April 29, 2003

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
Washington, DC 20554

Re: MB Docket Nos. 02-277; 01-235; 01-317; and 00-244

Dear Mr. Chairman:

As President of the Illinois Broadcasters Association (the "IBA"), I have been directed by the IBA's Board of Directors to present the IBA's views on one aspect of the general issue of relaxation of the Commission's multiple ownership regulations. This letter is not intended to support or oppose any particular proposal before the Commission. Nor is it intended to delay the Commission's disposition of these important matters. Rather it is to impress upon the Commission the importance of affording television stations in all markets, including in small to mid-sized markets, a timely and meaningful opportunity to consolidate as events and other circumstances warrant.

As a nonprofit state broadcasters trade association, it is the mission of the IBA to advance the best interests of the free, local, over-the-air, full service, radio and television broadcast industry, both within the State of Illinois and at the Federal level. One aspect of our mission is to help all Illinois broadcast stations to even better serve the public interest. Another aspect of our mission is to help create and maintain a business and regulatory environment that will allow our broadcasters to remain financially healthy and to optimize their competitive position in the media marketplace so that they can continue to effectively serve the public interest. Consistent with this mission, I am writing to you today.

The Illinois broadcast industry faithfully serves residents and businesses throughout the state, from large cities to small farming communities. Just as every Illinois resident and every Illinois business are important, so also are every Illinois radio and television station important, whether they are located "up state" in Chicago or "down state" in Cairo. In short, the IBA feels compelled to remind the Commission that the service provided by radio and television stations located in small and mid-sized communities is just as important as the service provided by radio and television stations located in large cities.

The record in these proceedings is replete with statistical and anecdotal evidence to the effect that consolidation has been necessary to keep stations from going dark and has enabled stations both to produce *local* news and other informational programming in the first instance as

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well as to increase the amount of *local* news and other information programming broadcast. Accordingly, there are many beneficial attributes to consolidation. For this reason, the Commission's consideration of the television duopoly rule should accept the fact that consolidation among television stations in all markets, including in small to mid-sized markets, serves the public interest.

While the potential benefits of consolidation for every market are manifest, it is also manifest that from the standpoint of *competition*, to say nothing about principles of fundamental fairness, it makes no sense to unduly restrict television station duopolies given that every cable system controls hundreds of channels in the same market where television stations operate, that a cable system may even own a television station in the same market, that every satellite television system controls hundreds of channels in every market it offers service, and that an entity may own a number of radio stations in the same market.

In terms of *diversity*, the record in these proceedings demonstrates that men and women of all races and ethnicities have available to them an abundant number of sources to which they can turn for information and entertainment. They are the print media, the electronic media, and now the Internet. Some have expressed concerns about the "loss of diversity" as a result of consolidation. Others have argued that in the absence of consolidation, there would have been, and will be in the future, substantial losses of *diversity* since every "dark" station represents a one-for-one reduction in the number of information and entertainment sources to which a person can turn.

For all these reasons, the IBA believes that timely and meaningful regulatory opportunities for future consolidation in the television industry should not be limited to only those stations located in the largest markets, but should also include those stations located in the small to mid-sized markets as well. In a real sense, television stations located in the small to mid-sized markets are more at risk financially than those in the larger markets since they must share in a much smaller "revenue pie" while they are faced with having to compete vigorously against many of the same types of monopoly media that are present in the larger markets, e.g., newspapers, cable systems with their hundreds of channels, satellite television systems with their hundreds of channels, etc.

We recognize that in any regulatory scheme there is a tension between, on the one hand, the desirability of crafting bright-line rules that promote certainty, and, on the other hand, the desirability of crafting rules that are sufficiently flexible to account for a myriad of

circumstances that may not be foreseeable. For the reasons stated above, flexibility, and an appropriate sensitivity to marketplace events and conditions in all markets, should become paramount factors in any new regulatory multiple ownership scheme that may be adopted. Whatever the Commission decides to do in these proceedings, we request that the Commission acknowledge the appropriate and important need of television stations in all markets, including small to mid-sized markets, to have a timely and meaningful opportunity to consolidate as events and other circumstances warrant.

Sincerely yours,

Dennis Lyle
President/CEO

The Honorable Kathleen Q. Abernathy
The Honorable Michael J. Copps
The Honorable Kevin J. Martin
The Honorable Jonathan S. Adelstein