MASSACHUSETTS
40 main st, suite 301
florence, ma 01062
tel 413.585.1533
fax 413.585.8904

WASHINGTON
501 third street nw, suite 875
washington, dc 20001
tel 202.265.1490
fax 202.265.1489

freepress
www.freepress.net

May 13, 2011

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

Via Electronic Filing

Re: MB Dkt 11-66, *Applications of Cumulus Media, Inc. and Citadel Broadcasting Corporation for Consent to Transfer Control of and Assign FCC Authorizations and Licenses*

Dear Ms. Dortch,

Free Press respectfully submits the following comments in response to the Federal Communications Commission Public Notice establishing a pleadings cycle and seeking comments with regard to the applications for transfer of control and assignment of radio licenses of Cumulus Media Inc. ("Cumulus") and Citadel Broadcasting Corp. ("Citadel") (together, "Applicants").[1]

On March 10, 2011, Cumulus publicly announced plans to acquire Citadel.[2] In late March the parties filed applications seeking to assign and transfer control of certain broadcast radio licenses held by Cumulus and Citadel subsidiaries to the new shareholders of Cumulus Media Inc. The transaction will combine the second largest radio owner, Cumulus, with the third largest owner, Citadel.[3] If the proposed transaction is approved, the newly merged company will control 572 radio stations in 120 markets across the country, including eight of the top 10 markets.[4]

In the instant transaction, Cumulus and Citadel have committed to strict adherence to the FCC's radio ownership limits.[5] Free Press welcomes the merging parties' assurance that

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[1] FCC Public Notice, *Citadel Broadcasting Corporation and Cumulus Media, Inc. Seek Approval to Transfer Control of and Assign FCC Authorizations and Licenses*, DA 11-681, MB Dkt 11-66 (April 14, 2011).

[2] Cumulus Media Press Release, **"**Cumulus Media Inc. Enters into Merger Agreement to Acquire Citadel Broadcasting Corporation," (March 10, 2011) *available at* http://www.cumulus.com/News.aspx**.**

[3] Rank based on number of stations owned.

[4] "Cumulus Media Rains Down on Citadel Broadcasting,"FORBES.COM (Mar. 3, 2011) *available at* http://www.forbes.com/2011/03/10/cumulus-media-to-acquire-citadel-broadcasting-marketnewsvideo.html.

[5] *See* Applicants' FCC Form 315 Section II, Exhibit 6, "Description of Proposed Transaction," (March 2011).

they will not seek any waivers of the Commission's local radio ownership rules, and to instead divest stations that are in excess of the local radio caps.

Nevertheless, Free Press would be remiss not to point out that the public interest standard imposed by the Communications Act requires a far greater showing than mere compliance with the FCC's media ownership limits. The Commission has determined that the public interest standard encompasses the goals of competition, diversity and localism. Moreover, Applicants bear the burden of demonstrating that the merger would promote (rather than merely preserve) these goals.[6]

It is not clear from Cumulus' and Citadels' applications how the transaction would tangibly advance the FCC's public interest objectives. Without more information and a demonstration of concrete public interest benefits, Free Press is skeptical that a proposed merger between Cumulus and Citadel will buck the trend of radio mergers and acquisitions that have hampered – not helped – the advancement of the FCC's public interest goals.

The ill effects of radio consolidation on the quality and diversity of radio programming have been well documented. In the 1996 Telecommunications Act, Congress directed the FCC to further relax the local radio ownership limits by adopting a tiered system of numerical limits depending upon the number of commercial radio stations in the market.[7] The relaxation of the rules prompted a massive bout of consolidation in radio markets in the late 1990s and early 2000s that has ill served the interests and needs of local radio audiences. [8] Instead, radio consolidation has resulted in increasingly homogenized programming,[9] a reduction in the amount of locally produced radio content, and the loss of local news production.[10] Free Press' own research has confirmed that increased consolidation and market concentration in the radio industry has diminished ownership opportunities for new entrants and under-represented groups and is a key structural factor keeping women and people of color from accessing the public airwaves.[11]

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[6] *See, e.g., Applications for Consent to the Transfer of Control of Licenses XM Satellite Radio Holdings Inc., Transferor to Sirius Satellite Radio, Inc., Transferee*, Memorandum Opinion and Order and Report and Order, 23 FCC Rcd 12348 (2008); *In the Applications of NYNEX Corporation Transferor, - and - Bell Atlantic Corporation Transferee, For Consent to Transfer Control of NYNEX Corporation and Its Subsidiaries*, 12 FCC Rcd 19985, 19987 (1997).

[7] Telecommunications Act of 1996 § 202(b)(1); *see also Implementation of Sections 202(a) and 202(b)(1) of the Telecommunications Act of 1996 (Broadcast Radio Ownership)*, 11 FCC Rcd 12368, 12369. Under this tiered system, one entity may own up to eight radio stations in a market.

[8] *See* Peter DiCola, *False Premises, False Promises: A Quantitative History of Ownership Consolidation in the Radio Industry* (2006) *available at* http://futureofmusic.org/sites/default/files/FMCradiostudy06.pdf.

[9] *Id*. (finding that just fifteen formats make up 76% of commercial radio programming).

[10] *See Prometheus Radio Project v. FCC*, 373 F.3d 372, 432 (2004) (noting that the record generated in the FCC's 2002 Biennial Review of its media ownership rules "shows how increased consolidation has increased station prices, which limits opportunities for new market entrants and as a result limits diversity in station ownership and output. . . .[and that] [c]onsolidation has also reduced the amount of locally produced radio content, as larger group-owners often broadcast remotely from national offices instead of having local employees produce programming." (internal citations omitted)).

[11] S. Derek Turner, *Off the Dial: How Media Consolidation Diminishes Diversity on the Radio* (2007) *available at* http://www.freepress.net/files/off_the_dial.pdf.

As noted above, Free Press is encouraged by Cumulus' and Citadel's pledge to place fourteen stations into a divestiture trust, with the object of selling such stations "to 'eligible entities' and to entities otherwise controlled by minorities or women."[12] To the extent that the Applicants actually follow through on this commitment and proactively seek to sell such stations to new entrants (and to women and people of color in particular) it may to a very small degree increase diversity that is sorely lacking in many radio markets. On the other hand, the ultimate diversity benefits to the public are contingent on the Applicants' successful execution of this commitment and, unfortunately, the Applicants' have not offered a detailed plan as to how they will accomplish this goal.

In conclusion, Free Press urges the Commission not to measure this merger based on mere compliance with the FCC's media ownership limits. Instead it must closely scrutinize the proposed transaction and demand evidence of specific public interests benefits as required by the Communications Act. While Cumulus and Citadel have made the commendable commitment to sell divested stations to new entrants and underrepresented groups, overall, Free Press remains unconvinced that the proposed transaction will result in material benefits to competition and localism or to the quality of radio programming available to local radio audiences.

Respectfully Submitted.
___/s/___________

Corie Wright
Policy Counsel
Free Press
501 Third Street, NW
Suite 875
Washington, DC 20001
202-265-1490

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[12] *See* Applicants FCC Form 314, Exhibit 5 at p.3-4 (March 2011).