption urged by Connoisseur should be the norm. Without such a statement, no transactions in embedded markets that could help to remedy the issues identified by Connoisseur can occur. Potential sellers of stations in embedded market must be comfortable that a buyer who owns stations in another embedded market will likely be able to rely on this new methodology for evaluating multiple ownership compliance. If a seller cannot be assured that there is a presumption that the acquisition will occur, and that the transaction can be completed in a timely fashion, that seller simply will not enter into a deal. Delays in the processing of transactions disrupt employee and customer

Marlene H. Dortch, Secretary

August 5, 2016

Page 2

relationships, and thus disrupt the service that these stations can provide to the public. Without a presumption that a deal will be approved, significant financial bets will have to be made on an uncertain regulatory outcome. In most cases, they just won't happen unless the processing policy change is made clear.

Connoisseur has shown that the current policy ignores the realities of the marketplace. The current policy prohibits owners who own stations in one embedded market from acquiring stations in other embedded markets, as multiple ownership compliance is analyzed both in the embedded market and in the larger metropolitan market of which the embedded market is a part. As stations in any embedded market are counted toward the company's compliance with the numerical ownership limits in the larger parent market, these ownership caps will be exceeded by if a company tries to acquire stations in multiple embedded markets, even though the stations in multiple embedded markets do not to any significant degree compete with each other. Combinations of these stations also do not pose any risk of any owner having too great a concentration of ownership in the central market. Connoisseur has shown that even if one owner owned every embedded market station that has any market share in the overall New York City market (an ownership concentration which is impossible because of ownership limits within the embedded markets themselves), that owner would be the third-ranked owner in New York with an audience size half that of either of the two largest owners in that market. Thus, it is clear that there is no way that the ownership of stations in multiple embedded markets poses any concentration issues in any large metropolitan market.

Connoisseur has also shown that the current policy affirmatively harms the public interest, as it makes stations in embedded markets less able to serve their listeners. Central city stations draw significant revenues out of the embedded markets, leaving little revenue for the stations that truly serve those embedded markets to produce the local programming addressed to the needs of the residents of the embedded market. Connoisseur has shown that embedded markets virtually all have only a fraction of the revenue of similarly sized markets that are not embedded into a larger market. Only by owning stations in several embedded markets can a company like Connoisseur have the scale necessary to share in the revenue from regional and national advertisers that is now all going to stations located in the core of the market. Only by having this scale to compete can some of this regional and national revenue be dedicated to local service for the residents of the embedded markets, rather than simply flowing to central city stations that pay little attention to the needs and issues of embedded market residents.

In its initial comments in this proceeding, and in ex parte statements filed on June 7, 2016 and on June 16, 2016, Connoisseur has submitted to the Commission extensive economic and demographic information demonstrating that the embedded markets are economically and demographically independent from each other. It has also submitted extensive radio ratings and revenue data to prove its contentions that stations in one embedded market do not compete with

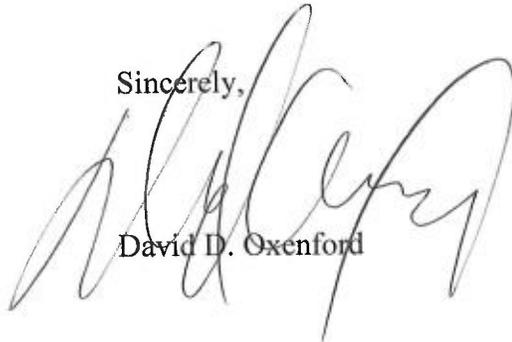
Marlene H. Dortch, Secretary  
August 5, 2016  
Page 3

stations in other embedded markets, and that radio revenues in embedded markets is depressed when compared with other similarly sized markets. The substantial data provided by Connoisseur demonstrates that the current policy is arbitrary and no longer serves the public interest. To the best of our knowledge, no one has challenged that data or the proposal advanced by Connoisseur.

Thus, the Commission must adopt a rule that presumes that applications to acquire stations in an embedded market filed by a company that has no stations in the core of any market will be presumed to be in the public interest and granted if the proposed acquisition complies with the ownership limitations in that embedded market. In such an acquisition, the applicant would not need to look at ownership compliance in the larger, core market. That presumption should only be overcome in the very limited situations where a station licensed to an embedded market actually operates from and substantially competes in the core market (which, in the NY market, appears to be the case with only one station licensed to an embedded market). Only if a broadcaster has stations already licensed to the core market should an acquisition in an embedded market implicate the ownership limits in both the core and embedded market.

Connoisseur therefore requests that this clear and unambiguous statement of a change in policy be adopted. Should there be any questions concerning this matter, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "David D. Oxenford", is written over the typed name. The signature is fluid and cursive, with a large initial "D" and "O".

David D. Oxenford