



NEWS

News Media Information 202 / 418-0500
TTY 202 / 418-2555
Fax-On-Demand 202 / 418-2830
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See *MCI v. FCC*, 515 F.2d 385 (D.C. Circ 1974).

June 14, 2000

PRESS STATEMENT OF COMMISSIONER GLORIA TRISTANI

Re: Application for Radio License Transfer in Worcester, MA from Wilks Broadcast Acquisition to Citadel Communications Corp.

The Mass Media Bureau has granted a license transfer of WWFX(FM) that will permit two entities to control a staggering 94.4% of the market revenue in Worcester, Massachusetts, including every FM station in the market. With this transfer, Citadel's market share jumps from 26.9% to 39.3%, creating a duopoly with AMFM Inc. (55.1% market share). I have serious doubts that this level of concentration of the public airwaves is in the public interest.

I am at a loss as to why the Bureau is taking this action. Unlike some cases, in which the Bureau has approved high levels of concentration because they involved only the transfer of an existing station combination from one entity to another, this case involves adding a substantial amount of *new* concentration to the market. More importantly, this increased concentration effectively eliminates the possibility that a third competitor could enter the Worcester market. After today, Worcester will be relegated to a duopoly, making it significantly more likely that the two remaining competitors can engage in price discrimination and collusive behavior. Indeed, in our recent cable horizontal ownership proceeding, we set a 30% ownership limit based on the increased risk of coordinated action by two entities compared to groups of three or more.¹

Instead of simply granting the license transfer, I would have considered other options -- e.g., a showing that the Worcester market cannot support three competitors, so that selling to Citadel was the only realistic option. Was WWFX(FM) losing money? Did the current owner attempt to find other buyers? To my knowledge, the questions were never asked. As a result, we may never know if the creation of a duopoly in Worcester was inevitable, or simply another case of regulatory malfeasance by the FCC.

¹ *Third Report and Order*, MM Docket 92-264, para. 47 (rel. October 20, 1999).