

**REMARKS OF FCC COMMISSIONER AJIT PAI
AT THE 2016 RADIO SHOW**

NASHVILLE, TENNESSEE

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I can't think of a more appropriate place to hold the Radio Show than right here in Music City U.S.A. Nashville's nickname was coined on the radio 66 years ago by David Cobb, an announcer for WSM-AM. That station played a key role in making Nashville our nation's capital of country music. In the 1930s and '40s, musical acts came to Nashville from across the country in order to appear on WSM, which at night could be heard throughout much of the country. And once the musicians came, the recording industry soon followed. Like country music, WSM is still going strong today, broadcasting programs like "Coffee, Country, and Cody" to the people of Tennessee and beyond. And each Saturday night, the station continues to air the *Grand Ole Opry*, the world's longest-running radio program.

Country music and broadcast radio are inextricably linked, and I think they have a lot in common. For instance, Garth Brooks once said that "True country music is honesty, sincerity, and real life to the hilt." Much the same could be said of radio. Like country music, radio is an intimate medium. And the connection between an announcer and his or her audience depends upon honesty and trust. Successful radio broadcasters are also rooted in the real lives of their listeners. I've seen this firsthand in my visits to stations across our country. From Fort Yukon, Alaska, to Cincinnati, Ohio, from Pittsburgh, Pennsylvania to Starkville, Mississippi, I've met broadcasters who are part of the lifeblood of their communities.

This spring, for example, I went to WPSP-AM, a Spanish-language AM station in Palm Beach County, Florida. WPSP is a small station, but it plays a big role in the life of Palm Beach County's Hispanic community. The station's general manager, Lisette Diaz, told me about how the station's listeners depend upon WPSP for local news and information. She described the personal connection its listeners feel with the station. And she told me about how the station offers programming to address issues that are on the mind of its audience.

Of course, what I saw at WPSP is just one example of what happens at thousands of radio stations throughout the United States each and every day. And that's why during my time at the FCC, I've been so passionate about radio. Indeed, I believe that broadcast radio is the original universal service. It's available to all, regardless of race, sex, ethnicity, religion, or sexual orientation. It's free. And radio stations are widely dispersed throughout the rural, suburban, and urban areas of our country.

Dolly Parton once said, "If you talk bad about country music, it's like saying bad things about my momma. Them's fighting words." Well, in my office, the same goes for radio.

Especially AM radio. Four years ago, at the Radio Show in Dallas, I called on the FCC to launch an AM Radio Revitalization Initiative. Notwithstanding the overwhelming support for the idea, getting the initiative off the ground wasn't easy. Indeed, as I waited for action, some of the lyrics from Dolly Parton's "9 to 5" resonated with me: "Want to move ahead. But the boss won't seem to let me. I swear sometimes that man is out to get me, hmmm."

And once an order was circulated to Commissioners, the negotiations within the FCC were tough. During this time, I had to keep in mind the wise words of Kenny Rogers: I had to know when to hold 'em, know when to fold 'em. But after a lot of hard work, the Commission unanimously issued an order last October to begin the process of revitalizing AM radio.

The aspect of that order that has received the most attention involved FM translators. In January, we opened a window in which Class C and D AM stations had greater flexibility to move an FM

translator purchased in the secondary market. And now, we are in the middle of a second window where all AM stations without a translator have the opportunity to do the same thing.

Some people have asked me why the FM translator issue is so important. After all, translators aren't the answer for the technical problems plaguing the AM band. I agree, and have long said that translators aren't a panacea. But AM's problems aren't going to be solved overnight, and an FM translator can serve as a vital bridge to the future for some AM broadcasters as we work on fixing those problems.

Numerous AM broadcasters spoke to me about the importance of expanding the availability of FM translators. I heard firsthand how FM translators have helped some stations expand listenership and boost advertising revenue. And I also heard from others who wanted to obtain an FM translator but couldn't find one.

So I wasn't surprised by the tremendous response by AM stations to the translator windows. In the first window, the Commission received 671 applications, and as of last week, we had granted 624 of them. So far during the second window, we have already received 268 applications and granted 200 of them. In sum, that's 939 applications received and 824 applications granted.

The stations that have received translators help to illustrate the diversity that is found on the AM band. Right here in Nashville, for example, WNLV, a Spanish-language station with a regional Mexican music format, has obtained a translator. To our west in Memphis, WAVN, a gospel music station, has obtained a translator. So has a Punjabi station in Yuba City, California, and two stations in Chicago that broadcast programming in Polish, Russian, German, and Korean.

Stations that play country music have also benefited. In my home state of Kansas, for example, KOFO-AM obtained a translator earlier this year and began using it in August. The station is located in Ottawa, a small town about fifty miles southwest of Kansas City. Besides broadcasting country music, the station serves its local community by airing local news, weather, agricultural programming, Ottawa University sports, high school sports, and, perhaps most importantly, Kansas City Royals games.

After the FCC granted KOFO's translator application, its owners issued a statement saying that the addition of a FM signal "gives KOFO another avenue to further our mission in becoming THE information and entertainment source for East Central Kansas. Our listeners will enjoy the increased coverage and quality sound, as well as the ability to listen via their smartphone through the *NextRadio* app."

The staff of the Media Bureau's Audio Division, which is led by the tireless, dedicated Peter Doyle, deserves an enormous amount of credit for their work in quickly processing KOFO's application and those submitted by hundreds of other stations. I am very grateful for all of their efforts, and radio broadcasters across the country should be as well.

Last October, we also reformed many of our technical rules pertaining to the AM band. The details of those changes are difficult for anyone who isn't an engineer to understand. But they will make a real difference to AM broadcasters. They'll make it easier for stations to improve their signal quality. They'll give stations more flexibility when it comes to site location. And they'll reduce AM broadcasters' operating costs.

Of course, the Commission's work on AM revitalization is far from over. For those AM stations unable to purchase a translator in the secondary market during the first two windows, the Commission will open up two more windows where AM broadcasters can apply to the FCC for new FM translators. While the Commission has not yet specified when that will take place, I will press for those windows to open in 2017.

Last October, we also teed up a number of additional technical ideas suggested by stakeholders to help revitalize the AM band. The comment cycle closed on those proposals earlier this year. There was

widespread support for some of these ideas, such as relaxing the main studio rule. Other ideas were more controversial. But rather than waiting until we can figure out how to resolve those thornier issues, I believe that the Commission should take action in early 2017 to advance those proposals where there is broad consensus.

Now, the AM band is most in need of the Commission's attention these days. But we shouldn't neglect the FM band, where the substantial majority of terrestrial radio listening takes place. If there are ways the FCC can modernize or update our regulations to help improve the quality of FM service, we should be open to them. And I'd like to discuss one such proposal with you this afternoon.

Over two years ago, the FCC sought comment on a petition for rulemaking that asked the Commission to create a Class C4 FM allocation. Class C4 FM stations would have more power than Class A FM stations but less power than Class C3 FM stations. Specifically, Class C4 FM stations would be allowed a maximum effective radiated power level of 12,000 watts from a reference antenna height of above average terrain of 100 meters. Under this proposal, it's likely that hundreds of Class A FM stations could upgrade to Class C4 FM stations. That means they could broadcast with increased power and provide service to more Americans so long as they didn't impact the existing service contours of other stations.

The feedback that the FCC received on this idea was generally positive. In particular, there was broad support for the idea from FM stations in rural areas and small towns. For example, the owner of KVPI-FM in Ville Platte, Louisiana said that proposal would mean his station's Cajun French and local music programming "would reach a larger area of South Central Louisiana." The proposal also has been endorsed by the Multicultural Media, Telecom and Internet Council (MMTC), which says that "expanding coverage areas to connect with a broader audience could help small and minority-owned stations gain access to capital and strengthen their foothold in the broadcasting arena."

I believe the idea of Class C4 FM stations is worth considering. I therefore support the Commission taking the next step in the administrative process and issuing a Notice of Proposed Rulemaking (NPRM). An NPRM would allow us to ask the right questions, explore the advantages and disadvantages of the proposal, and receive the views of all stakeholders. Then, we would be in a much better position to determine whether to implement this idea.

Another important issue for FM radio stations involves FM chips in smartphones. As you know, the vast majority of smartphones sold in the United States contain FM chips. But most of them aren't activated. According to recently released data, only about 35% of the top-selling smartphones in the United States have activated FM chips. That percentage is much higher in many other countries. In Mexico, for example, it's almost 80%.

Last week, the Communications Security, Reliability and Interoperability Council (CSRIC), an FCC Advisory Committee, "recommended that the FCC encourage the ongoing voluntary efforts between device manufacturers and the wireless industry toward enabling FM radio in smartphones to the extent commercially viable for all parties." CSRIC pointed out that "[h]aving access to terrestrial FM radio broadcasts, as opposed to streaming audio services, may enable smartphone users to receive broadcast-based EAS alerts and other vital information in emergency situations—particularly when the wireless network is down or overloaded." CSRIC also noted that "listening to FM radio broadcasts extends battery life by up to six times when compared to streaming audio . . . and is not contingent upon the availability of wireless networks. Thus, a smartphone with FM radio may be an emergency information source for longer periods of time when the power is out or when the wireless network is unavailable."

I wholeheartedly support CSRIC's recommendation and will continue to urge the wireless industry to activate FM chips in smartphones. Fortunately, we've been making progress on this issue. It was just announced this week, for example, that the percentage of top-selling smartphones in the United States with activated FM chips rose from 31% to 35% between the fourth-quarter of 2015 and the first-

quarter of 2016. And last year, AT&T and T-Mobile followed Sprint's lead and announced that they would be activating FM chips in their Android phones. I remain optimistic that the market will continue to move in a positive direction. As more and more Americans use activated FM chips in their smartphones, consumer demand for smartphones with activated FM chips should continue to increase. And as an FCC Commissioner, I will continue to speak out about the public safety benefits of activating FM chips and ask the wireless industry to do the right thing.

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A few months ago, I went back home to Parsons, Kansas. I dropped by the radio station I grew up with, KLKC. Some friends of mine, Wayne Gilmore, Greg Chalker, and Kirby Ham, bought the station recently, and they showed me the renovations they'd done. I was proud as a Parsonian to see what they've accomplished. And I know it sounds cheesy, but it made me feel good to know that kids in town can have the same connection I did with the station so many years ago. That's really what radio is about, isn't it? It binds people together, across geography and generations.

Since we're in Nashville, I thought that it would be fitting to close with these lyrics by country music star Alan Jackson who captured that feeling well: "When I'm on the road / When I'm far from home / And feelin' blue / Thank God for the radio." Amen to that.

Thank you for inviting me to this year's Radio Show. We've accomplished a lot together during the past year when it comes to the airwaves. And if we keep at it, I hope we can do even more over the next year to help radio broadcasters better serve the American people.