BEFORE THE

Federal Communications Commission

Washington, D.C. 20554

In the Matter of	)	
	)	
2010 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996	)))))	MB Docket No. 09-182
	)	
Promoting Diversification of Ownership In the Broadcasting Services	))	MB Docket No. 07-294

COMMENTS OF MT. WILSON FM BROADCASTERS, INC.

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Date: March 5, 2012

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SUMMARY

Mt. Wilson FM Broadcasters, Inc. (hereinafter "Mt. Wilson"), licensee of stations KKGO-FM, Los Angeles, California and KGIL(AM), Beverly Hills, California hereby respectfully submits its Comments responsive to the Notice of Proposed Rulemaking pertaining to promoting diversification of ownership in the broadcasting services. Mt. Wilson is a small independent family-owned company (the only remaining independent family-owned station) which has provided broadcast service to the Los Angeles radio market since 1959 – the longest continuing ownership of any station providing broadcast service to the Los Angeles radio market. Mt. Wilson agrees with the Commission's affirmation as to the necessity of maintaining policy goals in order to

foster and preserve competition, localism and diversity. Mt. Wilson supports the Commission's decision not to loosen the ownership limits and the Commission's recognition that caps and subcaps are an absolute necessity to foster and preserve policy goals. Mt. Wilson, however, asserts (a) that the existing caps and subcaps are inadequate either to foster or preserve the policy goals; (b) that the existing radio/television cross-ownership rule provides a level of protection for the policy goal of competition and therefore, should be retained; and (c) the importation of out-of-market commonly-owned stations aired on FM station multicast channels adversely affects competition and, therefore, should be counted for purposes of compliance with caps and subcaps.

POLICY GOALS CAN BE ACHIEVED ONLY BY REDUCING CAPS AND SUBCAPS[1]

The Commission recognized and affirmed that its long-standing policy goals (competition, localism, diversity) only can be achieved by implementation of the multiple ownership rules and, specifically, numerical limits. 2002 Quadrennial Regulatory Review, 18 FCC Rcd. 13620, 13712-13, Para. 239. Indeed, in 2002 and in an effort to protect and preserve competition, the Commission modified the rule for counting the number of stations in the radio market from contour overlap methodology to Arbitron

1 The NPRM (Paragraph 64) states, "Broadcasters generally support loosening the ownership limits"; "broadcasters argue that radio ownership limits are not necessary to foster program diversity or localism." Footnotes cited to support Paragraph 64 (footnotes 138-141) are from Comments filed by Clear Channel and the National Association of Broadcasters ("NAB"). The NPRM use of the term "broadcasters" erroneously extends the views of a few group owners and a trade organization to all broadcasters. Although Mt. Wilson is a member of the NAB, its views on caps and subcaps are diametrically opposite to NAB's views. In short, only a relatively limited percentage of broadcasters "generally support loosening the ownership limits" and the terminology "broadcasters" or "all broadcasters" should not be used to imply that the views of group owners and the NAB represent all broadcasters.

metro market definitions. 2002 Quadrennial Review, Ibid. Most significant, the Commission made absolutely clear the need to retain numerical limits in order to protect competition and the public interest benefits resulting from competition – localism and diversity, as follows:

> "We conclude that numerical limits in the local radio ownership rule are 'necessary in the public interest' to protect competition in local radio markets. . . Although we primarily rely on competition to justify the rule, we recognize that localism and diversity are fostered when there are multiple, independently owned radio stations competition in the same market. 2002 Quadrennial Review, Ibid.

In 2006, caps and subcaps were recognized to be the necessary ingredients to preserve and promote competition, 2006 Quadrennial Regulatory Review, 23 FCC Rcd. 2010, 2072, Para. 116-117 (2008). The 2006 Quadrennial Review, however, rejected making the numbers more restrictive on the basis that it "would be inconsistent with Congress' decision to relax the local radio ownership limits in the 1996 Telecommunications Act." 2006 Quadrennial Review, Ibid. Such rejection, however, ignores the last sentence of Section 202(h) of the Telecommunications Act which states as follows:

> "The Commission shall review its rules adopted pursuant to this section and all of its ownership rules. . . and shall determine whether any of such rules are necessary in the public interest as the result of competition. The Commission shall repeal or modify any regulation it determines to be no longer in the public interest."

The 1996 Telecommunications Act unequivocally provided that the Commission "shall repeal or modify any regulation it determines to be no longer in the public interest." Competition is deemed a "policy goal"; numerical limits are deemed necessary to protect competition; both competition and numerical limits are deemed to be in the public interest. Consequently, modifying numerical limits (which adversely affect competition) cannot be inconsistent with congressional intent as expressed in Section 202(h) of the 1996 Act.

The congressional intent and the purpose of the last sentence in Section 202(h) of the Act was to vest in the Commission the authority to correct any portion of the Act that is no longer in the public interest. A decline of 39% of commercial radio owners is a major negative defect that is "no longer in the public interest." The verbiage "inconsistent with Congress' decision" stands as a political justification of the Martin controlled Commission (2006 Quadrennial Review, Ibid., 2073 (Para. 118)), not a valid reason in 2012 for refusing to confront and rationally explain the 39% decline. Modification (i.e., reducing the caps and subcaps) by the Commission of rules that adversely affect the stated policy goals is consistent with Section 202(h) of the Act and consistent with the implementation of policy goals intended to promote and preserve the policy goals.[2]

The policy goals are the fundamental centerpiece underlying the necessity for caps and subcaps. In its 2004 Prometheus decision, the United States Court of Appeals for the Third Circuit approved both the Commission's policy goals and its conclusion that "by continuing to limit the consolidation of radio stations numerical limits are in the public interest."[3] The Court chastised the Commission, however, for ignoring "market share" in evaluating competition. Limiting consolidation means not only the number of group

[2] See dissenting statements of Commissioners Copps and Adelstein. 2006 Quadrennial Review, Ibid., pp 2115, 2122.

[3] Prometheus Radio Project v. FCC, 373 F.3d, 372, 432, (2004) (hereinafter "Prometheus").

owners but also the number of commonly owned stations. While "grandfathering" would prevent any concern as to the disruption of existing group owners (should that be a valid factor), reducing the caps and subcaps will deter further erosion of the independent station and function as a positive factor in preserving competition, localism and diversity. The fact that radio ownership declined by 39% constitutes the damning evidence that the existing caps and subcaps are inadequate to preserve the policy goals.

In evaluating competition, the primary difference between group owners and independent station owners is station size. Size entails both the number of commonly owned stations in a specific radio market and the number of commonly owned stations throughout the country. Size primarily adversely affects competition/the sale of advertising (i.e., the inability to compete, thereby leading to the station's sale) and the ramifications thereof, both diversity and localism. Size is the realistic factor that underlies the 39% decline in radio ownership and the factor that will inevitably be the primary cause for future decline in radio ownership.

The classic example of "size" and its adverse impact on competition is vividly on display in the Los Angeles radio market. Two entities, Clear Channel and CBS, have long dominated the market both in revenue and market share. Clear Channel is licensed to operate eight radio stations (five FMs); CBS is licensed to operate six radio stations (five FMs) and two full-power television stations.[4] Both Clear Channel and CBS also are licensed to operate stations throughout the United States. Mt. Wilson is licensed to

[4] CBS nominally continues to control a seventh station (KFWB (AM)). Consummation of an application to assign station KFWB to a divestiture trust occurred on October 31, 2011. Format control by CBS, however, was deemed permissible on the basis that precedents to the contrary were not applicable to divestiture trusts.

operate an FM station in Los Angeles and an AM station in Beverly Hills. Both Clear Channel and CBS local FM stations provide high definition ("HD") multicast programming. More specifically, CBS used HD multicast facilities to import commonly owned out-of-market stations into the Los Angeles radio market (see Appendix A). Numerical size permits both Clear Channel and CBS to provide a variety of formats directed to a variety of listeners (male, female, different age categories, different ethnic groups, etc.). Factually, Clear Channel and CBS each have the ability to air no less than 15 HD multicast channels. Mt. Wilson's FM station also multicasts HD, HD-1, the primary station's country music format; HD-2, the AM station's classical music format; and HD-3, a country music format (different from the primary station format) carried on the Internet (not a broadcast station). The comparison of format availability to advertisers is as follows:

1. Clear Channel offers advertisers a total of 23 formats, three AM, five digital FM and 15 HD;
2. CBS offers advertisers a total of 21 radio formats (one AM, five digital FM, 15 HD (which include out-of-market radio stations)) and two full-power television stations; and
3. Mt. Wilson offers advertisers a total of four formats, one AM, one digital FM, and two HD.

The shear numbers reflect the adverse effect of size on competition, i.e., the ability to sell advertising.

The disparity to Mt. Wilson in size and the advantage to Clear Channel and CBS in size are not limited in terms of competition to the local Los Angeles radio market. In an advertiser "buy" deal, Clear Channel acquired the entire "buy" throughout the country by offering Clear Channel stations throughout the country. Clear Channel and other group owners also offer advertisers multiple stations in the local radio market effectively at a cut rate. Mt. Wilson recognizes that such practices do not violate the existing FCC rules. Nevertheless, the rules as they now exist (and particularly the numerical limits imposed by the caps and subcaps) are not sufficient to protect competition, are not sufficient to ensure continued existence of the Commission's policy goals and are not sufficient to ensure continued existence of the independent station owner.

The matter of numerical limits (caps/subcaps) has been addressed in previous Quadrennial Reviews and in the Courts. The 2006 Quadrennial Review identified a 39% decline in radio ownership between 1996 and 2007. While such data has not been updated, there can be no legitimate dispute that in the interim between 2007 and 2012 consolidation has increased and radio ownership has further declined. With respect to the Mt. Wilson position that the existing numerical limits are not sufficient to protect competition and that it is simply a matter of time before the independent station owner disappears, the Commission should consider (and balance) the reasons proffered for increasing or maintaining the status quo vis-a-vis the Commission's policy goals. Comments submitted by Clear Channel in response to the <u>2010 Quadrennial Regulatory Review Notice of Inquiry</u>, pertaining to revision of the multiple ownership rules are as follows:

1. "... the continued retention of broadcast radio ownership limits in any form cannot be justified as 'necessary' in the public interest". (Comments, p. ii);

2. "...the rigorous scheme of antitrust law enforcement will remain as a safeguard to address any remaining competition concerns from radio consolidation". (Comments, p. ii);

3. "Nor are radio limits necessary to program diversity or localism". (Comments, p. ii);

4. Should the Commission decide to retain local radio ownership rules, it should increase the caps and abolish the subcaps". (Comments, pp. ii-iii)

The Clear Channel justification for the above position is based on competition from new audio platforms, antitrust enforcement, economic meltdown, a self-serving "statement" by a professor of economics and an "Opinion" paper authored by a Vice President of BIA Kelsey. Indeed, Clear Channel has successfully managed to overcome the new audio platforms through the use of size (see Appendix B).

The more accurate justification for the Clear Channel position (equally applicable to other major group owners) is Wall Street ownership.[5] The significance of Clear Channel's position is that it bears NO relationship to the Commission's policy goals, NO relationship to the public interest and singularly reflects the elimination and/or modification of rules, which would <u>serve the best interest of Clear Channel</u>. Succinctly stated, what may be in the best interest for Clear Channel/CBS (and generally group ownership) and Wall Street does not equate to what is in the best interest to serve the public interest. What is good for Clear Channel/CBS and Wall Street is NOT necessarily

[5] See Mt. Wilson "Comments" and "Reply Comments" to the <u>2010 Quadrennial Regulatory Review</u> filed respectively on July 12, 2010 and on July 27, 2010 (Appendix C; appendixes to "Reply Comments" hereby incorporated by reference).

good for America.[6] Achieving the purpose of the policy goals and the public interest requires the reduction of the numerical limits.[7]

IMPORTATION OF COMMONLY OWNED STATIONS INTO A DISTANT MARKET ADVERSELY AFFECTS COMPETITION AND SHOULD BE COUNTED FOR COMPLIANCE WITH MULTIPLE OWNERSHIP RULES

I. Multicasting.

With respect to multicasting, Mt. Wilson submits that commonly owned out-of-market stations imported into a distant radio market (a market beyond the "home" market of the out-of-market station) should be counted as a station subject to the numerical limits, caps/subcaps. In 2002, the Commission rule for the method for counting the number of stations in the radio market was changed from contour overlap methodology to Arbitron metro market definitions. The basis for the change was that the then current method was "flawed as a means to protect competition in local radio markets and. . . ignores competition from noncommercial stations in local radio marketing." 2002 Quadrennial Regulatory Review, 18 FCC Rcd. 13620, 13712-13, Para. 259.

The Second Report and Order pertaining to digital audio broadcasting systems, 22 FCC Rcd. 10344 (2007), did not envision the use of multicast availability to import a commonly owned out-of-market station. The Second Report and Order, however did contemplate the possibility of the use of multicasting of a "brokered" station and that such brokered station would be deemed an attributable interest for the purpose of the multiple ownership rules. Second Report and Order, Ibid., p. 10360, Para. 42. Factually

6 For example, consolidation inevitably leads to job reduction (see Appendix D).
7 Mt. Wilson does not oppose group ownership. It does oppose, however, the retention of ineffective numerical limits and affirmatively asserts the need to adopt effective numerical limits – the reduction of caps and subcaps.

and logically, there is no substantive difference between a brokered station and an out-of-market commonly owned station for purposes of attribution and compliance with the multiple ownership rules. Section 73.401 of the Commission rules states as follows:

> "This subpart contains those rules which apply exclusively to the digital audio broadcasting (DAB) service, and are in addition to those rules in Subparts A, B, C, G and H which apply to AM and FM broadcast, both commercial and noncommercial."

Subpart H includes Section 73.3555 of the rules and, therefore, manifestly is applicable to the DAB service. Moreover, what is abundantly clear is that the importation of commonly owned out-of-market stations equates to a brokered station and, therefore, also should be counted for purposes of attribution. Indeed, the importation by multicast of out-of-market commercial stations will constitute a greater threat to competition than a noncommercial station (a basis for the 2002 change in the method for counting stations) and will provide the same threat level to competition as a brokered station.[8] The fact that the Commission in 2007 did not foresee such use of a multicast facility was an unintentional and unforeseen oversight and such oversight is irrelevant in 2012 to the matter of determining attribution and compliance with the multiple ownership rules. The bottom line is that the out-of-market station functions as an additional adverse effect on competition. The multiple ownership rules should be modified to make affirmatively

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[8] Based on a telephone conference with an Arbitron employee, out-of-market stations are reflected in Arbitron "shares."

clear that importation of an out-of-market station will be treated as an attributable interest.[9]

OUTSIDE FACTORS ADVERSELY AFFECTING COMPETITION

There exist factors which adversely affect competition that are not subject to FCC regulation, for example, Clear Channel ownership of IHEART and the common ownership of Clear Channel and KATZ Media Group (a radio and television representative for national advertising). The adverse impact on competition from these outside factors stands as a further justification for reducing the caps and subcaps.

IHEART is a Clear Channel owned music channel providing a member station's music format on the Internet (see Appendix E). Mt. Wilson applied and was rejected – no reason was given. KATZ Media Group (hereinafter "KATZ") is a subsidiary of Clear Channel. KATZ represents more than 4,000 radio stations (including Clear Channel and CBS) and more than 500 television stations. The product is national advertising (KATZ controls virtually all-national radio billing, see Appendix F).

In 2007, KKGO went from a niche format (Classical) to Country, which has greater mass appeal and instantly became competitive with the local stations owned by Clear Channel. We noticed an immediate lack of interest and cooperation from KATZ, which at that time represented KKGO. We observed that our national revenue was in danger of falling off. KKGO left KATZ and became represented by INTEr Rep Radio.

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[9] "We clarify that, in the multicast context, a station owner who programs more than 15 percent of the total weekly hours broadcast on a digital audio stream of another station in the market will be considered to have an attributable interest in the brokered station." <u>Second Report and Order</u>, Ibid., Para. 42.

We noticed an immediate upswing in presentations, cooperation, and potential for greatly increased billing. Subsequently, thereafter, INTEr Rep Radio was forced into bankruptcy. Rumors from people in the industry attributed the cause of the bankruptcy to the KATZ domination of national advertising and, particularly, the ability to sell Clear Channel and CBS stations in combination. Our efforts to return to KATZ were rejected on the basis that the terms offered were so outrageous and stacked in favor of KATZ, that we were unable to obtain a reasonable and workable arrangement with KATZ. Consequently, KKGO cannot find a major national rep firm to affiliate with and is denied the ability to obtain a share of the national billing that primarily goes to Clear Channel and CBS stations sold in combo by KATZ. The KATZ practice of offering to combine Clear Channel and CBS in selling national advertising is devastating.

The issue herein is adverse competition, irrespective of the source. While the Commission does not directly regulate the advertising industry, the KATZ/Clear Channel relationship and the IHEART rejection of Mt. Wilson are significant factors that further exacerbate an already uneven playing field. The adverse impact on competition from these outside factors stands as a further justification for reducing the caps and subcaps.

THE EXISTING RADIO/TELEVISION CROSS OWNERSHIP RULE PROVIDES A LEVEL OF PROTECTION CONSISTENT WITH THE POLICY GOALS

Mt. Wilson competes with CBS in the Los Angeles radio market. Assuming the validity of the tentative conclusion that "most consumers do not consider radio and television to be substitutes for one another", such conclusion ignores the advertisers. The reality is that competition will be adversely affected by permitting the group owner to offer access to still more group-owned radio stations. In the Los Angeles radio market, eight stations are allowed. CBS is the licensee of six radio stations and two full-power television stations. Abolishing the rule would allow CBS to own and operate eight radio stations. How and why are the policy goals and the public interest served by the elimination of a rule which will solely benefit a group owner of radio and television stations? Offering advertisers eight stations instead of six stations clearly benefits CBS. CBS will undoubtedly acquire two more stations; the result, still more competition for the independent owner, less diversity and less localism. How is the public interest served?

CONCLUSION

The 1996 Telecommunications Act is NOT an obstacle to reducing caps and subcaps. The Act allows the Commission to repeal or modify rules which are no longer in the public interest. The 39% radio ownership decline through 2007 (and an obvious further decline through 2011) is NOT in the public interest as is defined by the Commission's policy goals. The matter of size, the noted outside factors, the failure not to count commonly owned out-of-market HD radio stations carried in a distant market constitute factors which adversely affect the policy goals. Based on the decline in radio ownership, the policy goals can only be achieved by reducing the caps and subcaps. The status quo will preserve neither the policy goals nor the independent station owner – as is clearly evidenced by the review of the 2002 and 2006 Quadrennial Reviews. Mt. Wilson opposes the retention of anti-competitive limits that are counter productive. If the policy goals are truly intended to foster a healthy and competitive public interest structure, i.e., survival, competition, localism, diversity and jobs, then reduce the caps and subcaps. Absent affirmative modification of the rules, the only beneficiary is Wall Street (not to be confused with the public interest). Insofar as the future of the independent owner, the status quo equates to the last minute extension of a death sentence.

Respectfully submitted

By: Saul Levine

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Date: March 5, 2012

APPENDIX A

OUT-OF-MARKET HD

CBS Radio adding markets via HD for WBZ, WFAN, KROQ, KSCF

2009-10-30 13:17:00

Font size:

A great idea for HD Radio multicast use: Bring popular stations from one market to another. CBS Radio is bringing four of its most recognizable and listened to stations to HD Radio receivers in a number of markets outside of their broadcast area. Beginning 10/30, New York's WFAN Sportsradio 66 The Fan, the most listened to sports station in the country will be available to listeners in three Florida cities. WOCL-FM HD3 (105.9) in Orlando, WLLD-FM HD3 (94.1) in Tampa and WEAT-FM HD3 (104.3) in West Palm Beach. They will all carry WFAN's sports programming. The World Famous KROQ in Los Angeles, the nation's most listened to rock station, also launched in the San Diego [illegible] through KSCF-FM HD2 (103.7) on 10/30. In turn, KSCF-FM (Sophie @103.7) has been made available to Los Angeles audiences via KAMP-FM HD2 (97.1). Early next month, sports fans in Hartford will find WBZ-FM, The Sports Hub, on their local WTIC-FM HD3 (96.5).

RBR-TVBR observation: This should be studied—for ad sales. While some may say this is just another reason HD Radio is underperforming in many markets and that they should be programming and marketing new local format ideas, in reality, this may be very sell-able in these other markets. With HD Radio multicast channels, if you can come up with a way to monetize them, do it. We're all still in the experimental phase here, and this is a great way to test if "super stations" from other markets can be sold locally in others.

APPENDIX B

CLEAR CHANNEL FINANCIAL STATUS

Strong quarter for Clear Channel

31 October, 2011 04:19:00

Revenues gained 7% to $1.58 billion in Q3 for CC Media Holdings, parent company of Clear Channel Communications. Radio revenues were also up 7% to $798.5 million, including the addition of the Metro Traffic business purchased from Westwood One.

Revenues for Clear Channel Radio were up by $55.4 million, but $40.8 million of that was attributable to Metro, so year-over-year gains for the radio business ere more modest. Radio OIBDAN was flat at $302.6 million.

Operating income for the radio operation was down slightly to $233.4 million from $234.9 million a year ago. Much of the increase in overhead was attributed to Metro and to increased spending for the iHeartRadio Music Festival and other digital initiatives.

On the bottom line, CC Media cut its net loss to $74 million from $155 million in Q3 of 2010.

New CEO Bob Pittman introduced himself to analysts and gave a sales pitch for the opportunity he sees for growth in radio and for Clear Channel in particular. But Pittman indicated that he won't be speaking regularly on the quarterly conference calls, leaving that to CFO Tom Casey.

Looking at Q4, Casey said radio is currently pacing flat, which would be up 4% if you exclude the political windfall of Q4 in 2010.

Have an opinion on this article? Post your comment below.

Today's Broadcasting News

RBR - Radio News

TVBR - TV/Cable News

Moody's applauds Sinclair deal to buy

Analyst lowers estimates for Entercom
CC Radio layoffs hit home in the keys
Crash Collins dead at 68
Artists v. labels: Chuck D files class action against Universal
FCC allows station to edge toward Watertown SD despite objection
Falco hails iHeartRadio deal for Univision Radio
Salem reports 6.8% improvement in total Q3 revenue
Professor Christian holds class on Q3 (audio)
Conservative talker gets on the bash Cain bandwagon
Radio One Q3 up 40% on TV One consolidation (audio)
Freedom stations
Washington cage match over television spectrum (video)
Andy Rooney: 1919-2011
Vancouver TV sportscaster wins lottery--on air (video)
Univision gained in Q3 even without soccer
Gray calls Q3 a success despite 10% loss in total revenue
Time Warner Cable adds 37 Spanish channels to iPad app
AFTRA and networks to begin negotiations on Monday
MyNetworkTV O&Os to add BounceTV
Belo takes a Q3 hit, but looking forward to 2012

RADIO NEWS	TV/CABLE NEWS	MEDIA NEWS	FEATURES
Radio Ratings	TV Ratings	Advertising	Intelligence Briefs
Radio Deals	TV Deals	Research	Sales & Marketing
Transaction Digest	Transaction Digest	Washington Beat	Ideas Working Now
Station Ops		Wall Street	Interviews
Tech Topics		Stocks	Viewpoints
		Internet	

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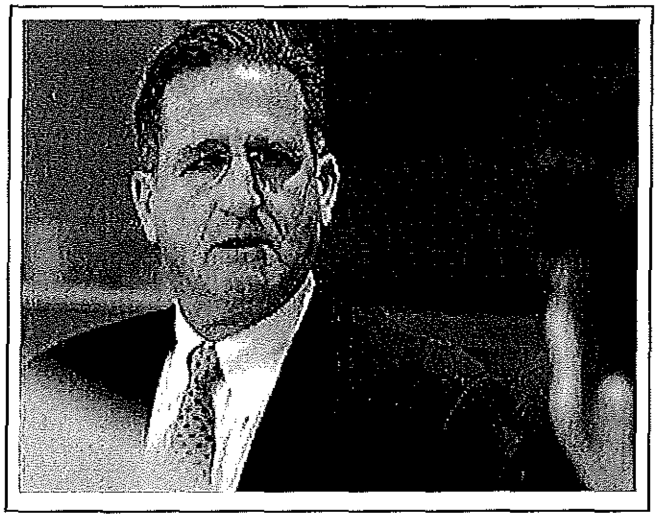
John Hogan gets a contract extension

23 February, 2012 04:11:00



Clear Channel has amended the employment contract of John Hogan, CEO of Clear Channel Media and Entertainment (CCME), extending it by two years to December 31, 2015. He also got an enhanced bonus opportunity and an enhanced title.

Formerly CEO of Clear Channel Radio, he is now Chairman and CEO of the renamed CCME. And while the contract term is through the end of 2015, it automatically renews annually unless he or the company gives notice of non-renewal three months before the renewal date.

Hogan now has the opportunity to earn an incremental bonus during calendar year 2012 pursuant with a target of $900,000, based upon performance criteria to be approved by the compensation committee of the board of directors of CC Media Holdings, the parent company. Hogan also received a restricted stock award based on a complicated formula tied to the company's stock price. CC Media's stock closed Wednesday (2/22) at $4.80.

For those of you who like to run calculations, here is the formula for the restricted stock grant: "Mr. Hogan will receive a restricted stock unit award with respect to the Class A common stock of CCMH on December 31, 2015 that will vest on December 31, 2016, if the Target Amount (as defined below) is less than $5,000,000 on December 31, 2015 and if he remains employed on both of those dates. The Fair Market Value of the restricted stock unit award will equal $5,000,000 minus the Target Amount. The Target Amount as of a particular date means 251,223 times the excess, if any, of (a) the Fair Market Value of the Shares (as defined in his Stock Option Agreements pursuant to the Clear Channel 2008 Executive Incentive Plan) on such date, over (b) $10.00."

At the same time, CC Media Holdings Exec. VP and CFO Tom Casey was made eligible to receive an additional bonus opportunity from of between $0 and $200,000, based on achievement of the supplemental performance criteria to be approved by CCMH's Compensation Committee.

Have an opinion on this article? Post your comment below.

APPENDIX C

MT. WILSON COMMENTS/REPLY COMMENTS

1124.003
BROWN

BEFORE THE

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Washington, DC 20554

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FILED/ACCEPTED

JUL 12 2010

Federal Communications Commission
Office of the Secretary

To: Secretary, Federal Communications Commission
Washington, D.C. 20554

COMMENTS

Mt. Wilson FM Broadcasters, Inc., licensee of stations KKGO-FM, Los Angeles, California and KGIL(AM), Beverly Hills, California (hereinafter "Mt. Wilson") hereby respectfully submits its Comments to the Federal Communications Commission Notice of Inquiry (hereinafter "Notice") pertaining to the 2010 Quadrennial Regulatory Review.

Mt. Wilson is a family-owned company which commenced FM operation in the late 1950s.[1] The Los Angeles radio market comprises 45 or more full-power commercial and noncommercial radio stations. The market has radically changed in the ensuring 50-plus years and is now dominated by two radio entities. Competition, Localism and Diversity remain legitimate goals. The existing current Multiple Ownership Rules (and their immediate precedents) do not promote any of these goals, indeed to the contrary, the

1 Attached as Appendix 1 is a brief history of the licensee and Saul Levine, President of Mt. Wilson.

current rules foresee the demise of owners with few stations, limited competition among the few owners with many stations, the end of Localism, the end of Viewpoint and Program Diversity. Revision is necessary – the caps and sub-caps must be lowered.

Response to Competition Inquiries

Para. 32: As long as a reasonable number of independent station owners remain, the most significant factor for measuring the level of competition in the marketplace is (will be) revenue-percentage of the stations in the market. The relevant product for a commercial radio station is "airtime," specifically, the sale of airtime to advertisers. The factors which affect the sale of airtime include class of station (AM/FM, FM the most preferred); format; coverage area; licensee innovation; price; number of stations in the market; number of stations owned or controlled by a single entity in the market and throughout the country. In a recent "buy" deal, Clear Channel acquired the entire "buy" throughout the country of a major advertiser by using their groups of stations to outbid every other radio station in the United States. Reducing the caps locally and nationally is the only way to preserve meaningful competition. Leaving the caps as they now exist or raising the caps will further reduce the number of independent stations, further reduce the number of station owners, further reduce competition and further function as a catalyst for anti-competitive activity.

Para. 33: The product is the sale of airtime. The consumers are (1) the advertisers and (2) the listeners. Consumer welfare (whether advertisers or listeners) is enhanced by having multiple choices. Choices, in turn, include not just the number of stations in a market but also the number of independent/separate owners. The more separate owners, the more innovation, the more Viewpoint Diversity, the more competition. Competition, by its inherent nature, provides consumer choices.

Para. 34: Commission regulation over content (other than indecency/obscenity) is prohibited by the First Amendment. "Whether consumers are getting the content they want from broadcast media" can best be ascertained by reference to documentation reporting revenue-percentage of individual stations. Should the number of station owners continue to decline (paragraph 4) and "competition effectively reduced to a handful of owners operating pursuant to the permissible caps, the revenue-percentage measurement will be of no avail.

Para. 35: Advertiser consumer satisfaction can best be measured by empirical revenue percentage documentation reflecting revenue percentages for each station in the market. Listener-consumer satisfaction can be ascertained by surveys, essentially reflecting popularity – information not relevant to the Multiple Ownership Rules. The existence, however, of specialty stations (i.e., classical music, ethnic-oriented, country) is that such programming is directed to a significantly smaller group and, thereby, provides no meaningful information in terms of overall listener consumer satisfaction.

Para. 36: The most reliable measurement method for advertiser consumer satisfaction is empirical revenue-percentage documentation. Listener-consumer satisfaction is based on program format and can be determined by standard surveys. Broadcasters always will provide programming oriented to what the consumer-listeners want to hear without FCC regulation. Ignoring what the consumer-listener wants to hear obviously would result in reduced or no revenue. The Commission's focus on consumer-listeners serves no meaningful purpose in terms of Multiple Ownership Rule revision.

Para. 37: The most logical way to measure consumer satisfaction and to ensure the continuation of specialty programming oriented to women, racial and ethnic minorities is to create an environment where the independent broadcaster can realistically compete. Pragmatically, reducing the caps both numerically overall and as to the number of FM stations owned by one entity is the only way to ensure the continuation of specialty programming. A substantial factor underlying the 39% decrease in the number of broadcast station owners (paragraph 4) can be attributed to the permissible caps authorized by past FCC action. Reducing the number of stations held by a single owner in a market and reducing the number of FM stations held by a single owner in a market are the most effective way of promoting competition. Specifically, Mt. Wilson suggests that the current cap of eight stations in the largest markets be lowered to five stations, not more than three in the same service with comparable reductions in the smaller markets.[2]

Para. 38: Radio and television outlets operating in the same market and owned by a single entity should be analyzed collectively both in the radio and television markets. The co-ownership of a television station functions as an asset to co-owned radio station revenue and, therefore, should be analyzed within the radio market. While Mt. Wilson is not suggesting a prohibition on television/radio ownership, it is strongly suggesting the necessity of adopting and maintaining lower caps on the permissible number of radio stations (and especially FM stations) owned in conjunction with television stations.

Para. 39: Empirical data reflecting market revenue for radio and television stations covering an extensive time frame is available. The use of such data will verify decline in the number of station owners and decline in the percentage

2 It is an incontestable fact that FM radio stations are the most preferred by advertisers, the most popular with the listening audience and the most lucrative. In addition, digital radio provides FM stations the capability of multicasting, including distant co-owned out-of-market FM stations. Digital radio is subject to the Multiple Ownership Rules. To preserve and assure competition, the multicast carriage of co-owned out-of-market stations should be counted toward the permissible cap limits.

of market revenue of licensees with two or less stations vis-à-vis licensees with the current maximum permissible number of stations.

Para. 41: Program formats are a significant factor to advertisers and listeners. Formats, however, are the prerogative of the licensee. While it is proper for the Commission to enact rules intended to promote competition, differences in program preferences is within the sole control of the licensee and is not a factor adversely affecting competition.

Para. 45: The market place reflects the economy. The economy in turn can be characterized as cyclical – subject to recurring business changes. Much of the world, including the United States (and the broadcast industry), has experienced a "down" cycle over the recent past. Conversely, the United States (including the broadcast industry) appears to be on an "up" cycle (see Appendix A). The point is that a revision of the Multiple Ownership Rules should acknowledge the existence of "up" and "down" cycles and take into account the "booms" as well as the "busts." Market revenue percentages constitute a more accurate picture of competition irrespective of the cycles. Eventually, unless the decrease in station ownership is reversed, fewer owners with more stations will compete with each other, absent the soon to be extinct owners with two or less stations. The ultimate objective is to preserve competition for all radio operators, not just the major owners. It is unconscionable that the Commission would destroy the very fabric of broadcasting existing since the beginning of the 20th Century. Preserving competition for all radio operators requires reduction of the caps and reduction of the permissible number of FM stations within the caps.

Para. 51: Insofar as radio, the Internet can function as a selling tool. Broadcast radio stations and advertisers recognize that the ability to compete is enhanced by streaming – additional listeners.

Response to Localism Inquiries

Para. 54: Localism as defined in paragraph 54 ("designed to foster a system of local stations that provide programming responsive to the unique concerns and interests of the audience within the station's service areas") will serve the public interest as mandated by the Communications Act and should be retained. Selection of programming/format, of course, belongs to the licensee. Nevertheless, the goal (as defined in paragraph 54) can be effectuated without infringement of the First Amendment by establishing Localism program standards – such as the television station standards for children's programming required by Section 73.671 of the Commission Rules. Specifically, Localism can be achieved by regulation, i.e., annual, biannual, mid-term, biennial, whatever) reports based on composite weeks and designated relevant program categories. Localism provides all licensees the opportunity to innovate, to be creative and, therefore, to be more competitive.

Para. 55: As stated in the response to paragraph 54, Localism can be evaluated by establishing minimum program standards similar to the method employed to ensure the airing of children's programming. The reference in paragraph 55 to the continuation of the Commission's "traditional approach" is incorrect. The "traditional approach" (involving the use of composite weeks and designated program categories) was abandoned in the 1980s and Localism, thereafter, has been at most a mere afterthought. In addition to the examples of possible measurement methods set forth in paragraph 55, broadcast airtime should also be a factor.

Para. 56: Audience satisfaction is reliably measured by empirical data reporting station revenue percentages in the market. However, audience satisfaction is not a realistic measurement of Localism. Audience satisfaction primarily focuses on format and Localism (except in rare cases) is not a significant factor in determining format.

Para. 57: The quantity of local content and the time that local programming is aired constitute more reliable measurement methods than the alternative proposal as to the number of local journalists, the number of local news bureaus or expenditures on local news. All of the aforesaid alternative factors involve licensee monetary overhead expenditures. While these factors have a degree of relevance to Localism, such factors provide an unfair "edge" to the larger well-financed stations.

Para. 58: Consumers listen to or view primarily sports/entertainment programs. Accepting the aforesaid premise, however, does not mean that stations should ignore news, public affairs, debates, etc. or should be excused from having to air locally oriented programs. Localism as defined in paragraph 54 represents a well-meaning objective and should not be evaluated on the basis of popularity.

Para. 59: Programming oriented to minority groups can be evaluated by content in the same manner as programs oriented to the general audience. Locally oriented news, public affairs, debates should be deemed "local" irrespective of the ethnic group or the language. Entertainment/sports should not qualify as local.

Para. 60: Even if the Internet is a factor promoting Localism, it will not wholly replace broadcast stations. Broadcast stations will continue to be a viable source of programming, including locally oriented programs. The Internet simply provides another choice. Moreover, a significant number of radio stations are streamed on the Internet and, therefore, the Internet would function as an alternative source for access to radio station locally oriented programs. In short, the availability of new technology provides an additional choice for over-the-air radio listeners – but not a substitute for over-the-air radio.

Paras. 62-65: Localism should remain as an essential licensee obligation. The Commission should enforce Localism by establishing minimum standards. However, the Commission has no legitimate role in terms of specific program content.

Response to Diversity Inquiries

Paras. 66-67: Viewpoint Diversity is closely related to Localism and should be construed to mean programming directed to the market in which the station is located. The more independent station owners in the market, the more Viewpoint Diversity in the market.

Para. 69: Program diversity is best ensured by more independent owners. Common sense dictates that more program diversity within the market will exist among eight independent owners than a single owner of eight radio stations.

Paras. 71-72: Viewpoint Diversity goals only can be achieved by having more independent station owners. Paragraph 4 of the Notice reflects a steady decline in station ownership over a 14-year time span. The Commission's ownership rules have progressively permitted ever-higher caps over the aforesaid time period, the result, a significant contributing factor leading to the decline of station owners and the decline of Viewpoint Diversity – in short, a failure. To reverse the trend and to protect and encourage competition, it is necessary to lower the current caps. Lowering the caps would reflect the Commission's intention to protect and encourage competition and to promote Viewpoint Diversity. Common sense dictates that innovation, creativity and ingenuity among eight independent owners will result in more Viewpoint Diversity than a single owner of eight stations. Mt. Wilson's position is that the Commission should adopt rules permitting an acceptable level of station consolidation (see paragraph 37) wherein independent station owners can provide Viewpoint Diversity, program diversity and locally oriented programming, in short compete.

Para. 75: Viewpoint Diversity and program diversity inherently connote viewpoints and programming from diverse groups, i.e., women and minorities. While Viewpoint Diversity and program diversity are available in most markets, station ownership by women and minorities is proportionally abysmally under represented. Federal government endeavors and FCC-initiated ownership caps have not been successful – as is evidenced by the percentages set forth in paragraph 75. The Mt. Wilson comments pertaining to Viewpoint and Program Diversity are equally applicable to women and minority ownership diversity. In the response to paragraph 37, Mt. Wilson suggested that the current caps be lowered. To facilitate ownership diversity, licensees with stations in excess of the cap should be required to divest to minorities and women and/or entities controlled by women and minorities.[3]

Para. 86: Pragmatically, the ultimate purpose of the Mt. Wilson Comments is to support the adoption of rules which will allow independent station owners to compete with owners of consolidated stations. In a market such as Los

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3 Divestiture is neither new nor novel. Divestiture was incorporated into the Multiple Ownership Rules in 1975 in connection with television/newspaper ownership and resulted in several divestitures (Multiple Ownership, 33 RR.2d 1603 (1975), affirmed 60 RR.2d 99 (1980)).

Angeles, two entities controlling the maximum permissible number of radio stations dominate the market. In 2009, the two entities received more than 75% of the total market radio revenue (excluding Spanish and religious revenue) based on empirical revenue percentage documentation.[4]

Multiple station ownership pursuant to the current caps will eventually lead to still fewer station owners. FM radio signal quality is superior to AM radio. Additionally, Digital Audio Radio (DAR) provides the capability of multicasting. In order for the independent station to survive and to compete, caps and sub-caps must be lowered. The current caps and the sub-caps are not sufficient to preserve competition as is evidenced by the steep decline in radio ownership. The retention of independent stations ensures more competition, more Localism, more Viewpoint Diversity. Independent local radio stations function as the town halls of America. Reducing the number of town halls to a paltry few is contrary to the public interest, contrary to basic democratic principles and functions as a cruel blow to grass roots America.

Paragraph 86 also inquires as to whether the Commission should "...account for other sources of audio programming in applying the [local ownership radio] rule." Specifically, it is necessary to provide clarification as to counting multicast stations in determining compliance with the caps. The Multiple Ownership Rules specify caps and sub-caps (Section 73.3555(a)). Section 73.401 (DAR) states that

> "This subpart contains those rules which apply exclusively to the digital audio broadcasting . . .service and are in addition to those rules in Subparts A, B, C, G and H which apply to AM and FM broadcast services. . . ."

The Multiple Ownership Rules are classified under Subpart H. Consequently, DAR is subject to the Multiple Ownership Rules.

4 Competition is further skewed by the fact that only one major national rep firm exists. Both of the dominant entities are represented by the firm (a total of 15 radio stations, including imported out-of-market FM stations) and one of the dominant entities owns the rep firm. There have been instances where the rep firm has "packaged" all stations of both entities. Mt. Wilson has terminated its representation with the firm and its national sales revenue has dramatically declined. The ability of the rep firm to transact successfully "buys" as described is founded on the number of stations controlled by a single entity. The adverse impact on competition is a logical result. Lowering the caps and requiring divestiture would be a positive asset to competition.

The Second Report and order (22 FCC Rcd 10344 (2007)) established DAR and states "... we will permit radio stations to use their frequencies as the marketplace dictates". (Ibid., Para. 29). With respect to compliance with the caps and attribution, the Commission sanctioned "flexibility in structuring business arrangements and attracting capital", including time brokerage agreements, "subject to our attribution rule" (Para. 40). At paragraph 42, the Second Report and Order addresses attribution.

> "42. A number of commenters raise issues regarding the interplay between multiple audio streams, brokering, and ownership issues.[86] Specifically, PIC argues, and we agree, that a licensee owning the maximum permissible number of stations in a particular market should not be allowed to acquire additional broadcast streams through time brokering agreements.[87] Under the Commission's established policies for attribution of such agreements, we count the brokered station toward the brokering licensee's permissible ownership totals under the local broadcast ownership rules. Where an entity owns or has an attributable interest in one or more stations in a local radio market, time brokering of another station in that market for more than 15 percent of the brokered station's broadcast time per week will result in counting the brokered station toward the brokering licensee's ownership caps.[88] We clarify that, in the multicast context, a station owner who programs more than 15 percent of the total weekly hours broadcast on a digital audio stream of another station in the market will be considered to have an attributable interest in the brokered station. The interest attributable to a station owner in such circumstances is equivalent to the percentage of total broadcast time that the stream which is attributable to the station owner constitutes. Under a time brokering agreement, licensees must ensure that they maintain full, effective, and ultimate control over all material aired on their stations. Therefore, time brokering agreements do not raise transfer of control issues under Section 310(d) of the Act." (Footnotes omitted)

Paragraph 42 recognizes the "interplay between multiple audio streams, brokering, and ownership issues". Broadcast audio streams, when combined with more than 15% of the brokered station's broadcast time, is deemed an attributable interest.

Licensees are now importing to distant markets co-owned out-of-market stations and broadcasting the signals (in their entirety) via multicasting (see Appendix B).[5] While Mt. Wilson acknowledges licensee flexibility to "structure business arrangement," including importing co-owned stations, Mt. Wilson submits that such imported station (particularly where 100% of the imported programming is controlled by the importer) should be counted as an attributable interest. The need for clarification arises in the light of a recent FCC Staff decision, which held that attribution does not include an imported station "as long as a licensee owning the maximum permissible number of stations in a particular market does not acquire additional broadcast streams on non-commonly owned stations through time brokerage agreements" (Saga Communications of New England, LLC, DA 10-702 (April 27, 2010)). Such reasoning is wholly irrelevant to the Multiple Ownership Rules. The FCC Staff decision ignores the 100% program control and effectively would permit a single owner of eight stations in a market, including five FM stations, to multicast at least an additional ten imported FM stations as long as the imported stations are co-owned. The Staff decision ignores Competition, Diversity and Localism. The distinction between co-owned and brokered is illogical. The nature of such imported station is not affected by whether it is co-owned or brokered and, therefore, should be counted as a station pursuant to the Multiple Ownership Rules. The Staff decision is contrary to the intent of the Second Report and Order (which never

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5 Obviously, imported multicast stations provide neither Localism nor Viewpoint Diversity.

contemplated such factual situation) and contrary to the Multiple Ownership Rules. Nevertheless, the advent of such decision requires clarification.

Respectfully submitted

MT. WILSON FM BROADCASTERS, INC.

By: Saul Levine

Saul Levine
President

Date: July 12, 2010

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Brown

BEFORE THE

Federal Communications Commission

Washington, DC 20554

In the Matter of 2010 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996	)))))))	MB Docket No. 09-182

To: Secretary, Federal Communications Commission
Washington, D.C. 20554

REPLY TO COMMENTS OF CLEAR CHANNEL COMMUNICATIONS, INC.

Mt. Wilson FM Broadcasters, Inc. (hereinafter "Mt. Wilson") and Clear Channel Communications, Inc. (hereinafter "Clear Channel") filed Comments in the above-referenced Federal Communications Commission (hereinafter "FCC") proceeding. Mt. Wilson hereby respectfully submits its Reply to the Clear Channel Comments.

The primary differences between the Mt. Wilson Comments and the Clear Channel Comments comprise the fundamental concepts underlying the radio Multiple Ownership Rules, competition, diversity and localism. The Mt. Wilson Comments are oriented to the protection of competition among all stations in a radio market. The Clear Channel Comments contemplate competition only among major group owners. The Mt. Wilson Comments support diversity (and particularly ownership viewpoint diversity) and localism as those terms are traditionally defined. The Clear Channel Comments redefine diversity in terms of format and artists[1] and treat localism as no longer relevant.

In short, Clear Channel's concept of the radio spectrum is unlimited numerical ownership among group owners. Such concept highlights the structural difference in ownership between Clear Channel and the independent broadcasters. Clear Channel is controlled by Wall Street and Wall Street demands; the independent broadcaster represents the basic tenets underlying the purpose of the Multiple Ownership Rule, competition, diversity and localism. The Clear Channel Comments do not acknowledge the existence of the independent broadcaster.[2]

The Clear Channel positions pertaining to revision of the multiple ownership rules are as follows:

1. "... the continued retention of broadcast radio ownership limits in any form cannot be justified as "necessary in the public interest" (Comments, p. ii);

2. "... the rigorous scheme of antitrust law enforcement will remain as a safeguard to address any remaining competition concerns from radio consolidation" (Comments, p. ii);

3. "Nor are radio ownership limits necessary to program diversity or localism" (Comments, p. ii);

4. Should the Commission decide to retain local radio ownership rules, it should increase the caps and abolish the subcap (Comments, pp. ii-iii).

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1 Controlled, however, by the single entity, Clear Channel – which logically appears to contradict the traditional definition of diversity.

2 Is such omission inadvertent or deliberate?

In support of these arguments, Clear Channel asserts increased competition from new audio platforms, antitrust enforcement (presumably by the Department of Justice), the economic meltdown, a self-serving "statement" by a professor of economics and an "opinion" paper authored by a Vice President of BIA Kelsey. As to the latter two appendices, it is reasonable to presume that Clear Channel dictated the guidelines for the respective presentations and remunerated the parties for their efforts.

The irony of the Clear Channel Comments commences with its ownership, Bain Capital and Thomas H. Lee Partners (see Appendix A), private equity firms comprised of investment professionals (see Appendix B). While Congress enacts legislation curbing Wall Street investment firms, Clear Channel (controlled by Wall Street investment firms) supports deregulation – a ploy to circumvent Congressional intent. In sum and substance, the Clear Channel Comments benefit only group owners; eliminates the independent broadcaster as a competitor; reduces viewpoint diversity and localism; and effectively substitutes "Board Room"/Wall Street demands (i.e., earnings) for the public interest. The Clear Channel Comments are self-serving, speculative and lacking in empirical data. Pragmatically, and as recognized by the Commission, consolidation and numerical limits (logically and inherently) adversely affects competition, viewpoint diversity and localism (see Mt. Wilson Comments, Notice of Inquiry (Para. 4), and Commission Brief to the Third Circuit).[3]

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[3] FCC/US Brief, filed July 21, 2010 in , Prometheus Radio Project, et al. v. FCC and USA, Nos. 08-3078, et al. (pending 3d Cir.), pp. 84-91 (see Appendix C)..

Clear Channel's position in support of no and/or higher ownership limits should be evaluated within the context of its Wall Street ownership and the radio industry. Wall Street is singularly profit driven. Agency regulation is a significant factor affecting Wall Street investment policies. Wall Street recognizes that less agency regulation equates to less agency attention to traditional public interest factors and to the promise of greater profits. More specifically relevant, eliminating or relaxing the Multiple Ownership Rules (caps and subcaps) will function as a catalyst for more Wall Street investment in more group owners – thereby providing to group owners the opportunity and the financial resources to buy more stations. The consequences are readily apparent – fewer independent owners, less owner viewpoint diversity, less owner localism and the near impossibility of any remaining independent owners to compete. A significant factor in the decline of radio owners is directly attributable to the 1996 Multiple Ownership Rules revision promoting consolidation (Notice, Para. 4). With respect to the radio industry, Clear Channel operates over 800 radio stations primarily in major markets (89 of the top 100 markets) with an audience of 110 million listeners each week and reaches 45% of all people ages 18-49 in the United States on a daily basis (see Appendix D).[4] The Clear Channel posture presented in its Comments serves the best interest of Wall Street/Clear Channel and is contrary to the public interest, to Congressional intent and to the objectives of the Obama Administration. While Wall Street investment in the

4 The Clear Channel 2008 reduction in station numbers pertained primarily to stations in small markets, stations not as productive as stations in major markets and was based on self-serving economic factors.

broadcasting industry should not be in any way prohibited, the elimination and/or relaxation of the Multiple Ownership Rules ultimately will lead to Wall Street/group ownership domination of the broadcast industry – a result inconsistent with the traditional basic public interest factors, competition, ownership viewpoint diversity, localism and objectives of the Obama Administration. (See Appendix E).

The Commission's documentation (Para. 4) reflects a 39% decline in station ownership from 1996 to the present. The ownership decline occurred over a 14 to 15-year time span, most of which occurred in "up" or "boom" economic periods, not the financial 2007 meltdown period. The decline in station ownership and the concomitant increase in group ownership (consolidation) adversely affect competition, ownership viewpoint diversity and localism (fewer independent station owners). It is reasonable to conclude that a significant contributing factor to ownership decline and consolidation can be attributed to the absence of sufficient regulation (the need for LOWER caps) to ensure more competition, more ownership viewpoint diversity and more localism.

Clear Channel asserts that "the Commission cannot demonstrate the necessity of local radio ownership limits. . ." (Comments, p. i) and that "In this competitive environment, the continued retention of broadcast radio ownership limits in any form cannot be justified as 'necessary in the public interest'" (Comments, p. ii). Substantial portions of the Commission's Notice of Inquiry and the Commission's Brief to the Third Circuit contain empirical data describing the endangered public interest factors which underlie and justify the purpose and necessity of the Notice of Inquiry and the purpose and necessity of ownership rules with lower caps.[5] Justification for Commission ownership limits is based on the preservation of competition between all broadcast licensees (not limited to competition only between group owners); preservation of viewpoint diversity; preservation of localism. Contrary to the inclusion of Commission information provided in the Notice of Inquiry justifying the need for reducing the caps and contrary to the information provided in the Mt. Wilson Comments pertinent to station market revenue, Clear Channel provides only biased statements from "hired guns" in support of its verbiage. Beyond the Clear Channel facade supported by self-serving statements, what emerges is Wall Street greed engendered by Wall Streets demands. While there is ample factual information (including information from the general public/previous FCC "Town Hall" meetings), supporting the need for regulation (see Appendix A), there is a total void of valid information supporting the Clear Channel proposals. Operation efficiency and higher profits are NOT public interest factors and cannot be deemed as acceptable substitutes for public interest factors – competition, ownership viewpoint diversity and localism.[6]

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5 The Commission's policy justifying retention of numerical limits (caps and subcaps) is clearly set forth in the Commission's Brief to the Third Circuit (Prometheus Radio Project v. Federal Communications Commission", filed on July 21, 2010 (pp. 84-91). See Appendix C.

6 Efficiency is measured in overhead reduction. Clear Channel stations, for example, receive the bulk of their programming from distant location centers. While such operation promotes efficiency, viewpoint diversity and localism are effectively eliminated – as well as jobs.

Clear Channel's concern as to the economic meltdown, competition from satellite radio and other new audio platforms as justification for eliminating and/or raising the caps is overstated and inconsistent with recent remarks from Mark Mays, President of Clear Channel. With respect to the overall state of radio, radio sales are "up" and predicted to improve in 2011.[7] Industry sources reflect a 2009 Clear Channel radio profit margin of $221,000,000. Clear Channel's December 21, 2009 K-10 data reflects a radio profit margin of $210,000,000 (satellite radio has no profit margin). Arbitron data (released in December, 2009) reflects that 92.5% of people in the United States over 12 listen to radio as compared to 94.9% in 2001 – a fluctuation of only 2.4% "despite the advent of the Internet, iPods and satellite radio" (see Appendix G). Mr. Mays, however, apparently either is unaware or misinformed of the adversities confronting Clear Channel. As of July 23, 2010, Mr. Mays is quoted as follows:

> Referring to the sales teams:
>
> "They're hot, just like our media, and they're getting hotter."

Mays adds that Clear Channel is

> "investing in research to demonstrate that our 850+ stations connect with 62 million daily listeners and that our 90 nationally-syndicated personalities are heard by 190 million a week. . . We can even show that iPod and satellite radio users listen to more broadcast radio than non-users." (See Appendix H).[8]

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7 Clear Channel experienced growth in the first months of 2010 with spot buys in major markets up as much as 30%; Entravision revenue for Q2 was up 9-10%; Debut Broadcasting revenue for Q2 was up 29% (see Appendix F). CBS radio revenues were up 15% in the top ten markets (see Mt. Wilson Comments, Appendix A).

8 As previously noted, the distant 90 air personalities serving the "850+" stations adversely affect owner diversity viewpoint, localism and jobs.

Simply stated, the Clear Channel Comments are based on greed, not the economic meltdown, not the new competition, not the public interest, but greed.[2] Competition between all broadcasters, viewpoint diversity and localism are considerably more threatened by eliminating or raising the caps than by new audio platforms or cyclical meltdown periods.

In support of eliminating AM/FM subcaps, Clear Channel contends that "AM stations are strong competitors in local radio markets across the country" (Comments, p. 38). The facts point otherwise. Clear Channel operates five stations in the New York City radio market (#1) – all FM. Clear Channel recently gave away six AM stations to noncommercial entities, however, no FM stations. Advertisers prefer FM primarily based on listener preference. AM stations do not have the capability to multicast. With respect to multicasting, if subcaps are eliminated and the Clear Channel proposed "tiers" are adopted, Clear Channel could, for example in Los Angeles, provide no less than 48 FM Clear Channel stations (12 local FM stations and 36 additional Clear Channel out-of-market FM stations which pursuant to a recent FCC Staff decision are not counted under the existing caps).

The folly of the Clear Channel argument characterizing AM radio as a strong competitor to FM is refuted by Arbitron ratings of Clear Channel AM stations in Los Angeles. Station KFI(AM), 50 kW, carries the Rush Limbaugh program, has a 3.8

2 Whether Mr. Mays remarks or the Clear Channel Comments are correct, essentially is irrelevant. The difference (both as to the facts and the overall tone) undermines the substance and the validity of the Comments.

Arbitron share; station KTLK(AM), 50 kW has a 0.5 Arbitron share; and KLAC(AM) has a 0.8 Arbitron share. By comparison, Clear Channel FM station KIIS (number one in the market) has a 5.9 Arbitron share. The numbers reflect that AM stations generally are not strong competitors to FM stations except where the AM station carries a "Rush Limbaugh" phenomenon-type program or operates on a "clear channel" frequency.

The elimination of subcaps and the increase in caps would further exacerbate the current unfair, adverse competition gap existing between group owners and independent stations.[10]

The steady decline in station owners stands as conclusive evidence that the existing caps are not sufficient to preserve competition, ownership viewpoint diversity and localism. Commissioner Copps in his July 21, 2010 Statement on the Commission's Brief to the Third Circuit Stated (see Appendix I):

> "No item on the Commission's agenda is so important to the future of our democracy as the future of our media. Three decades of hyper-speculation have diminished media diversity, put investigative journalism on the endangered species list and significantly dumbed-down our fact-based civic dialogue. More often than not, the FCC aided and abetted the process, encouraging the evisceration of our media ownership limits and abandoning our most basic public interest responsibilities regarding radio and television. Local, diverse and competitive media attuned to the needs of the myriad communities that comprise America are not a luxury that it would be nice to have. They are a necessity without which our democracy cannot thrive."

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10 The Commission's Third Circuit Brief specifically addressed AM radio status, subcaps (Appendix C, pp. 88-91), including digital AM problems. Severe interference to co-channel and adjacent channel stations and reduced contour coverage of the analog signal after sunset are factors yet to be resolved (due to the Rush Limbaugh program which is carried only on AM stations).

Commissioner Copps recognizes that the caps must be reduced to preserve the basic factors underlying the Multiple Ownership Rules. The existing evidence convincingly establishes that the existing caps have not accomplished the intended result and that the independent broadcasters will inevitably disappear if caps are not reduced.

Reduction of caps, singularly, is not sufficient. Mandated divestiture (within a reasonably timeframe) is a necessary step to preserve the remaining independent broadcasters. The Mt. Wilson Comments pointed out that divestiture was previously utilized by the Commission in connection with television/newspaper ownership in 1975. Absent the prompt correction of a mistake (allowing caps to be increased), the damage will be beyond repair.

Respectfully submitted

MT. WILSON FM BROADCASTERS, INC.

By: Saul Levine
Saul Levine
President

Date: 7/27/2010

APPENDIX A

CLEAR CHANNEL OWNERSHIP INFORMATION

Clear Channel Communications

ro.. Wikipedia, the free encyclopedia

lear Channel Communications, Inc. is an American iedia conglomerate company headquartered in San Antonio, 'exas.[2] It was founded in 1972 by Lowry Mays and Red 1cCombs, and specializes in radio broadcasting, concert romotion and hosting, and fixed advertising in the United tates through its subsidiaries. After 21 years, Mark Mays tepped down as President and CEO of Clear Channel on une 23, 2010[3]. Mays will remain as Chairman of the ìoard, a position he has held for a year prior. The Board has ngaged Egon Zehnder International, a leading executive earch firm, to lead the search for a new CEO.

lear Channel is the largest owner of full-power AM, FM, nd shortwave radio stations and twelve radio channels on (M Satellite Radio, and is also the largest pure-play radio tation owner and operator. The group was in the television usiness until it sold all of its TV stations to Newport 'elevision in 2008.

'h rm "clear channel" comes from AM broadcasting, eferring to a channel (frequency) on which only one station ransmits. In U.S. and Canadian broadcasting history, "clear hannel" (or class I-A) stations had exclusive rights to their requencies throughout most of the continent at night, when AM stations travel very far due to skywave. VOAI in San Antonio, Clear Channel's flagship station, was such a station.

CC Media Holdings, Inc.

CLEARCHANNEL

Type	Private
Industry	Entertainment, Advertising
Founded	1972
Headquarters	San Antonio, Texas, U.S.
Key people	Mark Mays, CEO & President
Products	Radio, Billboards
Revenue	▲$6.82 billion USD (2007)[1]
Net income	▲$938.5 million USD (2007)[1]
Owner(s)	Bain Capital Thomas H. Lee Partners
Employees	18,115 full-time
Website	http://www.clearchannel.com

Contents

APPENDIX B

DESCRIPTION OF CLEAR CHANNEL WALL STREET OWNERS

Received Time Jul. 18. 2010 7:34PM No. 1432

Thomas H. Lee Partners

Fr \Wikipedia, the free encyclopedia

See also: Lee Equity Partners

Thomas H. Lee Partners

Type	Private Ownership
Industry	Private equity
Founded	1974
Headquarters	Boston, Massachusetts, United States
Products	Leveraged buyout
Total assets	$22 billion [1]
Employees	50+ (2007)
Website	www.thl.com (http://www.thl.com/)

Thomas H. Lee Partners (THL) is a private equity firm based in Boston, Massachusetts specializing in leveraged buyouts, growth capital, special situations, industry consolidations, and recapitalizations.

Founded in 1974, THL is one of the oldest private equity firms in the United States. The firm's namesake, Thomas H. Lee left the firm to form Lee Equity Partners in 2006[2]. Since inception, THL Partners has invested approximately $12 billion of equity capital in more than 100 businesses with an aggregate purchase price of more than $100 billion.

Investments

The firm has raised $22 billion since inception and is currently investing out of its $10 billion sixth fund:

- 1984 - Fund I($66 million)
- 1989 - Fund II ($568 million)
- 1996 - Fund III ($1.4 billion)
- 1998 - Fund IV ($3.4 billion)
- 2001 - Fund V ($6.1 billion)
- 2006 - Fund VI ($10.1 billion)

ource: Preqin (Formerly known as Private Equity Intelligence)[3]

Iotable transactions sponsored by the firm include Dunkin' Donuts[4], Nielsen Company, Michael Foods http://www.michaelfoods.com/) [5], Houghton Mifflin[6], Fisher Scientific, Experian, TransWestern ublishing[7], Snapple Beverage[8] and ProSiebenSat.1 Media.

HL is also known for its investment in Refco a financial services company specializing in commodities and itures contracts that collapsed suddenly in October 2005, only months after its IPO. THL as the lead investor 'as named in a class action shareholder lawsuit against Refco, along with Goldman Sachs, Credit Suisse, ank of America and Grant Thornton.[9] Despite the issues caused by Refco, THL was able to raise $10.1 illion for its most recent private equity fund, its largest fund to date.

HL operates in a highly aggressive large-cap buyout space in which other private equity firms often compete r the same deals. For example, in the 2010 proposed buyout of CKE Restaurants, THL was outbid by Apollo la ement. However, winning a competitive process is a double-edged sword as THL did not pay the most r the asset. THL's most recent fund has performed well, according to CalPERS[10].

Bain Capital

F:)Wikipedia, the free encyclopedia

Bain Capital LLC is a Boston-based private equity firm founded in 1984 by partners from the consulting firm Bain & Company. Originally conceived as an early-stage, growth-oriented investment fund, Bain Capital today manages approximately $67 billion in assets, and its strategies include private equity, venture capital, public equity, high-yield assets and mezzanine capital funds.

Bain Capital

BainCapital

Type	Private
Industry	Private alternative asset management
Founded	1984
Founder(s)	Mitt Romney, T. Coleman Andrews III, Eric Kriss
Headquarters	Boston, Massachusetts, U.S. with offices in Chicago, New York, London, Tokyo, Hong Kong, Shanghai and Mumbai
Key people	Joshua Bekenstein, John Connaughton, Paul Edgerley, Robert C. Gay, Mark Nunnelly, Stephen Pagliuca
Products	Private equity, venture capital, public equity, high-yield assets and mezzanine capital funds assets = ~$67 billion
Employees	775
Website	www.baincapital.com (http://www.baincapital.com/) .

Contents

H tory

3ain Capital was founded in 1984 by Bain & Company ›artners Mitt Romney, T. Coleman Andrews III, and Eric Kriss. In addition to the three founding partners, the early eam included Fraser Bullock, Robert F. White, Joshua 3ekenstein, Adam Kirsch, and Geoffrey S. Rehnert. Bain Capital's original $37 million fund was raised entirely from ›rivate individuals in mid-1984.

'he firm includes a large group of investment professionals vith consulting or operating experience, and by taking an ntensive, analytical approach to the investment process. This llows the firm's teams to pursue a wide range of equity investment opportunities, and to conduct extensive iligence, to do a fact-based analysis of the business and competitive industry dynamics, and to identify a vinning business model. [citation needed] One of the fund's first start-up investments was Staples, Inc., the $15 illion office supply retailer. The funding enabled Staples to expand from one store in 1986 to nearly 1,700 in 006.

Aore than twenty five years after its inception, Bain Capital manages approximately $65 billion in assets, and as unded, acquired, or invested in hundreds of companies including AMC Entertainment, Aspen Education 'roup, Brookstone, Burger King, Burlington Coat Factory, Domino's Pizza, DoubleClick, Guitar Center, 'ospital Corporation of America (HCA), Sealy, The Sports Authority, Toys R Us, Unisource, Warner Music

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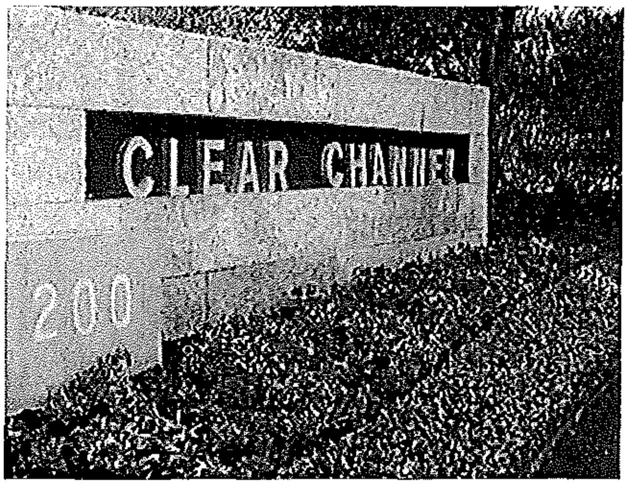
Received Time Jul. 18. 2010 7:34PM No. 1432

APPENDIX D

LAYOFFS

CC Radio layoffs hit home in the keys

07 November, 2011 11:23:00



The tidal wave of layoffs at Clear Channel have overswept the Florida keys as well—so much so that it's news down there. Of the five stations in Monroe County, which makes up the keys, four on-air personalities have been let go and CC "will fill their time slots with programming from other markets," as promised.

Clear Channel employs about 25 people in Monroe County.

The new direction will be to air a mix of local programming and programming broadcast locally, but piped in from other areas of the country, said Sherri Sanchez, Clear Channel regional marketing manager for the Keys, Sarasota, Punta Gorda and Melbourne, told The Miami Herald.

Sanchez would not say who got the ax, but a source said D.J. Dave Levy, K.C. Stuart, Rudy and Bill Bravo were let go.

Levy confirmed he was among those laid off from WFKX 103.1 FM (Tavernier, FL) and said he didn't see it coming: "They slashed jobs all over the country, and my name and number were up."

Levy had worked for CC some 15 years. He most recently worked middays from 10 a.m. to 2 p.m.

The Hobee in the Afternoon" show, which broadcasts Keyswide from Key West weekdays from 2 to 7 p.m., will be one of the few remaining local programs left. The show airs on WFKZ the Upper Keys and WAIL 99.5-FM in Key West.

Stuart, who told the paper he was laid off, started working the morning shift 22 years ago at WFKZ. Clear Channel bought its Keys stations in the late 1990s. "Like a lot of big companies, Clear Channel has a lot of debt that needs to be retired, but the wrong people end up taking it on the chin. It's unfortunate," he said.

RBR-TVBR observation: About $18 to $20 billion in debt, that is. As easy as it is to bash Clear

Channel for the big layoffs, it sounds like the company's back is to the wall here. CC, like other groups, scooped up many stations after the Telecommunications Act of 1996 lifted ownership caps significantly. Those stations sold for top dollar and now, years later after ad dollars flowed to the internet, those stations aren't worth what they were bought for. In essence, they are now "upside down" on their loans like so many homeowners are today. Their mistake, however, was in thinking that consolidating operations at all of their stations wouldn't affect localism and ratings.

Have an opinion on this article? Post your comment below.

Today's Broadcasting News

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RBR - Radio News

Two new AM radio stations approved for Montreal
RAB revenues fell faster than expenses in 2010
October storm affects Hartford-New Britain-Middleton PPM data
Ted Forstmann passes
South Central Media moves to WideOrbit
8K: Clear Channel details $3M jet lease, more
Name change for Westwood One
Details on Sherwood/Chessare exit from Westwood/DG
Emmis sues, Siegelbaum resigns from board
NH man arrested in WHEB harassment case

TVBR - TV/Cable News

Advocacy hopeful of FCC help on NFL TV blackouts
MSNBC upgrades relationship with Meghan McCain
ABC names midseason changes
Lee Corso drops F-bomb on ESPN
Starz to add Internet only service
TV One acquires The Black List
National Journal picks up on pittance likely from spectrum auctions
PTC uses shareholder status to challenge Microsoft ad placements
Senator calls on FCC chair to broaden the spectrum debate
Analyst upbeat after Belo meetings

RADIO NEWS
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Radio Deals
Transaction Digest
Station Ops
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TV Deals
Transaction Digest

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Washington Beat
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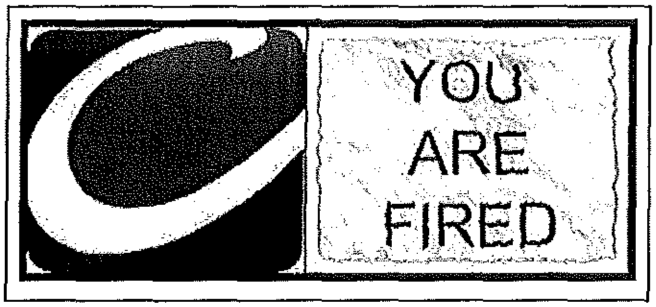
Stocks
Internet

FEATURES
Intelligence Briefs
Sales & Marketing
Ideas Working Now
Interviews
Viewpoints

Clear Channel cuts again

26 October, 2011 02:54:00



RIF or RIP?

Clear Channel seems to be right on time with its annual firings--as regular as clockwork. Do you suppose CC Radio President John Hogan has "firing day" marked on his calendar for sometime in October or November from the beginning of each year?

But it's more than an annual culling this time. Clear Channel's "reduction in force" (RIF) is something in the 500-person range. This time around it is affecting programming and on-air talent the most--especially in medium and smaller markets. Clear Channel Traffic and some managers are being cut as well.

Clear Channel reportedly says it is launching a new strategy for its regional market stations that will "improve" local programming in smaller markets by "using assets and resources in those markets that their competitors don't have. It reflects new approaches to programming, talent, technology and other valuable resources -- based on Clear Channel's most effective and efficient stations...there will be more localization, not less. At the same time, it offers new opportunities for our best on-air and programming talent to be heard in more places and grow their careers."

That means talent at those stations will be spread even more thinly to the stations affected, in our humble opinion. We're not sure how cutting local talent could increase localization, but perhaps we'll all find out.

RBR-TVBR observation: Hey team, let's throw another $10 million dollar iHeartRadio boondoggle in Las Vegas! Yes, this happened about one month after that expense was incurred in Sin City. No word if it was profitable or not, but the money spent had to come from somewhere. Clear Channel has a lot of debt to service and to make numbers crunch, cuts have to be made sometimes. It's just too bad it has to be at the expense of those who helped build the company. We guess we can expect streaming radio pumped out over a transmitter, not the other way around, in many markets.

The New York Times
Media Decoder
Behind the Screens, Between the Lines

OCTOBER 27, 2011, 3:52 PM

Clear Channel Cuts D.J.'s Across the Country

By BRIAN STELTER

5:16 p.m. | Updated Clear Channel Communications, the largest radio station operator in the United States, dismissed dozens of local D.J.'s this week, affecting small stations from Syracuse to Spokane, Wash., and raising fresh concerns about the homogenization of radio programming.

Fred Prouser/ReutersClear Channel Communications, the largest radio station operator in the United States, dismissed dozens of local D.J.'s this week.

Clear Channel Radio, which operates about 850 stations in the United States and employs 12,000 people, declined to say how many employees were dismissed, but some of the D.J.'s said they believed that the number was in the hundreds.

The company said the layoffs were not made to cut costs but were part of a revamping of its about 600 regional radio stations. (Its 250 other stations are in large markets like New York and Los Angeles.)

"We've completely rethought our regional market strategy and reinvented our operations in those markets in a way that will let us compete on a new level — and succeed using all of Clear Channel's resources, scale and talent," a company spokeswoman, Wendy Goldberg, said Thursday.

To some in the radio business, the layoffs signaled the continuation of a several-years-old strategy that replaces locally produced programming with less costly nationally syndicated shows. Media reform groups have long assailed Clear Channel's consolidation.

In Albuquerque, Tony Lynn and Myles Copeland were the only live local hosts left at the country music station KBQI. On Wednesday, the morning hosts were let go.

"I guess it all comes down to the bottom line, and as a small business owner, I understand that," Mr. Lynn said Thursday. "But on the other hand, sometimes it's more than just a few dollars more. Radio is an intimate medium and that's what's being ignored. Listeners develop a special bond with the on-air personalities, and in the long run that proves beneficial for both the station and the advertisers."

For now, the afternoon host at KBQI, who records her show in advance, is doubling as the morning host until the station announces a new morning show.

Mr. Lynn said KBQI had been shifting away from local programming for the last couple of years. Micki Goldberg, who simultaneously worked D.J. shifts at as many as four Clear Channel stations in Ohio and was dismissed on Wednesday morning, said the gradual shift from local to national production was "a real loss for communities."

"While people are trying to blaze trails with new technologies, they are forgetting the power" they already have, she said. Advertisers, she added, can demand more local programming by voting "with their advertising budgets."

Hosts like Ms. Goldberg and Mr. Lynn were not given the opportunity to say goodbye on the air.

The layoffs were conducted less than a month after Clear Channel named Robert W. Pittman the company's chief executive. Mr. Pittman joined the company as chairman for entertainment and media last year.

With nearly $20 billion in debt, Clear Channel has been trying to revamp its operations — to run the business, as Ms. Goldberg, the spokeswoman, put it, "like it's 2011, not 1970."

On Thursday, one day after the layoffs, the company announced a new national programming operations team that would take successful shows on one station and share them with other stations and would develop programs for broadcast across the country.

Ms. Goldberg said that through this week's regional reorganization, "some of the top on-air talent in the country will conduct custom breaks and produce localized content for each city." She suggested that "the content our listeners hear will be more localized, not less," even though some of the hosts won't be living or working in those local areas. And she emphasized that listeners will still hear local traffic, weather and news.

"Just about every station that's used this strategy has delivered better ratings than the content it replaced, even if the person giving the information isn't located on-site in that city, because the product is better," she said.

Shane Warner, who was until Wednesday the morning host and the program director for KWTX in Waco, Tex., said he did not resent Clear Channel or its management team "one bit" for the moves they made.

"I don't envy for a second the guy who had to make the decision and ultimately pull the trigger on this move — or the manager who had to deliver the news," he said in an e-mail. "What we tend to overlook in these situations is what would have happened if costs were not cut."

He added, "I'll move on, look for my next gig and try to be a better host. That's all I can do."

Subject: LARadio - Bad Time to be CC DJ (Gawker)

It's a Bad Time to Be a Clear Channel DJ

Gawker.com, 10.28

Remember how the newspaper industry was devastated by the fundamental shift in media consumption habits driven by the internet, and the music industry was devastated by the fundamental shift in media consumption habits driven by the internet? Yes, well. The radio industry is also being devastated by the fundamental shift in media consumption habits driven by the internet. FYI.

Evil corporate radio conglomerate Clear Channel, the company responsible for ensuring that each and every corner of America is evenly covered with Tim McGraw background noise, laid off a gang of DJs across the country yesterday. Brian Stelter reports that "some of the D.J.'s said they believed that the number was in the hundreds."

It's all part of cutting costs by firing DJs who actually live in local markets and replacing dozens or hundreds of them at a time with one guy sitting in a room in some central location, pumping out those sweet homogenized tunes for everywhere at once. Listen to this bullshit statement driveled out by Suck City (Clear Channel HQ):

> "We've completely rethought our regional market strategy and reinvented our operations in those markets in a way that will let us compete on a new level - and succeed using all of Clear Channel's resources, scale and talent," a company spokeswoman, Wendy Goldberg, said Thursday.

Cool comment to make about laying off hundreds of people, yeah. The company's headquarters are in San Antonio in case any Occupy people down there need somewhere to march today.

Click here to unsubscribe from future mailings.

Subject: LARadio - Are We Having Fun Yet?

Are We Having Fun Yet?

(October 27, 2011) A few summers ago I traveled to La Paz, Mexico and spent a couple of weeks with the thought that I might like to retire there on the beautiful beaches. It would be a way to extend what limited dollars I have left. But while there, numerous headlines splashed news of beheadings and bodies left on the side of the highways.

I decided that living in a 3rd World country would not be in my future, so I returned to the safety of Southern California where people treated others with respect.

But ah, radio people, posing as businessmen making business decisions, began their own beheadings yesterday with over 200 Clear Channel employees, nationally, being let go, while the new owners of Cumulus let go 27 LARP yesterday from KLOS and KABC, including such high profile names as: **Jim Ladd**, decades-long beloved jock at KLOS who received a Star on Hollywood Blvd's Walk of Fame a few years ago; **Jorge Jarrin**, for a quarter of a century he was the familiar traffic voice of KABC in morning and afternoon drive; **Howard Hoffman**, the distinctive imaging voice for KABC; and **Mark Austin Thomas**, KABC news director and morning drive news anchor; and KLOS afternoon drive personality and program director, **Bob Buchmann**.

And certainly of no lesser importance, these behind-the-scenes people: **Vernon Copp**, KLOS local sales manager; **Mike Sherry**, KLOS production manager; KABC/KLOS national sales manager, **Leonard Madrid**; **Eric DeRise**, KLOS promotion; **AJ Gordon**; and too many others.

Jorge wrote: "Whenever I had the pleasure to find myself amongst radio veterans trading stories of the various places they had worked and been fired from along the way, the one thing I could never share in was the 'being fired' stories. Well, as of today, I can now share in that 'unique' experience. I just regret that I was not given one last chance to thank all the kind and talented people I got to work with over the years. There have been so many, and I apologize if space does not allow me to mention them all, but it started with **George Green**, and **Ken Minyard**. They were my true visionaries that shaped me, believed in me, and also let me be. I owe my 25 plus years in radio to both of them. Unfortunately, these things run their courses, and my time at KABC has come to an end. I will miss working with **Peter Tilden**, but I walk away with a great friendship. I look forward to other opportunities at hand and those waiting around the corner that I don't know about just yet. Maybe I'll buy the Dodgers, if they become available that is. Who knows?"

Mark Austin Thomas expressed these sentiments about working at KABC: "I've been very fortunate to work alongside some very special people at KABC, people who have enriched me both personally and professionally. It has been a great experience and I am sincere when I say I wish only the best for everyone there. With new ownership I am confident KABC will do quite well now and well into the future."

APPENDIX E

IHEART

Clear Channel Radio Launches Developer Program For iHeartradio

January 10, 2012 at 6:23 AM (PT)

- iHeartRadio
- API Offered
- CLEAR CHANNEL RADIO will make public an application programming interface (API) and affiliate program for iHEARTRADIO. The Developer Program will enable third parties and developers to easily integrate iHEARTRADIO's unique content and services into their own products, web pages and applications.
- Using iHEARTRADIO's Developer Program, third-party developers will have the opportunity to create their own innovative versions of iHEARTRADIO on their platforms. The iHEARTRADIO API includes access to many of the service's features, including its live broadcast and digital-only stations and Custom Stations as well as a deep social media integration.
- "By making iHEARTRADIO's API available, we're empowering developers to bring the full strength of iHEARTRADIO to life in their own creative ways," said CLEAR CHANNEL DIGITAL Pres. BRIAN LAKAMP. "Opening our API will unlock exciting opportunities to enrich the unique, combined live and custom radio experience that only iHEARTRADIO provides. This move also builds on our commitment to be everywhere our listeners expect us to be, with the best products and services."
- « see more Net News

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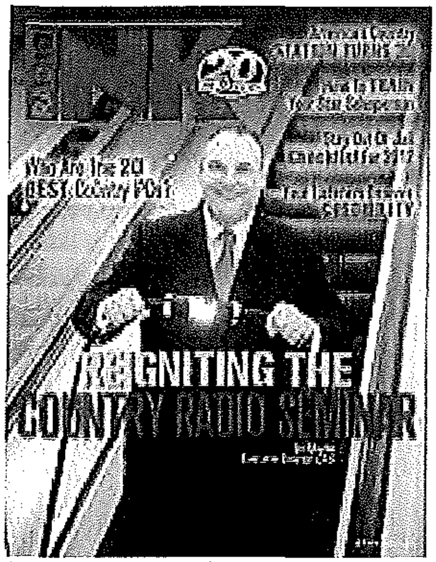
Current Issue:



In the February 13 issue: Special Country Radio Seminar focus, featuring a cover interview with CRS Exec. Director **Bill Mayne**

Click here to subscribe.

C.C. Has No Plan to Monetize iHeartRadio

iheartradio

2-21-2012

The Clear Channel music app that's adding traditional radio stations from many major broadcasters launched its music curation product late last year. When the competitor to Pandora was introduced at the iHeartRadio music festival it was to be commercial free for three months. Clear Channel CEO Bob Pittman has been hinting, in recent interviews, that he believes consumers are starting to complain about the number of commercials being inserted by Pandora.

Have the digital minds behind the walls of Clear Channel decided the way to put Pandora down is to remain commercial free? The Pandora people are strategizing on how they can add more commercials, which formats (audio, video, pre-roll) they should insert those ads and just how many ads consumers will tolerate before turning sour.

And, yesterday Clear Channel CFO said the music curation side of iHeartRadio will be without commercial interruptions until further notice. Casey said the company was getting great feedback from listeners, is not

monetizing iHeartradio and has no plan to do so right now. Casey also reported there were 48 million downloads of the iHeartradio app in 2011.

As far as the Clear Channel Q4 earnings report, there was not a lot of detail about radio in the Clear Channel conference call. The Tuesday morning call was handled by CFO Tom Casey (pictured right). No Pittman this time around. And, Radio boss John Hogan doesn't usually appear on these calls. Most analysts asking questions seemed to mostly care about the Clear Channel billboard business. Casey did say that the "radio team is doing a terrific job managing expenses and continues to show good results even on small amounts of revenue growth." Casey said even with Clear Channel (on the radio side) only showing 2% on the top line they are showing 10% on the bottom line.

Here are the Clear Channel numbers:

Fourth Quarter 2011 Results
CC Media Holdings' revenues grew 1% to $1.65 billion in the fourth quarter of 2011 compared to $1.63 billion for the same period of 2010. The effects of movements in foreign exchange rates did not result in a significant impact to revenue growth during the fourth quarter.
- CCME revenues rose $15 million, or 2%, compared to the fourth quarter of 2010, due to the Traffic acquisition and revenue growth in digital radio services, and partially offset by lower political advertising spend.
- Americas outdoor revenues decreased $3 million, or 1%, compared to the fourth quarter of 2010. Revenues from bulletin displays, primarily digital, and airports grew during the fourth quarter of 2011, offset by declines in poster and mall displays, among other products. The effects of movements in foreign exchange rates did not significantly impact revenue growth in the quarter.
- International outdoor revenues rose $26 million, or 6%, compared to the fourth quarter of 2010, resulting from growth in street furniture revenues across various markets, particularly China, Sweden, and Australia. Excluding the effects of movements in foreign exchange rates, revenues were up 5%.

The Company's consolidated net loss in the fourth quarter of 2011 improved to $31 million compared to a consolidated net loss of $56 million for the same period in 2010.

Full Year 2011 Results
CC Media Holdings' revenues increased 5% to $6.16 billion for the full year 2011 compared to $5.87 billion in 2010, driven by growth across its businesses. Excluding the effects of movements in foreign exchange rates1, revenues rose 4%.
• Media and Entertainment ("CCME," formerly known as Radio) revenues grew $118 million, or 4%, compared to 2010, due primarily to the Company's addition in April 2011 of a complementary traffic operation to its existing traffic business (the "Traffic acquisition") and higher revenues from digital radio services that reflected improved rates and greater volume.
• Americas outdoor revenues rose $47 million, or 4%, compared to 2010, fueled by growth across bulletin, airport and shelter displays, and particularly digital displays, due to increased capacity and rates.
• International outdoor revenues were up $159 million, or 11%, compared to 2010, resulting mainly from higher street furniture revenues across various markets.

Excluding the effects of movements in foreign exchange rates, revenues increased 5%. The Company's consolidated net loss improved to $268 million for 2011 compared to a consolidated net loss of $463 million in 2010.

(2/22/2012 8:56:44 AM)
They will in April. They are advertising that you will have to pay for you private channels. Nuf Said.
Personally I find the question quite naive and the reason why radio is lagging in innovation and progress. Why not monetize a good thing. The future is content providing, not broadcast as we

see it. We will not move forward if we do not embrace that. HD is stupid.

- Bill

(2/22/2012 8:54:29 AM)
If you don't try and monetize iheartradio, who's going to pay the streaming royalties? iheartradio will end up being another financial black-hole, just like HD Radio.

- LOL!

(2/22/2012 6:36:32 AM)
Forever is a long, long time. I think that when you're on the second rung of the marketing ladder in a category, product differentiation is an essential tool in gaining traction and challenging the leadership of the dominant player.

Commercial-free i-Heart makes sense at this stage of the game. Assuming that this strategy (juxtaposed against Pandora's attempts to further monetize their platform) produces a more level playing field in the internet radio space, I have no doubt that Clear Channel will ease in commercial messaging. Otherwise, what would be the point of creating the platform in the first place?

- Larry

APPENDIX F

KATZ MEDIA GROUP DATA

Sitemap

KATZ MEDIA GROUP

ABOUT KATZ | OUR COMPANIES | NEWSROOM | CAREERS | CONTACTS

Welcome to Katz

Katz Media Group is the leading media representation company in the United States. With more than 4,000 radio stations and 500 television stations retaining our services, we are the only media representation company to serve a variety of over-the-air and digital platforms. A subsidiary of Clear Channel Communications, the company was founded in 1888 as the nation's first media representation company. Today, Katz Media Group has 19 regional offices and holds leading market shares in both radio and television representation. By marrying legacy media with display, digital audio and mobile offerings, Katz works with national advertisers to create customized solutions across multiple video, mobile and web-based platforms.

Katz Media's Brian Knox, Senior Vice President and Director of Corporate Diversity, highlights the use of mobile devices by Hispanic and African American populations in a new presentation. **More >**

In the News

June 23, 2011: Katz 360's Andy Slater to Participate on Panel at Digiday

June 21, 2011: KRG's Amy Joscher Named AWN Member of the Year

June 7, 2011: Katz Media Honors Women Chosen for MIW in Radio

Broadcast Radio continues to be an important part of the American day. Katz highlights the findings from a ground breaking media study by Nielsen and the Council of Research Excellence.
More >

Sitemap

KATZ MEDIA GROUP

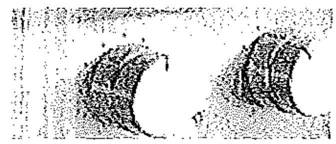
ABOUT KATZ | OUR COMPANIES | NEWSROOM | CAREERS | CONTACTS

HOME > Our Companies

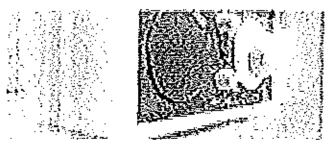
- Katz Television Group
- Katz Radio Group
- Clear Channel Radio Sales
- Katz Marketing Solutions
- Katz 360 Digital Sales

Our Companies

Katz Television Group



Katz Radio Group



Clear Channel Radio Sales

Katz Marketing Solutions

Katz 360 Digital Sales

Clear Channel Radio Sales

Clear Channel Radio has three sales portals; local (individual brands or cluster sales), national/unwired (multiple cities and clusters) and wired/network sales (Premiere Radio Networks.) Clear Channel Radio Sales (CCRS) is responsible for sales revenue in the national/unwired business. Located in 17 cities across the US. Under the Katz Media Corporation's umbrella, CCRS is focused on targeting the largest agency holding companies as well as key national advertisers. Acting as the national sales extension of our 800+ local brands allows CCRS to use scale to provide singular and compelling marketing solutions across on air, online and on site.

Your CCRS Account Executive is here to assist you by activating all of our assets both within and across platforms to sell more of your products and services.

Jeff Howard
President
212-424-6435
email

Alan Korowitz
EVP Operations
212-424-6214
email

CBS Radio Sales & Entercom Radio Sales

The CBS Radio Sales and Entercom Radio Sales divisions of Katz Radio Group represents two of the nation's most well-respected broadcasters. CBS Radio Sales and Entercom Radio Sales were formed in 2008 and offere seamless service in 12 offices across the country. The dedicated and talented members of CBS Radio Sales and Entercom Radio Sales provide professional expertise and access to an impressive station line-up in the country's top markets. Their clients; CBS Radio (a division of CBS Corp.) operates 140 radio stations in 49 of the nation's top 50 markets, and Entercom, of Bala Cynwyd, Pa., is one of the five largest radio broadcasting companies in the nation, with 110 stations in 23 markets.

Continental Television Sales

Eagle Television Sales

Millennium Sales & Marketing

Katz Direct

Katz Television Group

The Katz Television Group is made up of four separate companies, each uniquely structured to best serve the needs of our client stations. The distinct nature of each company—Continental Television Sales, Eagle Television Sales, Katz Direct and Millennium Sales & Marketing—allows us to address the specific sales needs of a wide variety of stations.

Each company is staffed with a research department working in tandem with our sales force, programming arm and new business development team to ensure the best interests of each client. We are extraordinarily proud of our decades of broadcast experience and we look forward to working with you.

Jim Beloyianis,
President