



Tom Chiusano
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June 26, 1995

Honorable Susan Ness
Commissioner
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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Re: Satellite Digital Audio Radio
Gen. Docket 90-357, Rm. No. 8610

Dear Chairman Hundt:

In response to the Federal Communications Commission's Notice of Proposed Rulemaking No. 8610, Sagittarius Broadcasting licensee of WXRK-FM, New York, New York and Hit Radio, Inc. licensee of WZRC-AM, New York, New York submits the following comments on the proposed licensing and service rules for Satellite Digital Audio Radio ("DARS"). Infinity Broadcasting Corporation the parent corporation for WXRK-FM and WZRC-AM, may submit its own comments in this docket prior to the comment deadline, but this letter is submitted to reflect the local perspective of WXRK-FM and WZRC-AM on the issue of Satellite DARS.

As General Manager of Radio Stations WXRK-FM and WZRC-AM, I am writing to express my concern about the significant impact that Satellite Digital Audio Radio ("DARS") and the licensing and service rules for DARS to be drafted by the FCC will have on WXRK-FM and WZRC-AM and its listeners in the New York area. WXRK-FM and WZRC-AM, along with others in the broadcast industry, supports the Commission's attempts to make technological advances like digital radio available to listeners nationwide. It is important for the Commission to understand, however, that the decisions it makes in bringing about technological changes will dramatically alter the local marketplace for radio stations nationwide and are almost certain to have a negative effect on the ability of local broadcasters such as WXRK-FM and WZRC-AM to serve their communities of license.

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As you know, a radio station's basic FCC obligation is to provide the station's community of license with programs to meet its needs and interests. Currently WXRK-FM and WZRC-AM provides listeners with local news and weather reports, disaster warnings, numerous public service announcements, traffic reports and weekly programs such as The Sunday Magazine, a two hour show that airs every Sunday and addresses issues of concern to listeners in the New York metropolitan area. For the past six (6) years WXRK-FM has been the sponsor station of a 60 hour radiothon in support of "World Hunger Year", a feeder organization for other charities. WXRK-FM's Hungerthon has raised over \$1,500,000 through this charitable programming effort. In the future, however, if WXRK-FM and WZRC-AM are forced to compete for advertising revenue with 60 new state-of-the-art Satellite DARS "super stations" in our market, WXRK-FM and WZRC-AM may also be forced to dramatically reduce or eliminate many of these local public affairs programs and community outreach efforts. Given the fixed costs of operating a radio station in a highly competitive market such as New York, any loss in national advertising revenues to satellite super stations, however small, will have a significant impact on WXRK-FM and WZRC-AM's overall profits and our ability to serve local needs.

Although proponents of Satellite DARS will argue that WXRK-FM and WZRC-AM's listeners in the New York area will continue to tune into the station for local information, the Commission needs to understand that local radio stations like WXRK-FM and WZRC-AM survive on ratings alone. Our stations need listeners to tune in for a set amount of time each day in order to keep our ratings at a level sufficient to attract local and national advertisers. If 60 new satellite super stations are introduced in the New York area, listeners are likely to tune into existing broadcast stations like WXRK-FM and WZRC-AM only for local information, as needed, thus causing our ratings to drop dramatically along with our revenue and our ultimate ability to remain financially viable. Due to the fact that the Commission's existing ownership rules limit single entities to the ownership of, at most, only four stations in a market, existing operators like WXRK-FM and WZRC-AM have their "hands tied" by regulations even if they want to compete with satellite operators who will have 60 stations in every market.

As the Commission considers service and licensing rules for Satellite DARS, it should keep in mind that there are a number of ways to minimize the impact of satellite radio on existing community-based broadcasters such as WXRK-FM and WZRC-AM.

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First, the Commission should remove existing national and local ownership limits on terrestrial broadcasters to allow a station like ours to compete fairly with satellite operators. Second, the Commission should avoid creating a competitive quality gap between existing radio broadcasters and satellite radio by allowing in-band on-channel terrestrial digital radio to be licensed first to determine if Satellite DARS is even needed. Third, satellite radio ventures should be prohibited from using ground-based equipment such as terrestrial repeaters to reinforce their signals in urban areas where satellite signals are often blocked. Fourth, Satellite DARS licensees should be required to carry the niche programming (such as service to rural listeners, minority and ethnic groups) they have promised the FCC they would offer. Fifth, Satellite DARS services should be subscription-supported so that operator have an economic framework to permit delivery of niche programming to specialized or geographically dispersed markets. Sixth, because they are functionally equivalent to broadcasters, DARS operators should be subject to the same public interest obligations as broadcasters, including but not limited to reasonable access and equal opportunity provisions. Finally, in order to ensure that Satellite DARS is implemented in a manner that preserves and augments existing local radio, the Commission should allocate 50% of available frequencies to existing radio broadcasters or should open the DARS proceeding to allow new applicants.

WXRK-FM and WZRC-AM looks forward to working with the Commission as the broadcast industry moves into the digital age. At the same time, WXRK-FM and WZRC-AM urges the Commission to take into consideration the realities of the existing broadcast marketplace as it moves towards bringing technological advances to listeners of our stations and other stations nationwide.

Sincerely,



Tom Chiusano
Vice President/General Manager
WXRK-FM/WZRC-AM

TC/dc