

FILED/ACCEPTED

Before the  
Federal Communications Commission  
Washington, DC 20554

APR - 7 2009

Federal Communications Commission  
Office of the Secretary

In the Matter of )  
 )  
Reserve Prices or Minimum Opening Bids ) FM Auction No. 79  
and Other Auction Procedures )  
 )

Filed With: Office of the Secretary  
To: Chief, Media Bureau

**COMMENTS**

Sutton Radiocasting Corporation ("Sutton Radiocasting"), by its attorney, hereby submits its Comments with respect to the timing of Auction No. 79, and the procedures to be applied thereto.

Several proposals have been circulating concerning the timing of the Auction, and the extent to which the currently established bidding credits are appropriate despite the economic climate which exists in the Nation. There has been some suggestion that the Auction should be delayed to a later date; and that bidding credits should be increased simply to enhance the ability of new entrants to acquire broadcast permits. Sutton Radiocasting opposes each of these proposed measures.

With regard to the timing of the Auction, Sutton Radiocasting supports the September 1, 2009 date that already has been scheduled for the Auction. While it may well be true that the current economic climate may persist through that date, it also is possible that it may not due to stimulus measures already taken by the current Administration. Nevertheless, the FCC always has encouraged diversity in the radio marketplace. In the current climate where there may,

hypothetically, indeed be fewer Auction bidders, it is extremely likely that such an environment will in fact *favor* new entrants (and mid-level existing broadcast licensee) insofar as today's economic climate is likely to cause large publicly traded companies and mass-frequency speculators to "sit out" this particular Auction and finally allow small or local-community based bidders a reasonable shot at acquiring a desired frequency. The FCC's main mission is to promote diversity and to protect the public interest, and not simply to "raise funds" for the overall Federal Government. This Auction may at last provide a unique opportunity for new permits to be acquired by individuals and companies who, due to abusive activities by non-local businesses and entrepreneurial speculators, were unable to acquire appropriate frequencies previously.

Nevertheless, an increase in bidding discounts currently applicable to some Auction bidders is not appropriate. As noted above, while it is true that the FCC always has been interested to in some manner provide a platform and some ability for "new entrants" (*i.e.*, persons or groups who do not currently have a station) to acquire a permit (since such acquisition hypothetically promotes broadcast diversity), nevertheless the overall "public interest" also is served often, and perhaps to even a greater extent, by a small locally-based broadcast groups having the ability to acquire such a permit to add to an existing local cluster. That is to say, while a stand-alone new entrant often does (and in today's economic climate, may well) fail, an existing locally-based acquisition (1) allows an existing broadcaster to operate the same station with increased efficiency as a part of an "economy of scale," thereby increasing the likelihood the station permit acquired in the Auction will in fact succeed in the marketplace; and (2) the public interest will be served by virtue of the fact that the local broadcaster will be in a position to

provide additional *locally* based programming. Increasing “new entrant” bidding credits to an even greater percentage above the current 35% level will unfairly skew the bidding process and the auction ownership process to only one group (nominal “new entrants”), at the detrimental expense of the other. From a more pragmatic standpoint, a broadcast group such as Sutton Radiocasting, that has been prudent with its finances during both the strong and weak economic times that have occurred, should not, in essence, be punished or placed at a severe bidding disadvantage *vis a vis* bidders who nominally are “new entrants” just because the economic climate is “bad.” While it is understood that there need not be an *absolutely* level bidding/playing field in the FCC Auction process, the arena nevertheless should not be *so absolutely* skewed as to effectively make it unlikely for anyone *other* than “new entrants” to obtain a permit through the bidding process. The current bidding discount levels have worked well in the past, and it is believed that they will continue to work well in the future.

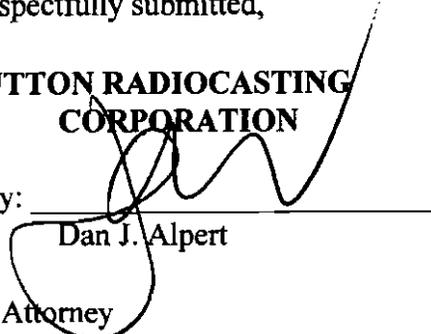
Finally, Sutton Radiocasting believes that steps should be taken to make the Auction process more efficient. Oftentimes, a given permit could sit without being the subject to a competing bid for many Auction Rounds as a tactic to allowing last-minute, predatory bidding. This practice clearly is not in the public interest. Sutton Radiocasting instead favors instituting a rule that rather than having it where all 122 allotments remain open until no bids are received in a given Round for *any* permit (which is the current rule), instead, the more prudent rule that should be established is that further bids should be cut off on individual permits on a “rolling” basis, so that if no new bids are received for permit for a certain set number of Rounds, the Auction for the particular permit at that time ends. Sutton Radiocasting proposes that Six Rounds is an appropriate period. This will allow all existing qualified bidders a fair opportunity

to participate, but will not unduly prolong individual auctions for individual permits, as currently occurs.

**WHEREFORE**, it is respectfully requested that these Comments be accepted.

Respectfully submitted,

**SUTTON RADIOCASTING  
CORPORATION**

By:   
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