



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

November 8, 2013

DA 13-2142

In Reply Refer to:

1800B3-TH

Released: November 8, 2013

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In re: **KCRR(FM), Grundy Center, IA**
Facility ID No. 25741

KKHQ-FM, Oelwein, IA
Facility ID No. 28472

KOEL-FM, Cedar Falls, IA
Facility ID No. 66780

**Application for Consent to
Assignment of Licenses**
File No. BALH-20130903AGP

Dear Counsel:

We have before us the captioned application (“Assignment Application”) seeking approval for a proposed assignment of license for Stations KCRR-FM, Grundy Center, IA, KKHQ-FM, Oelwein, IA, and KOEL-FM, Cedar Falls, IA (the “Stations”) from Townsquare Media Waterloo License, LLC (“Townsquare - Waterloo”), to The Cedar Rapids Divestiture Trust (“Townsquare Divestiture Trust”). The Assignment Application proposes that the Stations be placed into a temporary trust for purposes of divestiture to third parties so that Townsquare - Waterloo and its corporate parent will comply with the Commission’s ownership and attribution requirements in connection with a multi-station, multi-market purchase of stations from Cumulus Media, Inc. (“Cumulus”).¹ For the reasons stated below, we grant the Assignment Application subject to a condition that the licenses for the Stations must be assigned within two years to one or more third parties and that, in the meantime, the Townsquare Divestiture Trust must submit, every six months, a report describing the efforts to sell the Stations.

¹ See 47 C.F.R. § 73.3555(a) (the “Local Radio Ownership Rule”). Subsidiaries of Cumulus are selling 53 full-service stations in nine rated markets and three unrated markets to subsidiaries of Townsquare Radio, LLC, with three of those stations being placed into the Townsquare Divestiture Trust.

Background. The Stations are located in the Cedar Rapids radio market, the 204th-largest radio market in the country.² Due to recent changes in that market, Townsquare – Waterloo cannot hold the licenses for the Stations in accordance with the Local Radio Ownership Rule. Accordingly, as part of the Cumulus – Townsquare transaction, Townsquare – Waterloo has filed the Assignment Applications so that the Stations will be licensed to the Townsquare Divestiture Trust pending the sale of the Stations to one or more third parties.

Discussion. The trustee of the Townsquare Divestiture Trust is Allen L. Blum, an experienced broadcast executive who holds no attributable media interests in the Cedar Rapids radio market. The trust agreement is similar to prior divestiture trust agreements previously approved by the Commission in other multi-market, multi-station transactions, most notably the Aloha Station Trust, LLC (“Aloha Trust”) trust agreement approved in the Commission’s 2008 order involving Clear Channel Communications, Inc.³

The *Clear Channel* order required the trustee of the Aloha Trust to sell the stations as soon as reasonably practicable, but did not impose a specific limit on the duration of the Aloha Trust. The order was released in 2008, when the economy was in substantially worse condition than now and the credit markets for broadcast transactions were, at best, under tight constraints.⁴ The *Clear Channel* order involved 57 radio stations being placed in the Aloha Trust. Five years later, 37 of those stations have been sold and assignment applications are pending for the sale of two more stations. Likewise, in a 2011 transaction involving Cumulus, licenses for 15 radio stations were assigned to a trust with no specific time limit on duration.⁵ Licenses for eight of those stations currently are held by a successor trust.

The economic situation today is substantially different compared to 2008 or even 2011. The credit market for broadcast transactions appears to have substantially, if not fully, recovered.⁶ Under current conditions, we find that a reasonable limitation on the duration of a divestiture trust will best serve the public interest by requiring the parties to a trust agreement to meet a deadline to place the Stations with a new operator to ensure long-term compliance with the requirements of the Local Radio Ownership Rule. Accordingly, we are approving the Assignment Application, but doing so with a condition providing that the licenses for the Stations must be assigned by the Townsquare Divestiture Trust to a new licensee or licensees pursuant to a long-form assignment of license application within two years of

² See Arbitron Radio Market Rankings: Fall 2013.

³ See *Clear Channel Communications, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 1421, 1426-28 (2008) (“*Clear Channel*”).

⁴ In 2008, economic difficulties prompted Congress to pass the Emergency Economic Stabilization Act of 2008, authorizing the Department of Treasury to spend up to \$700 billion in economic stabilization funds.

⁵ See *Cumulus Media, Inc.*, Memorandum Opinion and Order, 26 FCC Rcd 12956, 12966 (MB 2011) (approving multi-station, multi-market transaction and assignment of 14 station licenses – with one additional station added shortly thereafter – to Volt Radio, LLC, the original trust).

⁶ See N. Wright, *Tribune Drives Up M&A Loan Volume with \$4.1B Credit* (Reuters Oct. 28, 2013) available at <http://www.reuters.com/article/2013/10/28/tribune-launch-idUSL1N0IIOR020131028>.

the closing of this transaction. We will also require the Townsquare Divestiture Trust to file a report every six months describing the efforts to market the Stations to third parties.⁷

Conclusion/Actions. Based on the above, the Assignment Application IS GRANTED subject to the following condition: The licenses and authorizations issued by the Commission for each of the Stations (KCRR(FM), Grundy Center, IA, Fac. ID No. 25741; KKHQ-FM, Oelwein, IA, Fac. ID No. 28472; and KOEL-FM, Cedar Falls, IA, Fac. ID No. 66780) must be assigned by The Cedar Rapids Divestiture Trust, pursuant to long-form (FCC Form 314) assignment of license application(s), to third parties within two years after its acquisition of the assets of the Stations, and The Cedar Rapids Divestiture Trust must submit (to the attention of the Chief, Audio Division, Media Bureau), every six months after its acquisition of such assets, a report describing the efforts to market those assets to third parties.

Sincerely,

Peter H. Doyle
Chief, Audio Division
Media Bureau

⁷ To facilitate full and candid disclosure of efforts to sell the assets of the Stations to third parties, we intend to treat these reports as exempt from public inspection pursuant to 5 U.S.C. § 552(b)(4) and 47 C.F.R. § 0.457(d)(1).