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September 23, 1992

Ms. Donna Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: MM Docket No. 91-221  
Review of the Commission's  
Regulations Governing  
Television Broadcasting

Dear Ms. Searcy:

Transmitted herewith on behalf of Paramount Stations Group Inc. are an original and nine copies of its Reply Comments in the above-referenced proceeding.

Respectfully submitted,

*Barbara K. Gardner*

Barbara K. Gardner

BKG/flp  
Enclosures

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BEFORE THE  
**Federal Communications Commission**  
WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
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Review of the Commission's ) MM Docket No. 91-221  
Regulations Governing )  
Television Broadcasting )

To: The Commission

REPLY COMMENTS OF  
PARAMOUNT STATIONS GROUP INC.

Paramount Stations Group Inc. ("Paramount")<sup>1/</sup> hereby replies to comments filed in response to the Commission's Notice of Proposed Rulemaking, FCC 92-209 (released June 12, 1992) ("NPRM"), in the captioned proceeding. Paramount advocates a modest relaxation of the current national television ownership limitations, and supports limited modification of the present duopoly rule.

NATIONAL OWNERSHIP LIMITATIONS

Paramount agrees with those commenters who urge a moderate change in the national television multiple ownership limitations to permit attributable interests in 18 television stations

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<sup>1/</sup> Paramount is the parent of the licensees of UHF television stations WDCA-TV, Washington, DC; WLFL-TV, Raleigh, NC; WTXF, Philadelphia, PA; KRRT, Kerrville (San Antonio), TX; KTXA, Arlington (Dallas-Ft. Worth), TX; and KTXH, Houston, TX. Three of these stations are Fox affiliates and the other three are independent.

reaching up to 30 percent of the national television audience.<sup>2/</sup>  
In calculating audience reach, the Commission should retain its current 50 percent UHF reduction factor, to reflect the lesser market penetration of such stations.<sup>3/</sup>

Both in its 1991 Notice of Inquiry in this proceeding and in the present NPRM, the Commission has amply documented the increasing competition in, and fragmentation of, the video marketplace. Amplifying the Commission's findings, numerous commenters have persuasively explained why these changes have eliminated the rationale for significant constraints on television ownership, particularly nationwide constraints.<sup>4/</sup> Paramount fully agrees with the Commission that relaxation of the current national ownership restrictions will enable it "to compete more effectively without permitting undue economic concentration or loss of programming diversity . . . ." <sup>5/</sup>

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<sup>2/</sup> See Comments of the Association of Independent Television Stations, Inc. ("INTV") at 2, 12-15; Comments of the National Association of Broadcasters at 7-8; Comments of Capital Cities/ABC, Inc. at 13-16.

<sup>3/</sup> See Comments of INTV at 2; Comments of Fox Inc. at 6 n.4.

<sup>4/</sup> Indeed, the Commission itself previously concluded that the twin goals of its multiple ownership rules, viewpoint diversity and economic competition, are impacted primarily by its local, rather than national, ownership rules. Multiple Ownership Order, 100 F.C.C.2d 17, 27, 37, 41-42, 44-46 (1984) (finding no necessary connection between nationwide ownership limits and number of local independent viewpoints; noting that local competitive harm is not a function of whether local stations share common ownership with stations in other markets; and finding that group ownership promotes important efficiencies).

<sup>5/</sup> NPRM at 7.

The public benefits directly from the formation of large groups of UHF stations. For example, under Paramount's brief ownership, its group of stations has more than doubled its total output of public affairs programming. In addition, the individual stations in the group have begun to share locally-produced program material and to collaborate in producing public affairs programming responsive to regional and national issues of importance to the six communities served by the group. Larger audiences will benefit commensurately should the size of the group increase.

Furthermore, the fiscal condition of the stations in the group will benefit from the increased efficiencies that will be attained from any enlargement of the group. Already, Paramount's stations group has realized savings by acquiring programming on a group-wide basis. These savings should increase with any increase in the size of the group.

In addition, the modest suggested change in the national ownership limits holds the potential for narrowing the VHF-UHF economic differential and increasing the viability of UHF stations, also directly benefitting the viewing public. For these reasons, Paramount urges the Commission to increase the national ownership limit to 18 stations with a 30 percent audience reach limit.

DUOPOLY RULE

Nearly all commenters advocate, at a minimum, adopting the Commission's proposal to utilize the Grade A contour as the measure of prohibited overlap between television stations in different markets, in lieu of the present duopoly rule which is keyed to the Grade B contour. Because the markets most relevant to the goals of viewpoint diversity and economic competition are local, Paramount agrees with these commenters and with the Commission that the geographic area in which common ownership of broadcast stations should be restricted should be their core markets, not separate and distinct markets as are often reflected in Grade B overlaps. The Commission should adopt the less restrictive Grade A contour overlap standard.

CONCLUSION

Paramount urges the Commission to permit common ownership of 18 television stations reaching 30 percent of the national audience, and to relax the duopoly rule in the manner indicated. Such modest changes should foster the competitiveness of over-the-air television broadcasting, without harming smaller

broadcasters or destabilizing the current structure of the broadcast industry.

Respectfully submitted,

PARAMOUNT STATIONS GROUP INC.

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September 23, 1992

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