

Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

In the Matter of)	
)	
Amendment of Section 73.3555(e) of the)	MB Docket No. 17-318
Commission's Rules, National Television)	
Multiple Ownership Rule)	

REPLY COMMENTS OF WRITERS GUILD OF AMERICA WEST, INC.

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April 18, 2018

I. Introduction

Writers Guild of America West, Inc. (“WGAW”) is pleased to submit the following Reply Comment in the Federal Communications Commission’s (“FCC”) Notice of Proposed Rulemaking (“NPRM”) proceeding regarding, “Amendment of Section 73.3555(e) of the Commission’s Rules, National Television Multiple Ownership Rule,” released December 18, 2017, MB Docket No. 17-318.

WGAW’s initial Comment in this proceeding made clear that a cap on the national share of audiences that a given broadcast station owner can reach serves the public interest. The privilege of using public airwaves to reach local communities, and to profit substantially from that use of public resources, requires broadcast stations to serve the needs of those local communities. We noted as well that despite numerous market changes, the broadcast television market remains both relevant and unique, and continues to require the FCC’s public interest-focused protections. In this Reply Comment, we offer additional information in response to other Commenters’ claims that broadcast consolidation serves the public interest principle of localism.

II. Despite Claims, Broadcast Consolidation Does Not Benefit the Public Interest

Some commenters in this proceeding argue that constraints such as the cap on the national reach of station owners are unfair because other market participants, such as pay-TV and broadband providers,¹ online video providers and social media companies,² or cable networks owned by media conglomerates³ are not subject to such restrictions. They contend that the availability of these alternatives is enough to protect the public interest. National Association

¹ National Association of Broadcasters, Comments, MB Docket No. 17-138 at 10-12 (Mar. 19, 2018) (“*NAB Comments*”).

² *Id.*

³ Sinclair Broadcast Group, Inc., Comments, MB Docket No. 17-318 at 8-9 (Mar. 19, 2018) (“*Sinclair Comments*”).

of Broadcasters, for instance, claims that “competition for viewers and vital local advertising revenue – rather than the level at which any national TV ownership rule is set – drives TV stations to produce, acquire and air attractive programming responsive to local audiences in markets across the country.”⁴

Some assert that consolidation benefits localism, a key tenet of the public interest standard, because it creates cost savings which then translate to increased investment in local programming. For instance, Sinclair Broadcast Group argues that “[t]he efficiencies of eliminating the National Cap will allow stations to spend more resources on local investigative reporting, increasing local news quality and quantity.”⁵ This claim assumes that the public interest can be adequately served by prioritizing company profits, and that consolidation-achieved efficiencies will necessarily redound to investments that support localism.

WGAW’s initial Comments noted that consolidation among broadcast station owners harms localism by reducing employment in newsrooms and homogenizing local news content, citing several examples.⁶ Numerous other Commenters argue that raising or eliminating the cap on broadcast station ownership would severely damage the public interest. The Office of Communication, Inc. of the United Church of Christ, Common Cause, National Hispanic Media Coalition and Public Knowledge note that the significant resources required to produce local news limit the number of likely market participants, and that consolidation among station owners raises barriers to entry for competitors.⁷ Free Press observes that the history of consolidation in

⁴ NAB Comments at 19-20.

⁵ Sinclair Comments at 10.

⁶ Writers Guild of America West, Inc., Comments, MB Docket No. 17-318 at 8-10 (Mar. 19, 2018).

⁷ Office of Communication, Inc. of the United Church of Christ, Common Cause, National Hispanic Media Coalition, and Public Knowledge, Comments, MB Docket No. 17-318 at 3-4, 7 (Mar. 19, 2018).

broadcast has resulted in the loss of hundreds of sources of local news, and that local news on broadcast television retains particular importance in communities of color and in low-income households.⁸

In this Reply, we would like to add the findings from a recent working paper by researchers at Emory University into the record. This working paper offers a sharp contrast to the broadcasters' claims that the public interest is necessarily served by consolidation among broadcast owners. The paper, which is attached as Exhibit A, analyzes local news programming and ratings over a period covering Sinclair Broadcast Group's acquisition of Bonten Media Group Holdings' broadcast stations. The working paper concludes that, following the transfer of these stations to a larger conglomerate owner, the stations proceeded to increase their coverage of national news and decrease their coverage of local news, as well as shifting ideologically to the right. The researchers found that this shift in news content was also accompanied by a slight decline in viewership.⁹ They posit that the cost savings to be gained from a greater emphasis on national programming outweighed the audiences' preference for local coverage. As the researchers note, consolidation may produce cost efficiencies, "but these efficiencies are not neutral with respect to the content of news coverage. Consolidation changes the incentives of news providers, shifting coverage towards topics that can be distributed in multiple markets rather than those – such as local politics – that are market-specific."¹⁰

This study illustrates how market forces alone fail to protect the public interest. This is the very reason that broadcast regulations exist; localism in broadcast news supports civic

⁸ Free Press, Comments, MB Docket No. 17-318 at 8-10 (Mar. 19, 2018).

⁹ Gregory J. Martin and Josh McCrain, Local News and National Politics, at 1 (working paper, Emory University, Apr. 4, 2018), <http://polisci.emory.edu/faculty/gjmart2/papers/localnews.pdf> (*"Local News Report"*).

¹⁰ Local News Report at 4-5.

awareness and engagement, diversity of information and multiplicity of voices. These are not goals we can risk leaving to markets to determine, nor are they likely outcomes of consolidation. Broadcast owners cite “competitors” like Netflix, AT&T and Facebook as rationale for their consolidation and complain about unequal regulatory burdens, but these entities are generally not active in original local news production, or any other local programming. Moreover, they are not competing to promote the public interest, but to earn revenue. In other words, efficiencies for broadcasters do not necessarily result in increased localism, and market forces cannot be relied on to protect the public interest.

III. Conclusion

The national cap on ownership of broadcast stations based on audience share is a key protector of the public interest, convenience and necessity. The FCC should maintain this cap and, in order to ensure that the cap remains meaningful, should repeal the UHF discount.

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