

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Cross-Ownership of Broadcast Stations and
Newspapers

Newspaper/Radio Cross-Ownership Waiver
Policy

MM Docket No. 01-235

MM Docket No. 96-197

REPLY COMMENTS OF BELO CORP.

Belo Corp. (“Belo”) hereby submits its Reply Comments in the above-captioned proceeding pursuant to the Commission’s September 20, 2001 *Order and Notice of Proposed Rulemaking*.¹ In its initial Comments in this proceeding, Belo urged the Commission to act expeditiously to repeal the ban on newspaper/broadcast cross-ownership. Belo submits on reply that the strong factual record in this proceeding—which provides extensive and unequivocal evidence regarding the public-interest benefits inherent in newspaper/broadcast co-ownership and the futility of the rule in today’s incredibly diverse and competitive media marketplace—requires the agency to eliminate this long-outdated restriction.

Drawing on its experience as the owner and operator of a newspaper/broadcast combination in the Dallas/Fort Worth market, Belo focused in its opening Comments on providing the Commission with a useful illustration of the enhanced news and information services that such combinations can provide.² Through an analysis of Dallas’ abundant media

¹ *Cross-Ownership of Broadcast Stations and Newspapers; Newspaper/Radio Cross-Ownership Waiver Policy, Notice of Proposed Rulemaking* in MM Docket Nos. 01-235, 96-197, FCC 01-262 (rel. Sept. 20, 2001) (“*NPRM*”).

² *Comments of Belo Corp.* in MM Docket Nos. 01-235 and 96-197 (filed Dec. 3, 2001) (“*Belo Comments*”).

marketplace, Belo further demonstrated that these benefits come without posing any legitimate threat to the Commission's important diversity and competition goals. Belo also explained that by singling out newspapers and broadcasters for such onerous regulation, the rule unnecessarily and irrationally prohibits Belo and other highly qualified news organizations from bringing the benefits of cross-ownership to additional markets.

Numerous other parties who filed comments in this proceeding substantiated Belo's showing with additional examples of the real and substantial benefits that newspaper/broadcast combinations have offered, without harming diversity or competition in their local markets, and of the improved services that could be developed in the rule's absence.³ Like Belo, many of these commenters focused on the news-oriented benefits that such combinations can provide. For example, the New York Times Company, which has jointly owned *The New York Times* and WQXR-FM in New York City since 1944, provides an impressive list in its Comments of special features and information services that WQXR-FM has been able to offer its audience because of its affiliation with the *Times*.⁴

³ See *Comments of Newspaper Association of America* in MM Docket Nos. 01-235 and 96-197, at 6-24 (filed Dec. 3, 2001) ("*NAA Comments*"); *Comments of Morris Communications Corp.* in MM Docket Nos. 01-235 and 96-197, at 1-2 (filed Dec. 3, 2001) ("*Morris Comments*"); *Comments of The New York Times Company* in MM Docket Nos. 01-235 and 96-197, at 7-16 (filed Dec. 3, 2001) ("*New York Times Comments*"); *Comments of Cox Enterprises, Inc.* in MM Docket Nos. 01-235 and 96-197, at 11-16 (filed Dec. 3, 2001) ("*Cox Comments*"); *Comments of Media General, Inc.* in MM Docket Nos. 01-235 and 96-197, at 3-17 (filed Dec. 3, 2001) ("*Media General Comments*"); *Comments of Tribune Company* in MM Docket Nos. 01-235 and 96-197, at 42-52 (filed Dec. 3, 2001) ("*Tribune Comments*"); *Comments of Gannett Co., Inc.* in MM Docket Nos. 01-235 and 96-197, at 7-16, 19-21 (filed Dec. 3, 2001); *Comments of The News Corporation Limited and Fox Television Holdings, Inc.* in MM Docket Nos. 01-235 and 96-197, at 34-42 (filed Dec. 3, 2001); *Comments of The Journal Broadcast Corporation* in MM Docket Nos. 01-235 and 96-197 (filed Dec. 3, 2001); *Comments of Schurz Communications, Inc.* in MM Docket Nos. 01-235 and 96-197 (filed Dec. 3, 2001); *Comments of The Post Company* in MM Docket Nos. 01-235 and 96-197 (filed Dec. 3, 2001); *Comments of The Association of Local Television Stations, Inc.* in MM Docket Nos. 01-235 and 96-197, at 7-8 (filed Dec. 3, 2001); *Comments of West Virginia Media Holdings, LLC* in MM Docket Nos. 01-235 and 96-197, at 3-16 (filed Dec. 3, 2001).

⁴ See *New York Times Comments* at 7-10.

Similarly, the Comments of Morris Communications Corporation provide many concrete examples of the ways in which joint ownership with a local newspaper has fostered the development of its broadcast stations in the Topeka, Kansas and Amarillo, Texas markets into vital outlets for local news, agricultural reports, and similar public service programming.⁵ The Media General Comments offer an in-depth description of the enhanced services stemming from the convergence of its newspaper, broadcasting, and Internet news resources in the Tampa market—as well as data on the large number of outlets and owners in the market.⁶

With newspaper/broadcast combinations in five markets, Tribune Company likewise was able to provide a variety of detailed examples of situations in which the newspapers have contributed important newsgathering resources and expertise to sister stations.⁷ The Tribune Comments also include extensive information on the wide range of news and information options in each of these cross-media markets.⁸ Moreover, the NAA Comments present case studies of existing combinations in a wide range of markets that exemplify the numerous and considerable public interest benefits that can accrue from the efficiencies and operational synergies created by such common ownership.⁹

In stark contrast to these and many other illustrative examples of the benefits of cross-ownership of newspaper and broadcast outlets, the few commenters favoring retention of the rule

⁵ *Morris Comments* at 6-11.

⁶ *Media General Comments* at 6-9, 19-26. Specifically, Media General observes that “[t]he pooling of news-gathering resources has increased the output of news content and has allowed the reporters at the three outlets to build on each other’s ‘scoops’ to present various angles to the same story.” *Id.* at 7.

⁷ *Tribune Comments* at 45-47. Specifically, Tribune emphasizes that “[t]hese voices would not have reached the public on television with the same depth and scope had it not been for Tribune’s commitment to vibrant newspaper operations with reporters and resources throughout the community and around the globe.” *Id.* at 47.

⁸ *Id.* at 12-31.

⁹ *NAA Comments* at 16-40.

chose to rely on unproven theories and gross generalizations rather than on relevant empirical evidence—thus ignoring the Commission’s request in the *NPRM* for “specific information” regarding existing newspaper/broadcast combinations.¹⁰ For example, although the Comments of Consumers Union, *et al.* include nearly 250 pages of materials, the Comments provide no empirical evidence pertinent to the Commission’s examination of the cross-ownership ban.¹¹ Instead, Consumers Union, *et al.* generally continue to rely on speculative and still unproven assertions regarding the alleged dangers inherent in any form of media joint ownership. Likewise, the Comments of United Church of Christ, *et al.* (“UCC, *et al.*”) do not offer any pertinent evidence regarding the operations of existing combinations, relying instead on outdated theoretical assumptions and misdirected analogies.¹²

Despite these commenters’ claims that they have found newspaper/broadcast combinations to be “harmful to both source diversity and competition,” they offer no probative evidence to support their conclusory assertions.¹³ For example, their observations that newspaper/broadcast combinations have made efforts to achieve cost-savings by allowing newspaper reporters to provide commentary on co-owned stations and by sharing information certainly does not demonstrate that such combinations have hindered diversity or disserved the

¹⁰ *NPRM* at ¶ 1.

¹¹ See generally *Comments of Consumers Union, Consumer Federation of America, Civil Rights Forum, Center for Digital Democracy, Leadership Conference on Civil Rights and Media Access Project* in MM Docket Nos. 01-235 and 96-197 (filed Dec. 3, 2001) (“*Consumers Union Comments*”).

¹² See generally *Comments of the Office of Communication, Inc. of the United Church of Christ, National Organization for Women and Media Alliance* in MM Docket Nos. 01-235 and 96-197 (filed Dec. 3, 2001) (“*UCC Comments*”). See also *Comments of American Federation of Labor and Congress of Industrial Organizations* in MM Docket Nos. 01-235 and 96-197 (filed Dec. 3, 2001) (“*AFL-CIO Comments*”).

¹³ *UCC Comments* at 14. See also *Consumers Union Comments* at 65-66; *AFL-CIO Comments* at 5-8.

audience in any way.¹⁴ To the contrary, as Belo and many other commenters have explained, the ability to share resources in this manner actually allows news organizations to cover a wider range of stories in greater depth and to provide news and information to consumers in the forms and at the times they prefer to receive them.¹⁵

In addition, even those commenters favoring retention of the ban recognize that newspapers and broadcasters do not compete in a single narrow product market.¹⁶ As the FCC recognized in the *NPRM* and *NAA* and other commenters have pointed out, however, a finding that newspapers and broadcast stations compete in a definable product market is a necessary precondition to a finding that competition will be threatened by their common ownership.¹⁷ Finally, these commenters' reliance on the recent consolidation in the radio and television industries as support for retention of the ban is unavailing:¹⁸ newspaper/broadcast cross-ownership has nothing to do with consolidation within independent markets comprised of a single type of media outlet.

¹⁴ *UCC Comments* at 14-15; *Consumers Union Comments* at 63-65; *AFL-CIO Comments* at 6-8.

¹⁵ See, e.g., *Belo Comments* at 4.

¹⁶ See *Consumers Union Comments* at 70-75; *UCC Comments* at 12-13.

¹⁷ *NPRM* at ¶ 21; *NAA Comments* at 56-65.

¹⁸ *UCC Comments* at 3-6; *Consumers Union Comments* at 72-88; *AFL-CIO Comments* at 1-4.

In light of the absence of any showing that the ban is necessary to further an identifiable public interest objective and the overwhelming weight of the evidence regarding the public interest benefits that can be achieved through newspaper/broadcast combinations, Belo submits that the Commission must move forward expeditiously to repeal the restriction on newspaper/broadcast cross-ownership.

Respectfully submitted,

By: Michael J. McCarthy/MEH
Michael J. McCarthy
Senior Executive Vice President
BELO CORP.
Communications Center
400 South Records Street
Dallas, Texas 75202

By: Richard E. Wiley
Richard E. Wiley
James R. Bayes
Martha E. Heller
of
WILEY REIN & FIELDING LLP
1776 K Street NW
Washington, DC 20006
TEL: 202.719.7000
FAX: 202.719.7049

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