DOCKET FILE COPY ORIGINAL

#02-277

FEDERAL COMMUNICATIONS COMMISSION
FIELD HEARING ON BROADCAST OWNERSHIP
LOCALISM PANEL

Richmond, VA, February 27,2003

STATEMENT OF JOHN F. STURM,
PRESIDENT & CEO
NEWSPAPER ASSOCIATION OF AMERICA

RECEIVED

MAR - 5 2003

Federal Communications Commission
Office of the Secretary

Good afternoon. I am John Sturm, the President and CEO of the Newspaper Association of America. I am grateful for the opportunity to participate on this panel, particularly because in the 28 years since the newspaper-broadcast cross-ownership ban went into effect, my association has never had the opportunity to address these issues to the Commissioners. I will take the next few minutes to demonstrate the important role that newspaper/broadcast cross-ownership can play in enhancing the quality and quantity of news and other local content available to the public.

Once upon a time, the FCC affirmatively encouraged the participation of newspaper publishers in the broadcasting industry. Even in its 1975 order adopting the ban, the FCC expressly recognized the "[t]raditions of service" that newspaper publishers brought to the broadcasting industry. These facts have not changed.

The Commission also found that there was no evidence that commonly owned newspapers and broadcast stations posed any threat of anticompetitive behavior, and that, on average, stations co-owned with local daily newspapers provided more local news and non-entertainment programming than other TV stations.

These facts, also, have not changed.

No. of Copies rec'd 2
List ABCDE

It makes perfect sense that newspaper-owned broadcast stations would excel in news coverage and informational programming given their extensive newsgathering resources and their strong community ties. Indeed, daily newspapers are by their very nature more deeply involved in and aware of the activities, concerns, and issues affecting their home communities than any other medium. With the ability to draw on this locally oriented heritage and journalistic expertise, co-owned broadcast stations naturally are able to provide more in-depth coverage of local news and public affairs than other media outlets in their communities.

The best evidence of the impact of cross-ownership can be found in another set of facts – the records of the forty-or-so "grandfathered" newspaper/broadcast combinations that exist today. The clear public interest benefits offered by newspaper-affiliated broadcast stations have been corroborated repeatedly by the superior performances of those combinations. Representing the full gamut of market sizes from Miles City, MT to Chicago, IL, these co-owned facilities consistently have provided their home communities with unmatched levels of service.

By way of example, in the Cedar Rapids, Iowa market, KCRG-TV and KCRG **(AM),** which are jointly owned with the *The Cedar Rapids Gazette,* offer more news than any other stations in their market. The stations make use of a wide array of newspaper resources, including an ombudsman employed by *The Gazette* to review the fairness and accuracy of the news reports offered by both the TV station and the newspaper. Similarly, WEOL (AM), co-owned with the *Chronicle Telegram* in Lorain, Ohio, provides an impressive 24-hour news service with local news every hour on the hour as well as news summaries every half hour during morning and afternoon drive.

In the much smaller Sioux City, Nebraska market, WJAG, Inc. owns both *The Norfolk Daily News* and WJAG(AM). As a result of the cross-ownership, WJAG has built a solid reputation for its news reporting operations, earning it more than 35 awards in the past several years for broadcast excellence. Likewise, Quincy Broadcasting Company—the joint owner of WGEM-TV, WGEM(AM), and the *Quincy Herald-Whig* in Quincy, Illinois—has been able to offer its local community superior public interest benefits by combining the resources of these properties. In addition to providing over 50 hours of local radio and television news, informational, and public affairs programming each week, and over 126 hours of combined non-entertainment programming on the radio and TV stations, Quincy Broadcasting has created CGEM, a locally oriented cable channel.

These and the numerous other first-hand experiences in other markets have been filed in the Commission's record by NAA and many other parties such as Gannett, Tribune, and Media General. These results are confirmed in the FCC-sponsored studies that have been conducted on newspaper/broadcast cross-ownership. Indeed, while there have been criticisms of some of these studies, the evidence that broadcast stations jointly owned with daily newspapers provide their communities with both more and higher quality news and informational programming has not been seriously questioned. Specifically, the Spavins Study found that "[a]ffiliates co-owned with newspapers experience noticeably greater success under our measures of quality and quantity of local news programming than other network affiliates." That finding is true even where the newspaper and TV station were not co-located, and the differences were even greater for combinations in the same markets.

Just this month, these results were verified by a five-year study released by the Project for Excellence in Journalism. Echoing the findings of the Spavins analysis, this study specifically finds that "stations in cross-ownership situations were more than twice as likely to receive an **'A'** grade than were other stations" and that, on the whole, these stations "were more likely to do stories that focused on important community issues, more likely to provide a wide mix of opinions, and less likely to do celebrity human-interest features."

The clear evidence before the Commission—which spans both the current proceeding as well as a comprehensive rulemaking on newspaper/broadcast cross-ownership conducted just over a year ago—shows beyond any question that repealing the ban will greatly serve the FCC's localism and diversity goals. It is time—in fact, the time is long overdue—for the Commission to end the discriminatory treatment that daily newspapers continue to face under the FCC's current regulatory regime.

Lady and gentlemen, the Commission's record establishes the facts that must guide your decision on this matter:

First, the media world is totally different now as compared to when this ban went into effect in 1975. No one can seriously suggest otherwise.

Second, the experiences in the 40-or-so grandfathered markets over 28 years have demonstrated a complete absence of harm from these combinations, and

Third, the Commission's record and your own studies reveal an abundance of superior service by newspaper-owned local stations.

The ban is long outdated, has no current basis, and should be immediately repealed in full.

The only thing the ban has succeeded in doing is to deny most local communities clearly established public-interest benefits.

As such, the ban cannot stand.

Thank you.