

July 15, 2003

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

Dear Michael:

We write to request that the Commission stay its media ownership decision of June 2nd. We seek a vote by the Commission on the question of a temporary stay of our rules to allow the Commission time to obtain concrete public input on the effect of the rule changes and to allow the people's elected representatives in Congress to debate media consolidation. In addition, we seek expeditious consideration of any reconsideration petitions that are filed with the Commission once the public has the opportunity to analyze the implications of the rule changes.

The compelling and substantive reasons for making such a request include the following considerations:

- Just a few days ago on July 2nd, Congress and the public got their first chance to see the new rules. A temporary stay would provide the Commission with the time to obtain concrete input on the full impact of the many rule changes, to ascertain how these rules interact, and to examine how collectively they might affect various markets over time. Since we did not have the benefit of public analyses of the specific proposals and their collective effect prior to voting, we should seize that opportunity now. Preliminary analysis from one party demonstrates the following would be permitted under our new rules:
 - A single company could own up to 48 stations in the top 21 TV markets or 310 stations in the bottom 177 markets, representing 23.13 percent of all full-power commercial TV stations. If a company adopted an all-UHF strategy, it could own up to 370 stations in up to 208 of the 210 TV markets, representing 27.6 percent of all full-power commercial TV stations.
 - The effect in specific markets could be dramatic. In Texas, for example, one company could own 33 television stations, major papers in Dallas, Houston, San Antonio and El Paso, and numerous radio stations in every Designated Market Area in Texas, as well as potentially, cable channels, local cable operators, and the dominant Internet service provider. In California, one company could own 22 television stations, major papers in Los Angeles, San Francisco, Sacramento, and Fresno, and numerous radio stations in every

Designated Market Area in California, as well as potentially, cable channels, local cable operators, and the dominant Internet service provider.

- A stay would allow the Commission time to consider petitions for reconsideration to protect against irreversible, unintended, and unforeseen negative consequences. It would also have the benefit of discouraging business combinations now which may have to be un-done later.
- A stay would allow Congress time to complete its deliberations on media concentration. Congress demonstrated its clear interest in media consolidation by undertaking action even before our decision was released. We believe we should defer to the people's elected representatives. Given the clear Congressional rebuke of our decision, market participants still do not have certainty over the rules, so a stay would not disrupt the markets.

Given the magnitude of this proceeding to our country and our democracy, we believe the right course of action is to ensure that we understand the full implications of our decisions. A stay would provide us the opportunity to obtain concrete feedback to avoid unintended consequences which could be devastating in an area as fundamental and irreversible as media ownership rules.

Given that several of the rules were remanded to the Commission, the effect of a stay would be to enable the Commission to continue examining transactions on a case-by-case basis in the interim.

In your recently-published interview with the *Washington Times*, you expressed the view that media consolidation raises “serious questions about whether one institution can have such a wide and deep portfolio without some rethinking of how these functions are handled and to what extent, and by whom” and your belief that, while we’re not there yet, “it will happen faster than people think.” We believe it is time to begin that rethinking now.

Thank you for your consideration of this request. We look forward to your early response.

Warm regards,

Michael J. Copps

Jonathan S. Adelstein