

MEMO# 3855

June 15, 1992

INSTITUTE COMMENTS ON FCC PROPOSAL TO LOOSEN RESTRICTION ON INVESTMENTS IN BROADCAST INDUSTRY

June 15, 1992 TO: SEC RULES COMMITTEE NO. 42-92 RE: INSTITUTE COMMENTS ON FCC
PROPOSAL TO LOOSEN RESTRICTION ON INVESTMENTS IN BROADCAST INDUSTRY

The Institute recently filed the attached comment letter with the Federal Communications Commission in response to a Notice of Proposed Rulemaking concerning possible ways to reduce unnecessary regulatory constraints on investment in the broadcast industry. Among other things, the FCC proposed to increase the current benchmark for application of its multiple ownership rules to passive institutional investors, including investment companies. Under the proposal, those rules would apply only to passive institutional investors owning 20% or more of a media company's common stock. The current benchmark is 10%. The attached letter expresses the Institute's support for the proposed increase, noting that it should help increase the availability of capital to media companies and would also give institutional investors such as investment companies more flexibility with respect to investments in broadcast entities, with resulting benefits to those companies and their shareholders. We will keep you informed of developments. Frances M. Stadler Assistant Counsel Attachment

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