SUPPLEMENT TO MULTIPLE OWNERSHIP EXHIBIT

In the multiple ownership exhibit attached to this application, Clear Channel stated that it believed this application could be granted without divestiture. In the event the Commission disagrees with this interpretation, Clear Channel requests a waiver of Section 73.3555 of the Commission's Rules. In order to grant a waiver, the Commission must determine that special circumstances warrant deviation from the general rule, and that such deviation will serve the public interest.[1] As demonstrated herein, the circumstances associated with the instant application and the public interest benefits that will be lost if this application is dismissed, warrant deviation from the multiple ownership rule. WPLA(FM) is already part of the Jacksonville Arbitron Metro and grant of this application will not increase the number of stations that Clear Channel owns in this Arbitron Metro. In addition, Clear Channel is not proposing to modify the technical facilities of WPLA(FM). Thus, except for a change of WPLA(FM)'s community of license, this application will maintain the status quo. More importantly, however, grant of this application will ensure that the community of Green Cove Springs, Florida (2000 U.S. Census pop. 5,378) retains its first local service. The Commission considers first local service a public interest benefit under its Section 307(b) mandate and to deny this application because of a perceived violation of the multiple ownership rule would be contrary to the public interest.[2]

A waiver is also warranted because it is not clear if Section § 73.3555, n. 4 is even applicable to minor change applications to change community of license and Clear Channel has requested clarification on this matter in a pending Application for Review. More specifically, on April 21, 2006, Clear Channel and a number of other parties filed an Application for Review of the Bureau's decision in *Galaxy*.[3] The parties also filed a Request for Stay of the effectiveness of the Bureau's decision in *Galaxy*. Both of these pleadings are pending and it would be inappropriate for the Bureau to dismiss the above captioned application based on *Galaxy* before the issues in *Galaxy* have been finally decided. Thus, in order to ensure that the community of Green Cove Springs retains its first local service, the Bureau should waive application of Section § 73.3555, n. 4 to the instant application.

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1 *Northeast Cellular Telephone Co. v. F.C.C.*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (citing *WAIT Radio v. F.C.C.*, 418 F.2d 1153, 1157-59 (D.C. Cir. 1969)); *see also* 47 C.F.R. § 1.3.

2 *See Revision of FM Assignment Policies and Procedures*, 90 FCC 2d 88 (1982).

3 *See Letter from Peter H. Doyle, Chief, Audio Division to Sally A. Buckman, Counsel to Galaxy Communications, L.P.*, DA 06-644 (March 23, 2006) ("*Galaxy*"). The parties argue in their Application for Review that the Bureau's decision in Galaxy was in error because (i) the Bureau acted on an issue that was (and still is) before the full Commission pursuant to two petitions for reconsideration making the Bureau's decision beyond its delegated authority, and (ii) the Commission's promulgation of Note 4 in the omnibus 2004 ownership proceeding was arbitrary and capricious because it was issued without explanation in violation of the APA. A copy of the parties' Application for Review and Request for Stay are attached hereto as Attachment 1.

ATTACHMENT 1

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In re Application of

GALAXY COMMUNICATIONS, L.P.	)	Facility ID No. 24131
for Modification of License	)	
Station WTKV(FM), Oswego, NY	)	BPH-20031209ABV
	)	

To: Office of the Secretary
Attn: The Commission

REQUEST FOR STAY

Clear Channel Broadcasting Licenses, Inc., Cumulus Licensing LLC, and Multicultural Radio Broadcasting Licensee, LLC (together, the "Joint Parties"), by their counsel, hereby request that the Commission stay (i) the effectiveness of the Media Bureau's (the "Bureau") decision in the above captioned proceeding, and (ii) the application of Section 73.3555, Note 4 of the Commission's Rules (herein after referred to as "Note 4") to pending applications and proposals that may violate the new multiple ownership rules based on Note 4 as long as they do not create new violations of the multiple ownership rule (Sec. 73.3555). This stay should remain in place until the Commission decides the issue raised in the Joint Parties' Application for Review that is being filed contemporaneously with this Request. As demonstrated herein, a stay will ensure that owners of radio stations in grandfathered clusters will not be required to permanently divest stations that they may be able to own if the Commission grants the Joint Parties' Application for Review. In support hereof, the Joint Parties state as follows:

1. On March 23, 2006, the Bureau issued a letter decision whereby it denied a request by Galaxy Communications, L.P. ("Galaxy") to waive a provision in Note 4 and

dismissed Galaxy's application (the "Galaxy Letter"). The purpose of Galaxy's application was to implement a rule making order to change city of license which had occurred in September 2001.[1] In order to effectuate the change and comply with Note 4, which became effective three years later in September 2004, Galaxy would need to divest itself of two stations in the Syracuse market. Faced with this untenable situation, Galaxy requested a waiver of Note 4. The Joint Parties submit that the Bureau's decision to dismiss the application (with or without a waiver of Note 4) was in error and must be reversed and that is the subject of the Joint Parties' Application for Review.

2. The Joint Parties are adversely affected by the Bureau's application of Note 4 to Galaxy because the Joint Parties (like Galaxy) are licensees of stations that comprise grandfathered clusters under the new multiple ownership rules. In regard to a number of these clusters, the Joint Parties currently have pending with the Commission either rule makings or applications to modify the facilities of stations within a grandfathered cluster, and if Note 4 is applied, the Joint Parties will be required to divest one or more stations in their grandfathered clusters. Thus, the Joint Parties' request a stay.

3. The Commission will grant a stay where an applicant demonstrates that: (1) it is likely to prevail on the merits; (2) it will suffer irreparable harm if a stay is not granted; (3) other interested parties will not be harmed if the stay is granted; and (4) the public interest favors granting a stay.[2] These requirements are met here. First, the Joint Parties have adequately demonstrated in their Application for Review that the Bureau's decision in the Galaxy Letter exceeds its delegated authority, is contrary to the public interest, and that the Commission's

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[1] *Oswego and Granby, NY*, 16 FCC Rcd. 16927 (MMB 2001), *recon. denied*, 18 FCC Rcd 17615 (MB 2003).

[2] *See, e.g., Virginia Petroleum Jobbers Ass'n v. FPC*, 259 F.2d 921, 925 (D.C. Cir. 1958); *Washington Metropolitan Transit Comm'n v. Holiday Tours, Inc.*, 559 F.2d 841 (D.C. Cir. 1977).

decision to modify Note 4 in the generic rule making proceeding without explanation was arbitrary and capricious. A copy of the Application for Review is attached for reference.

4. Second, the Joint Parties will suffer irreparable harm if a stay is not granted because, as discussed above, the Joint Parties are licensees of stations that comprise grandfathered clusters under the new ownership rules. In regard to a number of these clusters, the Joint Parties currently have pending with the Commission either rule makings or applications to modify the facilities of stations within a grandfathered cluster. Based on Note 4, as currently interpreted by the Bureau, in order for these proposals or applications to be granted, the Joint Parties would have to divest one or more stations in their grandfathered clusters. If they divest, and the Commission grants the relief request in the Joint Parties' Application for Review, the Joint Parties will not be able to get the station(s) back.

5. If, on the other hand, the Joint Parties choose not to divest, the Commission will dismiss the pending applications. Normally, the dismissal may not constitute irreparable harm because the Joint Parties could file to move back to the old city of license. However, many of these applications implement rule makings to amend the FM Table of Allotments and these rule makings are final and cannot be reversed under the public interest priorities. In the AM context, the opportunity to file a major change application occurred in 2000 and 2004. The next opportunity may take more than four years and changes in the spectrum could preclude the filing to return to the old city of license. Under either scenario (divesture to obtain grant of the application, or wait for another filing window), the Joint Parties will suffer irreparable harm.

6. Third, grant of a stay will not cause substantial harm to any other party because it only maintains the *status quo* until the Commission considers the Joint Parties Application for Review. The Joint Parties are asking that the stay be applied to rule makings and applications

that are currently on file at the Commission. Thus, the practical impact of a stay is that pending applications and rule makings will remain pending.

7. Finally, the public interest clearly favors granting this stay request. In addition to the fact that the Joint Parties will not be required to permanently divest stations, if a stay is not granted, applications that implement rule making proceedings that the Commission has already determined are in the public interest (like Galaxy's application to implement the rule making to move Station WTKV(FM) to Granby) might otherwise be dismissed and the benefits of the rule making (e.g first local service, coverage of white area) may never be realized.

WHEREFORE, for the foregoing reasons, the Joint Parties respectfully request that the Commission stay (i) the effectiveness of the Bureau's decision in the above captioned proceeding, and (ii) the application of Note 4 to pending proposals for stations in grandfathered clusters. This stay should remain in place until the Commission decides the issues raised in the Joint Parties' Application for Review

Respectfully submitted,

CLEAR CHANNEL BROADCASTING LICENSES, INC.

CUMULUS LICENSING LLC

MULTICULTURAL RADIO BROADCASTING LICENSEE, LLC

By: 

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Their Counsel

April 21, 2006

CERTIFICATE OF SERVICE

I, Diana Gonzales, hereby certify that on this 21st day of April, 2006, copies of the foregoing "**Request for Stay**" were sent via first-class mail, postage prepaid, to the following:

Sally A. Buckman
Leventhal Senter & Lerman, PLLC
2000 K Street, NW
Suite 600
Washington, DC 20006
(*Counsel to Galaxy Communications, L.P.*)

Diana Gonzales

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In re Application of

GALAXY COMMUNICATIONS, L.P.	)	Facility ID No. 24131
for Modification of License	)	
Station WTKV(FM), Oswego, NY	)	BPH-20031209ABV
	)	

To: Office of the Secretary
Attn: The Commission

APPLICATION FOR REVIEW

Clear Channel Broadcasting Licenses, Inc., Cumulus Licensing LLC, and Multicultural Radio Broadcasting Licensee, LLC (together, the "Joint Parties"), by their counsel and pursuant to Section 1.115 of the Commission's Rules, hereby seek review of the Media Bureau's (the "Bureau") decision in the above captioned proceeding (the "Galaxy Letter").[1] In the Galaxy Letter, the Bureau denied a request by Galaxy Communications, L.P. ("Galaxy") to waive a provision in Note 4 to Section 73.3555 of the Commission's Rules. The purpose of the application was to implement a rule making order to change city of license which had been approved in September 2001.[2] In order to effectuate the change and comply with Note 4 (which became effective three years later in September 2004), Galaxy would need to divest itself of two stations in the Syracuse market. Faced with this untenable situation, Galaxy requested a waiver of Note 4. The Joint Parties submit that the Bureau's decision to dismiss the application (with or without a waiver of Note 4) was in error and must be reversed. Specifically, the application of

[1] Public Notice of the Bureau's decision was released on March 28, 2006. Thus, this Application for Review is timely. *See* 47 C.F.R. §§ 1.4; 1.115.

[2] *Oswego and Granby, NY*, 16 FCC Rcd. 16927 (MMB 2001), *recon. denied*, 18 FCC Rcd 17615 (MB 2003).

Note 4 to force existing grandfathered clusters to divest stations when they file a minor change application to implement a change in community of license (or an AM major change application) violates the public interest because it prohibits stations from implementing modifications that the Commission has already determined will serve the public interest pursuant to the Commission's allotment priorities.[3]

In addition, the Bureau's decision was in error because (i) the Bureau acted on an issue that was before the full Commission pursuant to two petitions for reconsideration making the Bureau's decision beyond its delegated authority, and (ii) the Commission's promulgation of this Rule was arbitrary and capricious because it was issued without explanation in violation of the Administrative Procedure Act ("APA"). For all of these reasons, the Commission must reverse the Bureau's decision.

In a separate pleading, the Joint Parties request a stay of applying Note 4 to pending applications and rule makings that may violate the new ownership rules based on the Galaxy Letter until the Commission decides the issues pending before it in the Ownership Proceeding[4] as they pertain to Note 4.

I. The Joint Parties have Standing to File an Application for Review.

1. To have standing to file an application for review pursuant to Section 1.115(a), a party must demonstrate that they are "aggrieved by any action taken pursuant to delegated authority." To determine if a party has been aggrieved, the Commission frequently employs the three-prong standing test under which a party must establish: (1) a distinct and palpable personal injury-in-fact that is (2) traceable to the FCC's conduct and (3) redressable by the relief

[3] *See Revision of FM Assignment Policies and Procedures*, 90 FCC 2d 88 (1982).

[4] *See 2002 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Report and Order and Notice of Proposed Rule Making, FCC 03-127, 18 FCC Rcd 13620 (2003) ("*Ownership Report and Order*") (collectively, the "Ownership Proceeding").

requested.[5] These requirements are met here because the Joint Parties are licensees of stations that comprise grandfathered clusters under the new ownership rules. In regard to a number of these clusters, the Joint Parties currently have pending before the Commission either (i) rule making proposals to change the community of license of a station within a grandfathered cluster, or (ii) AM major change applications for a station within a grandfathered cluster. Thus, the Joint Parties may be required to divest one or more stations in their grandfathered clusters if the Bureau's decision in the Galaxy Letter becomes final. This constitutes an injury that is traceable to the Bureau's decision in the Galaxy Letter and is redressable by the Commission acting on this Application for Review.

2. If an applicant has not participated in the proceeding below, pursuant to Section 1.115(a), an applicant must also submit good cause as to why it was not possible to participate. While the Joint Parties acknowledge that they did not participate in this specific proceeding, they did participate in the Ownership Proceeding where the Commission adopted the language in Note 4. Specifically, on October 6, 2003, the Joint Parties, through undersigned counsel, filed Comments in the Ownership Proceeding in response to Petitions for Reconsideration and Clarification filed by Entercom Communications Corp. ("Entercom") and Great Scott Broadcasting, Inc. ("Great Scott"). These Comments addressed the exact substantive issue raised herein (i.e. that Note 4 should not be applied to applications that do not create new violations of the ownership rules). The Joint Parties cannot be expected to file comments to every application which is affected by Note 4. That would be a near impossible burden. Thus, the Joint Parties believe the Commission should consider this pleading on behalf of parties that are aggrieved by the precedent set by the Galaxy Letter.

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[5] *See Applications of WINV, Inc. and WGUL-FM, Inc. for Renewal and Assignment of License of WINV(AM), Inverness, Florida*, 14 FCC Rcd 2032 (1998).

II. INTRODUCTION

3. The Joint Parties do not suggest that the Bureau wrongly interpreted the plain language of Note 4 in the Galaxy letter. Rather, the Joint Parties contend that the Bureau had no authority to interpret Note 4 while the Commission had that very issue before it. Furthermore, the Petitions for Reconsideration in the Ownership Proceeding make a compelling case for the need to revisit the language of Note 4 that requires divestiture in a situation like the Galaxy case. In that regard, undersigned counsel is aware of a number of applications that have been granted, after the effective date of the new ownership rule, that would not have been granted under the Bureau's interpretation of Note 4 in the Galaxy Letter. As will be discussed, there is no mention of the reasons for promulgating Note 4. Without the benefit of any such administrative history, it has been difficult for many broadcasters affected by Note 4 to make the connection between providing first local service to a community and coming into compliance with the new ownership rules.

III. Forcing Applicants with Existing Grandfathered Clusters to Divest Stations when they Make Changes to their Facilities that do not Create a New Violation of the Ownership Rules is Contrary to the Public Interest.

4. As the Entercom Petition for Reconsideration in the Ownership Proceeding states, "the overriding principle of Note 4 is that the rules are not to be applied so as to require divestiture, by any licensee, of existing facilities..."[6] But, divestiture is exactly what the Bureau is requiring of grandfathered stations which seek to change city of license or make another type of major change. Both Entercom and Great Scott stated that they could find no explanation in the Ownership Proceeding which would provide a basis for Note 4.[7] Similarly, the Joint Parties have searched for any such justifications. The only relevant reference to Note 4 comes from

[6] *See* Entercom Petition at p. 2.

[7] *See* Entercom Petition at pp. 4-6, and Great Scott Petition at p. 4.

Note 1033 on p. 191 of the *Report and Order* in the Ownership Proceeding, which states, "[l]ikewise, modification of the facilities of a station in grandfathered combination will be prohibited if the proposed modification would create a new violation of the ownership rules." Thus, it appears that Note 4 was inartfully written if it meant only to prohibit new violations of Sec. 73.3555. If, indeed, the Commission did mean to create an exception to the grandfathered status, such as when a station implements a major change in its facility, it should have done so by articulating its reasons for making this exception somewhere in the Ownership *Report & Order*.

5. Thus, the Commission must explain how the public interest benefits obtained from eliminating grandfathered clusters override the public interest benefits of increased service consistent with Section 307(b) of the Communications Act. In such an analysis, the Commission will need to weigh the benefits of first local service and in some instances, service to unserved and underserved areas, to the harm in maintaining an existing grandfathered ownership arrangement. While the Commission can formulate a reason for requiring the break up of a grandfathered cluster, it cannot do so arbitrarily. The Commission must make a reasoned analysis for finding that the mere change of an AM or FM city of license (or in the case of AM stations, a change to a non-adjacent frequency), constitute a basis for having to divest one or more stations in a grandfathered cluster. In this regard, the Commission expressly allowed grandfathering so as not to unfairly punish those licensees, who find themselves to be in excess of the numerical limit created by the new market definitions. As the Galaxy case points out, the basis for the rule is not due to the effect that a station's coverage may have within a market.

6. The Commission should also consider that the effect of the Galaxy ruling is to discourage, if not eliminate entirely, any beneficial changes that a station in a grandfathered cluster would otherwise make to its station coverage. Does it make sense that these

grandfathered stations can file minor changes including one step upgrades which can result in a large increase in service and, perhaps, a greatly enhanced competitive position in a market but not if it includes a city of license change? What is it about the change in city of license that triggers the need to divest? The Commission has not offered any explanation. Nor has the Commission weighed its desire to eliminate grandfathered clusters against the public interest benefits of new first local service.

7. The Joint Parties submit that the benefits of permitting applicants to make modifications to their facilities that are in the public interest outweigh the benefits of prohibiting applicants from making changes to their facilities that do not create a new violation of the ownership rules. For example, in the Galaxy case, the Commission held that the public interest would be served by permitting Galaxy to modify the facilities of Station WTKV(FM) to specify Granby, New York as its new community of license (instead of Oswego, New York) because under the Commission's allotment priorities it would provide Granby with a first local service without depriving Oswego of local service.[8]

8. In contrast, the Bureau's decision to deny Galaxy's minor change application to implement the Granby Rule Making did not advance any articulated public interest benefit, and the very fact that it prevented implementation of the Granby Rule Making deprives the residents of Granby, New York of local service. The Bureau, in the Galaxy Letter, seems to take the position that the divesture requirement is well settled and that any attempts to implement rule makings that violate Note 4 must establish unique circumstances. This is not the case and in fact the Galaxy case is the first time the Bureau applied Note 4 in a published decision.

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[8] *Oswego and Granby, NY*, 16 FCC Rcd. 16927 (MMB 2001), *recon. denied*, 18 FCC Rcd 17615 (MB 2003).

9. When the Commission promulgated its new media ownership rules, it recognized that some existing combinations of broadcast stations would exceed the new ownership limits.[9] The Commission, however, "grandfathered" these existing "clusters" because forcing divesture "would unfairly penalize parties who bought stations in good faith in accordance with the Commission's rules."[10] Thus, station owners were permitted to keep grandfathered clusters even if these clusters violated the new ownership rules. In addition to a transferability restriction, the only limitations that the Commission placed on these grandfathered clusters were related to modifications that would create a *new* violation of the ownership rules. Specifically, the Commission held that "modification of the facilities of a station in a grandfathered combination will be prohibited if the proposed modification would create a new violation of the ownership rules."[11]

10. The Bureau's decision in the Galaxy Letter would not be as sweeping if it only applied to the specific facts of the Galaxy proceeding. Unfortunately, this situation is not unique to Galaxy as there are a number of entities that have grandfathered clusters in small and large markets and they are effectively prohibited from making beneficial modifications to any facility in their clusters for fear that they will have to divest stations. In the *Ownership Report and Order* the Commission determined that it is unfair to require divesture of station clusters that exceed the new market definition. The Commission needs to reconcile this determination to

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[9] *Ownership Report and Order*, *supra*, note 6, at ¶482-95.

[10] *Id.* at ¶484. The Commission went on to say in paragraph 484 that, "[a]lso we are also sensitive to commenters' concerns that licensees of current combinations should be afforded an opportunity to retain the value of their investments made in reliance on our rules and orders. We also agree with the commenters that argue that compulsory divesture would be too disruptive to the industry. On balance, any benefit to competition from forcing divesture is likely to be outweighed by these countervailing considerations."

[11] Note 1033.

require divesture when it involves a major change with its Section 307(b) obligation to distribute the available frequencies to the various communities.

11. Given that (i) the Commission has not articulated a public interest benefit for denying an application that does not create a new violation of the new ownership rules; (ii) the Bureau's interpretation of Note 4 was contrary to the public interest because it deprives Granby of a first local service; and (iii) the precedent established by the Galaxy Letter will prohibit entities with grandfathered clusters from making beneficial changes to stations in their cluster out of fear of divesture, the Bureau should not have acted by delegated authority.

12. It is a fundamental principle of administrative law that "an agency must cogently explain why it has exercised its discretion in a given manner."[12] Put another way, reviewing courts call "for insistence that the agency articulate with reasonable clarity its reasons for decision."[13] The Commission did not adhere to this principle because it failed to justify or even explain its interpretation of Note 4. As a result, the Bureau should have referred the Galaxy case to the Commission for a decision. The Joint Parties will be filing a supplement in the Ownership proceeding urging the Commission to agrue that Note 4 should not apply to applications that do not create a new violation of the rules either in an Arbitron rated market or in a market defined by overlapping contours.

IV. Conclusion.

13. As discussed above, the Commission stated in Note 1033 that "modification of the facilities of a station in a grandfathered combination will be prohibited if the proposed modification would create a new violation of the ownership rules." This note clearly refers to modifications that create new violations only. Nowhere in the body of the *Report and Order*

[12] *Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 49 (1983).

[13] *Greater Boston Television Corp. V. FCC*, 444 F.2d 841, 851 (D.C. Cir. 1970).

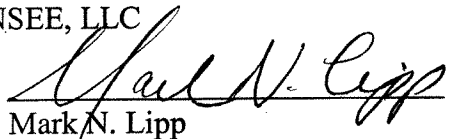
does the Commission discuss modifications to stations in grandfathered clusters that do not result in new ownership violations and it can be reasonably inferred from the language in Note 1033 that the Commission actually intended to permit any modifications that do not result in new ownership violations. Indeed, the public interest would certainly favor the provision of first local service to new communities and improved service to the public over the break up of grandfathered clusters. Yet, the Commission modified Note 4 to include the language that prohibits modifications of stations in grandfathered clusters that do not result in new ownership violations. In doing so, however, the Commission does not provide a public interest reason (much less any reason) for this prohibition and thus the Commission's action is arbitrary and capricious in violation of the APA. Therefore, the Bureau's decision in the Galaxy Letter must be reversed, or at the very least stayed, until the Commission decides the issues raised in the Entercom and Great Scott Petitions for Reconsideration.

Respectfully submitted,

CLEAR CHANNEL BROADCASTING LICENSES, INC.

CUMULUS LICENSING LLC

MULTICULTURAL RADIO BROADCASTING LICENSEE, LLC

By: 

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Their Counsel

April 21, 2006

CERTIFICATE OF SERVICE

I, Diana Gonzales, hereby certify that on this 21st day of April, 2006, copies of the foregoing "**Application for Review**" were sent via first-class mail, postage prepaid, to the following:

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