

MINORITY MEDIA AND TELECOMMUNICATIONS COUNCIL

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May 8, 2008

Hon. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Dear Ms. Dortch:

RE: Notice of *Ex Parte* Communication: MB Docket No. 04-233 (Broadcast Localism); MB Docket No. 07-57 (Applications of Sirius Satellite Radio Inc. & XM Satellite Radio Holdings Inc. for Approval to Transfer Control); and WT Docket 07-195 (M2Z Networks, Inc.)

On behalf of the Minority Media and Telecommunications Council (“MMTC”), this reports on a meeting held May 7, 2008, with Commissioner Deborah Taylor Tate and Amy Blakenship, Legal Assistant to Commissioner Tate. MMTC was represented by staff members Joycelyn Tate, Associate Broker; Joycelyn James, Esq., Fellow; Marcella Gadson, Research Assistant; and myself.

MMTC was asked to discuss the merger of Sirius Satellite Radio Inc., and XM Satellite Radio Holdings Inc. (“XM/Sirius Merger”). MMTC has not filed comments in this proceeding and does not plan to do so at this time as the merger does not appear to have a direct, specific impact on minority ownership policy. As a general matter, the Commission should be mindful of the market implications any merger might have for companies in other markets. In particular, the Commission should be clear in stating that nothing it does with regard to the XM/Sirius Merger is intended to undermine or unsettle its terrestrial radio broadcast rules. Regarding a proposal endorsed by Congressmen Towns on May 5 to condition approval of the merger on the merging parties’ agreement to set aside channel space for leases for minority ownership, the Commission should bear in mind the greater difficulty minorities face when leasing rather than purchasing assets. Therefore, the Commission should examine the specific terms of the proposal for longevity, uniqueness, and financial sustainability of the contemplated operation.

Regarding Broadcast Localism, MMTC supports the Commission’s goal of improving local service, but not at the expense of diversity. MMTC supports allowing AM licensees to use FM translators, since two-thirds of minority owned stations are AM stations and these stations tend to have inferior propagation characteristics and tower locations. While LPFM licensees tend not

Hon. Marlene H. Dortch

May 8, 2008

Page Two.

to support this use of translators, MMTC believes LPFM stations are entitled to relief in the form of repeal of the outdated third adjacent channel restrictions, which operate as a classic market entry barrier. MMTC also supports communitywide advisory boards, which are a cost efficient way of ensuring that the needs and interests of minority communities are made known to broadcast decision-makers.

Many of the proposals suggested in the Broadcast Localism proceeding would have a disproportionately negative impact on minority broadcasters. Of particular concern to MMTC is the proposal to revert to the pre-1980's main studio rule. This proposed rule would impose a greater disadvantage on broadcasters who entered the industry later and were thus unable to assemble clusters of stations which each shared the same community of license. MMTC will file supplemental comments to quantify the disparate impact of the proposed new rule. Also of concern were proposals mandating a physical presence in broadcasting facilities during all hours of operation, prohibiting voice-tracking, and imposing localism programming guidelines. These proposals call to mind the law of unintended consequences because they would disproportionately impose costs on minority owned broadcasters.

MMTC was also asked to discuss the proposal of M2Z Networks, Inc. MMTC has consistently supported M2Z's proposal, as demonstrated by its *amicus curiae* comments filed in March 2007. In addition to having very significant minority participation in ownership, M2Z's proposed low cost national broadband service would be a highly effective means of bridging the digital divide with a national service. M2Z's proposal is especially in light of the apparent collapse of many municipal WiFi initiatives.

Sincerely,

David Honig

David Honig
Executive Director