CONCURRING STATEMENT OF
COMMISSIONER MICHAEL J. COPPS

Re: *In the Matter of Clear Channel Communications, Inc. and Thomas H. Lee, et al. for Consent to Transfer of Control of Ackerley Broadcasting Operations, LLC, et al.; and Clear Channel Communications, Inc. and Aloha Station Trust, LLC for Consent to Assignment of Licenses of Jacor Broadcasting Corp. et al.*

This case is a close call and one that I approach with decidedly mixed feelings. On the one hand, this transaction could lead to a measure of de-consolidation in the radio industry. Under the terms of this *Order*, the largest radio chain in the country will be divesting 42 radio stations in the top-100 markets. Although at this point we do not know who the purchasers will be, by definition they will be companies with far fewer stations than Clear Channel. At the same time, Clear Channel is in the process of selling many of its stations in smaller markets. So while the new company will remain a media giant—now re-focused on the largest markets—there are some potential public interest benefits to this deal.

But there is another side to this transaction, and it's one that concerns me greatly. I have repeatedly called for the Commission to examine the potential impact of private equity on our ability to ensure that broadcast licensees protect, serve and sustain the public interest. Unfortunately, that has not happened, and nothing in today's *Order* indicates that the Commission has had a change of heart. Instead, we once again close our eyes and pretend that nothing has changed—as if these new entities are no different than our traditional broadcast licensees. And there are those who accuse ***me*** of living in the past!

The Commission's lack of curiosity here is all the more troubling in light of the announcement last month by Standard & Poor's that when the transaction closes it will cut its ratings on Clear Channel two notches deeper into "junk" territory—and may cut them further—due to the subordination of existing debt to new bank debt. According to news reports, Moody's said it likely will downgrade the company to "junk" status as well when the deal closes. What is the market trying to tell us? How stable is the new company and what are the chances, given the jittery markets, that it could slip into bankruptcy? If it does, what impact would that have on its ability to serve the public interest? Clear Channel is not in the business of selling widgets; it is providing a vital public service that people depend on for emergency alerts and other important news and information. The American public has a vital interest in ensuring the financial stability of its broadcast licensees. The FCC, apparently, does not. There is no mention of last month's events in the *Order*.

I hope that the market's concerns about Clear Channel's financial condition prove misplaced. The broader point, however, remains. We must ask the hard questions now, before we dig ourselves in even deeper. If I had the ability to launch an FCC inquiry by dissenting to this transaction, I would. But I do not. Given the potential for some measure of de-consolidation, I reluctantly concur.