

Statement to the FCC Media Ownership Workshop
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I'd like to thank you all for the opportunity to speak today. We have many major issues facing broadcast industry in this country, and the solutions to our issues are not easy to execute, nor are they guaranteed to work. The future of our industry definitely offers no guarantees to any of us. The fact that the Commission is interested in getting a read on where we have been, where we currently stand, and where we are going, is encouraging to say the least.

By way of background, I started in broadcasting thirty nine years ago. It's all I've ever done. It's my career. It's a passion. It's a calling. I've been on air personality, an engineer, a local programmer, a national VP, a programming consultant, the CEO of a 55 station multi-market group, and finally, the owner of my own small market local radio group of 3FM's 1AM and LMA and a leased translator, some of which cover the whole market and some which do not – something that needs to be considered whenever looking at the make up of a consolidated cluster.

I have personally participated in the original wave of consolidation brought on by the Telcom Act of 1996 – when the company I was associated with purchased over 400 stations in less than 12 months. I saw first hand positives and negatives of consolidation. On one hand, without consolidation, I doubt that this industry would be a viable business today. The economies of this industry demand that we find better and more efficient ways to run and manage our radio stations against the plethora of new competing media and voices.

On the other hand, I have personally witnessed the problems inherent in rolling up hundreds, if not thousands of stations and expect to have any control or oversight over them whatsoever. Like any big bureaucracy, consolidated media can become bloated, unfocused, and overly cumbersome. There are definite programming issues with centralized control over localism.

So, where are we today? What conditions are impacting our ability to serve our local markets? I purchased my radio group in 2004 at a time of high optimism, high expectations, and even higher multiples. Since then, my radio group has improved it's ratings over fifty percent, by developing new and exciting programming offerings for our market. We've doubled the revenue of the cluster. We are very successful by any measure, yet the Company is currently worth 60% less than when we bought it. That's the reality of where we are. We have been swimming upstream for five years, and it's getting harder and harder to remain afloat. In fact, six months ago we had to file Chapter

Chapter 11 bankruptcy in order to protect the operation while we negotiate with our existing lenders to allow us the flexibility to move forward. By the way, Chapter 11 is in and of itself a very expensive and an inefficient process which squanders funds that would be better used servicing our listeners and community.

From a revenue standpoint, we are coming off the worst year I've seen in almost 40 years in broadcasting. Advertising revenue is down dramatically and not expected to return with any vibrancy. The days of double digit advertising growth are gone.

Bank financing, especially in markets my size is virtually non-existent. And if it can be found, it's at onerous interest rates and expectations. Our industry can no longer support 25% internal rates of return, or 15% interest rates. We are having to make hard decisions about our operations. We've had to cut staffing and services just to remain viable, and all these influences have an impact on our ability to serve our markets.

So, that's the bad news. The good news...

I'm still very optimistic about our industry. We are like an old dog learning new tricks. We may be slow, but we're not stupid. We are beginning to understand new media and how to compete in that arena. We are discovering new revenue streams and new ways of servicing our audiences. We are becoming multi-platform programmers. We have always been and will continue to be a resource to our local community – especially in small markets like Montgomery. Many of us local broadcasters live and work in our local markets. We are friends and neighbors. We're a local business, contributing to and supporting our local markets with news, information, the free exchange of ideas and entertainment. And that is what I'm most proud. When the chips are down, we are there. In my 39 years in the business I've been through hurricanes, tornadoes, 9/11, riots, and protests. We are there when children are missing and the weather is bad – in times of national emergency. When the power goes off, and the wi-fi goes down, and the cable isn't working, and the batteries on the computers go dead, we – local broadcasters are still there serving their communities. Oh, and by the way, one of the results of these local stations serving their local communities is increased advertising for those stations. Hopefully, those of us in local markets are upholding our mandate to serve in the public interest, convenience and necessity. We do not take those three words lightly. They are our working mandate.

In my opinion, we local broadcasters do not need help understanding our mission or mandate. We don't need more cumbersome paperwork or regulation. We don't need "community relations boards" to tell us how to do our jobs. We already understand our markets and we work daily to serve our communities. We understand that if we do not serve our constituents we will not be in business long. That's one of the basic tenants of a free market structure. Let us do our jobs and give us the support we need.

So, where do we go from here? Well, in my opinion you cannot regulate a sense of "mission". Those of us who live and breathe our local markets understand that mission.

Was consolidation a bad thing? No. Without it, we wouldn't have been able to adapt and compete. Are there some issues with consolidation, yes. Mostly because we have too many accountants, and financial institutions, and fund managers all exerting pressure on bottom line performance, and too much talk of return on investment and margins and interest rates and Wall Street expectations mostly at the expense of the product. If I was going to offer one suggestion, it would be to put broadcasters back in charge of broadcasting. Will that happen? Who knows? But our industry would be better served if real broadcasters were running some of these big consolidators rather than the accountants.

What we don't need are more outside industries - like the recording industry trying to pick our pockets just because their business model has become ill. In a world where TV costs money, the songs on my Ipod cost money, my wi-fi costs money, satellite radio costs money, my internet provider costs money...we, the United States over the air broadcasting industry is still FREE and local. Free and Local. That is why we will survive. That is why I'm still in the business.

Thank you for your time and attention.

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