



August 1, 2016

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington DC 20554

Re: Written Ex Parte Communication, MB Docket Nos. 14-50, 09-182, 07-294

Dear Ms. Dortch:

Although the Commission determined more than a decade ago that the print newspaper rule no longer serves the public interest,¹ an FCC fact sheet reports that the broadcast ownership order circulating for vote would make no serious modifications to the rule.² In light of this, the National Association of Broadcasters (NAB) is filing for the record the attached information regarding the plight of print newspapers for the Commission's consideration.³ The attached

¹ See *Prometheus Radio Project v. FCC*, Nos. 15-3863, 15-3864, 15-3865 & 15-3866, at 38 (3d Cir. May 25, 2016) (*Prometheus III*) ("[T]he 1975 [cross-ownership] ban remains in effect to this day even though the FCC determined more than a decade ago that it is no longer in the public interest. This has come at significant expense to parties that would be able, under some of the less restrictive options being considered by the Commission, to engage in profitable combinations.").

² FCC, *Fact Sheet: Updating Media Ownership Rules in the Public Interest* (rel. Jun. 27, 2016).

³ Since July 6, NAB has filed various articles discussing the challenges faced by print newspapers and the public's increasing reliance on non-print outlets for news and information. See NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 6, 2016) at Attachment, David Glance, "The story of the nosebleed decline of the newspaper industry told in pictures," *The Conversation* (June 5, 2016), available at: <http://theconversation.com/the-story-of-the-nosebleed-decline-of-the-newspaper-industry-told-in-pictures-60530>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 7, 2016) at Attachment, Noah Kulwin, "Jeff Bezos is saving the Washington Post, but he won't be able to save newspapers," *recode* (June 28, 2016) available at: <http://www.recode.net/2016/6/28/12050416/jeff-bezos-saving-washington-post-but-not-newspapers>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 8, 2016) at Attachment, Erik Sass, "Print Ad Declines: Newspaper, Magazine Revs Fall Again," *Publishers Daily, TheDailyBlog*, (June 27, 2016), available at: <http://www.mediapost.com/publications/article/279073/printaddeclinesnewspapermagazinerevsfall.html?print>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 11, 2016) at Attachment, Athena Cao, "Newspapers' woes linger as digital ad spending, cable network revenues rise," *USA Today*, (June 15, 2016), available at: <http://www.usatoday.com/story/money/2016/06/15/news-media-yahoo-google-twitter-facebook>

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[verizon-tv/85937176/](http://www.verizon-tv/85937176/); NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 12, 2016) at Attachment, Joshua Benton, "Tampa just lost a daily newspaper; is this the continuation of an old trend or the start of a new one?," NiemanLab, (May 4, 2016), available at: <http://www.niemanlab.org/2016/05/tampa-just-lost-a-daily-newspaper-is-this-the-continuation-of-an-old-trend-or-the-start-of-a-new-one/>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 13, 2016) at Attachment, Nick Madigan, "An Abrupt End to The Tampa Tribune After a Blow Delivered by Its Rival," The New York Times, (May 20, 2016) available at: <http://nyti.ms/256WgNS>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 14, 2016) at Attachment, Patrick Seitz, "Facebook, Google Cash in on Ads as News Media Firms Struggle," Investor's Business Daily (June 15, 2016) available at: <http://www.investors.com/news/technology/click/facebook-google-cash-in-on-ads-as-news-media-firms-struggle/>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 15, 2016) at Attachment, Margaret Sullivan, "Face it, Facebook. You're in the News Business," Washington Post (July 10, 2016), available at: https://www.washingtonpost.com/lifestyle/style/face-it-facebook-youre-in-the-news-business/2016/07/10/cc53cd70-451a-11e6-bc99-7d269f8719b1_story.html ("With the advent of live-streaming options – Facebook Live and Periscope, primarily – their already huge influence in the news universe has taken another stunning leap."); NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 18, 2016) at Attachment, Benny Evangelista, "Americans turning to mobile phones for news, Pew study shows," SFGate.com (July 7, 2016), available at: <http://www.sfgate.com/business/article/Americans-turning-to-mobile-phones-for-news-Pew-8344673.php>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 19, 2016) at Attachment, Dan Tynan, "Democracy in Action on Twitter's Live Stream," Consumer Reports (July 16, 2016), available at: <http://www.consumerreports.org/phones-mobile-devices/watch-the-convention-coverage-on-twiters-live-stream/>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 20, 2016) at Attachment, Dan Kennedy, "Print Is Dying, Digital Is No Savior: The Long, Ugly Decline of The Newspaper Business Continues Apace," WGBH News, (January 26, 2016), available at: <http://news.wgbh.org/2016/01/26/local-news/print-dying-digital-no-savior-long-ugly-decline-newspaper-business-continues>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 21, 2016) at Attachment, David Chavern, "Commentary: FCC Rule Limits Newspapers' Access to Capital, Growth," Philly.com (July 18, 2016), available at: http://www.philly.com/philly/opinion/20160718_Commentary_FCC_rule_limits_newspapers_access_to_capital_growth.html; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 22, 2016) at Attachment, Max Kutner, "As Print Journalism Declines, Fate of Sidewalk Newspaper Boxes is Unclear," Newsweek (Dec. 20, 2015), available at: <http://www.newsweek.com/2016/01/15/decline-newspaper-boxes-407158.html>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 25, 2016) at Attachment, Mathew Ingram, "Print readership is still plummeting, and paywalls aren't really helping," Fortune (June 1, 2015), available at: <http://fortune.com/2015/06/01/print-readership-paywalls/>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 26, 2016) at Attachment, Rick Edmonds, "Newspaper Industry Lost 3,800 Full Time Professionals in 2014," Poynter.org (July 28, 2015), available at: <http://www.poynter.org/2015/newspaper-industry-lost-3800-full-time-editorial-professionals-in-2014/360633/>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 27, 2016) at Attachment, Malathi Nayak and Deborah M. Todd, "Verizon to buy Yahoo's core business for \$4.8 billion in digital ad push," Reuters (July 25, 2016), available at: <http://www.reuters.com/article/us-yahoo-m-a-verizon-idUSKCN1040U9>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 28, 2016) at Attachment, Benjamin Mullin, "The New York Times of the future is beginning to take shape," Poynter (May 21, 2016), available at: <http://www.poynter.org/2016/the-new-york-times-of-the-future-is-beginning-to-take-shape/413097/>; NAB Ex Parte in MB Docket Nos. 14-50, 09-182, 07-294 (filed July 29, 2016) at Attachment, Gerry Smith, "The Fading Newspaper," Bloomberg QuickTake (April 19, 2016), available at: <http://www.bloomberg.com/quicktake/the-fading-newspaper>.

article discusses an accelerating decline in newspaper revenues.⁴ U.S. Census Bureau Data cited in the article show that, following a 3.8% drop in revenues during 2015, newspaper revenues fell another 4.4 percent in the first quarter of 2016.⁵

To the extent that Commission's rationale for restricting print newspaper ownership relates to viewpoint diversity or independent "voices," NAB notes that a newspaper that has closed its doors can no longer provide a viewpoint or serve as a "voice." Retaining a rule that deters investment by broadcasters in the struggling print newspaper industry certainly cannot serve the public interest. Rather, the only result that can rationally be expected from the continued prohibition is to hasten the demise of print newspapers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rick Kaplan", with a long horizontal line extending to the right from the end of the signature.

Rick Kaplan
General Counsel and Executive Vice President
Legal and Regulatory Affairs

Attachment

⁴ Jack Loechner, "Newspaper Revenues Tank Some More," MediaPost (July 22, 2016), available at: <http://www.mediapost.com/publications/article/280499/newspaper-revenues-tank-some-more.html> (attached hereto).

⁵ *Id.*



(/publications/research-brief/)

Newspaper Revenues Tank Some More

by Jack Loechner (/publications/author/1354/jack-loechner/), Staff Writer @mp_research

(http://www.twitter.com/mp_research), July 22, 2016, 6:15 AM

The pace of losses in the American newspaper and magazine publishing industry accelerated in the first quarter of 2016, according to data from the US Census Bureau, reported by Crikey.

Total US newspaper publishing revenues, including advertising and circulation, fell 4.4%, from US \$6.51 billion in the first quarter of 2015 to US \$6.22 billion in the first quarter of 2016. (The census figures are not broken down into separate figures for ads and circulations.) That was after a 3.8% fall in 2015 revenues, from US \$28.1 billion in 2014 to US\$27 billion.

US magazine publishers had total revenues fall 4.5% in the first quarter of this year from the same period in 2015, from US \$6.66 billion to US \$6.36 billion, after a 3.7% drop in 2015 from 2014 from US \$29.4 billion to US \$28.3 billion.

This data used to be issued by the Newspaper Association of America and the Publishers Information Bureau, says the report, broken down into data for ad revenues by type and newspaper and magazine sales. Both stopped publicizing this data three years ago.

The first quarter falls in revenue underlines that nothing is growing for newspaper and magazine publishers, especially digital ad and circulation revenues, or at least not growing fast enough to offset the slide in analogue print ads and sales revenues, concludes the report.

Pew Research reported earlier this month that American newspaper publishers' digital ad revenues also fell 2% last year. But the wider internet ad business grew more than 20% last year to nearly US \$60 billion.

The Census Bureau data showed that radio and TV revenues rose 4.5% in the March quarter of this year to US \$17.546 billion from US \$16.819 billion in the first quarter of 2015. Cable TV revenues jumped 6.8% in the same period, to US \$19.76 billion from \$18.26 billion.

For [additional information \(https://www.crikey.com.au/2016/06/29/us-publishing-revenues-plummet/\)](https://www.crikey.com.au/2016/06/29/us-publishing-revenues-plummet/) from Crikey, please visit here.

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