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FEDERAL COMMUNICATIONS COMMISSION  
MEDIA OWNERSHIP WORKSHOP  
HEARING

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DATE: February 23, 2010

TIME: 6:00 p.m.

LOCATION: South Carolina State Museum  
301 Gervais Street  
Columbia, SC 29210

REPORTED BY: RITA A. DEROUEN, Professional  
Shorthand Reporter

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1 APPEARANCES:

2

3 PANEL MEMBERS:

4 JANE PIGG

5 Owner and President

6 WCRE-AM, Cheraw, SC

7 ALEX SNIPE

8 Owner

9 Glory Communications, Columbia, SC

10 HAROLD T. MILLER, JR.

11 President and CEO

12 Miller Communications, Florence,

13 Sumter, Orangeburg and Columbia, SC

14

15 EVELYN LUGO

16 President

South Carolina Hispanic Chamber of

17 Commerce

18

19 FOR THE FCC:

20 STEVE WALDMAN

SHERRESE SMITH

21 WILLIAM T. LAKE

JENNIFER TATEL

22

23

24

25

## 1 P R O C E E D I N G S

2 \* \* \* \* \*

3 MR. LAKE: Good evening, we'll get  
4 started. Welcome to this second session of the  
5 Commission's -- the FCC's workshop on media  
6 ownership. As I mentioned when we had our first  
7 session in the afternoon, the Commission is  
8 reviewing its rules for the ownership of broadcast  
9 radio and TV stations, and we're holding a series  
10 of workshops to seek public input on our rules and  
11 their impact on the industry and how they might be  
12 changed.

13 These are the first workshops that  
14 we're holding outside of Washington, and we're  
15 very happy to be here in Columbia.

16 The subject of our first session  
17 this afternoon was the state of the television  
18 industry, and we're speaking this evening about  
19 the state of the radio industry, although there  
20 was so much interest in radio that we heard a fair  
21 amount about radio, in particular, low-power FM  
22 during our television session.

23 This session, like the first one,  
24 will begin with a panel discussion, and then we'll  
25 have some questions from the moderators to the

1 panelists, and then we'll open the microphones and  
2 look very much forward to hearing comments and  
3 questions from members of the public.

4 I want to thank the museum for so  
5 graciously hosting us for this event and recognize  
6 Commissioner Mignon Clyburn, who's with us, and  
7 we're very delighted that she was able to come  
8 down with us.

9 We will begin with the panel  
10 discussion. Each of the panelists will speak for  
11 ten minutes. And we'll now just turn it over to  
12 our moderator, Steve Waldman, who is a senior  
13 advisor to Chairman Genachowski of the FCC.

14 MR. WALDMAN: Thank you very much,  
15 Bill. The context for this workshop, of course,  
16 as with the TV workshop, is a media landscape that  
17 is changing dramatically and rapidly in many  
18 different ways.

19 And today we'll be looking at the  
20 effects on radio and how radio stations or content  
21 providers are reacting to it and how FCC policy  
22 relates to that.

23 So the panel that we have today  
24 includes Evelyn Lugo, President of the South  
25 Carolina Hispanic Chamber of Commerce; Harold

1 Miller, the President and CEO of Miller  
2 Communications; Jane Pigg, owner and president of  
3 WCRE; and Alex Snipe, owner of Glory  
4 Communications.

5 So why don't we start first with  
6 Evelyn Lugo, President of the South Carolina  
7 Hispanic Chamber of Commerce.

8 MS. LUGO: Thank you, sir. And good  
9 evening everybody. Before we start, I'd like to  
10 thank Commissioner, Madame Commissioner, and her  
11 staff for giving me this opportunity to be here  
12 today and to speak to you on behalf of the South  
13 Carolina Chamber of Commerce.

14 And I have already introduced  
15 myself, of course, I'm Evelyn Lugo, the president  
16 for the first Hispanic Chamber here in South  
17 Carolina.

18 Allow me to give you a little bit of  
19 history about the Chamber. I came from Puerto  
20 Rico almost four years ago, and a little after my  
21 arrival here in Greenville, South Carolina I got a  
22 job in the credit card industry.

23 My first task was to reach out for  
24 the Hispanic community, especially the business  
25 community. Needless to say that what I found

1 among the business community was discouraging.

2           People were trapped in contracts and  
3 had little understanding of the process in  
4 industry; and, a long story short, also finding  
5 that there were no Hispanic Chambers to help them.

6           The U.S. Hispanic Chamber of  
7 Commerce in Washington encouraged me to start a  
8 Chamber, and in August of 2007, the South Carolina  
9 Hispanic Chamber of Commerce was incorporated.

10           It is through my work in getting the  
11 Chamber started that I came across Marta Lucia,  
12 who has more than ten years in the radio industry  
13 in the upstate, where she produces and conducts a  
14 community talk show helping me to introduce the  
15 Chamber to the community.

16           Soon I learned about her struggles  
17 to have her radio show on the air, especially  
18 since we all know the air in the radio is not  
19 free, and all the work she has to do to get her  
20 show going.

21           Also, we have seen the closings of  
22 the probably only Hispanic-owned station in the  
23 Greenville area due to the economy that we all  
24 know has affected our nation and the world.

25           It is my opinion that we need more

1 presence of minority- and women-owned businesses  
2 in our state, though I recognize that the Hispanic  
3 community is a young emerging minority group but  
4 with a tremendous impact in the community as a  
5 whole.

6           In the TV panel, early this  
7 afternoon, we heard words such as contribution,  
8 participation, education, and information. And  
9 they were certainly well-spoken, but if we don't  
10 get those words into action, they might certainly  
11 mean nothing or little to our community,  
12 especially in the business industry where you see  
13 men and women trying to do their own businesses  
14 and to grow and to participate and to really  
15 contribute to this economy and to the State of  
16 South Carolina.

17           And I just want to let you know that  
18 the Hispanic Chamber is here to help this  
19 community, that we see and we understand that they  
20 have a lot of struggles, and we want to  
21 participate more.

22           We want to open our doors, not only  
23 for the Hispanics but for any other minority that  
24 would like to come and grow with us as we are  
25 going into our third year with just a new Chamber,

1 a new concept in South Carolina.

2 As I already told you, we are the  
3 first Hispanic Chamber. Once again, I want to  
4 thank the Commission for allowing me to be here  
5 and represent the minority and especially the  
6 Hispanics here in South Carolina. Thank you.

7 MR. WALDMAN: Thank you very much.

8 Next we'll hear from Harold Miller, President and  
9 CEO of Miller Communications, which has stations  
10 in Florence, Sumter, Orangeburg and Columbia.

11 MR. MILLER Thank you very much.  
12 Thank you very much, Madam Commissioner. I do  
13 appreciate being here. I'm Harold T. Miller, Jr.,  
14 of Miller Communications. We operate 15 radio  
15 stations in South Carolina.

16 You know, changes to any industry  
17 brings positive and negative results. I've found  
18 that being a small-market broadcaster with the  
19 ability to operate subradio stations from one  
20 centralized office or studio has enhanced our  
21 operations and provided a vehicle for Miller  
22 Communications to better serve the public  
23 interest.

24 By grouping a cluster of stations  
25 located in a centralized office and studios built

1 in Florence, Sumter, Orangeburg but close to the  
2 adjacent licensed communities have positive  
3 efficiencies and far outweigh any negatives.

4 We're able to provide better news  
5 coverage, sports coverages, community forums,  
6 military reports, interviews, church services,  
7 broadcasts, festival coverage, fairs, community  
8 programming, et cetera.

9 Convergence has provided better  
10 access for the public and community officials to  
11 access the airways. One thing that has been a  
12 godsend, I've been able to have multiple stations,  
13 and not only do our stations broadcast from a  
14 centralized location, but we can tie them together  
15 by fiber links in emergencies, not only the recent  
16 snow emergency, which turned out to be not as bad  
17 as it could be recently here as D.C. and the  
18 Northeastern part of the United States, but  
19 hurricanes and also ice.

20 For example, we can centralize in  
21 one place much like the ATF or the FBI or NASA  
22 would do for control point for a missile launch.

23 By having all our resources in one  
24 location, not only do we have an abundance of  
25 staff to cover whatever we need to cover, but, for

1 example, when a hurricane hits the coast, you're  
2 most likely going to have some services knocked  
3 down on your stations unless you're very hardened.

4 By backing up to a centralized  
5 location like in Florence, South Carolina, you can  
6 still furnish feeds out on the network and you can  
7 be feeding these secondary stations off the coast  
8 that have a good chance of staying up along with  
9 the stations on the coast that do stay up.

10 Now, for example, we were able to  
11 maintain 24-hour coverage in these type of  
12 environments by having a network up and be able to  
13 continue to give information.

14 I learned my lesson in Hugo before  
15 we ever tried this or were able to do this, when  
16 you could literally hit the button and the FM  
17 would run from 88 all the way up to the end of the  
18 band with no coverage; of course, that was during  
19 the storm while electricity was erratic and all  
20 kinds of particles were flying through the air.

21 So the very interesting part that's  
22 come out of this is public service. Let me give  
23 one example. There was a lady in Pinewood, South  
24 Carolina who was in labor, had left her house for  
25 no heat, no electricity. She was in her car.

1                   She could not stay warm anymore  
2           because the gas had run out of the car. She  
3           called into the radio station on the air. People  
4           heard this call. We found that opening up the  
5           phone lines -- there's only so much information  
6           you can give out over and over, so we turned it  
7           over to group therapy, we let people talk,  
8           neighborhoods, let people tell what happened in  
9           different places on live area network to tie the  
10          stations together.

11                   When people heard this, people with  
12          chainsaws and four-wheel drives went and cut their  
13          way in, got the lady, the paramedics took her to  
14          the hospital, and all was well. Now, that's what  
15          radio is all about. That's what makes it worth  
16          getting up and going in.

17                   I mean, the other -- the other day  
18          we had the snow, you have to almost tell the staff  
19          that you have too many people sometimes because  
20          everyone likes to go in and do those kind of  
21          things, it's a love of the industry and serving  
22          the public, and that's what you need when you  
23          operate radio.

24                   The one thing about radio stations  
25          that you've got to understand, and television, in

1 the words of Former Commissioner Jim Quello of the  
2 FCC, he used to always say, "A radio station  
3 serving the public interest is one in the black."

4 Now what that statement means is  
5 simply this: if you're broke, you can't help  
6 anybody. Let me illustrate. How can you throw  
7 five dollars into a Salvation Army kettle at  
8 Christmas if you don't have any money in your  
9 pocket?

10 So, in other words, if your radio  
11 station is not making money, you cannot provide  
12 the staffing, the equipment, or keep up the  
13 maintenance on the facility to be able to be  
14 reliable.

15 You must make sure that you can pay  
16 your bills, it is vital to be a good community  
17 business and to also serve the public interest.  
18 It is vitally important, especially in this day  
19 and time, we do that. Especially this present  
20 climate that we're in economically, we've got to  
21 be very frugal.

22 We had to lay people off, like many  
23 industries; it was heartbreaking. But the bottom  
24 line was that's what we had to do to get by.  
25 We've had to have people do three or four jobs

1 where we used to have three or four people. It's  
2 tough.

3 But we're all working together, and  
4 we hope with time things will turn around. And  
5 we've seen this in many industries, not just our  
6 industry: the car industry, the banking  
7 industry. We're all aware of where we are right  
8 now.

9 Let's talk about some other  
10 interesting points that were asked -- or questions  
11 that were asked or subjects of curiosity here as  
12 far as this inquiry is concerned. The state of  
13 radio right now, as far as it up against the new  
14 devices, technology. The bottom line with public  
15 radio or commercial radio is anyone can play back-  
16 to-back music.

17 Broadcasters can entertain but also  
18 they can lace their products with local content,  
19 weather, and public service. They can show up at  
20 events, the Heart Walk, they can be there, they  
21 can extend a hand, they can help the Chamber sell  
22 out their Expo, they can reach out to minority  
23 groups and help them grow their Chambers, which  
24 we'd be glad to do.

25 The bottom line is, if you forget

1 where you're from as far as the license and  
2 community that you serve is the day you should cut  
3 off your transmitter because you're not going to  
4 make it, bottom line. You've got to be community  
5 oriented.

6           People also want to know where they  
7 can get three hot dogs for a dollar; it's  
8 important. They want to know what's going on in  
9 their communities, not only in advertising, public  
10 service, events, events for children, so on and so  
11 forth. You've got to keep that going. So serving  
12 the public is a vital part in our roles.

13           Stations are financially suffering  
14 right now, but centralization was a godsend as far  
15 as being able to operate effectively and  
16 efficiently right now. That has been able to help  
17 us get through this tough time that we're still  
18 in, and hopefully we'll get through the rest of  
19 it, all of us together, all businesses.

20           Market changes right now currently  
21 in markets in South Carolina that I know  
22 personally of and looking around in adjacent  
23 markets to South Carolina -- I feel as though  
24 markets are changing or what move-ins and move-  
25 outs are still existing, what few stations are

1 left to cluster, and what stations might be going  
2 out of business, that's the availability as far as  
3 changes in markets.

4           Programming is certainly affected by  
5 competition and signals in the market. Usually,  
6 the more signals in a market the more diverse the  
7 programming is. As far as concentration of radio  
8 on a national level and radio ownership on a  
9 national level, let the free market take care of  
10 itself, the strong will survive and the weak will  
11 sell to somebody else who thinks his or her  
12 business model will be successful.

13           Anytime there's a change in  
14 industry, there will be good and bad in the shake-  
15 out. The bottom line is the concern for broadcast  
16 and competition in broadcast is not other radio  
17 stations, it's through technology, broadband.

18           Radio stations are limited as to how  
19 many things they can do, television stations also,  
20 where broadband can do numerous things. It's  
21 imperative that we keep pace with technology  
22 ourselves and also that the FCC helps us grow.

23           Right now, as far as ownership caps,  
24 we should do nothing, we should keep it where it  
25 is. Subcaps, it's -- I have a difficult time with

1 subcaps, and it's a difficult subject to actually  
2 explain, but there are limitations on how you can  
3 own stations.

4 I feel it's unfair because what one  
5 counts against a low-powered station also counts  
6 for high-powered stations. So the bottom line is,  
7 if you're on 100,000-watt station, the cap -- it's  
8 like a small station, and we all know that a  
9 larger station gets out much further.

10 So without going into a lot of  
11 detail, I'm just going to put that into the record  
12 because it's hard to explain and my time is  
13 running out here.

14 Can I have a few more minutes, is  
15 that okay?

16 As far as amending the rural factors  
17 in the market shares of stations, I feel we should  
18 get away from private rating companies to rate or  
19 to determine the litmus tests for broadcast  
20 ownership in markets.

21 I would rather see us go back to the  
22 old contour method, where actually we see what  
23 signals, what strength overlap and where. The  
24 reason why is I don't feel like all these rating  
25 services are accurate. We have dropped the

1 current company that we use because of the  
2 inaccuracies.

3                   And it bothers me that that could  
4 influence someone for owning more than or less  
5 than their fair share in a marketplace. I feel  
6 that the old contour method absolutely proves  
7 whether a station puts a certain city-grade  
8 signal, city-grade signal meaning the same thing  
9 as a hand-held here in this building, you can see  
10 your signal.

11                   City-grade is the same thing as a  
12 radio, you can pick up the signal in this building  
13 or anywhere in this town. City-grade, same as a  
14 hand-held signal. That's what determines whether  
15 a radio station effectively covers a town.

16                   MR. LAKE: Thank you very much. If  
17 you have some further thoughts, we'd welcome them.  
18 We'll go through the panel and then --

19                   MR. MILLER: Thank you. I do have  
20 some further things I would like to add. Thank  
21 y'all, and that was a fast ten minutes.

22                   MR. WALDMAN: Thank you very much.  
23 Next we're going to hear from Jane Pigg, who is  
24 the owner and President of WCRE in Cheraw.

25                   Am I pronouncing that right?

1 MS. PIGG: That's right, P-I-G-G, as  
2 in oink, oink.

3 I am Jane Pigg. I'm the President  
4 of the South Carolina Broadcaster's Association.  
5 I'm a resident of Cheraw, and I'm the licensee of  
6 WCRE and translator W-230AS.

7 My station is the only radio station  
8 physically located in Chesterfield County and one  
9 of only two live local stations in the  
10 Northeastern area of South Carolina.

11 All of our programming other than  
12 Coastal Carolina football originates in our  
13 studios. We're an oldies format with heavy  
14 emphasis on news, events, festivals, and high  
15 school sports for both boys and girls.

16 WCRE is located in somewhat of an  
17 isolated area. We fringe on the Charlotte and  
18 Florence metro areas, but we don't identify with  
19 those areas. I'd like to comment on the state of  
20 the radio marketplace and how marketplace changes  
21 have affected the media marketplace.

22 This question can be answered in two  
23 ways. The service radio provides is great. We  
24 are serving our communities at unprecedented  
25 levels. Just recently, stations across America

1 broadcast continuously during the severe weather.

2 On the other hand, the current state  
3 of the radio marketplace is quite depressed,  
4 especially in small market areas, such as Cheraw,  
5 South Carolina. We have additional competitors  
6 for people's time.

7 I think that whenever we have a new  
8 media that competes for radio time, such as iPods  
9 and satellites, it's like the hula hoop. It's a  
10 great fad, but the when fads dies and things get  
11 back to normal, radio always comes back due to its  
12 local programming and service.

13 Radio that is simply a source of  
14 music entertainment is probably affected by the  
15 new technologies in the marketplace. There are  
16 niche formats now available in even the smallest  
17 markets via satellite, iPods and other mobile  
18 listening devices.

19 However, importantly, and especially  
20 in small markets like ours, radio provides daily  
21 services including local news, weather, community  
22 announcements, emergency announcements, local  
23 coverage of everything from sales to local sports  
24 to community activities.

25 Last night we had a police officer

1 who was shot in the line of duty in Cheraw. We  
2 were able to follow this story all the way through  
3 until the end. It's stories such as this that  
4 make our local audience tune in to us.

5 The largest adverse market change to  
6 have affected us recently has been the general  
7 poor state and especially the poor state of the  
8 automobile industry. We lost five dealers who  
9 regularly advertised with us.

10 These dealers represented from 15 to  
11 20 percent of our monthly billing, and that's  
12 billing that isn't easily replaced in a small or  
13 large market.

14 I'd like to comment on marketplace  
15 changes, including AM stations on FM translators,  
16 which had enabled AM owners like me to have a  
17 second voice on FM. From my small market  
18 perspective, this has been the biggest and the  
19 most beneficial change in recent history for 1420  
20 WCRE, which began broadcasting on July 17, 1953.

21 The ability to rebroadcast on 93.9  
22 FM has given new life to my radio station. We  
23 have listeners that did not even know our AM  
24 station existed. We greatly increased our  
25 listeners in our local market, we're able to

1 completely serve our community 24 hours a day,  
2 seven days a week, and this is especially helpful  
3 during high school ball games and severe weather.

4 Listeners can hear us on a clear  
5 signal. Like most AM stations, the WCRE signal  
6 had been greatly affected by changes in the  
7 marketplace. We signed the translator on the air  
8 April 1st, 2008, and suddenly WCRE became a major  
9 media influence in the marketplace.

10 In times of severe weather and  
11 emergency situations, everyone always listened to  
12 WCRE, but this new signal has made a tremendous  
13 difference. It's not scratchy, it's not limited.  
14 Now WCRE can be our local market's station every  
15 day, every hour of every day.

16 With more listeners, our advertisers  
17 get more results. Our advertising has increased,  
18 which has allowed us to hire additional employees  
19 and better serve our community.

20 Consolidation has had a very  
21 positive side. It has one -- it's one that can't  
22 be ignored by the Commission. Many small-market  
23 stations that provide vital services to their  
24 towns and counties have only survived through  
25 consolidation.

1                   Where there have been huge drops in  
2 revenue and programming has been reduced, in most  
3 instances, stations that are owned by broadcast  
4 professionals as opposed to bankers and bean  
5 counters, they've been better able to weather this  
6 economic storm and continue to serve the  
7 community.

8                   I'd like to tell you a personal  
9 story of some coverage that we did. In September  
10 of 2004, a tornado hit a wing of Cheraw Primary  
11 School. WCRE was on the air immediately with news  
12 reports and reassuring parents that no child was  
13 hurt.

14                   We literally gave our microphone to  
15 the police captain so that he could direct traffic  
16 to parents trying to get their children. The  
17 traffic pattern had to go through parking lots and  
18 backyards. Apparently, everyone was listening to  
19 the station because not a single car got out of  
20 the traffic pattern.

21                   During Hurricane Katrina, a former  
22 Cheraw resident called the radio station. She had  
23 been unable to call her mother. She was using her  
24 last calling card, and she only had two minutes  
25 left on it.

1                   We were able to get the number she  
2 was calling from, call her back, put her on the  
3 radio. She was able to get a message to her  
4 mother. Of course, as soon as we got off the air,  
5 we went and bought another calling card for her.

6                   It's stories like those that make  
7 local radio so important to the community. Local  
8 radio that serves the community will always be  
9 with us. I own the local newspaper in my area,  
10 and we have been able to combine our resources  
11 with our news reporters and extend our radio  
12 coverage. It works very well for us.

13                   Our newspaper comes out on Tuesday,  
14 and we are able to get news out immediately, more  
15 so than if we were just depending on the revenue  
16 from the radio station alone.

17                   In closing, I would like to say that  
18 I appreciate the opportunity to come and speak out  
19 for my industry. Radio is so valuable to a  
20 community. Every local community deserves a  
21 strong local radio station. These local radio  
22 stations like mine go out to the schools, we  
23 participate in career fairs, we broadcast the  
24 local ball games, we share with the community.

25                   It is our goal at WCRE to make

1 everyone's day just a little bit better because he  
2 or she listened to WCRE. Thank you, Commissioner;  
3 thank you, Commission staff. I appreciate the  
4 opportunity to speak with you.

5 MR. WALDMAN: Thank you very much.  
6 Finally, we'll hear from Alex Snipe, the owner of  
7 Glory Communications.

8 MR. SNIPE: Good evening and thank  
9 you for the opportunity to speak tonight. My name  
10 is Alex Snipe, President of Glory Communications,  
11 which operates radio stations here in Columbia and  
12 in several other cities in South Carolina.

13 I have worked in the industry for 29  
14 years. I am a member of the South Carolina  
15 Broadcaster's Association, Radio Board, and a  
16 former member of the National Association of the  
17 Broadcaster's Radio Board.

18 Radio has always held a special  
19 place in my heart. Since I was a boy, it was how  
20 I interacted with the outside world. Each station  
21 that I listened to was a new experience for me.  
22 Now my grandchildren have the Internet, satellite  
23 radio, cell phones, texting, Twitter, iPods, and  
24 other mediums to interact with.

25 It is a far different world today

1 than it was many years ago. There are more  
2 options to choose from. Today radio shares the  
3 marketplace with many other mediums. Each new  
4 technology consumes a slice of the available  
5 audience pie, but the new technology expands the  
6 opportunity for radio to nurture listeners and  
7 grow audience share.

8 Radio is separated by its unique  
9 underlying responsibility to the community. Its  
10 mission to serve the public interest is a valuable  
11 platform for our communities. Free over-the-air  
12 broadcasting is the only medium with an obligation  
13 to serve the public interest.

14 The past two years have been very  
15 difficult ones economically for the country. Our  
16 communities have experienced layoffs, high  
17 unemployment, business closings, and home  
18 foreclosure crisis.

19 During times of crisis, local  
20 radio's commitment to inform and enlighten the  
21 community shines bright, be it local news,  
22 election coverage, participation in amber alerts,  
23 weather, raising funds for education, feeding the  
24 hungry, providing valuable information on health  
25 care, and the local high school sports.

1                   Glory Communications stations are  
2 committed to making a difference. During the  
3 recent foreclosure crisis, we kept listeners  
4 abreast of information on mortgage relief  
5 programs.

6                   During the Presidential election, we  
7 provided live pre- and post-coverage of the first  
8 Democratic presidential debate at South Carolina  
9 State College and the Republican debate at the  
10 Cobra Center. We aired live coverage of the  
11 first address before the joint South Carolina  
12 Legislature by an African-American Congressman  
13 since Reconstruction.

14                   Over the past four years, the Glory  
15 Communications stations have raised and awarded  
16 \$1,500 scholarships to 30 underprivileged high  
17 school seniors attending college through our  
18 future leader scholarship program.

19                   Each year we provide Thanksgiving  
20 meals for hundreds of families during our Share  
21 the Spirit of Giving campaign, and during  
22 Christmas gifts for hundreds of children that  
23 otherwise would not have received anything.

24                   This year, one particular family was  
25 brought to my attention, a family of eight, both

1 parents unemployed, the father had suffered a  
2 stroke and was very ill; the mother, in her 30s,  
3 was battling cancer and was under hospice care.

4           There were six children ranging in  
5 ages two to ten. The mother was so overwhelmed  
6 with appreciation she took a moment to share her  
7 story with the staff members. Needless to say, it  
8 was very touching.

9           In the local markets we operate,  
10 there have not been any changes to speak of in  
11 concentration over the past four years. The  
12 markets have settled into a variety of different  
13 formats.

14           The combined ownership of multiple  
15 radio stations in a single market has proven to  
16 provide faster response in emergency conditions  
17 over multiple formats. This increases the number  
18 of stations with access to vital information for  
19 the public.

20           The competitive landscape ensures a  
21 constant search for niche formats that will  
22 attract new audiences. The marketplace demands a  
23 variety of formats to satisfy the diversity of  
24 each community. It makes good business sense to  
25 seek an underserved segment of the population to

1 provide programming suited to their lifestyle.

2           Diversity is alive and well because  
3 radio is always in the hunt for new opportunities.  
4 In the Commission's quest for greater local  
5 service by broadcasters, please be mindful of the  
6 unintended consequence of overregulation.

7           Serving the local community is a  
8 broadcaster's path to success. It is driven by  
9 the need to fulfill a demand. It makes good  
10 business sense to serve the public interest. It  
11 is what separates radio from all other mediums.

12           FCC policies have the ability to  
13 assist radio stations in providing greater  
14 community service. Rules that will not create or  
15 increase burdensome reporting requirements allow  
16 broadcasters more resources for other valuable  
17 services.

18           How, when, and where the public gets  
19 news and information has changed drastically.  
20 There are many media choices that deliver news  
21 anywhere, anytime. The dominance newspaper once  
22 enjoyed has given way to the Internet and other  
23 mobile news services.

24           Some days I can't believe the size  
25 of the daily paper. The market has made a swift

1 change away from the paper being its main source  
2 of the news. It is probably time for the  
3 Commission to consider further relaxation of the  
4 cross-ownership rules.

5 I would like to mention a couple of  
6 actions by the FCC that have been very helpful to  
7 radio ownership, AM on FM translator. This action  
8 by the Commission has breathed new life into AM  
9 stations.

10 Once-dying daytime AM stations now  
11 can provide 24 hours of programming to their  
12 audience. This means more news, more local  
13 coverage, and public information to those  
14 communities. It would be helpful to resolve the  
15 translator backlog and rule in favor of  
16 continued AM use of FM translator.

17 Secondly, I want to thank the FCC  
18 for its diversity initiatives of the '90s. It was  
19 through this Commission's efforts that increased  
20 diversity -- let me repeat that.

21 It is through the Commission's  
22 effort to increase diversity in broadcast  
23 ownership that I was able to enter ownership.  
24 Based on today's landscape, other minorities do  
25 not have the same opportunity afforded me.

1                   As much as possible should be done  
2                   to ease entry for females and minorities. This  
3                   will help to ensure diversity and media ownership.  
4                   The NAB's educational foundation BLT program is  
5                   doing a great job preparing minorities for  
6                   ownership. Several people I know have completed  
7                   the program and raved about its effectiveness.  
8                   They are provided information that they would not  
9                   normally have access to.

10                   My youngest daughter, who is here  
11                   with me tonight, has worked in the family business  
12                   for 15 years. She is now enrolled in the program.  
13                   We hope the knowledge that she gains through the  
14                   program and her work experience will help improve  
15                   her chances for broadcast ownership.

16                   As an African-American, it was  
17                   difficult for me 17 years ago, but today it will  
18                   be next to impossible for her and other females  
19                   and minorities wanting to enter ownership. As we  
20                   look ahead to the future of radio ownership and  
21                   what it will look like, we look for a balance that  
22                   will reflect the cultural makeup of this country,  
23                   one that is economically strong, technologically  
24                   advanced, and regulatory compliant.

25                   Thank you again for coming here

1 today and for the opportunity to speak with you.

2 MR. WALDMAN: Thank you very much  
3 for really excellent statements. What we're going  
4 to do next is have some questions from the FCC  
5 staff, and then after that we'll open the floor up  
6 to questions from the audience.

7 MS. SMITH: I'd like to follow up on  
8 a point that Alex made about concentration, and I  
9 wanted to hear from some of the others on the  
10 panel about what they're seeing as far as  
11 concentration in the marketplace.

12 Has that changed in the last four  
13 years and what impact, if any, has it had on local  
14 news and other local content?

15 MR. MILLER: Commissioner, I would  
16 say that it's slowed down a good bit. The  
17 situation in South Carolina has left just a  
18 handful of locally owned stations out there.

19 The activity, as far as marketplace  
20 changes that have been move-ins or move-outs, are  
21 stations purchased that are remaining locally  
22 owned or owned by an individual or a company that  
23 wants to sell off that only owns one or maybe two  
24 AM/FMs.

25 And I think the economics of the

1 last few years have also affected that too.  
2 People are not out buying stations like they used  
3 to. Although there's some movement, there's  
4 nowhere near the movement there was three years  
5 ago.

6 I think it's somewhat -- I would say  
7 somewhat stabilized; although there's some slight  
8 movement, but it is not, in my opinion, enough to  
9 say there's been any dramatic swings.

10 One I can think of, for example,  
11 would be there was a station that moved from down  
12 the road into Columbia and became a sports station  
13 and recently -- they are doing a good job, but  
14 that added to the Columbia market landscape, a  
15 50,000 -watt channel. That would be a move into a  
16 market that had an effect on the market, for  
17 example.

18 But you don't see those kind of  
19 opportunities happening where you used to have  
20 two, three, four, five of those going on. That's  
21 not going on anymore as far as South Carolina is  
22 concerned. I'm just not as knowledgeable with the  
23 other states to be able to present that to you.

24 MR. WALDMAN: Could I follow up on  
25 that? You said there were only a handful of

1 locally owned stations in South Carolina. Is that  
2 a positive or a negative or a neutral? What do  
3 you make of that?

4 MR. MILLER: When I say a handful, I  
5 don't mean just five or six. For example, we have  
6 15 stations which are all locally owned, South  
7 Carolina corporations, all South Carolinian-owned  
8 companies. But I don't think it's been  
9 necessarily a negative.

10 It's changed radio's landscape, but  
11 I think what we're seeing now is the strong will  
12 survive, the weak will not. When those  
13 stations -- I think, if you're looking -- this  
14 might be changing the gear on you a little bit.

15 I think, if you're looking for  
16 diversity, where the issue is the problem,  
17 stations will become available. I think the  
18 financing and the money is the issue here.

19 There's always going to be stations  
20 available, and as time goes on, I think you'll see  
21 a lot of these consolidations, maybe some of those  
22 will be spun off. Who knows. But the bottom line  
23 is I think we need to enable the people that want  
24 to get into this industry to have access to the  
25 funds to be able to get into this.

1                   MR. SNIPE:  If I could jump in for a  
2 moment.  I think Harold's point of reference is  
3 compared to what it was 15 or 20 years ago.  
4 Harold has been involved with radio in South  
5 Carolina for a number of years, probably 20-plus  
6 years.

7                   So when we attend the Association  
8 meetings, at one point there was probably ten  
9 managers or owners in a community like Columbia or  
10 maybe Charleston, whereas now that's reduced to  
11 maybe three or four, in some cases five.

12                   So I think, when you look at the  
13 reduction from that perspective, it's a small  
14 number.  But it has not changed over the last four  
15 years; it's relatively stable.

16                   The same people or the same  
17 companies that have owned stations in Columbia or  
18 Charleston are still there.  But the point of  
19 reference was from maybe 15 or 20 years ago, where  
20 there was a general manager and sales manager for  
21 each station and perhaps seven or eight owners in  
22 the market, and that's what makes it seem like a  
23 handful.

24                   When we look around and look for  
25 other managers and owners to get involved in the

1 Association, then it's very slim because there are  
2 fewer owners, but that's something that's across  
3 the country.

4 MR. LAKE: To follow up further on  
5 this question of concentration, I think when the  
6 Commission reviewed its rules four years ago,  
7 there was a great deal of concern in some quarters  
8 that massive consolidation was occurring and that  
9 this was a threat to some local or diverse values.

10 I think, at the national level, some  
11 sense of that trend has slowed, if not reversed,  
12 and that there's some deconsolidation going on.  
13 Bringing that question down to the local level, do  
14 any of our broadcaster panelists think that if we  
15 relaxed our rules, would we see more consolidation  
16 in this local market, or is it all basically  
17 happening as a result of market forces rather than  
18 our rules at this point?

19 MS. PIGG: I'd like to comment on  
20 that. I think it comes down to money. As far as  
21 serving the communities, a good broadcaster,  
22 whether it is a local owner or a national owner,  
23 is going to serve that community.

24 A person in New York can have a  
25 manager in a South Carolina radio station to

1 thoroughly serve that community. I don't believe  
2 that's the issue.

3 As far as the multiple ownership, it  
4 gets down to the money. If a person can get the  
5 money, he or she can go into broadcasting, but it  
6 comes right down to the money, which is a -- that  
7 is the stumbling point at this time.

8 MR. SNIPE: I think, from my  
9 perspective, the marketplace is driving  
10 the changes that we see, or the lack of changes.  
11 I think that, even if the rules were relaxed, you  
12 wouldn't see more combinations or more  
13 concentration at this point in time because, you  
14 know, it has to make sense in terms of money.

15 So I think that the marketplace is  
16 dictating the activity that you're seeing, or the  
17 lack of.

18 MR. WALDMAN: The FCC, when it  
19 determines rules like this, it has to think not  
20 only about what the current economic climate is  
21 but also what it might be two, three, four years  
22 out.

23 So the question then is: When we  
24 talk about well, it's really economic forces that  
25 are limiting the numbers of consolidation, are

1       those economic forces the current recession, in  
2       other words, something that will change hopefully  
3       in a year or two, or are they something more  
4       systemic that will stay there three or four years  
5       down the line?

6                   MR. SNIPE:  I think that flat will  
7       be the new up.  I don't think that we're going to  
8       get back to the days that we used to have some  
9       time ago.  I think that the market has changed too  
10      much.

11                   I think that we are in a bad  
12      economic situation that we are hoping will  
13      improve, but it will not improve to the point that  
14      we will have the same Wall Street interest and the  
15      same kind of investments that we had before.  So I  
16      think you will see --

17                   MR. WALDMAN:  Why do you think so?

18                   MR. SNIPE:  Why I do think that it  
19      won't?

20                   MR. WALDMAN:  Yes.

21                   MR. SNIPE:  One of the reasons is  
22      that we're sharing the market with so many other  
23      mediums, so that's one major reason.  And  
24      investors look for the newest technology, the  
25      newest thing that's working, and right now radio

1 is not it.

2                   There are a lot of positive things  
3 on the horizon. HD radio hopefully will offer  
4 some other opportunities and things that hopefully  
5 the Commission will do in the future will probably  
6 drive some investors back to radio, but I don't  
7 see that it will reach I guess where we were  
8 before.

9                   MR. WALDMAN: Did you have any  
10 questions?

11                   MS. TATEL: Not right now.

12                   MR. WALDMAN: Jane, when you  
13 mentioned, in theory, a station owned by someone  
14 in New York can do a perfectly good job serving a  
15 local community if they have the right manager on  
16 location, so that raises the question not so much  
17 -- not just of concentration but of whether or not  
18 it's concentration that's locally owned versus  
19 nationally owned.

20                   And your view, as you said, was that  
21 nationally owned radio chains can be just as good  
22 as locally owned chains at serving local areas.

23                   So, first of all, I wanted to see  
24 what the rest of you thought of that. Do you feel  
25 that nationally owned chains -- has the track

1 record been that they serve local communities as  
2 well as, say, South Carolina owned chains or local  
3 individual stations?

4 MR. MILLER: Absolutely. And, in  
5 addition to that, they've been good partners in  
6 the South Carolina Broadcasters Association. A  
7 lot of stations have actually hired former South  
8 Carolina managers.

9 Secondly, the people that have  
10 transplanted into South Carolina have become  
11 valuable partners in our Association and helped  
12 the Association grow and prosper and have been  
13 good broadcast stewards and very active. There  
14 are always a few, there's a few in every  
15 industry.

16 MR. SNIPE: Well, I think that it's  
17 a matter of the culture of the company that has  
18 stations in a particular market than the manager  
19 that's actually on the ground in that market and  
20 his interest in the community, and I think that  
21 they can serve as well.

22 I like to think that because I'm a  
23 local person I can do just a pinch better because  
24 I attend church in the community, I care about the  
25 families that are there, I've grown up in it.

1                   So I think that there's an advantage  
2           that someone who has grown up in a community and  
3           lives in that community may have, but in terms of  
4           being able to do the same job, they are capable.

5                   During my experience at NAB, I met a  
6           lot of the larger broadcasters and I've attended  
7           several of the awards, banquets, the Crystal  
8           Awards, the Marconi awards, and there's a big  
9           emphasis on serving the community because it does  
10          make good business sense, and particularly in  
11          times like we're in now.

12                   So I think that all companies are  
13          reaching deeper into the community. I'm just a  
14          little biased and think, because I'm here, I can  
15          do a better job.

16                   MR. WALDMAN: A number of you talked  
17          about news, news and information or providing  
18          information to community through crisis  
19          situations.

20                   And, of course, the context that  
21          we're -- the broader context that the media  
22          landscape is showing is that newspapers are  
23          contracting and other forms of media are having  
24          trouble.

25                   Do you feel -- what do you see as

1 the basic trend lines for radio, specifically in  
2 terms of the question of providing local news and  
3 information, is this something that's been what  
4 about it was five, ten years ago and where do you  
5 see it going in the future?

6 MS. PIGG: Local news is not where  
7 it was five or ten years ago; this is more due to  
8 economics. When radio stations have had to cut  
9 back personnel, many times news reporters were cut  
10 out, and, in some instances, news departments were  
11 cut out. It is a matter of economics more than  
12 anything else, in my opinion.

13 MR. MILLER: We tried to get  
14 creative in a number of instances; for example, we  
15 married the newspapers and we married local  
16 television stations.

17 They have certainly the assets to go  
18 out and gather -- we could never compete with the  
19 news force they have. They do a very good job of  
20 providing that to us. We can carry that same news  
21 on the stations, they can use it to promote their  
22 news or promote their stories.

23 It's a partnership. We can raise  
24 the quality of our newscast; they can get the  
25 promotion for people to watch their news or to

1 read their news. It seems as though there's a big  
2 place for more and more of this partnership to  
3 come together.

4 MS. SMITH: I guess a follow-up  
5 question to that would be, you talked a little bit  
6 about some of the private things you've done to  
7 kind of help facilitate the local development of  
8 news, and Jane has talked about the fact that  
9 local news is not where it was five years ago.

10 What can the Commission do, how  
11 should the rules be changed to help facilitate an  
12 increase in local news?

13 MS. PIGG: I still believe it comes  
14 down to money. If broadcasters cannot get the  
15 money to operate in the black, they will not be  
16 able to function and serve the community and have  
17 the local news.

18 In a small market such as mine,  
19 where I'm somewhat isolated, my radio station --  
20 my newspaper has a website. My newspaper comes  
21 out once a week. And you can go to breaking news  
22 on my newspaper website.

23 But my radio station is the only  
24 place that local citizens can get local news 24  
25 hours a day. If it is a major news story like an

1 officer getting shot, a television station is  
2 going to come in from outside the market to cover  
3 it, but just on a day-in, day-out news basis, my  
4 radio station is the only place for that news.

5 MS. SMITH: So there's not really  
6 much for changes in the current rules that could  
7 help?

8 MS. PIGG: I don't see that the  
9 current rules would help other than relaxing some  
10 of the ways it takes to get into the industry,  
11 such as the auctions.

12 It's very -- you start out by having  
13 to bid on the auction, and that's very expensive,  
14 and then, of course, it's very expensive to  
15 furnish a radio station with the equipment. And  
16 it just comes down to money, which, in the current  
17 economic climate, the money is just not there.

18 MR. SNIPE: If I could chime in  
19 here. I think there is one thing that can be  
20 done. News has changed in the way that we get  
21 news now.

22 Most conservative news -- people  
23 will get their news from conservative talk  
24 stations, that's where they find out everything.  
25 We have three stations here in Columbia, one is a

1 combination of ministry and praise and worship  
2 music, the other is a combination of black talk  
3 and traditional gospel music, and the other is a  
4 music-intensive inspirational station.

5           And on our station that does the  
6 black talk, that's a form of news for the audience  
7 that we serve. This is something that was not  
8 available three, four, five years ago; it's  
9 something that is emerging because of the need and  
10 the interest that's in the market.

11           We're living in historic times, and  
12 people are consuming news in different ways. I've  
13 got a friend who is working on an older car, and  
14 he is a staunch conservative. And every night I  
15 call him he tells me what Obama is doing, every  
16 night.

17           He says, Alex, you know what they're  
18 doing now? His news is coming from -- I mean,  
19 it's true, it's a true story. But we can have  
20 conversations. I would like to think that the  
21 audience that we serve with black talk, that  
22 they're getting their news from us on what is  
23 actually going on around the country.

24           So I think news, in the sense that  
25 it used to be done at the top of every hour, 12

1 hours a day, I don't think it's going to happen  
2 like that, but I think it's going to come in the  
3 form of formats delivering news on a regular  
4 basis.

5           And if the Commission allows AM to  
6 continue to use FM translator, if that's able to  
7 continue, I think you'll see more of that on AM  
8 stations that aren't doing anything now and it  
9 will give them an opportunity to be live for 24  
10 hours.

11           So that's one of the reasons I'm  
12 kind of pushing for that. Because if I have a  
13 translator for this particular station, even  
14 though it has 100 watts at night, you can't pick  
15 it up three, four miles away.

16           So having a translator on that  
17 station will allow us to serve the greater part of  
18 the metro if we were able to do that.

19           MR. WALDMAN: Maybe this isn't what  
20 you're saying, but do you feel like if more of  
21 that were occurring, that talk-based formats would  
22 be likely the most popular iteration event?

23           MR. SNIPE: Absolutely.

24           MR. WALDMAN: Why is that?

25           MR. SNIPE: Because most AMs, other

1 than the dominant conservative talk AM in town, is  
2 not really making a lot of money. So you can only  
3 spend so much in AM technology to try to improve  
4 it, because you're just not going to get the  
5 return; but having the FM translator opens up an  
6 entire new world, it gives you an additional 12  
7 hours a day to provide programming and possibly  
8 have a chance at obtaining revenue.

9 MR. WALDMAN: And the programming  
10 would likely be talk versus music?

11 MR. SNIPE: I would think so. You  
12 can't compete with a music station with a  
13 translator, you can't compete with that.

14 MR. MILLER: May I add one thing?  
15 Mr. Snipe certainly taught me the value and the  
16 power of African-American, black gospel music, and  
17 I guarantee you it certainly outpowers  
18 conservative talk radio.

19 He runs a very successful  
20 operation. But I do agree with Alex. If we can  
21 make more outlets, we can be more diverse. This  
22 is the name of the game. It's no different than  
23 the Internet. You can do so many different things  
24 on it, we just need more ways to reach.

25 The translator issue, if I may.

1 You've granted the availability of translators  
2 to AM stations, but then you said you can only use  
3 the ones that were prior to March, I think, of  
4 '09.

5 Well, there's not a -- not a ton of  
6 translators out there for everybody. That creates  
7 an issue. It's sort of like inviting 100 kids to  
8 Disney World who all have the same birthday but  
9 only having 20 gifts. People are desperate to get  
10 them because they know it will make the  
11 difference.

12 For example, when I put one on WDXY,  
13 my news talk station, it wasn't long after that  
14 that I was invited by the general of Shaw Air  
15 Force Base, which is a strategic strike Air Force  
16 base in the Mideast, to come in to be a voice for  
17 them to talk back to the town of Sumter to give to  
18 that Air Force base.

19 They wanted a voice. They wanted to  
20 get people on there to say things, like the airmen  
21 who come back to tell his story of what it's like  
22 in Afghanistan and then to have his wife to tell  
23 what it was like to be there waiting on him so  
24 anxious and their children or talk about an airman  
25 who won some awards or somebody who saved

1 somebody's life, the personal side.

2 Now the third Army is coming in  
3 there. It's going to be a very large -- and your  
4 father has had a lot to do with this too.

5 MS. SMITH: It's actually her  
6 father.

7 MR. MILLER: Thank you.

8 COMMISSIONER CLYBURN: We get mixed  
9 up all the time.

10 MR. MILLER: The bottom line is:  
11 What we would like to do is try to help that  
12 situation if we can. Excuse me for that, by the  
13 way.

14 COMMISSIONER CLYBURN: No problem.

15 MR. MILLER: Is to help that  
16 situation if we can and make availability and be  
17 fair, also be fair to other applicants and people  
18 who are desirous of other opportunities.

19 MR. LAKE: If I can change the topic  
20 just a bit. We hear so much about the new media  
21 these days, and it's clear that some of the new  
22 media present alternative sources for music and  
23 entertainment, even the iPod is to some extent, is  
24 a competitor to radio.

25 When you talk about news and public

1 events, public affairs, do you see any glimmerings  
2 of alternative sources on the Internet, for  
3 example, of the kind of news and public affairs  
4 programming that you provide other than radio  
5 stations or newspapers' websites, you know, that  
6 are independent sources of that kind of  
7 programming that are arising on the Internet, or  
8 is it still the broadcast world and the  
9 newspapers?

10 MS. PIGG: I would like to answer  
11 that. We have embraced new media. We use  
12 Facebook, we use Twitter any way we can to get our  
13 message out; however, the local news, the local  
14 sports, the local coverage, the immediacy, it's  
15 going to go back to your local over-the-air radio  
16 stations.

17 I personally do not believe that a  
18 satellite radio station will ever be able to  
19 deliver for the local market. There will always  
20 be a place for local radio in the local market.

21 I love music, music is great, I like  
22 to listen to music; but in a local station such as  
23 mine, what is said between the songs, that's why  
24 people listen to my radio station.

25 MR. SNIPE: I don't know if that

1 model is figured out yet, but I'm certain that  
2 they're working on it. And I'll probably have to  
3 consult with my children or grandchildren to get  
4 an answer for you.

5           But I would think that they're  
6 working on it, I just question how effective they  
7 will be able to be. But, you know, with  
8 Twittering and texting now, you know, information  
9 is flowing to so many places so quickly, I just  
10 don't know how they're going to tailor it to meet  
11 the immediate needs to the local community, but  
12 I'm sure someone's working on it.

13           MS. TATEL: A couple of you have  
14 mentioned working with your television  
15 broadcasters in your communities or with  
16 newspapers in your communities, partnering to  
17 improve service over your radio station.

18           We have a couple of cross-media  
19 rules that are the subject of this review here. I  
20 was wondering, when looking at those in  
21 particular, if you think that further relaxation  
22 of cross-media rules would give you additional  
23 opportunities to do that kind of partnering and if  
24 that, in turn, might address some of the financial  
25 issues you're talking about and help in that way?

1                   MR. MILLER: Certainly partnering  
2 with the TV and newspaper has helped fill the void  
3 for the news person that we probably cannot afford  
4 to put on right now.

5                   But as far as cross-ownership, I  
6 think, as technology marches forward, it's almost  
7 comparable to the days of one AM and one FM, a  
8 broadcaster owned against 500 cable channels back  
9 then and the technology and the Internet coming  
10 off -- growing by leaps and bounds.

11                   I would assume, provided that it's  
12 done correctly -- and that's a big provided, if  
13 it's done correctly -- that it would be a good  
14 thing, because there's so much -- I mean, in other  
15 words, supposedly the newspaper is having a hard  
16 time, you've got the news reporters that can go  
17 right on the air, also television is gathering  
18 news.

19                   So I think it could all help each  
20 other, done the right way. Now, that would have  
21 to be left up to you to learn at the FCC to figure  
22 out.

23                   MS. PIGG: I will say that owning a  
24 radio and newspaper, weekly newspaper, has been a  
25 tremendous asset to us. We are able to not double

1 our coverage but more than quadruple our  
2 coverage.

3 We have our radio people working  
4 with our newspaper people, our newspaper people  
5 working with our radio people.

6 MR. MILLER: You can certainly  
7 reinforce ads in the paper by promoting it on the  
8 radio.

9 MS. PIGG: Absolutely.

10 MS. SMITH: I wanted to ask a little  
11 bit about new entrants and trying to get more  
12 diversity of ownership. Are there particular  
13 things that we can do with our rules that would  
14 help facilitate new entry into radio markets or  
15 diversity of ownership?

16 MR. MILLER: I'm sorry. Can you  
17 repeat the question?

18 MS. SMITH: I was saying that I  
19 wanted to talk a little bit about new entrants and  
20 how we could facilitate having more new entrants  
21 into these markets and are there things we could  
22 do to help have more people or more diverse voices  
23 come in and own some of the stations?

24 MR. MILLER: I know in the latest  
25 auction -- maybe I said that a while ago, I can't

1 remember -- there were 37 stations that were not  
2 bidden for. That's just one thing I'd like to  
3 mention.

4 I don't know how you would go about  
5 rationing those out to maybe minorities or  
6 females. Secondly, I think though, if you look --  
7 even if you had the radio stations, you've still  
8 got to build it, you've still got to operate it,  
9 it becomes a financial issue.

10 I think that is the key, getting in  
11 and being able to survive and getting the station  
12 going is what needs to happen, and that's where  
13 the help needs to be given. There used to be some  
14 former programs that would help this, but through  
15 the years they kind of dwindled away.

16 And I really feel that the more  
17 valuable or the better off radio is and  
18 television, the more people could be -- the more  
19 the financial markets will become interested in  
20 them and the more people would sell them because  
21 they would become like houses going up and people  
22 would be more interested in buying things and, as  
23 a result you get turnover, and then, if minorities  
24 could afford to get the loans to go in to buy  
25 them, then that would open up turnover. Right now

1 it's just hard to get a loan for anything.

2 MR. SNIPE: If I could jump in here,  
3 I think this is my spot.

4 MR. MILLER: Thank you, Alex, you  
5 took me off of mine.

6 MR. SNIPE: Well, this is my spot.  
7 The minority tax certificate would be a greet help  
8 if there was some encouragement from the FCC to  
9 Congress to move on this action. I think it would  
10 do a lot to encourage a lot of the larger  
11 companies to sell to smaller companies, women and  
12 minorities, if there was some incentive for them  
13 do that.

14 I think that that's one of the main  
15 things. I think there are a number of proposals  
16 that have been sent to the Commission by the  
17 Minority Media Telecommunications Council that if  
18 some attention could be paid to those proposals, I  
19 think that they have quite a few ideas on how we  
20 could increase minority ownership in broadcasting.

21 That would be something good to pay  
22 some attention to. I think I got a copy of a  
23 letter that was sent out to the Chairman last  
24 week, I think there were maybe 23 or 26  
25 organizations that signed on to that letter.

1                   I think that would be a good first  
2           step along with the minority tax certificate. You  
3           know, there's a small problem of discrimination in  
4           advertising that could help the minorities that  
5           are now in ownership that have stations that are  
6           serving the African-American community.

7                   There are no-urban, no-black  
8           dictates that that's still alive and well. If  
9           there's some way that could be addressed by the  
10          Commission or enforced by the Commission, I think  
11          that would be helpful to those minority owners  
12          that are already in place.

13                   But there are a number of things  
14          that could be helpful, and I think the proposals  
15          that the Minority Media Telecommunications Council  
16          have put forward would be a good place to start.

17                   MS. PIGG: I think anything that the  
18          Commission can do to help the smaller owners. And  
19          it boils back down to money. Tax credits, tax  
20          certificates, anything in that way to help. A  
21          broadcaster is a little bit different than a  
22          banker, and a person who is a true broadcast  
23          professional is going to put the good of the  
24          community first. But we have to be profitable or  
25          we can't serve the community.

1                   MR. WALDMAN: This is a question  
2                   that I'm stealing from Bill, who asked this at the  
3                   last panel. But if you had to pick one change in  
4                   the current FCC regimen that you think is the most  
5                   important thing to change, what would it be, or is  
6                   it all perfect?

7                   MS. PIGG: Well, I would say that,  
8                   in light of the economic climate, perhaps the  
9                   regulatory fees could be reduced. Anything that  
10                  you can do to put more money in our pockets, that  
11                  would be a good thing.

12                  MR. MILLER: Also, speed up  
13                  processes that could help us make money; in other  
14                  words, focus on the financial part to be able to  
15                  let radio and television stations keep more of  
16                  their money right now to -- maybe a moratorium on  
17                  owner spectrum fees for a while, maybe a reduction  
18                  in the fees.

19                  I know not everyone is filing  
20                  applications right now, that's maybe not the  
21                  biggest contribution, but, for example, I mean,  
22                  there's a number of applications that take so long  
23                  that if we had those construction permits and we  
24                  could move forward on them immediately it could  
25                  mean revenue and help us earn revenue.

1                   It's not that we want y'all to come  
2                   down and pay our way, we just want y'all to help  
3                   us get the thing up and running so we can make  
4                   money. Sometimes delays take a long time.

5                   But we do understand y'all have a  
6                   pretty tough job up there with everybody wanting  
7                   everything tomorrow. So I think focusing on the  
8                   financial part of it right now is the hardest part  
9                   for the broadcaster.

10                  MR. WALDMAN: In terms of the  
11                  ownership rules, it sounds like from what we're  
12                  hearing that obviously all of you feel like this  
13                  shouldn't be tightened.

14                  Do you feel like, on balance,  
15                  they're about right where they are or that they  
16                  should be loosened? And I guess make the  
17                  distinction in this case between the overall  
18                  ownership caps versus the cross-ownership type  
19                  rules.

20                  MR. MILLER: I think radio is okay.  
21                  Television, I'm a little -- I'm not as versed on  
22                  that, but I feel the -- as long as TV broadcasters  
23                  get the same opportunities that the radio  
24                  broadcasters have got.

25                  MR. WALDMAN: But your base feeling

1 is that the way it is currently is about right?

2 MR. MILLER: As far as radio.

3 MR. WALDMAN: Do you feel the same  
4 way?

5 MR. SNIPE: I was thinking about  
6 that. I think it's been driven by the market.  
7 And, you know, relaxing radio even further, I  
8 don't see what the good would be in it at this  
9 point, but it doesn't mean that there wouldn't be  
10 some good.

11 I'm thinking about it from my market  
12 perspective. That could be very different than  
13 the top 10 or top 20 markets. I'm speaking for  
14 Columbia, I'm not speaking for New York or  
15 Detroit.

16 I didn't speak up on the one thing  
17 that I would change at the Commission, but the one  
18 thing that I would change that would create the  
19 greatest opportunity for me, for my company, we  
20 have five AM stations, and I would like to see  
21 them become vibrant, and it would be to change the  
22 position now that, after May, the AM stations will  
23 not be able to use those other translators that  
24 may be coming forward.

25 So that would impact my company, so

1 that would be the one change I would make at this  
2 point.

3 MS. PIGG: I am a graduate of the  
4 NAB's broadcast leadership training program, and  
5 many of my fellow graduates have expressed  
6 interest in owning AM stations.

7 Recently, there have been a large  
8 number of AM licenses that have been turned in  
9 because the owners could not make a profit on the  
10 station, they were not viable.

11 From my personal experience with an  
12 FM translator on an AM station, it can breathe new  
13 life into an AM station. I also would like very  
14 much to see that.

15 MR. MILLER: Not only can it breathe  
16 new life, it can raise the value of AM stations.  
17 Immediately, after we put ours on WDXY in Sumter,  
18 the stations became profitable, not just a break-  
19 even entity.

20 We were able to hire people, and now  
21 we're being asked to do all these shows. And we  
22 have great community involvement, politicians on a  
23 regular basis. We had all the presidential  
24 candidates coming through Sumter on the radio  
25 station, we're out at Shaw Air Force Base.

1                   So now we feel like we're doing our  
2                   job because we can be heard. And keep in mind,  
3                   when I say this, this is 1,000-watt day-and-night  
4                   station built probably back in the '40s when  
5                   Sumter was five miles wide.

6                   And at night, it's on a community  
7                   channel, you can probably hear it about four and a  
8                   half miles, and the ground system is very old.  
9                   But the bottom line is the technology is just  
10                  outdated. Thank you.

11                  MS. PIGG: I would echo everything  
12                  Harold said on that. Because 93.9 FM has turned  
13                  into such a valuable entity in the market.

14                  MR. LAKE: Thank you. We might just  
15                  give each of the panelists an opportunity to give  
16                  us any parting thoughts, it is your opportunity to  
17                  speak to the Federal government. We're here to  
18                  listen.

19                  COMMISSIONER CLYBURN: Do you want  
20                  to do parting thoughts before the --

21                  MR. LAKE: Oh, yes, before the --  
22                  and then we'll have the public --

23                  COMMISSIONER CLYBURN: Just a  
24                  suggestion, maybe something somebody might say --

25                  MR. LAKE: Let's move to the public

1 open mic. You folks have sat and listened long  
2 enough. Before we turn it over to totally open  
3 mic for members of the public, we've invited a  
4 small number of individuals to speak to us briefly  
5 just for about two minutes. We didn't have room  
6 for that many people on the panel here, but we  
7 would like to hear from these individuals.

8 The first is Stephen Varholy,  
9 President and general manager of Gamecock Alumni  
10 Broadcasters, WXYR-LP. If you'd like to approach  
11 the microphone.

12 MR. VARHOLY: I'm instructed -- I  
13 used to be a litigator, so I'm instructed for our  
14 stenographer to, first of all, say my name. It's  
15 Stephen, S-T-E-P-H-E-N, middle initial F, Varholy  
16 V, as in Victor, A-R-H-O-L-Y. I'm with Gamecock,  
17 that's one word, Alumni Broadcasters, Ltd.,  
18 Limited, WXYR-LP here in Columbia, South Carolina.

19 And, first of all, I want to thank  
20 you all for coming to Columbia, South Carolina,  
21 hopefully you'll enjoy yourselves here. Second of  
22 all, Chief Lake, Chief Tatel, and our advisors --  
23 I don't think you realize what great broadcasters  
24 you have here on the panel.

25 These are some folks that are

1 really, really, really doing it right. When I  
2 used to work for Clear Channel back when they had  
3 ten stations, one of which was the big DM here in  
4 town, Steve Patterson, the general manager, was  
5 always pointing to Mr. Snipe about how wonderful  
6 and what a sharp broadcaster he is, and that is  
7 absolutely true. He's a great guy.

8 I just wanted to share some good  
9 news with you. The first thing is we're one of  
10 two low-powered FM stations in the Columbia, South  
11 Carolina area. We are probably one of three that  
12 are financially viable and successful in the  
13 United States of America.

14 First, there's KXQZ in Texas and  
15 WRAR in Richmond, Virginia. We have had a  
16 fantastic year in 2010. We are up to our revenues  
17 month to month, from last year up 25 percent. Our  
18 audience went from 1,000 folks when we signed on  
19 five years ago. Our fifth birthday is going to be  
20 St. Patrick's Day this year.

21 We went from 1,000 people  
22 cumulative, we're up to about 20- to 25,000 a  
23 week. So we're definitely having an impact. And,  
24 in fact, we have really been able to really impact  
25 the community by virtue of our special status as a

1 noncommercial entity.

2                   We're owned by a nonprofit  
3 organization, a private foundation founded by  
4 alumni of the University of South Carolina. As  
5 the executive director of the nonprofit art house  
6 theater in town, Nickelodeon, said, Larry Hembry  
7 said, You're the radio station that does the most  
8 for the most nonprofits in Columbia, South  
9 Carolina. And that certainly is true.

10                   We don't concentrate our -- we take  
11 our mission to build and serve the community very  
12 seriously. And that means we have a lot of public  
13 service announcements. And instead of just having  
14 one show dedicated to public service, we bring  
15 folks on in the largest time period that we have  
16 available in the afternoon to come and share their  
17 thoughts and issues on the community, and we've  
18 been fairly successful.

19                   Just one example, we were the  
20 pioneer to decide to locate on Main Street in  
21 Columbia, South Carolina. In 2004, you probably  
22 ran to your car at 4 o'clock in the afternoon just  
23 so you wouldn't be stopped by somebody or were  
24 afraid of getting shot.

25                   We like to say that our downtown, if

1 you manage to take a trip through it, in 2010 is  
2 very vibrant, and we were the first media outlet.  
3 We're now joined by the free local News Weekly and  
4 also the ABC affiliate here in town, and it's a  
5 real vibrant neighborhood to take place in.

6 In fact, in 22 years of  
7 broadcasting, I will say this, I have never seen  
8 an audience so passionate and so grateful that we  
9 exist in the community. We actually tell people  
10 -- they come and say, We're so glad you're here.

11 Our landlord, who we run a grant  
12 announcement for every hour, says, "We constantly  
13 get calls and e-mails thanking us for supporting  
14 you." And it's truly been great to be embraced by  
15 the community.

16 I know I'm running short of time. I  
17 did want to address a couple of issues. In terms  
18 of the ownership, you've got the noncommercial  
19 world and you've got the commercial world.

20 First of all, the commercial, in  
21 terms of the local, at this time, the Commission  
22 should consider not doing anything with the local  
23 ownership caps.

24 In Columbia, South Carolina we've  
25 got a great local broadcaster, like Alex; we've

1 got Harold on the fringes with a couple rim shots;  
2 and then we've got basically three consolidators,  
3 Citadel, which is in bankruptcy, and Clear  
4 Channel, and then Inner City as well.

5           There are some competitive issues  
6 because of this concentration. And I'll just give  
7 one example. We try to be involved in a lot of  
8 community events because that's very important to  
9 us. We like to be able to participate in  
10 broadcast from and we draw attention and  
11 attendance to these nonprofit organizations.

12           In at least three occasions over the  
13 past year, we've been told that we are not invited  
14 to participate because the organization has struck  
15 a deal with one of the consolidators, whereby, for  
16 a break on paid advertising, no other broadcaster  
17 is allowed to participate in these community  
18 events and we're disinvited.

19           Another occasion, one of the local  
20 breweries specifically has made sure that the  
21 nonprofit organization not allow us to participate  
22 because of their relationship with another  
23 broadcaster.

24           And those sorts of things concern  
25 me, because these sorts of groups need the

1 exposure more than the average 10 to 15, maybe 20  
2 percent of the market. And that kind of concerns  
3 us greatly, because we're here to serve first.

4 Second, I'd like to speak a little  
5 bit about the FM translators. Our goal is to try  
6 to extend our mission, and that's our primary  
7 focus rather than, you know, seeing how much money  
8 we can choke out of shareholders, because we don't  
9 have them.

10 As to the translators, we are  
11 actually at a technical disadvantage with  
12 translators. Although we both share a secondary  
13 regulation class, what we would like to be able to  
14 see is to be able to use a contour method to  
15 upgrade our facility to allow us to use the  
16 interference contours just as a translator does.

17 Alex's translator, great signal.  
18 250 watts at a great height, same class. He's got  
19 a much better ability to serve the community,  
20 whereas we're limited to -- I think we're -- ERP  
21 is about 17 watts or so. We like to say we have  
22 the most watts per person -- I mean, the most  
23 people per watt in the community.

24 So those are the two things I really  
25 thought -- I'd also like the Commission to not buy

1 the -- what we need to get bigger in order to be  
2 financially viable. I'd say that's old wine in  
3 new bottles, but it's actually old wine in old  
4 bottles.

5 We first heard that during the  
6 docket '80-'90 proceedings, then in the '80s and  
7 into the '90s and also preceding the '96 act as  
8 well, and look where it's seemed to have brought  
9 us now.

10 So those are my comments, and I'd  
11 like to thank the Commission for their support and  
12 for supporting low-power FM. We'd like to bring  
13 Senator Jim DeMint along at some point. We're a  
14 worthwhile entity as well. Thank you again, and  
15 thank you for coming to Columbia.

16 MR. WALDMAN: Can I ask a follow-up  
17 question to you --

18 MR. VARHOLY: Absolutely.

19 MR. WALDMAN: -- about something you  
20 said at the very beginning in your introduction?

21 MR. VARHOLY: Yes.

22 MR. WALDMAN: You said that you were  
23 one of the few break-even or profitable  
24 low-powered FM stations in the country.

25 MR. VARHOLY: Yes.

1                   MR. WALDMAN: Why are there so few  
2 and why are you different?

3                   MR. VARHOLY: Well, one, is, first  
4 of all, it's your market and where you're located,  
5 technically. We're very fortunate. We're on a  
6 ridge, we're in the center of the populated area.

7                   We cover about 60 to 70 percent of  
8 the populated area in the Columbia metropolitan.  
9 We don't cover all of those counties, but we come  
10 pretty close to populated areas. If Harold's 99.3  
11 weren't our co-channel, we'd probably cover a  
12 little bit more, but that's probably just  
13 squeaking things through a little bit.

14                   By the way, his station is good. I  
15 just wish he wouldn't come over us sometimes. But  
16 a lot of it has to do with programming and  
17 identifying an audience. You have a lot of  
18 community groups that are well-meaning, but they  
19 aren't experienced broadcasters.

20                   And like Harold told me on the phone  
21 one time, it's all about the dollars. And it is.  
22 It is. I mean, you cannot serve -- like Jane  
23 said, you cannot serve the community unless you're  
24 financially viable. We've been lucky.

25                   I mean, we've -- since -- after nine

1 months in, we were completely self-supporting, and  
2 now with the salaries of two full-time people, one  
3 of them myself, we're actually -- we're still in  
4 the black. Thank you.

5 MR. LAKE: Thank you.

6 I'd next like to invite to the  
7 microphone Diane Bagnal-Moody, Manager of  
8 Development of Special Programs Palmetto Health,  
9 Children's Hospital.

10 MS. BAGNAL-MOODY: Good evening.  
11 How are y'all? Good, good.

12 Since 1989, when I first began  
13 working at Children's Hospital, I've seen the  
14 exceptional growth and change in our hospital,  
15 making us the best, in my mind.

16 We've been able to grow subspecialty  
17 services from 11 subspecialists to 31, ancillary  
18 teams such as child life, pharmacy, pediatric  
19 sedation, and, most recently, we've become the  
20 first free-standing children's hospital in the  
21 state.

22 All of this growth and change is, in  
23 a large part, due to the commitment that we've had  
24 in our community. This commitment includes both  
25 private and public support.

1                   My first true experience with  
2                   support from radio happened when B106.7 stepped up  
3                   to the plate and provided us with the opportunity  
4                   to air our very first radiothon.

5                   The dedication that we witnessed  
6                   over the years from these wonderful people at this  
7                   station is phenomenal; in fact, it would be very  
8                   difficult for us at Children's Hospital to  
9                   accomplish our vision and our mission without the  
10                  support and dedication that we've received and  
11                  continue to receive daily from B106.7.

12                  Through them and their voices,  
13                  they've become our advocates. And people truly  
14                  believe them when they say how wonderful we are;  
15                  of course, we think we are. They also set the  
16                  stage for our patients, our families, our doctors,  
17                  and our staff to be able to tell our stories and  
18                  educate the community on children's health care  
19                  issues.

20                  This annual interaction by radio has  
21                  not only impacted our ability to grow and expand  
22                  program services within the hospital, but it's  
23                  also impacted our ability to market our exclusive  
24                  children's services to the 17 counties we serve in  
25                  central South Carolina.

1 Palmetto Health Children's Hospital,  
2 because the best care matters, it's the place to  
3 seek care for your child when the condition is  
4 considered serious and the best specialists,  
5 equipment and talents are needed.

6 When it comes to your child, the  
7 best care that's available is always what's  
8 desired if hospital care is needed. And when the  
9 outcome of care is in question, Children's  
10 Hospital provides the best option.

11 And our relationship with the  
12 broadcast media in our community has ensured that  
13 we continue to be the best option. Thank you.

14 MR. LAKE: Thank you very much.

15 Next we're happy to hear from  
16 Captain Chris Cowan, Community Services Division  
17 Commander, Richland County Sheriff's Department,  
18 and Chairperson for Crime Stoppers.

19 MR. COWAN: Good evening. The best-  
20 laid plan is just that, it's a best-laid plan.  
21 And, in order to implement those plans, we need  
22 the media. And one of the things that we wanted  
23 to mention to y'all tonight was that all of the  
24 programs we have in Richland County and we have in  
25 law enforcement across state are not successful

1 without the relationships with the media.

2           And one of the things that Sheriff  
3 Lott and myself and several other people do is we  
4 go across the state and convince law enforcement  
5 that we need the media more than the media needs  
6 us.

7           And one of the things that we are  
8 trying to do across this state and through Crime  
9 Stoppers and through many other programs is to  
10 continue to develop that relationship with the  
11 media and through the media be able to introduce  
12 information, introduce plans, introduce  
13 initiatives and programs and services to the  
14 community. So it's imperative that we utilize our  
15 relationships and build those relationships with  
16 the media.

17           So I guess, in essence, what I'm  
18 saying is that without the media we can't be  
19 successful in law enforcement. And one of the  
20 things that we've done through law enforcement and  
21 through Crime Stoppers is build the relationships  
22 and the communications and the partnerships so  
23 that we can, in turn, get information out, whether  
24 it's about a wanted person or whether it's about a  
25 safety issue or whether it's about a program or

1 it's about a new service that we're able to  
2 provide.

3                   So, again, in saying -- in saying --  
4 what we're trying to tell you basically is that  
5 without the media we wouldn't be successful and we  
6 can't be successful. So we appreciate any  
7 assistance you can give us in continuing our  
8 relationship. Thank you.

9                   MR. LAKE: Great. Thank you very  
10 much.

11                   Now we will hear from the Honorable  
12 Grady Brown, South Carolina State Representative  
13 and radio talk show host -- or music show host.

14                   MR. BROWN: And a very pleasant good  
15 evening. I am Grady Brown. I live in Lee  
16 County. And I've had the honor and distinction of  
17 representing Lee County and Sumter County for the  
18 past 26 years in the South Carolina General  
19 Assembly, and the honor has been all mine, it's  
20 been a pleasure.

21                   It's an honor tonight to be able to  
22 be with you and to speak before this distinguished  
23 group. We of the General Assembly extend a warm  
24 welcome and a warm welcome home to Commissioner  
25 Clyburn.

1                   Commissioner Clyburn, in looking and  
2           doing some homework, I won't give dates, but I did  
3           my first radio show a few months after you were  
4           born. Again, we won't give dates.

5                   But I have been honored to know  
6           Commissioner Clyburn for a number of years, and I  
7           have watched her with great respect and admiration  
8           as her public service career has developed from  
9           her posting at the South Carolina Public Service  
10          Commission over ten years ago to her recent  
11          appointment to the Federal Communications  
12          Commission.

13                   South Carolinians are fortunate to  
14          be the recipients of her outstanding civic  
15          generosity and leadership by Ms. Clyburn and, of  
16          course, by her father, the distinguished  
17          Congressman and Majority Whip of the U.S. House,  
18          James Clyburn.

19                   The Clyburns have many contacts and  
20          many relatives who live in Lee and Sumter County.  
21          They're friends of mine, and I'm glad to call them  
22          friends and constituents, Commissioner.

23                   In my role as a legislator and  
24          public servant, I have been afforded the  
25          opportunity to observe the broadcast industry and

1 the vital role it plays in the lives of South  
2 Carolinians from the coverage of political  
3 processes, voter awareness campaigns, Chamber  
4 events, amber alert notifications, to public  
5 affairs programs, local charities, and as serving  
6 as the foundation of our public warning system,  
7 which is so critical in an area that is frequently  
8 the target of dangerous hurricanes and other  
9 severe weather.

10 I go back to the days of radio when,  
11 if you did a radio show -- and for those of you  
12 who did, you had a camcorder, or not a camcorder,  
13 but a recorder on each side with a 4-by-8 piece of  
14 plywood with a little tape, and you kind of -- and  
15 you whomp, whomp. Those were the days when we  
16 cued those little tapes.

17 So, you know, radio has come so far  
18 in just a few short years. I've had the  
19 opportunity to observe the industry from the other  
20 side as a host of a local radio show, a beach  
21 music show on Sunday evenings, networked across  
22 South Carolina on five radio stations.

23 I experience a personal hometown  
24 connection that exists between the broadcaster and  
25 their listeners. I guess I'm boasting. But the

1 rating industry says I have many thousands of  
2 listeners, and I'm proud to be a part of that  
3 process, I want you to know that tonight.

4 I personally see how much the public  
5 depends on local radio, I see how dedicated  
6 conscientious station managers and owners are, and  
7 I see the loyalty to the public of station  
8 employees. I also see the enormous challenges  
9 that local stations face today to keep their  
10 business afloat. I can't put enough emphasis on  
11 that.

12 To keep employees on the payroll and  
13 to continue to offer the level of community  
14 service that we have all come to expect and  
15 appreciate, any regulatory or monetary relief the  
16 FCC can provide to assist local broadcasters would  
17 be a godsend.

18 The people of South Carolina depend  
19 on free over-the-air local radio and television,  
20 and we do not want to let them down. Again,  
21 Commissioner, it's an honor for me to be able to  
22 be here tonight. And please note that you are  
23 welcome in Lee County or Sumter County or South  
24 Carolina any time you can come home. God bless  
25 you.

1                   COMMISSIONER CLYBURN: I appreciate  
2 it. I'll see you soon.

3                   MR. LAKE: Thank you very much.

4 And, on that note, we will open the microphones.  
5 We welcome comments or questions from anyone in  
6 the room. If you'd like to make a comment or ask  
7 a question, please just approach one of the  
8 microphones in the aisles.

9                   I will ask you to try to limit your  
10 comments to two minutes, please, and to start by  
11 stating your name and any affiliation. Welcome.

12                   MR. MILLER: Good afternoon. My  
13 name is Howard Miller. I'm a student of Professor  
14 Fodder's politics and media course at University  
15 of South Carolina, and I have questions for  
16 Mr. Miller and Mr. Snipe.

17                   Mr. Snipe, you said we need to watch  
18 out for the dangers of over-regulation. In what  
19 way does the FCC currently over-regulate you?

20                   MR. SNIPE: I was speaking of future  
21 regulations. We're in a difficult climate right  
22 now, and if broadcasters have to spend more time  
23 and money to process reportings of our activities,  
24 it will drive the cost up for us, and that money  
25 has to come from somewhere.

1                   So we will have to sacrifice  
2 services of some kind to meet that need, and  
3 that's what I was referring to.

4                   MR. MILLER: So you also mentioned  
5 the problems about diversity ownership. My  
6 question is -- and I'm going to kind of side with  
7 Ms. Pigg here, she's pretty plain and forthright  
8 about what matters, and that's dollars and cents.

9                   So my question is: If a minority  
10 group or person has the money, what's the problem,  
11 why can't they bid on the station and own it?

12                   MR. SNIPE: Is that a question for  
13 me?

14                   MR. MILLER: Yes.

15                   MR. SNIPE: My number is up.

16                   COMMISSIONER CLYBURN: You said you  
17 were the one.

18                   MR. SNIPE: Well, if you have the  
19 money -- take when I got started, for example.  
20 Back then I was fortunate to work for a good  
21 company that allowed me to pursue my dreams and  
22 goals and didn't fire me, allowed me to continue  
23 to work for them.

24                   Steve Patterson, who is here  
25 tonight, was the general manager that I worked

1 for, and he knew that I had applied for a station,  
2 and he allowed me to continue to work.

3 And when I received the station, he  
4 let me continue to stay there until I could get it  
5 built. I think the challenge is if you have the  
6 money then you have to personally participate in  
7 the process. There have been several auctions  
8 that I have personally participated in.

9 There were two auctions that I think  
10 my daughter participated in. So it's a matter of  
11 getting involved. People like myself would  
12 probably be helpful to you. I'd be happy to share  
13 any information that I could.

14 So, if you have the money, you  
15 really don't have a problem, you're just lacking  
16 the information so that you can engage.

17 MR. MILLER: I also had a question  
18 for Mr. Miller. Sir, you said centralization has  
19 been very cost effective for you. In what way has  
20 it been cost effective for you?

21 MR. MILLER: Well, it's sort of like  
22 you have everything in one place so your engineer  
23 can work on everything in one place, your  
24 production guys can cut the commercials and we can  
25 distribute them to all radio stations in one

1 place.

2                   So it's sort of like having a giant  
3 restaurant that can serve many, many people, and  
4 you're doing everything in one place, cooking  
5 everything, cleaning everything.

6                   So, in other words, we're  
7 centralizing our -- in South Carolina, we're  
8 actually classified as a manufacturer, we're  
9 manufacturing air sound, it's hard to see, but  
10 it's there.

11                   The bottom line is: It takes our  
12 manufacturing efforts and puts them in one place.  
13 Let's say there's an emergency. It's much easier  
14 to put it across four or five radio stations  
15 located in once place and you've got a news man  
16 who can flip one switch and all five stations come  
17 up and you're reaching -- I mean, if you lose your  
18 contact lens at night, would you rather have one  
19 flashlight or would you rather have four other  
20 friends with you and have five flashlights looking  
21 for your contact lens?

22                   You're going to cover more  
23 territory. So the theory is here -- the name of  
24 the game is how fast can you get that information  
25 out to the most people because it's critical. And

1 central location of assets has allowed us to do  
2 that.

3                   When we first started doing this, I  
4 had no idea that this -- two things, A, that it  
5 was going to provide an overwhelming positive  
6 effect during emergencies; and, two, after you  
7 give out as much information as you can possibly  
8 give out, then you turn it into letting neighbors  
9 talk to neighbors across the network, they'll help  
10 each other, you don't have to do a thing but  
11 moderate. It's unbelievable.

12                   MR. LAKE: I've certainly had  
13 occasions where I could use those five  
14 flashlights.

15                   MR. MILLER: I have a follow-up  
16 question on that, sir. Centralization is  
17 obviously working for you right now. But I'm kind  
18 of concerned.

19                   Can centralization work against the  
20 people in terms of, okay, everything is coming  
21 into one office, you've got one editor that says,  
22 For all the stations, this is what you report? Is  
23 there a danger in that?

24                   MR. MILLER: One editor?

25                   MR. MILLER: I'm just saying, could

1 you possibly have one person distribute to all  
2 stations, subordinate stations, this is what you  
3 report as news because you're so centralized?

4 MR. MILLER: We don't -- right now,  
5 we take our news from the television and  
6 newspaper, television companies and newspaper.  
7 They can do a better job with it than I can right  
8 now because of my staff. They've got the assets  
9 to cover it correctly.

10 If I did have a news director and he  
11 was doing something like that, I can guarantee you  
12 he wouldn't be there very long, I'm not going to  
13 allow that. I mean, that's crazy. I wouldn't do  
14 it. You know what I'm saying? I have the same  
15 concern you have.

16 MR. MILLER: Yes, sir, I  
17 understand.

18 MR. MILLER: I have the same concern  
19 you have.

20 MR. SNIPE: When he's saying  
21 centralization, he's talking about in terms of  
22 cost as it relates to -- in my case, I have three  
23 stations in Columbia, one is licensed to South  
24 Congaree, one is licensed to Cayce, and one is  
25 licensed to Columbia.

1                   They're all located in one building  
2                   in Columbia, so rather than paying rent for three  
3                   locations, utilities, telephones for the multiple  
4                   locations, they're all in one location.

5                   MR. MILLER:    So it's not about --

6                   MR. SNIPE:     No, not in terms of  
7                   diversity of format or programming content.

8                   MR. MILLER:    I have one last  
9                   question, and this is for Ms. Lugo.  I'm sort of  
10                  curious, what does a Chamber of Commerce do and  
11                  why does there need to be a Hispanic Chamber of  
12                  Commerce?

13                  MS. LUGO:    I'm sorry?

14                  MR. MILLER:    What does a Chamber of  
15                  Commerce do and why does there need to be a  
16                  separate Hispanic Chamber of Commerce?

17                  MS. LUGO:    Let me address that this  
18                  way:  When you look at our neighbors, like  
19                  Georgia, they have a Hispanic Chamber 25 years  
20                  old.  And how they serve the community, they not  
21                  only serve the Hispanics, but they serve even the  
22                  English speaking.

23                  And it was encouraging to me when I  
24                  went to Georgia and spoke with Sada, and she  
25                  encouraged me to have a Chamber here and how well

1 they serve the community.

2           The other area that you go to and  
3 you see how they have grown and how they're  
4 serving is in El Paso, Texas. Of course, we're  
5 talking here about communities that are there for  
6 years and they are growing and serving the  
7 community.

8           But let me tell you, they have been  
9 through struggles like anybody else because it's  
10 not accepted, why a Hispanic Chamber when you have  
11 a regular Chamber. But you have to look to this  
12 as a particular culture in how we do business.

13           It's not that we're going to do our  
14 own things, it's just that we understand each  
15 other and it has to be in English, of course. But  
16 we understand each other, and sometimes it's  
17 better for you to come to me, that I speak Spanish  
18 and I understand the system and I want to  
19 understand the system and I want you to do the  
20 right thing.

21           So the Hispanic Chambers really do a  
22 great job serving the Hispanics, but, at the same  
23 time, serving the community that wants to do  
24 business with the Hispanics, understanding how to  
25 reach them better.

1 MR. MILLER: Thank you.

2 MR. LAKE: Thank you very much.

3 Do we have other questions and  
4 comments? We welcome them. This is your chance  
5 to talk to your Federal government face to face.

6 MR. WALDMAN: By the way, you should  
7 become a journalist.

8 MR. JENKINS: Yes, ladies and  
9 gentlemen, Mel Jenkins, M-E-L, J-E-N-K-I-N-S. I  
10 live here in Columbia, and I have about three or  
11 four pages of notes, but I'll try to stick to the  
12 two minutes. That's broadcasting, you're supposed  
13 to hit your mark.

14 Thank you, Ms. Smith, for your  
15 recognition that radio news has some value,  
16 because radio news did produce a different product  
17 than print or television. It's a different  
18 approach and a different result.

19 I hope that your being here will  
20 accomplish a number of things, first, that you  
21 will get some good information; second, that we  
22 will learn your procedures. And I'm learning  
23 about them, I'm seeing how you work, and that's  
24 illuminating.

25 Third, that it will get to be more

1 of a communication between us, the people here who  
2 have knowledge of the past years of radio, and I'm  
3 going to address that, and television and the  
4 Internet. And we can look at the future coming  
5 out of that past.

6 I'll simply say, I have to be  
7 confrontational a little bit, you people broke it,  
8 now we're going to have to try to fix it. We had  
9 a good working model in broadcast in this country  
10 which got broken as it went to the auctions and it  
11 went to bidding up the prices of these station  
12 licenses and that sort of thing.

13 You broke it, now it's going to have  
14 to be figured out how to fix it. Well, don't  
15 forget, the airwaves were defined as belonging to  
16 the people of the United States. It's a natural  
17 resource, a limited natural resource, that's why  
18 we set up the system we did.

19 In other countries they set up  
20 different systems, but here it was a mixed system.  
21 What can we do? Well, I think we need to look and  
22 find how we can have more voices, and I say that  
23 again and again. We need to have community  
24 involvement.

25 You have come in here sort of like

1 on a whistle stop, and you'll get coal and water  
2 and then you'll pull the train out of town, and  
3 that will be that. And we need to do it a bit  
4 differently.

5 So that's where we're going to try  
6 to head, that's where I'm going to try to head.  
7 I've talked to some low-power FM people today, and  
8 I think we'll try to start some dialogue going to  
9 try to deal with these things, because you can't  
10 just whistle stop in and out when there's no good  
11 dialogue coming from the community to the FCC.

12 Thank you.

13 MR. LAKE: Madam Commissioner?

14 COMMISSIONER CLYBURN: I wanted to  
15 address that particular thing, and I might get up  
16 one more time about my friend, the broadcaster,  
17 about the whistle stop. I want to address that,  
18 and I was going to say this anyway.

19 This is our first hearing outside of  
20 the Beltway as it relates to this particular  
21 issue. As was mentioned, this was part of our  
22 Quadrennial Review. Every four years, we look at  
23 our rules and kind of, I mean, really, look for a  
24 change.

25 The Federal government says, Okay,

1 we're not 100 percent sure that the current rules,  
2 the way we've been doing things for the past some-  
3 odd years, we're not sure if it's kept up with the  
4 marketplace. So we're going to look at ourselves,  
5 we're going to evaluate ourselves.

6           And one of the things in the  
7 Chairman's wisdom that we decided to do was get  
8 out of the Beltway to come to see -- it's not just  
9 coming home, I love to come home, but it's not  
10 just about coming home. It's coming and seeing  
11 real people, real consumers of this product.

12           But it does not end here, sir, and  
13 everybody else. This is an ongoing interactive  
14 process. Again, this is the first outside-of-the-  
15 Beltway stop. You have the opportunity to call,  
16 write, we still open our mail, Twitter, tweet,  
17 whatever, you know, and e-mail.

18           Because we're on live right now.  
19 Persons who are not here are viewing us live,  
20 they're listening to us live. So this is not but  
21 one stop. And I know you didn't say that to  
22 necessarily be maybe overly critical -- uh-oh, I  
23 called him back.

24           I'm just saying, it doesn't end  
25 here, that the comment cycle is not closed. The

1 comment cycle technically will never be closed,  
2 but it's not closed as it relates to this review  
3 process.

4 So I wanted to reaffirm that at this  
5 point so no one would think that if they didn't  
6 want to come up now that they cannot email, call,  
7 or write later.

8 MR. JENKINS: Thank you very much.  
9 I know your father, I've worked with him, and I  
10 know that you speak in the same approach that he  
11 has. And I will take that as an invitation, and I  
12 hope that a lot of the other people will too.

13 Because I think that is something  
14 that's very lacking in all parts, not just the FCC  
15 world, but that community involvement is how we  
16 will make things better.

17 Thank you.

18 COMMISSIONER CLYBURN: Thank you. I  
19 appreciate it.

20 MS. SMITH: Can I also say one thing  
21 just to really drive the Commissioner's point  
22 home? When the Chairman came to the FCC, he was  
23 very clear that this was going to be an agency  
24 that would be very open, very transparent, and  
25 very committed to having an open dialogue.

1                   One of the early things that he did  
2                   and he recognized was that it wasn't that easy,  
3                   quite frankly, to have comments on the web or to  
4                   otherwise engage with the Commission.

5                   We immediately opened up some  
6                   Twitter, Facebook accounts, we immediately redid  
7                   the website so that you could post comment. And  
8                   Bill is going to talk about how you can actually  
9                   have comments in this proceeding as well.

10                  So we want to make sure you know  
11                  that this is a Chairman who is absolutely  
12                  committed to hearing what you have to say. And we  
13                  want you -- we're going to hold you to it as well,  
14                  that we want to hear from you, we want to hear  
15                  your suggestions.

16                  MR. LAKE: I think that's my cue for  
17                  a commercial announcement. Our website is  
18                  fcc.gov/ownership, that is an open portal into our  
19                  ownership docket in this proceeding. And we'd  
20                  welcome anyone in the room, if you don't feel like  
21                  standing up and saying something in public, just  
22                  post it to that site and that will be part of the  
23                  record of the proceeding.

24                  And please tell all your friends as  
25                  well, because we do very much want to hear from

1 the people who are affected by our decisions.

2 MR. WALDMAN: Can your station give  
3 me 15 seconds for a PSA?

4 In addition to that, there's a  
5 second project going on at the FCC on the future  
6 of the media and the information needs of the  
7 communities, it's in coordination with this  
8 ownership review, it's slightly broader.

9 And, for instance, it's going to  
10 look very carefully at the whole question of what  
11 is the public interest obligation in the digital  
12 era, what happened to that structure that we had  
13 before, what should we have in the future. So  
14 there's -- the website for that is  
15 [fcc.gov/futureofmedia](http://fcc.gov/futureofmedia).

16 MR. BROOMFIELD: Good evening. My  
17 name is John Broomfield, and I'm a small business  
18 owner, minority broadcaster. There's a lot of  
19 problems I think that we're facing now, but the  
20 most important one is access to capital.

21 I think with that we probably would  
22 be able to handle a lot of the others. One of the  
23 -- my question is: What is the FCC doing to help  
24 the SBA guarantee the loans or get the banks to  
25 actually make the loans?

1                   MR. LAKE: We're very aware of the  
2 fact that if we -- if we weren't aware before, we  
3 certainly heard it today, that money is a  
4 substantial part of the problem in these times.  
5 And we're looking into that very closely as part  
6 of this inquiry.

7                   We did hold a full-day's workshop in  
8 Washington specifically on the question of access  
9 to capital for broadcasters and particularly for  
10 minority and women broadcasters. I don't have any  
11 solutions for you at this point, but this is  
12 something we're looking at.

13                  MR. BROOMFIELD: I understand that  
14 SBA makes the loans or they guarantee the loans,  
15 but they don't actually have the money. The banks  
16 have the money, and the banks won't make loans.

17                  I actually have an SBA guaranteed  
18 loan for one of my stations, but that was during  
19 the time when banks were making loans, now they're  
20 not.

21                  MS. SMITH: But I think one of the  
22 things is recognizing that there is a problem and  
23 trying to understand what the problem actually  
24 is. I think we'll all acknowledge that even in  
25 the last four years since the last ownership

1 review, things have substantially changed.

2 That was one of the reasons we did  
3 have the day-long workshop last fall to really try  
4 to get a full understanding of what's happening on  
5 the ground, what's going on with the SBA, what's  
6 going on with access to funding and we have  
7 someone who's in charge of thinking about this and  
8 coming up with ideas and solutions. And we hope  
9 to have some ideas soon.

10 MR. BROOMFIELD: I think the banks  
11 -- if you talk to the banks, their problem is that  
12 they're regulators. They don't want -- the  
13 regulators are telling them not to make the  
14 loans.

15 COMMISSIONER CLYBURN: It's not this  
16 regulator.

17 MR. BROOMFIELD: Well, I don't know  
18 which ones.

19 MS. SMITH: It's not us.

20 MR. BROOMFIELD: I've gone to at  
21 least 25 banks. Because the SBA will guarantee  
22 the loans, but the banks will not make the loans.  
23 And they're saying that they -- well, there's  
24 different -- I don't know what all their problems  
25 are.

1                   But they're telling us that the  
2 regulator is saying that they need to clean the  
3 books and they need to do all of this and they  
4 can't make the loans.

5                   COMMISSIONER CLYBURN: I would ask  
6 them which regulator or what regulatory body is  
7 saying that. The unfortunate part about where we  
8 are in today's climate, it's hard for everyone --  
9 now, he scared me. I'm usually pretty good, he  
10 scared me.

11                   It is hard for people to -- with  
12 good credit to buy a home. I mean, it's the whole  
13 marketplace, I mean, the whole United States. I  
14 mean, seriously, and I'm not trying to be funny.  
15 Everyone is having the same type of issues.

16                   I think you hear and see that one of  
17 the variables which we can control, which would be  
18 -- some people used to call regulatory  
19 uncertainty.

20                   The reason why we're being -- you  
21 know, the Chairman is being so transparent and  
22 open and having these type of dialogues and  
23 focusing on some of the key issues you're talking  
24 about is because we want to erase that part of the  
25 equation, that we don't want to be seen as a

1 barrier to you attempting to do business, that we  
2 are open to review, we're open to looking at  
3 ourselves, to review ourselves, and to make the  
4 tweaks or make the adjustments going forward so we  
5 would not -- we don't think we are, but we try to  
6 ensure that we are not one of the barriers to  
7 entry, to success for you.

8           So you've got our commitment, I  
9 wouldn't be on live feed saying this to you.  
10 You've got our commitment in terms of our  
11 universe, what we can do, we will do. I have a  
12 love, a passion for radio.

13           The guy sitting behind you in the  
14 chair, we once almost blew up a radio station, but  
15 I'll talk to you about that later. That's how  
16 much I love radio. So, you know, you've got  
17 persons who are passionate and committed to the  
18 viability of this space.

19           That public interest option that has  
20 been mentioned is one of the reasons why I was so  
21 passionate about saying yes to coming to the FCC,  
22 not to have "Commissioner" before or behind my  
23 name, it's because I have a love for this space  
24 and love of this universe.

25           So let's each keep in touch. You

1 know how to get in touch with me. But I assure  
2 you that we're going to do our part in making sure  
3 that your life, in terms of your medium, is  
4 easier.

5 MR. BROOMFIELD: Thank you. I  
6 appreciate that. My question still with -- as far  
7 as the SBA, because I am currently working with  
8 the SBA, I'm currently trying to get SBA funding  
9 for another project that I'm doing, and SBA is on  
10 board, but, obviously, you have -- you have the  
11 preferred banks and then you have, I guess, just  
12 other banks that SBA guarantees.

13 I'm not sure if you understand what  
14 I'm saying. The preferred bank -- I don't know  
15 the difference except for I understand that  
16 usually the preferred banks can approve the loan  
17 and then the banks will accept the loan from the  
18 preferred bank.

19 Is that correct or not?

20 MR. LAKE: I think, yes, there is  
21 some stratification in that regard in the banking  
22 industry. Are you suggesting that there is  
23 something specific that SBA could do that it's not  
24 doing or that we could be doing the same?

25 MR. BROOMFIELD: My understanding is

1       that the government, not FCC, but the government,  
2       had extended the amount of loans, guaranteed  
3       loans, they would do. I don't know if you know  
4       what that amount is or not, but I might be talking  
5       to the wrong party maybe.

6                   MR. SNIPE: Maybe I could offer just  
7       a couple thoughts. I think one of the issues is,  
8       in terms of getting the banks to release the  
9       money, it may relate to a collateral and value  
10      issue.

11                   Radio stations values are down now  
12      considerably, and we are unable to use our license  
13      as collateral. And as one banker said to me,  
14      We're looking for bricks and mortar. And when you  
15      have a radio station, you don't really have bricks  
16      and mortar that will serve as enough collateral to  
17      make the kind of loan that you probably need.

18                   This is just a perspective. The  
19      regulatory body that you're referring to is the  
20      banking industry regulatory body. Banks -- all  
21      banks are under scrutiny now for the bad loans  
22      that they have made, and because of those bad  
23      loans, they have to have a loan loss reserve,  
24      which is now much higher than it was in the past.

25                   So their obligations to their

1 regulatory body has increased considerably, so  
2 they are very cautious now when you come to the  
3 table with a radio station and you don't have the  
4 kind of collateral that you need to collateralize  
5 the loan, what they're looking for.

6 And that's why they're not -- based  
7 on what I have been told, that is the issue, and  
8 the Commission will not allow us to use the  
9 license as collateral.

10 MR. BROOMFIELD: I appreciate it.  
11 Any help you can give on not passing the  
12 performance tax would help as well.

13 MR. LAKE: Thank you very much.

14 MS. DOYLE: Hi. MY name is Brandy  
15 Doyle, and I work with the Prometheus radio  
16 project. And we help to build and support  
17 low-power radio stations across the country.

18 And I wasn't planning on speaking  
19 tonight, but I wanted to respond to the question  
20 that Mr. Waldman asked Mr. Varholy about the  
21 low-power service.

22 We work with many stations, there  
23 are about 800 low-powered radio stations licensed  
24 across the country, and WXRY, the station here in  
25 Columbia, the LPFM station, is among the most

1 economically successful, and I think that has to  
2 do with its strong ties to the business community  
3 and the nonprofit community.

4           They're right there on Main Street  
5 and they're able to do real local service. And so  
6 that's true. And I think that also there's  
7 another point to make, that there's not many LPFM  
8 stations licensed in the mid- to large-markets in  
9 the country due to restrictions on third adjacent  
10 channel; however, you know, we work every day with  
11 low-powered broadcasting across the country, of  
12 whom there are many, many economically sound,  
13 viable, and successful stations and on different  
14 models.

15           Some of the stations are run by  
16 churches, a great number are run by churches, many  
17 are run by emergency responders, by schools and  
18 colleges, and a lot of local government. So --  
19 and many of them -- you know, these news  
20 underwriters, they use on their pledge drives and  
21 other models for raising money. So there's quite  
22 a number of them.

23           I used to work with WSLR down in  
24 Sarasota, Florida before I was with Prometheus,  
25 and, you know, that station is doing quite well

1 with its strong community support there.

2 This year marks the ten-year  
3 anniversary of the LPFM service, and so, you know,  
4 throughout this year we'll enjoy sharing more  
5 success stories with the Commission and also ways  
6 that you all can improve the regulatory landscape  
7 to make it easier for LPFM stations to thrive.

8 MR. WALDMAN: Can I ask you a  
9 question about that? One of the things that's  
10 happening in the media landscape right now, of  
11 course, as you said, newspapers have contracted,  
12 there's an incredible abundance of interesting new  
13 web startups, hyper-local blogs or news-oriented  
14 startups.

15 Have you seen any signs that these  
16 local websites are hooking up with low-power FM  
17 and doing partnerships? Has that happened yet or  
18 is that something that ought to be encouraged or  
19 are there limitations for why that would happen?

20 MS. DOYLE: It's definitely  
21 something that could be encouraged. More, we've  
22 seen it from the other side where low-powered  
23 stations are looking to expand their broadband  
24 capabilities as access points to help community  
25 members come in and have that be a local computing

1 center. LPFM stations make a natural community  
2 hub, people are already familiar with the radio  
3 stations, so it gives them access that way.

4 We've done some work to try to  
5 figure out how to help stations do more streaming  
6 and also to try to help build their news and  
7 public affairs departments, both on air and  
8 broadcast and broadband. So that's something that  
9 we're certainly looking at as well.

10 MR. LAKE: Thank you.

11 Welcome.

12 MR. WHITE: Good afternoon, ladies  
13 and gentlemen. My name is Marion White, and I am  
14 the control room manager at Benedict College  
15 locally here in Columbia, South Carolina.

16 And I want to, again, thank you for  
17 coming out, because I know you have a very busy  
18 schedule. As I listened to your speeches, I can't  
19 help but notice that you are talking about  
20 commercial radio stations.

21 I'm from the noncommercial era, so  
22 to speak. My first question -- I have several.  
23 My first question to the panel, anyone can answer  
24 it, is: What do you feel is the role or impact of  
25 noncommercial radio stations in today's community?

1                   MR. MILLER: I feel it's a valuable  
2 service. I feel, A, education; two, information;  
3 C, a vehicle to raise money for charitable  
4 organizations; an outlet for government or city  
5 government or churches or -- in other words, it's  
6 educational service or religious service, if I  
7 could fall back to the beginning of it, with  
8 expansion into the new day. Certainly low-power  
9 FM would be taking that to a new place.

10                   Is that an answer?

11                   MR. WHITE: I guess that's a start.

12                   MR. MILLER: College would certainly  
13 be another category, but that falls under  
14 education. You're familiar with WUSC. Do y'all  
15 have one at Benedict?

16                   MR. WHITE: Well, that's going to be  
17 my next question. Because in the past three  
18 years, we have been working on trying to get our  
19 own radio station. We have completed the forms to  
20 the FCC -- and, Commissioner, hopefully you can  
21 answer this question -- we've completed the forms,  
22 we've done surveys, we've done everything -- I  
23 think we've paid the fines or fees that we're  
24 supposed to pay as well, but still we're not able  
25 to receive any answer as to whether or not we can

1 receive a low-power frequency radio station for  
2 Benedict College.

3 I wanted to know can -- are -- are  
4 we going to receive a frequency and what the time  
5 table is for knowing so.

6 MS. SMITH: Well, that's the  
7 Commissioner. I'm the legal advisor to the  
8 Chairman. So I think maybe the Chief of the Media  
9 Bureau could probably answer that question.

10 MR. LAKE: I don't think I can  
11 answer the question of how quickly we can act on a  
12 particular application, but I do know that one  
13 thing that this commission takes very seriously is  
14 that -- and we're paid our government salaries to  
15 make decisions and to make them as quickly as we  
16 can.

17 I think this agency has not always  
18 been famous for that. So we are very much  
19 committed to cleaning up the backlog of things  
20 that we have before us and to moving more quickly  
21 as we go forward.

22 We certainly -- if we can't actually  
23 help the industry, we want to make sure that we're  
24 not in the way. And we're determined to act more  
25 quickly than the Commission has historically.

1                   MR. WHITE: Hopefully I can obtain a  
2 business card from you afterwards and we can talk  
3 some more.

4                   My third question -- and, again,  
5 this is to you, Commissioner -- is there any way  
6 in which historically black colleges and  
7 institutions can receive funding from the FCC in  
8 helping build their program for their radio  
9 stations?

10                  MS. SMITH: I'm going to let the  
11 Commissioner answer that. I keep getting promoted  
12 here.

13                  COMMISSIONER CLYBURN: That  
14 particular -- the only granting opportunities that  
15 I'm aware of from the agency are health,  
16 telemedicine related. That's the only thing I'm  
17 aware of that we do at present.

18                  So that is something -- you know, I  
19 always say if -- the person that helped raise me,  
20 whatever Congress tell us to do, we will do to the  
21 best of our ability.

22                  MR. LAKE: We did have the authority  
23 to issue minority tax certificates, as someone on  
24 the panel had mentioned; unfortunately, Congress  
25 let that authority lapse. But we certainly would

1 administer any programs that Congress gave us.

2 MR. WHITE: I had one more question  
3 also. And I thank you for your patience in  
4 indulging me here. It has to do with language as  
5 far as what is acceptable language and what is not  
6 acceptable language as far as television and radio  
7 is concerned.

8 I've had students approach me saying  
9 that they can say certain words on the air, and to  
10 my knowledge, those words have still been banned,  
11 as far as I know, of being used on the air. So  
12 I'd like to know what are your thoughts on what is  
13 acceptable language and what is not acceptable  
14 language.

15 MR. LAKE: We have a statutory  
16 command to prevent indecency on the airways.  
17 That's a difficult thing to define. In recent  
18 years, before the current Commission, the  
19 Commission has issued a number of orders against  
20 stations that have used what were called fleeting  
21 expletives, the use of one bad word without  
22 necessarily great repetition.

23 Those cases are in the courts, and  
24 we're actually looking forward to some guidance  
25 from the courts over the next year as to what our

1 authority is to regulate indecency over the  
2 airwaves and what exactly indecency is.

3 MR. WHITE: One more question,  
4 please. Is it true that television stations have  
5 more leniency than radio does or is it the other  
6 way around?

7 MR. LAKE: No. They've governed by  
8 the same standards. We have, for the television  
9 industry, established a safe harbor, which is that  
10 between the hours of 6 a.m. and 10 p.m., we expect  
11 stricter standards of language because that's when  
12 children may be watching.

13 What you may be referring to is that  
14 our authority to regulate indecency applies to  
15 radio and television but not to cable. So cable  
16 and satellite TV are not subject to the same  
17 restrictions.

18 MR. WALDMAN: I wanted to also  
19 return to your question for a second about public  
20 broadcasting and noncommercial broadcasting. To  
21 some extent, we've been focused on commercial  
22 broadcasting because this hearing grows out of a  
23 proceeding that relates to the ownership of  
24 commercial stations.

25 But the topic of the fate of

1 noncommercial radio is a very important one, it's  
2 going to be very central to this Future of Media  
3 inquiry. And I'll say that as we've been doing  
4 workshops and interviews on the future of media,  
5 it's actually a very exciting and interesting time  
6 in the world of public radio.

7           There's a lot of discussion about  
8 how should we be doing things differently, how  
9 should the Corporation for Public Broadcasting be  
10 doing things differently, how should NPR be doing  
11 things differently.

12           Public radio has kind of been hit by  
13 a lot of the same forces, and it's a great moment  
14 to join that conversation because there's very  
15 creative thinking going on about what the role of  
16 public radio is right now.

17           UNIDENTIFIED SPEAKER: Good evening.  
18 My name is (inaudible) Jr. I'm a local pastor and  
19 a former broadcaster for some 27 years in some  
20 way, shape, or form. As a broadcaster and a  
21 pastor, the issue of religious programming always  
22 comes up.

23           When I was in radio we had what was  
24 considered to be a myth, that the FCC was going to  
25 be canceling out religious programming. This

1 continues to rise. Again, you do hear a lot of  
2 opposition by certain factions to religious  
3 programming.

4 A blunt question: Is religious  
5 broadcasting being protected by the FCC or is it  
6 definitely on life support?

7 MR. LAKE: I know of nothing that  
8 the Commission has done or would want to do to  
9 discourage religious broadcasting. And many of  
10 our licensees, as you probably know, are religious  
11 broadcasters and are doing a very important public  
12 service.

13 UNIDENTIFIED SPEAKER: Thank you.  
14 Because I've been in there, I get these calls all  
15 the time.

16 MS. SMITH: We still receive letters  
17 about the same thing. So let's reiterate the fact  
18 that we're not --

19 MR. WHITE: I'd like to dispel the  
20 myths.

21 MS. SMITH: Yeah.

22 UNIDENTIFIED SPEAKER: My second  
23 question is about the recent release of  
24 information about the 700 megahertz frequency that  
25 some of the cell phone companies will be taking

1 over, I believe effective June 12th.

2 A lot of churches who have more  
3 professional systems do have that particular band,  
4 and we understand that there will be no -- there's  
5 no protection for us, there's no grandfathering or  
6 anything of that nature.

7 What is the FCC's position on this  
8 and how much further can we anticipate this as  
9 cellular and VOIP continues to become more and  
10 more popular?

11 MS. SMITH: I think you're referring  
12 to the wireless mics issue.

13 UNIDENTIFIED SPEAKER: Yes, right.

14 MS. SMITH: There are a lot of  
15 nuances with this particular situation, including  
16 what mics will actually continue to work after the  
17 June 12th deadline.

18 What I would encourage you to do is  
19 go to the FCC website, because we've put up a  
20 website that is very detailed about what we plan  
21 on doing, what you can do if you have a mic that  
22 would be impacted by this decision.

23 It also gives you numbers and email  
24 addresses of people who work in our call center  
25 who can help answer any questions that you have.

1 UNIDENTIFIED SPEAKER: Thank you  
2 very much.

3 MR. WALDMAN: I have to add a  
4 comment on a personal level about your first  
5 question. Before I came to the FCC, which was  
6 just three months ago, I was the founder of  
7 Beliefnet, which is a religion website, it's  
8 actually the largest religion website on the  
9 Internet.

10 And since arriving here, I've found  
11 -- at the FCC, I've found absolutely nothing but  
12 the strongest possible support in the building for  
13 the importance of religious broadcasting, and,  
14 certainly, given my own background, mine as well.

15 UNIDENTIFIED SPEAKER: Stay there as  
16 long as you can.

17 MR. MCPHAIL: Hi. My name is Keith  
18 McPhail. I've been an account executive in the  
19 Dallas market for about ten years. And I'm  
20 concerned a little bit about the diversity of  
21 ownership, particularly as it relates to local  
22 ownership.

23 So if you look at the Dallas market,  
24 if you remove the urban stations, the religious  
25 stations, and the Spanish-language stations, the

1 entirety of the top 25 is owned by four different  
2 corporations, all national in scope, all executing  
3 roughly the same philosophies.

4           A lot of these philosophies are,  
5 should we say, not of great benefit to the people  
6 who work in the industry, and, in a lot of cases,  
7 it seems like, well, they're a basket of radio  
8 stations, they might have some inspired choices in  
9 some areas, other stations fall into great  
10 neglect, yet they still maintain that signal.

11           Is there any conversation about  
12 tightening the ownership limitations to free up  
13 some of these signals that are being held by  
14 corporations that could be then acquired by local  
15 ownership groups, and is there a possibility of  
16 moving to a more strict set of renewalship  
17 application process, where, if a station is --  
18 let's say, for example, I can tell you about a  
19 50,000-watt signal in Dallas, the number-five  
20 market in the country, that at one point got down  
21 to one dedicated employee, and that employee was  
22 part time.

23           Is that the kind of thing that then  
24 we could say, maybe we don't rubber stamp a  
25 renewal and we find a new caretaker for that

1 signal?

2 MR. WALDMAN: You asked a good  
3 question. Can I assume that you think that we  
4 should?

5 MR. MCPHAIL: Yeah, I'm actually  
6 surprised -- based on the conversations that I've  
7 been in, you know, with just other people in the  
8 industry, I'm surprised that I hadn't heard any  
9 voice towards that through this proceeding.

10 It seems like the conversation that  
11 I had heard was more about, should we make it  
12 loose or keep it the way it is. My thought would  
13 be that a very detailed conversation about making  
14 it a tighter set of ownership limitations so that  
15 we do have active caretakers for each signal, that  
16 we have people who are passionate about this, the  
17 signals that they have, and that do have an  
18 employee base that are focused on that signal  
19 would serve the community better.

20 If it's just sort of one more of  
21 five, how are you blocking other people who would  
22 want that other than by virtue of buying that  
23 license from somebody else, you have the right to  
24 do that.

25 And it seems, in several cases,

1 certainly two I can cite specifically in Dallas,  
2 you have stations that, because of economic  
3 conditions, are being starved of their resources,  
4 yet those individual stations are very healthy  
5 stations, I'd say two of them kicking out over \$20  
6 million a year, but, because they're part of a  
7 larger portfolio, the people who work for those  
8 stations are being punished and the resources are  
9 being pulled away from them and jobs are being  
10 eliminated even though that individual business is  
11 healthy.

12 MR. WALDMAN: There's two parts to  
13 what you're saying or two parts to what you're  
14 suggesting, one has to do with ownership rules and  
15 the other, if I'm hearing you right, actually has  
16 to do with the license renewal process.

17 MR. MCPHAIL: Right. Which, in my  
18 mind, seems to be two ways to free up signals for  
19 local ownership.

20 MR. WALDMAN: Yes, exactly. But I  
21 wanted to follow up on the second part. We talked  
22 a lot about the -- actually, I want to get a  
23 reaction to some of the folks on the panel to what  
24 you said about ownership, but I also wanted to  
25 follow up on the second point.

1                   So there is this license renewal  
2 process that often results in renewal. If you  
3 were to change that and have the renewal process  
4 based on some factor related to the passion or  
5 commitment to the community, how would you do  
6 that?

7                   MR. MCPHAIL: That would be a  
8 difficult question, how you would set, you know,  
9 the marks for how you would judge that. I  
10 suppose, for example, if a station -- again,  
11 focusing on a major market -- had a very small  
12 number of employees that were focused on the  
13 operation of that station, I think that would be  
14 -- you know, where to set the mark, I'm not sure,  
15 but I think that would be something that you look  
16 at.

17                   I think the number of times you  
18 either rebranded or flipped the format of a  
19 station, I think that would be an indicator that  
20 you're not really operating that station with  
21 great success. Those would be two things I could  
22 point to that you could look at.

23                   MR. WALDMAN: Does anyone on the  
24 panel have any response or reactions to -- I  
25 didn't catch your name.

1                   MR. MCPHAIL: My name is Keith  
2     McPhail.

3                   MR. WALDMAN: -- to Keith's  
4     comments?

5                   MR. MILLER: Keith, the only  
6     question I would have is did somebody come up  
7     against them as duplicated in the marketplace?

8                   MR. MCPHAIL: You bring up actually  
9     a very excellent point. Because I do think that  
10    is another area of concern. When you had a much  
11    smaller spectrum of ownership by fewer stations  
12    with a larger number of people owning them, very  
13    few stations were used as direct combat to  
14    something that's already in the market.

15                   So if you look, again, into the  
16    market I'm at, there's quite a number of those  
17    signals, all of which are owned by the large  
18    corporations, where they're using a signal to  
19    limit the success of something that's almost  
20    exactly or a very, very similar format.

21                   So they're repeating -- in terms of  
22    serving the community, I don't know that  
23    repeating, you know, Lady Gaga that's already out  
24    there is necessarily a service to the community.  
25    Not trying to bag on Lady Gaga.

1                   But when you have four and five  
2                   stations in a market that are only being used to  
3                   limit the success of their other corporate  
4                   competitors, and then they're really caught in a  
5                   game that has more to do with securing ad dollars,  
6                   haven't we gotten pretty far away from the public  
7                   interest at that point?

8                   MR. MILLER: Well, if that was the  
9                   intent, sure. On the other side of the coin,  
10                  somebody across town might think they can do  
11                  country just as well or better. I don't know the  
12                  circumstances. I mean --

13                  MR. MCPHAIL: Right. And it's very  
14                  hard to say --

15                  MR. MILLER: It could be a number of  
16                  issues. It could be sheerly financial and they've  
17                  found themselves in a tough spot right now and  
18                  they've had to lay off their staff. You know,  
19                  it's no different -- and I'm not trying to make  
20                  excuses, I don't know the circumstances, but it's  
21                  no different than what the car dealers are going  
22                  through. It's weird out there right now.

23                  MR. MCPHAIL: For sure. And I'm  
24                  saying, looking at some of the national  
25                  corporations --

1                   MR. MILLER: And let me say this to  
2 you --

3                   MR. MCPHAIL: The question is really  
4 more an evaluation in which they acquired the  
5 stations more than -- certainly, I think, looking  
6 at Citadel and Cumulus, they bought at very high  
7 numbers right at a time when it was probably a  
8 difficult time to buy.

9                   MR. MILLER: I think the bottom line  
10 there is diversity is the answer. If you want to  
11 be successful with a radio station, you've got to  
12 put something on there and you've got to be  
13 creative enough to draw an audience.

14                   MR. MCPHAIL: Right.

15                   MR. MILLER: And then that's going  
16 to draw your sales. So the focus has got to be on  
17 the radio station, whether you've got one person  
18 running it or 15 people running it. You've got to  
19 put something on there that people want to hear.

20                   MR. MCPHAIL. Absolutely.

21                   MR. MILLER: So, I mean, I  
22 understand. But the bottom line is I don't know  
23 how to answer your question. I think a lot of  
24 what you've seen of those kind of things are  
25 coming to an end, because now it's getting down to

1 the operations.

2 MR. MCPHAIL: Right.

3 MR. MILLER: Companies that are  
4 successful have broadcasters in there, that's  
5 what's making it successful, and have sellers in  
6 there who can sell, who've done it, who've been  
7 around the business, and managers who have been in  
8 the marketplace and know how to run the company,  
9 that's what's making it right now. One good thing  
10 about the small markets, we know our advertisers,  
11 face to face.

12 MR. MCPHAIL: That's one of the  
13 beauties, I think, of small markets and one of the  
14 dangers of large markets when you have  
15 corporations rolling in, is they're not building  
16 those same type of relationships between a car  
17 dealer that you know personally and a radio  
18 station that you guys are going to be living in  
19 the same community for a long time. There's a  
20 little bit different mindset to how you approach  
21 that business model.

22 MS. PIGG: Did I understand you to  
23 say that the station is billing \$20 million and  
24 only has one employee?

25 MR. MCPHAIL: Those are different

1 stations. I don't know how you could possibly do  
2 that. You would need something more compelling to  
3 broadcast than one person could come up with to  
4 generate \$20 million.

5 MR. MILLER: If he's doing \$20  
6 million, I want the employee's name.

7 MR. MCPHAIL: I don't know. To my  
8 way of thinking, it seems like a bright line rule  
9 that is the tightening the -- you know, the  
10 amounts that a national corporation can market  
11 would seem to make a lot of sense and certainly to  
12 have, you know, a greater opportunity where all  
13 your general market stations belong to national  
14 corporations, finding a way to correct that, I  
15 think, would be a great help to Dallas.

16 MR. MILLER: Let me say this: We've  
17 got a guy in this room right now that runs a  
18 cluster of stations in Columbia that everybody  
19 wants his ratings, Steve Patterson. He's a  
20 corporation in himself. He's doing a good job and  
21 he's a good broadcaster, and he supports South  
22 Carolina broadcasters, and he's in the community.

23 And, obviously, what you're talking  
24 about doesn't exist with Steve. I wish one of the  
25 stations was run by one person. But, anyway, I

1 guess what you're saying, there's good and bad  
2 situations in every market, there's good and bad  
3 situations in every business.

4 So maybe, in this particular case,  
5 not knowing all the circumstances and what you're  
6 telling me, I'm trying to give you some answers in  
7 a very vague way. I don't tiptoe very well.

8 MR. MCPHAIL: Thank you.

9 MR. LAKE: If I could answer your  
10 specific question, we are looking at our rules  
11 with an open mind as to whether we tighten the  
12 rules, loosen them, or change them in some other  
13 way. So this is why we want to hear from all  
14 voices, and we're very happy to hear yours.

15 One of the things we're trying to  
16 get on top of is what relationship there may be  
17 between concentration of ownership and the kinds  
18 of quality of service that we're all seeking.

19 MR. MCPHAIL: I think one of the  
20 questions that comes with that is, is it a  
21 question of the mechanism of a large national  
22 owner or bad actors that are using that mechanism.

23 And I suppose my final question  
24 would be: What would be the appropriate way for  
25 people who say that they feel like they have

1 something to communicate, maybe they feel like  
2 they were wronged in a situation with a national  
3 owner, to communicate that and get a voice with  
4 the FCC?

5 MR. LAKE: If it relates to these  
6 ownership issues, we welcome your comments  
7 submitted to [fcc.gov/ownership](http://fcc.gov/ownership). If it's a  
8 complaint about the behavior of a broadcaster, the  
9 FCC receives complaints, so you can go on our  
10 website and we'll direct you as to how to file  
11 one. And we have an Enforcement Bureau that  
12 operates to receive those complaints and to  
13 consider them.

14 MR. MCPHAIL: Thank you very much.

15 MR. CLAY: My name is William Clay.  
16 I live in Charlotte, North Carolina. And I'm very  
17 glad to have the opportunity to come back to  
18 Columbia, where I worked up the Hill at the Budget  
19 and Control Board about -- a few years ago.

20 So thanks, Commissioner Clyburn and  
21 Mr. Waldman, Mr. Lake, Ms. Smith, Mr. Tatel, for  
22 coming down and escaping the confines of the  
23 Portals.

24 I was up in your neck of the woods a  
25 little before Thanksgiving to talk with some of

1 your staffers, including Rick Kaplan on the  
2 Commissioner's staff, about an issue that at first  
3 doesn't sound like an ownership issue, but we've  
4 heard several eloquent speakers talk about factors  
5 related to this.

6 Mr. Snipe said it most clearly, it's  
7 all driven by the market. And you guys have set a  
8 floor in certain parts of the market that have  
9 encouraged property speculation, which Keith was  
10 just talking about, or, as the gentleman across  
11 the way said, You've broke it, now we've got to  
12 fix it. I'm here to help.

13 Because while, in general, you face  
14 a daunting array of competing objectives and  
15 interests as you try to figure out how to foster  
16 our nation's civic and economic health, I've got  
17 something that's almost a no-brainer.

18 In ensuring the localism that  
19 Ms. Pigg and Mr. Miller and Mr. Snipe have all  
20 talked a lot about, as well as the people in the  
21 audience, and in putting a break on the  
22 consolidations that Keith is describing so  
23 eloquently -- and I'm going to ask for a little  
24 bit of patience, there's no way I can get through  
25 this in two minutes, but I'll stay focused.

1                   What I'm talking about is the first  
2 local service preference in FM channel allotment.  
3 Mr. Lake may be familiar with this. I think I  
4 heard a moan of recognition behind me.

5                   Actually, Prometheus and the Media  
6 Access Project and I have supported each other in  
7 comments in a couple of rule makings. I have not  
8 participated in the ownership rule making, but  
9 when you come so close to home, I couldn't  
10 resist.

11                   The first local service channel  
12 allotment preference is a trump card that supports  
13 the FCC's frequency allocation process. It's been  
14 abused for 20 years to game your frequency  
15 allocation process for private gain usually, but  
16 not always, to the detriment of the public.

17                   It has surely fed to the property  
18 speculation, the bubble of which we just talked  
19 about having burst. And it's one that will come  
20 back.

21                   Mr. Waldman was being a little  
22 optimistic in one of his questions asking what  
23 happens when the current market conditions  
24 improve. I sure hope you're right. And, if it  
25 does, the problem will come back if you don't fix

1 it.

2           So what's the problem and what's  
3 this easy fix? And I invite questions. I saw the  
4 Commissioner having a somewhat skeptical view.  
5 What's this guy talking about? What's a change in  
6 community of license? A radio station can change its  
7 service area at licensee initiative through a  
8 mechanism that cuts off any competition or  
9 practically any opposition.

10           It is justified on the basis of a  
11 public benefit showing that can be cobbled  
12 together by -- actually, I think it's usually  
13 cobbled together with a pair of scissors and some  
14 paste and a copy of the Yellow Pages by about two  
15 dozen attorneys in Washington.

16           But, at any rate, it is a totally  
17 meaningless public benefits showing, and I've  
18 filed lots of filings that go into the ins and  
19 outs of that, and it has to do with the same  
20 things that were wrong with what the court  
21 objected to in the Bechtel decision.

22           The way it works is a broadcaster  
23 picks an urban market he wants to move a rural  
24 station into. He looks around for a suburb that  
25 doesn't have a licensed radio station. He calls

1 up one of those two dozen guys in Washington, and  
2 after waiting a year or two, he gets his station.

3 And by doing that it has completely  
4 trumped a very carefully constructed and a really  
5 very well-thought-out process of frequency  
6 allotment. Now, the proponents of this say --

7 MR. LAKE: If I may, I am familiar  
8 with this policy and the issue and would love to  
9 speak with you further about it with you offline  
10 as soon as we're finished.

11 If I may, I'd just like to hear  
12 other comments from people who want to talk  
13 specifically about the media ownership rules, I'd  
14 like to move to them and would very much like to  
15 continue this conversation with you.

16 MR. CLAY: Okay. I waited until  
17 there was no one else brave enough.

18 MR. LAKE: Okay. Go ahead, but keep  
19 it -- and just a couple more minutes.

20 MR. CLAY: I'm doing my best. Okay.  
21 Typically, these proponents say the licensee is  
22 improving his facilities. In many cases, and I  
23 exclude Mr. Snipe and Mr. Miller, both of whom  
24 have had move-ins like this where these things are  
25 not all true; but, typically, what happens after

1 this facility is improved, you've got a new  
2 transmitter site, often a wholly different  
3 coverage area, a different studio, a different  
4 call sign, a different format, and a different  
5 owner, often a chain broadcaster who paid too much  
6 for the station and now is in bankruptcy.

7           The only thing that stays the same,  
8 quite literally, is the FCC facility ID. Nothing  
9 else stays the same. To call that improving a  
10 facility is violence to the English language.

11           Here in South Carolina, since 2000  
12 -- I've got a show and tell -- 17 small towns, the  
13 little red dots on this map, have lost their local  
14 FM stations over the last ten years. Many of  
15 those are county seats that provided the kind of  
16 service that the sheriff's deputy was telling us  
17 about earlier. Those voices are gone forever.

18           Now, there's still a radio station  
19 there, but it's typically an AM daytimer and it  
20 hasn't gotten its FM translator yet. So it's lost  
21 a powerful full-time voice. That's a significant  
22 hit to these little towns all over the state.

23           And if you look at this map,  
24 although it looks complicated, it's very simple.  
25 All those rural stations are being sucked into the

1 nearby urban area. And that is being driven by a  
2 market that is created by a frequency allotment  
3 system that you folks have allowed to be gamed  
4 almost without limit, the only limit is frequency  
5 spacing -- is the frequency spacing rules; if it  
6 weren't for that, we'd all be sucked into the  
7 urban market.

8                   So my easy, no-brainer fix, define  
9 first -- first define local service. Local  
10 service is the trump card in this equation, but  
11 you have no definition for it. I have a  
12 definition.

13                   The community to which you provide  
14 local service is the community or urbanized area  
15 in which the largest numbers of public listeners  
16 reside, the largest number of potential listeners  
17 reside.

18                   Now, Mr. Snipe got his participation  
19 in the Columbia market by saying he serves Irmo.

20                   MR. SNIPE: No, that wouldn't be me.

21                   MR. CLAY: Your predecessor?

22                   MR. SNIPE: No. Actually my station  
23 is South Congaree and Columbia. It was licensed  
24 in South Congaree, and it's still licensed to  
25 South Congaree.

1                   MR. CLAY: I beg your pardon. That  
2 was Double O South Carolina Corporation. At any  
3 rate, one of Mr. Snipe's competitors got licensed  
4 to Irmo but he's serving the Columbia market.

5                   And you can pick any little suburb  
6 you want and put a license on it. So that is what  
7 I would suggest is the fix for this. You can  
8 bring -- you can guarantee localism.

9                   We started off talking about  
10 ownership, right? Localism, concentration of  
11 ownership, you can work on both those things in a  
12 positive way. Easily, you've got three platforms  
13 ready to go.

14                   You've got the rural radio rule  
15 making that's open right now, you've got the FM  
16 allotment streamlining that's still in  
17 reconsideration, and you've got at least seven  
18 facility adjudications that are contested and not  
19 yet final, any one of which, with the right  
20 decision, could turn this around and bring  
21 benefits to the whole United States easily, and  
22 you can get a plus and a pat on the back and then  
23 go on to the really tough questions. And I'm glad  
24 it's you and not me.

25                   MR. LAKE: Thank you very much.

1 We'll be happy to take that into consideration.

2 Do we have any further comments or  
3 questions? If not, we'll consider this a very  
4 successful and worthwhile and useful session, it  
5 certainly was from our standpoint. I hope you  
6 learned something and enjoyed something.

7 Do we have any final remarks  
8 prompted by any of this discussion from members of  
9 our panel?

10 MS. LUGO: May I say something? I'm  
11 addressing you, sir, about the access to capital.  
12 We are from the South Carolina Hispanic Chamber of  
13 Commerce, and even though we're a small Chamber  
14 and we are just starting, we identify that that is  
15 the critical part of a start-up or ownership of  
16 the business.

17 And I have asked my marketing staff  
18 to focus on that, because we have tons of  
19 institutions and people that will show you how to  
20 make a business plan, a marketing plan, and so on;  
21 but there's nobody out there that can lead you  
22 through how to access capital.

23 I know it's difficult, I know it's  
24 sometimes impossible, but I think that somebody  
25 has to come up and address the situation, not with

1 seminars, not with having the SBA and different  
2 people to explain how they do it, it's just to fix  
3 what they have and make it accessible to the  
4 start-ups and the businesses that they want to  
5 improve what they have.

6           And for me to be here has been a  
7 learning process, and I'm happy that I'm here  
8 today, because I'm learning a different aspect of  
9 the market and another kind of broadcasting and  
10 the radio and TV stations, that's a different  
11 market from the one that we are addressing.

12           But, certainly, this access to  
13 capital is important in every, every market. So I  
14 thank you for bringing that up, and I know it's  
15 been opened up here. And I'm taking this back to  
16 the Chamber and asking them again to really focus  
17 on this.

18           Thank you.

19           MR. LAKE: Harold, last thoughts?

20           MR. MILLER: Please. In working  
21 with the translators and the FM branch, I'd like  
22 to say thanks to these people who not only work  
23 with you but work hard to get you answers back.

24           It was Rob Gates over in translators  
25 and Peter Doyle, the audio-visual chief, Jim

1 Bradshaw, Rudy Genachowski and deputy chief -- Jim  
2 Bradshaw and Rudy Genachowski and Engineer Norm  
3 Miller. They have gone out of their way to really  
4 try to help me in many situations.

5 And thank you very much and thank  
6 y'all for having this in South Carolina and coming  
7 -- and going out of your way. Commissioner, thank  
8 you for coming.

9 The only thing I'd like to say to  
10 everybody is I want to make one statement about  
11 dollars. We talk about dollars a lot here.  
12 Dollars are employees' paychecks, they're their  
13 dogs, cats, mortgages, spouses, their food, their  
14 babies, their homes.

15 I want y'all to understand  
16 something. When people talk about profit, it's  
17 not about greed always, it's about survival. And  
18 it's tough out there right now, and the reason we  
19 say that is because we're all in it, I think all  
20 of us know that.

21 We probably -- we want to serve, we  
22 want to do the right things. And coming to a  
23 place like this and listening to all of you is a  
24 good thing. And I do appreciate all of y'all  
25 attending, and I've listened intently to

1 everything everyone has had to say, and thank you  
2 for sharing.

3 MR. SNIPE: I guess what I'd like to  
4 say is that I think we all want the same things  
5 from broadcasting. I think we all have a sincere  
6 desire to serve the public interest and do the  
7 best thing for the communities that we're located  
8 in, it's just that we probably differ on how that  
9 should be done.

10 In my case, I think we need to be  
11 careful in how we seek to plug the hole that we're  
12 seeking to control what may be done to correct  
13 something that the major large broadcasters are  
14 doing is going to have a major effect on the media  
15 small guys that are operating, because you cannot  
16 cast the net -- catch the shark and not catch the  
17 small fish in it as well.

18 So as we proceed into the future, I  
19 think we should proceed with caution that we all  
20 should be heard and everything should be looked  
21 into, but it's that unintended consequence that we  
22 must be so acutely aware of, because many of the  
23 things that we want to resolve really pretty much  
24 resolve themselves anyway, and it's just going to  
25 cause another effect. And as we move forward into

1 the future and we look closer at ownership, let us  
2 move forward with caution.

3 Thank you.

4 MR. LAKE: Thank you. We were going  
5 to have a couple of songs from our surprise guest,  
6 Jimmy Buffett, but we'll hear from Jane instead.

7 MS. PIGG: I won't sing, but I would  
8 like to thank everyone for coming out. I'd like  
9 to thank everyone who is watching this. Radio is  
10 your friend, and a good radio station is a  
11 tremendous asset to a community.

12 We are going through a tough time,  
13 but with God's help we're going to make it through  
14 this and we're going to continue to have that  
15 voice in the dark, we're going entertain you,  
16 we're going to inform you, we're going to educate  
17 you.

18 On behalf of the South Carolina  
19 Broadcaster's Association, Commissioner, thank you  
20 for coming; Commission, thank you for choosing  
21 South Carolina to have your first 2010 hearing.  
22 Thank you for being here, you're welcome back any  
23 time.

24 MR. LAKE: Thank you to all of our  
25 panelists and to all of you for joining us, for

1 offering your questions and comments. And we are  
2 adjourned.

3 (The proceedings adjourned at  
4 8:38 p.m.)

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## 1 C E R T I F I C A T E

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3 SOUTH CAROLINA:

4 RICHLAND COUNTY:

5

6 I hereby certify that the foregoing  
7 meeting was reported, as stated in the caption,  
8 and the questions and answers thereto were reduced  
9 to that written page under my direction; that the  
10 foregoing pages 1 through 134 represent a true and  
11 correct transcript of the evidence given. I  
12 further certify that I am not in any way  
13 financially interested in the result of said case.

14 Pursuant to Rules and Regulations of  
15 the Board of Court Reporting of the Judicial  
16 Council of South Carolina, I make the following  
17 disclosure:

18 I am a South Carolina Court  
19 Reporter. I am here as an independent contractor  
20 for Huseby, Inc.

21 I was contacted by the offices of  
22 Huseby, Inc. to provide court reporting services  
23 for this meeting. I will not be taking this  
24 hearing under any contract that is prohibited by  
25 O.C.S.C.A. 15-14-7 (a) or (b).

1                   I have no written contract to  
2           provide reporting services with any party to the  
3           case, any counsel in the case, or any reporter or  
4           reporting agency from whom a referral might have  
5           been made to cover this meeting. I will charge  
6           my usual and customary rates to all parties in the  
7           case.

8                   This, the 1st day of March, 2010.

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RITA A. DEROUEN

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My Commission Expires

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August 12, 2019

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