

JACKET 06-121

9 October 2007

To: Federal Communications Commission
Commissioners: Michael J. Copps, Jonathan S. Adelstein
445-12th Street Southwest
Washington, D.C. 20554

From: Stanley Zimmerman
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OCT 9 2007

Subj: Media Giant Broadcasting Control; thoughts concerning

Ref: Chicago Sun-Times 20 Sept. 07; "Are Chicago media outlets serving you?"; open meeting concerning

Purpose: To submit thoughts and ideas that may contribute to the regulatory process.

Background: There was a time when the print media (newspapers) was dominated by a few publishing giants (e.g. Wm.R. Hearst), ultimately fragmented by federal regulation. In Chicago, ABC Broadcasting also owned most of the movie theaters as far west as Des Moines; also broken up by federal regulators. There is a consistent history effectively breaking up monopolistic media enterprise for the benefit of fair and objective delivery of information and differing editorial opinion.

In view of the past regulatory action, the question that comes to mind is: Why would a regulatory agency (FCC) even consider a proposed policy change that is the exact opposite of the existing standards?

Please note: This writer has no objection to a print / broadcast conglomerate in a given market, so long as there is open competition within that same market (e.g. Tribune/WGN)

Discussion: In the Chicago market, Clear Channel Communications has control of a number of broadcast (radio) outlets, and had also taken over most of the large performance venues. Recently they spun off the venues corporately now called: LiveNation productions. In Chicago alone, LiveNation controls the Chicago Theater, most of the large outdoor venues and including the new venue on Northerly Island (Meigs Field). It should be noted that the Northerly Island venue was the brainchild of Jam Productions, a very successful local concert and theatrical agency. Local theatrical producers (Jam, CAPA, Broadway in Chicago, The Nederlander Organization) agreed to purchase the Chicago including the \$20 million debt owed the city. It was sold to Clear Channel / Live Nation with the city absorbing that \$20 million. What is happening here ?

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Discussion (continued)

To quote Paul Harvey: "And now for the rest of the story !"

One must refer to the "Payola Scandals" of years gone by. An activity where recording industry marketers openly paid (bribed) broadcasters and their on-air personnel to play new releases to generate sales.

This is part of the creative marketing process: A) Create the desire, B) Fulfill the desire, C) Ask for the order ! This is what advertising sugar coated cereals to kids is all about, however the music industry includes more intrigue. Payola lives on, albeit a more subtle approach.

Are you aware that neither Congress nor the FCC has declared that once a signal leaves a transmitter, it is free to be heard and/or used by any listener or business without any encumbrance of any nature.

The characters in this scenario include: Greedy broadcast moguls, ASCAP, BMI, and Recording Industry producers. To wit: If one operates a restaurant, grocery store, department store; and distributes the broadcast music within their business, ASCAP considers this a rebroadcast and levys a fee to that business, upheld by our judicial system. ASCAP is paid by the record production company (copyrighted material), again by the broadcaster, and again by the business user. They want their cake and eat it too! Let's apply this logic to the Ford Motor Company, to wit: A consumer buys a new Crown Victoria and nothing is said, but sell that car to a Taxi operator and Ford can levy a fee for using their copyrighted and patented vehicle for commerce. Believe me, Ford spends more each year on auto design than some songwriter spends creating a tune. Wouldn't the business user be within their rights to charge ASCAP and the record producers a fee for marketing their product in said businessmen's space ?

All of this is to market the recordings to whatever demographic it / they are directed to. It is usually the teen to young professional audience. One only needs to scan the dial AM / FM in Chicago and elsewhere to have one's ears assaulted by sequencer produced musical junk, some with verbal filth no self respecting family would want in their home. It should be noted that the demagration of pop music is directly proportionate to the decrease in music education both public and private.

The music creators, performers, recorders, and broadcasters stand to gain financially by controlling the available frequencies in desired markets and performance venues to further create the desire for the product. This makes ENRON look like a religious outing !

And Now: Page 3

Action:

A) Any broadcaster to be limited to two (2) radio frequencies or (1) TV channel & (1) radio in given market (city & suburbs).

B) No broadcaster, record producer, or performer management production company, and / or their affiliates can possess, operate, or control a live performance venue in any manner.

C) That Congress decree and FCC enforce that all airwaves are free and may be used by anyone tuning them in (radio / TV) once said signal leaves the transmitter.

(Note: For those who want control, go to cable !)

D) It is in the National interest that any foreign language broadcaster be required to include one (1) hour of ESL instruction daily during daytime hours with printed workbooks available to the listening / viewing public. This is NOT a bilingual society ! Exclusive foreign language broadcasting severely delays the English learning process.

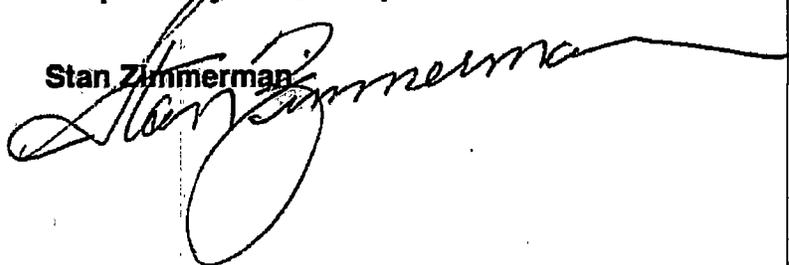
Note: If your recent visit to Chicago was to reach and hear from a cross section of the residents, you picked the worst possible venue to accomplish same. The Cultural Center (Randolph / Michigan) or the Columbia College school of broadcasting have auditoriums that would have better served your objectives.

In conclusion, the problem with junk broadcasting for profit needs to be curbed. The preceding verbage is intended to provide an insight to the complexity of the problem in order to enact regulatory policies in the public interest, not to aid the greed of the present purveyors of programming.

Thank you for reviewing these thoughts.

Respectfully submitted,

Stan Zimmerman

A handwritten signature in black ink, appearing to read "Stan Zimmerman", written over a horizontal line. The signature is cursive and somewhat stylized, with a long, sweeping underline that extends to the right.

APPENDIX:

**Ref. comments re: Limiting broadcasters channels / frequencies.
Chicago has a broadcaster called Weigle that operates
two UHF channels: 23 & 26.**

**They do an outstanding job of programming, Ch. 23 is known
locally as MeTV and shows the great oldies from Perry Mason
to the Untouchables, with Jack Benny, Burns & Allen, and
the Honeymooners. Work schedules prevented this writer
from seeing much TV when these were originally aired.**

**Needless to say, they're being enjoyed today by many friends
and myself.**

**Weigle also does an outstanding job on Ch.26. Sunday AM
church coverage is the best in the city. Tyler Perry test marketed
his TV series on 26.**

**Weigle should be saluted / congratulated for an outstanding job
well done.**

Appendix (2)

Amazing ! This stuff is in the press as this piece is being prepared.

FROM: CHICAGO SUN-TIMES

October 11, 2007

LOOP

Chicago Theatre sold to Madison Sq.

Madison Square Garden said it has a contract to purchase the landmark Chicago Theatre at 175 N. State. Terms could not be learned. A spokeswoman for the entertainment company issued a statement that said there is an agreement in principle but that "there remain several additional details that must be worked out before the purchase can be finalized. We look forward to completing the transaction as quickly as possible and will comment further at the appropriate time." Theatre-Dreams Inc. bought the property in 2003 for \$3 million after the city wrote off a \$21 million loan to the theater. Theatre-Dreams declined to comment.

October 12, 2007

Madonna set to sign \$120 million deal

Madonna, pictured in January, reportedly is leaving Warner Music, her longtime label.

MATT DUNHAM-AP



LOS ANGELES — Madonna intends to sign a \$120 million recording and touring deal with live entertainment promoter Live Nation and leave her longtime record label at Warner Music Group Corp., a person familiar with the contract negotiations said.

Under terms of the proposed 10-year deal, Madonna, 49, would receive a signing bonus of about \$18 million and a roughly \$17 million advance for each of three albums, the person said. A portion of the compensation would involve stock, the anonymous source said.

The proposed agreement would give Live Nation the rights to sell Madonna merchandise and license her name, and any revenue from such products would be split between the singer and the company, the Wall Street Journal reported.

AP

^{HEAR}
Note: Heresay has it that LiveNation Owns/Operates the entire House of Blues chain of performance venues.

LETTERS TO THE EDITOR



Federal Communications Commission Chairman Kevin J. Martin (left), with commissioners Michael J. Copps and Jonathan S. Adelstein, reviews documents as he testifies on Capitol Hill in February. | AP

Are Chicago's media outlets serving you?

The Federal Communications Commission will be in Chicago today to hear whether the city has the kind of media outlets you want and need. It's especially important to us because the FCC will soon decide whether to allow a small number of media giants to buy up the remaining local broadcasters and other media outlets across the land.

Last summer, the FCC launched a review that might severely undercut the few remaining media-consolidation protections that exist today. These rules, among other things, limit a single corporation from dominating local TV and radio markets or from merging a commu-

nity's TV stations, radio stations and newspapers. While a new dialogue is under way, we need more than an inside-Washington discussion between a government agency and a few mega corporations. Let's remember that you own the airwaves, not TV and radio executives. We give broadcasters the right to use these airwaves for free. They usually earn healthy profits using this public resource in exchange for agreeing to broadcast in the public interest.

Are Chicago's residents being well-served by the media served up to them? Are you getting a diversity of viewpoints? Is local talent covered? Are community issues treated sensitively? Are

minority groups getting the coverage and input they need? As we enter election season, are stations covering the important issues that confront us, or do they just focus on the horse race and run profitable campaign ads?

Please come tell us what you think. The mike will be open. When it comes to the fate of the people's airwaves, no voices are more important than yours. The FCC meeting will be held from 4 p.m. to 11 p.m. at Operation PUSH National Headquarters, Dr. King's Workshop, 930 E. 50th St.

Michael J. Copps and
Jonathan S. Adelstein,
FCC commissioners