

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

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

To: The Commission

**COMMENTS OF
BONNEVILLE INTERNATIONAL CORPORATION**

Bonneville International Corporation (“Bonneville”)¹ respectfully submits the following comments in response to the *Public Notice*² soliciting comment on the FCC-initiated media ownership research studies addressing issues raised by the U.S. Court of Appeals for the Third

¹ Bonneville operates 28 radio stations and a television station in markets located throughout the country, including stations ultimately commonly owned with a newspaper in Salt Lake City, Utah.

² *FCC Seeks Comment on Research Studies on Media Ownership*, Public Notice, DA 07-3470 (rel. July 31, 2007) (seeking comment on ten research studies on media ownership released this summer).

Circuit in *Prometheus v. FCC*³ and the Commission's quadrennial review of the broadcast ownership rules.⁴ As discussed further below, several of the studies confirm that television and radio stations in cross-owned newspaper/broadcast combinations provide more and better news and local programming. These studies offer further evidence that the Commission should eliminate the newspaper/broadcast cross-ownership rule ("Newspaper Rule")⁵ without delay.

The FCC and the Third Circuit: Record Evidence Exists to Support Repeal of the Newspaper Rule. After numerous proceedings over the past decade, the Commission finally eliminated the blanket ban on newspaper/broadcast combinations in the *2002 Media Ownership Biennial Review Order*, finding ample evidence that stations in newspaper/broadcast combinations provide more and better news programming and that the diversity in today's media marketplace obviates the need for the newspaper/broadcast ban.⁶ The Commission found that the Newspaper Rule "may in fact harm localism" by preventing efficient combinations that would allow for the production of more high-quality news,⁷ and that the ban cannot be justified as necessary to achieve or protect diversity given the growth "in the number, breadth, and scope of informational and entertainment media."⁸ The Commission repealed the Newspaper Rule and

³ *Prometheus Radio Project v. FCC*, 373 F.3d 372 (3d Cir. 2004) ("*Prometheus*"), stay modified on rehearing, No. 03-3388 (3d Cir. 2004) ("*Prometheus Rehearing Order*"), cert. denied, 545 U.S. 1123 (2005).

⁴ See *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*, Further Notice of Proposed Rule Making, 21 FCC Rcd 8834 (2006).

⁵ See 47 C.F.R. § 73.3555(c) (prohibiting common ownership of a daily newspaper and a broadcast station in the same market).

⁶ See *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*, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13620, 13747-13775 (2003) ("*2002 Media Ownership Biennial Review Order*"), *aff'd in part and remanded in part*, *Prometheus*, 373 F.3d at 372.

⁷ *Id.* at 13748.

⁸ *Id.* at 13760.

adopted a framework of Cross-Media Limits instead allowing for common ownership of broadcast stations and a newspaper in most but not all markets. On appeal, the *Prometheus* court confirmed that newspaper/broadcast combinations can promote localism citing to evidence that grandfathered newspaper-owned stations produce local news in higher quantity with better quality than other stations.⁹ The court concluded that the Commission’s decision not to retain a ban on newspaper/broadcast cross-ownership “is justified under § 202(h) and is supported by record evidence.”¹⁰ Unfortunately, due to the court remand on the Cross-Media Limits, the Newspaper Rule nonetheless remains on the books today.

The Media Ownership Studies Provide Yet More Evidence That Elimination of the Newspaper Rule is Warranted. Several of the studies confirm what is already well-established – stations that are part of newspaper/broadcast combinations provide more and better news and local programming. A few conclusions from the studies include:

- **FCC Media Study 4: News Operations, Section I: “The Impact of Ownership Structure on Television Stations’ News and Public Affairs Programming”**
 - “This study examined the programming of about 6700 stations between 2002 and 2005. Stations cross-owned with a newspaper provided 11% (18 minutes) more news programming per day.”¹¹
 - “Based on our analysis of this data, we found that certain ownership characteristics have a significant impact on the quantity of news programming provided by stations. Cross-ownership by a TV station of a newspaper in the same city . . . [is] associated with a positive, statistically-significant increase in news programming.”¹²

⁹ *Prometheus*, 373 F.3d at 398-99 (citing Thomas C. Spavins et al., *The Measurement of Local Television News and Public Affairs Programs* (MOWG Study No. 7) at 3 (Sept. 2002)).

¹⁰ *Id.* at 398.

¹¹ Daniel Shiman, FCC Media Study 4: News Operations, Section I, *The Impact of Ownership Structure on Television Stations’ News and Public Affairs Programming* at cover page (2007), available at http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A5.pdf.

¹² *Id.* at I-2.

- **FCC Media Study 4: Section III: “Factors that Affect a Radio Station’s Propensity to Adopt a News Format”**
 - “This study examined the format choices of about 8,000 radio stations between 2002 and 2005. A radio station that is cross owned with a newspaper is four to five times more likely to be a news station.”¹³
 - “As one might expect, radio stations that are cross owned with a newspaper in the same city are significantly more likely to be news station.... The observed effect is quite strong: the radio station that is cross owned with a newspaper is four to five times more likely to be a news station than a radio station that is not cross owned.”¹⁴

- **FCC Media Study 6: “The Effects of Cross-Ownership on the Local Content and Political Slant of Local Television News”**
 - This study examined whether cross-ownership of a newspaper and television station influences the content or slant of local television news broadcasts. In all, 312 late evening local newscasts were recorded from a total of 104 stations during the week prior to the November 2006 election. “No previous study has examined the local news content and slant of every cross-owned station, making this the most comprehensive analysis of the effects of cross-ownership to date.”¹⁵
 - “[C]ross-owned newspaper\television combinations devote more time to news, as well as several categories of local news. In particular, cross-owned stations contain on average about 1-2 minutes more news coverage overall, or 4%-8% more than the average for non-cross-owned stations; cross-owned stations show 7%-10% more local news than do non-cross-owned stations (regardless of whether sports and weather segments are included in this comparison). Further, on average, cross-owned stations also broadcast 24%-27% more coverage of state and local politics and provide about 25% more candidate coverage, candidate speaking time and poll coverage (although the latter effects are not precisely estimated).”¹⁶
 - “[T]here is little consistent and significant difference in the partisan slant of cross-owned stations and other major network-affiliated stations in the same market. In

¹³ Craig Stroup, FCC Media Study 4: News Operations, Section III, *Factors that Affect a Radio Station’s Propensity to Adopt a News Format* at cover page (2007), available at http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A5.pdf.

¹⁴ *Id.* at III-14, 15.

¹⁵ Jeffrey Milyo, FCC Media Study 6, *The Effects of Cross-Ownership on the Local Content and Political Slant of Local Television News* at 1 (revised Sept. 2007) (“*Media Study 6*”), available at http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A7.pdf. The peer review evaluation, conducted by Matthew Gentzkow, noted some statistical discrepancies in the original report but went on to state, “my impression from having worked with the data is that the corrections are unlikely to change either the direction or the statistical significance of the coefficients of primary interest.” Matthew Gentzkow, Peer Review Evaluation of FCC Media Study 6 at Section 2 (2007), available at http://www.fcc.gov/mb/peer_review/prstudy6.pdf.

¹⁶ *Media Study 6* at 29.

addition, the particular political orientation of cross-owned stations, as measured by the editorial endorsements of the affiliated newspaper or the campaign contributions flowing from persons associated with the parent company, are also not significantly related to political slant in most specifications.”¹⁷

- **FCC Media Study 3: “Television Station Ownership Structure and the Quantity and Quality of TV Programming”**
 - This study analyzed the relationship between the ownership structure of television stations and the quantity and quality of television programming in the United States between 2003 and 2006. “Our strongest findings are for Local News: television stations owned by a parent that also owns a newspaper in the area offer more local news programming.”¹⁸

- **FCC Media Study 5: “Station Ownership and Programming in Radio”**
 - “[T]he results on cross-ownership suggest that local newspaper cross-ownership is associated with more talk entertainment and longer blocks of uninterrupted talk entertainment in the AM drive. For FM only stations, it is associated with more news in the AM drive.”¹⁹
 - “[T]he results on cross-ownership suggest that newspaper cross-ownership is associated with longer blocks of uninterrupted talk in the AM drive and longer blocks of uninterrupted news in the evening.”²⁰

It is Time to Provide Newspaper/Broadcast Relief. These studies all provide further evidence that newspaper/broadcast combinations enhance the public interest as more airtime is devoted to news and local programming. Five years ago, when the Commission initiated the *2002 Media Ownership Biennial Review* proceeding, then-Commissioner Martin expressed the following: “We now have a full record on the extent to which the newspaper/broadcast rule should be retained, modified or eliminated, and we have had almost a year to review the record. Regardless of what the Commission concludes is the appropriate action to take, the affected

¹⁷ *Id.*

¹⁸ Gregory S. Crawford, FCC Media Study 3, *Television Station Ownership Structure and the Quantity and Quality of TV Programming* at 26 (2007), available at http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A4.pdf.

¹⁹ Tasneem Chipty, FCC Media Study 5, *Station Ownership and Programming in Radio* at 32 (2007), available at http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A6.pdf.

²⁰ *Id.* at 33.

parties deserved to be spared further delay in knowing that answer.”²¹ Bonneville agrees and urges the Commission to act quickly – the Newspaper Rule is an impediment that does not serve the public interest.

The ban on newspaper/radio cross-ownership is particularly objectionable and must be repealed. In adopting the Newspaper Rule back in 1975, the Commission recognized that radio is a different medium – “[r]ealistically, a radio station cannot be considered the equal of either the paper or the television station in any sense, least of all in terms of being a source for news or for being the medium turned to for discussion of matters of local concern.”²² Yet three decades later, the blanket ban on newspaper/broadcast cross-ownership continues to prohibit a newspaper from being co-owned with radio stations in any market.

Bonneville urges the Commission to act quickly and eliminate the Newspaper Rule.

²¹ Commissioner Kevin J. Martin, Remarks to the Texas Association of Broadcasters at 4 (Aug. 22, 2002), available at <http://www.fcc.gov/Speeches/Martin/2002/spkjm211.txt>.

²² *Amendment of Sections 73.34, 73.240, and 73.636 of the Commission's Rules Relating to Multiple Ownership of Standard, FM, and Television Broadcast Stations*, Second Report and Order, 50 F.C.C.2d 1046, 1083 (1975).

Respectfully submitted,

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