



October 27, 2011

Dear Members of the Joint Committee on Deficit Reduction:

As members of the Radio Executive Committee of the National Association of Broadcasters' Radio Board, we are writing to express our shared concern regarding a provision in the Administration's proposed American Jobs Act that would hand the Federal Communications Commission (FCC) broad authority and unfettered discretion to impose a new spectrum tax on local broadcast stations as well as most other commercial spectrum users. We urge Congress to reject any such proposal as it ignores the investment local radio has already made in its spectrum and threatens radio's ability to serve the public interest.

The simple fact is that our nation's local radio stations have paid for and continue to pay for their spectrum. Many local radio stations operate on spectrum that was acquired through auctions. Others paid the "built-in value" of the spectrum when they purchased their stations from previous owners. In addition, radio operators pay many millions of dollars annually in regulatory fees that help fund the FCC and the federal government.

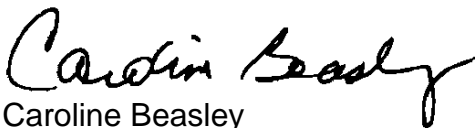
More important than local radio's monetary investment in spectrum, is the contract local broadcasters maintain with the American people to serve the public interest with that spectrum. Unlike our competitors, broadcasters abide by scores of regulations designed to enhance the public good. Each year, local broadcasters invest billions of dollars in programming, infrastructure, content and community and charitable involvement to fulfill that public interest obligation. During good times, this investment provides local listeners access to free news, information, and entertainment. During times of need, such as natural or man-made disasters, radio's public interest investment and commitment provides a lifeline to local communities.

A new tax on radio would do significant harm to local radio's ability to best serve local communities. Greater competition and the current economic climate have placed extreme downward pressures on the radio industry. In fact, despite some improvement in the overall economy, radio revenues remain down 20 percent from where they stood at the beginning of 2007. The sharp drop in revenue has led to thousands of lost radio jobs. Saddling our industry with new taxes could result in additional job loss and fewer resources to perform our primary duty – serving the public interest.

What is most troubling about the Administration's spectrum tax proposal is that it grants the FCC far-reaching authority to pick winners and losers with regard to which licensees must pay the new spectrum tax. Specifically, the proposal permits the FCC to collect as much as it wants in spectrum taxes as long as the FCC's formula amasses at least \$4.775 billion over the next 10 years. And, while this is styled as a "spectrum use fee," we believe that it is a tax on spectrum users.

Accordingly, we urge you and the Congress to oppose any effort to levy new spectrum taxes on your local radio stations.

Respectfully,



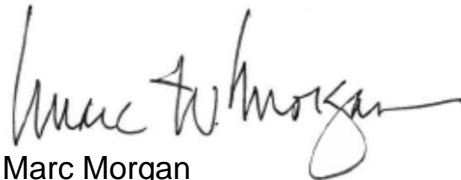
Caroline Beasley
Chair
NAB Radio Board



Richard Cummings
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Marc Morgan
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