

**STATEMENT OF  
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: Applications of Citadel Broadcasting Company for Consent to Renewal and for Assignment of Licensees; and of Shareholders of Citadel Broadcasting Corporation and for the Walt Disney Co. for Consent to Transfers of Consent to Transfers, *Memorandum Opinion and Order and Notice of Apparent Liability*.

I support this Order to approve the transaction between Citadel Broadcasting Corporation (“Citadel”) and ABC Radio because, in certain important respects, it addresses broadcast media issues about which I have been very concerned.

Citadel has reached an agreement in principle with the Commission to settle our ongoing investigation into alleged pay-for-play practices. The allegations against Citadel stemmed from documents and materials that the New York Attorney General’s Office and Red Wolf Broadcasting Corporation supplied to the Commission. I endorse the approach taken in the draft Consent Decree because, while Citadel does not admit to any violation of FCC rules, Citadel has shown leadership in reaching an amicable resolution of these serious allegations. In the course of our discussions, Citadel has agreed to a significant fine, and to implement meaningful business reforms that will track all transactions with major and independent radio labels, make those exchanges more transparent to the public, and train programming employees to conduct business in a manner more consistent with federal sponsorship identification laws, thereby helping set new ethical standards for the entire radio industry. In addition, Citadel has made commitments above and beyond the draft Consent Decree to add significant airtime for local and independent artists, and to adhere to rules of engagement designed to improve the ability of emerging artist to get heard on the airwaves.

Another reason I support this Order is because of Citadel’s commitment to comply with our media ownership rules and to make special efforts to increase diversity of ownership. One of the positive results of this merger is that Citadel is losing its grandfathering rights with respect to eleven stations in seven markets in which its attributable radio interests exceed our local radio ownership limits. I am pleased that Citadel decided to resolve this issue by creating a non-attributable trust for the purpose of divesting the merged entity of these non-compliant stations.

Equally important, Citadel is committed to taking positive steps to seek qualified women and minority purchasers. While the Commission has yet to recognize “socially and economically disadvantaged businesses” as regulatory classification, I am encouraged that members of the broadcasting community, such as Citadel, are aware of the lack of women and minority ownership of broadcast properties and are taking active steps to address the problem.

I would like to thank my colleagues, particularly Commissioner McDowell, for working to develop language that addresses some of our mutual concerns about diversity of ownership. I firmly believe that the Commission needs to do much more than just

“encourage” greater women and minority ownership of broadcast properties. We need to develop regulatory measures to facilitate ownership and access to capital. The time is long overdue for this Commission to address the plight of the majority of the U.S. population in a non-partisan, straightforward and honest manner. I look forward to working with my colleagues to continue making progress on diversity, as we have attempted to do in this transaction.