

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

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

COMMENTS

Bahakel Communications, Ltd. (“Bahakel”) hereby comments in response to the FCC Public Notice released by the Commission in the above-referenced proceedings on December 3, 2012, which sought comment on the recently released *Ownership Report*.¹ Bahakel through subsidiaries owns six full-power television stations and six radio stations mainly in the Southeast, and it has been serving local communities for over a half century.

Bahakel supports the Commission’s interest in diversifying broadcast ownership and, in light of the data in the *Ownership Report*, specifically supports reenactment of tax deferral legislation designed to foster diverse ownership. From 1978 to 1995, the Commission had a tax certificate policy that allowed companies to defer capital gains taxation on the sale of media properties to minorities. During the lifetime of that policy,

¹ See FCC Public Notice in MB Docket Nos. 09-182 and 07-294, “Commission Seeks Comment on Broadcast Ownership Report,” DA 12-1946, issued Dec. 3, 2012; *Report on Ownership of Commercial Broadcast Stations*, MB Docket Nos. 09-182 and 07-294, DA 12-1667, released Nov. 14, 2012 (“*Ownership Report*”).

the FCC issued 287 tax certificates for radio stations, 40 for television stations, and 30 for cable franchises.²

Adoption of tax deferral legislation would again allow the FCC to promote diversity in an efficient and expeditious manner. Deferral of capital gains taxes would provide significant economic incentives to existing station owners to sell their stations to eligible entities, typically minority-owned businesses, thereby increasing the level of minority ownership reflected in the *Ownership Report*. Comments already filed in this proceeding by the Diversity and Competition Supporters, have advocated the reinstatement of such a tax deferral policy.³ As those comments noted, the FCC's previous tax certificate policy proved very effective, contributing to a substantial increase in minority-owned broadcast stations.

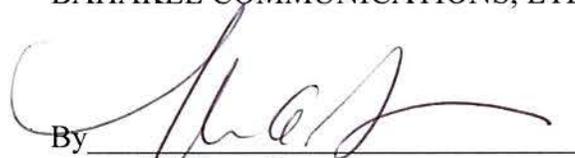
² Catherine J. K. Sandoval *et al.*, "Minority Commercial Radio Ownership in 2009: FCC Licensing and Consolidation Policies, Entry Windows and the Nexus Between Ownership, Diversity and Service in the Public Interest, 2009, at 14, available at http://mmtconline.org/lp-pdf/Minority_Commercial_Radio_Broadcasters_Sandoval%20MMTC_2009_final_report.pdf (last visited Dec. 26, 2012)

³ See Supplemental Comments of the Diversity and Competition Supporters in Response to the Notice of Proposed Rulemaking in MB Docket Nos. 09-182 and 07-294 (Apr. 3, 2012) at 10-11.

For these reasons, Bahakel urges the Commission to seek adoption of tax certificate legislation that would advance the goal of increased diversity in the ownership of radio and television stations. Bahakel supports adoption of such a proposal as bipartisan Members of Congress have suggested several times since 1995.

Respectfully submitted,

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