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FEDERAL COMMUNICATIONS COMMISSION
Washington 25, D. C.
July 6, 1961

BROADCAST LICENSE DIV.

FCC 61-864
6819

8420

Gotham Broadcasting Corporation
Station W I N S
Radio Circle 7
Central Park West
New York 23, New York

Gentlemen:

This is with reference to (a) your application for renewal of license of Station WINS, New York, New York (BR-211); (b) your replies to the Commission's letter dated December 2, 1959 concerning unannounced sponsorship of broadcast material and your other statements, oral and written, relating to said subject; (c) the reports of the Commission's inquiry into the activities, practices and operation of Station WINS; (d) your "Petition for Issuance of Prehearing Letter and Other Relief" filed on July 3, 1961.

It appears from the above that Mel Leeds, the Station's Program Director from September 1957 to January 1960, Alan Freed, a disc jockey at the station from 1954 to May 1958, and Ronnie Granger, the station's Record Librarian from May 1957 to June 1959, while so employed, received payments or other consideration from record manufacturers and/or distributors for the purpose of having certain recorded material broadcast over the station's facilities, and for other purposes; that the required sponsorship identification announcements were not made; that with respect to certain programs broadcast by Alan Freed, as such employee, at least part of the line charges and engineer's salaries were paid by a record distributor directly to the licensee; that Station WINS billed Alan Freed for the expense of his remote broadcasting, which bills exceeded his salary from the licensee; that the licensee received ten percent of the profits of Alan Freed's promotions which were advertised over the station and that the required sponsorship identification announcements were not made; that the licensee attempted to induce Alan Freed to arrange with record manufacturers and/or distributors whereby the latter would pay the licensee directly for the broadcasting of records; that the licensee attempted to induce Mel Leeds to arrange for participation in the profits of record companies for the mutual benefit of Leeds and the licensee; that the licensee had been informed that Ronnie Granger had been paid by a record manufacturer for the "plugging" of its records; and that officers of the licensee solicited and accepted gifts of substantial value from record companies. It also appears that the licensee was aware of the prevalence of "payola" practices with respect to broadcast material at least as early as

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Gotham Broadcasting Corporation

1954 and that certain of its employees were alleged to be engaging in said practices; that the payments made to the licensee's employees by the record manufacturers and/or distributors were known, or should have been known, to the licensee and constituted payment or other consideration, directly or indirectly, to the licensee for the purpose of having certain recorded material broadcast by Station WINS and for other purposes; that the required sponsorship identification announcements were not made; or that, in the circumstances, the licensee was grossly negligent in carrying out its duties and fulfilling its responsibilities as a licensee of this Commission.

On the basis of all of the above, questions are raised as to whether the licensee of Station WINS has complied with the provisions of Section 317 of the Communications Act and Section 3.119 of the Commission's Rules; as to whether the licensee has complied with Section 3.111 of the Commission's Rules concerning the logging of broadcast material; as to whether the above-mentioned activities constituted an abdication by the licensee of its responsibility to select the station's programming material; as to whether the licensee has engaged in activities bearing adversely upon its character qualifications; and as to whether the licensee has misrepresented to the Commission the facts with respect to the above operations, or has failed to disclose pertinent information with respect thereto or was lacking in candor in responding to the Commission's December 2, 1959 inquiry.

In light of the above, the Commission is unable to determine at this time that a grant of the subject application for renewal of license would serve the public interest. It appears, therefore, said application must be designated for hearing. The purpose of this letter is to give the applicant an opportunity to inform the Commission of any reason why it believes the application should not be designated for hearing. Any reply you wish to make should be filed in triplicate within 30 days from the date of this notice. Upon receipt of any such reply, the Commission will determine whether the matters mentioned above have been resolved and whether it can grant your application without a hearing. If it is unable so to find, it will designate your application for hearing on the issues then obtaining.

BY DIRECTION OF THE COMMISSION

Ben F. Waple

Ben F. Waple
Acting Secretary

SIGNED BY
MAILED BY *GH*



cc: Haley, Wollenberg & Bader

JUL 10 1961

MAIL & FILES

APPROVED IN COMMISSION MEETING, JULY 6, 1961
RENEWAL AGENDA ITEM NO. 6 - *ack*