

**Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of:	)	
	)	MM Docket No. 99-25
	)	
Creation of a Low	)	RM-9208
Power Radio Service	)	RM-9242
	)	

To: The Commission

**COMMENTS OF ISLAND BROADCASTING, INC.**

Island Broadcasting, Inc. (“Island”), licensee of full power television station KTGM(TV), Tamuning, Guam, hereby submits its comments pursuant to the *Notice of Proposed Rulemaking* in the above-referenced Commission docket proceeding, FCC 99-6, released February 3, 1999 (the “NPRM”), supporting the creation of a commercial and noncommercial Low Power Radio Service if certain modifications to the Commission’s proposal are implemented.

**I. Introduction**

Island owns and operates KTGM(TV) as an ABC network affiliate on Channel 14 in Tamuning, Guam. Guam is a very small broadcast market, consisting of approximately 40,000 households. Island originally entered the broadcast market through ownership and operation of a low power television station. It upgraded to a full power station after achieving success and

experience as an LPTV operator. Recently, Island has added original programming to KTGM, including the most comprehensive weather information available in Guam. Island has made a large financial investment in providing up-to-the-minute weather information to the Guam community, which is of vital importance to an island that often experiences major weather events as a result of its location in “Typhoon Alley.” One such event was Typhoon Omar, which packed top wind speeds of approximately 175 miles per hour.

As part of its investment, Island provides weather reports 24 hours a day via the SAP portion of KTGM(TV)’s NTSC channel. It also provides a 24 hour a day call-in hotline for Guam residents and operates a weather web page on its site on the World Wide Web ([www.abc14wx.com](http://www.abc14wx.com)). Due to the large investment required to establish comprehensive local weather service, Island cannot currently afford to produce local news and sports without an additional revenue stream, such as one that would be provided by an LPFM station.

Were it to acquire an LPFM license, Island would offer local radio programming (which is far less expensive to produce than television programming – particularly live news and sports programming) to Guam residents. Also, Island would be able to reach via radio those regular KTGM(TV) viewers who cannot normally access a television, including those at work, traveling in cars, participating in recreational activities, or have lost power during major storms. Radio broadcasts offer the most reliable method of distributing weather information during those periods when inclement weather interferes with electrical power and cable television service. An LPFM station would enable Island to provide its unique weather services to the residents of Guam during periods when such information is most valuable.

Island does not currently own any radio station interests and does not have the resources to acquire a full power FM radio station at this time. Island does have the resources to build and

operate an LPFM station, which would enable it to expand its programming capabilities and reach a broader local audience.

Given these factors and the characteristics of the Guam market, which has less than 15 radio stations, Island requests that the Commission revise and clarify the NPRM to permit common ownership of a television station and LPFM stations (including one in the same market), particularly if the television station is located in a smaller market like Guam. Alternatively, Island requests that the Commission establish in its rules a policy in favor of waivers where a television station owner is located in a small market (such as below the top 100 markets or in an unrated market) and the television station owner does not own a majority or controlling interest in a radio station in the same market or, alternatively, in any market. Island also believes that the Commission should either permit commercial LPFM stations or else include in its rules a policy in favor of waivers of any noncommercial requirements in small markets such as Guam. With such revisions, Island requests that the Commission adopt rules permitting the licensing of LPFM stations. Without such revisions, Island cannot support the licensing of LPFM stations.

## II. Island's Proposal Furthers the Commission's Goals in Proposing an LPFM Service

The Commission's goals in proposing the creation of LPFM stations are "to address unmet needs for community-oriented radio broadcasting, foster opportunities for new radio broadcast ownership, and promote additional diversity in radio voices and program services." NPRM at 1. Permitting an entity such as Island to own an LPFM station in its very small television market is in the public interest and furthers the Commission's goals in at least three different ways. First, Island's ownership of a Guam LPFM station would promote new radio

ownership on the island (although Island is not minority or female-owned) by adding a new community-oriented radio voice in a market with few radio stations. Second, it would add to programming diversity on Guam by permitting Island to bring to Guam residents during inclement weather the important local weather information Island is developing through its weather-based initiatives at KTGM(TV) and also by permitting Island to develop lower-cost local news and sports programming to complement its local weather programming produced by KTGM(TV). By developing economies of scale, Island may be able to use the news and sports programming developed for its LPFM station as a springboard to providing such programming on its television station. Third, Island's ownership of a Guam LPFM station would lead to increased programming diversity by enabling Island to compete more effectively with the cable television monopoly in Guam that has tremendous market power given the very few television and radio stations on the island.

As a local business and a new entrant to the Guam radio market, Island would offer programming diversity. Currently, Island far exceeds other commercial entities in the extent of its local weather coverage. With the added revenue and experience gained from operation of a commercial LPFM station, Island could afford to invest in the provision of other local programming, including news, sports, or other community-oriented programs.

Another area of great public interest is access to weather forecasts and other emergency services during periods of inclement weather. As noted above, Island currently provides the most comprehensive weather reporting and satellite image forecasting in Guam. Island offers its superior weather forecasting 24-hours a day using SAP, a call-in telephone hotline, and a World Wide Web site. However, during inclement weather cable television service and electrical power may be cut off, and Island's various sources for providing comprehensive weather forecasts

would be unavailable to Guam's residents. During these periods, when weather reports are probably most vital, ownership of an LPFM station would permit Island to continue offering its valuable services to those in vehicles or with battery-powered radios.

Another of the Commission's stated goals in introducing LPFM stations is to foster new ownership of radio stations. Island desires to become a new owner and enter the radio market but cannot currently afford the investment necessary to acquire a full power FM radio station in the market. If Island cannot obtain an LPFM station, it will not enter the FM radio market and the market in Guam will not reap the benefits of a new, local voice in the Guam radio market. If given the opportunity to acquire an LPFM station, Island would gain experience in the radio market and additional knowledge regarding market preferences in Guam for news and sports programming. Even if it could afford to acquire a full power FM station, Island's preference would be to start as an LPFM operator. As with its previous success in starting as a low power television operator and then making a transition to full power television, Island would like eventually to move from an LPFM station to a full power FM station once it has gained appropriate experience. Enabling diversity of both programming and ownership in the full power FM radio station market through experience gained with LPFM stations is a laudable public interest goal.

Providing Island with the opportunity to operate an LPFM station would also enable it to compete better with the local cable television monopoly in Guam. Although this is not a specific goal of the Commission in proposing the LPFM service, the Commission in other contexts has stated its support for competition in the provision of video programming. If Island had a radio programming outlet, it would be able to develop multichannel broadcast (although not video) offerings that would facilitate its competition with the cable television monopoly on Guam, which

is able to provide multiple channels in a market where there are few television and radio stations. The additional revenue generated by an LPFM station would also enable Island to build local news and sports services to further compete with the local cable monopoly.

### III. An Owner of a Single TV Station Should Be Permitted to Own LPFM Radio Stations

The Commission has suggested limiting ownership of LPFM stations to certain entities, primarily those not already involved in the broadcasting industry. Although group owners with multiple radio and/or television stations should not be permitted to own LPFM stations, Island's current investment in a single television broadcast station should not prevent its ownership of an LPFM station. Single station broadcast owners differ from multiple station group owners in ways that justify separate treatment by the Commission. Multiple station group owners are typically large media conglomerates with vast resources that enable them to develop full power FM stations and programming. Single broadcast station owners such as Island are small businesses with the concomitant restrictions of small businesses, including the lack of resources to invest in expensive programming or other media or broadcast facilities such as full power FM radio stations. This is particularly true in small markets like Guam, where stations must engage in relatively low cost operations because profit margins are so small.

Multiple station group owners also contributed significantly to the situation which prompted the Commission to propose the creation of the LPFM service. Investment in full power radio stations by multiple station group owners has driven the price of full power radio stations so high that smaller investors cannot afford to enter the full power FM radio market. As these large conglomerates take over large portions of the full power FM radio market, programming becomes

less diverse and represents fewer voices, and the diversity in ownership similarly declines. These already-dominant voices should not be permitted to own LPFM stations. Individual station owners, however, do not pose this risk to LPFM market since they are not dominant players in any market.

Single broadcast station owners tend to own local broadcast facilities and are generally more familiar with issues of local interest, allowing them to more effectively focus programming on local issues. Because they own stations in multiple cities, multiple station group owners are less familiar with local issues and interests in the cities where they own stations. These group owners must, due to the nature and size of their station holdings, direct their programming strategies to a broader audience. Many of these traits of multiple station group owners have contributed to the lack of diversity in radio programming. Permitting single broadcast station owners to own LPFM stations will help to create a better balance of programming diversity and ownership.

The Commission should also distinguish ownership of a television station from ownership of a full power FM radio station with regard to the ownership limitations placed on LPFM radio stations. Island, as an owner of a television station, can contribute new programming to the radio airwaves, such as comprehensive weather forecasts and eventually local news and sports. There is no risk that Island will dilute radio programming on Guam as multiple station group owners might do if they were allowed to own LPFM stations. Unlike permitting a full power FM radio station owner to own an LPFM station, where the programming of both radio stations could be identical or ownership of an LPFM station would keep out a potential competitor, permitting a television station owner such as Island to own an LPFM radio station would diversify both programming and ownership in the radio market.

Finally, the Commission has often supported the efforts of small businesses and should continue to do so with LPFM stations. Small businesses that own single broadcast stations should be distinguished from group owners that operate multiple stations. Permitting small businesses to invest in LPFM stations will foster the Commission's goals of diversifying programming and ownership while also supporting the efforts of small businesses.

#### IV. The Commission Should Consider Market Size When Creating Ownership Limits

The Commission should consider the size of the market in which an LPFM station will be built when determining whether to restrict ownership by entities owning other broadcast facilities. Smaller markets often lack the advertising revenue or promise of profitable returns to attract investment in expensive full power FM radio stations. Smaller markets are also more likely to be populated by small businesses. Guam is a small market where the lower profit margins available to broadcasters have made investments in full power FM radio stations less attractive. Several full power FM radio station channels are currently available for licensing in Guam.

Island, due to its lack of experience in operating a radio station, the smaller profit margins available in the Guam market, and the large start-up expenses, cannot afford to undertake the enormous investment necessary to own a full power FM station. If Island could invest in an LPFM station and thereby gain experience in operating a radio station while building a revenue base, it could eventually upgrade to a full power FM station. Island has already demonstrated the efficacy of such an approach by constructing initially a low power television station before upgrading that station to a full power television station. The Commission should consider the unique position of small businesses such as Island attempting to enter the FM radio business in a

small market like Guam when determining appropriate rules and regulations for LPFM station ownership.

## V. Conclusion

For the reasons discussed herein, the Commission should revise the NPRM to permit small businesses in small markets to own and operate LPFM radio stations even if these small businesses already own a television station.

Specifically, Island requests that the Commission revise and clarify the NPRM to permit common ownership of a television station and LPFM stations (including one in the same market), particularly if the television station is located in a smaller market like Guam. Alternatively, Island requests that the Commission establish in its rules a policy in favor of waivers where a television station owner is located in a small market (such as below the top 100 markets or in an unrated market) and the television station owner does not own a majority or controlling interest in a radio station in the same market or, alternatively, in any market. Island also believes that the Commission should either permit commercial LPFM stations or else include in its rules a policy in favor of waivers of any noncommercial requirements in small markets such as Guam. With such revisions, Island requests that the Commission adopt rules permitting the licensing of LPFM stations. Without such revisions, Island cannot support the licensing of LPFM stations.

Such revisions will further the stated goals of the Commission in creating LPFM radio stations and will foster the growth of small businesses and programming diversity. With such revisions, the Commission should expeditiously adopt rules establishing the LPFM radio service.

