

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of )  
 )  
Proposals for a New FM Radio Broadcast Class C4 ) MB Docket No. 18-184  
  
To the Commission

**REPLY COMMENTS OF THE MULTICULTURAL  
MEDIA, TELECOM & INTERNET COUNCIL**

The Multicultural Media, Telecom & Internet Council (“MMTC”)<sup>1</sup> supports the SSR Petition for Rulemaking. Dozens of broadcasters have fully briefed the engineering issues in the proceeding. We now write to address two questions presented in the Notice of Inquiry: (1) “would the creation of a Class C4 be particularly beneficial for minority-owned Class A stations by providing them with an opportunity to upgrade?”; and (2) “[w]ould this action encourage diversity of ownership in the FM broadcast industry?”<sup>2</sup>

According to Petitioner SSR Communications, Inc. (“SSR”), there are 210 Class A FM stations and 10 Class A FM construction permits that can easily be upgraded using the procedures in 47 CFR §73.207 (collectively, the “Section 73.207 Upgradable Stations”).<sup>3</sup> Using the ECFS database, MMTC reviewed the most recent Form 323’s for all of these stations and permits, and found that 29 of them (13.4% of the total) were minority owned.<sup>4</sup> The Commission has concluded

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<sup>1</sup> These Reply Comments represent the institutional views of MMTC and are not intended to represent the views of individual members of MMTC or of members of MMTC’s boards of directors and advisors. Leave to file two days out of time is respectfully requested in light of MMTC’s need to verify the statistical findings reported herein.

<sup>2</sup> See *Proposal for a New FM Radio Broadcast Class C4*, Notice of Inquiry, MB Docket No. 18-184, FCC 18-69 at 6 ¶13, 2018 WL 2761623, at \*5 (2018).

<sup>3</sup> See [http://www.wyab.com/petition/study/C4\\_Potential\\_Translators\\_Displaced.xls](http://www.wyab.com/petition/study/C4_Potential_Translators_Displaced.xls) (last visited September 11, 2018).

<sup>4</sup> We regarded “minority owned” as inclusive of African Americans, Asian Americans, and Native Americans/Pacific Islanders, as well as Hispanic Americans (who can be any race). The term

that 6.5% of all FM stations were minority owned as of 2015.<sup>5</sup> This means that minority broadcasters were approximately twice as likely to own Section 73.207 Upgradable Stations as they are to own FM stations generally.<sup>6</sup>

The prevalence of minorities among Class A licensees is the culmination of three decades of communications policy. In 1985, nearly 700 Class A stations were created in Docket 80-90 with the expectation that many of these stations would become minority owned through the comparative hearing process or otherwise. Ever since then, Class A stations often have served as portals for entry by minority broadcasters.

Upgrades to 29 minority owned stations would profoundly impact ownership diversity in broadcasting because the upgrades would facilitate these station owners' access to capital. The Commission has correctly found that "access to capital is most often the barrier to broadcast station ownership."<sup>7</sup> In MMTC's experience,<sup>8</sup> doubling the stations' power would add considerably to the stations' asset values, thereby facilitating the licensees' ability to attract investors, qualify for loans, and ultimately to be sold at competitive prices if the owner seeks to gravitate her station portfolio into larger markets.

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includes stations for which minorities evidently exercised voting control irrespective of whether they owned a majority of the station's equity interest.

<sup>5</sup> See FCC Media Bureau, Industry Analysis Division, Third Report on Ownership of Commercial Broadcast Stations: FCC Form 323 Ownership Data as of October 1, 2015 (May 2017) at 14-15.

<sup>6</sup> Petitioner SSR estimates that over 700 stations can be upgraded if the procedures in 47 CFR §73.215 were utilized. Those stations also include quite a number of minority owners, several of which filed comments in this proceeding in support of the SSR Petition.

<sup>7</sup> See *Rules and Policies to Promote New Entry and Ownership Diversity in the Broadcasting Services*, Report and Order, MB Docket 17-289, FCC 18-114 at 5 ¶12, WL 3738329, at \*4 (2018) ("Incubators R&O").

<sup>8</sup> As the operator of the nation's only minority owned media brokerage, MMTC has considerable knowledge of the factors influencing broadcast licensees' access to capital. Since its founding in 1997, MMTC Media and Telecom Brokers has participated in about 1/3 of all minority broadcast transactions. Through its broadcast company, MMTC Broadcasting LLC, MMTC has also incubated ten minority or women owned broadcast owners.

Consequently, MMTC renews its support for the SSR Petition and encourages the Commission to issue an NPRM accordingly.

Respectfully submitted,

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