

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

In the Matter of)
)
Petition for Rulemaking of the Minority Media) RM-11388
and Telecommunications Council)
)
To Facilitate the Entry of Small Businesses)
Into Local Radio Markets)

COMMENTS OF CLEAR CHANNEL COMMUNICATIONS, INC.

Clear Channel Communications, Inc. (“Clear Channel”) hereby submits its comments in response to the above-captioned Petition for Rulemaking (“*Petition*”) filed by the Minority Media and Telecommunications Council (“MMTC”). Clear Channel supports MMTC’s request that the Commission modify its existing policy regarding the transfer of grandfathered clusters of radio stations to allow transfers of grandfathered clusters to *any* third parties, provided that the buyer commits to transfer any stations exceeding the cap to a small business within twelve months.

As Clear Channel has indicated in comments filed in the FCC’s pending media ownership proceeding, the Company endorses measures that are designed to promote increased participation in the broadcast industry, including radio, by previously underrepresented groups.¹ Indeed, Clear Channel has in the past proposed specific regulatory initiatives that it believes could further the important policy goal of effectively enhancing broadcast ownership opportunities for such groups, including the small businesses who are the subject of MMTC’s most recent proposal.² And apart from its support for these regulatory proposals, Clear Channel has taken voluntary action to promote

¹ See Reply Comments of Clear Channel Communications, Inc., MB Docket No. 06-121, at ii-iii, 55-58 (filed Jan. 16, 2007) (“*Clear Channel Media Ownership Reply Comments*”); see also Comments of Clear Channel Communications, Inc., MB Docket No. 06-121, at 77-80 (filed Oct. 23, 2006) (“*Clear Channel Media Ownership Comments*”).

² *Clear Channel Media Ownership Reply Comments*, at 55-58; *Clear Channel Media Ownership Comments*, at 77-80.

ownership of broadcast properties by previously underrepresented groups. For instance, in January of this year Clear Channel, MMTC, and the National Association of Broadcasters jointly sponsored a conference in Washington, D.C. to encourage minority and female purchases of broadcast assets and to educate minorities, women, and small businesses interested in entering the industry on how to purchase and become successful broadcasters.³

As explained in MMTC's *Petition*, and as Clear Channel has documented before, the FCC's existing policy regarding the transfer of grandfathered radio station combinations has not been effective in promoting ownership by small businesses.⁴ The Commission's current policy limits such transfers to all but a very small class of "eligible entities," defined as those with revenues below a certain income threshold, currently \$6.5 million per year.⁵ As the record in the media ownership proceeding already reflects, entities who satisfy this criterion commonly have substantial difficulties gathering the financing necessary to purchase a grandfathered combination of radio stations or, indeed, even a single station in many mid-sized markets.⁶

Clear Channel's recent experience in marketing 448 of its station licenses located outside of the nation's top 100 radio markets provides a real-world example of the problems that small businesses face in terms of access to capital. Despite Clear Channel's affirmative efforts to promote

³ *Clear Channel Media Ownership Reply Comments*, at 57-58. In addition, Clear Channel sold forty radio stations to minorities in connection with its merger with AMFM, and has participated in numerous other initiatives designed to increase participation in the broadcast industry by women and minorities, as documented in its comments in the media ownership proceeding. *See id.* at 58 n.231; *see also Clear Channel Media Ownership Comments*, at 75-76.

⁴ *See Petition*, at 4-5; *Clear Channel Media Ownership Comments*, at 77-80. Since Clear Channel's comments were filed, there has been only one sale of a grandfathered combination to a small business – Clear Channel's sale of stations in New England to Great Eastern Radio, LLC. *See* FCC File Nos. BAL-20070122ALG, BAL-20070122ALB.

⁵ *See Clear Channel Media Ownership Comments*, at 77 n.229.

⁶ *See, e.g., id.* at 78-79.

the acquisition of these properties by such entities, a number of otherwise qualified small businesses were unable to do deals because they could not arrange financing in a timely fashion. Adoption of MMTC's proposal would provide small businesses with an additional year to obtain necessary funding. This, in turn, would be likely to increase the degree to which small businesses could successfully become purchasers of radio station licenses, providing a superior means to further the FCC's policy goals.

In addition, it is important to note that prompt action on MMTC's proposal would be particularly helpful to small businesses. Presently, a number of larger radio station operators are electing to sell smaller market properties and/or to privatize. Both of these situations create purchasing opportunities that, with the one-year period, small businesses could effectively capitalize upon. As MMTC points out, however, if the Commission delays, it will be impossible to retroactively correct the opportunities to increase participation in the radio industry by small business owners that would be lost if these transactions are completed without the benefit of the relief that MMTC requests.⁷

In sum, the proposal at issue here provides an opportunity to enhance the effectiveness of the FCC's policy regarding the transfer of grandfathered combinations and thereby further the important policy of promoting ownership of radio stations by small businesses, including previously underrepresented groups such as women and minorities. For these reasons, Clear Channel supports prompt adoption of the policy proposed in MMTC's *Petition*.

⁷ See *Petition*, at 10.

Respectfully submitted,

By:

A handwritten signature in black ink that reads "Andrew W. Levin". The signature is written in a cursive style with a large initial 'A'.

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