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April 16, 2009

VIA ELECTRONIC TRANSMISSION

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: Notice of Ex Parte Presentation
of the PPM Coalition
In MB Docket No. 08-187

Dear Ms. Dortch:

This letter will serve as notice that on April 15, 2009, James Winston, Executive Director of the National Association of Black Owned Broadcasters ("NABOB"), David Foster, and I met with Commissioner McDowell and Rosemary Harold and had a separate meeting with Rudy Brioche of Commissioner Adelstein's office. We met on behalf of the PPM Coalition, an informal organization of companies and public interest organizations in the broadcast and advertising industries that seek to document, correct and avoid the potentially devastating impact of Arbitron's Portable People Meter ("PPM") methodology on minority participation in the radio industry and the radio industry's service to minority audiences.

In our meeting with Commissioner McDowell, we urged the prompt issuance of inquiry regarding the reliability of Arbitron's PPM methodology. We noted that despite the recent settlements with New York, New Jersey, and Maryland, many of the same problems identified in the Emergency Petition for Section 403 Inquiry still exist. We reviewed the settlements reached between Arbitron and the Attorneys General of New York, New Jersey, and Maryland against Arbitron. We explained that the settlements, while welcome, do not go far enough to ensure that Arbitron's data is representative and valid. We noted that Arbitron's PPM methodology remains unaccredited by the Media Rating Council in almost all of the markets in which it is used. We discussed the fact that the percentage of cell-phone-only users in Arbitron's panels remains, even under the requirements of the settlements, far too low. The PPM Coalition's main concerns are set forth in the

attached joint press release of NABOB and the Spanish Radio Association. We also provided a copy of Arbitron's letter to Senator Menendez, which is attached as well.

We also discussed the results of Nielsen's radio audience measurement pilot project in Louisville, Kentucky. We distributed Nielsen's press release regarding that pilot project, which is attached.

After our meeting with Commissioner McDowell, we met with Rudy Brioche of Commissioner Adelstein's office. We again urged prompt commencement of an inquiry with Mr. Brioche.

Please let us know if you have any questions or would like any further information about the PPM Coalition's positions on these issues.

Sincerely,

A. Bush /dwf

Antoinette Cook Bush
Counsel for the PPM Coalition

cc: James L. Winston (via electronic transmission)
Rosemary Harold (via electronic transmission)
Rudy Brioche (via electronic transmission)

NABOB AND SRA DISAPPOINTED WITH ARBITRON'S LATEST PPM PROMISES

FOR IMMEDIATE RELEASE

Washington, DC -- The Spanish Radio Association (SRA) and the National Association of Black Owned Broadcasters (NABOB) expressed their disappointment and frustration with Arbitron's recent promises to upgrade its Portable People Meter (PPM) sampling methodology. These promises will not cure the problems that have caused PPM data to be skewed and unreliable. Indeed, Arbitron has done nothing more than assure the public that, at some point in the next two years, it will address the most glaring flaws in its PPM methodology.

PPM is now currency in fourteen markets. While all currency markets have been audited, in all but two of those markets. Arbitron's PPM service has failed to receive accreditation from the Media Rating Council (MRC). The state attorneys general of New York, New Jersey, and Maryland have taken legal action to hold Arbitron accountable for the flaws in its PPM product. The actions by the MRC and the investigations by the state attorneys general prove that Arbitron needs to take dramatic steps to fix its PPM methodology before it can deliver reliable and representative audience estimates.

Arbitron's announcement that it intends to extend many of the methodological enhancements agreed to in the New York and New Jersey settlements to all PPM markets is a good first step. However, SRA and NABOB have made clear in recent meetings with Arbitron that the actions mandated by the state settlements are necessary but not sufficient if Arbitron is truly committed to transforming PPM into a reliable audience measurement service. According to Frank Flores, General Manager of SBS New York, "we've been working in earnest with Arbitron to communicate what we view as the most critical shortcomings of its PPM sampling methodology. Therefore we found it odd and quite disconcerting that neither SRA nor NABOB was consulted prior to this latest move from Arbitron. Arbitron's implication that we are satisfied with its latest promises is disingenuous and simply not true. It reflects what we have long feared: Arbitron will exploit its unregulated monopoly position to do whatever it wants, whenever it wants, regardless of the harm it inflicts on its customers."

The Details

The SRA and NABOB explained where Arbitron's promises fall short in four key areas:

Cell Phone Only Sampling

Arbitron will increase cell-phone only sampling in all PPM markets to 15 percent by the end of 2010.

SRA/NABOB Response: Cell phone only (CPO) users are disproportionately young and minority, and Arbitron's failure to sample them properly has resulted in an undercounting of these important demographic groups. While we acknowledge that Arbitron's CPO target is in line with its agreements with the NY, NJ and MD settlements, both the SRA and NABOB have recently cautioned Arbitron that its proposed timeline lags behind the realities of the market. Even if Arbitron meets the new target, CPO users will continue to be underrepresented.

Presently, eighteen percent of American households have abandoned landline telephones, and the latest research predicts that percentage will rise dramatically by the end of 2010. Moreover, CPO use is significantly higher than 18 percent among adults 18-29 (over 30%) and within minority populations. Arbitron's stated goal of 15% CPO sampling by the end of 2010 does not even reflect the current market profile, and it will become even less representative over the next two years.

Arbitron claims to the general public that its PPM estimates are based on a representative sample of radio users. SRA and NABOB continue to ask Arbitron to sample CPO users commensurate with their share of the marketplace.

Address Based Sampling

Arbitron is committing to the use of address-based sampling techniques for at least 15 percent of its sampling efforts by the end of 2010.

SRA/NABOB Response: Arbitron only intends to use address based sampling to reach cell phone only homes. All landline homes will continue to be approached utilizing a telephone sample frame based on random digit dialing and telephone recruitment. We have repeatedly explained to Arbitron that telephone-based sampling results in skewed sampling of minority radio audiences. As reflected in current panels, some segments of minority communities are disproportionately likely to decline to participate in the PPM sample when contacted by telephone. Address-based in-person recruiting would allow Arbitron to better sample these undercounted communities.

In-tab Compliance Rates

Arbitron is applying its average-daily in-tab benchmark of 75 percent of installed sample to all PPM markets and is currently implementing methods to minimize differential compliance.

SRA/NABOB Response: Arbitron's promise in this area has two key deficiencies. First, an average daily in-tab benchmark of 75% for the overall sample population is insufficient. It represents only the minimum legally required under the Maryland settlement. Second, it does not address the key issues for SRA and NABOB which is the differential compliance rates among young and ethnic PPM panelists. Arbitron's announced commitment would not comply with the New York settlement, which required a 75 percent compliance rate for all demographic groups within the sample (ages 6+, 18-34; 35-54, etc.). Arbitron must take steps to bring the

compliance rates among young and ethnic PPM panelists in line with those of its sample overall, and it must increase the compliance rate of the overall sample as well.

Response Rates (SPI)

Arbitron has committed to improving its Sample Performance Indicator in all PPM markets and has told the Media Rating Council that it hopes to achieve a 21 percent SPI average across all PPM markets by the end of 2010.

SRA/NABOB Response: Arbitron makes no specific commitments by market with regard to SPI. This is insufficient. SPI is one of the most important indicators of the sample's representativeness to a given population.

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T (410) 312-8255 F (410) 312-8611

February 27, 2009

The Honorable Robert Menendez
United States Senate
317 Hart Senate Office Building
Washington, DC 20510-4305

Dear Senator Menendez:

Thank you again for meeting with me at your office on February 12, 2009, to discuss the progress Arbitron has made in our introduction of electronic audience measurement into the major United States radio markets.

I want to reiterate that Arbitron is committed to ensuring that all radio listeners are fully and fairly represented by our radio ratings services, and that we have been focused on that goal every day—for more than 40 years.

In my short time since joining Arbitron on January 12, 2009, as the new Chief Executive Officer, I have been in regular and frequent dialogue with our Portable People Meter™ (PPM™) customers, including members of the National Association of Black Owned Broadcasters and the Spanish Radio Association. I am committed to continue our focus on and to resolve satisfactorily the concerns of all of our PPM market customers in terms of the sample size, sample proportionality and sample quality of our PPM panels. I want to assure you that Arbitron is actively engaged in the continuous improvement of our PPM and Diary market services. Thanks to specific customer input, Arbitron is already making good progress on improvements in many operational areas. As an integral part of the company's continuous improvement programs, Arbitron is on track to meet or exceed 100 percent of the settlement agreement criteria with the Attorney General of New Jersey and the Attorney General of the State of New York.

Please allow me to summarize the commitments and progress that Arbitron is making in our continuous improvement program for the PPM markets in more detail.

As a first step, Arbitron will provide all PPM markets with the benefit of many of the key methodological enhancements that we have committed to in our agreements with the attorneys general of New Jersey, New York and Maryland. While there will be some variation in metrics and milestones based on particulars of the local market environments, all of our PPM customers would be able to count on receiving enhancements to our PPM methodology in four key areas:

- Cell-phone-only sampling
- Address-based sampling
- In-Tab compliance rates
- Response metrics (Sample Performance Indicator or SPI)

In addition, customers in all PPM markets can expect to see increased transparency for more of the sample metrics of our PPM survey research, including the distribution of our sample by zip code and by cell phone status. We will also continue to share with all

customers any current and future findings of the impact of nonresponse on the PPM service.

Arbitron intends to maintain its commitment to Media Rating Council® (MRC) accreditation in all PPM and Diary markets. Arbitron recognizes that the U.S. Congress inspired the formation of the MRC in order to secure for the media industry and related users audience measurement that is valid, reliable and effective. The Media Rating Council's accreditation of Arbitron's PPM radio ratings in Houston-Galveston and Riverside-San Bernardino stands as a testament to Arbitron's commitment to transparency, accuracy and the delivery of high-quality audience measurement. MRC accreditation reaffirms Arbitron's dedication to maintaining an industry-wide gold standard for audience measurement.

Beyond the progress that I have just outlined, we are also addressing specific matters of interest to the Spanish Radio Association, including country of origin, which I will review in this letter.

Finally, I would like to review some news highlights from PPM markets across the country. Broadcasters have recently converted two general-market formatted radio stations, one in Los Angeles and one in Dallas, to Spanish-language formats, and the early PPM ratings estimates indicate a promising start for the new Spanish station in Los Angeles.

Let me now address the commitments we are making to all of our customers, starting with the key methodological enhancements that we are extending to all PPM markets.

1: Extending our commitment to cell-phone-only sampling to all PPM markets

Arbitron will increase the sample target for cell-phone-only households in all PPM markets to an average of 15 percent by year-end 2010. In an interim step, the current target of 7.5 percent will be raised to 12.5 percent in PPM markets by year-end 2009. (Monthly milestones within each year will vary by market. Our latest cell phone research is indicating that markets such as Nassau-Suffolk and Middlesex-Somerset-Union have a cell-phone-only penetration that is significantly less than 15 percent.)

Arbitron has recognized from the beginning of the PPM service that coverage of cell-phone-only households is very important. Arbitron has been at the forefront of measuring cell-phone-only persons, including conducting the first survey ever in the United States that called cell phones in 2002. Our commitment to understanding how to measure cell-phone-only persons and households has been cited by leaders in the survey research industry.

This commitment to cell-phone-only sampling is important because Federal statistics show that Hispanics and Blacks are more likely to live in cell-phone-only households.

We believe that increasing the number of cell-phone-only households in our PPM samples will be an important element in our ongoing programs to enhance the participation of 18- to 34-year-olds by race and ethnicity. As the number of households that can be reached only by cell phone continues to grow, Arbitron plans to update its methodologies to better include this important segment of the population.

2: Cell-phone-only sampling plans for Diary markets

Arbitron is also committing to expanding cell-phone-only sampling to 151 Diary markets in Spring 2009 and to all Diary markets in the continental U.S., Alaska and Hawaii by Fall

2009. Arbitron also plans to use an address-based sample frame as the foundation of its cell-phone-only sample in Diary markets, while maintaining the effective random-digit-dial (RDD) sample frame for landline households.

3: Extending our commitment to address-based sampling to all PPM markets

In keeping with our national commitment to increase cell-phone-only sample, Arbitron is committing to the use of address-based sampling technique for at least 10 percent of its sampling efforts by late 2009 and for at least 15 percent of its recruitment efforts by the end of December 2010 in all PPM markets. (Again, monthly milestones within each year will vary by market.)

Because federal law prohibits auto-dialing wireless lines without consent from the called party, Arbitron, as a survey researcher, cannot efficiently use a random-digit-dial sample frame to expand cell-phone-only sampling in our PPM markets. That is why, effective with the March 2009 survey period, random-digit-dial, telephone-based sampling will be replaced with address-based sampling for cell-phone-only households.

This new method is more efficient than the manual dialing procedures we had been using and should allow us to substantially increase the number of cell-phone-only persons included in our panels.

We are also retaining the random-digit-dialing sampling method for landline homes because that approach enables telephone contact with a higher percentage of landline homes not listed in telephone directories. These unlisted landline households, which are more likely than listed ones to contain Hispanics, Blacks and young adults, are still best reached through a random-digit-dial frame. Their inclusion in the random-digit-dial frame, along with the additional recruitment contacts that a telephone-based method makes possible, can improve the overall representation of these groups in our PPM samples.

4: Extending our agreement for compliance metrics to all PPM markets

In our agreements with New Jersey, New York and Maryland, we committed to take all reasonable measures to achieve average In-Tab rates of at least 75 percent for all Persons aged 6 and older by specific dates and to work to minimize differential compliance (with differing metrics across local markets) for demographic subcategories comprising 10 percent or more of the population in a PPM market.

Arbitron is applying the agreed-upon 75 percent metric to all PPM markets. In addition, we are also implementing in all PPM markets many of the techniques and methods that we are using to minimize differential compliance rates in order to fulfill the terms of the New Jersey, New York and Maryland agreements. (Specific programs and techniques are being applied based on an individual market's in-tab performance.)

5: Our commitment to enhancing Sample Performance Indicator (SPI)

In our agreements with New Jersey, New York and Maryland, Arbitron committed to set a target of 20 percent for the Sample Performance Indicator (SPI) by 2010. While we have set a target of 20 percent, we also agreed to take all reasonable measures to achieve certain interim minimums, such as 15 percent SPI level in mid-2009, 16 percent SPI in late 2009 and 17 percent SPI in 2010. (The precise milestones vary by market.)

SPI is a longitudinal measure that is used as a proxy for response metrics in electronic media panels for radio and television. No metric is more variable by local market than SPI;

smaller markets tend to have higher SPI metrics than larger ones. The newest PPM markets, which were first recruited in 2008, have also received the benefit of our response rate and compliance programs starting with the very first recruitment contact. In these markets, SPI metrics are already above our commitments to New Jersey, New York and Maryland.

Based on the progress we are seeing in our response rate programs, we have informed the MRC that we hope to achieve a 21 percent SPI average across all PPM markets by the end of 2010.

Arbitron commitments to greater transparency

Our commitments to New Jersey, New York and Maryland do not stop with sampling, recruitment and compliance improvements. They include greater transparency in terms of information regarding PPM sample composition and other metrics of PPM services. We intend to provide additional information in all PPM markets that many of our clients have indicated they would find useful and that would help clients understand the strengths and limitations of PPM samples.

6: Understanding sample distribution by zip code reports

Going beyond the New Jersey, New York and Maryland agreements, we will provide in all PPM markets installation and in-tabulation data by individual zip code, along with market population data for Blacks, Hispanics and others (non-Black or non-Hispanic) for each individual zip code. We have also released a new and enhanced Web application, PD Advantage™ Web, which allows a station access to unweighted audience information for zip codes where 20 percent or more of the panelists report exposure to the station (subject to appropriate minimums over time).

7: Understanding how our sample is distributed by cell-phone-only status

Since cell-phone-only sampling is of vital interest to our customers, Arbitron will continue its practice of publishing the percentages of installed and In-Tab cell-phone-only sample in the front of all monthly Arbitron electronic PPM market reports.

8: Understanding the potential for nonresponse bias

While Arbitron has committed to complete a nonresponse bias study in the New York market by July 15, 2009, we intend for all PPM markets to benefit from the findings of that study. Arbitron has already conducted nonresponse studies in Houston-Galveston and Philadelphia, and has shared the results of the Philadelphia study at a research industry conference. In the case of the New York study, should the findings indicate any measurable statistical bias, Arbitron will inform all of our clients of the identified sources of that statistical bias in our PPM methodology and will take reasonable measures to address those sources.

9: Our ongoing commitment to MRC accreditation

Another important ongoing commitment is to obtain and maintain accreditation by the MRC in all of our PPM and Diary markets. While there are milestones in our agreements with New Jersey, New York and Maryland, that commitment to MRC accreditation extends to all PPM and Diary markets.

In my first month with the company, I have devoted a substantial amount of time in meetings with the MRC executive staff and Arbitron's customers who serve on the MRC

Radio Committee, as well as in internal company meetings related to MRC accreditation activities.

One positive outcome of our continued commitment is the January 2009 decision by the MRC to accredit the Arbitron PPM radio quarter-hour ratings data in Riverside-San Bernardino, California. Riverside-San Bernardino is a heavily Hispanic market, with Hispanics accounting for 46.7 percent of the population and Spanish-dominant Hispanics accounting for 21.5 percent of the market.

The accreditation in Riverside-San Bernardino demonstrates that our 'Radio First' methodology, which uses a telephone-based sampling and recruitment methodology that includes both landline and cell-phone-only households, can deliver audience estimates that can be accredited by the MRC. We are using the 'Radio-First' sampling methodology in PPM markets outside of Houston-Galveston.

Our goal now is to demonstrate that the sample quality initiatives we have committed to for all of our PPM markets will have a continuing positive impact, just as they have had in Riverside-San Bernardino.

Beyond the progress to date that I have just outlined, we are also addressing additional matters of importance to the Spanish Radio Association, including country of origin.

10: Country of origin

The option to see the current composition of the Hispanic sample by country of origin has been a topic of discussion with Hispanic broadcasters. We have already conducted zip code analyses by density of country of origin population in New York City specifically to address this concern. The long-term objective is to have this information available on an ongoing basis to provide a degree of assurance that the country of origin representation is reasonable and reflective of the proper mix of Hispanics in a given market.

We have worked in a collaborative effort with the leading researchers of the Spanish Radio Association to define a multistep process to achieve this goal.

Arbitron has conducted a test of three markets selected by the Spanish Radio Association (Houston-Galveston, Los Angeles and New York) to determine if asking the country of origin question during one of our regular status calls to PPM households would have an adverse impact on the PPM sample. Early results from the test are indicating that we will be able to collect and track country of origin without affecting the quality of the sample.

While full test results are pending, we don't anticipate any significant roadblock to the implementation of country of origin in PPM markets with a significant Hispanic population.

News From PPM markets

At the same time that we are making improvements based on the input of our customers, our radio clients are also learning how to take advantage of the new PPM measurement system. We have seen changes in the ratings of many stations as programmers have made adjustments in the presentation of their programming. We have seen Urban radio come back in Houston-Galveston to consistently take the top spot. We have seen Spanish-language radio rise to number one in Dallas, which was not the case in the Diary service.

The Nielsen Company
770 Broadway
New York, NY 10003
www.nielsen.com

News Release

Media Contact:
Gary Holmes
646-654-8975

20% OF PERSONS 12+ IN LEXINGTON KY USE ONLY CELL PHONES, NIELSEN FINDS DURING PILOT FOR RADIO MEASUREMENT SERVICE

Increased Representation in Radio Sample Includes Hard-to-Reach Younger Audiences Who Listen Longer to More Stations

NEW YORK, NY March 5, 2009 – More than 20% of people over age 12 in the Lexington, KY market use cell phones as their sole form of telecommunications and listen to substantially more radio than homes with landlines, The Nielsen Company found in a pilot study of radio use in Lexington, KY. Using Address Based Sampling for sample recruiting Nielsen was able to identify and gain cooperation of these listeners to form a single sample that for the first time truly represents the full market.

Nielsen found that cell-phone-only homes logged nearly 23 hours of radio listening per week compared to just over 19 hours for the total sample. In addition, this group:

- Listens to 3.5 radio stations compared to less than 3 stations among the total sample
- Has an average quarter hour total radio rating of 17.3% versus 14.3% rating for the total sample
- Skews younger, primarily between the ages of 18 and 34

The Lexington pilot was conducted in advance of Nielsen introducing radio measurement in 51 local markets. To recruit sample radio households, The Nielsen Company uses address-based sampling (ABS), which it pioneered in its domestic television measurement in order to reach the estimated additional 34% of US households, including cell-phone only and many unlisted landline phone households, which are not covered by current landline telephone number sampling methods.

Other highlights of the pilot program found that:

- Nielsen's address-based sampling approach delivers a more representative sample than other recruitment systems, delivering 30% more of the potential radio universe than anything else available today
- Nielsen's "sticker diary," which uses pre-printed labels, works as well in the U.S. as it does in international markets

In the Lexington market, Nielsen found that radio reaches:

- 93% of the market's population of people over the age of 12
- 90% of the population that does not read newspapers
- 96% of light or non-broadcast television viewers
- 96% of those who go to the movies

-more-

"This study underscores the value of radio in reaching a local audience, particularly those increasingly elusive, mobile young adults," said Lorraine Hadfield, Nielsen's Managing Director for Global Radio Audience Measurement. "The methods employed here benefit from Nielsen's experience in measuring both local television in the United States and radio globally and ensure improved representation. The Lexington pilot also proved that the "sticker diary" was easy to use and created no discernable bias."

"The results of this study show clearly that radio has a vital role to play and that a new approach to measuring radio's audience was required to fully represent the medium's value," said Lew Dickey, CEO of Cumulus. "The findings from the Nielsen pilot underscore the urgent need to include cell-phone-only homes in radio ratings."

"Finally! An accurate picture of radio listening," said John Hogan, president and CEO of Clear Channel Communications, Inc. "It's no surprise to us that the most highly coveted demographic listens to 23 hours of radio per week – that's a far cry from what we've been told for years by inaccurate ratings. The fact that more than 20% of radio listeners in the test market are cell-phone-only households underscores the value that Nielsen brings to us and every other radio broadcaster right out of the gate. We applaud Nielsen's commitment to delivering accurate information immediately. Now we can get to the business of discussing radio's true value with advertisers."

The Lexington pilot, which was conducted over the first week of December 2008, included 588 people from 336 households. Nielsen's first eight-week survey begins today in 51 small and medium-sized markets. Additional features of the service include:

- Large samples to reduce relative error and bounce.
- "Sticker diaries" - a proven and easy to use/easy to edit hat has improved the quality of radio measurement data around the world. In the Lexington pilot 35 stations were identified with stickers, but participants reported listening to an additional 35 stations with no station identification issues.
- A significant investment in over-sampling and differentiated incentives to improve response rates and representation of the typically hard-to-reach demographics.
- Robust, single-source qualitative measurement of lifestyle, consumer behavior, and purchase intent.
- Nielsen's web-based Radio Advisor software platform, which will include responsible limits on the granularity of analysis and relative errors that can be used in proposals and analyses.

About The Nielsen Company
The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.