

**DISSENTING STATEMENT OF  
COMMISSIONER MICHAEL J. COPPS**

*In the Matter of Clear Channel Broadcasting Licenses, Inc., et al. and Newport Television LLC*

No one should be under any illusion that Clear Channel's sale of its 35 full-power television stations strikes a blow for de-consolidation. After this transaction closes and all divestitures have occurred, Providence Equity Partners will have attributable interests in a whopping 86 television stations and 99 radio stations in the United States, as well as interests in media companies around the world such as MGM studios (largest shareholder), Yes Network, Hallmark Channel, and Warner Music Group. You will search this Order in vain, however, for any mention of the scope of Providence's holdings or how they potentially affect our public interest analysis.

What makes this case particularly different than other license transfers from one media giant to another is the fact that this one involves private equity. In the Univision Order last March, I urged the Commission to examine the impact of private equity on our ability to ensure that licensees protect, serve and sustain the public interest. Unfortunately, that has not happened. Instead, we close our eyes and pretend that nothing has changed. We proceed without knowing how segments of the conglomerate are controlled and managed. How, amid such murky shadows, does a regulator protect the public interest? Why doesn't the Commission have enough curiosity to even ask?

I don't claim to have all the answers here, but I have plenty of questions. What are the financial and public interest implications of private equity investment? Can our attribution rules keep up with these complex and opaque ownership structures? Why haven't we studied what happens to long-term investment in communications when a private equity firm takes control? Do such entities usually take the longer view because they are not subject to the pressures of Wall Street, or are we beginning to see more of a "strip it and flip it" pattern? How will a purchaser's assumption of massive amounts of debt affect its stewardship of the airwaves? For broadcast stations, what happens to newsgathering and other programming of local interest? There are many other questions. Our lack of answers to them, coupled with Commission willingness to plunge ahead in spite of its appalling unawareness, is chilling. When we proceed without adequate information to approve this new kind of media consolidation, we are heading into dangerous waters.

Doing our job depends on our ability to assess who actually influences licensees' editorial decisions and financial strategy. As Chairmen Dingell and Markey noted in a July 12, 2007 letter to Chairman Martin:

History also suggests that private equity ownership is marked by a management structure that is not overly transparent and by fluid asset management where actual holdings and control may vary significantly, as properties are bought and sold. These historical styles may not be consistent with many of the core public interest and localism values that Congress has assigned to local media and may implicitly undermine the Commission's media ownership rules.

We need to heed such counsel. Many industries, not just communications, have gotten themselves into serious difficulties by heading off on seemingly promising and fashionable tangents without asking the questions they should have asked. The outcomes have often been disastrous to the businesses themselves, to customers, and to the country's well-being. It's time to get serious about this.

Because we proceed down such a blind alley, I must dissent from today's decision.