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OFFICE OF THE CHAIRMAN

April 7, 1999

The Honorable William Kennard
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: Comments
NPRM - Docket 99-25
Low Power FM (LPFM)

Dear Mr. Chairman,

As a "mom & pop" broadcaster who has spent 37 years in this business, I am deeply concerned about low power FM (LPFM). Mr. Chairman, LPFM will do exactly the opposite that it is intended to do.

For the moment, let's forget about LPFM and the potential of interference problems with digital radio... If LPFM harms the development of in-band, on-channel digital radio so be it. The United States will just fall behind technologically and we'll all continue to broadcast in analog.

I really do not believe that digital is the major issue. To discuss the major issue, I'd like to review why, in my opinion, the FCC is even contemplating LPFM. Again, in my opinion, I believe the idea of low power FM started as a result of consolidation and what now is apparently, the concentration of media in a few hands. What I can't figure out is, why the FCC and members of Congress were unable to figure out what the 1996 deregulation would do in the first place. It seems so obvious.

In any case, the FCC and members of Congress did not anticipate the unfavorable results that consolidation has caused concerning diversity and so, therefore, after allowing that "wrong" to be created, the FCC now wants to create another "wrong." It seems, the FCC believes that "two wrongs do, in fact, make a "right." Let me explain. If LPFM is allowed, besides the citizens of the United States, the only broadcast faction that will be severely injured is the independent or "mom & pop" broadcaster. The large, big money broadcast corporations will hardly be affected. In many markets they control half the broadcasting revenue at this point. The big money broadcast corporations are equipped and prepared to do whatever it takes to circumvent any threat caused by LPFM. They are attempting to do it now with the "mom & pop" broadcaster. These big money broadcast corporations will invest whatever money it takes to promote, advertise, out-program, contest and just "drill into the ground" LPFM stations that pose any threat whatsoever. What I find interesting is that most broadcast engineering firms are making the statement that there are only about half a dozen LPFM channels that may be available in urbanized areas. So, if that is correct, it is easy to deduce where the LPFM stations will go..... into small markets. A 1,000 watt LPFM station will - without any problem - cover a city of 10,000 to 20,000 people. It will have the power to be able to compete with the local broadcaster who has been there for many years serving the community. Mr. Chairman, I have run several small market radio stations and it has never been easy. I realize that the FCC is not concerned

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with broadcast revenues, but I am sure that the FCC is concerned with reality. The reality is that with the American system of broadcasting, it takes money to pay for the electricity, the news people, the announcers and all of the other components that make up a broadcast station. Without that revenue, the station will cease to be able to serve the public. LPFM will derive just enough revenue from a small community that it will make it impossible for the existing broadcaster to be financially viable. I know that it is not the intention of the FCC, but that is the reality.

The idealism that is being hoped for by the FCC will not occur. It did not occur with Docket 80-90 and it will not occur with LPFM. What may occur, however, is that because of the low cost of getting the into the LPFM business, i.e., the operator will take little, if any, financial risk. LPFM operators will spring up with little concern for the consequences of their actions. You will have stations on the air representing every "hate" position. You will have unscrupulous "snake-oil" sales people selling things you've never heard of. It is possible you will have "Jimmy Jones" religious broadcasters and if you think that Howard Stern is "blue", wait 'til you hear the type of broadcasts that will air demanding first amendment rights. Mr. Chairman, is that really the type of "freedom" that the FCC is trying to perpetrate? Is this the type of broadcasting that will be good for the welfare of the citizens of this country? Is this the type of broadcasting you want your children to hear?

How will the FCC regulate these LPFM broadcasters? The FCC is having problems with "pirate" broadcasters now. How will the FCC "police" the equipment being used to insure that it stays on frequency and at prescribed power?

Mr. Chairman, I understand your concern for diversity. I, too, believe there should be access and diversity. But I also believe that LPFM may destroy the most successful system of broadcasting in the world. I didn't say it was perfect; I said it was the most successful. The air waves are now available to minorities and women. I agree with you that there are not enough minorities and women who are in ownership and management positions. Perhaps the deterrent is money?

I have often wondered why wealthy athletes who are minorities and/or women could not make investments in broadcasting? They are certainly familiar with it as they have been in front of television cameras and radio microphones their entire athletic career. They certainly have the money to make investments in broadcasting. I have been told and have read that women control a significant portion of the stock on the New York Stock Exchange. If that fact is true, why aren't women making investments in broadcasting? I don't have the answer to those questions, but they are legitimate questions to ask.

I think what needs to be done (and I'm not sure who would do it) is to make more money available to minorities and women for the purpose of purchasing broadcast properties. There are many of us "baby boomer" broadcast owners who are approaching our late 50's that are contemplating retirement and the sale of our broadcast properties. Perhaps what the Federal Communications Commission needs to do is to approach people concerned with banking and lending in the Federal Government (S.B.A.) so that <u>more</u> loans can be made to these minorities, women and others desiring broadcast ownership.

I can assure you Mr. Chairman, that if LPFM becomes a reality, the "mom & pop" broadcasters will be hurt the most. The very diversity that you are concerned with will be further eroded because of the FCC's condonement of LPFM.

One final thought, if LPFM is allowed and it injures the financial viability of small, independent broadcasters, don't you think that broadcasters should be treated like other industries in the United States? In other words, don't you feel that we should receive a fair subsidy from the Federal Government as do the farmers, the railroads, the aerospace industry, the tobacco growers, and those businesses that have received federal subsidy due to the fact that the U.S. Government took actions or passed legislation that caused injury in some way to their industry. Perhaps federal subsidy to small, independent broadcasters that can substantiate and verify financial injury should be considered. It seems to me that if the Federal Government is so concerned about diversity in broadcasting that it would take action that would financially injure long-standing small, independent broadcasters thus jeopardizing the whole system of broadcasting in this country; the Federal Government should create a subsidy program to compensate those broadcasters that LPFM will injure.

Mr. Chairman, I oftentimes use a line with my employees. It goes something like this: "Do not jump off the diving board, before you check and see if there is water in the pool." Please give your actions as they relate to LPFM a great deal of thought. There is a lot at stake here. America has been pretty good to broadcasting and so has broadcasting been pretty good to America.

Thank you for considering my comments.

Sincerely,

Jim Coursolle, CRMC
President

JC:dlr