

January 25, 2013

Federal Communications Commission
455 12th Street, SW
Washington, DC 20554

Re: Expanding the Economic and Innovative Opportunities of Spectrum through Incentive Auctions, GN Docket No. 12-268

REALITY CHECK:

Imagine a world where the rich get richer, the poor and downtrodden get stomped on and non-profits advocate against the folks they are ostensibly serving, all with the blessing of the federal government. Well, if you're attuned to the world of telecom policy, this scenario plays out every single day with a wink and a smile.

You may think this is hyperbole, an overstatement of what's really going on. But if you've experienced what I have first-hand, you would be shocked it's taken me this long to articulate the true state of the industry, in a FCC comment no less.

Four years ago this month, my family and I acquired a substantial interest in KAXT-CD, a Class A low power television station licensed to the San Francisco Bay Area. The station at that point was failing. And in hindsight, we really didn't know what we were getting ourselves into. All we knew is there were a multitude of communities around us that had never received broadcast television service and we were going to change that.

After a significant investment in the best technology available, today KAXT is America's most diverse television station, a point of a pride every time we walk into master control.

We've broadcast 24/7 channels for the Hispanic, African-American, South Asian, Filipino, Taiwanese, Vietnamese and Korean communities and were nominated as 2010 Station of the Year by *Broadcast Engineering*, the first ever such designation received by a low power television station. Our effort continues to fly in the face of the statisticians and survey takers who claim over-the-air television is dead.

With rare exception, all of these communities have embraced the chance to watch programming in language and in English, with news, entertainment and information relevant to their lives here in America as global citizens, all for free.

Despite this demonstration of localism and diversity, stations like KAXT and WRJK, my new low power venture in Chicago, most assuredly face a slow, miserable death over the next few years thanks to the policies implemented by the FCC, as mandated by Congress.

This proposed spectrum auction is one of the greatest boondoggles ever perpetrated against the American people, all to keep established monopolies in power.

INCONVIENANT FACTS:

I say this with conviction, as I am not only a FCC licensee, but as a journalist as well. In fact, I am perhaps the only working journalist with a FCC broadcast television license, which tells you a lot about the state of our industry. I've uncovered corruption, lies, distortion and like for some of the most reputable media companies in the world, but what I've observed over these last four years takes the cake.

One could go back and look at filings from 30 years ago and view testimonies from FCC officials decrying the need to maintain localism, diversity and competition. Yet today, less than 3% of all full power television stations are owned by women and minorities and that number is actually inflated.

It is well documented that the most diverse segment of American media happens to be in low power television, where roughly one-third of all licensees are women and minorities. Of course, low power television has no standing in the spectrum auction and will likely get wiped out in major markets where the need to serve diverse communities is the greatest.

My comments are not intended to be self-serving. In fact, there are multiple offers on the table right now from hedge funds that could make me a very wealthy man if I chose to divest my interest in KAXT, a Class A LPTV with permanent status.

My intention though is to show the hypocrisy of this process. Right now, these groups I've referred to are doing their level best to pit KAXT's existing shareholders against one another. Their offers have quintupled in less than a year. All have made their intentions clear: when this auction happens, KAXT's license will be turned back into the government for a windfall profit that would make just about anyone on Wall Street smile.

These folks do not value our business -- our small business -- a business that serves the underserved and provides a lifeline to those trying to assimilate in this very dynamic, complex society in which we live.

You may not realize it, but KAXT is effectively the last holdout in this auction process that has already effectively decimated the limited diversity in broadcast television ownership.

Within the last six months, Class A and low power stations in New York, Los Angeles, Chicago and Houston have already sold their licenses to speculators. These stations were led by minorities and air minority programming. In a few short years, that will not be the case.

Even full power independent stations are being scooped up, and with it go opportunities for local folks to do what I've done with KAXT.

It's obviously hard to turn back time. The bed has been made and now we must lie in it.

As a FCC Commissioner told me in person just last week, once the damage is done, I'm sure the Commission will find someone to write a study about the demise of women and minorities in broadcast ownership.

It's that sort of smug, trite answer from someone that goes on panels advocating for diverse ownership that forced me to speak out on this farcical process.

Instead of using low power television stations as vehicles for free, local content with prospects for low cost broadband wireless internet, the spectrum allocated to diversify content and ownership by the Carter Administration will be in the hands of an elite few.

So America, when you get stuck with an obnoxious bill for wireless service using the same spectrum that was once free for you to enjoy, remember this process. Remember the players involved. Remember that this situation has been rigged from the start. And then perhaps we can do something about it.

Respectfully submitted,

Ravi Kapur

President
Chicago 22, LLC
(licensee of WRJK-LD)

*My comments do not necessarily reflect the opinions of shareholders of KAXT, LLC (licensee of KAXT-CD).