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

In the Matter of	)	
	)	
2006 Quadrennial Regulatory Review—Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996	)	MB Docket No. 06-121
	)	
2002 Biennial Regulatory Review—Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996	)	MB Docket No. 02-277
	)	
Cross-Ownership of Broadcast Stations and Newspapers	)	MB Docket No. 01-235
	)	
Rules and Policies Concerning Multiple Ownership of Radio Stations in Local Markets	)	MM Docket No. 01-317
	)	
Definition of Radio Markets	)	MM Docket No. 00-244

COMMENTS OF BELO CORP.

Guy H. Kerr
Senior Vice President/Law and
Government
BELO CORP.
400 South Record Street
Dallas, Texas 75202

Richard E. Wiley
James R. Bayes
Martha E. Heller
WILEY REIN & FIELDING LLP
1776 K Street NW
Washington, DC 20006
202.719.7000
Attorneys for Belo Corp.

October 23, 2006

TABLE OF CONTENTS

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

In the Matter of	)	
	)	
2006 Quadrennial Regulatory Review—Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996	)	MB Docket No. 06-121
	)	
2002 Biennial Regulatory Review—Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996	)	MB Docket No. 02-277
	)	
Cross-Ownership of Broadcast Stations and Newspapers	)	MB Docket No. 01-235
	)	
Rules and Policies Concerning Multiple Ownership of Radio Stations in Local Markets	)	MM Docket No. 01-317
	)	
Definition of Radio Markets	)	MM Docket No. 00-244

COMMENTS OF BELO CORP.

I. INTRODUCTION AND SUMMARY

Belo Corp. ("Belo")[1] hereby submits its comments in response to the *Further Notice of Proposed Rulemaking* ("*Further Notice*") issued by the Commission on July 24, 2006 in the above-captioned proceedings.[2] Based on the clear and convincing record now before the

[1] Belo has been in the media business for 164 years. The Company began publishing its first newspaper in 1842, entered the radio business in 1922, and received its first television license in 1950 to operate WFAA-TV in Dallas-Fort Worth. Today, Belo owns and operates a diversified group of television broadcasting, newspaper publishing, cable news, and interactive media assets in 17 markets throughout the nation. In addition to WFAA-TV, Belo owns 18 other television stations across the country, reaching nearly 14 percent of U.S. television households. Belo also publishes respected daily newspapers in three major markets, including *The Dallas Morning News*, *The Providence Journal*, and *The Press-Enterprise* (Riverside, CA).

[2] *2006 Quadrennial Regulatory Review—Review of the Comm'n's Broad. Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecomms. Act of 1996; 2002 Biennial Regulatory Review—Review of the*

Commission, the agency's conclusions in 2003, and the affirmance by the U.S. Court of Appeals for the Third Circuit of many of those determinations, Belo submits that the newspaper/broadcast cross-ownership rule should be repealed in its entirety and the existing local television ownership restriction should be substantially relaxed in this proceeding.

With respect to the newspaper/broadcast ban, the FCC already has amassed an enormous evidentiary record over a series of rulemaking proceedings and inquiries spanning the last decade demonstrating the potential public interest benefits and lack of public interest harms that would be associated with repealing the rule. Moreover, with the exception of some limited aspects of the Commission's diversity analysis, the Third Circuit agreed with the conclusions the agency reached in 2003 with respect to the ban. Perhaps most importantly, the court affirmed the agency's determination that a flat prohibition on newspaper/broadcast cross-ownership no longer serves the public interest, thus obligating the FCC to repeal the absolute restriction in accordance with its periodic review obligations under the Telecommunications Act of 1996. Accordingly, much of the work that the agency needs to do in order to finally eliminate the now 30 year-old ban already has been completed.

Turning to the narrow issue remanded by the court of appeals of whether any restrictions at all remain necessary in order to protect marketplace diversity, the developments that have occurred in the media marketplace since 2003 provide a clear and cogent answer. The remarkable diversity that characterizes the current media environment is apparent, in particular, in the Dallas-Fort Worth market, where Belo has operated a newspaper/broadcast combination

---

Comm'n's Broad. Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecomms. Act of 1996; Cross-Ownership of Broad. Stations and Newspapers; Rules and Policies Concerning Multiple Ownership of Radio Broad. Stations in Local Markets; Definition of Radio Markets, Further Notice of Proposed Rulemaking, 21 FCC Rcd 8834 (2006) ("*Further Notice*"); *2006 Quadrennial Regulatory Review—Review of the Comm'n's Broad. Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecomms. Act of 1996*, Order, DA 06-1663 (rel. Sept. 18, 2006) (order extending comment deadline until Oct. 23, 2006 and the reply comment deadline until Dec. 21, 2006).

for more than 50 years. There, as in markets across the country, there is now a wealth of local news and informational outlets, ranging from the traditional media to a host of emerging online alternatives. At the same time, Belo's Dallas media properties have continued their practice of maintaining editorial independence and their longstanding traditions of providing their local community with a superior caliber of local news and information. Rather than dampening the vibrant diversity in the Dallas-Fort Worth market, the presence of Belo's newspaper/broadcast combination actually has enhanced diversity by fostering the Company's ability to provide innovative news and informational services and even to launch additional local news outlets.

Belo submits that the FCC can move forward in this proceeding to eliminate the newspaper/broadcast cross-ownership ban in its entirety, without taking on the unnecessary and inevitably frustrating task of trying to recreate the "Diversity Index" employed by the FCC as a diversity metric in 2003. An examination of the number of news and informational outlets now available to local consumers in virtually every market will provide the FCC with a logical basis for addressing the narrow, diversity-related issues remanded by the court of appeals and with far more than sufficient evidence to finally get rid of the outdated and counterproductive restriction. The agency should move forward expeditiously to take this action, as the need for regulatory relief is now even greater than it was just three years ago. At the same time that the number of news and informational outlets vying for consumer attention has proliferated, traditional newspapers and broadcasters are facing increasing competitive challenges.

A similar analysis applies to the local television ownership rule. Again, the Third Circuit agreed with many of the important determinations the Commission made in 2003 with respect to this rule, all of which were made on the basis of an incredibly extensive evidentiary record and many months of careful analysis. Importantly, the court affirmed the FCC's conclusion that the existing restriction does not advance, and in some cases directly hinders, the Commission's traditional competition, localism, and diversity objectives.

And once again, the evidence that has come to light since the agency last examined the issue solidly confirms that the existing rule should be relaxed. Belo's experience as an owner of several existing television duopolies and, more generally, as a television group owner demonstrates that consumers unequivocally will benefit from modification of the current prohibitions. In particular, there is no question that Belo's television combinations continue to promote localism, as they unequivocally provide more and higher quality local news, public affairs, and community service than they would as standalone stations. In addition, Belo submits that its duopolies foster diversity by facilitating the creation of additional programming. Finally, multiple ownership has bolstered the ability of Belo's stations to remain competitive in today's increasingly challenging marketplace by enabling the stations to operate more efficiently and create community-oriented programming that is highly appealing to local audiences. Thus, on all counts, the case for modification of the local television ownership prohibition is even more compelling now than it was in 2003.

At a minimum, the cumulative record now before the Commission justifies restoration of the deregulatory action the agency attempted to take in 2003 by eliminating the eight voices component of the current rule. Most importantly, in order to ensure that the benefits of local co-ownership can be delivered to additional communities, any local television ownership restrictions the Commission decides to retain in the instant proceeding should include a flexible waiver standard that would permit broadcasters to demonstrate that, regardless of market size or the number of other local TV stations, an individual combination would benefit its local community.

II. THE CASE FOR ELIMINATING THE BLANKET NEWSPAPER/BROADCAST CROSS-OWNERSHIP BAN IS EVEN MORE COMPELLING NOW THAN IT WAS IN 2003

A. The FCC Need Only Consider a Limited Set of Issues Related to Newspaper/Broadcast Cross-Ownership in this Proceeding and Must, at a Minimum, Repeal Its Absolute Ban on Cross-Ownership

1. *The Third Circuit Agreed with Many of the Key Determinations Made by the Commission Regarding Newspaper/Broadcast Cross-Ownership in 2003*

Based on an enormous evidentiary record and many months of public input and analysis, the FCC determined in 2003 that "an absolute prohibition on common ownership of daily newspapers and broadcast outlets in the same market" no longer "remains necessary in the public interest."[3] Supporting this overarching conclusion were the Commission's specific findings that "(1) the rule cannot be sustained on competitive grounds, (2) the rule is not necessary to promote localism (and may in fact harm localism), and (3) most media markets are diverse, obviating a blanket prophylactic ban on newspaper-broadcast combinations."[4] Based on these considerations and other analysis, the agency decided to replace the blanket restriction with a series of more flexible Cross-Media Limits permitting different levels of cross-ownership based on market size.[5] While disagreeing with the precise numerical limits reflected in the Cross-

---

[3] *2002 Biennial Regulatory Review—Review of The Comm'n's Broad. Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecomms. Act of 1996; Cross-Ownership of Broad. Stations and Newspapers; Rules and Policies Concerning Multiple Ownership of Radio Broad. Stations in Local Markets; Definition of Radio Markets; Definition of Radio Markets for Areas Not Located in an Arbitron Survey Area*, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13620, 13622-23 (¶ 2) (2003) ("*2003 Order").*

[4] *Id*. at 13748 (¶ 330).

[5] Specifically, the Cross-Media Limits would have replaced both the newspaper/broadcast and the television/radio cross-ownership rules with three different categories of restrictions based on the number of commercial and noncommercial television stations in the relevant locale. First, in markets with three or fewer TV stations, the FCC would not have permitted cross-ownership among TV stations, radio stations, and daily newspapers. Second, in markets with between four and eight TV stations, the agency would have permitted one of the three following combinations: (1) one or more daily newspaper(s), one TV station, and up to 50 percent of the radio stations permissible under the local radio ownership limits; (2) one or more daily newspaper(s), and as many radio stations as can be owned pursuant to the local radio ownership limits; or (3) two TV stations (so long as ownership would be

Media Limits, the Third Circuit agreed with each of the component findings underlying the FCC's decision.

First, with respect to its objective of preserving local competition among media outlets, the Commission stated in its *2003 Order* that because "[a] newspaper-broadcast combination … cannot adversely affect competition in any relevant product market," the ban simply was not necessary to promote competition.[6] No party challenged this finding on appeal, and the Third Circuit expressly affirmed this aspect of the agency's analysis.[7]

Second, the FCC explained in the *2003 Order* that the cross-ownership restriction does little to promote localism and, in fact, may undermine the ability of media outlets to effectively provide quality local news coverage. In reaching this determination, the agency relied on the results of one of its Media Ownership Working Group ("MOWG") studies, which demonstrated that newspaper-owned television stations provide almost fifty percent more local news and community affairs programming than other stations.[8] The Commission found that the study results were confirmed by persuasive descriptions provided by existing newspaper/broadcast combinations "illustrat[ing] how combining a newspaper's local newsgathering resources with a

---

permissible under the local television ownership rule) and as many radio stations as the local radio ownership limits permit, but no daily newspapers. Third, in local markets with nine or more TV stations, the Commission would have allowed any newspaper and broadcast cross-media combinations, so long as they complied with the local TV ownership rule and local radio ownership rule. *2003 Order*, 18 FCC Rcd at 13922-927 (App. H).

[6] *Id.* at 13753 (¶ 341).

[7] *Prometheus Radio Project v. FCC*, 373 F.3d 372, 400-01 (3d Cir. 2004), cert. denied, 73 USLW 3716 (2005) (Nos. 04-1020, 04-1045, 04-1036, 04-1033, 04-1177, 04-1168) (finding that the FCC "reasonably concluded that repealing the cross-ownership ban was necessary to promote competition").

[8] *2003 Order*, 18 FCC Rcd at 13754-55 (¶ 344).

broadcast platform contributes to, rather than detracts from, the production of local news programming that serves the community."[9]

Among the wide variety of real-world evidence buttressing the Commission's findings was the detailed description provided by Belo of its existing newspaper/broadcast combination in the Dallas market. In particular, the FCC observed that "in Dallas, Texas, where Belo owns a newspaper/television combination, both outlets have been able to cover a wider range of stories through information sharing between the separate newspaper and television news staffs."[10] Additionally, the agency cited Belo's showing on the record that the "aggregation of news gathering and production resources" from other Belo-owned media to support Belo's 24-hour local cable news network in Texas "has allowed it to provide more content, to innovate more in its reporting, and to provide more in-depth coverage of locally important issues than it otherwise could."[11]

Once again, the Third Circuit affirmed the FCC. In particular, the court noted with approval the agency's reliance on real-world evidence to bolster its statistical findings and concluded that criticisms posed by parties opposing relaxation of the rule did not "unsettle the Commission's conclusion that the newspaper/broadcast cross-ownership ban undermined localism."[12]

Third, the agency reasoned that a blanket prohibition on newspaper/broadcast joint ownership is no longer justified to preserve viewpoint diversity.[13] The Commission observed

---

[9] *Id*. at 13756 (¶ 347).

[10] *Id*. at 13756 (¶ 348).

[11] *Id*. at 13757 (¶ 348).

[12] *Prometheus Radio Project*, 373 F.3d at 398-99.

[13] *2003 Order*, 18 FCC Rcd at 13766 (¶ 366).

that "[t]he average American has a far richer and more varied range of media voices from which to choose today than at any time in history and found that, "[g]iven the growth in available media outlets, the influence of any single viewpoint source is sharply attenuated."[14] In addition to traditional media outlets, the FCC recognized that cable systems have become a commonly-used source of local news and that the Internet "play[s] an important role in the available media mix."[15] Because "the magnitude of the growth in local media voices shows that there will be a plethora of voices in most or all markets absent the rule," the Commission concluded that "a blanket prohibition on the common ownership of broadcast stations and daily newspapers in all communities and in all circumstances can no longer be justified as necessary to achieve and protect diversity."[16] The Third Circuit expressly agreed that the evidence regarding diversity could not sustain an absolute cross-ownership ban.[17]

2. *The FCC Need Only Consider the Third Circuit's Specified, Diversity-Related Concerns in the Instant Proceeding*

Given that the Third Circuit agreed with the majority of the findings underlying the Commission's 2003 newspaper/broadcast cross-ownership analysis, the issues that remain to be resolved on remand are narrow in scope. Indeed, the only aspect of the 2003 decision with which the Third Circuit found fault related to certain components of the FCC's diversity analysis. Specifically, the court found several problems with the design and application of the so-called "Diversity Index," which the Commission developed in 2003 in an attempt to measure

---

[14] *Id*.

[15] *Id*. at 13765 (¶ 365).

[16] *Id*. at 13766, 13760 (¶¶ 367, 355).

[17] *Prometheus*, 373 F.3d at 399-401.

relative viewpoint concentration in various markets.[18] Because it perceived these flaws and further found that the specific Cross-Media Limits ultimately adopted by the agency were based largely on the Diversity Index, the court remanded the precise numerical limits to the Commission for further consideration.

Having established that the pre-existing blanket ban no longer serves the public interest and that no restrictions on cross-ownership are necessary to preserve either competition or localism, the only question remaining for the FCC in this proceeding is whether any restrictions on cross-ownership remain necessary in order to preserve viewpoint diversity. As demonstrated herein and in many other filings in this and prior proceedings, the answer to this limited question is resoundingly negative.

3. *The FCC Is Now Obligated to Repeal Its Blanket Restriction on Newspaper/Broadcast Cross-Ownership*

As the Third Circuit explained in reviewing the agency's 2003 decision, Section 202(h) of the Telecommunications Act of 1996 mandates that "[a] regulation deemed useful when promulgated must remain so. If not, it must be vacated or modified."[19] The court further elaborated, "[i]n a periodic review under § 202(h), the Commission is required to determine whether its then-extant rules remain useful in the public interest; if no longer useful, they must be repealed or modified."[20] As discussed above, the Commission already has found, and the Third Circuit has agreed, that the complete ban on newspaper/broadcast cross-ownership is not necessary to fulfill the agency's longstanding public interest objectives.[21] Thus, by statutory

---

[18] *Id*. at 402.

[19] *Prometheus*, 373 F.3d at 395.

[20] *Id.*

[21] *See* Section II.A.1., *supra*.

directive, the Commission is now *obligated* to eliminate the blanket restriction on newspaper/broadcast cross-ownership.[22]

B. <u>As Evidenced by Belo's Experience in the Dallas Market, the Media Marketplace Has Become Even More Diverse Since 2003</u>

In responding to the Third Circuit's instructions for the agency to determine whether any restrictions on newspaper/broadcast cross-ownership remain necessary in order to ensure an adequate level of viewpoint diversity among sources of local news and information,[23] the Commission must take stock of the developments that have occurred in the media marketplace since its comprehensive analysis in 2003. Belo's experience in Dallas, where it currently owns and operates a newspaper/television combination that was grandfathered by the FCC in 1975, is illustrative of the impressive expansion that has characterized the media landscape in markets throughout the country even since 2003. While traditional sources of news and information have remained relatively constant during this period, a host of alternative media outlets have either come into existence or become much more commonly used by local consumers. Thus, although Belo has owned both WFAA-TV and *The Dallas Morning News* for more than half a century, it remains clear that this joint ownership has not negatively affected the ability of other media outlets to have a voice in the market.

Indeed, today the Dallas market is one of the most robust and diverse in the nation. The Dallas-Fort Worth Designated Market Area ("DMA") now has a total of 18 television stations with 14 different owners,[24] and the Arbitron market has 82 radio stations with nearly 40 different

---

[22] *See* Comments of the Newspaper Association of America, filed concurrently in MB Docket No. 06-121, for further explanation regarding the Commission's legal obligation to eliminate the blanket cross-ownership ban.

[23] *See Prometheus*, 373 F.3d at 405 (describing local news as the "Commission's recognized indicator of viewpoint diversity in local markets").

[24] Broadcasting and Cable Yearbook 2006, at B-86-87, 151 (2006).

owners.[25] Additionally, there are currently 11 daily newspapers in Dallas and the surrounding area,[26] as well as a variety of weeklies and magazines.[27] Many of these local media sources also offer websites, including all of the daily newspapers and the vast majority of the TV stations.[28]

Notably, in the last few years, a host of locally-oriented Internet news sources have been launched or popularized, such as independent local websites and blogs, that are competing vigorously for consumers' attention. For example, "Dallas Blog," owned and operated by DallasBlog, Inc., was launched in 2005 with the intention of serving as an online alternative news and information source for the greater Dallas community.[29] The site has its own staff of reporters as well as affiliated commentators. In addition, "Dallas Blog" provides an open forum for local elected officials and candidates by allowing them to "blog" on the site whenever they wish. The site permits leaders of civic, neighborhood, political, and other organizations to do the same. Members of the public can submit a story or editorial for consideration on the site and can submit unedited comments on blog posts at any time.

Likewise, "Metroblogging Dallas," owned and operated by Bode Media, Inc., launched in August 2004 as part of a network of local blogs that now reach 45 cities worldwide.[30] Written by people who live and work in the Dallas area, the site contains a broad mix of local news, local political discussion, and local arts and events coverage. "Dallas.org," a website owned and operated by DallasOrg Websites, LLC, similarly provides a wealth of local news and received

---

[25]BIA Financial Network, Investing in Radio Market Report 2006, Metro Rank: 5 (2006).

[26]Editor & Publisher, International Year Book 2006 at I-368 (2006).

[27]*See id.* at Comm-317-343.

[28] *See id*. at I-368.

[29] *See* http://www.dallasblog.com/about (last visited October 11, 2006).

[30] *See* http://dallas.metblogs.com/ (last visited October 11, 2006)

over 1 million hits in the month of September 2006 alone.[31] Other examples include "Dallas Progress," operated by blogger Michael Davis and launched in June 2006,[32] and "Front Burner," which is hosted by *D Magazine*, a local magazine focusing on Dallas.[33]

Finally, the websites operated by *The Dallas Morning News* and WFAA-TV make a further, significant contribution to the mix of local news and information available to Dallas residents. The capacities of the Internet enable Belo to provide different and more complete coverage of local issues on these websites than is feasible on either the TV station or the newspaper. Most obviously, unlike either of these media, the Internet provides a forum where print, audio, and video all can be combined to provide consumers with a true multimedia experience. For example, WFAA-TV's website WFAA.com routinely includes video clips shot by WFAA-TV photojournalists and their counterparts at *The Dallas Morning News*. Furthermore, the websites for both WFAA.com and DallasNews.com contain significant amounts of local content that is neither broadcast on WFAA-TV nor published in *The Dallas Morning News*. For instance, DallasNews.com created MyHighSchool—separate interactive homepage sites for 150 local high schools that contain sports video, still photos, audio, and other information particular to sports at each high school. WFAA.com also carries and provides content for the MyHighSchool sites. In addition, consumers submit content for these individual sites, which have been very popular since they were launched in 2006.

The Internet also offers a vehicle for ongoing discussion and direct public input that is not practical to the same extent on either a local TV station or via traditional print. Capitalizing

---

[31] *See* http://www.dallas.org/ (last visited October 11, 2006).

[32] *See* http://dallasprogress.blogspot.com/ (last visited October 11, 2006).

[33] *See* http://frontburner.dmagazine.com/ (last visited October 11, 2006).

on this resource, *The Dallas Morning News*, in particular, now offers a variety of blogs and chatrooms. Moreover, newspapers and television news have practical limitations on the amount of coverage that can be devoted to any particular issue at a given time. These constraints do not exist on the Internet, and Belo has taken advantage of this unlimited capacity to provide its local audience with a greater depth of information on many issues than is available via its other Dallas outlets.

In its review of the FCC's 2003 decision, the Third Circuit expressed doubt as to whether the Internet made an appreciable, independent contribution to the mix of local news and information available to consumers.[34] Regardless of the legitimacy of this concern at the time it was raised by the court of appeals, a careful examination of the current marketplace can leave little question that the Internet is now a full and increasingly significant participant in the local news and information marketplace.

C. <u>Belo's Newspaper/Broadcast Combination in Dallas Continues to Demonstrate that Cross-Ownership Benefits the Public Interest Without Threatening Diversity</u>

As noted above, the FCC already has concluded, and the Third Circuit agreed, that restricting newspaper/broadcast cross-ownership at the local level undermines the agency's localism objectives.[35] Belo's longstanding experience as both the publisher of *The Dallas Morning News* and the owner and operator of WFAA-TV in Dallas confirms that the Commission reached the correct conclusion in 2003. Indeed, the combination has continued to serve as a direct catalyst for *increasing* the amount and quality of local news and public affairs coverage as well as the number of local news outlets accessible to Dallas residents. Importantly,

---

[34] *See Prometheus*, 373 F.3d at 406 (stating that the record before the FCC lacked "persuasive evidence that there is a significant presence of independent local news sites on the Internet").

[35] *See* Section II.A., *supra*.

the combination provides this enhanced level of service without compromising the diversity of viewpoints available to the Dallas community.

In 2003, *The Dallas Morning News* created two new products designed for different segments of the local Dallas community: *Quick* (a free tabloid-style newspaper with content and design targeting 18-39 year-olds who may not subscribe to *The Dallas Morning News*) and *Al Dia* (a Spanish-language daily newspaper designed for the significant local Hispanic community). Since 2003, *The Dallas Morning News* also has created hyperlocal publications called *Neighbors* (tailored weekly magazine inserts to *The Dallas Morning News* focusing on 16 local communities in the Dallas area) that use photos and other content provided by members of the local communities.

As Belo has explained to the Commission in prior filings, WFAA-TV consistently has had one of the highest rated local newscasts in its market and has offered a level of public affairs programming unrivaled by its peers.[36] The station benefits from its ability to draw on the newsgathering and promotional resources of *The Dallas Morning News*. With the assistance of the newspaper, for example, WFAA-TV has been able to air what is now the only local morning talk and information program in the market, "Good Morning Texas."[37]

Thanks in part to the savings achieved by sharing resources between WFAA-TV and *The Dallas Morning News*, as well as Belo's television stations in Houston, Austin, and San Antonio, Belo also continues to operate Texas Cable News ("TXCN"), a 24-hour regional cable news

---

[36] *See, e.g*, Comments of Belo Corp. in MB Docket No. 01-235, at 6-7 (filed Dec. 3, 2001) ("*Belo 2001 Comments*").

[37] "Good Morning Texas" has aired on WFAA since 1994 and became the sole local talk and information morning show on the air in Dallas in early September, as competing stations have chosen to air syndicated programming. Staffwriters from *The Dallas Morning News* and *Quick* often appear on "Good Morning Texas" as commentators and contributors.

network currently serving approximately 1.7 million cable customers with around the clock news gathered from each of Belo's Texas news outlets.

In the most recent example of the enhanced coverage offered by its co-owned media outlets, *The Dallas Morning News* and WFAA-TV, along with Belo's other Texas television stations, combined resources to host and cover the October 2006 Texas gubernatorial debate.[38] The debate was the only one this election cycle to include the four leading candidates—two independents as well as the Republican and Democratic contenders. Because Belo was able to air the debate on each of its Dallas and other Texas-based platforms, the Company ensured that a wide swath of the regional population was able to access it. In addition to being aired by Belo television stations in the state's four largest markets, the debate was broadcast on DallasNews.com, the host television stations' associated web sites, and TXCN.[39] The debate was the most widely-viewed gubernatorial debate in recent history in the state of Texas and was the most-watched program in its time slot in three of the four largest markets in Texas.[40]

Additional evidence of the superior service offered by WFAA-TV and *The Dallas Morning News* is reflected in the long list of prestigious awards both outlets have collected over many years. Since 2003, the combination has continued to attract national recognition. For example, *The Dallas Morning News* received a Pulitzer Prize in 2006 for its coverage of the

---

[38]Belo Corp. Press Release, *Belo's Texas-Based Operations to Host and Air 2006 Gubernatorial Debate* (Oct. 5, 2006), available at http://www.belo.com/pressRelease.x2?release=20061005-1037.html (last visited Oct. 11, 2006).

[39]Belo also made the broadcast available in English to all television stations across Texas outside of Dallas/Fort Worth, Houston, San Antonio, and Austin, and in Spanish to television stations in all markets. PBS stations in Belo markets were permitted to air the debate on a tape-delayed basis. Additionally, all radio stations across Texas were given the opportunity to air the debate. *Id*.

[40] Belo Corp. Press Release, *Gubernatorial Debate Records Record Viewership in Three of Four Markets In Texas* (Oct. 9, 2006), available at http://www.belo.com/pressRelease.x2?release=20061009-1038.html (last visited Oct. 16, 2006).

Hurricane Katrina disaster.[41] The paper, along with the co-developed DallasNews.com website, also received an Associated Press Managing Editors Online Convergence Award this year.[42] Similarly, WFAA-TV garnered a 2004 George Foster Peabody award and a 2005 Alfred I. duPont Columbia award for its news reporting.[43] Just recently, the station received 53 Emmy nominations from the Lone Star Chapter of the National Academy of Television Arts & Sciences, including nominations for station and news excellence, morning and evening newscasts, continuing coverage, and special programs.[44]

As Belo has explained in previous filings, WFAA-TV and *The Dallas Morning News* historically have not coordinated their opinions or viewpoints.[45] This continues to be the case. Indeed, the two outlets are rarely even aware of each other's viewpoints prior to public dissemination. While the newspaper and TV station do share some newsgathering and promotional resources, WFAA-TV is generally not privy to the proposed editorial positions to be taken by *The Dallas Morning News*. For its part, WFAA-TV, as is the typical practice in the television news industry, makes a concerted effort to take no editorial or opinion positions at all.

---

[41] David Flick, *News Wins Pulitzer for Katrina Photos*, *The Dallas Morning News*, Apr. 17, 2006, available at http://www.dallasnews.com (last visited Sept. 13, 2006).

[42] Belo Corp. Press Release, The Dallas Morning News *and DallasNews.com Receive APME Journalism Excellence Award for Online Convergence* (Sept. 5, 2006) , available at http://www.belo.com/pressRelease.x2?relrease=20060905-1020.html (last visited Sept. 13, 2006).

[43] Belo Corp. Press Release, *WFAA-TV Honored with Fourth Prestigious George Foster Peabody Award for 'State of Denial' Investigation* (Apr. 7, 2005), available at http://www.belo.com/pressRelease.x2?release=20050408-701.html (last visited October 20, 2006); Belo Corp. Press Release, *Two Belo Television Stations are the Only Local Stations Nationwide to Win 2005 duPont-Columbia Awards* (Jan. 13, 2005), available at http://www.belo.com/pressRelease.x2?release=20050113-661.html (last visited October 20, 2006).

[44]Belo Corp. Press Release, *WFAA-TV Gathers 53 Lone Star Emmy Nominations Winners To Be Announced At October Ceremony in Houston* (Sept. 22, 2006), available at http://www.belo.com/pressRelease.x2?release=20060922-1028.html (last visited Oct. 17, 2006).

[45] *Belo 2001 Comments* at 4.

Accordingly, the jointly-owned outlets are able to provide their local audience with a superior degree of service and certainly pose no threat to marketplace diversity.

D. <u>Based on the Wealth of Local News and Informational Options Now Available to Consumers, the Blanket Ban on Newspaper/Broadcast Combinations Should Be Repealed</u>

In order to respond to the Third Circuit's remand directive, Belo submits that it is neither necessary nor practical for the Commission to try to repair the perceived flaws in the Diversity Index or to create an alternative diversity "metric." In today's incredibly abundant and diverse marketplace, any effort to try and precisely "weight" the importance of one type of outlet versus another would be hopelessly complex and almost inevitably riddled with flaws. Nor is such an exercise necessary for the FCC to determine whether consumers now have an adequate variety of local news and informational choices. Rather, the agency can analyze the specific, diversity-related issues remanded by the court of appeals much more simply and logically by focusing on the wealth of options available to local consumers, rather than on relative popularity, reach, or market share.

When the relevant question is boiled down to its core, the answer is glaringly obvious. In today's incredibly rich and diverse media environment, there simply can be no doubt that consumers today have a plethora of news and informational options from which to choose. In the short amount of time that has passed since the agency last examined the issue, the media marketplace has continued to experience remarkable expansion. In stark contrast to the environment that existed in 1975, consumers today can opt to get local news and information not only from traditional daily newspapers and broadcast outlets, but also from a host of new, and ever-expanding, alternatives. As has been the case throughout these proceedings, it remains clear that newspaper/broadcast cross-ownership continues to enhance the quality and quantity of local news and public affairs without compromising viewpoint diversity. Accordingly, the long outdated and counterproductive ban on newspaper/broadcast cross-ownership, which now has been in existence for over 30 years without modification, must finally be eliminated.

Belo further submits that the Commission should move forward expeditiously to take this action. Largely because of the proliferation of news outlets now vying for the attention of local consumers, daily newspaper and broadcast outlets today face increasing competitive challenges. As the Internet and other new media have risen in prominence, they correspondingly have taken a toll on the audience shares and advertising revenues earned by broadcast media and newspaper publishers. These trends are mirrored in Wall Street's relative valuation of new versus traditional media companies. To provide one particularly telling example, the combined enterprise value of Google and Yahoo! is now significantly more than that of the top 20 local TV, local radio, and local newspaper companies combined.[46] Thus, the need for regulatory relief is even more apparent today than it was just three years ago. Indeed, one of the most effective antidotes to these trends would be to permit newspaper publishers and broadcasters to operate more efficiently at the local level. By so doing, the Commission would enable these local media to focus more effectively on their core mission and competitive advantage in the marketplace by providing more and higher quality locally-oriented news, information, and public affairs programming.

III. <u>THE RESTRICTIONS ON LOCAL TELEVISION OWNERSHIP SHOULD BE RELAXED</u>

A. <u>The Third Circuit Agreed with Many of the Commission's Critical Determinations Regarding Local Television Ownership</u>

Just as the Third Circuit affirmed the Commission's findings supporting repeal of the blanket newspaper/broadcast cross-ownership ban, the court likewise affirmed several of the

[46] *See* Victor B. Miller IV, Bear Stearns & Co., *Radio: A Crude Recovery?* (Sept. 20, 2006), at 16 (presented at the NAB Radio Show 2006).

agency's important conclusions with respect to the local television ownership rule. Accordingly, a number of issues regarding the potential public interest benefits and lack of harms that would be associated with relaxing the restriction already have been resolved.

In its 2003 decision, the FCC found that the pre-existing local television ownership rule did not "account for the contributions of other media," and that retaining the restriction would "not promote, and may even hinder, program diversity and localism."[47] Finding that relaxation of the rule would advance the public interest goals of competition, localism, and diversity, the agency promulgated a modified rule that would allow an entity to own two broadcast stations in markets with 17 or fewer television stations, or three stations in the handful of markets with 18 or more television stations, provided that no more than one top-four station in a market was acquired by a single owner.[48]

Specifically, the FCC concluded that the current rule did not promote competition because it "prohibits mergers that would increase efficiency in small and mid-sized markets—mergers that would thereby promote competition."[49] Moreover, the agency explained that "by limiting common ownership to no more than two television stations, the current rule prohibits efficiency enhancing mergers in the largest markets."[50] The Third Circuit did not find fault with these general conclusions.[51]

---

[47] *2003 Order*, 18 FCC Rcd at 13668 (¶ 133).

[48] *Id.* at 13668 (¶ 134).

[49] *Id*. at 13671 (¶ 140).

[50] *Id*.

[51] Instead, the court raised narrowly focused questions regarding whether certain assumptions made by the agency in its market share analysis were appropriate and whether the lines drawn by the agency in order to preserve competition among local television operators were drawn properly based on certain evidence in the record concerning market concentration. In particular, the court found fault with the agency's decision to base its revised rules on the assumption that stations within a local market have equal market shares and concluded that the revised

In addition, the FCC relied on compelling empirical and anecdotal evidence that local television combinations improve the quantity and quality of local news programming. In particular, the agency remarked favorably on Belo's acquisition of a second station in the Seattle, Washington DMA that "has resulted in an extra hour of news programming, and has allowed Belo to devote more resources to public affairs programming."[52] Based on this and many other examples provided by the broadcast industry, the Commission recognized that "owners/operators of same-market combinations have the ability and incentive to offer more programming responsive to the needs and interests of their communities."[53] Further, the Commission acknowledged that rising news production costs could adversely impact public affairs programming by forcing broadcasters to scale back operations, and in this context, relaxation of the local television ownership rule could help broadcasters maintain and enhance local programming viability.[54] Accordingly, the FCC found that its "current local TV ownership rule poses a potential threat to local programming, and that modification of the rule is likely to result in efficiencies that will better enable local television stations to acquire content desired by their local audiences."[55]

The Third Circuit upheld the Commission's findings, citing the extensive evidentiary support for the determination that local programming could be improved by consolidation of

---

rule would allow levels of concentration that could exceed the agency's stated benchmarks, which were based on the Herfindahl-Hirschman Index, for market concentration. *Prometheus*, 373 F.3d at 418-20.

[52] *2003 Order* at 13680 (¶ 160).

[53] *Id*. at 13683 (¶ 164).

[54] *Id*. at 13684-85 (¶ 166).

[55] *Id*. at 13678 (¶ 156).

local television ownership.[56] In particular, the court of appeals affirmed the Commission's determination that consolidation of local television ownership can result in "'consumer welfare enhancing efficiencies' by eliminating redundant expenses and increasing opportunities for cross-promotion and related programming" which can "translate[] into improved local news and public interest programming."[57] Significantly, the court specifically remarked on the importance of the waiver procedure which under "the modified rule allows the Commission to waive the top-four restriction in small markets where those consolidations would be beneficial overall."[58]

Finally, the Commission found that the record demonstrates "that the majority of markets have an abundance of viewpoint diversity," and thus concluded that the existing local TV ownership rule was "not necessary to achieve our diversity goal."[59] In this vein, the agency explained that there are countless media outlets available to the public that contribute to viewpoint diversity.[60] Additionally, the FCC determined that relaxation of the local television ownership rule is likely to enhance program diversity because a single owner of multiple television stations will have greater resources and incentives to offer more diverse programming.[61] The Third Circuit concurred with the Commission's finding "that broadcast media are not the only media outlets contributing to viewpoint diversity in local markets."[62] Further, the court expressly deferred to the agency to demonstrate that "there is ample

---

[56] *Prometheus Radio Project*, 373 F.3d at 415-16.

[57] *Id.* at 415 (citing *2003 Order*, 18 FCC Rcd at 13674, 13687 (¶ 147, 164)).

[58] *Id.* at 417

[59] *2003 Order*, 18 FCC Rcd at 13686 (¶ 171).

[60] *Id*. at 13689 (¶ 178).

[61] *Id*. at 13691 (¶¶ 182, 184).

[62] *Prometheus Radio Project*, 373 F.3d at 414-15.

substitutability from non-broadcast media to warrant the particular numerical limits that it chooses on remand."[63]

B. <u>Current Evidence Continues to Illustrate that Multiple Ownership of Television Stations at the Local Level Benefits the Public Interest</u>

As demonstrated above, the Commission already has established, and the Third Circuit has agreed, that the existing restrictions on local television ownership undermine the agency's traditional public interest objectives. Since the Commission last considered the issue in 2003, the evidence supporting this conclusion has continued to accumulate. In particular, Belo's experience as an owner of several existing television duopolies and, more generally, as a television group owner demonstrate that consumers unequivocally will benefit from relaxation of the current prohibitions. There is no doubt that Belo's television combinations continue to promote localism, as they unequivocally provide more and higher quality news and information than they would as standalone stations. In addition, Belo submits that its duopolies foster diversity by facilitating the creation or acquisition of additional programming. Further, any remaining diversity concerns are attenuated by the explosive growth that has continued to characterize the media marketplace since 2003.[64] Finally, multiple ownership has bolstered the ability of Belo's stations to remain competitive in today's increasingly challenging marketplace by enabling its stations to operate more efficiently and create community-oriented programming that is highly appealing to local audiences. Thus, on all counts, the case for modification of the local television ownership prohibition is even more compelling today than it was in 2003.

Belo currently owns and operates television duopolies in four television markets: (1) Seattle-Tacoma, Washington; (2) Phoenix, Arizona; (3) Tucson, Arizona; and (4) Spokane,

---

[63] *Id.* at 415.

[64] *See, e.g.,* Section II.B., *supra*.

Washington. When Belo acquired its duopoly stations in each of these markets, none provided local news to its community. Under Belo ownership, however, three of the stations are now providing daily newscasts.[65] This has been possible because the efficiencies inherent in joint ownership permit the "parent" stations in each market to devote additional resources to the production of high quality, in-depth news coverage and public affairs programming. Running a second in-market station results in substantial savings in overhead and management costs, and Belo has passed these efficiencies through to viewers in the form of additional and improved news and other programming of local interest and enhanced local website offerings.[66] Moreover, duopoly ownership has given Belo the flexibility to stagger the times at which it airs newscasts, making news programming more easily accessible to local viewers.[67]

In addition to traditional newscasts, station co-ownership has provided Belo with the resources and scheduling flexibility to air more local public affairs programming. For example, when Belo owned only one station in the Seattle-Tacoma market, it was unable to devote the resources—or allocate the airtime—to offer local public affairs programs. However, after it acquired a second station in 2000, it began airing a weekly half-hour public affairs program on KING-TV, hosted by Robert Mak, two-time recipient of the Annenberg Center's Cronkite Award. Duopoly ownership also has freed additional capacity and resources that have been used

[65] Belo has launched newscasts at KSKN-TV in Spokane and KMSB-TV in Tucson. Further, the 10 p.m. newscasts it began at KONG-TV in the Seattle-Tacoma market have been highly successful. *See* Belo Corp. Press Release, *KING 5 NEWS @ 10PM ON KONG RANKS #1 IN MAY!* (May 26, 2005), available at http://www.belo.com/pressRelease.x2?release=20050526-722.html (last visited Oct. 16, 2006).

[66] In the Seattle-Tacoma market, KING-TV's overall news coverage was rewarded with a 2006 Edward R. Murrow Award for Overall Excellence in large markets for consistently demonstrating depth and scope in its news coverage. Belo Corp. Press Release, *KING 5 Honored With National Edward R. Murrow Award For Overall Excellence* (June 22, 2006), available at http://www.belo.com/pressRelease.x2?release=20060622-967.html (last visited Oct. 16, 2006).

[67] For example, in Seattle-Tacoma, KING-TV airs a newscast at 11 p.m. while sister station KONG-TV airs a newscast at 10 p.m.

to produce and air public affairs specials featuring local residents. In Seattle-Tacoma, KING-TV received two 2006 Clarion Awards from the Association for Women in Communication for its specials "Breast Cancer: Winning the Battle" and "A Crown for Kathrina," which profiled a four-year old born with Marshall-Stickler syndrome.[68] Similarly, duopoly ownership in Tucson has made airtime available for "Nogales Profiles," a series of brief reports featuring community leaders from the Arizona town of Nogales and Santa Cruz County.[69]

Belo stations located in separate DMAs similarly have combined resources in order to provide a greater level of regional public affairs programming. For example, in 2004, Belo stations in Spokane and Seattle-Tacoma combined resources to produce and air a special on childhood obesity focusing on the struggles of Washington state residents.[70]

The efficiencies and cost-savings inherent in duopolies also continues to enable Belo stations to offer more comprehensive coverage of local and regional politics. During the 2004 election season, for example, sister stations KREM-TV and KSKN-TV in Spokane aired debates between local candidates for the U.S. House of Representatives and U.S. Senate. To supplement this federal election coverage, KSKN-TV carried programming explaining to local voters how the political process in the state of Washington works. In Seattle, KING-TV complements the Sunday morning political shows with its own Sunday afternoon political program that aired

[68] Belo Corp. Press Release, *KING 5 Honored With Two 2006 Clarion Awards* (Aug. 16, 2006), available at http://www.belo.com/pressRelease.x2?release=20060816-1011.html (last visited Oct. 16, 2006). Marshall-Stickler syndrome is an extremely rare condition characterized by a flat face, enormous eyes, and an undersized skull. As children afflicted with the disease grow, their brains receive increasingly less oxygen.

[69] *See* Nogales Profiles on Fox 11 AZ, available at http://www.fox11az.com/community/nogales/ (last visited Oct. 16, 2006).

[70] Belo Corp. Press Release, *KREM-TV to Air "Generation at Risk: A Family Health Check Special"* (June 24, 2004), available at http://www.belo.com/pressRelease.x2?release=20040624-486.html (last visited Oct. 16, 2006); Belo Corp. Press Release, *KING-TV to air "Generation at Risk: A Healthlink Special with Jean Enersen" on June 23* (June 10, 2004), available at http://belo.com/pressRelease.x2?release=20040610-475.html (last visited Oct. 16, 2006).

debates in 2004 among candidates for Congress and Washington State Attorney General, as well as other issue-oriented programming. Following one of the 2004 presidential debates, KING-TV aired a live debate between Washington's gubernatorial candidates. Further, the sister stations in Seattle teamed up to provide comprehensive coverage of the 2004 local and national election results. Starting in the afternoon, KING-TV televised NBC's live coverage of the national elections with periodic local updates, while KONG-TV focused exclusively on local races as soon as the polls closed.

As noted above, group ownership provides efficiencies that have enabled Belo to provide a variety of cross-media offerings, such as TXCN in Texas.[71] In particular, multiple ownership at the local level helps Belo spread its fixed costs and operating capital over a larger number of operating units, thereby permitting the development and production of innovative news products that benefit both its duopoly markets and other regional television markets. The vast majority of standalone stations, Belo submits, simply would not have the resources to create such extensive regional and local news offerings. For example, in the states of Washington, Oregon, and Idaho, Belo has combined the resources of its television stations (which consist of its duopoly combinations in Seattle and Spokane as well as single stations in Portland, Oregon and Boise, Idaho) to launch and operate Northwest Cable News ("NWCN"), a 24-hour regional cable news network serving approximately 2 million cable subscribers in the region.

The way in which Belo stations have used digital multicasting opportunities to enhance local news and other local programming has further illustrated the potential public interest benefits of duopoly ownership. For example, Belo station KTVB(TV) in Boise, Idaho has taken advantage of its second digital channel to launch a service that provides 24-hour coverage of

[71] *See* Section II.C., *infra.*

local news and weather. The news service provides more in-depth programming than the primary channel, including coverage of the state legislature, court cases of local interest, in-depth full-length stories, and local high school sports. The station advances what KTVB(TV)'s President and General Manager calls "hyperlocalism" through locally produced programming focusing on sports, public affairs, political debates, and interviews.

Similarly, several of Belo's NBC-affiliated stations are using their digital channels to broadcast WeatherPlus, a 24-hour weather channel with local and national information co-owned by NBC and its local affiliates. Notably, Belo's KENS-TV in San Antonio used its digital broadcasting signal to televise the FCC's four-hour Localism Task Force Public Hearing in San Antonio in 2004. In addition, during Hurricane Katrina, many of Belo's stations and over 20 non-Belo stations provided expanded hurricane coverage on their second digital channels. This pattern is indicative of the ways in which Belo, and many other broadcasters, would use additional capacity and take advantage of economic efficiencies if greater levels of joint ownership were permissible at the local level.

More broadly, the prospect for enhanced localism benefits via group ownership are vividly illustrated by the extraordinary efforts of Belo's WWL-TV in New Orleans, the only television station to stay on the air through Hurricane Katrina and its aftermath. WWL-TV was able to draw upon resources from co-owned stations in other markets to provide 24-hour-a-day coverage, detailed local updates about evacuation routes as the hurricane approached, and reliable local news about the hurricane's impact on specific neighborhoods within the city. WWL-TV also served as a primary information resource as individuals searched for lost family members and friends, sought out relief agencies, and needed answers to questions about safety concerns and returning to their homes. WWL-TV's critical coverage also was streamed on

WWL.com and other Internet sites. In the aftermath, Belo's stations and websites collectively helped raise $20 million for victims of Hurricane Katrina.[72] WWL-TV's efforts were recognized with numerous awards, including a 2005 George Foster Peabody Award and a 2006 Edward R. Murrow Award.[73]

As was evidenced in the Commission's analysis in 2003, Belo's duopoly ownership experience is not unique. Strong economic incentives—particularly competition for local audience share and advertising revenues—compel many duopoly operators to add news and other community-oriented programming to second stations. Furthermore, the highly competitive nature of the media marketplace, as well as vigorous competition among local newscasts in particular, generally will give stations strong incentives to dedicate additional resources garnered from joint ownership to the production of more and higher quality news and other programming of local interest.

C. In View of the Developments in the Media Marketplace Since 2003, the Existing Local Television Ownership Ban Should Be Relaxed

At a minimum, the cumulative record now before the Commission justifies finalization and implementation of the deregulatory action the agency attempted to take in 2003. The changes that have occurred since the FCC's last periodic review resoundingly confirm its prior finding that the current restriction no longer serves, and is in important respects inimical to, its public interest objectives. Because it will give local broadcasters the incentive and ability to

---

[72] Belo Corp. Press Release, *Belo's Media Operations Nationwide Help Raise $20 Million to Date for Victims of Hurricane Katrina* (Sept. 21, 2005), available at http://www.belo.com/pressRelease.x2?release=20050921-788.html (last visited Oct. 20, 2006).

[73] Belo Corp. Press Release, *WWL-TV Wins 2005 Peabody Award for Its Advance Planning and Extraordinary Coverage of Hurricane Katrina* (Apr. 11, 2006), available at http://www.belo.com/pressRelease.x2?release=20060411-908.html (last visited Oct. 20, 2006); Belo Corp. Press Release, *Belo Stations Win Five National Murrow Awards, Leading All Station Groups Nationwide* (June 26, 2006), available at http://www.belo.com/pressRelease.x2?release=20060626-968.html (last visited Oct. 20, 2006).

operate more efficiently and will enhance their local news and informational offerings, relaxing the rule is the most direct and practical action the Commission can take to foster its public interest goals. Such deregulation also will represent the agency's best hope for ensuring the continued viability of free, over-the-air television broadcasting in the highly competitive media marketplace of the 21st century. Thus, the FCC was on the right track in attempting to eliminate the eight voices component of the existing restriction and should move forward to reinstate that decision in the instant proceeding as quickly as possible.

Importantly, any local television ownership restrictions the Commission decides to retain in the instant proceeding should include a flexible waiver standard that would permit broadcasters to demonstrate that a particular combination would benefit its local community. In particular, parties should have the opportunity to establish that a proposed combination would result in additional or higher quality local news and information or other community-oriented programming. In addition, any waiver standard should provide additional flexibility for financially struggling stations. As the Commission observed in 2003, "there may be instances where application of [the existing] restriction will disserve the public interest by preventing marginal—but not yet 'failing' stations from effectively serving the needs of their communities" because "[s]uch stations may not be financially capable of producing the amount of news and local affairs programming that they would like to provide their communities, which in turn may make them less competitive in the local marketplace."[74] The Third Circuit agreed, recognizing that a flexible waiver standard would "allow[] the Commission to waive the top-four restriction in small markets where those consolidations would be beneficial overall."[75]

---

[74] *2003 Order*, 18 FCC Rcd at 13709 (¶ 227).

[75] *Prometheus Radio Project*, 373 F.3d at 417.

IV. **CONCLUSION**

For all of the above reasons, Belo respectfully submits that, after many years of regulatory uncertainty, the Commission must finally move forward in this proceeding to eliminate the newspaper/broadcast cross-ownership ban and substantially relax the current local television ownership rule.

Respectfully submitted,

___________/s/______________

Guy H. Kerr
Senior Vice President/Law and
Government & Secretary
BELO CORP.
400 South Record Street
Dallas, Texas 75202

___________/s/______________

Richard E. Wiley
James R. Bayes
Martha E. Heller
WILEY REIN & FIELDING LLP
1776 K Street NW
Washington, DC 20006
202.719.7000
Attorneys for Belo Corp.