

NOVEMBER 8, 2001

**SEPARATE STATEMENT
OF COMMISSIONER MICHAEL J. COPPS**

*In the Matter of: Rules and Policies Concerning Multiple Ownership
of Radio Broadcast Stations in Local Markets – Definition of Radio Markets*

Today, we initiate a proceeding to establish clearer rules of the road for evaluating radio station transfers in local markets. If done rigorously, with input from a broad range of interested parties, all of us stand to benefit from this exercise. These transactions have profound commercial, economic, civic and social consequences, particularly in these difficult and challenging times. The criteria used to evaluate proposed transfers and mergers cry out for sunshine and clarity.

Congress has given us the statutory parameters for consideration of local radio transactions. First, the 1996 Act establishes limits on the number of stations any owner may own in local radio markets. Second, our reviews of radio transactions are governed by long-standing statutory mandate that we review each transaction to determine whether the public interest will be served by the grant or transfer of a license.

In local radio transactions, as in all broadcast transactions, the public interest requires diversity and competition in the local market. In pursuit of its statutory public interest responsibilities, the proposed NPRM notes, "...the Commission historically has sought to promote diversity and competition in broadcasting by limiting by rule the number of radio stations a single party could own or acquire in a local market." Diversity – in sources of programming and choices for consumers – and competition – among radio owners for listeners and advertisers – are, as the Commission further states in the NPRM, the "touchstone of our rules and policies on local radio ownership."

Today's item is significant for its strong affirmation of the Commission's public interest analysis, both in the NPRM and in the interim policy to be applied until final rules are in place. It is also significant that the Commission here recognizes that the public interest analysis goes beyond merely a competition analysis. The analysis also must always include *inter alia* such statutory directives as diversity as well as consideration of the efficiencies that may flow from the transaction and fairness to all concerned. I also believe the public interest is served when the private sector has clear and transparent rules of the road, and expeditious procedures for implementing them, because business cannot operate with a question mark.

I am, however, concerned that certain questions in the NPRM raise issues about our clear statutory obligation to conduct a comprehensive public interest analysis. I am troubled by the implication that the local radio station ownership limits could obviate our public interest obligation. In establishing the local radio station limits, Congress made clear in Section 601(c)(1) of the 1996 Act that these limits were to exist *in addition to* and *not in place of* the Commission's obligation to grant station transfers and mergers

only if they serve the public interest. Nevertheless, the NPRM asks these questions to solicit comment, and such comment is essential to building the strong record that will ground our ultimate decision.

We are asking all stakeholders to respond, and our final work product will be the poorer to the extent that we lack widespread response. This exercise deserves focused stakeholder attention.

I want to commend the Bureau not only for the hard work that went into crafting this item but for its willingness to undertake the much more arduous work that lies ahead, and I also commend my Chairman for his work in making this a better document.