

## Federal Communications Commission Record

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### Statement of Commissioner James H. Quello

#### Report and Order, Revision of Radio Rules and Policies

As has become clear to everyone familiar with the radio industry, we are living in a totally different world today than in 1953 when our ownership rules were adopted. At that time, it was difficult for a person who had a radio license to fail. But today, with the splintering of formats and the advent of competition from new nonbroadcast media, it is difficult to succeed. The problems facing radio are not the result of a temporary slump brought on by a bad economy. They go to the heart of radio's future as a viable mass medium in this country.

I think this Report and Order is a responsible attempt to address these new realities. Of course, reasonable people may disagree about the precise number of stations that a single owner should be permitted to acquire. Some have suggested that there should be no limits — a position with which I cannot agree. Others have argued that there should be no change, and, again, the facts force me to reach a different conclusion. Once it became clear that we must find a middle ground, it also became clear that there is no metaphysically perfect answer. Perhaps no politically perfect answer, either.

Recognizing the difficulty of this task, Chairman Sikes took particular care in this proceeding to provide all offices with the findings of the Mass Media Bureau and solicited ideas from all of the Commissioners. Of all of the proceedings that have come before this agency since the Chairman arrived in 1989, I believe this proceeding has involved the most open exchange of views among the Commissioners. The give and take was genuine, and the Chairman should be commended.

This does not mean that the final outcome is what I would have crafted myself. I initially believed that the national ownership caps could have been relaxed even more, since there is no danger that a single owner could dominate the national radio market. This is particularly true when the level of concentration in radio is compared to that in the cable television or

publishing industries. In the end, however, I was persuaded that a more moderate approach to altering the national ownership limits would allow the Commission to monitor the effect of rule changes. If experience reveals that we have chosen the wrong number, there will be time enough to address the situation.

Similarly, if I had the only vote, I would have been somewhat more cautious in altering the duopoly rules. In particular, I am uneasy about allowing ownership of three AM and three FM stations in a single market. I would have preferred setting the limit at two AM and two FM stations. Ultimately, I was willing to go along because such levels of ownership will be allowed only in the very largest markets and will be subject an audience cap of 25 percent. Additionally, the Mass Media Bureau will prepare an annual report on the effect of these changes, and we will be able to revisit the question of duopoly limits, if it becomes necessary.

There undoubtedly will be spirited disagreements about the final choices we have made, just as there were among all the Commissioners who chose to participate in the extensive internal debates in this proceeding. To critics, I would simply suggest that a good starting point for discussion would be to indicate what makes one policy choice inherently more reasonable than another.

The one point about which all agree is that the radio industry is in bad shape. There may be many causes for this, but to debate them and point fingers is not very productive. We have been considering the volumes of comments in this proceeding for most of a year and the time to act is upon us.

I may not be entirely comfortable with our choice, but I am completely at ease with the honest, open and thorough process by which we reached it.

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