

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MB Docket No. 03–130; FCC 03–127]

Definition of Radio Markets for Areas Not Located in an Arbitron Survey Area

AGENCY: Federal Communications Commission

ACTION: Notice of proposed rulemaking.

SUMMARY: This document is designed to solicit comment on proposals to define radio markets outside of the Arbitron defined areas. The Commission replaced the current contour-overlap methodology for defining radio markets with a geography-based market definition. For areas of the country covered by Arbitron Metro markets, we adopted the Metro market as the relevant radio market for purposes of determining compliance with the local radio ownership rule. Metro markets, however, do not cover a significant portion of the country. We initiate this rulemaking proceeding to define radio markets for those areas.

DATES: Comments are due on or before September 4, 2003 and reply comments are due September 19, 2003.

ADDRESSES: Office of the Secretary, Federal Communications Commission, 445 12th Street SW., Washington, DC 20554. See **SUPPLEMENTARY INFORMATION** for filing instructions.

FOR FURTHER INFORMATION CONTACT: Amy Brett, Media Bureau at (202) 418–2703.

SUPPLEMENTARY INFORMATION: 1. This is a summary of the Commission's *Notice of Proposed Rulemaking* (NPRM) MB Docket No. 03–130, FCC 03–127, adopted June 2, 2003, and released July 2, 2003. The complete text of the NPRM and the Initial Regulatory Flexibility Analysis is available on the Commission's Internet site, at <http://www.fcc.gov>, and is also available for inspection and copying during normal business hours in the FCC Reference Information Center, Courtyard Level, 445 12th Street, SW., Washington, DC. The text may also be purchased from the Commission's copy contractor, Qualex International, Portals II, 445 12th Street, SW., CY-B4202, Washington, DC 20554 (telephone 202–863–2893).

2. In the Local Radio Section of the final rule in this proceeding (published in the final rule section of this **Federal Register**), we replaced our current contour-overlap methodology for defining radio markets with a geography-based market definition. 47

CFR 73.3555(a)(2). For areas of the country covered by Arbitron Metro markets, we adopted the Metro market as the relevant radio market for purposes of determining compliance with the local radio ownership rule. A significant portion of the country, however, is not covered by Metro markets. We initiate this rulemaking proceeding to define radio markets for those areas.

3. We seek comment on how to draw specific market boundaries in areas of the country not located in Arbitron Metros. What factors should we consider in grouping radio stations into markets? We propose that radio markets be county-based, as Arbitron Metros are. We seek comment on that proposal. In the western United States, counties are significantly larger. We seek comment on whether we should, like Arbitron, divide counties into separate radio markets in certain circumstances. We also propose that radio stations be assigned to radio markets based on the location of their communities of license. We seek comment on this proposal.

4. We seek comment on whether we should rely on any pre-existing market definitions in delineating radio markets for non-Metro areas. As indicated in the Local Radio Section, Arbitron traditionally has based its Metro definitions on the Metropolitan Area (MA) definitions developed by OMB. Should we also do the same for non-Metro areas? OMB recently released new MA definitions based on the results of the 2000 Census.¹ The 935 new MAs, moreover, cover a greater portion of the country. Previously, MAs were defined only for urban areas with a population of 50,000.² The new MA definitions cover areas with a population of 10,000 to 50,000 (known as Micropolitan Statistical Areas), which should greatly increase the number of radio stations located in MAs.³ If we rely on MAs, how should we address future changes to MA definitions, and the creation of a new, or the deletion of an existing, MA⁴ In addition, even with the expanded

¹ See OMB Bulletin No. 03–04, <http://www.whitehouse.gov/omb/bulletins/b03-04.html>. In 2000, OMB revised its procedures for defining MAs. In addition, it adopted the more generic term Core Based Statistical Area (CBSA) to cover both traditional Metropolitan Areas and the new Micropolitan Statistical Areas. See generally Standards for Defining Metropolitan and Micropolitan Statistical Areas, 65 FR 82228 (2000). Although less accurate, we will use former term—i.e., MAs—to avoid confusion.

² See U.S. Census Bureau, Cartographic Boundary Files, http://www.census.gov/geo/www/cob/ma_metadata.html (visited May 30, 2003).

³ See 65 FR 82236–37 for a detailed description of the standards OMB uses to define MAs.

⁴ See *id.* at 82237 for the rules governing future updates to MAs.

reach of the new MAs, there will be areas that they do not cover. How should the radio market be defined in those areas if MAs are used? One possible method is to establish geographic markets based on the location, distribution, and density of populated areas.⁵ Because population clusters are likely to indicate areas of economic and social interaction, the location and distribution of the centers of population should give us a reasonable indicator of the boundaries of the relevant geographic market in which radio stations compete. Because the geographic areas involved generally will be low-density and rural areas of the country, moreover, we believe that population data could provide a fairly reliable and easily determinable market definition. We seek comment on this and any other methods.

5. Another possibility is to treat Cellular Market Areas (CMAs) as the relevant geographic market for radio. CMAs were developed in the mid-1980s to be the geographic basis for licensing cellular spectrum. CMAs consist of MAs (as they were defined after the 1980 census) and Rural Service Areas (RSAs),⁶ which the Commission delineated for areas of the country not located in MAs.⁷ Although CMAs were not developed in the context of radio broadcasting, they were designed to follow “natural social and economic communities” through “multi-county groupings drawn along county boundaries.”⁸ Are CMAs a reasonable proxy for radio markets in non-Metro areas of the country? We seek comment on this issue.

6. For any market definition we establish, how should we address situations in which that market overlaps an Arbitron Metro. If we use MAs or CMAs, there will be existing areas of overlap. Even if we define radio markets around existing Arbitron Metros, Metro boundaries may change, or Arbitron may create or delete a Metro. We seek comment on how to address the possibility of a market overlap (or in the case of a deleted Metro, the possibility of an undefined market).

7. The goal of this rulemaking proceeding is to generate a map or a list of markets for radio stations across the entire country, using Arbitron Metros where available and a Commission-

⁵ Population data is available over the Internet from the Census Bureau.

⁶ See *Amendment of the Commission's Rules for Rural Cellular Service*, 1985 WL 260366, FCC 85–646, ¶1 (rel. Dec. 17, 1985).

⁷ *Amendment of the Commission's Rules for Rural Cellular Service*, 60 Radio Reg. (P&F) 1029, ¶1 (1986).

⁸ *Id.* at ¶11.