

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Impact of Arbitron Audience Ratings)	MB Docket No. 08-187
Measurements on Radio Broadcasters)	
)	
)	

To: Office of the Secretary

COMMENTS OF EMMIS COMMUNICATIONS CORPORATION

Emmis Communications Corporation (“Emmis”), operator of radio stations in seven U.S. markets, including minority-oriented stations in New York and Los Angeles, hereby submits its comments in the above-captioned proceeding. As shown below, Emmis strongly believes that although the Arbitron PPM system can and should be improved, implementation of the system without delay is vital to the radio industry as it competes in the age of digital media. Further, Emmis respectfully submits that the Commission lacks authority to regulate PPM, and that in any case it would be unwise for the agency to interpose itself in an area where it lacks special expertise, particularly since an experienced body is already overseeing rollout of the system.

Emmis owns some of the largest “urban” radio stations in the country. In New York, WRKS and WQHT have audiences that are predominantly African-American; in Los Angeles, the listenership of KPWR is predominantly Hispanic. Emmis’ urban-

formatted stations contribute more than half of the group's operating income, and are vital to the success of the entire chain.

While Emmis' urban stations are market leaders, they have fared less well under the PPM system than under the old "paper diary" system. WRKS was #1 in the final (Spring 2008) diary "book", while KPWR was No. 1 and WQHT was No. 2 in the 18-34 demographic in the final diary books. These three stations, however, have seen ratings fall off as much as 50% under the PPM system, compared to an approximately 30% drop for most non-ethnic stations (literally all stations have seen a significant drop under the new system).

Notwithstanding these results, Emmis does not view them as representing any inherent "bias" in the PPM system against stations with African-American or Hispanic audiences. Although we believe that sampling of minority listeners can and should be improved, we also believe that in general the PPM ratings are a reasonably accurate reflection of radio listening behavior, and that the "paper diary" system has often overstated actual listening. As a result of loss of faith in the diary system, major advertisers have begun saying to the industry, "We will not invest significant advertising dollars in an industry that continues to measure its results with pencil and paper". Simply put, radio cannot compete effectively with other media unless the advertising community has confidence that listenership is being accurately reported, and such confidence will come only from digital passive audience measurement such as PPM employs.

PPM was not a hastily developed product; the technology was over *ten years* in development. Nonetheless, the system is by no means perfect, and Emmis and other radio groups continue to work to improve PPM through the Media Rating Council

(“MRC”) and the Arbitron Advisory Council. Emmis in particular has played a leading role in urging Arbitron to ramp up its efforts to ensure that the 18-34 African-American sample is adequate, as that sample continues to lag other demographics in most markets. The same is true for “cell phone only” households, which are more concentrated in ethnic populations. But the radio industry cannot afford to wait for a perfect system.

Thus far, PPM has been accredited by MRC in only two markets—Houston and Riverside-San Bernardino—and accreditation has been denied in the New York and Philadelphia markets. This demonstrates that the process is a rigorous one, and Arbitron will need to demonstrate improvement in its panel sample and panel maintenance process to achieve widespread accreditation.

In addition to working to improve the PPM system, Emmis has led a group of radio companies in an effort to educate the advertising community through a presentation called “Urban Radio in a PPM World”. This presentation utilizes PPM data to show that only the *measurement* of African-American and Hispanic audiences has changed—not the audiences themselves. The presentation also demonstrates that these audiences cannot effectively be reached by so-called “general market” stations. “Urban Radio in a PPM World” has been presented to many advertising agencies around the country.

Emmis is already on record as asserting that the Commission lacks authority to regulate PPM because the agency’s jurisdiction is limited to regulating “interstate and foreign commerce in communication by wire and radio”, 47 U.S.C. §151.¹ Even assuming *arguendo*, however, that the Commission does have jurisdiction, we respectfully submit that it would be unwise for the agency to inject itself into a highly-

¹ Emmis hereby incorporates by reference its arguments in that regard. *Reply Comments Regarding Emergency Petition for Section 403 Inquiry of the PPM Coalition*, filed October 6, 2008.

technical area where it does not possess special expertise, particularly in light of very active involvement by MRC, which does have such expertise and was established at the behest of Congress to promote the integrity of the ratings process.

Respectfully Submitted,

EMMIS COMMUNICATIONS CORPORATION

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