

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
2006 Quadrennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996)	MB Docket No. 06-121
)	
)	
2002 Biennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996)	MB Docket No. 02-277
)	
)	
Cross-Ownership of Broadcast Stations and Newspapers)	MM Docket No. 01-235
)	
)	
Rules and Policies Concerning Multiple Ownership of Radio Broadcast Stations in Local Markets)	MM Docket No. 01-317
)	
)	
Definition of Radio Markets)	MM Docket No. 00-244
)	

To: The Office of the Secretary

COMMENTS OF MULTICULTURAL RADIO BROADCASTING, INC.

Multicultural Radio Broadcasting, Inc. (“Multicultural”) hereby submits its comments regarding the *Further Notice of Proposed Rule Making* (“FNPRM”) in this proceeding.¹ These comments address the validity of the AM/FM “subcaps” within the

¹ 2006 *Quadrennial Review of the Commission’s Broadcast Ownership Rules – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*; 2002 *Biennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*; *Cross-Ownership of Broadcast Stations and Newspapers*; *Rules and Policies Concerning Multiple Ownership of Radio Broadcast Stations in Local Markets*; *Definition of Radio Markets*, MB Docket Nos. 06-122, 02-277, MM Docket Nos. 01-235, 01-317, 00-244, FCC 06-193 (July 24, 2006) (the “FNPRM”).

Commission's local radio ownership rule, which individually cap the number of stations that may permissibly be owned in each of the two radio services. As demonstrated below, the subcaps lack a rational basis and should be eliminated.

Through subsidiaries, Multicultural owns 45 radio stations in several major markets across the country. Nearly all of Multicultural's stations are AM stations, and these stations predominately provide ethnic and foreign language programming directed to a variety of ethnic populations in their markets. The stations currently owned by Multicultural in the New York market offer the following foreign language and minority programming: Spanish, Cantonese, Korean, Mandarin, and Black Gospel. In Los Angeles, Multicultural's stations offer the following programming: Spanish, Cantonese, Korean, Mandarin, Vietnamese, and Black Gospel.

Multicultural's experience is living proof that a vibrant radio business can be built through the operation of AM stations serving niche populations. Thus, Multicultural's business undercuts the rationales on which the Commission premised its affirmance of the AM/FM subcaps in 2003. In its 2003 decision, the Commission cited "significant technical and marketplace differences between AM and FM stations," and asserted that "many . . . AM stations have a news/talk/sports or ethnic format."² Multicultural, however, has shown that a successful radio business can be built around radio stations in any service – even supposedly inferior AM stations with ethnic formats. Indeed, as a minority-owned broadcaster specializing in the operation of ethnic-formatted stations,

² 2002 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996; Cross-Ownership of Broadcast Stations and Newspapers; Rules and Policies Concerning Multiple Ownership of Radio Broadcast Stations in Local Markets; Definition of Radio Markets; Definition of Radio Markets for Areas Not Located in an Arbitron Survey Area, MB Docket Nos. 02-277, 01-235, MM Docket Nos. 01-317, 00-244, 03-130, FCC 03-127 (July 2, 2003), at 114, ¶ 294.

Multicultural can attest to the importance of such stations to the markets they serve. In each market where it owns stations, Multicultural provides news, information and entertainment specifically tailored to the needs of underserved populations, and in their own language. This benefits the nation as a whole and enhances the country's terrestrial radio broadcast service.

It would be irrational for the Commission to retain AM/FM subcaps that operate to limit the growth of Multicultural and other owners that focus on serving underserved demographic groups through AM stations. As just one example of the subcaps' anomalies, Multicultural owns a group of five AM stations in Los Angeles (there are 90 stations in the market). Under the current rules, Multicultural may not own any more AM stations. If it wished to expand its Los Angeles group to the maximum size allowed, it would have to acquire *FM* stations and it could acquire three FM stations under the current rules. The situation is even more absurd with respect to New York, where Multicultural owns a grandfathered combination of six AM stations (there are 149 stations in the market). The maximization of Multicultural's holdings in New York under current rules would permit the acquisition of three FM stations but only if Multicultural *divested* one of its existing AM stations in order to obtain one or more FM stations. Such results defy common sense.

Moreover, the advancement of minority broadcast ownership is a prominent issue for consideration in this proceeding.³ In the same manner as Multicultural entered the broadcast industry, ethnic and minority-oriented AM stations are ideal targets of entry-level acquisitions by minority-owned and other small businesses. To limit these

³ *FNPRM*, ¶ 5.

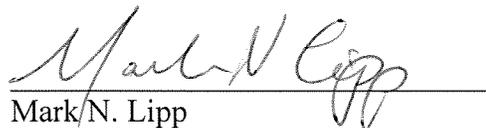
opportunities through artificial subcaps on same-service ownership is inconsistent with the objective of promoting minority broadcast ownership.

In sum, there is no reasoned basis for retaining the AM/FM subcaps. Multicultural's record is proof that, contrary to the Commission's suppositions in 2003, a viable radio business can be built as much around the operation of ethnic-formatted AM stations as with music-formatted FM stations. The subcaps serve only to artificially limit the growth of Multicultural and other operators of a similar nature, to the detriment of the radio broadcast service and the unquestionable objectives of diversifying programming and ownership within the service. Multicultural therefore urges the Commission, in reexamining the local radio ownership rule, to repeal the AM/FM subcaps.

Respectfully submitted,

**MULTICULTURAL RADIO
BROADCASTING, INC.**

By



Mark N. Lipp
Gregory L. Masters
Scott Woodworth
Wiley Rein & Fielding LLP
1776 K Street NW
Washington, DC 20006
202-719-7503

Their Counsel

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