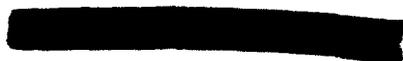




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A Subsidiary of Infinity Broadcasting

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

July 31, 1995

Honorable Reed E. Hundt
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

95-91 ✓

Dear Chairman Hundt:

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

As General Manager of KXYZ, 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 KXYZ and its listeners in the Houston area. KXYZ, 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 the bringing about 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 marketplace for radio stations nationwide and are almost certain to have a negative effect on the ability of local broadcasters such as KXYZ to serve their communities of license.

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 KXYZ provides listeners with local news and weather reports, disaster warnings, numerous public service announcements, traffic reports and weekly programs such as Radio 13 En La Comunidad, El Gordo Y Compania, which address issues of concern to the listeners in the Houston metropolitan area. In the future, however, if KXYZ is forced to compete for advertising revenue with 60 new state-of-the-art Satellite DARS "super stations" in our market , KXYZ may also be forced to dramatically reduce or eliminate many of those local affairs programs and community outreach efforts. Given the fixed costs of operating a radio station in a highly competitive market such as Houston, any loss in national advertising revenues to satellite super station, however small, will have a significant impact on KXYZ's overall profits and our ability to serve local needs.

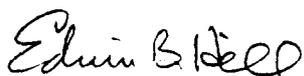
Although proponents of Satellite DARS will argue that KXYZ'S listeners in the Houston area will continue to tune into the station for local information, the Commission needs to understand that local radio stations like KXYZ survive on ratings alone. Our station needs listeners to tune in a level sufficient to attract local and national advertisers. If 60 new satellite super stations are introduced in the Houston area, listeners are likely to tune into existing broadcast stations like KXYZ only for local information, as needed, thus causing our ratings to drop dramatically along 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 KXYZ have their "hands tied" by regulating 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 KXYZ. 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 Satellite DARS operators have an economic framework to permit delivery of niche programming to specialized or geographically dispersed market. Sixth, because they are functionally equivalent to broadcasters, DARS operators should be subjected to same public interest obligations as broadcasters, including but not limited to reasonable access and equal opportunities 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.

KXYZ looks forward to working with the Commission as the broadcast industry moves into the digital age. At the same time, WPGC and WPGC-FM urges the Commission to take into consideration the realities of the existing broadcast marketplace and the importance of local radio service as it moves towards bringing technological advances to listeners of our station and other stations nationwide.

Sincerely,



**Edwin B. Hill
General Manager**

MIKE OATMAN
CHIEF EXECUTIVE OFFICER

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GREAT EMPIRE BROADCASTING, INC.

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October 4, 1995

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Commissioner Rachelle B. Chong
Room No. 844
Federal Communications Commission
1919 M. Street NW
Washington, DC 20554

Dear Commissioner Chong:

I'm writing to inform you that I have just read a filing by a Joseph M. Field, President of Entercom, the matter of establishment of rules and policies for the digital audio radio satellite service in the 2310-2360 MHz emergency band.

Rather than bore you with a restatement of Mr. Field's eloquent position, I would like you to know that I completely agree with his position. I urge you to take seriously the affect of satellite radio and the threat it poses for medium and small market broadcasters. Without the regulatory bridle that Mr. Field proposes, satellite radio will completely destroy over-the-air free broadcasting as we know it.

Please consider the points very carefully and please adopt the measures Mr. Field is proposing with regard to regulatory control of satellite broadcasting. If it indeed has been designed to supply services to people who heretofore could not receive them, then great care should be given to insure that they don't merely

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Commissioner Rachelle B. Chong
October 4, 1995
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become a gorilla size competitor to small operators. I urge you to read with great care, Mr. Field's filings and to act favorable toward them.

Warmest personal regards,

A handwritten signature in black ink, appearing to read "Michael C. Oatman", with a long horizontal line extending to the right.

Michael C. Oatman
CEO

Great Empire Broadcasting, Inc.

cc: Joseph M. Field
President
Entercom