

# Frank Boyle & Co., L.L.C.

Media Brokers  
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OFFICE OF THE CHAIRMAN

Mr. William E. Kennard  
Chairman  
Federal Communications Commission  
1919 M Street, N.W., Room 814  
Washington, D.C. 20554

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**APR 28 1999**

**RE: The Micro Radio Station Concept**

Federal Communications Commission  
Office of Secretary

The Honorable Mr. Kennard:

Every so often the FCC seemed committed to try some well-intentioned but unrealistic strategy to permit the minorities to own more Radio/TV properties.

First, it was the 80-90 drop-ins. All that did was add a lot of unneeded stations which were not owned by the deserving minorities. Not only did that dumb idea not work - it almost destroyed the small market radio business - due to Radio Ad \$ fragmentation.

For instance, I was part owner of radio stations in Portland, ME and Utica/Rome, NY. The Ad Dollars in each market can support about 10 stations in each of those markets. Now both Utica/Rome, NY and Portland, ME have 24 ARB rated stations.

The FCC later solved that problem by permitting ownership consolidation. So now there are about four Group Owners in each market. Don't your records confirm how many hundreds of radio stations went dark and/or turned in their licenses following your well-intentioned 80-90 drop-in process?

Then came the similar Low Power TV stations. Almost the same results - only a precious few, out of thousands, have ever succeeded. Fortunately or unfortunately - the plethora of LP TV stations have not yet caused the TV Ad \$ business fragmentation problems that happened with the 80-90 drop-in radio stations.

The basic reason the Micro Radio station plan will quickly fail - has to do with inadequate start-up and ongoing operating capital for the owners of those stations. Would that it would be more complicated.

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Micro Radio stations and Low Power TV stations cannot succeed for the same reason that small grocery, drug and department stores keep going belly-up. The small guy has neither the capital nor comparable skill to compete in today's marketplace.

I've been in Radio/TV/Cable for over 45 years - in local and national sales - management - station ownership and now brokering for the past 12 years. Though not an expert, I've been exposed to what the FCC can or cannot successfully legislate.

The FCC cannot legislate its desired Diversity of Media Ownership Voices until you control the lending institutions. Yes, you've proved that, with your unique clout, you can manufacture useless Radio and Low Power TV stations. That, some future FCC will have to preside over the funeral and disposition of those good intentions.

As a station broker I can assure you there are plenty of diverse AM/FM/TV stations now available for sale. That does not include the 500+ Radio/TV stations that the Chancellor/Capstar/Triathlon/LIN TV Groups say can be bought tomorrow.

*You say, "Those stations all cost too much - that the little people cannot afford to buy them."*

Fact is, few "little" people cannot afford to buy and successfully operate any neighborhood station in any of the Top 100 markets.

Just look at the track record of all the Low Power TV stations authorized by the FCC. A precious few ever got on-the-air and stayed on-the-air.

Please do not repeat the similar well-intentioned mistakes of FCC history. U.S. Government agencies have a very successful track record of overreacting to the last war - the last depression and perceived inequities in Radio/TV station ownership.

Puleeze don't add more radio stations. Better that you change your current Ownership Rules. Reduce individual market radio station ownership to:

	<u># Stations</u>	<u>Either AM or FM</u>
Top 50 Markets	6	( 4 and 2 )
Next 100 Markets	5	( 3 and 2 )
All Other Markets	4	( 2 and 2 )

... but not more than 50% of total stations within that market.

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The IRS should permit those who have to sell off stations to get within the above limits 100% Tax Credit. After all, those Owners did not cause the problem - why should they have to pay taxes to solve the ownership diversity problem.

Now you have all these "sold" stations for sale in the Top 300 markets. The key question is will the people whom you want to see as new owners buy these stations?

Will you have a quota system for buyers? How will you structure the controls so you get the "right" buyers for these stations ... or even the micro stations ... that's OK with our U.S. Constitution?

In conclusion, please forget the Micro station idea. It's a bad idea with no hope of successful long term execution.

Very truly yours,

A handwritten signature in cursive script that reads "Frank Boyle". The signature is written in black ink and is positioned to the right of the typed name "Frank Boyle".

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