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

<u>REPLY COMMENTS OF MT. WILSON FM BROADCASTERS, INC.</u>

Saul Levine
President
MT. WILSON FM BROADCASTERS, INC.
P.O. Box 250028
Los Angeles, California 90025

Date: April 17, 2012

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SUMMARY

The NAB Comments do not represent the views of all NAB members or all broadcasters. The Commission should not assume that the NAB Comments represent all broadcasters.

The Mt. Wilson proposal to reduce caps and subcaps is consistent with Section 202(h) of the Communications Act. The Mt. Wilson proposal will promote competition between group owners and independent radio owners consistent with the intent of the 1996 Telecommunications Act.

The Commission should not repeal the radio/television cross-ownership rule. The rule promotes competition to CBS. Absent the rule, there will be less competition to CBS.

The MMTC proposal to grant waivers for "good deeds" ignores the basic concept underlying the multiple ownership rules. It is difficult for the independent radio owner to compete against group owners with existing numerical limits. Allowing an unlimited number of stations to a single owner is contrary to the Commission's policy goals. Moreover, granting such waivers would establish a precedent that would allow a waiver for all Commission rules.

The adverse impact on competition arising from group ownership of non-broadcast businesses should be considered in evaluating the adverse impact on competition. Such outside non-broadcast businesses can be utilized to entice advertisers.

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REPLY COMMENTS OF MT. WILSON FM BROADCASTERS, INC.

I. NAB COMMENTS REPRESENT SOLELY WALL STREET/GROUP OWNER VIEWS, NOT ALL NAB MEMBER VIEWS, NOT ALL RADIO OWNER BROADCASTER VIEWS

The National Association of Broadcasters (hereinafter "NAB") Comments purport to represent all radio broadcasters. Mt. Wilson FM Broadcasters, Inc. (hereinafter "Mt. Wilson") is the licensee of two radio stations in the Los Angeles DMA (stations KKGO-FM and KGIL(AM)), the FM station dating back to 1959. Mt. Wilson is an independent station owner and a member of the NAB (not a group owner member). The NAB Comments represent the views solely of group owner members. The NAB Comments do NOT represent the views of Mt. Wilson; in all probability do NOT represent the views of other NAB independent station owner members or independent station owners; and accordingly, should be evaluated ONLY as the views of group owners, NOT the views of all radio broadcasters.

With respect to the Quadrennial Review, the Mt. Wilson position is absolutely contrary to the NAB position. Mt. Wilson advocates a reduction in the existing caps and subcaps and the retention of the radio/television cross-ownership rule (see Mt. Wilson Comments). The basis for the Mt. Wilson position is the policy goals recognized by the Commission as a necessity to ensure competition – which, in turn, fosters diversity and localism. In short, the Mt. Wilson position stands as an advocate for the public interest. The existing caps have not preserved (and will not preserve) the goals as is evidenced by (a) the shocking decline in radio station ownership resulting from the 1996 Telecommunications Act; and (b) by the adverse impact on competition directly resulting from group ownership, i.e., "size."

The basis for the NAB position (advocating the elimination or an increase in the caps), however, is founded on the private interest demanded by Bain Capital/Wall Street – PROFIT. There is <u>no public interest benefit</u> resulting from increasing the caps. Pragmatically, Mt. Wilson recognizes that the Commission will not abolish group ownership. Consequently, the Mt. Wilson position seeks to establish a <u>fair balance</u> between the continued existence of group ownership and the independent radio owner wherein the independent radio owner can compete and survive and wherein the public interest will be served by <u>both</u> the group owners and the independent radio owners. Retaining the existing caps and/or increasing the caps will have an adverse effect on the ability of the independent radio owner to compete; will increase the threat to independent radio owner survival; and substitutes the private interest for the public interest. Protecting the public interest is and should be the ultimate objective.

Bain Capital/Wall Street and now the NAB (solely on behalf of group owners) represent the private interest – **PROFIT.** The impact of Wall Street on group owners and PROFIT is best exemplified in Exhibit 1. Competition underlies PROFIT. Reduction or elimination of the independent radio station owners (via consolidation – elimination of caps and subcaps) will result in less competition to group owners and the better opportunity for more PROFIT. The fact that the NAB Comments are silent as to the independent radio owners' existence can be rationalized on the basis that the NAB foresees a radio world comprised ONLY of group owners. A fair balance, however, is not an NAB objective. The impact of the NAB position will adversely affect competition (and the collateral diversity and localism policy goals resulting from competition).[1] Why should the Federal Communications Commission (or any other federal agency) adopt or retain rules that solely benefit private interests at the expense of the public interest?

Mt. Wilson has no control over the views expressed by the NAB in its Comments. The NAB position is dictated by a Radio Board and the Radio Board of Directors that is weighted and controlled by group owners. In the Commission evaluation of the NAB Comments, and to the extent to which the Comments purport to represent "all" broadcasters, the Commission should consider the following:

1. The NAB did not conduct a survey of its membership;

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[1] The "gift" or sale of AM radio stations primarily to noncommercial and public interest entities pose little or no threat to competition to group ownership entities.

2. The NAB filing purported to represent the views of all NAB members when in fact it represented views of only group owners;

3. THE NAB FILING AFFIRMATIVELY MISLEADS THE COMMISSION INTO ASSUMING THAT THE ENTIRETY OF THE NAB MEMBERSHIP SUPPORTS THE NAB COMMENTS.

The purpose of the Mt. Wilson Reply Comments pertaining to the NAB Comments is two-fold: (1) to explicitly ensure that the Commission understand that the NAB Comments represent ONLY the views of group owner members, not the entire NAB membership, not ALL radio broadcasters; and (2) that the slanted views presented effectively propose the substitution of private interests (PROFIT) for the public interest. The position of the NAB and the position of Mt. Wilson vis a vis the Quadrennial Review are at opposite poles. Considering the NAB restricted methodology for determining whether Comments should be filed and, if filed, for whom, the Commission cannot assume that NAB Comments represent the radio broadcast industry. The NAB Comments represent solely the views of group owners, not the views of the independent radio owner (See Appendix A). The appendix includes a copy of the Mt. Wilson letter to Gordon Smith pertaining to membership termination, an article from All Access (trade press) pertaining to the Gordon Smith letter and copies of comments from trade press readers pertaining to the Gordon Smith letter.[2]

Logic (i.e., group "size") and the fact that independent radio owners daily confront group owner competition, provide the undisputed evidence confirming the adverse

[2] Interestingly, while the NAB spokesperson states that "We respect Mr. Levine's position and hope that he remains in membership", it does not offer a direct response to the question posed in the letter to Gordon Smith: "Why should an independent radio owner remain as an NAB member. . . wherein NAB supports the elimination of rules that inevitably lead to radio ownership reduction or demise?"

impact of group ownership on competition – i.e., (1) it is now (today) difficult for an independent radio station owner with one to four formats at most to sell advertising when competing against group owners with double-digit formats; and (2) the decline in radio ownership. Maintaining or increasing the caps will further exacerbate an existing difficult competitive situation – resulting in a further decline in radio ownership (see Mt. Wilson Comments). To preserve the goals and to affirmatively promote competition, reducing the caps is a necessity. Simply extending the existing caps will logically and inevitably lead to the same issues four years hence – but with still fewer independent radio owners. Should the self-serving NAB group owner views be accepted, the ultimate demise of the independent radio owner is assured and the policy goals will no longer be deemed necessary.

II. THE MODIFICATION OF A COMMISSION RULE IS CONSISTENT WITH SECTION 202(H) OF THE COMMUNICATIONS ACT

Mt. Wilson proposes the modification of Section 73.3555(a)(1) of the Commission rules, specifically the reduction in caps and subcaps, i.e., a change in the numbers now specified in the rules.

In the 2002 Biennial Regulatory Review Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13620, 13712-13, Para 239 (2003) (hereinafter "Report and Order"), the Commission modified the methodology for counting stations in the local radio market as follows:

> "We conclude that the numerical limits in the local radio ownership rule 'are necessary in the public interest' to protect competition in local radio markets. We conclude, however, that the rule in its

> current form does not promote the public interest as it relates to competition because (1) our current overlap methodology for defining radio markets and counting stations in the market is flawed as a means to protect competition in local radio markets, and (2) the current rule improperly ignores competition from noncommercial radio stations in local radio markets. To address those concerns, we modify the rule to replace the contour-overlap market definition with an Arbitron Metro market and to count noncommercial stations in the radio market;"

The modification of an existing rule pertaining to a change in defining radio markets (for the purpose of attribution-compliance with the multiple ownership rules) was deemed consistent with Section 202(h) of the Communications Act. The Mt. Wilson proposal to change the number of stations in which a person or entity "may have a cognizable interest" (Section 73.3555(a)(1)) is procedurally analogous to the modification of changing the methodology of defining radio markets. Mt. Wilson proposes the modification of an existing rule (not an additional rule) based on the fact that "numerical limits. . . are necessary in the public interest. . . to protect competition" and ". . . that the rule in its current form does not promote the public interest as it relates to competition" (Report and Order, Ibid.). More specifically, the rule in its "current form" has resulted in a significant decline of radio owners and has been an adverse effect on the ability of independent radio owners to compete for advertising in the marketplace. Reducing the caps will promote competition for the independent radio owner.

Section 202(h) of the Communications Act, as amended, is based upon Section 11 of the Communications Act of 1934. In 2003 (four months prior to the 2003 release of the 2002 Regulatory Review Report and Order), the Commission released a Report specifically directed to Section 11, 18 FCC Rcd. 4726 (2003).[3] The purpose of Section 11(b) was to promote competition in the Communications industry. To ensure competition, Congress required the Commission to "... monitor the effect of that competition... and make appropriate adjustments to its rules to modify or eliminate those rules that were 'no longer necessary in the public interest as the result of meaningful economic competition.'" (Report, Para. 5)

With respect to the 1996 Act, the numerical limits specified were essentially a "guesstimate." Neither the Congress nor the Commission could have known (or predicted) the precise numerical limits necessary to ensure "meaningful economic competition", the "touchstone" for the numerical limits. However, in the interim period between 1996 and 2012, what is now precisely known is that consolidation has sharply reduced radio ownership (and thereby adversely affected the policy goals of competition, diversity and localism), that the existing numerical limits are inadequate to protect competition and that "meaningful economic competition" between independent radio owners and group owners does not exist. The existing numerical limits, the purpose of which is to promote "meaningful economic competition", are "flawed." The Mt. Wilson proposal calls for an "appropriate adjustment" analogous to the 2003 "appropriate adjustment" to the methodology for defining radio markets. Reducing the numerical limits is not a burdensome chore on any party and, in fact, will promote competition to the "meaningful economic competition" envisioned by the 1996 Act.

[3] Commissioner Martin filed a lengthy "dissent" to the Report. The United States Court of Appeals for the District of Columbia affirmed the Commission Report, 31 CR 1114 (2004).

III. THE COMMISSION SHOULD NOT REPEAL THE RADIO/TELEVISION CROSS-OWNERSHIP RULE

CBS, of course, supports the tentative Commission conclusion to repeal the rule. The Commission's tentative conclusion to repeal states ". . . we do not believe this rule is necessary to promote competition" (NPRM, Para. 123). While the existing rule may not promote competition for CBS, it affirmatively provides assistance for promoting competition to CBS competitors. Repeal of the rule will allow CBS to acquire two more radio stations in the Los Angeles DMA. Local radio owners now compete against six CBS radio stations and two CBS television stations. The acquisition of two more radio stations will provide CBS additional formats to offer advertisers, an adverse effect on promoting competition to CBS. Moreover, and contrary to the Department of Justice assertions that "radio advertising constitutes a separate antitrust market" (NPRM, Para. 123), a CBS officer (Ezra Kurcharz) extols the integrated relationship between radio and television advertising

> "We've transformed our business from being a very siloed segmented business, to a very integrated business where TV and radio work hand in hand along with digital." (See Appendix B)

The tentative Commission conclusion and the CBS Comments in support of the tentative conclusion are at odds with the real world. Radio needs help. Retention of the rule may not be a plus for CBS; retention of the rule, however, will help promote competition to CBS and help the survival of the independent radio owner. The rule is necessary and should be retained.

IV. THE MMTC PROPOSAL OF GRANTING WAIVERS TO THE NUMERICAL LIMITS OF THE MULTIPLE OWNERSHIP RULES IS NOT A PRACTICAL OR PRUDENT SOLUTION TO A PROBLEM, IRRESPECTIVE OF ITS WORTHINESS

Minority Media and Telecommunications Council's (hereinafter "MMTC") proposal wholly ignores the adverse ramifications that would flow from such proposal. Significant adverse ramifications include the following:

1. The establishment of a precedent that any well-meaning deed should be rewarded by a waiver – of <u>any</u> Commission rule;
2. Allow group owners to acquire an <u>unlimited number</u> of stations ("the local radio ownership rule would be waived such that the business could exceed the ownership limits by one station <u>per incubating activity</u>", MMTC Comments, p. 23);
3. Ignores the adverse impact of group ownership on competition to the independent radio owner, including the additional competition to the minority independent radio owner. Rules, policies promoting more consolidation are adverse to both minority and independent broadcast owners;
4. Ignores the adverse impact on ownership diversity and localism, including the adverse impact on minority diversity and localism.

Pragmatically, relax the rules, grant waivers, etc., the result will be fewer independent broadcasters, fewer minority broadcasters, less diversity, less localism, less competition and more consolidation, i.e., permitting group owners to own an unlimited number of stations.

The resurrection of tax credits and regulations that permit the Small Business Bureau to make favorable loans to minorities are practical and prudent methods. Effectively, placing <u>all</u> Commission rules at risk is neither practical nor prudent.

V. OUTSIDE FACTORS ADVERSELY AFFECTING COMPETITION

NAB and CBS assert as the primary basis for eliminating and/or increasing caps/subcaps the existence of new audio platforms.[4] Acknowledging the existence of new audio platforms, Mt. Wilson poses the question of how companies such as CBS and Clear Channel meet the new competition. The answer: CBS and Clear Channel invest in the new audio platforms, in related audio/visual enterprises and in related businesses. Clear Channel controls Katz Media Group (the major radio and television representative for national advertising); IHEART (a music channel providing a member radio station's music format on the Internet); outdoor billboard advertising business; among numerous other business ventures. Clear Channel is controlled by Bain Capital, a major Wall Street investment firm (see Mt. Wilson Comments to 2010 Notice of Inquiry, Appendices A through C, E. F. attached to Mt. Wilson Comments responsive to instant NPRM). CBS controls numerous radio and television stations throughout the United States and cable systems. CBS is a subsidiary of Viacom. Viacom's "reach" in the communications field includes network programming, cable channels, motion pictures, etc. (see Appendix D).

The objective of Wall Street/group owners is to create more PROFIT. While non-radio investments such as Katz, IHEART, and cable ownership are beyond FCC regulation, their presence adversely affects the ability of the independent radio owner to compete. Control of the major national "rep" company, control of IHEART, control of outdoor advertising billboards, control of networks, and the relationship of group owners to Wall Street investment firms are positive factors that group owners utilize to persuade

[4] In 2011, radio added 1.4 million weekly listeners (see Appendix C).

and entice advertisers to buy their stations – factors not available to the independent radio owner. In evaluating the necessity for caps and subcaps and considering the Commission's policy goals, the Commission must take into consideration the "outside factors" which also adversely affect competition between the group owners and the independent radio owners. Promoting more PROFIT singularly dominates the rational basis for the NAB/group owners/Wall Street position. The public interest, exemplified by the goals of diversity, localism and "meaningful economic competition", underlie the independent radio owner position. While the outside factors may not be subject to Commission regulation, the Commission can and should consider outside factors in determining appropriate rules as to size limitations and meaningful economic competition.

CONCLUSION

Financially, the group owners thrive (Mt. Wilson Comments, Appendix B; Mt. Wilson reply Comments, Appendix E). In 2010 and 2011, the top ten billing stations in the United States were group owner stations dominated by CBS and Clear Channel (Appendix E). The NAB group owner arguments for the elimination and/or increase in the caps and subcaps is based on the Wall Street demand for still more profit. Conversely, independent radio ownership declines – primarily resulting from the absence of "meaningful economic competition" between group owners and the independent radio owners. Reducing the caps and subcaps will promote competition between group owners and the independent radio station owners; will preserve localism; and will preserve diversity.[5] The reduction in caps will promote competition consistent with congressional intent as is reflected in Section 202(h) of the Communications Act. In evaluating competition, the Commission cannot ignore group owner control of outside business interests that are used to entice advertisers – a fact that results in an adverse effect on the ability of the independent radio owner to compete with the group owner for the "buy."

With respect to the NAB Comments, such Comments were filed without any NAB effort to survey/poll its membership. The Comments represent only the views of group owner members. The Comments do NOT represent the views of Mt. Wilson and do not represent the views of all broadcasters. Support for elimination and/or an increase in caps/subcaps is solely limited to the unidentified NAB group ownership members – NOT all broadcasters.

The MMTC proposal to grant waivers to broadcasters to exceed the specified multiple ownership rules is neither prudent nor practical. MMTC's proposals consistent with the Commission policy goals underlying the validity of the Multiple Ownership rules are acceptable. The grant of waivers for good deeds" would establish a precedent leading to utter chaos.

[5] Overhead, of course, is a factor affecting profits. Consolidation results in less diversity, less localism, less competition, but still more layoffs (see Appendix F).

Repeal of the radio/television rule adversely affects competition between group owners and independent radio owners. Conversely, retaining the rule will assist in promoting competition. The retention of the rule, therefore, is necessary.

Respectfully submitted

MOUNT WILSON FM BROADCASTERS, INC

By Saul Levine

Saul Levine
President
P.O. Box 250028
Los Angeles, California 90025
310-478-5540

Date: April 17, 2012

EXHIBIT 1

WALL STREET IMPACT ON GROUP OWNERS/PROFIT

THE Hollywood REPORTER

Wall Street Discusses Weaker Fourth-Quarter Cable Networks Ratings

3:15 PM PST 1/10/2012 by Georg Szalai
share

- Comments

9

Walt Disney, Time Warner and Viacom were impacted by "unusually weak" cable viewership in the period, says Nomura analyst Michael Nathanson.

NEW YORK - With cable networks being the entertainment conglomerates' biggest profit driver, several Wall Street analysts on Tuesday highlighted weak fourth-quarter cable viewership and discussed what it means for Hollywood companies.

Nomura analyst **Michael Nathanson** in a report Tuesday reviewed fourth-quarter live and C3 ratings, pointing out that they "produced some pretty surprising results." He added that Disney, Time Warner and Viacom "were impacted [to varying degrees] by unusually weak cable ratings."

In terms of live viewing, broadcast ratings were down 3 percent, but cable networks ratings fell 5 percent in the final quarter of 2011, Nathanson said. "Thanks to either the continued impact of the DVR, shifts in the Nielsen sample, the NBA strike or slight changes in consumption patterns, live primetime TV viewership declined," he suggested.

Looking at live-plus three days viewing, a figure that advertisers focus on, broadcast viewing was up slightly thanks to a DVR lift, while cable was down 1.1 percent.

Nathanson's concern: the trend could create downward cable network earnings revisions. He increased his target price on the stock of Walt Disney by $1 to $44, but cut his Viacom target by $1 to $53, his target on Discovery Communications by $1 to $46 and his target on Scripps Networks Interactive by $2 to $45. He left his target prices for the stocks of CBS Corp. ($28), News Corp. ($21) and Time Warner ($39) unchanged.

Nathanson's conclusion: "As an asset class, we favor conglomerates that, we believe, will be able to drive higher than average affiliate fee growth over a footprint of broadcast and cable networks while enjoying the broadcast ratings' current benefit from DVR lift."

With the exception of CBS Corp., the cable networks units are by far the largest driver of operating income at entertainment conglomerates.

Morgan Stanley analyst **Benjamin Swinburne** in a look at likely 2012 media industry trends also mentioned the cable ratings challenges. "With more to gain (higher affiliate fees, digital and international licensing) and to lose (cable ratings now declining, distributors forced to choose what to carry and what to drop), investment levels in programming will likely increase, pressuring incremental margins for many cable networks," he predicted.

And Barclays Capital analyst **Anthony DiClemente** downgraded his rating on Disney's stock to "equal weight," similar to a "neutral," citing the stock's recent run-up and a lack of catalysts. Among other factors, he said that ESPN ratings ended the final quarter of 2011 down 15 percent. "We believe this ratings weakness, tough comps in the first half of 2012 and moderated demand in the scatter market could pressure ad revenues," DiClemente said.

Davenport & Co. analyst **Michael Morris**, however, came out in support of Viacom, which has been in the Wall Street spotlight amid recent ratings declines at kids TV network Nickelodeon.
He said investors focus on ratings weakness and its advertising impact are "likely to dominate near-term sentiment."

Softer ratings at Nickelodeon alone likely dragged down U.S. ad revenue by around 5 percent in the final quarter of 2011, he predicted. But he also emphasized that long-term ad performance at Viacom has been more consistent than the stock implies. "Ad revenue at Viacom has been more stable over the past five years than we believe most investors realize, with a 3 percent compound annual growth rate," he said.

Leaving his $55 price target on Viacom shares unchanged, he told investors: "we would buy as expectations are low."

Email: Georg.Szalai@thr.com

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APPENDIX A

GORDON SMITH LETTER

March 21, 2012

Mr. Gordon H. Smith
President and CEO
National Association of Broadcasters
1771 N Street NW
Washington DC 20036

Dear Mr. Smith,

The purpose/mission of the National Association of Broadcasters ("NAB") is set forth in the NAB website ". . . the voice for the nation's radio and television broadcasters" and "advances the interests of our members in federal government, industry and public affairs." Pursuant to the purpose/mission described above, the NAB filed Comments responsive to the Notice of Proposed Rulemaking ("NPRM") pertaining to the 2010 quadrennial Regulatory Review. The NAB Comments assert that the existing local radio ownership rules are not necessary to promote the Commission's policy goals; that competition from the number of audio platforms renders the existing rules obsolete; that the existing radio ownership rules inhibit localism; that relaxation of the ownership rules would enhance diversity; that the AM/FM subcaps should be eliminated; and that the radio/television cross ownership rule should be repealed. The Comments represent the views solely of group owner members. The Comments wholly ignore the adverse impact on independent station owner members (and independent station owners) that would result from increasing or eliminating caps and subcaps. Revenue and market share have been and continue to be dominated in the Los Angeles radio market by two entities. Survival depends upon the ability to complete – to sell advertising. The NAB Comments do not consider or address the adverse impact on the independent radio owner members, do not represent the views of Mt. Wilson FM Broadcasters, Inc. ("Mt. Wilson") and do not advance the interests of independent station owner members.

Mt. Wilson is an independent radio owner of two stations in the Los Angeles radio market – an AM station and an FM station and is a long-time member of the NAB. The Mt. Wilson FM station commenced operation in 1959. Factually and substantively, the 1996 Telecommunications Act changed the landscape and was the catalyst for the expansion of station ownership, now termed group ownership – best exemplified by entities such as Clear Channel and CBS. Mt. Wilson filed Comments and Reply Comments to the 2010 Notice of Inquiry and Comments to the 2012 NPRM in support of reducing caps/subcaps and for retaining the radio/television cross ownership rule. For the independent owner, the existing caps/subcaps adversely affect competition. Increasing the caps/subcaps will ultimately result in the total demise of the independent owner. The Comments filed by the NAB are not the "voice" of or for Mt. Wilson; are not the "voice" of or for the majority of independent owner members; and (to the contrary) do NOT "advance the interests" of the independent owner members. Consequently, the NAB Comments do not represent the "voice" of its membership; the Comments singularly represent the "voice" of group owner members.

Pragmatically, the Quadrennial Review of the multiple ownership rules is a war between two opposing sides, the group owners and the independent broadcasters. The NAB is a trade organization with membership from both sides. The relevant facts underlying the reasons for this letter are as follows:

1. The NAB did not conduct a survey of its membership;

2. The NAB filing purported to represent the view of all NAB members when in fact it represented the view of only group owners;

3. If adopted by the Commission, the NAB position as clearly enunciated in its filing will (and must) result in the future reduction of radio ownership, if not the total demise of the independent broadcaster. The NAB Comments gave no consideration to the adverse impact of its Comments on the NAB independent owner member;

4. The NAB filing ignored the obvious conflict of interest. It should not have filed Comments purporting to represent the views of all broadcasters (a) without a survey and (b) still worse, when it knew that such Comments did NOT represent the views of independent owner members;

5. The NAB filing affirmatively misleads the FCC into assuming that the entirety of the NAB membership supported the NAB position;

6. The term "fiduciary" as defined by Black's Law Dictionary means "a person holding the character of a trustee, or a character analogous to that of a trustee, in respect to the trust and confidence involved in it and the scrupulous good faith and candor which it requires."

Absent a survey of its membership; absent an affirmative statement that the NAB arguments presented represented only the views of group owner members, the "trust and confidence" and the "scrupulous good faith and candor" presumed by membership in a trade organization were wholly ignored, wholly violated.

The true beneficiaries of rule relaxation are Bain Capital/Wall Street, entities that control Clear Channel, CBS and other group owners; entities that exist for the sole purpose of increasing profits. The independent radio owner's existence is an obstacle to still greater group owner profits. Bain Capital and Wall Street are entitled to focus on profit and to ignore the public interest for the sake of profit. A trade organization that represents an industry regulated by a Federal Agency wherein public interest is the "key" factor underlying regulation, however, should not effectively ignore the public interest standard (as is the "bottom line" of the NAB Comments) and should not ignore its membership constituency. NAB's singular support of Bain Capital/Wall Street/group owner members and its disregard for the independent radio owner membership constitutes reprehensible decision-making conduct, perfidy and a betrayal of trust. For independent radio owners, the multiple ownership rules will determine survival and profit is an afterthought.

Why should an independent radio owner remain as an NAB member in a situation wherein NAB supports the elimination of rules that will inevitably lead to radio ownership reduction or demise? Unless the NAB promptly withdraws its Comments, together with the conflict of interest explanation, Mt. Wilson will terminate its membership.

Sincerely,

Saul Levine
President, Mt. Wilson FM Broadcasters, Inc.

APPENDIX A

LEVINE ARTICLE AND RESPONSIVE COMMENTS[1]

[1] The names of the e-mail commenters and/or their stations/companies have been deleted. Permission to use their names/companies has not been obtained. Such information will be made available to the relevant Commission Staff personnel (if requested) for the singular purpose of confirming authenticity.

Mt. Wilson Owner Saul Levine Writes Stern Letter To NAB... Threatens To Withdraw Membership

March 22, 2012 at 7:27 AM (PT)

| More

- Saul Levine
- MT. WILSON BROADCASTERS/LOS ANGELES Owner/Pres. SAUL LEVINE has sent a letter to the NAB (NATIONAL ASSOCIATION OF BROADCASTERS), opposing their review on ownership rules, and their decision to petition the FCC to do away with rules against consolidation, and to allow entities such as BAIN CAPITAL/WALLSTREET.
- In the letter, LEVINE says that he will cancel his membership to the NAB unless they withdraw their comments, that he says 'only benefit WALL STREET.'
- LEVINE, one of the oldest independent owners in the country, also says that the NAB made their review without first doing a survey of NAB members, and that such new rule bending would essentially allow corporations to own virtually all of the radio stations in the U.S., making independent owners extinct.
- **NAB Hopes He Stays A Member**
- NAB EVP/Communications DENNIS WHARTON responded by telling ALL ACCESS, "We respect Mr. LEVINE's position and hope that he remains in membership. NAB's support for continued relief from restrictive broadcast ownership rules is the longstanding position of our Board of Directors, which includes many small and media market radio station operators."
- « see more Net News

- **MORE ABOUT:** nab | radio | media | u.s | country | fcc | all access | bain capital/wallstreet | mt. wilson broadcasters/los angeles | dennis wharton | saul levine | wall street | national association of broadcasters | ipad | travel | insurance

Showing 9 comments

Larry Collapse Expand

control the media...control the nation....Hugo Chavez anyone?

- A Like
- Reply
- 2 hours ago
- F

David Collapse Expand

When each station in a market was owned by a different owner or "voice"...that was freedom. One company owning 8-10 outlets in a market....that sounds like unwanted "control". They want to allow even more control by large companies. Come on Larry, don't just echo those "one note" talk show hosts.

- A Like
- Reply
- 1 hour ago
- in reply to Larry
- F

Jim Collapse Expand

Allowing more station ownership by the same companies is wrong. Saul is correct.

- A Like
- Reply
- 2 hours ago
- F

-
-
- 

David Collapse Expand

Hurrah for Saul! The NAB is now just a mouthpiece for the big corporate owners. The deregulation of ownership ruined radio and more regulation will only speed up the funeral.

- A Like
- Reply
- 1 hour ago
- 1 Like
- F

-
-
- 

Paul Dean Ford, P.E. Collapse Expand

The NAB appears to have sold out to the Big Guys and Wall Street a long time ago; it appears they may have bought the FCC also.

- A Like
- Reply
- 1 hour ago
- 1 Like
- F

-
-

- Duffbeer Collapse Expand

  The NAB are a bunch of Neville Chamberlain's for attempting to capitulate to the record labels on the Performance Tax. Is anyone surprised they would also drop their pants for the big companies?

  - A Like
  - Reply
  - 1 hour ago
  - 1 Like
  - F

- BobTaylor Collapse Expand

  The NAB have always been whores who sold out to bigger corporate owners. I don't see anyway they serve the interests of independent or even small groups these days. Follow
  the money trail, these crooks are a powerful lobby. Shame on you dirt bags.

  - A Like
  - Reply
  - 1 hour ago
  - 2 Likes
  - F

- MarshJohnson Collapse Expand

  The "mother's milk" of politics is MONEY. Just follow the money, and we find the motivation for this ridiculous maneuver. Consolidation has NOT preserved the financial health of the broadcast industry. It has, however, hastened it's demise. After 45 years in this industry, broadcasting has become legalized prostitution. If it looks good, it will attract the most money.

But, it still doesn't make it right. Shame on Mr. Smith and the Board. This isn't the first time the NAB has made policy without polling the membership. It won't be the last.

- A Like
- Reply
- 47 minutes ago
- F

Saul Levine Collapse Expand

Mr. Wharton's comment that the present regulations are too restrictive sounds like the
words of John D. Rockefeller when the US Justice Department forced him to divest the
Standard Oil Company's unlawful monopoly. The present regulations are not restrictive
enough. Here in Los Angeles, Clear Channel has eight radio stations and CBS has seven radio stations plus two TV stations. Clear Channel owns Katz Media which controls most of
the national radio billing. Conveniently, Katz shuffles combination packages of Clear
Channel and CBS stations to gobble up available dollars excluding stations like mine
left to scramble for crumbs. Now they want more, more, more stations to get the crumbs.
NAB cannot truly speak for its members when they secretly endorse a back room deal
to benefit the Wall Street crowd at the expense of its mom and pop independent members.
To allege with a straight face that the present regulations are too restrictive requires the
talent of a "stand-up comic".

E-MAIL FROM PROGRAM DEVELOPER

Begin forwarded message:

I assume you are Saul's son but, even if you are not, please pass along a whole-hearted "I FULLY AGREE!" to the comments published in AllAccess regarding consolidation including "In the letter, LEVINE says that he will cancel his membership to the NAB unless they withdraw their comments, that he says 'only benefit WALL STREET.'

Amen. Consolidation has virtually destroyed the radio business and lack of creativity and talent has literally PUSHED listeners away from the primary medium. I have developed an all-new format and between the independent owners being squeezed by corporations and the conglomerate's unwillingness to innovate, I can't get what could become the next Adult Standards format a fair trial. NO WONDER there hasn't been a new format in over ten years!

Best wishes,

E-MAIL FROM BROADCAST CONSULTANT

On Wed, Mar 21, 2012 at 5:31 PM
Saul:

Glad to see you taking the lead in this.

There's always been the split you refer to in the NAB, and of course, because CBS, CC, and Cumulus own so many stations....they control the "voting shares", if you will, of the NAB.

You're right to point this out, and I fear the only way to fix it is for smaller and non-group owners to form their own organization....because I don't think it will change. This new group would be more powerful over the long term, because it wouldn't represent Wall Street and Big Corporate Broadcasters, and I think their message might have more credibility in the long run with members of Congress. A representative being lobbied by "a radio station in LA" surely knows that its controlled, as are hundred of others in their policy, by an entity in San Antonio.

I don't think a protest resignation fixes it.....I think they will just dismiss it as coming from a dying breed: Small Local Broadcasters.

I like Gordon. I think for the job the bigger Broadcasters pay him to do....he is terrific. But, it is impossible for him to represent the interests of both big and small broadcasters....the agendas have become too different. Thats not to saw the new entity and the NAB couldn't make common cause on certain issues....they could. But the challenges of owning one or a few stations.....are just 160 degrees from how big broadcasters operate.

That's my opinion :)

E-MAIL FROM RADIO STATION OWNER

Subject: Re: Deregulation

Thank you for your support. I believe there is still time to save independent radio. You need to file comments with the FCC. I will send you the comments I filed.
Also speak to your Congressional representatives.

Saul

On Mon, Apr 2, 2012 at 6:07 AM

> Dr Mr. Levine,
>
> I am a small single station operator in Minneapolis with strong Democratic political ties. I am very much opposed to deregulation and would like to support your efforts, but would need guidance on how I could help.

E-MAIL FROM PRESIDENT OF RADIO STATION LICENSEE

---------- Forwarded message ----------

Date: Mon, Apr 2, 2012 at 7:14 AM
Subject: RE: Good Morning Saul!
To: Saul Levine <105@mountwilsoninc.com>

I just wanted to thank you for standing up for the "public." Great interview on RBR! Are you still planning on attending the NAB? If so would you and your wife be available for a glass of wine or dinner on Tuesday evening? Have a great week!

President

E-MAIL FROM MANAGER OF RADIO STATIONS

---------- Forwarded message ----------

Date: Mon, Apr 2, 2012 at 7:10 AM
Subject: Your Radio Ink Interview
To: "105@mountwilsoninc.com" <105@mountwilsoninc.com>

> Dear Saul:
>
> I just heard your Radio Ink interview. Thank you for speaking out on behalf of our industry. You are correct on every point. It is amazing that the FCC has totally lost sight of public interest concerns. The commission, by allowing increasing levels of ownership consolidation, has all but destroyed radio. Hopefully, your efforts and those of people who rally around you can make a difference.
>
> I manage the Previously, I managed the ABC FM stations here. Of course, I am writing as an individual-- not as a representative of
>
> Thank you for your work to save local radio!
>
> Best regards,
>

E-MAIL FROM STATION OFFICIAL

Date: Thu, Mar 22, 2012 at 9:05 PM
Subject: Re: Google Alert - Mount Wilson FM Broadcasters, Inc.
To: Saul Levine <105@mountwilsoninc.com>

You need to start an alternative group as was mentioned in an earlier email. The NAB is too tightly controlled by the CC and CBS.

On Mar 22, 2012, at 9:00 PM, Saul Levine wrote:

---------- Forwarded message ----------
From: **Google Alerts** <googlealerts-noreply@google.com>
Date: Thu, Mar 22, 2012 at 1:43 PM
Subject: Google Alert - Mount Wilson FM Broadcasters, Inc.
To: 105@mountwilsoninc.com

News 1 new result for **Mount Wilson FM Broadcasters, Inc.**

Broadcaster Threatens To Quit NAB Over Ownership Rule Stance
FMQB
Mount Wilson FM Broadcasters owner Saul Levine has released a letter voicing his displeasure with the NAB and its position on ownership deregulation.

Tip: Use quotes ("like this") around a set of words in your query to match them exactly. Learn more.

Delete this alert.
Create another alert.
Manage your alerts.

E-MAIL FROM BROADCAST CONSULTANT

Sent: Friday, March 23, 2012 10:10 AM

Subject: Just wanted to pass along...

I just read the news about Saul's note to the NAB. Man, I have to tell you -- it just makes me want to work more with you and your team! Thank G-d for independent owners like Saul, and I hope he can stop the process of handing the entire radio industry over to Bain. If they allow this consolidation to go further, removing ownership rules, radio is going to become completely obsolete as a medium for diverse entertainment.

Anyway, Please tell him thanks for standing up to the NAB.

Best regards,

President

APPENDIX B

“BLISSFUL marriage of radio and TV”

INSIDE RADIO™
Friday March 23, 2012
www.INSIDERADIO.com
frank@insideradio.com

NEWS

CBS Radio grows its digital-only sales force. Four out of five CBS Radio account reps didn't sell any digital advertising last year, but that's likely to change as CEO Dan Mason says the company's digital content and sales strategy continues to evolve. While a fast-growing segment online revenues still account for less than 10% of CBS Radio revenue, something Mason attests to the power of on-air radio to attract advertisers. Speaking at the Borrell Local Online Advertising Conference yesterday in New York, Mason said he expects on-air salespeople will undoubtedly sell more online advertising this year, directly connecting additional training to the growth of digital revenue. "You can teach an old dog new tricks — it just takes a little longer," he said. "And the pure digital sellers are pretty infectious on the traditional sellers." The combined CBS Local radio and television sales force totals about 1,700 with an additional 100 digital-only sellers. The digital team is expected to keep growing in the coming months. Borrell Associates president Gordon Borrell is an outspoken proponent of digital-only sales teams. "An online-only staff gets two-to-three times as much sales revenue," he said. He points to a study released by his firm last year showing the average account executives at a radio station with a dedicated online sales team sells $64,387 in digital sales compared to $30,068 where there's no online-only AEs. One reason CBS Radio account reps aren't selling more digital ads is local clients have been pretty blasé about streaming. Mason conceded there's been a "low usage" rate of in-stream audio ads by local advertisers to date. "It takes a long time to introduce streaming to that clientele," he explained. Although the sellout rate for streaming ads is nowhere near the level for broadcast radio, Mason says the upside is it brings the prospects of additional revenue with very little added expense. Mason thinks local broadcasters have two "fastballs" that they can play to their advantage. "We have been calling on these people for many years; we have relationships there. It's not like one of the 15 new calls that an advertiser gets that day — we have an advantage of having done business with the client." The other advantage is having a brand name calling card. In the case of CBS he said it carries with it a lot of trust that can be attractive to a marketer. Local station brands can also be a powerful tool.

Blissful marriage of radio and TV — online. CBS Local Digital Media president Ezra Kurcharz says the combination of radio and television web properties into unified sites has increased traffic, revenue and profit margins for the CBS properties. Advertisers are using the sites as reach vehicles in the local market, Kurcharz told the Borrell Local Online Advertising Conference. "We've transformed our business from being a very siloed, segmented business, to a very integrated business where TV and radio work hand in hand along with digital." CBS Radio CEO Dan Mason thinks people will listen to content on new devices, but he said the big lesson he's learned over the past several years is not to take just take radio and cram it into a different platform. "This is more about spending the time to identify the digital tools that will enhance the broadcast," he said. Mason points to the experience of CBS Radio's "Sportsradio 66" WFAN, New York which saw streaming numbers spike on Wednesday as news of the Jets signing quarterback Tim Tebow spread. CBS estimates 10% of WFAN's listeners used the Audio Roadshow app that allows people to send ten-second audio clips to the station. The internet also helps stations identify what isn't working. When CBS discovered visitors to WFAN's website were only using 50% to 60% of what was there, Mason says they were able to use the information to make content adjustments. "Radio is a one-to-all medium. The internet, the cell phone, they're a one-to-one medium," he said. "The combination of the two creates a hybrid media — a talk back media — and that's really exciting about what can be done now with radio and television."

Study sheds light on keys to PPM success. Despite being subject to government-mandated content regulations, successful radio stations in Canada share a lot in common with their U.S. counterparts. A new Coleman Insights study of stations that perform best under BBM Canada's PPM ratings system in Canada's five largest markets finds they are differentiated by the same abilities that set successful U.S. stations apart from the pack: attracting large daily cume audiences, getting listeners to tune into them multiple times each day and generating significant out-of-home listening. The study found daily cume to be the biggest differentiator. The average daily cume rating of the high performers was 130% higher than the average for also-rans, a 17.5 cume rating vs. a 7.6. Coleman Insights VP Doug Hyde says they repeatedly find that stations that have strong brands and have well-defined positions are the most effective at generating large cume audience. "That effectiveness is often derived from these stations' abilities to generate habitual listening," he explains. High performers achieved slightly higher Time Spent Listening levels, primarily because they generate an average of 5.6 listening sessions per day, 15% more than the 4.9 average number of daily listening sessions generated by non-high performers. Finally, high performing stations in the study generate more out of home cume listening and more out of home listening occasions than under-achieving stations. At 69.9%, the proportion of listening high performers generate out-of-home is higher than the 62.9% of listening generated out-of-home by under-achievers. "This suggests that stations that are highly successful under PPM measurement appeal to active listeners who use them in many situations as they go about their lives each day," Hyde says. The findings are similar to those uncovered by Coleman in an analysis of American PPM data in 2009.

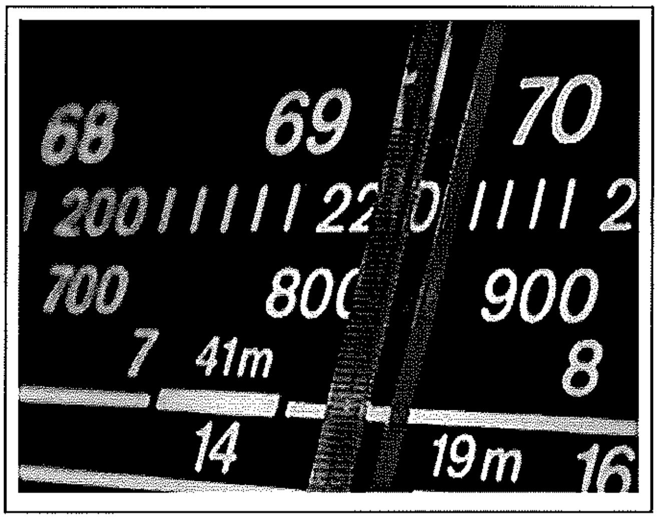
Emmis sets the first of two planned shareholder meetings. Some Emmis employees could be due for an unexpected benefit. The company is asking shareholders to approval a proposal to create a special trust of 400,000 shares of preferred stock. Emmis says in a regulatory filing it'll be used to make up for prior reductions in base salaries and a lack of merit raises in the current fiscal year. The move — which goes to a vote at a special shareholders meeting April 2 — appears to have another outcome: it will give Emmis the 66.8% of the total vote it needs to remove the company's obligation that it pay dividends to preferred stock owners, and prevent any unpaid dividends from accruing. The company plans a second special shareholder meeting in late-April to vote on those proposals, as well as a reverse-stock split to allow Emmis to continue to be listed on the Nasdaq. So far the remaining preferred shareholders have been quiet about the Emmis board-supported proposals, first disclosed last week. The group signed a lockup agreement last December under which each agreed not to sell their shares to Emmis. It's likely some preferred shareholders are negotiating to sell their shares to the company before the new rules take effect.

Country format is finding listeners (and advertisers) in New York market. In a region better known for Bruce Springsteen and Bon Jovi, Press Communications is finding success in taking a triple A approach to the country format. A year and a half ago it signed on the "Thunder 106" simulcast of WKMK (106.3) and WTHJ (106.5). While primarily covering the Monmouth-Ocean, NJ market, its signal also reaches parts of New York City and Long

APPENDIX C

"Radio adds 1.4 million listeners in 2011"

Radio adds 1.4 million listeners in 2011



05 December, 2011 04:52:00

As Arbitron readies its December 2011 RADAR 111 rankers, the radio ratings company gave some details from its National Listening Report. Data shows radio added 1.4 million more weekly listeners versus December 2010. The number of persons 12+ listening to radio each week now reaches an estimated 241.3 million, representing 93% of the population 12+.

In addition to adding 1.4 million weekly listeners during the past year, radio listening among key demos continues to hold steady. Compared to the December 2010 RADAR report, teens aged 12-17 remains consistent at 22.8 million, or 92% of that demo's population. Radio listeners aged 18-34 increased slightly versus the December 2010 RADAR report. Radio now reaches 66.3 million weekly listeners in this age range, that's 93.4% of this demographic.

The report also shows a significant increase in Hispanic listeners. Radio's 12+ Hispanic audience grew by nearly 1 million versus the December 2010 report. Radio reaches 95% of Hispanics 12+.

Hispanic Adults aged 18-34 was up the most over the past year, adding nearly 300,000 weekly listeners.

Black (non-Hispanic) listeners also grew year over year, gaining nearly 240,000 weekly listeners. Radio reaches 93.2% of the Black (non-Hispanic) population.

Radio reaches more than 132 million weekly radio listeners aged 12+ with a household income of $75K or more. Additionally, 40.8 million adults 18-49 who are college grads tune into radio on a weekly basis. 26 million Adults 25-54 with both a college degree and a household income of more than $75K tune into radio on a weekly basis.

survey dates for RADAR 111 were from September 16, 2010 to September 14, 2011.

RBR-TVBR observation: The numbers are steady. Here's what the National Radio Listening Report looked like around RADAR 106, back in 9/10: Radio reached more than 239 million Persons aged 12+; 93% of Persons aged 12+ each week; 92% of teens aged 12-17 (also steady); 88% of Adults aged 18-34 (lower than today); 93% of Black (Non-Hispanic) persons (down slightly from last year) and 95% of Hispanic persons (steady). The only difference we saw was this most recent report did not list numbers for network affiliated stations, which tends to be a few percentage points to 10 percentage points less than all radio listening.

APPENDIX D

CLEAR CHANNEL/CBS INTERESTS IN/CONTROL OF OUTSIDE BUSINESS ENTITIES -- ADVERSELY AFFECTING COMPETITION

Clear Channel Acquires Minority Stake in Ryan Seacrest Productions

3:31 AM PST 1/31/2012 by Georg Szalai
share

- Comments

9


Jason Merritt/Getty Images

UPDATED: Private equity firms Thomas H. Lee and Bain Capital commit up to $300 million to the "American Idol" host's investment holding firm Ryan Seacrest Media for acquisitions.

NEW YORK – Radio giant Clear Channel said Tuesday that it has acquired an unspecified minority stake in Ryan Seacrest Productions, the production company created by *American Idol* host **Ryan Seacrest**, giving it a foothold in the TV industry as it looks to push beyond the radio space.

our editor recommends

Ryan Seacrest Launching TV Network With Mark Cuban, AEG, CAA»

Clear Channel Hires Entertainment Veteran John Sykes to Push Beyond Radio»

The agreement deepens the relationship between the largest U.S. radio company and Seacrest, who is already a host, producer and spokesman for Clear Channel. Financial terms of the investment weren't disclosed.

Also, funds sponsored by Clear Channel majority investors Thomas H. Lee Partners and Bain Capital have committed up to $300 million to working with investment holding firm Ryan Seacrest Media to "identify, acquire and develop innovative media companies, media content and other media properties that can be leveraged to support a range of media enterprises," they said.

RSP will remain creatively autonomous and majority-owned by Seacrest, managed by him as executive chairman together with **Adam Sher** as CEO and CFO **Jeff Refold.** It will now collaborate with Clear Channel on the production and distribution of both scripted and unscripted TV programming, as well as other media and entertainment content.

RSP produces the hit series *Keeping Up with the Kardashians* and the spin-offs *Kourtney and Kim Take New York, Khloe and Lamar* and *Kourtney and Khloe Take Miami.* It also produced ABC reality series *Jamie Oliver's Food Revolution.* RSP is currently producing two new reality series - *Melissa and Tye: A New Reality* for CMT and *Shahs of Sunset* for Bravo.

Clear Channel CEO **Bob Pittman**, THL managing director **Richard Bressler** and Bain managing director **Ian Loring** will work with Seacrest and the RSP management team "to maximize the strategic and operational value of the RSP relationship with Clear Channel," the partners said. Bressler and Loring will also work with Seacrest to maximize the RSM investment initiative.

Clear Channel recently changed its name to Clear Channel Media and Entertainment to signal its ambitions beyond radio and named TV veteran **John Sykes** to help it push into TV and other media. Meanwhile, Seacrest just announced a deal to rebrand HDNet in partnership with **Mark Cuban**, CAA and AEG.

“We aim to build Ryan Seacrest Media into a leading multi-media company with diversified assets and interests,” said Seacrest. He is repped by CAA, which together with Craig Jacobson at Hansen, Jacobson, Teller, Hoberman, Newman, Warren & Richman and Greg Akselrud at Stubbs, Alderton and Markiles negotiated the deals for him.

"Ryan is an unmatched creative talent with success across more media platforms and involvement with a greater variety of programming and venues than anyone else in the industry," said Pittman.

"Ryan Seacrest is not only an enormous talent as an individual, but a leading business visionary who has his finger on the pulse of the evolving dynamics in the media industry," said Bressler. "He and his business initiatives are quite literally driving the future of how media can create value in ways never dreamed of in prior decades."

Seacrest's *Idol* contract expires this spring, and both sides have signaled they hope to extend it. Meanwhile, there has also been talk about a role for Seacrest on NBC's *Today* show.

Bressler told *The Hollywood Reporter* that Clear Channel bought a stake in Seacrast's production firm as a natural next step in their relationship. "In Nov. 2010, we did an expanded [multi-year] partnership between Clear Channel and Ryan," he said. "Back then, we started dating, and now we're ready to get married."

Bressler also lauded Seacrest and his success. "He is the hardest working guy in showbusiness. Everybody knows that," he said, adding that Seacreast brings together great qualities of leaders Bressler has worked with over the years. Like former Warner Bros. head **Bob Daly**, he understands that "there is never a show without business and the other way round," he said. Like Pittman, he has the ability to do 10 things and properly focus on each of them. And like CNN founder **Ted Turner**, Seacreast understands what connects with people and what scales on a wide basis, Bressler told *THR*. Plus, "Ryan also embodies the tenacity and street smarts of [Live Nation executive chairman] **Irving Azoff**," he added.

How does the deeper Clear Channel relationship help Seacrest? "What people haven't focused on enough is that Clear Channel puts resources behind him and his company," Bressler said. "The company reaches 230 million people a month. That is a Super Bowl audience every week."

Bressler wouldn't disclose how Thomas H. Lee and Bain may help Seacrest invest in new opportunities via their investment fund, but he said the partners already have first ideas. "We already have a list of potential acquisitions, but I can't give you names," Bressler told *THR*. "There is a wide range of things that we and Ryan together can bring value to. That could include TV, scripted and non-scripted entertainment, music, broadband-distributed content or technology."

What Does The CC Name Change Really Mean?

So, Clear Channel CEO Bob Pittman says the word Radio is no longer needed in the name of the company. It's now Clear Channel Media and Entertainment and it has a new logo that John Hogan says represents optimism. What does the change really mean for Clear Channel? What does it mean for Radio? Radio Ink Publisher Eric Rhoads offers up his thoughts on how this all plays out.

by Radio Ink PublisherEric Rhoads
Clear Channel is now Clear Channel Media and Entertainment. I suspect the reaction from some will be negative. Some will say Clear Channel doesn't care about radio anymore. Others will say it signals that radio is dead. There will be a thousand opinions about this change, and I do think it is a significant signal.

Related Stories

- Clear Channel Radio Is Now Clear Channel Media and Entertainment

First, I believe Clear Channel remains deeply committed to radio. Radio currently makes up a majority of the company's revenue, and anyone thinking they don't care any longer is foolish. I had lunch with CEO John Hogan just last week, and I have never seen him more engaged and more excited about the company and all the different initiatives they are touching. He seems truly engaged with the leadership of Bob Pittman and loves that the company is opening new doors in new areas.

This name change signals exactly what can be expected from Bob Pittman, who orchestrated the AOL merger and ran Time Warner -- a global giant with every form of media, including film and music. All my friends have been wondering why Pittman would put his own money into a radio company, with apparently no clear exit strategy to get a return on his investment. As I've said all along, Pittman never goes into an investment without knowing how he is going to get out of it. I think this name change is the first clue.

Clear Channel Radio proved something with the recent iHeartRadio Festival, pulling off what music maven Irving Azoff said was the biggest and best concert he had seen in his lifetime. Clear Channel used the power of radio to drive a lightning bolt of energy into iHeartRadio, which has been on fire since. Why bother? Just look at the market cap of Pandora, and that answers the question. Pandora's current valuation exceeds all publicly traded radio companies combined -- sans profit. If Clear Channel can build iHeartRadio to a similar valuation, it will do incredible things to the financial picture for Clear Channel.

And now, of course, Clear Channel is moving into the massive couponing world to compete against Groupon and Living Social, which have giant valuations and revenues -- but don't have the advantage of a local sales team and 800-plus radio stations to drive success. This leverage of radio, to drive other businesses, is the future of Clear Channel.

I think the Clear Channel we see today will look very different a year from now. Think about the conditions of the marketplace. We still have not resolved the music licensing issue, and people like me have been saying all along that no airplay will kill the music labels -- and radio should use that leverage and launch our own labels. Why not Clear Channel Media and Entertainment? Pittman already had many major artists working for him at Time Warner. He has the leverage of airplay. I think a label is the next logical step. Maybe that too will be a collaboration with Cumulus Media. Radio can drive airplay and sales. Online listening can not only drive it, but drive clickthroughs for a percentage of the sale.

Why not Clear Channel Films? Film companies buy radio to drive attendance. It's logical. Then why not own Web brands, like Huffington or Drudge. Pittman invested in and sold Daily Candy for $200 million. Online brands can be driven by radio and can be used as product placement in films. One media fuels the other.

If you're thinking this name change signals the death of radio, you're wrong. This is the chance radio needs to become an inflection point to drive other media. These are the moves all radio companies should be making in their own unique way. Your job really isn't to create radio and sell ads. Your job is to create loyal audiences and help move product. Change your perspective, and you end up changing how you look at your purpose.

At *Radio Ink* Forecast in December, WBEB/Philadelphia owner Jerry Lee acknowledged Bob Pittman as the best thing that could happen for radio. I agree. No other leadership in our industry has been able to gel the big media play for radio and to get away from this radio mindset. Though Pittman loves radio, his childhood sweetheart, he knows that we have to get beyond the limits we've placed on ourselves.

Bravo, Clear Channel Media and Entertainment.

(1/17/2012 10:10:27 AM)
@joeleavitt on Twitter:

"HD Radio Goes the Way of the Laserdisk Player"

"Even though Clear Channel's website claims many of its alternate HD signals remain operational, only KRQ's was functional as of Monday, Oct. 3, and the jazz signal has been down for at least a month. Elsewhere, Lotus and Citadel dabbled in HD, but abandoned their efforts rather quickly."

http://www.tucsonweekly.com/tucson/media-watch/Content?oid=3162554#.To-9Xh9v6Ik.email

Oh, my bad! LOL!

- Applauds!

(1/17/2012 10:10:04 AM)
"Thinking big"?? Clear Channel has rendered radio far less important in Americans' daily lives than it was before the vaunted Lowry - former NAB "broadcaster of the year" and for whom the Broadcasters Foundation of which Mr. Hastings is a past President named an annual award as if to suggest Mays represented "excellence." Bravo!

Perhaps they can do the same for "media and entertainment" in general.

The public, employees, and investors who paid nearly $100 a share be damned. The bottom line is that the Mayses got very rich while every other stakeholder got thrown under the bus.

- Peter Tripp

(1/17/2012 9:22:59 AM)
On Topic: I think the name change is a brilliant move. We have got to be thinking beyond towers and transmitters. When you can tune to BBC1 in your car the game has changed people.

OFF Topic:So CC has dropped all mention of HD radio? This makes my heads spin...HD seems to be getting traction for the first time and now and CC is stepping away?

This is the first time I was looking ahead and seeing the possibility of real growth for HD.

- @joeleavitt on Twitter

(1/17/2012 9:18:44 AM)
Eric, I could not agree more with your positive comments regarding Clear Channel. The entire company is moving in the right direction and with some good fortune they will bring the entire radio industry along with them. Among your comments is in my view a critically important reference and that is that Clear Channel get into the record business. Why not, it is a natural and frankly something that the entire radio industry should have considered long ago. Also, the news today that Clear Channel has hired John Sikes to drive Clear Channel further into the digital, entertainment and music world is a very exciting development. Clear Channel is going to manage, think and create it's was out of the radio doldrums. Good for Bob Pittman, Clear Channel and Radio Ink. And yes good for Lowry Mays because he set the precedent for thinking big when there were few believers!

- Gordon Hastings

(1/17/2012 9:04:32 AM)
The comment about Eric taking a stand is hilarious. The fact is, with some of you, you will only be happy if Eric takes a stand against Clear Channel or Cumulus. The whining gets old after the first 5 years. At some point you'll need to get over being so bitter all the time.

"Well Known Editor"

- Ed Ryan

INSIDE RADIO™
Wednesday Feburary 01, 2012
www.INSIDERADIO.com
frank@insideradio.com

NEWS

Clear Channel doubles down on its biggest FM personality to open new doors in the TV business. It has been nearly five years since Clear Channel sold its portfolio of local television stations and focused on the radio and outdoor businesses. A pair of announcements from Clear Channel shows it is continuing to lay the groundwork for a return to TV, using Ryan Seacrest's multimedia tentacles to lead the way. On one hand, the company is buying an undisclosed minority stake in the "American Idol" host's television and film production company, which produces reality TV's "Keeping Up with the Kardashians" and its various spin-offs. Ryan Seacrest Productions will remain independent, creatively autonomous and majority-owned by Seacrest. But in addition to developing and producing content for NBCUniversal, Seacrest will now also work with Clear Channel on the production and distribution of scripted and unscripted television programming and other content. Separately, Clear Channel owners THL Partners and Bain Capital are committing up to $300 million to work with Seacrest to identify, acquire and develop media companies and content. Like his mentor Dick Clark did in an earlier era, Seacrest has become as much of an entrepreneur as an entertainer. CEO Bob Pittman calls "his combination of business acumen and keen understanding of consumers and popular entertainment an incredible asset." The dual investment in Seacrest comes two weeks after Clear Channel recruited John Sykes to captain its newly formed Entertainment Enterprises initiative. The former MTV Networks and Viacom exec is charged with striking up partnerships with TV producers and networks, live event promoters and digital companies to create, distribute and monetize new content. Both moves, along with a rebranding of the company's radio division, are part of a larger effort to reposition Clear Channel as a broader media and entertainment company.

Clear Channel announcement creates more questions than answers. From the perspective of at least one television executive, Clear Channel's announcement that it will work more closely with Ryan Seacrest to develop TV content is a savvy move — but short on details. "I think it's really smart," the executive says. "Owning your own content and licensing it to others is critical. My only question is, 'What's the plan?'" The source says it's curious that Clear Channel's announcement includes neither a specific show nor a distribution partner. After all, television production is "a tough business to compete in," he points out, dominated by big studios such as Warner Bros, Universal, 20th Television and CBS Distribution, along with a bevy of independent players. "I'm a little confused by it because I would think you'd want to have at least a bit of a plan or a tied announcement to it," the TV exec adds. It's unclear whether Clear Channel intends to launch content for broadcast TV syndication or for cable TV, such as AXS TV, the cable channel that's replacing HDNet this summer and which Seacrest will have a stake in. What is certain is Clear Channel plans to use the reach of its 850 radio stations to promote whatever TV programming it and Seacrest cook up. In fact, Clear Channel CEO Bob Pittman says he's following the same formula used to launch the Fox network in the late 1980s. "Their secret weapon was they used radio to promote their new shows," Pittman said at an All Things D conference yesterday. "So today, why can't we use our own advertising for Ryan's shows and give them a lift?"

*** SPONSOR NEWS ***

The Media Audit

MEDIA NETWORKS PLAY VIDEO›

FILMED ENTERTAINMENT PLAY VIDEO›

OUR BRANDS

STRENGTHENING THE BOND WITH OUR AUDIENCES IN EVERY WAY.

A strong connection to our audiences is what sets us apart from other companies. This focus has brought us into the hearts and minds of our consumers across every demographic and every platform. Through television, film and a diverse range of digital media, we deliver world-renowned, best-in-class brands, and continue to evolve and revitalize these brands in an effort to strengthen our commitment to our audiences around the globe.

We believe our creative culture and desire to seek creative excellence is what drives our success. And the development of original content for all of our media networks and Paramount Pictures is a direct result of that dedication to innovation and our audiences.

All statistics and other data listed throughout the following pages are as of January 4, 2008. Statistics and other data are derived from external sources such as Nielsen Media Research and comScore Media Metrix where possible and otherwise from internal data which we believe to be reliable.

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APPENDIX E

TEN TOP BILLING STATIONS FOR 2010 AND 2011

CBS/VIACOM QUARTERLY FINANCIAL RESULTS

WTOP STILL TOP REVENUE GENERATOR

Hubbard gets in the way of total revenue domination by Clear Channel and CBS in the top ten. Here is the 2011 list of top radio stations in the U.S. based on advertising revenue according to BIA/Kelsey. Revenue is calculated in millions. Pictured is Joel Oxley, General manager for Hubbard owned WTOP in Washington, DC

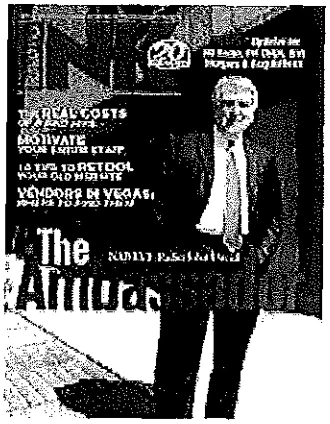
Listen to our interview with Oxley HERE

Here are the top 10 Billing Radio stations from 2011 (in million).

WTOP-FM (News)	Washington, DC	Hubbard Radio	$64,000
KIIS-FM (CHR)	Los Angeles, CA	Clear Channel	$57,000
KFI- AM (News/Talk)	Los Angeles, CA	Clear Channel	48,100
WBBM-AM (News)	Chicago, IL	CBS Radio	$48,000
WCBS- AM (News)	New York, NY	CBS Radio	$47,500
WHTZ- FM (CHR)	New York, NY	Clear Channel	$46,000
KROQ-FM (Alternative)	Los Angeles, CA	CBS Radio	$42,000
WINS-AM (News)	New York, NY	CBS Radio	$42,000
WLTW-FM (Lite AC)	New York, NY	Clear Channel	$42,000
WFAN-AM (Sports/Talk)	New York, NY	CBS Radio	$40,500

Here is the 2010 list

WTOP - $57,225,000
KIIS - $43
WCBS - $49
KFI - $46
WLTW - $44.3
WHTZ - $43
WBBM - $42.5
WINS - $41
WFAN - $40

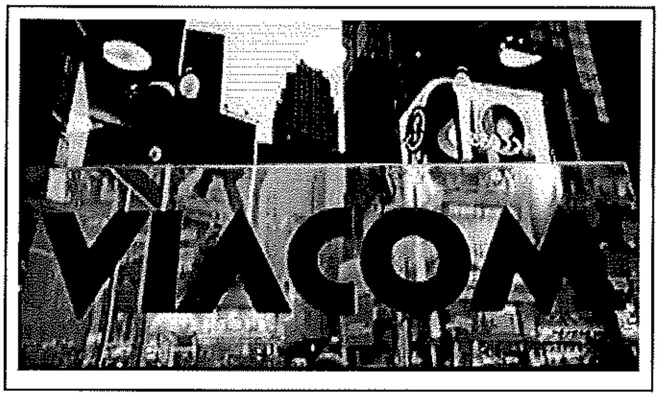


In the April 9 issue: Cover Q&A with NAB EVP/Radio **John David** Plus: NAB Vendor Info & Locations **Click here to subscribe.**

Radio Ink Writers

Strong quarter for Viacom

10 November, 2011 04:29:00



Viacom beat Wall Street expectations with its Q3 financial results. The movie studio side led the way, but Viacom's cable networks also grew revenues.

Total revenues rose 22% to $4.05 billion. At Paramount, the movie studio, revenues more than doubled and the home entertainment business grew 26%. So film revenue jumped 46% to $1.79 billion.

Cable networks revenues rose 8% to $2.29 million. CEO Philippe Dauman credited growth in both advertising and subscriber fees. However, he did warn analysts that advertising is looking a little softer in the current quarter. Also, the company is expecting a "blip" in this quarter because of an "inexplicable" ratings drop for Nickelodeon. Dauman said Viacom is working with Nielsen to see what is going on – and he wants to fix the issue because "toys are a strong category this quarter."

Viacom also announced an increase in its stock buyback program – to $10 billion, leaving about $7.2 billion available for buying back shares over the next couple of years.

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

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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

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August 2, 2011

CBS Reports Quarterly Profit More Than Doubled to $395 Million

By BRIAN STELTER

Shrugging off the economic slump, the CBS Corporation on Tuesday reported that its profit had more than doubled in the quarter that ended June 30, far surpassing Wall Street expectations.

The company, which owns the CBS broadcast network and the Showtime premium cable network among other assets, posted net income of $395 million in the quarter, up from $150 million in the same quarter last year.

Analysts predict that the strong showing by CBS is likely to be repeated by the other major media companies that will report second-quarter earnings this week and next.

Reassuring investors who have wondered about the strength of the advertising sector at a sour time for the broader economy, Leslie Moonves, the chief executive of CBS Corporation, said there was no comparing the mood of the marketplace now with the period in 2008 when advertisers retreated as the recession sank in.

"We're not seeing anything like that — like we felt three years ago," he said, answering an analyst's question on a conference call Tuesday afternoon.

Describing increased demand for advertising time on CBS shows, Mr. Moonves said the recent end to the NFL lockout was a "big shot in the arm to us and to our advertisers." CBS begins televising football games late in the third quarter of each year.

Historically, CBS has been the most dependent on advertising revenue of the major media companies. On Tuesday, Mr. Moonves emphasized how the company was "derisking its business model" by diversifying revenue sources. Total revenue for the quarter was $3.59 billion, up from $3.33 billion a year ago.

"CBS is a fundamentally different company today than we were just a few years ago," he said, referring to the changing mix of revenue.

For the quarter, advertising revenue — still the biggest piece of revenue by far — grew 3 percent to $2.2 billion, while content licensing and distribution revenue grew 21 percent to $889 million. Mr. Moonves said Netflix's licensing of shows that CBS has the rights to through its ownership of the original production companies like "Star Trek" and "Cheers" this year had contributed to the gains.

Last month, the two companies agreed to extend that arrangement to Canada and Latin America, but that was not reflected in the earnings, nor was Amazon's licensing of old CBS shows, which was announced last week.

Benjamin Swinburne and Micah Nance of Morgan Stanley said Tuesday in a report that the two recent deals "highlight the continued opportunity for content owners to monetize current and library TV inventories."

Affiliate and subscription fees, another center of growth for CBS and other media companies in recent years, grew 12 percent to $426 million for the quarter. The one segment of CBS to post a decline was publishing, which was down 3 percent to $183 million. CBS said that what it characterized as "strong growth in the sale of more profitable digital content" was offset by lower sales in print.

CBS shares fell 3.7 percent on Tuesday to close at $26.28.

Notably, CBS's local television and radio stations posted a 2 percent increase in revenue for the quarter over a year ago, even though even-numbered years like 2010, when there is an influx of political spending, typically outperform odd-numbered years.

The increase also occurred despite what Mr. Moonves called a "temporary slowdown in Japanese auto spending" because of the earthquake and tsunami in March. As that spending returns, he said, "we feel very good about this category going forward."

This article has been revised to reflect the following correction:

Correction: August 10, 2011

An article last Wednesday about second-quarter earnings at CBS referred imprecisely to the network's involvement with the television series "Star Trek" and "Cheers." While CBS has the rights to the shows through its ownership of the original production companies, "Star Trek" and "Cheers" are not considered "old CBS shows." Both were broadcast on NBC.

APPENDIX F

ADDITIONAL CLEAR CHANNEL LAYOFFS

Clear Channel cuts more staff

By Carl Marcucci on Mar, 29 2012 with Comments 2

clearchannel
MEDIA + ENTERTAINMENT

Looks like they've gone from annual layoffs to quarterly layoffs: Clear Channel has confirmed that a number of new job cuts have been made, in markets across the country. Six were let go in Nashville; Six in Columbus, OH; three in Oklahoma City; two in Jacksonville and Total Traffic in Minneapolis has been shut down.

In a statement, Angel Aristone, VP/Marketing & Communications, Clear Channel Media + Entertainment, tells RBR-TVBR: "We are constantly evaluating our organization and structure to make sure we are as well positioned as possible to continue to lead in the evolving marketplace. We've been looking closely at our business to ensure that we are properly staffed and operating as efficiently as possible with the right balance of services and personnel to meet the needs of our listeners/consumers. Like every successful business, our strategy continues to evolve as we move forward as a company and that creates some new jobs, and unfortunately eliminates others. In the process, some employees were affected. These are never easy decisions to make; we thank them for their service and wish them all the best for the future."

About The Author: Carl has been with RBR-TVBR since 1997 and is currently Managing Director/Senior Editor. Residing in Northern Virginia, he covers the business of broadcasting, advertising, programming, new media and engineering. He's also done a great deal of interviews for the company and handles our ever-growing stable of bylined columnists.

CERTIFICATE OF SERVICE

I, Brenda Chapman, hereby certify that on this 17th day of April 2012, a copy of the foregoing "Reply Comments of Mt. Wilson FM Broadcasters, Inc." was delivered via first class, U.S. mail, postage prepaid to the following:

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