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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

MAY - 8 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Rules and Policies Concerning)	MM Docket No. 01-317
Multiple Ownership of Radio Broadcast)	<u> </u>
Stations in Local Markets)	
)	
Definition of Radio Markets)	MM Docket No. 00-244
)	

REPLY COMMENTS OF ENTERCOM COMMUNICATIONS CORP.

Entercom Communications Corp. ("*Entercom*") filed Comments in the above-captioned docket that set forth Entercom's views on several matters, including the view that the Commission should limit its review of local radio ownership to the numerical caps contained in the text of Section 202(b), and leave the analysis of economic markets to DoJ and FTC. In addition, Entercom stated that the Commission should not implement a transaction screen process, such as the 50/70 transaction screen in the Commission's interim policy.

However, Entercom also indicated in its initial Comments that if the Commission determines that it must expand its analysis beyond Section 202(b) and engage in analysis of economic markets, then any transaction screen adopted to facilitate that analysis should be a single threshold value for the market participant proposing to acquire stations in the transaction rather than the dual threshold of the current interim policy. A second threshold does nothing but allow a dominant market player to entrench its position in the market by raising a regulatory barrier to lesser market participants who wish to improve their competitive position by

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acquisition or joint venture. The Commission's recent "flagging" of a transaction pursuant to the current interim 50/70 transaction screen policy clearly demonstrates this point.

The Commission recently "flagged" an application requesting consent to transfer control of an existing three-station combination in the Mason City, IA Arbitron market.¹ According to BIA figures, this existing combination garnered 33% of the 2001 estimated radio advertising revenue in the Mason City market, while a separate six-station combination in the same market collected 64% of the 2001 estimated revenue.² The Commission's flagging of an application proposing to transfer an existing station group with well below 50% of the market advertising revenue share works at cross-purposes with the Commission's stated goal to encourage competition. This flagging action imposes regulatory burdens on the lesser market participant, who may be seeking to recapitalize his business to better compete or to sell his business to a company with a new competitive plan, to the clear benefit of the dominant market participant and does nothing but deter parties from pursuing pro-competitive transactions. Moreover, the Commission's action in this case works a fundamental unfairness on the lesser market participant, who must suffer increased uncertainty, transaction costs and regulatory delay solely because the company is located in a market with a competitor that has a 64% market revenue share.

In sum, the Commission's flagging of this transaction provides current and clear support for the position that Entercom articulated in its comments in this proceeding: if the Commission determines (Entercom believes incorrectly) that the Commission must implement a "flagging" or other transaction screen policy, the Commission should do so with a single

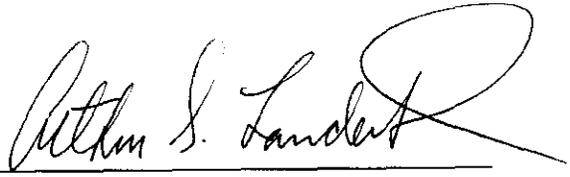
¹ See Broadcast Applications, Report No. 25211, April 11, 2002, at p. 18 (BTC-20020322ABR).

² BIA Media Access Pro (4/16/02 update).

value/single party threshold that does not inhibit lesser competitors in a market from mounting a more effective competitive challenge to the dominant market participant.

Respectfully submitted,

ENTERCOM COMMUNICATIONS CORP.

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