

**FCC ACTING CHAIRWOMAN MIGNON CLYBURN
PREPARED REMARKS AT NAB RADIO SHOW 2013
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Thank you Gordon for that generous introduction, and I appreciate all of you for attending this afternoon's session.

It's great to be back at the NAB Radio show, and one big reason I'm excited about today is that instead of doing what many are guilty of -- giving you some re-hash of an old stump speech -- I've got some news on the future of AM radio. Since I'm in a room of broadcast and promotions types, you shouldn't be fazed by the fact that I am going to hold that news until the end of my address. All of you should be used to cliffhangers and appreciate the value of a teaser: "Can the FCC help revitalize AM radio? We'll have the answer at the end of this speech."

This is actually my second NAB gig of the summer. I was honored to play a role in your Service to America Awards in June. While it's true that a highlight for me was sitting at a table with Stevie Wonder and hearing Oleta Adams perform his songs, it was also great to learn more about the terrific things broadcasters are doing in their communities.

I remember one of the winners was New York City's WQHT - Hot 97, which went above and beyond in its service as a lifeline to residents after Hurricane Sandy.

It was nice to see Hot 97 singled out and appropriately awarded, but all of us know that they are not alone. With massive power outages making it impossible to watch TV, get online with a laptop, or speak on cell phones when the batteries were drained, Americans up and down the East Coast relied on their local radio broadcasters for the latest weather updates, power outage reports, and information regarding where they could find relief, like shelter and supplies.

So again, thank you broadcasters for always being there, especially in times of need.

While you provide an invaluable public service, most of you are still private enterprises trying to make it work in an ever-shifting media landscape.

No doubt, new technologies are creating new challenges. But they also open up new opportunities, and like so many of you, I am excited about the future of radio.

For starters, radio remains a part of the fabric of our lives. Ninety-two percent of U.S. consumers listen to the radio each week.

NEW OPPORTUNITIES

Looking around the showroom floor and talking to people here, it's clear that as consumers embrace the new platforms, most of you are embracing them too, experimenting with new ways to sustain and grow your businesses.

There is a session on connected cars, but clearly the biggest game-changer out there right now is the smartphone. When I was appointed to the Commission in 2009, the smartphone adoption rate was in the teens. Today, it's up to 56 percent and rising.

Smartphone owners check their devices an estimated 150 times a day, according to a recent report, and one of the things they increasingly do when they reach for that phone is listen to their favorite music or talk program.

I know every radio broadcaster is thinking every day about how to reach listeners on these devices, and I am encouraged that Sprint announced earlier this year its commitment to order and sell smartphones equipped with FM radio chips, along with software to provide an enhanced listening experience.

It makes sense: employing FM chips in smartphones enables users to hear their local FM radio stations on their devices, using only a fraction of the power that they would use to hear those stations if they streamed them over the Internet. The NextRadio hybrid radio app supplied with those phones provides enhanced data features, as well as song-sharing and purchasing, without significantly impacting the listener's data usage.

Looking beyond smartphones to other new opportunities, digital broadcasting is a boon for broadcasters and consumers, because it means higher-quality audio, more channels and data services.

There are hurdles: if broadcasters do not broadly embrace the HD technology and the multicasting and other enhancements that it makes possible, listeners will have few incentives to buy digital receivers. Likewise, if no consumers own digital receivers, then there is no reason to broadcast in digital.

But I'm not worried. More than 15 million digital receivers have been sold so far, and that number will only rise. Thirty-three auto manufacturers include or plan to include digital receivers in their cars, and those receivers are standard equipment in over 80 models. This will dramatically increase the number of digital receivers in the coming years.

And as we look to the future, we should also make sure that AM radio is a vibrant part of the broadcasting landscape.

The entire AM band takes up just over 1 MHz of spectrum, and there are over one billion receivers. In an era of spectrum crunches where we talk about the need to use spectrum efficiently, AM radio certainly qualifies as efficient.

I have a special affection for the AM dial, because in so many ways, that's where I got my professional footing. In the audience is KKDA's George Hamilton Cook. George and I met in 1984. We were young, idealistic, and full of energy, but we didn't always get all of our work done during regular office hours. So one evening George promised me a burger and fries if I would hang out at the station until he cut his commercials. Being broke and hungry, I naturally said yes. But this was 1984; I was fixated on Columbo, and even the promise of free food wasn't enough for me to miss the show. So we loaded up my 13-inch, college black-and-white set in his

car, only to discover a few minutes later that he'd closed the door on the cord. It didn't matter that the TV was on my side of the car. He closed the door on the cord and it was his fault.

Well needless to say, I lost it. My college black-and-white and a dated radio set were my only entertainment options, and I couldn't afford anything else. But "idea-a-minute" George had the solution. He would use duct tape, because you know, duct tape fixes anything, and promised me that as long as these two particular wires didn't touch, all would be fine. Just as he said that, those wires of course did touch. And since we'd plugged the TV in at the station, sparks started flying; George swayed like he was going to pass out from the electrical shock; and the station went dark.

So naturally, we did what any responsible adult would do. We ran out of there and promised each other not to breathe a word no matter what. About eight or 10 years ago I finally confessed to the owner.

So, I'm truly speaking from the heart when I say that AM radio is dear to me, and it remains an important source of local programming: local news, politics, public affairs, and events, like high school athletics.

But the sustainability of the AM broadcast service has been threatened by the migration of AM listeners to newer, higher-fidelity, media services.

The number of stations is decreasing; AM listenership is dwindling; and young people just are not tuning in. Many stations are unable to broadcast at night or must reduce their power due to the nighttime propagation characteristics of AM signals. Reinforced buildings and structures with steel frames or aluminum siding can block AM signals, leading to poor AM reception in many urban areas. And AM radio is particularly sensitive to interference from electronic devices of all types, including TV sets, vehicle engines, fluorescent lighting, computers, and power lines.

But the FCC has taken discrete steps to ease regulatory burdens on AM broadcasters. We're simplifying the licensing procedures and technical requirements -- including allowing "moment-method" modeling -- which can save licensees over \$100,000. We've been expanding the inventory of translator stations. By the end of 2013, the FCC's Audio division will increase the number of authorized FM translators from 5,700 to about 7,300 -- a 28 percent boost.

We're granting experimental authorization for all-digital AM operation and improving protection to AM stations from potential re-radiators and/or pattern disturbances.

And I am happy to confirm that this morning I circulated a Notice of Proposed Rulemaking, which will represent the next major step in the Commission's review of AM service, building on the work we have been doing over the last few years. The proposals in the Notice include:

- One, opening a one-time filing window, limited to current AM licensees and permittees, which will allow each to apply for one new FM translator station to fill in its service area.
- Two, relaxing the AM daytime community coverage rule to allow existing AM broadcasters more flexibility to propose antenna site changes.

- Three, and similar to the second proposal, relaxing the AM nighttime community coverage standards, which will also provide broadcasters, who may have difficulty finding suitable sites, relief for towers and directional arrays.
- Four, eliminating the AM “ratchet rule,” which requires an AM station to “ratchet back” its nighttime signal to reduce interference to certain other AM stations. The rule, while intended to reduce nighttime AM interference, has instead discouraged service improvements and has apparently resulted in a net loss of interference-free AM, nighttime service.
- Five, permitting wider implementation of Modulation Dependent Carrier Level, or “MDCL” control technologies, which allow broadcasters to reduce power consumption. We propose to allow AM stations to implement MDCL operation by simply notifying the Commission, rather than having to seek experimental authorization or waiver.
- And six, modifying AM antenna efficiency standards by reducing minimum effective field strength values by approximately 25 percent, thus allowing the use of shorter AM antennas.

I know some of that sounds a little dry, technical, and difficult to understand, but here’s ONE thing about this AM revitalization proposal that is easy to grasp: We need your help if we are to get it right.

This proposed rulemaking invites comment on additional proposals or rule modifications that could help to revitalize the AM band. I am eager to hear all of the well-thought-out ideas that you can provide, and I know that my colleagues on the Commission are as well.

It won’t be easy. There will be challenges ahead. But working together, we can ensure that AM radio and all radio can flourish going forward, allowing your businesses to prosper while continuing to deliver tremendous benefits to the American people.

Thank you for your kind welcome. It’s great to be back at NAB Radio. Have a wonderful show.