



Publisher of Consumer Reports

April 5, 2002

Notice of Ex Parte Presentation

On April 4, 2002, Consumers Union and Consumer Federation of America met with members of the Commission to discuss the Newspaper Broadcast Cross Ownership proceeding (Docket No. 01-235) and the Cable Horizontal Ownership proceeding (Docket No. 98-82). Present at the meeting were Gene Kimmelman, Chris Murray, and Susanna Montezemolo from Consumers Union, and Mark Cooper from the Consumer Federation of America; in attendance from the Commission were Ken Ferree, Royce Sherlock, Mania Baghdadi, Judith Herman, Debra Sabourin, Dan Hodes, Ava Holly Berland, and Kiran Duwadi.

During this meeting, Consumers Union (CU) and Consumer Federation of America (CFA) reiterated our filings in the aforementioned dockets. CU and CFA discussed the fact that ownership of media outlets is absolutely critical to examine when evaluating the necessity of these rules, and that one must account for viewership patterns as well.

CU and CFA discussed the need for prophylactic rules that prevent excessive concentration in media ownership, rather than doing an ad hoc analysis after harms to democracy have already taken place.

CU and CFA raised the point that a concentration analysis that looks at DMAs will overcount the presence of both newspapers and broadcasters, since newspapers are sometimes available and subscribed to at very different rates in particular counties, as opposed to throughout an entire DMA, and all broadcast TV signals are not available throughout entire DMAs.

Finally, these groups detailed the way in which satellite does not compete with cable at the point of sale, because satellite serves a rural niche and a high-end niche for subscribers that desire, e.g. large sports packages or foreign language services. CU and CFA described how the cable industry arguments about the lack of monopsony leverage over programming always rely on erroneous assertions about competition from satellite at the point of sale.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Murray". The signature is fluid and cursive, with a long, sweeping underline.

Chris Murray
Internet & Telecommunications Counsel
Consumers Union