EX PARTE OR LATE FILED

From: jfalcon10
To: Mike Powell
Date: 1/23/039:58PM
Subject: An Uniformed Public Is A Quiet Public.

Dear Mr. Powell

I am writing to inform you that I am very displeased by the proposal your agency has made to regulate media in such a way that only information that has been approved by a handful of corporations will be released to the public.

Countless American lives have been given to keep the dream of democracy alive, and it sickens me to think that you disregard this and attempt to keep the American public from being informed of the news it is entitled to. Your proposal offers economic boost to a handful of corporations concerned about making profits, and not at all concerned with the general welfare. The fact that a policy such as yours is even suggested in a democratic nation is a disgrace to America.

Perhaps even more upsetting is that you have not publicly announced your proposal on a scale of any size. in attempt to slide in your regulations without consent of the American people (the ones affected by it) I stay very informed of politics, and information on your proposal was certainly not found as a result of your companies efforts. Accepting opposing views for one month only embraces your acts of cowardice.

The fact that you are trying to take away the public's right to knowledge of issues that concern them is disgusting. I do however give you my congratulations on one thing; if you can sleep at night, you have more ambition to contradict the American dream then I have ever had to do anything.

Sincerely Yours,

Jorgan Krug
108 Locust St
Pittsburgh, PA 15223

From: Gbclock@aol.com
To: Mike Powell
Date: 1/25/03 5:49PM
Subject: Restated Letter

RECEIVED

FEB 2 8 2003

Federal Communications Commission
Office of the Secretary

Michael K. Powell

Chairman

Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Mr. Powell:

I am writing to tell you of my opposition to the proposed changes by your agency to the current Media Ownership Rules.

How in the world would I and the people of America be considered even free if our news is controlled by ugly corporations that care nothing about us and profit from pornography, death, and scamming? America should know of everything that goes on around the world, truth is one of the strong foundations that hold **us** together and I WILL NOT be lied to or held back from anything by the media and the good people of America will not **let** this happen, we will do whatever we can whether it be boycotting all controlling coorporations or full scale rebellion riots. WE THE PEOPLE MADE THIS COUNTRY AND WE WILL DO ANYTHING TO DEFEND THIS COUNTRY'S MORALS.

Sincerely yours,

Jeff Deane Jr.

645 Villa Rd. J

Springfield, Ohio USA 45503

02-277

From: Mark Coats
To: Mike Powell
Date: 1/26/03 4:48PM
Subject: Halt anti-democratic concentration of media

RECEIVED

FEB 28 2003

Federal Communications Commission
Office of the Secretary

Dear Chairman Powell,

I implore you to reverse the dangerous slide toward an American media industry dominated by fewer and fewer owners. This is undemocratic and squeezes news, views, and reporting into a narrow box that is defined as palpable to corporate interest and profits.

Our very democracy is at stake. When polls show an alarmingly uninformed public it is time to question the course we're on.

There should be more owners in each media market, not fewer.

The fair equal time rules should be brought back.

Remember the airwaves belong to the people and the media who rent them should serve the public interest, not simply amass empires and power that by their incredible size and strength are an anathema to our public interest.

Thank you.

Sincerely,

Mark Coats
6303 Weeks Cove
Austin, TX 78727

( ) -7

From: evyn mellichamp
To: Mike Powell
Date: 1/26/03 5:29PM
Subject: What is good for democracy?

Michael K. Powell

Chairman

Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

RECEIVED

FEB 2 8 2003

Federal Communications Commission
Office of the Secretary

Dear Mr. Powell:

I am writing to tell you of my opposition to the proposed changes by your agency to the current Media Ownership Rules.

Further concentration of media ownership does not serve our democratic society based upon democratic principles, but instead undermines it. Following World War II, our government placed restrictions upon news media outlet ownership because of how totalitarian regimes used controlled media concentrated in the hands of a few corporations and government agencies to control their people and move the world towards war. The proposed changes to the current Media Ownership Rules completely undermines this principle that so many Americans have fought to defend from our countrys birth to the present.

Furthermore, the series of reports released by the FCC about the current media marketplace are focused almost entirely on the economic impact of relaxing the ownership rules. They ignore the public's interest in a diverse and independent press. You have also scheduled only one public hearing regarding this issue. The FCC has barely publicized the proposed changes, and combined with a very short public comment period I can only surmise that you hope to sneak these changes past the American people. I certainly didnt find out about them as a result of anything that was done by your agency.

You should be ashamed that an agency under your leadership is not using what is in the best interests of the American public as its guiding principle, but instead is thinking of what is most profitable for a few huge corporations who only care about the bottom line, not about what is good for democracy.

Sincerely yours,

Evyn Mellicharnp
Principia College #750
1 Maybeck Place
Elsah. IL 62028

RECEIVED

FEE 2 8 2003

Federal Communications Commission
Office of the Secretary

02-277

From: Bruce Maiman
To: Mike Powell
Date: 1/27/03 5 **57AM**
Subject: Regarding radio, Clear Channel and the Telecom Act

RECEIVED
FEB 2 8 2003
Federal Communications Commission
Office of the Secretary

Mr. Powell:

Hello, and thank you for taking the time to read this. It is a long e-mail. Maligned though our politicians may be, and in particular, Congress, I have the highest respect for your intentions and efforts, whether I agree with them or not. Hmmm... okay, sometimes I wonder about that pay raise thing (I'm kidding).

I am a humble working class chap who toils away in the radio industry, and I'm writing to address my concerns about the state of this industry and its potential fate. And while I am not in television or print, I suspect some of what I write you today may apply to those to mediums.

I'm sure by now you are aware, or have begun to become aware, of the protests and complaints about what has happened to radio. It is, in short not good. Of course, that depends on your perspective.

I hope you'll forgive me for singling out Mark Mays of Clear Channel, but as he will be addressing the Commerce Committee this week, I thought that appropriate. However, my points can easily apply to the operations and philosophies of other media giants.

Mr Mays will tell you that Clear Channel has made great strides in improving the radio medium. He'll claim that programming is diverse, live and local, that the broadcast product is better than ever, and that their efforts have resulted in greater value for both advertiser and listener, and that he has the Arbitron ratings to prove it. These are all half-truths at best.

I must tell you that I write this e-mail knowing there is a very real possibility I could suffer repercussions that would impact my professional career. There are vindictive people in this world and I put nothing past those whose ambition for power and money supercede the concepts of morality, fairness and just plain old being a decent human being. But I press forward nonetheless.

Clear Channel's business model focuses on cutting costs by eliminating local programming and using satellite feeds to replace local announcers, busting its unions, and undercutting its competition through massive advertising deals.

Consolidation has essentially "dumbed down" radio, figuratively, not literally. The lack of diverse ownership has decreased competition and established new paradigms for what passes as good radio. It can happen anywhere that a company owns a cluster of radio properties in a marketplace, and most large companies like Clear Channel own multiple stations in a market. Once this happens, a cluster strategy takes over and whether the company has hegemony in the market or not, competition and quality are oflen sacrificed for profit. I don't begrudge anyone or any company trying to make a profit, but that is a discussion point for later in this letter.

Take for instance, the San Francisco Bay Area, where I live. Here, the market is dominated by two companies: Clear Channel and Infinity. In San Jose, Clear Channel owns two rock stations --the only two "male appeal" stations of consequence in the market. The marketing strategy here --the cluster strategy-- is for one station to target younger males, the other to target older. That makes perfect sense and I can completely appreciate the business goals behind such a strategy.

But here's the problem. Both could be great radio stations, the kind that listeners are passionate about, that are in demand with advertisers, that everyone is talking about. They are not. They don't have to be Why? Because they're under one ownership. Indeed, the potential for exactly this sort *of* competitive environment I'm describing existed between these two stations. One of them, KSJO, had a long-time morning show that was popular because *of* its history but vulnerable because of what had become its

predictability. If there was a station in the market that could go after it, that would have been KUFX, but KUFX was also owned by Clear Channel. Instead of hiring a dynamic morning show to challenged KSJO. they hired an announcer with no radio experience who happened to have a popular rock hit back in the 80s. He was cheap and affordable, and more to the point, he was no threat to KSJO's morning show.

In the days before the T-Comm Act, if these two stations were run by two different owners they could go after one another, compete heartily against one another, deliver the best possible product on the air and may the best man win. But that would cost money. If you own both stations, you can control the quality of the product, allowing one station *to* flourish while the other gets a smaller budget, hires less talented people, puts out a less dynamic product. Indeed, neither station has to flourish. After all, if your competition is weaker, you don't have to be as strong, and that results in YOU putting out a less dynamic product. You can afford to spend less because you're not competing against anyone. Suddenly, mediocrity becomes an acceptable performance level and the attitude, "that's good enough" permeates the culture. Why spend top dollar when "this" will be good enough? Does a cluster strategy like this truly result in greater value to advertisers and listeners? Imagine if the NFL were run like this?

To be fair to Clear Channel, they DO happen to own an outstanding properly in the Bay Area, a radio station considered a benchmark in the industry, respected at virtually every level for its quality, but this was not something they created. They acquired it during the frenzied buying period after the T-Comm bill was passed, and they have merely been responsible for maintaining it, or to put more cynically, not fixing something that wasn't broke.

But the consolidation of the radio business in the hands of a very few, powerful corporate owners has devastated the quality of commercial radio. Every year, radio programming is produced with smaller and smaller budgets by fewer and fewer people with more and more smoke and mirrors. We get cookie-cutter music formats. overuse of syndication, tighter, more repetitive playlists filled with inferior songs, a single programming staff operating a cluster of stations and commercial breaks that never seem to end.

Dirty Tactics
Artists

Clear Channel "only" owns over 12-hundred radio stations, a measly 11 percent of the 11,000 commercial radio stations in the country But in this industry, 11 percent **is** hegemony, especially when you own stations in 248 of the top 250 markets. Add to this, the country's biggest concert and entertainment promotions firm, 36 TV stations, over 750,000 billboards on numerous highways and more than 350 U.S. shopping malls (where 80% of shoppers make purchase decisions). and you're talking about a radio group that has tremendous power.

They're not afraid to use it, either. Ruthlessly. If you're a music artist ready to promote your upcoming concert tour, you better **use** Clear Channel's promotional arm, SFX Entertainment. If you use a different promoter, there's the fear that the artist's music will suddenly get no airplay on Clear Channel stations. Since touring acts are either pop music or rock, that becomes a very real threat because Clear Channel owns the largest share of pop music stations coast-to-coast (called CHR or Top-40), and they own about 60% of the rock stations. Clear Channel has outright owned recent tours by artists such as Janet Jackson, Aerosmith, Pearl Jam. Madonna and N'Sync. When it comes to buying concert tickets, this isn't like going to a different grocery store than your usual one because they have a sale price on chicken. You don't have that choice. Clear Channel promotes concerts that bring 70% of all concert ticket revenues in the United States. They control prices of those tickets and regularly charge $3 to $4 a ticket on top of the face value price for the privilege of walking into their venue.

But imagine if you're Britney Spears and you don't hire Clear Channel's promotional arm for your concert tour. Strangely, Britney's new single stops getting airplay on Clear Channel stations, and the record dies. Granted, it wasn't a great single but she wasn't the only person to whom this has happened. Talk with Rep. Howard Berman (D-Mission Hills) about this and how he asked the Justice Department and the FCC to look into exactly such allegations.

Take it one step smaller, on a more local level instead of a national tour. One thing CHR stations like to do is put on their own local concerts --one-time shows with several artists at a local venue. But it's happened on more than one occasion where a station not owned by Clear Channel couldn't get an act for their show because the act was threatened with, "If you do a show for the competition, we'll pull your new single off all our West Coast radio stations " Now if you're a young and coming artist who has potential but needs exposure, what are you supposed to do? You decline to do a show for the competing radio station. Result: A Clear Channel property wins by using extortion and blackmail. Clear Channel will deny this but they have that kind of power, and I've seen them use it.

Clear Channel likes to tout the benefits of synergy, of cross-promotion --using one asset to benefit another. Yet critics say Clear Channel's idea of synergy essentially means it hoards radio programming, concert tickets, access to stars and concert advertising dollars for itself. Don't believe it? Wait till a concert tour promoted by Clear Channel comes to town and see how many tickets the competing radio station gets, or how much ad revenue they get, or whether the music act even visits the station. Clear Channel will say they don't do this. They do. They absolutely do.

Indies

Not long ago there was a behind-the-scenes radio shakeup in the world of independent record promoters and a radio industry publication called Radio & Records (R&R). The industry keeps track of what new records are being played on various radio stations around the country. Radio programmers nationwide use that information to monitor trends and find out what new music working at other stations might work for theirs --it's an invaluable tool and big reason for R&R's standing as the Bible of the radio and records industry.

Every week, stations in the top 200 U.S. markets reported the new singles to R&R that they'd added to their playlists. R8R then used that data to compile its all-important radio airplay charts. But a little over a year ago, the list was cut from 200 markets to 140. Now, only station playlists from the top 140 markets would be accepted for the main airplay charts

There's a cute economic model that exists between record companies and radio stations, and they're called independent promoters, or "indies." for short. Indies are like lobbyists working on behalf of record companies --they work to get a record company's song played on the radio, and are well paid by record companies to do that. The indies. in turn, pay radio stations to add records to the station's playlist. Is this pay-for-play? Payola? Of course it is, but it's a loophole radio stations and corporations take full advantage of, If record companies paid directly for the airplay and stations didn't notify listeners, both would be in violation of payola laws. It's a whole other topic, a thorny one to say the least, and one the merits the attention of Congressional committee and legal revision. But there's a point here that needs to be made, so follow me on my current train of thought.

So... indies, as the legal "go-between,' make an exclusive deal with the radio station and pass along record money to the station in exchange for airplay. It's often a considerable amount, especially for a small-market station. The station then uses the money for marketing purposes. In the radio biz, it's known as NTR,, "non-traditional revenue." It adds up to tens of millions of dollars towards a radio station's bottom line, and the way it's structured now, indie money doesn't go to radio stations anymore, it goes directly to corporate.

Now, radio stations that report to R&R are valuable to an indie because a station with reporting status can impact R&R's weekly chart activity. But without reporting status a station's playlist is worthless. If stations can no longer impact R&R's weekly chart activity. suddenly record labels don't care which songs the stations are playing. Suddenly, stations lose industry prestige (because you're no longer a reporter), and even worse they lose promotional money. If record labels don't care which songs a non-reporting station is playing, won't pay to add new songs. The stations lose marketing money; the indie loses personal income.

So why did R8R cut reporting status from 200 stations down to 140? Maybe it depends on which stations

were cut from the list, which stations ended up losing millions in non-traditional revenue. Some say it was Clear Channel using strong arm tactics. Even though it owns the largest share of Top 40 stations coast to coast, only seven Clear Channel stations lost their R8R reporting status. Just seven. What's more, since fewer stations now make up RBR's reporting panel, the remaining players instantly become more valuable. Instead of targeting 200 stations, record labels now have to focus their attention on those in the top 140 markets. Of the remaining Top 40 stations in those 140 markets, guess how many Clear Channel owns? Approximately 60. They may say the "only" own 10 percent of the radio stations in this country, but 60 stations in 140 markets is not 10 percent. And at the same time, they've cut off revenue to competitors with hardly a sacrifice to their own bottom line. They lost seven stations to reporting status; competitors lost more.

But that's not all, and this is where it gets hardball. RBR is able to accurately tell what reporting stations are playing by using an electronic verification system called Mediabase. Before Mediabase, radio stations could lie about their playlists; now they can't. Without Mediabase, R&R's airplay charts would lack any real authority, and without meaningful charts. record companies would stop advertising in RBR. Guess who owns Mediabase? Clear Channel. If they decided to move Mediabase to another radio trade magazine (and Clear Channel owns seven of those publications), RBR's future would be in jeopardy. This is what happens when one entity has too much power and there are no checks and balances.

Clear Channel will deny that it forced RBR to trim its reporting list. R&R denies it. Are you kidding? If they admitted it, what sort of fallout would result? Of course they deny it. R&R says it has a long-term contract with Mediabase and claims it was never in danger of losing the monitoring service. Perhaps, but one day that contract will expire and if RBR doesn't play ball, what do you suppose Clear Channel will **do** down the line? **It's** widely perceived in the industry that RBR had to do what Clear Channel told them to do

By the way, as a sidebar, Clear Channel likes to blame indielpayola loophole on record companies --"an aberration," they call it. Clear Channel has been accused of being the most aggressive of the radio corporations in pumping up indie prices since pay-for-play has meant tens of millions of dollars each year to the corporate bottom line. As one record executive has said, "Clear Channel would have a heart attack if labels stopped paying indies. For them, it's an alternative source of income." In fact, until recently the upfront money indies paid out went to local stations to help defray promotional costs. Today, in the case of Clear Channel, those indie payments go directly to corporate headquarters, not the individual stations. Would Clear Channel simply go along if the labels decided to cut off those multimillion-dollar payments?

Probably not If anything, Clear Channel was instrumental in driving up the cost of radio promotion in 2001, when the company used its clout to sign exclusive deals with eight nationwide indies. All Clear Channel station managers were told not to renew any indie contracts. Once all the contracts were up. the major indies had to bid for the stations. They offered multimillion-dollar contracts, which had to be paid upfront to Clear Channel, Then in order to make a profit for themselves, the indies had to turn around and charge the labels extraordinary fees for playlist adds. The record labels were not happy. but with all the stations Clear Channel owns, what choice did they have?

Monopolies and Legalities:

Clear Channel **is** currently facing antitrust lawsuits from a wide range of plaintiffs around the country, including an Illinois concert goer concerned with soaring ticket prices and the nation's largest Latino-owned radio company. Last summer a small Denver-area concert promoter, called Nobody in Particular Presents, sued the media giant for antitrust violations, claiming that **it** "has **used its size** and clout to coerce artists... to use Clear Channel to promote their concerts or else risk losing airplay." In other words, it's a double-edged sword: they only promote concerts they have a financial interest in, and their stations don't promote artists who refuse to use their entertainment division for their concert tour. In short, Clear Channel refuses to play an artist's music on its radio stations unless the artist books a concert with Clear Channel. "Play for our concert promoter or you won't get airplay."

Clear Channel says, "Hey, this is the way the industry is changed now. We're just better business people than you are. Sorry small concert promotion firm. You're time is over." But a judge agreed to hear the case, and ruled that the evidence is "sufficient to make a case of monopolization and attempted monopolization under Section 2 of the Sherman Act." As a result, the halo of silence surrounding the company's anti-competitive practices may finally be shattered. Plaintiffs lawyers will be able to compel music industry insiders to testify regarding the often-repeated, off-the-record allegations that Clear Channel's radio stations have illegally rewarded or punished artists based on their dealings with the company's concert division.

Clear Channel officials deny the charges in the concert promoter's suit but they declined our interview requests. Instead, they send out a statement to the effect: "Clear Channel's sheer size isn't what makes us a formidable competitor. It's our excellence in understanding the needs and wants of consumers. In order to do so, we compete hard but fairly and within the rules." But without shame?

Despite a clear-cut pattern of promoting consolidation, the DOJ and the FCC are finally showing a spark of interest in holding Clear Channel accountable. While the DOJ is spearheading its own investigation of Clear Channel (see Howard Berman). the FCC has been mostly dragging its heels, but there are exceptions, including:
1) After receiving numerous similar complaints from across the country the FCC has announced it is investigating the claims by an advertiser in Chillicothe, OH, that Clear Channel is circumventing existing ownership limits by operating stations through shell companies in a practice known as "parking" or "warehousing" stations. Clear Channel had sold off stations to front companies that allow Clear Channel to continue operating the properties while also providing an easy way to buy back the stations, should the FCC slacken ownership limits in the future.
2) In Charlottesville, VA, the FCC has preliminarily denied a station transfer to Clear Channel and has scheduled a formal hearing to examine the situation. Big deal? Yes, because the FCC has not taken such an action since 1969--which, more than anything else, speaks to the FCC's lack of policy enforcement over the last thirty years and is one of the reasons why we have arrived at the current situation.
3) In Monterey, CA the FCC has held up another Clear Channel transfer request at the urging of Congressman Sam Farr (D-Calif.).

Clear Channel will argue that if operates within the limit of the law. The law has loopholes through which ethics and integrity are oflen sacrificed, My father always used to say, "Do the right thing." He was a Depression Era kid and a WWII vet. That great generation of Americans immediately understands what is meant when you say, "Do the right thing." I like to think most of us do, but some just don't care. Sometimes scrutiny has to be exercised beyond the letter of the law. The law isn't always perfect and can sometimes be exploited. It's important for a community of consumers and businesses to know that even if a company follows the letter of the law, they're just not doing the right thing.

There's an old saying in radio: "It's easier to get forgiveness than get permission." It's the feeling Of many that Clear Channel operates in whatever unscrupulous manner that they can for as long as they can until someone calls them on it and they have to do right by the consumer. Until then, they only do what's right for themselves.

Shell Game Specifics

In Waco, TX, Clear Channel's been accused of effectively controlling more stations than Federal law allows.

Gary Moss is an independent owner of two of the 13 commercial radio stations in Waco; Clear Channel owns the top four. Earlier this year, Moss filed a petition with the FCC alleging that Clear Channel illegally runs a fifth station in violation of federal antitrust rules. Two years ago the Justice Department ordered Clear Channel to sell off that fiflh station because the company controlled too much of the market. In his petition Moss alleged that while on paper Clear Channel sold the station to a firm called Chase Radio, in reality nothing changed: He says the station's still in this building, along with the other four Clear Channel properties and that it's still run by Clear Channel.

Moss claims that Chase Radio, as well as some other corporations, were put together to get Clear

Channel obvious penetration in markets, and fly under the radar of the Justice Department. This was a tactic to get around the laws so that they can control markets.

How does Clear Channel capitalize on a situation like this? They can now tell advertisers, "Look, we've got a 65 share of the market, or 70 or 80. You don't have to spend ad dollars anywhere **else,** just with us."

What they don't tell you is that controlling too many stations would enable you to drive up advertising rates

It has a ripple effect on the listener in another way: their access to local news and public affairs. **Moss** says that ever since Clear Channel came into **the** market everybody's staffs have dwindled down. Today, Moss can no longer can support a news staff, send someone on the street to cover City Council meetings, school board meetings, election returns. Nor does Clear Channel.

In August *of* 2001, Clear Channel trumpeted the sale *of* 40 of its stations to minority owners. FCC Chairman William Kennard called it "the most significant one-time increase in minority ownership in history" But two weeks later, Clear Channel quietly bought back the rights to at least six *of* the stations' ad revenues, and in essence, a good deal of control of the supposedly minority-run stations. One of those stations is in the San Francisco Bay Area: KFJO in Walnut Creek. While supposedly owned by Chase Radio, an African-American-owned business, it is simply rebroadcasting one of Clear Channel's San Jose stations, KSJO.

FCC regulations allow stations to share sales staffs, but programming is supposed to be separate --or the station should be counted as being owned by the station producing the programming. The regulations require that if more than 15% of the station's content is programmed by Clear Channel, then it counts as a Clear Channel station, putting the company over its limit of five San Francisco FM stations.

Calls to KFJO's Walnut Creek office are forwarded to KSJO's switchboard. Trying to get on KFJO's Web site lands you at KSJO's. Clear Channel says they are " operating within all regulatory guidelines." and that " operations in San Jose have been scrutinized and approved by the FCC."

The goal of diversity appears to be just talk, although corporate Clear Channel officials say they are within the law. But the FCC, which approved the sales, has done no follow-up and did not know that Clear Channel had bought back the ad revenue rights or **is** simulcasting KSJO-FM on Walnut Creeks KFJO.

Contesting

Two years ago, Florida's attorney general accused a Clear Channel station *of* deceiving the public during an on-air contest. The DJ would shout, "Be the 25th caller right now and win an instant 10 grand!" But it wasn't as easy as listeners may have thought. The station never mentioned that the contest was running nationwide.

DJs across the country were telling listeners to be the 25th caller and win 10 grand, but all they heard was their station in their town doing a contest. They had no way of knowing that their odds *of* winning were a whole lot smaller because they were competing against a much larger, nationwide audience.

Clear Channel didn't admit to any wrongdoing **but** it settled the matter by contributing $80,000 to Florida's Consumer Frauds Trust Fund. Now, when they give away cash --it's a million dollars these days– they have to say "be the 25th nationwide caller." I have no doubt that Clear Channel would have continued contesting under false pretenses had they not been legally challenged.

Premiere Radio Networks:

Clear Channel owns Premiere Radio Networks, which syndicates popular talk shows like those of Rush Limbaugh and Laura Schlessinger to hundreds of stations across the country. In 2001, Clear Channel sent out letters to non-Clear Channel stations that used Premiere features, informing them that their popular talk shows including Limbaugh's and Schlessinger's, would be yanked off their airwaves and moved immediately to Clear Channel competitors across town.

These are stations that aired such programming for years --5 or 10 years *of* Rush on the same radio stations. Millions spent to promote it, great success for radio stations that had the product. And now, gone, and given to the competitor, a station owned by Clear Channel. Stations didn't even have a chance to bid for the product. It was just taken away in what people described as Clear Channel trying to squeeze out everyone else.

It's worth pointing out that there are other syndicated shows owned by large radio companies as well,

but have yet to use such crude, bullying tactics.

The Gavin:

Once upon a time there was a highly respected trade publication called Gavin. For years, radio programmers would attend Gavin's influential annual seminar, often known as "The Gavin." It was a great place to network, get ideas, learn new things and perhaps either get a new job or find someone looking for work.

Clear Channel's famous penchant for saving money led it to put out an official edict that it was no longer going to pay for travel expenses for employees to attend The Gavin. It was suspected that this would prevent Clear Channel employees from looking for other jobs and/or appearing as session panelists and perhaps spilling company secrets. If staff wanted to go, they had to take personal vacation time to do it.

Radio programmers also used to be able to get their seminar registrations paid for by indie promoters, but now, as Clear Channel properties, stations no longer had access to that money since it was all flowing directly into Clear Channel's San Antonio headquarters.

All this added up to a lot of barriers. Where normally Gavin would have seen 200 Clear Channel employees at the event, in 2001 the conference drew about two dozen. Eventually Gavin lost even more customers from record labels who wanted access to Clear Channel programmers. And some of the Clear Channel employees who did show up were looking over their shoulders. The story goes that one editor yelled at another editor when she saw that a picture of one of her Clear Channel contacts had made its way onto a proof page of the magazine's seminar recap issue. "You can't run that!" she said in a panic. "She can't be at the seminar. *Do* you understand? She wasn't there. And she'll kill me if that pic runs." One Clear Channel Top 40 programmer accepted his Gavin Award plaque at the banquet podium with a dinner napkin over his face.

For Clear Channel, there was at least one possible business motive beyond simple cost-cutting for keeping its programmers from going to the Gavin seminar. When Clear Channel bought concert promoter and venue operator **SFX** Entertainment, it was also buying trade magazines, a couple of which competed with Gavin for record label ad dollars (Burbank-based Network and Totally Adult). Because of Clear Channel tactics, Gavin's subscription based dropped, ad dollars dried up and the magazine is now defunct. In the larger scheme of things, however, Gavin was just another blip on the screen.

Cookie Cutters and Cutting Costs:

There was a time when every radio station had its own air staff and its own program director. No more. Today, in a deregulated world, instead of one owner per station, it's **4,** 5 or even 8 stations per owner. And if you own 8 stations in one town, why have eight programmers when perhaps three will do. I understand this. It's a business model and a way to save money. What company doesn't have the right to save money? Clear Channel, in its zeal to cut costs, has done so to great degree but at a price. For them, it's about quantity. not quality.

Many of radio's program directors, music directors, promotions directors and on-air talent have been handed their headphones and shown the door in the last six years --according to estimates, 12,000 radio-related jobs lost in total. With fewer people to do more work, the quality has suffered. Programmers must now program a cluster of stations --2, 3 or **4** at a time. It's an arduous task. Add to that, handling an air staff, a promotions staff, and perhaps doing an air shift themselves, they are burning the candle at both ends. By consolidating job functions, five stations can now run as cheaply as one. It's no wonder the cookie-cutter formats have sprouted like mushrooms.

Clear Channel shouts the loudest about radio diversity. They like to say they're providing better and more diverse programming. Really? In your town, do you have a "Mix" or a "Kiss" on the radio dial? Those are prefab formats: efficient, cost-effective, thought-free options for the overworked cluster program director. To save more time, rather than hire new talent, a station or two might eliminate its air staff entirely, choosing instead to voice-track air shifts under the moniker of "Kiss" or "Mix" --the same songs, the same DJs, and the same presentation when you tune in to KISS-FM. Such branding and consolidation is clearly counter to the FCC's mandate of encouraging media diversity.

Heard of voice tracking? Using a digital network, air talent in one part of the country can send his voice to

any station anywhere in the country --a series of taped moments, from phone calls to song intros, that are pieced together to sound as if the DJ is right there in your town. Clear Channel touts this as a technique that delivers big-city talent to small markets that couldn't otherwise afford it. That isn't their motivation at all. For them it's a way to save millions of dollars.

An air talent in a small market doesn't make much --let's say $20,000. Clear Channel will pay a DJ elsewhere in the country $20 a shift to voice track it. If that's just five days a week at $20 a pop, that's about five grand a year to track a shift That's $15.000 in savings every time a job is eliminated and a local DJ is replaced by voice tracking. How many times is this being done? More to the point, $15,000 multiplied by how many is how much in savings?

Big city programming? Not always and not hardly. It takes a DJ about 20 minutes to track a 4 or 5-hour shift and sometimes they're doing several shifts for several stations. Trust me when I tell you this: the effort they put into 20 minutes of laying down their voice is not nearly the effort they'd give on their own station in their own town. They're not motivated. The attitude is, "the hell with Clear Channel, they're not paying me a lot to do this, and they suck anyway, so I'll just rush these voice tracks, take the extra cash and that'll be good enough." In other words, it's not great local radio, it's not even big city talent; it's imported. and it's "just good enough." Clear Channel doesn't care because they're saving a ton of money. For the local programmer, it's a trade off because there's fewer air staff to he has to spent time managing and that's more time he can spend programming one of those four radio stations.

People describe this phenomenon "the McDonaldization of radio." Along with voice tracking, many claim such tactics are eroding what radio insiders would call "localness." One Clear Channel manager has said, "Our Kiss brand is like McDonald's. When you see the Kiss ball logo, there's no mistaking what you're going to get. It's a Top 40 product, but they're all localized inside." In theory, maybe, but that's not what they tell listeners. They actively deceive the public by leading them to believe their content is created locally. Why don't they tell you that the jock your listening to is broadcasting from 2,000 miles away, that it's not local but made to sound local? If they're *so* proud to bring a "big city talent" to a small market station, why don't they just tell listeners that? I know of radio station web sites where the bio of a voice-tracked talent refers to his life as if he grew up in that town, graduated at the local high school, and formerly worked at the town factory before making it big in radio. The fact is, they never grew up anywhere near that town, never visited and never will. Why are listeners being lied to?

Voice tracking destroys the critical benefits of radio as a local and live medium. Perhaps you're aware of several instances in which sudden weather disasters occur but the Clear Channel station is unable to react because there's no one live in the building. Imagine the egg on your face when you hear the jock say it's a beautiful day outside and it's raining. Is that the sort of credibility you want in your radio station?

Clear Channel has no formal news department. The company buys news reports from other sources, such as CNN Radio, producing none of its own. Thus, when the Pentagon was attacked on Sept. 11, the stations didn't have the personnel to cover the emergency in their own back yard. They had to resort to simulcasting the audio portion from WRC-TV, with whom Clear Channel has a business relationship.

All this leads to a common criticism of Clear Channel: that the company has methodically bled its stations of any kind of distinctive personality, that in the drive to hold down expenses the stations are losing their local identity. A Clear Channel station in Boston sounds exactly like one on Madison, WI. It's a cheaper way of doing business.

I heard one Clear Channel executive say, "If hamburger restaurants could only be in 10 markets, how different would that business be?" It was as if to say, Clear Channel's homogenization of radio is justified because it follows the McDonald's business model. But there's a difference. McDonald's needs the same number of employees at every one of its restaurants. Clear Channel radio stations don't. McDonald's can't "voice track" counter help from Cleveland to Fresno. Local restaurants must still serve local clientele, something radio is doing less and less, particularly at Clear Channel stations.

Clear Channel may argue that voice tracking allows them to deliver a better product by providing better air talent to regions that can't afford it. but I disagree. I say it's about money. Clear Channel either can't afford or isn't willing to pay for local talent where it doesn't have to. To them, voice tracking is a means to dramatically reduce overhead and provide what APPEARS to be "live" programming. And even if the quality suffers, the CEO doesn't care. He'll settle for less if it saves him more.

There's an additional victim in all this. tutelage. Until the passage of the T-Comm act, radio was always a

place for coaching and teaching. where young, aspiring DJs could work a shifl like overnights and improve through trial and error and the guidance of supervisors. There are fewer opportunities for trial and error because now, those shifts are voice tracked. There's less teaching because supervisors. namely, radio program directors, no longer have the time to spend with air talent going through their on-air work; they're too busy programming 3 4 stations and doing 3 4 jobs where before, he only had one. That's a long-range problem that has yet to manifest its results, but as a former college professor, I value the importance of teaching and fear, like many. that future broadcasters will continue to get worse and worse as they come up through the ranks with less guidance and less experience. And they, in turn, will have less knowledge to pass along to the employees they may one day supervise --a continually downward cycle.

Clear Channel cost-cutting has also decreased the pay scale. Stations that can't afford to compete with Clear Channel and salaries are ridiculously low. You now have twice as many people looking for half as many jobs, and, by simple supply and demand, many of them will take less pay to get work and as a result, salaries are so low, you can't live off them. But the thinking is that there's always someone that will take the job, and if all else fails, what do you do? You get voice tracking. Nice little circle, huh? If broadcasters had a radio union with real clout --real clout-- they'd never stand for such tactics. But unions don't benefit most in radio and when they do, it's only in the largest of markets. It's unfortunate there's no one to speak on behalf of the radio worker.

Think about how that employment reality has effected management. I know managers who are afraid to make any changes that have the slightest risk, for fear that if the idea fails, they'll be fired and be unable to find another job. They work at stations that need help, that need changes, and they're afraid because the current climate has created a stagnant environment, a management policy based on "What if?" rather than "Why not?" How can growth and creativity thrive when the primary motivation is fear?

Without doubt, Clear Channel is the poster child for media deregulation, and it has given no indication that it intends to do anything but fully exploit this market power, even if that means fudging regulations and laws. That Clear Channel is probably one of the most arrogant and flagrant abusers doesn't mean that the same tactics aren't being used to full advantage by other companies, though they smartly keep it less obvious. Or maybe they don't do as much.

Regardless, such amassed power in any industry segment does nothing but invite abuse and will only get worse if not checked or reversed. I put it to you that the freedom deregulation provides requires those who benefit to be responsible, and if not, they must be held accountable. When there's less regulation. the onus is on companies to be self-regulating.

In theory, the Telecom Act was supposed to allow scores of aggressive radio companies to acquire a couple of hundred stations each and cash in on efficiencies of scale. And that did happen within months of the act's signing, but it didn't stop there. Spurred on by a flood of Wall Street investment money, a handful of conglomerates simply kept acquiring until they had essentially carved up the dial.

When Congress deregulated the radio business, I'm sure they didn't have this in mind. "Some of the mega-mergers took my breath away," says Susan Ness, who was an FCC commissioner through the mid- to late-90s. "You have a situation today where two companies basically control the major markets."

Those two companies --Clear Channel and Viacom's Infinity Broadcasting– together control one-third of all radio advertising revenue; in some individual markets their stations command nearly 90 percent of the ad dollars.

Even in light of the depressed market for radio stations in the early '90s, was the removal of all ownership caps warranted? Surely a more measured raising of caps could have strengthened the economic health of radio without giving control of the entire medium to the highest bidder.

"It's been fabulous for shareholders, but terrible for listeners and employees," says a former broadcast group chief. "I wanted to see radio deregulation. But I think Telecom has done a disservice to what was once a great business."

What we have isn't deregulation; it's deregulation on steroids. Like the bodybuilder injecting himself with harmful drugs to get obscenely more muscular, follow the greed. Follow the trail when the response to questionable tactics is, "Everything we do is done within the letter of the law." That tells me that what they're really saying is, "Yeah, we know it's not ethical, but it's legal, *so* too bad."

These companies, especially Clear Channel, have no respect for their listeners --how could they when they auction our ears off to the highest bidders? It's time to return the favor. Don't do what's legal: do

what's right and make THAT legal. I think you know the difference

For additional reference, I strongly encourage you to scan these web sites:
http://directory.google.com/Top/Society/Issues/Business/Allegedly_Unethical_Firms/Clear_Channel_Communications/
"Radio Killed the Radio Star," by Eric Boehlert. http://salon.com/tech/feature/2002/1O/Ol/nab/index.html
"Clear Channel: an Empire Built on Deregulation." LA Times.
http://www calendarlive.com/top/1,1419,L-LATimes-Search-X!ArticleDetail-52085,00.html

Bruce Maiman
Santa Cruz. CA

From: Darlene Downing
To: Mike Powell
Date: 1/29/03 2:53PM
Subject: AntiTrust

RECEIVED

FEB 28 2003

Federal Communications Commission
Office of the Secretary

Dear Mr. Powell -

I urge you in your capacity as Chairman of the FCC. to begin to honor the venerable tradition of grassroots opposition that American Society has long demonstrated against monopolitic practices in US Business: specifically, the devolving monopolistic trends in the information business today pose a distinct threat to our democracy and if continued, will stifle and ultimately silence the free, open exchange of information, points of view and vibrant dialogue necessary for preserving our democratic institutions and traditions. Corporate conglomerates should be expressly prohibited from owning more than one media franchise or venue in particular geographic settings because when they do, their editorial boards and corporate and political agendas exercise untoward and inappropriate control which news the public can easily access. This is wrong, and is one of the biggest threats to our democratic republican form of government we face today. The march towards uniform, controlled media coverage of the news and advertising represents the cynically smirking manipulative face of Orwellian Totalitarianism - a state contrary to the hopes and dreams of so many millions of people around the world who have sacrificed their lives for democratic principles. If the US is bent on "exporting democracy" by apparently any and all means, as *so* many of our public officials are so fond of piously proclaiming recently, we must lead by good example. Monolithic control of media by a few corporate interests does not represent diversity and democracy, nor does it represent the spirit of openness, inclusiveness, and freedom, in fact such media becomes only a form of social control, and is an enemy of the people.

Darlene Downing

02-277

From: GabbieH@aol com
To: Mike Powell
Date: 1/29/03 1:31PM
Subject: (no subject)

Please advise how the same company can own both local radio stations and now the local newspaper.
One "man", one opinion is a sad commentary for unbiased news.
The local environment (Jackson County/Medford Oregon) is already extremely negative and biased, aided and abetted in particular by the daily rubbish spouted by program formats such as Garth and Rosemary.

R. Hunts

RECEIVED

FEB 28 2003

Federal Communications Commission
Office of the Secretary

From: Toma36O@aol.com
To: Mike Powell
Date: 1/27/037:23PM
Subject: No Subject

Hello,

I am 17 years ole, and I am attempting to get my Eagle *scout* badge, but one hting is puzzling me.....well many things are.... .create a fair media, i hear much to often about war, and no media wants to take the time to stop, look at things and promote a war, well..... lack there of.

god bless. American media is too one way.

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FEB 2 8 2003

Federal Communications Commission
Office of the Secretary

02-277
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FEB 28 2003
Federal Communications Commission
Office of the Secretary

From: LR
To: Mike Powell
Date: 1/27/03 11:05AM
Subject: steps taken by the Federal Communications

Mr. Powell,

Easing restrictions on media consolidation is a HUGE mistake. This will further weaken the access we as Americans have to information that we all need to make informed decisions in a free democracy.

Experience has proven that the ownership of a greater number of news media sources by a decreasing number of individuals leads to fewer disparate voices - whether they be right, centrist, or left leaning.

Most Americans get the bulk of their news/information from television. If these anti-trust-type restrictions are lifted, it will be entirely possible that ONE individual will own ALL the television, radio and newspaper outlets in a particular area

If that one individual, group of individuals, or entity gains control if most or all the media outlets in a city, town or area, he (or they) have the power to withhold vital information from the populace.

Totalitarian regimes LOVE having total control of the news -- they don't have to be concerned with competion. AND NEITHER WILL THOSE WHO WILL HAVE TOTAL CONTROL.

Media consolidations that have occurred through the forces of the marketplace have never failed to limit freedom of speech or economic competition. The latest culprit, Clearchannel Communication is currently being investigated and may face legal action under the racketering laws.

Please do not let this happen to the news media in our free democratic system. Keep Americans Free and Informed.

Sincerely,
W.Bak

Please read the following article:
from the NY Times:
January 7,2003

All News Media Inc

By BILL KOVACH and TOM ROSENSTIEL

WASHINGTON
Without much notice, the federal government is moving toward the most sweeping change ever in the rules that govern ownership of the American news media.

This shift could reduce the independence of the news media and the ability of Americans to take part in public debate. Yet because of meager press coverage and steps taken by the Federal Communications Commission in its policy-making process, most people probably have no idea that it is taking place.

Having seen how totalitarian regimes moved the world to war

through domination of their news media, the government during the 1940's put restrictions on how many news media outlets one company could own, both nationally and in a single city.

Though those rules have been relaxed in the last 20 years, companies are still blocked from buying a newspaper and television station in the same city or from owning more than one TV station in the same market.

Three weeks after it proposed eliminating those rules, the F.C.C. released a series of reports about the current media marketplace. But the reports focused almost entirely on the economic impact of relaxing the ownership rules. They largely ignore the public's interest in a diverse and independent press.

The F.C.C. argues that technologies like the Internet offer Americans access to more information than ever and thus worries about monopolies are unfounded. But studies also show that most Americans receive their news from a handful of outlets. Beyond this, much of what appears on the Internet is repackaged from those outlets. The number of operations that gather original news is small and now may become smaller.

The question of concentration is most acute at the local level. In most communities, even those with television and radio stations, the vast range of activities are covered by only one institution, the local newspaper.

What will happen to communities if the ownership rules are eliminated? Among the possibilities is that one or two companies in each town would have an effective monopoly on reaching consumers by being allowed to control the newspaper, radio, TV, billboards and more < with costly consequences for businesses that need those outlets for advertising. Such a monopoly on information would also reduce the diversity of cultural and political discourse in a community.

The precedent in radio is telling. Since the rules on ownership of radio were last relaxed in 1996, the two biggest companies went from owning 130 stations to more than 1,400.

The F.C.C. chairman, Michael K. Powell, has scheduled only one public hearing, in Richmond, Va., on the proposal, and the public comment period will close at the end of this month. It is a small and brief opportunity, but one that the public should seize if it cherishes an independent press.

Bill Kovach is chairman of the Committee of Concerned Journalists. Tom Rosenstiel is director of the Project for Excellence in Journalism.

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FEB 28 2003

Federal Communications Commission
Office of the Secretary

From: Palmmotel@aol.com
To: Mike Powell larryshannon@hotmail.com, larryshannon@radiodailynews.com
Date: 1/29/036:16PM
Subject: *Not* Town Hall Meetings?

Dear Chairman Powell,
your comments to reporters today about not needing town hall meetings is an outrage! Not everyone is this world has a computer or e-mail. What's wrong? Scraed to come out and face the public?

We have a right to be heard by you in person on the subject of ownership rules regarding radio and television.

Here's a question for you: have you spent any time talking to any one from Clear Chanell or Infinity regarding radio? If you have you owe it to the American people to let us **be** heard.

Thank you,

02-277

Jay Marvin
124 West Polk Street
unit 5051507
Chicago, IL 60605
312-294-0037