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
	)	

COMMENTS OF CLEAR CHANNEL COMMUNICATIONS, INC. ON SECOND FURTHER NOTICE OF PROPOSED RULEMAKING

Clear Channel Communications, Inc. ("Clear Channel") hereby submits its comments in response to the Second Further Notice of Proposed Rulemaking ("*2ndFNPRM*")[1] in the above-captioned proceeding, which seeks comment on various issues relating to ownership of broadcast stations by minorities, women, and small businesses. As stated previously, Clear Channel believes that the FCC should seek to increase such ownership, and submits these further comments to reiterate its support for proposals – including several previously advanced by the Diversity and

[1] Second Further Notice of Proposed Rulemaking, MB Docket No. 06-121, *et al.*, FCC 07-136 (rel. Aug. 1, 2007).

Competition Supporters (collectively, "MMTC") – that are designed to do so.[2]

As an initial matter, Clear Channel notes, as the Commission does in the *2ndFNPRM*, that essential to many of MMTC's proposals a definition of a "Socially and Economically Disadvantaged Business," or "SDB."[3] Consistent with its prior comments on this issue, Clear Channel proposes that the Commission define an SDB to include any entity that:

> (1) Does not hold an attributable interest in more than fifty radio stations nationally and does not hold an attributable interest in any radio station in the local market where the transaction would take place, and
>
> (2) Does not hold an attributable interest in more than six television stations nationally and does not hold an attributable interest in any television station in the local market where the transaction would take place.[4]

This definition is race and gender neutral, but is limited to individuals and entities that do not have a substantial presence in the broadcasting industry. It therefore would successfully promote ownership opportunities for new entrants, without raising any constitutional concerns.[5]

As to particular means for accomplishing the goal of promoting market entry, Clear Channel has previously supported – and continues to support – several specific proposals.[6] First, the FCC should allow a company to acquire more than the otherwise-allowable number of stations in a

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[2] Reply Comments of Clear Channel Communications, Inc., MB Docket No. 06-121, *et al.*, 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, *et al.*, at 77-80 (filed Oct. 23, 2006) ("*Clear Channel Media Ownership Comments*"). Separately, Clear Channel has filed comments in support of 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. *See* Comments of Clear Channel Communications, Inc., RM-11388 (filed Sept. 5, 2007).

[3] *See 2ndFNPRM*, ¶¶ 7-9; *see also id.* at App. A.

[4] *See Clear Channel Media Ownership Reply Comments*, at 55-56.

[5] *See id.*; *see also 2ndFNPRM*, ¶ 9.

[6] *See generally Clear Channel Media Ownership Reply Comments*, at 56-57.

market where the company establishes an "incubator" program that substantially promotes ownership by SDBs.[7] Such a program might involve providing direct financial assistance, offering management positions to graduates of the NAB's Broadcast Leadership Training Program,[8] setting up internships specifically targeted at fostering new entry into broadcasting, and/or developing and sponsoring other training and business planning programs or offering assistance on such matters. Such incubator programs would provide incentives for existing broadcasters to share their talent, experience, and financial resources, while at the same time promoting new entry.

Second, the Commission should allow holders of expiring construction permits to transfer them to SDBs, and should allot the new owner a full three years from the date of closing to complete construction.[9] Expiring construction permits are generally of limited or no value to the holder, and would therefore likely be priced at affordable levels, allowing small businesses without extensive capital to purchase them and leaving resources free to construct and commence operation of the stations.

Third, the FCC should waive the requirement that a licensee operating a radio station in the expanded AM band return one of its AM allotments for cancellation on the fifth anniversary of the date on which the Commission issued the expanded AM band license when the licensee assigns or transfers control of one of its AM stations to an SDB, as Clear Channel and numerous other parties have previously urged.[10] This would allow AM expanded band licensees to continue to provide

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[7] *See 2ndFNPRM*, App. A, § I, No. 3.

[8] *See* National Association of Broadcasters Education Foundation, Broadcast Leadership Training Program, http://www.nab.org/AM/Template.cfm?Section=Education_and_Training_Programs&Template=/TaggedPage/TaggedPageDisplay.cfm&TPLID=72&ContentID=6251 (last visited Aug. 21, 2007).

[9] *See 2ndFNPRM*, App. A, § I, No. 3.

[10] *See* 47 C.F.R. § 73.1150(c); *see also 2ndFNPRM*, App. A, § I, No. 9-10.

important program service to the public, while creating additional opportunities for small businesses and women and minorities to purchase AM expanded band stations that would otherwise be forfeited.[11]

While Clear Channel believes that the FCC should adopt the aforementioned proposals, it also submits that actions – which often speak louder then words – of private parties and industry groups can make a substantial contribution to furthering the goal of increasing minority and female participation in the broadcast industry. To this end, Clear Channel, the Minority and Media and Telecommunications Council, and the NAB jointly sponsored a conference in Washington, D.C. from January 10 through 12 of this year to encourage minority and female purchases of broadcast assets. This conference was held to educate minorities, women, and small businesses interested in entering the industry on how to purchase and become successful broadcasters. In particular, the goal of the conference was part of Clear Channel's efforts to help minorities and women purchase some of the 42 TV stations and 430 radio outlets that Clear Channel has recently announced an intention to sell. The conference's more than 120 participants had the opportunity to meet with Clear Channel representatives as well as financiers, engineers and experts in FCC regulations.[12]

This conference, and Clear Channel's efforts to sell stations to minority- and female-owned businesses, are but the most recent examples of Clear Channel's long history of promoting

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[11] *See, e.g.*, Request for Waiver of Rules Requiring Return of AM Licenses of AMFM Radio Licenses, LLC (a Clear Channel subsidiary), *et al.* and the Minority Media and Telecommunications Council, *et al.*, *In the Matter of Implementation of the AM Expanded Band Allotment Plan*, MM Docket No. 87-267, at 9-10 (filed Mar. 27, 2006).

[12] *See* Clear Channel, Press Release, *Clear Channel, MMTC and NAB Host Conference to Encourage Minority and Female Ownership of Broadcast Assets* (Jan. 11, 2007); *see also* Radio Ink, *CC, MMTC & NAB Host Conference To Encourage Minority & Female Ownership* (Jan. 12, 2007), *available at* http://www.radioink.com/HeadlineEntry.asp?hid=136483 (last visited Sept. 25, 2007); John Eggerton, *Clear Channel Courts Minority Buyers*, Broadcasting & Cable (Jan. 11, 2007), http://www.broadcastingcable.com/article/CA6406945.html?display=Breaking+News&referral=SUPP&nid=2228.

increased participation in the broadcast industry by these groups.[13] Previously, the deregulatory changes mandated by the 1996 Act sparked a substantial volume of broadcast transactions. A beneficial byproduct of this activity was that Clear Channel sold forty radio stations to minorities in connection with the AMFM merger, representing "the most significant one-time increase in minority ownership in history" and "boost[ing] the number of minority-owned stations 26%."[14] In addition, Clear Channel in recent years has engaged in numerous other initiatives designed to increase participation in the broadcast industry by women and minorities. To provide but a few examples, in 1999, Clear Channel contributed $15 million to the Quetzal fund, which invests in minority owned media. In 2000, Clear Channel's Lowry Mays, speaking before the Rainbow/PUSH Coalition, was the first major broadcaster to suggest implementation of new EEO rules, and the rest of the industry later followed suit. Clear Channel also has and continues to strongly support tax incentive legislation to encourage broadcasters to sell stations to small companies and new entrants.[15]

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[13] *See, e.g.*, *Clear Channel Media Ownership Comments*, at 75-76.

[14] *Id.* (quoting *Shareholders of AMFM, Inc.*, 15 FCC Rcd 16062, 16105 (2000) (statement of Chairman William E. Kennard); Bill McConnell, *The greening of the MMTC*, Broadcasting & Cable, Sept. 9, 2002, *available at* http://reedtelevision.com/article/CA242662.html?display=Washington.

[15] *See* Clear Channel, Press Release, *Clear Channel Applauds Senator John McCain's Bill to Diversify Media Ownership* (Jan. 30, 2003) (quoting Lowry Mays, Clear Channel's Chairman of the Board and CEO, as stating: "We strongly support Chairman McCain's legislation to help bring more small companies and new entrants into the communications and media businesses. Clear Channel has always been committed to diversifying media ownership and we welcome the introduction of this creative incentive to do just that.").

In sum, Clear Channel supports efforts – both specific, narrowly-tailored and well-defined regulatory efforts and voluntary industry activities – designed to further the important policy of promoting ownership of radio stations by women, minorities, and small businesses.

Respectfully submitted,

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