



American Independent Radio

From Selection to Implementation

Launch of AIR in 180 days

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How It Starts



To address the concerns of some parties on the docket as to American Independent Radio's (AIR)'s ability to implement the 12 independent set-aside channels in an efficient and expedient manner, (and the 12 noncommercial channels, if the FCC sees fit to permit it to manage those channels as well), AIR submits the following:

Independent Aggregate: Contrary to some challenges to the need for an Independent Entity to administer the channels, AIR points out that it was the FCC that asked whether an independent trustee would be beneficial in the first place. Further, before the merger of the combined entities, AlphaStar offered to the FCC, Sirius and XM, separately to serve as an independent aggregator of the content, prepare the content for delivery, and transmit it to Sirius XM. AlphaStar made that offer as an answer to and to offset concerns that there may have been technical and financial impediments on Sirius XM to implement the set-aside. It was simply seeking the interest of implementing the set-aside.

It did not do so to take an adversarial posture, as suggested by RSS on the docket, because it then (and now as part of AIR) envisioned working with Sirius XM to ease the administrative burden and potential cost from Sirius XM. To the extent that Sirius XM, in its reply comments, indicates that it is not technically feasible or secure for direct access to uplink to its satellite network, AIR withdraws that suggestion. Nonetheless remains willing and capable of preparing the content for delivery to Sirius XM for it to undertake the process of uploading the content onto its network in the safest and securest way possible.

Response to Lease Term Discussions

Lease Term

- Some suggest a full 10-year lease term be awarded to the Qualified Entity or Entities, and others a 5-year lease term. If elected to be the Qualified Entity to lease the channels, AIR clarifies its position to be that a longer lease terms, perhaps 5-years, be awarded to content providers programming entire channels. For those programming shorter 1-, 2-, 3-, 4- hour blocks of programming, their terms would be limited to a 2-year term. Imposing shorter limits, as AIR indicated on the docket, would:
 - (1) encourage those short-block programmers to continue to produce quality content that satisfies the needs and interests of the audiences; and
 - (2) enable others and maximize the number of content producers that can have access to the channels.
- To the extent that there may be less operational costs for providing shorter blocks of programming, such leasees would not necessarily have the same financial output to maintain their leased capacity, and may not be saddled with the same access to capital issues as those seeking to provide a full channel or more of programming.

Flaws in the One Channel One Entity/SuperChannels/SimulcastChannel Proposals

- If the FCC chooses to allocate the capacity to a scheme that eliminates the ability of shorter blocks of programming, it would severely limit the ability for the maximum amount of programmers to have access to the capacity. An option that permits blocks of shorter programming, as suggested by iClick2Media and AlphaStar and Radio One, would enable a larger pool of programmers to have access to the capacity. All models suggesting that only broadcasters with substantial history of broadcasting on terrestrial radio or with significant financial capital be permitted to lease space are flawed and contrary to a mission of maximizing the diversity of content providers.
- Such approaches alienate the universe of quality content available already on Internet Radio and in other media. Many of such producers have strong following and are already responding to the diverse interests of the American listening audience, notwithstanding the fact that producers of such content may not have had the ability to own a large station or the finances or resources to broker carriage deals on the existing terrestrial or satellite radio platforms. Providing quality programming is not a function of the wealthy, well connected or those with boundless resources. An internet radio channel that has existed for several years and maintained a steady fan base, funded by advertisers is no less a quality programmer than an established and well funded media conglomerate.
- The Commission is interested in maximizing the diversity of programming options and adopting elitist approaches to who can do so only perpetuates the existing platform which has consolidated the ownership of radio to so few entities in the first place.

Response to the Dearth of Options Available to Foreign Language-Speakers

- As Metro Radio Korea presented in its comments on the docket, there is a dearth of programming options available to the many speakers of foreign languages in the United States.
- It is no secret that American citizens, permanent and temporary residents are diverse and speak many languages; and maintain their cultural traditions, ties and heritage even while living in the United States. The melting pot ideal is outdated and has been replaced with the concept of a salad bowl where different cultures are not expected to leave aside their ethnic and cultural identities in order to become part of a more homogenized America. With that said, there is indeed a tremendous need for more radio content to appeal to and meet the needs of foreign speakers who do not only speak English.

AIR proposes to allot slots on at least two channels to content for multi-languages beyond just Spanish.

Free Access to AIR's Content

- Sirius XM contends that the FCC rejected the notion of the independent channels be made available free whether or not the consumer had an active subscription account to Sirius or XM. To the contrary, the Commission opted to implement the details of the independent channel in a separate proceeding which is the one on consideration now, (Sirius XM Order at para. 139), and the Commission clearly retained its authority to permit the public to access the independent channels which are being leased for free to be accessed for free, as well.
- Thus, to the extent that if those channels were to be made available for free, it is foreseeable that they may also be considered to be more akin to terrestrial broadcasters who are subject to certain regulatory requirements because they are accessible to anyone without paying for a subscription. AIR has not asked to expand the obligations for satellite radio content, but has offered to insulate and indemnify Sirius XM from being responsible for the content on the independent channel if there were any expanded regulatory obligations imposed on the independent channels based on the stations being made available for free.

AIR's Response to the Noncommercial Educational Channel Allotment

- AIR very clearly understands that the FCC elected to adopt the DBS standard for leased access in the Sirius XM Order, however, it offered to manage the 4 percent of capacity made available to noncommercial educational entities per that Order to the extent that since the merger, to date, there has not been many indications that NCEs are rushing to lease the capacity. iClick2Media and AlphaStar feared that costs and resources may have been a barrier and thus offered the ability for NCEs to get on the AIR.
- AIR will not provide editorial input on what channels got on the air pursuant to and as limited by the DBS set-aside rules and limitations. Although not part of the docket, the Commission is authorized to act *sua sponte* on this matter and to at least initiate an inquiry if it sought to pursue the option further.
- By suggesting to manage the content, AIR was and remains interested in ensuring that the maximum amount of independent voices are broadcast on the satellite radio platform, and not in the interest of controlling all content.

Advisory Board Members

Professionals from radio, television, film, community-based organizations, private and public sectors of business with a wide range of experiences (Bios attached)



Acceptance

Rolonda Watts
News and Talk Show Veteran Actress

Dr. Bert Petersen
Breast Cancer Surgeon

Cliff Love
Former Director of Publicity, ABC Television

Mike DeZinno
CEO, Blind Faith Media

Elva A. Mason, Esq.
Intellectual Property Lawyer

Miriam Machado
President of TVA Productions, Black Entertainment Television's 'J'

Marcia Migét
Executive Director, Miraflores Academie

Julie Phelan
Entertainment Consultant

Ronnie Stewart
Bay Area Blues Society

Manjari Prakash
Creative Development and Marketing Consultant

La Choy Jackson
Senior Member, Invictus Strategies, LLC

Chris Thomas
ATP Intermediate Inc.

Waiting on Acceptance

Kim Gandy
President, NOW

Harriet Michel
CEO, National Minority Suppliers Council

Ben Rodriguez-Cubenas
Chair, Cuban Artists Fund

Dr. Marjorie Hill
Executive Director, Gay Men's Health Crisis

Carl Lewis
Marketing and Finance, 3 Triangle Inc.

Rossana Rosado
Publisher, El Diario

Vince Ferguson
Executive Director, Body Sculpt

Wendy Wheaton
Hollywood Scoop

Rory Enke
Film Industry Production Veteran

Open Slot

Open Slot

Liaison from Sirius XM

AIR's Channel Breakdown



- AIR's goal is not to break up the channels by race as mentioned by some or create super stations as mentioned by others commenters.
- iClick2Media's goal for AIR is to divide the channels by topic.
- As suggested in the Comments on the docket, AIR would allocate full channels to those with the quality programming and ability to do so; however in recognition of the plethora of valuable and diverse content being successfully produced and promoted, AIR proposed hour-block allotments.

AIR Channels Breakdown Proposal



| Commercial | Noncommercial under the definition of Noncommercial Educational Programming |
|-----------------------|--|
| Music | Educational |
| Political | Public Affairs |
| Talk | Educational |
| Sports | Language/Multilingual |
| Health | Education |
| Faith (Multicultural) | Public Affairs |
| News | Educational |
| Music | Language/Multilingual |
| Politics | Educational |
| Women | Public Affairs |
| World News | Educational |
| Open Forum | Language/Multilingual |

The Selection Process for AIR



Potential participants will go to the AIR website to fill out an online application including:

- General information about the individual, organization, and company
- An executive summary providing a general description of the programming proposed to broadcast, including whether it is seeking a full channel or an hourly allotment
- A narrative explaining the market that will be served and evidence, if any, of an already existing following or listener base
- Certifiable financial statement and/or summary including a recent balance sheet and pro forma information providing 5 years of sustainability
- Access to capital to sustain the business without a year of advertising revenue

The Board will implement a neutral point system and assign candidates points based on such criteria to guarantee the best qualified programmers be awarded, including, but not limited to:

- Listening market that will be served that is not being served currently by terrestrial and satellite radio
- Innovation of programming offerings
- Ability to provide unique content that has not and is not currently available
- Sustainability to program the channel or allotment throughout the term
- Access to talent and technical facilities

The Selection Process Timeline



A nationwide announcement will be sent using traditional marketing techniques and via the internet the day the FCC authorizes AIR.

It proposed to launch the channels/AIR network within 6 months.

- Day 1 – 7 (Week 1)
 - ❖ AIR will launch a marketing campaign including press releases, public affairs announcements on broadcast radio and television stations nationwide, and advertisements in paper and online versions of newspaper and trade publications, to announce that the channels are available, and to encourage applicants to learn more about and apply if they qualify.
 - ❖ This announcement will also be sent to not-for-profit, community- based, grassroots, political, consumer and media advocacy organizations and foundations that may be interested in applying for access to the allocation, or will be asked to put out all points bulletins advising their membership of the opportunity.
 - ❖ The marketing campaign would target schools, including colleges and universities, community organizations, and the Internet radio market, which can include some of the greatest producers of quality content with active fan base and follower ship.
- Day 7 - 40 (Weeks 2-5)
 - ❖ The application process will launch and applicants would be invited to fill out and submit applications online.
 - ❖ The tentative board consisting of AIR Board of Advisors; and other individuals from consumer, community, educational organizations, institutions, nonprofit, government and private sector industries, as nominated and submitted for membership on the selection committee, will be listed on the AIR website. The public will have opportunity to comment and/or object to any board member through a form on the website.
 - ❖ The AIR Board of Advisors, not including any opposed, will convene and make a determination on how to proceed on any board member who is challenged.
- Day 41-102 (Weeks 6-14)
 - ❖ AIR's Advisory Board will review and make a decision from among the submitted applicants of the tentative selectees to be awarded a slot on the AIR network. The tentative selectees will be announced and posted on the AIR website.
 - ❖ The Board will assign programmers to slots of 1-,2-, 3-,4- hours.
 - ❖ Members of the public will have an opportunity to present responses to any tentative selectee and during that time the Board will consider any oppositions
- Day 103 – 150 (Weeks 15-22)
 - ❖ The Board makes a Final decision. If it is determined that a tentative selectee should not be given a final slot, a replacement will be announced who will also be tentative selectee for at least 15 days barring no opposition to it until it is awarded a final slot.
 - ❖ As the selection process continues towards the launch date, AIR will begin setting time slots from the programming and make those selections public via AIR's website
 - ❖ The parties that have been selected will have to show their ability to attract their target base, and that they have 52 weeks of consistent programming financial ability to produce their own shows.
- Day 151 -179 (Weeks 23-27) - Marketing and wrapping up final loose ends.
- Day 180 (Week 28) - AIR Launch

Marketing



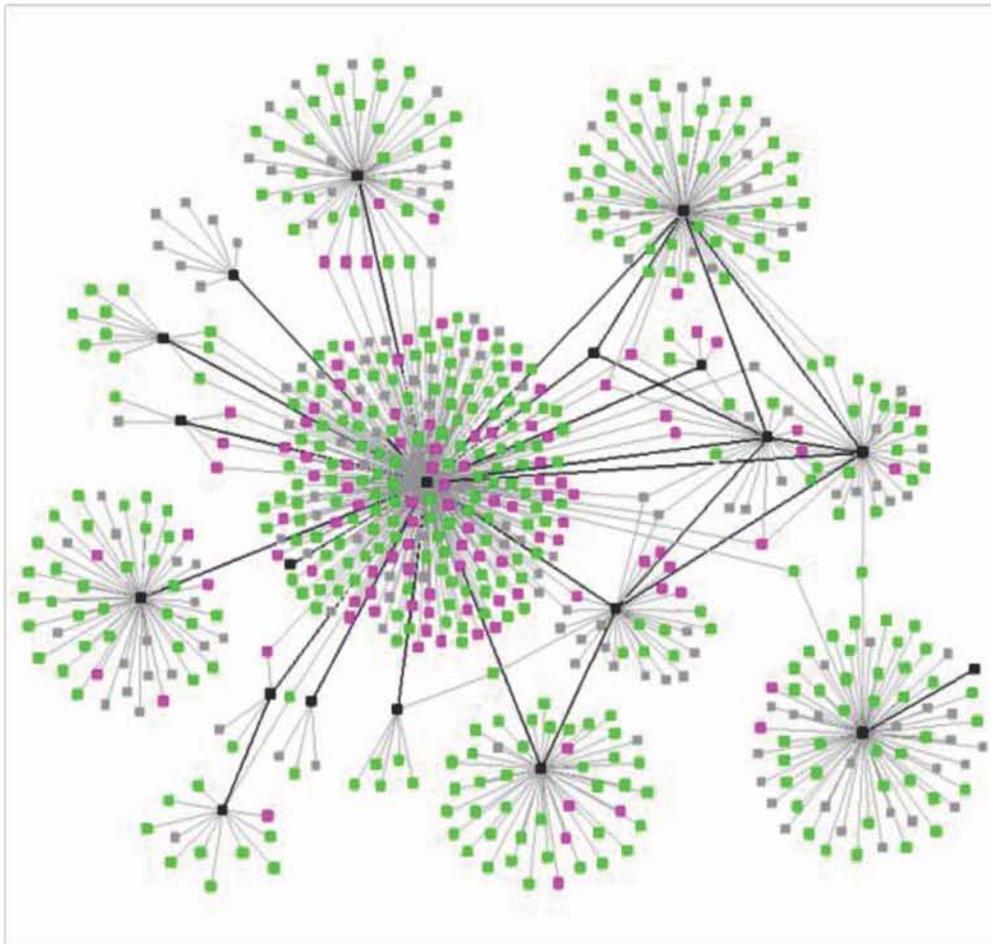
AIR will announce and promote the content via mobile devices & social networks beyond traditional marketing methods of announcing the programming offerings to the universe of listeners in the United States. It has the ability to send a link to the content that would be provided on AIR via text message to mobile devices, including PDAs.

- This same link can be sent by e-mail or put into a web browser, which will automatically load the content of AIR streamed on the Sirius XM platform onto to a laptop, desktop and or device capable of accessing and streaming the Internet.
- Anyone with the link can forward it to anyone in their social network (creating an AIR social network) via a text message
- This transmission will assist AIR to expand its consumer base and supplement other traditional marketing efforts to promote the channels

iClick2Media can:

- ❖ provide any content to any mobile device regardless of the consumer's carrier
- ❖ build several channels
- ❖ Be flexible and be heard on both mobile devices and personal computers
- ❖ target consumers to be able to hear the content at a push of a button
- ❖ Be accessed by anyone with a capable Internet access device

American Independent Radio Social Network concept



- Black – Host/Program
- Green - Listener
- Purple – Friends of Listeners
- Gray – Friends of Friends of Listeners

Marketing: The Tipping Point



The Tipping Point is:

- a place where the unexpected becomes the expected
- where radical change is more than possibility it is probable
- contrary to all our expectations
- a certainty

How We Start An Epidemic For AIR

- Characteristics
 - ❖ Make it contagious
 - ❖ Little causes can have big effects
 - ❖ Change happens not gradually but at one dramatic moment
 - ❖ These are the things that causes the tipping point to happen
- Economist talk about the 80/20 Principle which is the idea that in any situation roughly 80% of the work will be done by 20% of the participants
- Social epidemics work in exactly the same way. They are delivered by the efforts of a hand full of exceptional people:
 - ❖ Connector - People with a special gift for bring the world together
 - ❖ Mavens - One that accumulated knowledge
 - ❖ Salesmen - The skill to persuade us when we are unconvinced of what we are hearing and they are critical to the tipping point of word of mouth epidemics

Use of New Technology Capability to Expand Market Reach



- iClick2Media knows that some members of the market of radio listeners might not have the financial means to pay for the equipment to listen to AIR via the Sirius XM platform, and therefore proposes to offer the AIR channels on mobile devices, making it possible for anyone, anywhere to hear and participate in the AIR movement
- iClick2Media technology presents endless possibilities and applications:
 - ❖ Newer Radio or TV will have capacity to receive WiFi signals and HD quality broadcasts
 - ❖ TVs without WiFi or capacity to receive HD signals can be connected via a laptop in some instances, thus making in the future the need for a satellite dish or cable set top box not necessary to get multichannel audio and video content
 - ❖ Laptops and mobile devices will become the new cable box and they are 100% portable
- Content providers can potentially market and broadcast to the ever increasing market of mobile phone users. Thus, “local” networks can become global
- iClick2Media is looking to provide quality content (via AIR & iClick2tv) to the over 200 million cellular phone subscribers in the USA.

RECAP



In response to concerns over AIR's ability to implement the Channels immediately and efficiently, AIR will:

- Create channels by topic not based on race or develop superstations
- Engage a streamlined on-line application process
- Follow a Timeline
- Engage in marketing to get the word out to diverse groups
- Maintain a plan and system that effectively keeps the independent programmers in the loop, and
- Use mobile devices and the internet to access listeners and offer a presence currently not represented on terrestrial and satellite radio

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