



Federal Communications Commission  
Washington, D.C. 20554

July 14, 2023

DA 23-606  
In Reply Refer to:  
1800B3-CRC

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In re: **Application for Assignment of Licenses from CMG NY/Texas Radio, LLC, Assignor, to Radio One Licenses, LLC, Assignee**  
KKBQ(FM), Pasadena, Texas, Fac. ID No. 23083  
KHPT(FM), Conroe, Texas, Fac. ID No. 69564  
KGLK(FM), Lake Jackson, Texas, Fac. ID No. 59951  
File No. 0000213910 et al.

**Application for Assignment of License from CMG NY/Texas Radio, LLC, Assignor, to Sugarland Station Trust, LLC, Assignee**  
KTHT(FM), Cleveland, Texas, Fac. ID No. 65308  
File No. 0000213906

**Application for Assignment of License from Radio One Licenses, LLC, Assignor, to Sugarland Station Trust, LLC, Assignee**  
KROI(FM), Seabrook, Texas, Fac. ID No. 35565  
File No. 0000213907

Dear Counsel:

We have before us the above-captioned application for consent to an assignment of licenses from CMG NY/Texas Radio, LLC (CMG), to Radio One Licenses, LLC (Radio One). To facilitate compliance with the Local Radio Ownership Rule,<sup>1</sup> CMG and Radio One have each filed an application proposing an assignment of license to the Sugarland Station Trust, LLC (Sugarland Trust), a divestiture trust. Based on our review of the proposed transactions, we conditionally grant the assignment applications as discussed below.

**Background.** Radio One is a subsidiary of Urban One, Inc. (Urban One), which describes itself as one of the largest distributors of urban content and one of the largest minority-owned radio operators in the country.<sup>2</sup> Urban One seeks to expand its footprint in the Houston-Galveston, Texas metropolitan area (Houston Market), which it states is a top 10 U.S. radio market, by acquiring four local FM stations from CMG, a subsidiary of Cox Radio, Inc., for \$27.5 million.<sup>3</sup> Urban One states that growing its presence in the Houston Market will allow it to better create and provide high-quality programming and improve service to its listeners.<sup>4</sup>

Urban One currently owns three commercial FM stations in the Houston Market.<sup>5</sup> Under the Local Radio Ownership Rule, a single person or entity may hold an attributable interest in no more than five commercial stations in the same service in the Houston Market, which includes 76 full-service, commercial and noncommercial radio stations, according to staff review of BIA's Media Access Pro database.<sup>6</sup> To comply with the Rule, Radio One seeks consent to assign two FM stations in Houston—KROI(FM) and KTHT(FM)—to the Sugarland Trust concurrent with its acquisition of CMG's Houston stations.<sup>7</sup> Thus, upon consummation of the proposed license assignments, Urban One would hold an attributable interest in five FM stations in the Houston radio market,<sup>8</sup> which is permitted under the Local Radio Ownership Rule.<sup>9</sup>

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<sup>1</sup> 47 CFR § 73.3555(a).

<sup>2</sup> Application File No. 0000213910, attachs., Description of Transaction at 1, Parties to the Application at 1.

<sup>3</sup> Application File No. 0000213910, attachs., Description of Transaction at 1, 3; Asset Purchase Agreement, recitals & art. 1. Under the terms of the proposed transactions, the license for KTHT(FM) would be acquired first by Radio One and then immediately assigned to the Sugarland Trust. *See* Application File No. 0000213910, attachs., Description of Transaction at 1, n.2.

<sup>4</sup> Application File No. 0000213910, attach., Description of Transaction at 3.

<sup>5</sup> *See, e.g.*, Application File No. 0000213910, attach., Description of Transaction, exh. 1, BIA Houston Market Report; Application File No. 0000213910, attach., Urban One Authorizations.

<sup>6</sup> 47 CFR § 73.3555(a)(i) (“In a radio market with 45 or more full-power, commercial and noncommercial radio stations, [a person or single entity (or entities under common control) may have an attributable interest in] not more than 8 commercial radio stations in total and not more than 5 commercial stations in the same service (AM or FM).”).

<sup>7</sup> Application File No. 0000213906, attach., Description of Transaction at 2 (citing *John H. Phipps, Inc.*, Memorandum Opinion and Order, 11 FCC Rcd 13053, 13056, para. 9 (1996)); Application File No. 0000213907, attachs., Comprehensive Exhibit at 2, Engagement Agreement (revised) § 3.

<sup>8</sup> Application File No. 0000213910, attach., Description of Transaction at 2.

<sup>9</sup> 47 CFR § 73.3555(a).

Urban One states that it has already entered into an agreement to sell KROI(FM) to a broadcaster that it says is a new entrant to the Houston Market and that it is actively engaged in discussions to sell KTHT(FM).<sup>10</sup> Under the terms of the Engagement and Assignment Agreement executed by Radio One and Sugarland Trust, the parties are required to enter into a Trust Agreement upon consummation of the transactions that will require Radio One to assign to the Sugarland Trust the rights and obligations of Radio One under any existing agreement to sell KROI(FM) and/or KTHT(FM) to an unaffiliated third party.<sup>11</sup> In addition, under the Trust Agreement the Sugarland Trust will be required to assume the rights and obligations of Radio One under any such existing sales agreement(s) for KROI(FM) and/or KTHT(FM).<sup>12</sup>

**Discussion.** The Commission reviews divestiture trusts [on] a case-by-case basis and considers their acceptability based on a totality of the circumstances.<sup>13</sup> Our review is informed by certain principles regarding trusts. First, “trusts are occasionally established specifically to effect compliance with the Commission’s rules for holdings which would violate the rules if held outright.”<sup>14</sup> Because of our concern that divestiture trusts present a “potential for abuse”<sup>15</sup> that can “pose unacceptable risks to competition,”<sup>16</sup> we have consistently found that insulated divestiture trusts “should be employed only where necessary, and then to as limited an extent as possible.”<sup>17</sup> Here, Urban One, a current in-market owner and operator of FM radio stations, seeks to acquire and retain a net total of two additional FM stations in a top 10 market without diminishing the number of voices that serve the market.<sup>18</sup> Urban One states that it will continue compete fiercely with the more than 25 other radio voices that it says will remain in the Houston Market after consummation of the proposed transactions and required divestitures.<sup>19</sup> Urban One also commits to trying to sell KROI(FM) and KTHT(FM) to one or more in-market minority operators or new market entrants.<sup>20</sup> Indeed, as discussed above, Urban One says that it has already entered into an agreement to sell KROI(FM) to a minority-owned broadcaster that is a new entrant to the Houston Market. In addition, Urban One states that it is actively engaged in efforts to sell KTHT(FM) and that use of the proposed divestiture trust will provide more time for the trustee and Urban

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<sup>10</sup> Application File No. 0000213910, attach., Description of Transaction at 3.

<sup>11</sup> Application File No. 0000213907, attach., Engagement Agreement (revised) §§ 1, 3 & exh. A, Form of Trust Agreement § 4(f).

<sup>12</sup> Application File No. 0000213907, attach., Engagement Agreement (revised), exh. A, Form of Trust Agreement § 4(f).

<sup>13</sup> *Shareholders of AMFM, Inc.*, Memorandum Opinion and Order, 15 FCC Rcd 16062, 16073 (2000) (*AMFM*).

<sup>14</sup> *AMFM*, 15 FCC Rcd at 16072 (citations omitted).

<sup>15</sup> *Id.* at 16073.

<sup>16</sup> *Infinity Broadcasting Corporation*, Memorandum Opinion and Order, 12 FCC Rcd 5012, 5041 (1996).

<sup>17</sup> *AMFM*, 15 FCC Rcd at 16073.

<sup>18</sup> Application File No. 0000213910, attach., Description of Transaction at 4. As discussed above, simultaneously with its acquisition of KKQB(FM), KHPT(FM), KGLK(FM), and KTHT(FM) from CMG, Radio One would assign KTHT(FM) and KROI(FM) to the Sugarland Trust. *See supra* note 7 & accompanying text.

<sup>19</sup> Application File No. 0000213910, attach., Description of Transaction at 4 & exh. 1, BIA Houston Report. Indeed, staff review of BIA’s Media Access Pro database suggests that currently there are 38 independent owners (excluding the applicants) of full-service AM and FM radio stations (commercial and noncommercial) in the Houston Market.

<sup>20</sup> Application File No. 0000213910, attach., Description of Transaction at 4.

One to find a potential buyer to acquire the station.<sup>21</sup> Urban One says it is confident that KTHT(FM) will attract buyers because KTHT(FM) (a Class C station) and KROI(FM) (a class C1 station) each serve a substantial portion of the Houston Market and are ranked in or near the top third of approximately 80 full-service AM and FM stations serving the market.<sup>22</sup> Under these circumstances we conclude that the proposed use of the divestiture trust for a limited period is in the public interest.

**Conclusion/Actions.** Based on our review of the assignment applications, we conclude that the applicants are fully qualified and that grant of the applications, subject to the conditions set forth below, will serve the public interest, convenience, and necessity.

Accordingly, IT IS ORDERED, pursuant to sections 4(i), 4(j), 309, and 310(d) of the Communications Act of 1934, as amended,<sup>23</sup> and sections 0.61(a) and 0.283 of the Commission's rules,<sup>24</sup> that the applications for consent to the assignment of licenses from CMG NY/Texas Radio, LLC, Assignor, to Radio One Licenses, LLC, Assignee, application file no. 0000213910; CMG NY/Texas Radio, LLC, Assignor, to the Sugarland Station Trust, LLC, Assignee, application file no. 0000213906; and Radio One Licenses, LLC, Assignor, to the Sugarland Station Trust, LLC, Assignee, application file no. 0000213907, ARE GRANTED SUBJECT TO THE FOLLOWING CONDITIONS:

The transaction approved in application file no. 0000213910 must be consummated prior to or concurrently with transaction approved in application file no. 0000213907.

The licenses and authorizations issued by the Commission for station KROI(FM), Seabrook, Texas, facility ID no. 35565, and KTHT(FM), Cleveland, Texas, facility ID no. 65308, must be assigned by the Sugarland Station Trust, LLC, pursuant to a long-form assignment of license application to an unrelated third party within two years after its acquisition of the assets of the stations, and the Sugarland Station Trust, LLC, must submit (to the attention of the Chief, Audio Division, Media Bureau), every six months after its acquisition of such assets, a report describing the efforts to market those assets to third parties.

Sincerely,

Albert Shuldiner  
Chief, Audio Division  
Media Bureau

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<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> 47 U.S.C. §§ 154(i), 154(j), 309, 310(d).

<sup>24</sup> 47 CFR §§ 0.61(a), 0.283.