

**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 Broadcast Stations in Local Markets	)	MB Docket No. 01-317
	)	
	)	
Definition of Radio Markets	)	MB Docket No. 00-244

**COMMENTS OF THE NEWSPAPER ASSOCIATION OF AMERICA  
ON MEDIA OWNERSHIP RESEARCH STUDIES**

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**I. INTRODUCTION AND SUMMARY**

The Newspaper Association of America (“NAA”) hereby submits its comments on the 13 statistical and economic studies the Commission released in the above-referenced dockets on July 31, 2007.<sup>1</sup> For more than a decade, NAA has urged the

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<sup>1</sup> See *FCC Seeks Comment on Research Studies on Media Ownership*, Public Notice, DA 07-3470, MB Dkt. No. 06-121, *et al.* (July 31, 2007). Although the studies are numbered 1 through 10, Study 4 is divided into four sections, each of which NAA considers to be a separate analysis. Sections 1 and 3 of Study 4, which are discussed herein, are referred to as Study 4.1 and Study 4.3, respectively.

Commission to eliminate its restriction on local newspaper/broadcast cross-ownership.<sup>2</sup>

At every stage of this protracted process, NAA has demonstrated with clear and consistent evidence that broadcast stations co-owned with local daily newspapers provide superior public service, air more local and national news, and are more engaged in the activities and concerns of their communities than other, similarly situated stations.

Further, NAA has countered the continuous assertions made by opponents of deregulation that loosening the ban inevitably will result in the consolidation of viewpoints. Particularly in its recent filings, NAA also has made clear that any relevance the flat cross-ownership rule arguably may once have had has evaporated in today's rich and ever-expanding media marketplace, where consumers can and do make use of a wide range of choices to get news, information, and entertainment. Indeed, for the traditional media that are struggling to keep up in today's intensely competitive environment, the ban has become affirmatively detrimental.

Given the unequivocal record that has been built with respect to each of these characteristics of cross-ownership, there can be little surprise that the studies released by the agency in July validate the evidence that already exists. First, one of the studies confirms that Americans rapidly are expanding their use of the Internet in general, and particularly to obtain local news, while at the same time reducing reliance on newspapers and broadcast sources. As consumers turn to the Internet and an array of other "new" media ever-more frequently to get full media diets, the decades-old notion that

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<sup>2</sup> See, e.g., Reply Comments of the Newspaper Association of America, MB Docket Nos. 06-121, *et al.* (filed Jan. 16, 2007) ("NAA 2007 Reply Comments"); Comments of the Newspaper Association of America, MB Docket Nos. 06-121, *et al.* (filed Oct. 23, 2006) ("NAA 2006 Comments"); Comments of the Newspaper Association of America Comments, MB Docket Nos. 02-277, *et al.* (filed Jan. 2, 2003) ("NAA 2003 Comments").

newspapers and broadcasters serve as the exclusive “gatekeepers” to local viewpoints has become antiquated and increasingly detached from reality.

In addition, a number of the studies measure the performance of newspaper cross-owned broadcast outlets and uniformly find that these stations perform better than their counterparts with respect to a wide range of criteria. These analyses employ a variety of statistical and economic methods to draw conclusions from diverse sets of reliable, reviewable data. Among the studies’ most notable conclusions are that:

- newspaper cross-ownership increases the amount of overall news programming TV stations provide by up to 11 percent;
- television stations owned by a parent that also owns a newspaper in the area offer up to 10 percent more local news programming than other stations;
- local television newscasts for newspaper cross-owned stations contain substantially more state and local election coverage;
- radio stations that are cross-owned with daily newspapers are four to five times more likely to have formats devoted to news programming; and
- newspaper/radio cross-ownership increases a radio station’s listenership overall as well as listenership during the morning drive.

What is more, two of the studies thoroughly discredit the lone academic study in the record questioning the positive link between newspaper cross-ownership and broadcast localism. Notably, the latest studies were submitted by researchers from both inside and outside of the government, and none has done previous media ownership analyses that would suggest a predisposition for a specific viewpoint on the issues involved. The fact that this research consistently agrees on any major substantive conclusion is very telling. When these unanimous findings are viewed in combination with the wealth of prior evidence submitted in the FCC’s series of newspaper cross-

ownership proceedings, there simply can be no doubt that the Commission now has more than ample justification to repeal the outdated, 32-year ban.

Finally, one of the studies soundly contradicts a key argument long advanced by opponents of newspaper cross-ownership. Specifically, it shows that cross-owned broadcast stations and daily newspapers are no more likely to share viewpoints than other same-market media outlets. Deregulatory opponents have argued for years, without empirical support, that co-owned newspaper and broadcast stations will speak with a monolithic voice. With the release of the Commission's most recent research studies, however, it is now more apparent than ever that these claims simply are not borne out in the marketplace.

**II. THE LATEST STUDIES CONTINUE THE PATTERN OF EVIDENCE SHOWING THAT TODAY'S CONSUMERS MAKE USE OF A BROAD ARRAY OF MEDIA, WHILE DAILY NEWSPAPERS AND BROADCASTERS ARE COMMANDING AN EVER SMALLER SLICE OF THE NEWS AND INFORMATIONAL MARKETPLACE.**

The self-evident proposition that the media marketplace has evolved dramatically in recent years in ways that have greatly impacted the daily habits of American consumers has been well-documented in the record already before the Commission in this proceeding. As NAA and many other parties have explained in extensive detail in their prior filings, today's consumers make use of a broad array of traditional and "new" media outlets in order to fulfill their news, informational, and entertainment needs.<sup>3</sup> And, despite the unwavering refusal of opponents of deregulation to recognize these developments, the evidence clearly shows that daily newspapers and broadcasters are

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<sup>3</sup> See, e.g., NAA 2007 Reply Comments at 2-13; NAA 2006 Comments at 37-64.

commanding a comparatively smaller share of the news and informational marketplace.<sup>4</sup> Further, the facts demonstrate that the monumental changes in the media landscape are reflected in the consumption of local news and information, just as they are with respect to virtually every other genre of information.<sup>5</sup>

As would be expected, the latest round of empirical studies confirms these patterns. In particular, Study 1 reports the results of an extensive survey conducted by Nielsen Media Research that asked thousands of Americans more than 40 questions related to their media consumption habits.<sup>6</sup> Although the results of the survey demonstrate that daily newspapers and broadcast outlets continue to play a critical role in the lives of the average American, they also make clear that the Internet and emerging media continually are gaining ground.<sup>7</sup> This is especially true, the survey shows, with respect to local news and information.<sup>8</sup>

As reported in Study 1, the survey respondents spend a considerable amount of time with traditional media—including an average of 2.7 hours per week reading daily newspapers,<sup>9</sup> 6.2 hours listening to broadcast radio,<sup>10</sup> and 10.4 hours watching broadcast

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<sup>4</sup> See NAA 2006 Comments at 37-40.

<sup>5</sup> See, e.g., NAA 2007 Reply Comments at 2-13; NAA 2006 Comments at 37-64.

<sup>6</sup> See generally Nielsen Media Research, Inc., *Federal Communications Commission Telephone Study, FCC Media Study 1* (June 2007), available at [http://fjallfoss.fcc.gov/edocs\\_public/attachmatch/DA-07-3470A2.pdf](http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A2.pdf) (“Study 1”).

<sup>7</sup> See *id.* at Survey Results 36.

<sup>8</sup> See *id.*

<sup>9</sup> See *id.* at Survey Results 43.

<sup>10</sup> See *id.* at Survey Results 72.

television.<sup>11</sup> Tellingly, however, some so-called “alternative” media are commanding even greater amounts of consumer time and attention. On average, the consumers that participated in the survey now spend 12.8 weekly hours using the Internet<sup>12</sup> and 15 hours viewing cable or DBS television.<sup>13</sup>

Predictably, these overall usage patterns are making similar inroads into the consumption of both national and local news and information. For example, in order to obtain information on “news, current affairs, and local happenings,” respondents reported reading a daily newspaper for 3.4 hours per week,<sup>14</sup> listening to broadcast radio 4.8 hours,<sup>15</sup> and watching television an average of 5.7 hours per week.<sup>16</sup> While these numbers are high, comparable usage rates were reported for alternative media. In particular, respondents stated that they now use the Internet for an average of 3.9 weekly hours<sup>17</sup> and cable and/or DBS subscription services for six hours each week for these same purposes.

In another query pertaining to news consumption, the Nielsen researchers specifically asked participants which of the media outlet types addressed in the survey they use for “local news and current affairs.”<sup>18</sup> Significantly, 40.6 percent of those

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<sup>11</sup> *See id.* at Survey Results 4.

<sup>12</sup> *See id.* at Survey Results 30.

<sup>13</sup> *See id.* at Survey Results 17.

<sup>14</sup> *See id.* at Survey Results 49.

<sup>15</sup> *See id.* at Survey Results 78.

<sup>16</sup> *See id.* at Survey Results 10.

<sup>17</sup> *See id.* at Survey Results 36.

<sup>18</sup> *See id.* at Data Collection Materials 17.

respondents who use the Internet report using this medium for local news and current affairs.<sup>19</sup> While the percentages of those who use broadcast radio, TV, and daily newspapers to obtain local news remain higher (at 60.1 percent,<sup>20</sup> 77.1 percent,<sup>21</sup> and 83.9 percent,<sup>22</sup> respectively), the survey confirms that there is no remaining room for argument that the Internet is not an important local news source in its own right.

The trends reflected in the most recent Nielsen Survey become even more apparent when they are weighed against the results of the analogous survey conducted by Nielsen in connection with the FCC's 2002 Media Ownership Working Group studies.<sup>23</sup> Compared to this previous assessment of media consumption habits, Study 1 evidences a strong upward trend in the use of the Internet generally, coupled with downward trends in the use of broadcast sources and local daily newspapers. Although many of the questions in the two surveys were framed somewhat differently, a side-by-side analysis shows that consumers are spending less time with broadcast TV and newspapers than was the case in 2002, and they are replacing at least some of that time with Internet use.

For example, the percentage of respondents reporting absolutely no use of broadcast television increased from nine percent in 2002 to nearly 12 percent in 2007.<sup>24</sup> The difference is even more dramatic with respect to local daily newspapers: While 23.8

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<sup>19</sup> *See id.* at Survey Results 31. Similarly, over 40 percent of respondents with cable/DBS service now report using those services as a source of local news and information. *See id.* at Survey Results 18.

<sup>20</sup> *See id.* at Survey Results 73.

<sup>21</sup> *See id.* at Survey Results 5.

<sup>22</sup> *See id.* at Survey Results 44.

<sup>23</sup> *See* Nielsen Media Research, *Consumer Survey on Media Usage* (Sept. 2002), available at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-226838A17.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-226838A17.pdf) ("Nielsen 2002").

<sup>24</sup> *Compare* Nielsen 2002 at Survey Results 94, *with* Study 1 at Survey Results 4.

percent of respondents reported no use of local daily newspapers in 2002,<sup>25</sup> that share increased to 36 percent in 2007—a 51.3 percent jump over less than five years.<sup>26</sup>

Conversely, 31.3 percent of respondents stated that they did not access the Internet at all during a typical workday in 2002,<sup>27</sup> a percentage that plummeted to only 5.4 percent when respondents were asked the same question in 2007.<sup>28</sup>

**III. THE NEWSPAPER CROSS-OWNERSHIP STUDIES UNIFORMLY DEMONSTRATE THAT BROADCAST STATIONS JOINTLY OWNED WITH LOCAL DAILY NEWSPAPERS PROVIDE SUPERIOR NEWS AND INFORMATIONAL PROGRAMMING.**

Throughout this proceeding and the series of interrelated media ownership rulemakings that the FCC has conducted over the past decade, NAA and numerous other interested parties repeatedly have shown that newspaper/broadcast cross-ownership serves the public interest. These showings have relied on a range of real-world and empirical evidence, including in particular the experiences of grandfathered and other existing newspaper/broadcast combinations. Commenters have made clear time and again that broadcast stations owned in common with local daily newspapers air more national and local news, provide more in-depth coverage of elections and politics, invest greater resources in the provision of news, and emphasize community involvement to a greater extent than other stations.<sup>29</sup>

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<sup>25</sup> See Nielsen 2002 at Survey Results 98.

<sup>26</sup> See Study 1 at Survey Results 30.

<sup>27</sup> See Nielsen 2002 at Survey Results 90.

<sup>28</sup> See Study 1 at Survey Results 30.

<sup>29</sup> See, e.g., NAA 2007 Reply Comments at 23-27; NAA 2006 Comments at 65-83.

The cross-ownership studies released in July by the FCC resoundingly confirm the already substantial evidence in the record supporting these common sense propositions. In all, five of the 13 research studies provide additional concrete evidence that cross-ownership advances broadcast news and community oriented programming. Notably, in reaching these highly consistent conclusions, each of these analyses relies on different economic methodology, was performed by researchers of different backgrounds, and uses distinct data sets.

First, Study 4.1 finds a specific and strong connection between newspaper cross-ownership and the provision of broadcast news.<sup>30</sup> Conducted by FCC Economist Daniel Shiman, Study 4.1 examines the news and public affairs schedule for nearly every full-power commercial television station in the nation for one week in May and November of each year from 2002 to 2005.<sup>31</sup> The study, which analyzes nearly 7,000 weekly news line-ups,<sup>32</sup> concludes that stations provide 18 minutes, or 11 percent, more news programming per day when they are jointly owned with a local daily newspaper.<sup>33</sup> Thus, as the author states, the study decisively shows that “[c]ross-ownership by a TV station of

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<sup>30</sup> See Daniel Shiman, *The Impact of Ownership Structure on Television Stations’ News and Public Affairs Programming*, FCC Media Study 4, Section I, at I-21-22 (July 24, 2007), available at [http://fjallfoss.fcc.gov/edocs\\_public/attachmatch/DA-07-3470A5.pdf](http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A5.pdf) (“Study 4.1”).

<sup>31</sup> *Id.* at I-11.

<sup>32</sup> *Id.* at I-12.

<sup>33</sup> See *id.* at I-37. This finding is statistically significant at the 0.01 percent level, meaning that the chance that Shiman’s conclusion is *not* due to chance (that is, randomness in the study’s data) is 99 percent. *Id.* Additionally, an independent peer review found that Shiman used a “reasonable approach.” Phillip Leslie, *Review of The Impact of Ownership Structure of Television Stations’ News and Public Affairs Programming by Daniel Shiman*, at 2, available at [http://www.fcc.gov/mb/peer\\_review/prstudy4.pdf](http://www.fcc.gov/mb/peer_review/prstudy4.pdf).

a newspaper in the same city . . . [is] associated with a positive, statistically significant increase in news programming.”<sup>34</sup>

Next, Study 6 includes a broad range of findings verifying that newspaper cross-ownership results in greater public service, particularly with respect to the agency’s localism objectives.<sup>35</sup> Authored by Jeffrey Milyo, a Professor of Economics and Public Affairs at the University of Missouri, Study 6 is a comprehensive analysis of more than 300 late-evening local newscasts aired on 104 television stations, including all of the existing cross-owned stations, during the week prior to the 2006 general elections.<sup>36</sup> The study concludes that local television newscasts for cross-owned stations contain more overall news coverage, more local news coverage, and more election coverage.<sup>37</sup> Specifically, cross-owned stations air approximately one to two minutes more overall news coverage on a daily basis, or 4 percent to 8 percent more than the average for non-cross-owned stations.<sup>38</sup> Further, these stations provide 7 percent to 10 percent more local news than their standalone counterparts.<sup>39</sup>

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<sup>34</sup> Study 4.1 at I-2.

<sup>35</sup> See Jeffrey Milyo, *Effects of Cross-Ownership on the Local Content and Political Slant of Local Television News*, FCC Media Study 6, at 29 (Sept. 2007), available at [http://fjallfoss.fcc.gov/edocs\\_public/attachmatch/DA-07-3470A7.pdf](http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A7.pdf) (“Study 6”).

<sup>36</sup> *Id.* at 8-9.

<sup>37</sup> *Id.* at 29.

<sup>38</sup> See *id.*

<sup>39</sup> See *id.* Milyo’s findings regarding cross-owned stations’ increased provision of news and local news are statistically significant at the 0.05 level. See *id.* at 35, 36. Additionally, an independent peer review noted that Milyo’s data set was of “very high quality” and the study’s findings were reasonable and technically correct, though they initially included minor errors that Milyo subsequently addressed. See Matthew Gentzkow, *Peer Review Evaluation; FCC Media Ownership Study 6 News Coverage of Cross-Owned Newspapers and Television Stations*, at 2, available at [http://www.fcc.gov/mb/peer\\_review/prstudy6.pdf](http://www.fcc.gov/mb/peer_review/prstudy6.pdf).

Significantly, Study 6 also shows that newspaper-owned TV outlets broadcast between 24 percent and 27 percent more coverage of state and local politics. It further suggests that these stations devote more news time to several other categories of political news, including candidate coverage, candidate speaking time, and political opinion polls.<sup>40</sup> This evidence concerning state and local political coverage, NAA submits, is particularly indicative of the unusually high level of importance cross-owned stations attach to informing their communities about important local events.

Study 3, by Assistant Professor Gregory S. Crawford of the University of Arizona Department of Economics, reaches an analogous conclusion.<sup>41</sup> Incorporating data on every program aired on every major broadcast television station and cable network for two weeks of every year from 2003 to 2006,<sup>42</sup> this study finds that television stations owned by a parent that also owns a newspaper in the same geographic area offered an average of 3 percent more local news programming than other stations during the eight-week period analyzed.<sup>43</sup> Notably, Professor Crawford describes this newspaper/TV cross-ownership finding as the study's "strongest" conclusion.<sup>44</sup>

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<sup>40</sup> See Study 6 at 29. Though not all these findings were deemed statistically significant, the increase in state and local candidate coverage is significant at the 0.10 level. See *id.* at 41 (Table 9).

<sup>41</sup> See Greg S. Crawford, *Television Station Ownership Structure and the Quantity and Quality of TV Programming*, FCC Media Study 3, at 23, 46 (July 23, 2007), available at [http://fjallfoss.fcc.gov/edocs\\_public/attachmatch/DA-07-3470A4.pdf](http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A4.pdf) ("Study 3").

<sup>42</sup> *Id.* at 7.

<sup>43</sup> See *id.* at 23, 46. Using channel fixed effects analysis, Study 3 also indicates that local newspaper cross-ownership is associated with less children's programming and family programming. See *id.* at 55. Both of these relationships were found not to be significant in the regressions that did not use channel fixed effects, however. See *id.* at 49-50. The author states that including channel fixed effects may result in "imprecise statistical effects." *Id.* at 23.

<sup>44</sup> *Id.* at 26. The finding that newspaper cross-owned television stations air more news is statistically significant at the 0.05 level, meaning that the probability that this conclusion was the result of the

In addition, two of the research studies focus expressly on newspaper/radio cross-ownership, and both demonstrate that this aspect of the Commission's cross-ownership restriction is long overdue for repeal. Study 4.3 indicates that a radio station that is co-owned with a local daily newspaper is four to five times more likely to have a news-based format.<sup>45</sup> In conducting this analysis, FCC Economist Craig Stroup uses a database compiled by BIA Financial Networks, Inc. that includes information on each non-low power radio station in the United States between 2002 and 2005.<sup>46</sup> Mr. Stroup states that the study's cross-ownership finding is "quite strong" and likely a result of the "economies of scope" that cross-owned stations enjoy in their news production.<sup>47</sup>

Finally, Study 5 concentrates on the impact that cross-ownership has on the quality of radio programming, and once again, demonstrates a positive correlation.<sup>48</sup>

This study, conducted by Tasneem Chipty, an economist with CRA International, Inc.,

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randomness in the data set is less than five percent. *See id.* at 46. In addition, Crawford finds that becoming co-owned with a newspaper is associated with decreased advertising time. *See id.* at 24, 53.

<sup>45</sup> *See* Craig Stroup, *Factors that Affect a Radio Station's Propensity to Adopt a News Format*, FCC Media Study 4, Section III, at III-14-III-15, available at [http://fjallfoss.fcc.gov/edocs\\_public/attachmatch/DA-07-3470A5.pdf](http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A5.pdf) ("Study 4.3").

<sup>46</sup> *Id.* at III-8. The conclusion that newspaper-owned radio stations are more likely to be news stations is statistically significant at the five percent level. *See id.* at III-26 (Table 5). Further, an independent peer review found the study to be "reasonable and generally consistent with accepted theory and econometric practices." *Review of Section III of Study 4 of the FCC Media Ownership Studies: "Factors that Affect a Radio Station's Propensity to Adopt a News Format,"* at 1, available at [http://www.fcc.gov/mb/peer\\_review/prstudy4b.pdf](http://www.fcc.gov/mb/peer_review/prstudy4b.pdf).

<sup>47</sup> Study 4.3 at III-14 to III-15. The findings reflected in Study 4.3 contrast with the recent real-world example of Bonneville International Corp.'s partnership with *The Washington Post* to co-produce programming for Washington Post Radio, a Washington, D.C.-based news-focused AM station. Without the benefits of co-ownership and the economies of scope resulting from it, the Washington Post Radio partnership dissolved after only 17 months. *See* Paul Farhi, *With Low Ratings, Post Radio Venture To End Next Month*, WASH. POST, Aug. 28, 2007, C1. The failure of this enterprise underscores that partnerships between broadcasters and newspapers are not a substitute for full co-ownership.

<sup>48</sup> *See* Tasneem Chipty, *Station Ownership and Programming in Radio*, FCC Media Study 5, at 43 (June 24, 2007), available at [http://fjallfoss.fcc.gov/edocs\\_public/attachmatch/DA-07-3470A6.pdf](http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A6.pdf) ("Study 5").

uses Arbitron data from 2005 to assess the impact of certain ownership characteristics, including newspaper cross-ownership, on radio station listenership.<sup>49</sup> As the author explains, listenership is useful to study from an economic perspective because “[i]t provides a summary measure of listeners’ valuations of a station’s performance.”<sup>50</sup> Among its findings, Study 5 concludes that common ownership with a local daily newspaper has a statistically significant, positive effect on the subject radio station’s listenership, both overall and during the morning drive.<sup>51</sup>

In addition to their unanimous conclusions that newspaper cross-ownership benefits local communities, the most recent research studies expressly contradict the lone academic study in the record that failed to find such benefits. In the initial comment round in this proceeding, the Donald McGannon Communication Research Center submitted an analysis conducted by University of Michigan Communications Studies Professor Michael Z. Yan, which it claimed “raise[s] questions” about whether cross-ownership enhances local broadcast service.<sup>52</sup> Specifically, the Yan Study purports to show that newspaper cross-ownership does not have a statistically significant relationship to the amount of local news programming aired by TV stations; rather, the study

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<sup>49</sup> *Id.* at 12-14.

<sup>50</sup> *Id.* at 41.

<sup>51</sup> *See id.* at 43.

<sup>52</sup> Comments of the Donald McGannon Communication Research Center, *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, *et al.*, at 2 (filed Oct. 22, 2006) (“McGannon Comments”).

suggested, any apparent connection between cross-ownership and local news more likely is related to other station characteristics.<sup>53</sup>

Two of the recent cross-ownership studies report fundamental flaws in the Yan Study. First, the author of Study 4.1 criticizes Professor Yan for using a small, limited data set.<sup>54</sup> In particular, he observes that that the use of larger data set, such as the one employed in Study 4.1, likely would have rendered Yan’s finding of a positive correlation between newspaper cross-ownership and the quantity of local broadcast news minutes statistically significant.<sup>55</sup> The author of Study 6 makes a similar observation and further explains that Professor Yan uses a nontraditional econometric method to calculate his regression results.<sup>56</sup> In fact, Professor Milyo describes Yan’s methodology as “dubious,” “disconcerting,” “nonsensical,” and “odd.”<sup>57</sup> Most importantly, as NAA explained in its recent Reply Comments in this proceeding, the Yan Study artificially screens out stations that do not air any local news from consideration, thus ignoring the effect that newspaper cross-ownership has on a television station’s initial decision to air any local news.<sup>58</sup> Study 6 similarly concludes that Yan should have included stations

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<sup>53</sup> See Michael Yan, *Newspaper/Television Cross-ownership and Local News and Public Affairs Programming on Television Stations: An Empirical Analysis*, at 9, 18 (Oct. 2006), Attachment to McGannon Comments (“Yan Study”).

<sup>54</sup> Study 4.1 at I-27 to I-28.

<sup>55</sup> See *id.*

<sup>56</sup> See Study 6 at 3-4.

<sup>57</sup> *Id.*

<sup>58</sup> With its Reply Comments, NAA submitted a Statement by Professor Jerry Hausman of the Massachusetts Institute of Technology analyzing the Yan Study and others. Hausman found that the Yan Study used unusual methodology and could not be used to make correct inferences. Hausman concluded that, when correctly interpreted, the Yan Study demonstrates that cross-owned stations broadcast up to 17

with no local news in the outcome model.<sup>59</sup> Furthermore, Professor Milyo notes that the Yan Study is “uninformative” because it does not account for market effects and demographics.<sup>60</sup>

Apart from the discredited Yan Study, all of the significant academic and research evidence before the Commission is now in line with the extensive showings provided by existing combination owners that newspaper/broadcast cross-ownership enables broadcast stations to devote more resources to both national and local news.<sup>61</sup> Thus, the agency now has far more than a sufficient record to conclude, as it did in its 2003 rulemaking in a finding confirmed by the U.S. Court of Appeals for the Third Circuit,<sup>62</sup> that the current ban undermines the Commission’s localism objectives and disserves the public interest.

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more minutes of local news per day. *Statement of Professor Jerry Hausman, Massachusetts Institute of Technology, Concerning Studies Submitted in FCC MB Docket No. 06-121* at ¶¶ 7-19, Attachment to NAA 2007 Reply Comments.

<sup>59</sup> See Study 6 at 3-4.

<sup>60</sup> *Id.* at 4.

<sup>61</sup> In addition to the five studies released by the Commission in 2007, one of the 2002 Media Ownership Working Group (“MOWG”) studies similarly concluded 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.” Thomas C. Spavins, *The Measurement of Local Television News and Public Affairs Programs*, at 2 (Sept. 2002), available at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-226838A12.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-226838A12.pdf). Specifically, the study reveals that newspaper-owned affiliates provide an average of 50 percent more weekly hours of local news and public affairs programming than their standalone counterparts and substantially outperform other stations in news ratings and industry awards. See *id.* at 5, 6. Likewise, a 2003 Project for Excellence in Journalism study found that television stations that are cross-owned with a same-market daily newspaper are more than twice as likely as other stations to receive an “A” grade. Project for Excellence in Journalism, *Does Ownership Matter in Local Television News? A Five-Year Study of Ownership and Quality Cross Ownership*, at 1 (April 29, 2003), available at <http://www.journalism.org/node/255>. On the whole, this study determined, cross-owned stations also are more likely to do stories focusing on important community issues and to provide a wide mix of opinions. See *id.*

<sup>62</sup> *Prometheus Radio Project v. FCC*, 373 F.3d 372, 397-400 (3d Cir. 2004).

**IV. THE STUDIES VALIDATE EXISTING EVIDENCE THAT NEWSPAPER/BROADCAST CROSS-OWNERSHIP DOES NOT HARM VIEWPOINT DIVERSITY.**

By conveying the real-world experiences of existing combination owners and relying on empirical evidence, NAA and many other commenters in the FCC's serial media ownership proceedings also repeatedly have demonstrated that newspaper/broadcast cross-ownership is not detrimental to local viewpoint diversity.<sup>63</sup> Rather, as the enormous record before the Commission already shows, same-market media properties tend to make editorial decisions on an individual basis and have strong incentives to offer divergent viewpoints on different local media outlets.<sup>64</sup> On the other hand, the contrary notion parroted by opponents of deregulation that cross-ownership inevitably results in the presentation of monolithic viewpoints never has been supported by data.<sup>65</sup>

Here again, the ownership studies recently commissioned by the FCC further corroborate the overwhelming weight of the evidence that already exists with respect to this issue. In addition to analyzing the relative quantities of national and local news aired by cross-owned TV stations, Study 6 undertakes a comprehensive review to determine whether such stations exhibit any unique viewpoint diversity characteristics. It finds conclusively that they do not.

In coding each of the 300-plus evening newscasts included in the analysis for so-called "political slant," researchers recorded: (i) speaking time allotted to candidates of

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<sup>63</sup> See, e.g., NAA 2007 Reply Comments at 36-41; NAA 2006 Comments at 66-79.

<sup>64</sup> See NAA 2007 Reply Comments at 41-44; NAA 2006 Comments at 79-83.

<sup>65</sup> See *id.*

either party, (ii) candidate coverage, (iii) partisan issue coverage, and (iv) opinion polls favoring one party or the other.<sup>66</sup> After completing this painstaking process, the study concludes that newspaper cross-owned television stations, like their non-cross-owned counterparts, allocate political coverage evenly.<sup>67</sup> In particular, it finds “little consistent and significant difference in the partisan slant of cross-owned stations and other major network-affiliated stations in the same market.”<sup>68</sup> Even more to the point with respect to the specific question of viewpoint coordination, the study shows that the “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, [generally] are [ ] not significantly related to political slant ....”<sup>69</sup>

Notably, the study’s author observes that each of the above-listed factors is strongly related to the voting preferences of the station’s market, which indicates that any station “slant” is determined by market forces, not ownership characteristics.<sup>70</sup> These results confirm NAA’s previous statements that, to the extent that local broadcast stations and newspapers may share perspectives, their common decisions are a result of being operated in the same market and not an artificial result of cross-ownership.<sup>71</sup> Thus, with

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<sup>66</sup> Study 6 at 24.

<sup>67</sup> *See id.* at 29.

<sup>68</sup> *Id.*

<sup>69</sup> *Id.* Although results from the candidate coverage calculations suggest that cross-owned stations act differently than non-cross-owned stations, the other factors show no statistically significant relationship with cross-ownership. *See id.* at 25.

<sup>70</sup> *See id.* at 29.

<sup>71</sup> *See* NAA 2006 Comments at 83.

the addition of this empirical evidence to the solid record now before the agency,<sup>72</sup> any suggestion that the long outdated ban remains necessary to preserve the diversity of viewpoints available in local communities must be rejected once and for all.

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<sup>72</sup> For example, consistent with the findings of Study 6, a recent study of media slant in daily newspapers conducted by the University of Chicago economists Matthew Gentzkow and Jesse Shapiro came to the same conclusion. See Matthew Gentzkow and Jesse M. Shapiro, *What Drives Media Slant? Evidence from U.S. Daily Newspapers* (May 24, 2007), available at <http://faculty.chicagogsb.edu/matthew.gentzkow/biasmeas081507.pdf>; see also NAA 2007 Reply Comments at 40-41. While determining that slant is somewhat correlated across co-owned papers, the study finds that this is primarily a factor of “the geographic clustering of ownership groups.” *Id.* at 43-44. Importantly, as Gentzkow and Shapiro note, their “findings suggest that ownership diversity may not be a critical precondition for ideological diversity in the media.” *Id.*

Further, as the Commission is aware, one of the FCC’s 2002 MOWG studies similarly found that “common ownership of a newspaper and a television station in a community does not result in a predictable pattern of news coverage and commentary about important events.” David Pritchard, *Viewpoint Diversity in Cross-Owned Newspapers and Televisions Stations: A Study of News Coverage of the 2000 Presidential Campaign*, at 13 (Sept. 2002), available at [http://fjallfoss.fcc.gov/edocs\\_public/attachmatch/DOC-226838A7.pdf](http://fjallfoss.fcc.gov/edocs_public/attachmatch/DOC-226838A7.pdf).

**V. CONCLUSION**

With the addition of the most recent research studies to the already mammoth record in this proceeding, NAA respectfully submits that the FCC must move forward expeditiously to eliminate the newspaper/broadcast cross-ownership ban. Simply put, because no reliable or probative evidence exists to support continuation of the ban, the agency is now legally obligated to repeal it. As the record in this proceeding overwhelmingly demonstrates, the public interest considerations that informed the Commission's previous decision to relax the rule only have become more compelling in the intervening four years.

Respectfully submitted,

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