

**OPENING STATEMENT OF
FCC CHAIRMAN KEVIN J. MARTIN
PUBLIC HEARING ON MEDIA OWNERSHIP
HARRISBURG, PENNSYLVANIA
FEBRUARY 23, 2007**

Good morning. Thank you for joining us today.

As you know, we began a comprehensive review of our rules governing media ownership last summer. This hearing is the third 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 last October and the second hearing in Nashville last December. The goal of these hearings is to more fully and directly involve the American people in the process. As I have said many times before, 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 also need to try to find more opportunities for diverse viewpoints to be heard. Part of the problem is the limited number of channels available on broadcast television and radio and the high start-up cost of building your own station. The Commission has taken some important steps to provide more opportunity in radio with the advent of low-power FM. Low-power FM provides a lower cost opportunity for more new voices to get into the local radio market.

Another idea for helping small and independently owned businesses overcome financial and resource constraints is to allow them to enter the broadcast industry by leasing some of an existing broadcaster's spectrum to distribute their own programming. Conversion to digital operations enables broadcasters to fit a single channel of analog programming into a smaller amount of spectrum. Often, there is additional spectrum left over that can be used to air other channels of programming. Small and independently owned businesses could take advantage of this capacity and use a portion of the existing broadcasters' digital spectrum to operate their own broadcast channel. This new programming station would then obtain all the accompanying rights and obligations of other broadcast stations, such as public interest obligations and carriage rights.

In our review of 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 all of our decisions.

I am pleased that we are holding our third hearing here in Harrisburg, the capital of Pennsylvania. Harrisburg, with a population of 48,950 people, is a significantly smaller city than the other cities we have visited thus far. Harrisburg residents will provide an additional unique and helpful perspective on the media ownership issues before us.

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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