

December 8, 2000

**STATEMENT OF CHAIRMAN WILLIAM E. KENNARD**

*Re: In the Matter of Definition of Radio Markets, Notice of Proposed Rulemaking*

The Notice on the Definition of Radio Markets is a critical step in bringing the Commission's rules in line with the commercial realities of the radio marketplace.

As I stated when the Commission recently issued the first Biennial Review of the broadcast ownership rules, the Commission's current methodology for defining radio markets and counting the number of stations in a market has the potential to produce unanticipated and anti-competitive results in particular cases.

Section 202 of the Telecommunications Act directed the Commission to expand the limit on how many stations a party could own in a market. Congress specified a sliding scale of numerical limits depending on the size of the market that, for example, would allow a party to own *up to* 8 commercial radio stations in a market with 45 stations, *up to* 7 stations in a market with 30-44 stations, and so on.

In some cases, the Commission's current methodology for defining radio markets seems to be turning that statutory design on its head. It may be allowing higher levels of ownership in what commercial services consider to be much smaller markets.

Therefore, this methodology deserves a hard, careful look. Our review will assist the Commission in discharging its statutory responsibility to ascertain whether individual radio transactions comply with the law and promote the public interest.