MEDIA VENTURE PARTNERS

September 9, 2010

FILED ELECTRONICALLY VIA ECFS

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

Re: MB Docket No. 09-182

Dear Ms. Dortch:

As the co-founder of Media Venture Partners, LLC ("MVP"), a nationally recognized investment banking and media brokerage firm specializing in, among other things, raising of capital and the selling of broadcast assets, I write to urge the Federal Communications Commission ("FCC" or "Commission") to repeal the AM/FM subcaps in the course of its 2010 Quadrennial Review proceeding.

The Commission is well aware of the precipitous financial decline of the radio industry in the last several years. Nationwide, radio revenues have declined over 30% since 2006, from $20 billion to $14 billion in 2009. In 2010 revenues have improved slightly, but life in smaller markets is still a struggle: MVP has analyzed BIA data for 141 markets with revenue between $5 million and $15 million. We found a total of 2,534 commercial stations, of which BIA considers 1,224 to be "viable," as it defines that term, i.e. garnering a significant revenue share. In 2009, these 1,224 stations generated a total of approximately $1.2 billion in revenue, or $1 million per station. This was down from an average of about $1.275 million per station in 2007. In markets this size, that $275,000-a-year decline can often make the difference between a fully-staffed cluster, providing news, public affairs and community outreach, and a cluster that is laying off staff and cutting back services to the local community.

The subcaps currently prevent transactions from occurring in at least 150 markets in the country. Lifting the subcaps would create countless opportunities for deals, allowing some owners to shift their portfolios more towards AM or FM properties in order to better serve the needs and interests of their target audiences and thereby improve their financial condition, allowing others that for one reason or another wish to exit the radio marketplace to do so, and freeing up some stations for purchase by new entrants who wish to provide unique programming and/or serve niche audiences.

With the freedom to own the mix of AM and FM stations best suited to their listeners, radio broadcasters would earn increased revenues, hopefully setting the stage for a return to the level of revenue the industry enjoyed in 2007 and prior years. What may appear to be a very modest improvement in financial performance stands to create substantial public interest benefits—the swing from an average per-station revenue of $ 1 million to the $1.275 million figure cited above is, in our opinion, the difference between a healthy cluster doing a good job of serving its community and a cluster struggling to survive. Stations cutting payroll are not stations thinking about covering local news and originating public affairs programming—it takes talented professionals to do this kind of work.

A healthier industry would set the stage for existing troubled debt to be retired, freeing up capital for new lending. Today, it is virtually impossible to find a lender willing to make loans on smaller-market radio stations without significant credit support or additional collateral. The pace of radio station transactions is a small fraction of that seen in prior years, and new entrants to the industry, including minorities and women, are being shut out due to their inability to find capital with which to acquire stations.

None of this is likely to improve until the lenders to the industry are able to repair their balance sheets and start lending again. This will only occur once borrowers are able to improve their financial performance, and elimination of the AM/FM subcaps is a critically important first step towards achieving that goal.

Because the positive impact of subcap elimination would be widely dispersed across many markets and many businesses, this change would do much to instill greater confidence in the radio industry as a whole on the part of lenders. Over time, a healthier industry would, once again, attract new capital, and there would be capital available for new entrants, including entrants that today have no chance of finding debt or equity capital.

In short, a decision by the FCC to eliminate the AM/FM subcaps would provide a catalyst for movement in radio station sales and bring much-needed help to an industry that is in distress and very overleveraged, thereby improving the important service that radio broadcasters offer to their local audiences. I therefore urge the Commission to repeal the subcaps in this proceeding.

Respectfully submitted,

/s/ Elliot B. Evers

Elliot B. Evers
Managing Director
Media Venture Partners, LLC