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
	)	MB Docket No. 02-277
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	)	MM Docket No. 01-235
Cross-Ownership of Broadcast Stations and Newspapers	)	MM Docket No. 01-317
Rules and Policies Concerning Multiple Ownership of Radio Broadcast Stations in Local Markets	)	MM Docket No. 00-244
Definition of Radio Markets		

Comments of Thomas C. Smith
October 23, 2006

Opening Summary

I would like to present my views on potential changes in the Broadcast Ownership
Rules. I am a broadcast technician, who has been employed in broadcasting for over 37 years. I have seen a lot of changes, some for the better and some for the worst. While technology has made for things easier for those working in broadcasting, the changes in the ownership rules has sucked the life and fun out of the industry. When I go to engineering or other broadcast group meetings, the first thing that I am struck by is the lack of young people present. That is probably due to what many consider is a lack of future in the industry. A local trade school that teaches different media courses dropped their radio courses several years back because of lack of interest. Too many kids didn't see a future in a business where voice tracking and automation were taking away jobs at an alarming rate. I know of a number of colleges

that have also dropped broadcast TV and technology courses. I have a great fear that the industry I have enjoyed working in for so many years may be deep trouble and it may be due more from lose of focus of what makes broadcasting of service to the audience and mismanagement by both those in the industry and be the regulators, then by competition from new media. By listening to those in the industry asking for more deregulation, the government may have given broadcasters the nails to their own coffin.

First of all, I think that this comment period is premature. The comment period for this inquiry should be occurring after the Commission has completed its series of public hearings and a finished the Localism report that was issued as well as updated reports on the effects of consolidation such as the costs of advertising rates and the changes in valuation and sale prices of broadcast facilities. These issues all affect the ability of minorities and small businesspersons to become involved in the ownership of broadcast stations. The recently found draft copies on localism and ownership need to be updated and completed.

The Communications Act of 1996 has done most of the damage to any reasonable method of ownership regulation. Any further deregulation will only increase the damage. The only way that the damage can be reversed is prohibit the sale of large station groups either in total or when a group of stations in individual markets are sold. We cannot or should we go back to the days of the 7-7-7 rules were one could only own 7 AM, 7 Fm or & TV stations. But allowing one company to own over 12 percent of the nation's full power radio stations or allowing a non-profit group to place 100's of FM translators around the nation is not right either. One non-profit group has over 1700 FM translators and others have applied for several thousand at one time. When I tried to list their stations and translators, my computer froze on every try. The list was to long for the search program to handle.

Broadcasting is a very local business. Each market is made up of different groups of people with different cultural and ethnic backgrounds. They also have loyalties to local sports teams on the professional, college and high school levels. Many times under the current large station group ownership of stations, coverage of local high school and college sports on the radio has disappeared and the professional and division 1 college sports has been moved to cable and satellite. And local and regional bands music gets very little if any airplay.

New Media

First, I would like to address the impact on new media such as the Internet, cable, satellite and personal wireless media. Many believe that the Internet

and other new media is the great equalizer. I believe cable and satellite are in many ways an extension of the ownership issues in broadcasting. Each of the major broadcast networks has several cable networks with only a couple of cable program providers having multiple networks and a handful of independents on most cable systems providing additional channels.

As far has the Internet and personal media, I believe that personal wireless media that provides video and music is still too new to know how it will impact on local broadcasters. But if it is like the rest of the Internet, it will probably be a complementary service of the existing newspapers and broadcasters in a market. Most of the Internet sites that provide news and entertainment are extensions of a newspaper or broadcast stations. This puts most local media on an equal footing as far as the Internet is concerned depending on how well they do their website. Most other websites from other local entities tend to be more like the Yellow Pages then broadcast media and their impact to broadcasters will be on ad revenue, not content.

Local TV Ownership Rules

I have mixed feelings about allowing increases in the number of TV stations that could be owned by one entity in any market. But I am still concerned about lack of diversity in programming. But, I do not object to a broadcaster owning two TV stations in a market, as long as the rules follow the Network Ownership Rules. A local broadcaster should be limited to only one station that broadcasts one of the big four networks. That would keep at least five voices in each market, including the local PBS station. But, anyone owning two TV stations should be limited to the lesser number of radio stations they can own in the same market.

At the end of the DTV transition, there may be channels available in many markets even with the reduced number of channels used for TV broadcast. The elimination of most of the UHF taboos should have some effect on the number of opportunities to find open channels. One of the only ways I believe that broadcasters can compete with cable and satellite is by offering more choices, either by making more channels available or by multicasting or a combination of both. I would like broadcasters in the United States have something as successful as Freeview is in Britain.

Local Radio Ownership Rules

I would not like to see the number of radio stations increase from what they are now in any market. I was comfortable when the limit was four stations in

any market. While increasing the number of stations that one could own may not have an impact in large markets like New York and Los Angeles, it will impact smaller market. In the last 20 years, radio has become more local as far as listeners go. Because the majority of listeners listen to FM, fewer are listening to out of market stations. Twenty-five or thirty years ago, many of us listened to the AM powerhouses from larger cities besides our local stations and got a variety of programs and music. Today, we listen to local stations ran by a few large corporations. Some are better than others, but many times the station have the some sound even if they program different music. And because of cost cutting, the voice you may hear left the building hours before, if you here a voice at all. Many stations are nothing more then glorified jukeboxes with no news, weather, or sports. My biggest fear is that if one entity owns a large enough group of stations, they might have a number of stations catering to the same audience with little difference in programming. I have seen that with one station group in my area already.

Cross-Media Ownership Limits

The Commission wrote rules, which limited Cross-Ownership combinations in various sized markets. The Commission should retain those rules as they are now. Newspapers are now clustering a number of newspapers in a region. From the way the rules are explained in the Order, one can only own one paper in a TV or radio market except in very large markets. There are a number of areas in the country that in one TV market there are several radio markets with a good-sized paper in each. If one owned a newspaper and stations in each of these adjacent markets, would that create a concentration of media. In many cases, one can hear many of the stations in the adjacent market and the circulation area of the newspaper may exceed that of the radio market. How would the Commission handle a cluster of papers within the coverage area on a TV station? The Commission should go slowing in any increases of cross-ownership of newspapers and broadcast. Everybody is consolidating and we could get tangled in a web of media concentration that would be difficult to untangle with the average person not knowing who is telling him what.

Dual Network Rule

This is one rule that the FCC should leave as is. The Big Four Networks are large vertically integrated corporations and any merger of any two of them would have to unleash major anti-trust issues. These four corporations each have one of the five major movie and TV studios and many of them have

music and publishing businesses. While not being able to own each other, they should still be able to operate new or other smaller networks such as NBC's Telemundo or CBS with their share of the CW network. With the advent of multicasting, the networks should be free to develop new networks for their affiliates to multicast.

UHF Discount

This is one rule that is way out of date and will be more so when the DTV transition is over. UHF stations operate with facilities comparable to VHF stations. They run on towers as tall as the VHF stations at power levels that get their signal nearly as far as a VHF station. Cable and local-into-local on DBS make UHF and VHF stations equal players in many TV homes. And after the DTV transition is complete, UHF stations will make up the majority of TV stations as most of the low-band VHF stations are planning on remaining in the UHF band because of noise problems in low-band VHF. All UHF stations should be counted as the same. It is time to drop the UHF discount.

New Station Licensing

This is one area were the FCC can provide some additional new local voices and aid in the increasing of minority voices. The current licensing process needs to be cleaned up particularly in FM and TV. The Commission had issued a notice for comment in which they ask about making the amending of the table of allotments and the licensing application for FM a one step process. I wrote comments at that time that I thought that it was a good idea and long overdue. The current licensing process is unfair and outdated. At this time, it seems to me that the main goal is to create competing applications to force licenses to be auctioned. The person who researches a market and finds a open frequency is rewarded with having to then bid for the frequency he found and many times losing in the bidding along with the money he spent looking for the frequency. I believe that all applications should be a one step, first come, and first serve system. With applications being electronically filed, the application software should be able to date stamp the application to determine who's application was filed first. There would still be a period of time for objections to be filed against the applicant if there is reason they are not qualified. In place of auctions, an applicant would be charged an upfront fee based on the class of station and size of market and possibility a yearly fee based on revenue. This would require an act by Congress to change the licensing rules, but I believe it would be fairer and allow new entrants into broadcasting. Finally, the elimination of the income from auctions is no big if other payment methods are used. Any difference is a drop in the bucket compared to the National Debt that

auctions are suppose to help pay off. Finally, the licensing process would like more like what occurs in the private sector, which is the franchising of a business by an organization that supplies their good name and methods for use by another for profit.

Closing Summary

The Commission needs to take its time in considering any changes to ownership rules. Last time, the Commission took what many thought was a predetermined outcome to the rulemaking processed even after 2 million persons commented on the issue. The majority objected to greater concentration of the media. What many are seeing is greater mediocrity in the broadcast media and by extension cable programming. The competition is not there. We saw it recently with the lay-off of 700 people, merging of MSNBC and CNBC with NBC News along with the proposed move to cheaper reality programming. This large corporations are bowing to Wall Street by cutting cost and quality as there viewership and listenership decline and profits drop. Maybe the reason this is happening is because they are producing such a poor product. And by allowing the all this consolidation, the Commission and Congress may have some responsibility in the decline of broadcast programming. There is no longer the pride in broadcasting that there was in the Paley and Sarnoff era and the many family broadcast companies.

Maybe it is time we take a deep breath and really see the impact of all the changes from the last 15 years. Maybe we pushed the public more then gave them something they wanted. I know I feel that at times there are things changing that give me no options. I have to accept something different because that is what is being marketed to me even when the old was perfectly good and could coexist with the new. Also much of the new media requires time and effort that is not always available to many persons in their busy lives. It requires a lot of time when Google give you millions of options on an inquiry. For most people, I would guess they are like me, they have their favorite web sites, radio stations and TV shows and channels and that is what they normally view or listen too.

Finally, don't make your decision on how you or your staff use media, or how those in technical professions or universities and colleges use it. A large number of the population does not have the time to spend hours on the Internet or the money for the latest gizmo. Many just come home after work and taking the kids here and there and just want to relax in front of the TV. Consolidation affects them the most.

Respectfully Submitted

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