

**Opening Statement Of
FCC Chairman Kevin J. Martin
Public Hearing on Media Ownership
Nashville, Tennessee
December 11, 2006**

Good afternoon. Thank you for joining us today. And, thank you to Commissioner Tate for her all of her hard, hard work putting together this hearing and for making us feel right at home here in Nashville. I can't think of a better place to go than Music City to hear various views on media ownership and its impact on the music industry.

As you know, we began a comprehensive review of our rules governing media ownership this past summer. This hearing is the second in a series of six media ownership hearings the Commission intends to hold across the country. We held the first of these hearings in Los Angeles in October. The goal of these hearings is to more fully and directly involve the American people in the process. I have said many times before, but it bears repeating, public input is critical to our process.

The decisions we will make about our ownership rules will be as difficult as they are critical. The media touches almost every aspect of our lives. We are dependent upon it for our news, our information and our entertainment. Indeed, the opportunity to express diverse viewpoints lies at the heart of our democracy.

The Commission has three core goals that our rules are intended to further; competition, diversity and localism. I recognize many of the concerns expressed about increased consolidation and preservation of diversity. Also critical to our review is exploring and understanding the competitive realities of the media marketplace. Some of our rules have not been updated for years and may no longer reflect the current marketplace. Indeed, the Third Circuit recognized this fact when it upheld the Commission's elimination of the newspaper/broadcast cross-ownership ban. It is our task then to respond to the Court by ensuring that our ownership rules take into account the competitive environment in which media companies operate and promote localism and diversity.

We are still in the beginning phases of this review of our ownership rules. We are working to develop a record, with hearings like this one today and through the written comment process, on which to inform our decisions.

I am pleased that we are holding our second hearing here in Nashville. Nashville is the 30th largest media market in the United States. Moreover, as the "home of country music," Nashville has become the epicenter for major music recording and production nationwide. Nashville is home to many recording artists, as well as nearly a dozen broadcast television stations, several dozen FM and AM radio stations, including five college stations and one LPFM station, several cable networks, two daily newspapers and over a dozen weekly newspapers.

I also want to briefly touch upon an issue of interest to many of you here today – payola. The FCC has longstanding rules prohibiting payola. These rules serve the important purpose of ensuring that the listening public knows when someone is seeking to influence them. Broadcasters must comply with these rules. We will take enforcement action if they uncover violations of the payola rules.

I look forward to hearing your thoughts and insights on the subject of our media ownership rules. Thank you for your participation today.

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