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Does Ownership Matter? Localism, Content, and the Federal Communications Commission

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This study examines the relation between local news content and ownership structure in 17 television markets in the United States. It is an extension of the localism research that was conducted by the Federal Communications Commission (FCC) in 2004 and the Local Television News Media Project at the University of Delaware in 2007 (see FCC, 2007). The findings point to the need to consider television markets as the appropriate unit of analysis when examining the effect of ownership on local content. Ownership does matter in the production of news on local broadcasts. When examining only station-level factors, independent stations broadcast more local content on their newscasts than those stations that were either (a) owned-and-operated (O&O) and part of a duopoly, (b) O&O-only, or (c) part of a duopoly-only. However, when examining station-level and market-level factors of television markets, the station-level ownership profiles positively affected local content. Market-level factors that indicated more consolidation negatively affected the proportion of local news presented in the entire designated market area.

The three guiding principles of media regulation and policymaking in the United States are competition, diversity, and localism. They are embedded in the Federal Communications Act of 1934 as fundamental considerations that should guide policy (FCC, 1934). Of the three principles, localism has been the least understood and the subject of the least amount of research (Napoli, 2004). In fact, in 2004, the FCC issued a Notice of Inquiry “in the meaning and appropriate application of the principle of localism as it pertains to broadcasting” (Napoli, 2004, p. 3). Further, in August 2003, then FCC Chair, Michael Powell, established a Localism Task Force to evaluate the performance of broadcasters in local markets. He stated:

I created the Localism Task Force to evaluate how broadcasters are serving their local communities. Broadcasters must serve the public interest, and the Commission has consistently interpreted this to require broadcast licensees to air programming that is responsive to the interests and needs of their communities. (as cited in Alexander & Brown, 2004, p. 1)
The FCC’s increased interest in the concept of localism could be traced to policy decisions that it announced in June 2003 (see FCC, 2003). As part of its comprehensive review of broadcast ownership rules, the FCC significantly relaxed most of the restrictions on media ownership. Considerations of localism were at the heart of the decisions. Some regulations (such as the newspaper–television station cross-ownership rule) were relaxed, in part, because the FCC stated that such an action would promote localism. Other regulations were relaxed (such as the number of television stations that one firm could own in a television market) because the FCC believed that their relaxation would not significantly harm localism due to the wide array of media outlets available in most markets (Napoli, 2004). However, these rules were never implemented. The Third Circuit Court of Appeals stayed the order in September 2003; and, in July 2004, the Third Circuit Court of Appeals remanded most of the changes of the media ownership rules (Prometheus v. FCC, 2004). From the perspective of localism, the Third Circuit Court of Appeals asserted that the FCC had not provided sufficient evidence to support its claim that cable and Internet technologies would function as significant sources of local news about public affairs.

One of the results of the Third Circuit Court of Appeals’s remand of the media ownership rules was the creation of the Localism Task Force mentioned earlier. Within that context, two researchers in the FCC’s Media Bureau examined the relationship between localism and media ownership. That study was based on a unique database of the content of local television news stories from across the United States. The FCC researchers concluded that ownership does matter in the delivery of local news in local television markets. This research is an extension of that study.

Even with the rise of the Internet, local television news has maintained a preeminence as a news source for a significant majority of Americans for over a decade. In 2006, 55% of the public indicated that they watched local television news everyday, and that proportion has only slightly fluctuated in the years since 1995 (Gallup Poll, 2007). Further, in 2006, another 14% said that they viewed local television news several times per week. By any measure, then, local television news remains an important news source for the American public.

The findings of this study make clear the need to examine ownership within the context of the television market in which the stations reside. Examining station-level factors only (as the dependent and independent variables in the regression equation) suggests that ownership does matter in the production of total news and local news on local television newscasts, and “consolidated” stations produce less local content than those that are “independent.” There were statistically significant relationships that linked total content and local content to ownership profiles. There were four ownership profiles among the stations whose content was examined. They were (a) stations that were owned-and-operated (O&O) by a network (ABC, NBC, CBS, or Fox). For these stations, the networks exercised direct control over their operation. In this article, these stations were identified as “O&O-only.” These stations were different from network affiliate stations that were owned by firms other than the networks; (b) stations that were part of a duopoly—that is, stations within one television market (designated market area [DMA]) that were owned by the same firm. These stations were designated as “duopoly-only”; (c) stations that were O&O by a network and were part of a duopoly. These stations were identified as “O&O and duopoly”; and (d) stations that were neither O&O by a network, nor part of a duopoly. In this article, these stations were called “independent.” In general, independent stations broadcast more local content on their newscasts than those
stations that were either (a) O&O and part of a duopoly, (b) O&O-only, or (c) part of a duopoly-only.

However, simply looking at station-level factors was insufficient to determine the effects of the characteristics of the individual television markets on local content. When the unit of analysis changed from station-level factors to the characteristics of the market, consolidated individual station ownership characteristics positively affected local content, whereas consolidated market-level factors (such as the proportion of duopoly stations in the market) and market size negatively affect the proportion of local content in the DMA.

MEDIA, DEMOCRACY, AND LOCALISM

In a democracy, there is an explicit expectation that informed citizenship is a crucial and necessary condition for the functioning of the body politic. That informed citizenry depends on the existence of reliable and responsible methods of political communication. As the scale of modern society has increased, it has reduced the opportunities for more than a relatively small number of citizens to physically gather in the same place at the same time to engage the public sphere—“that realm of social life where the exchange of information and views on questions of common concern can take place so that public opinion can be formed” (Dalhgren, 1995, p. 7). Public deliberation, essential for democracy, is increasingly “mediated, with professional communicators rather than ordinary citizens talking to each other and to the public through the mass media of communications” (Page, 1996, p. 1). There is even the suggestion that the news media has become more than the communicator of political information but, rather, that it has become a political institution (Cook, 1998). The result of such a system produces a politics of illusion in which we, as a public, assume that the news is somehow geared to the information needs of society (Bennett, 2007). Further, we regard the present media system as naturally ordained and not subject to challenge (Klinenberg, 2007; McChesney, 2004). The link between news and democracy, however, is fragile; and the mediated public sphere has profound effects on public policy. For example, political campaigns and elections are increasingly the province of media battles in which political communication is reduced to sound bites without context (Kaniss, 1995; Patterson, 1993, 2004). There has been research that has suggested that the media’s presentation of public issues, such as crime (Budzilowcz, 2002; Dowler, 2003; Yanich, 2004) and health (Cooper & Roter, 2000; Green, 1998; Pribble et al., 2006), have significant consequences for public policy.

Whether the media functions as a communicator of political information or as a political institution, it will have its strongest effect in local places because the overwhelming practice of politics in the United States occurs at the local level. Public policy issues such as zoning, education, crime, justice, transportation, waste management, poverty, housing, among many others are the “stuff” of local political decisions. Therefore, localism as a policy principle is embedded in many areas of public policy (Briffault, 1988, 1990); and any reasonable discussion of these issues requires an informed citizenry.

In a modern democracy, the overwhelming responsibility for informing citizens regarding the public policy issues of the day falls to the mass media. In fact, there is an explicit obligation (by statute for the electronic media and by journalistic standards for the print media) to serve the public interest (Graber, 2001; Napoli, 2001). There is substantial evidence that demonstrates
the importance of local news content to local political and economic outcomes (George & Waldfogel, 2003; Obeholzer-Gee & Waldfogel, 2006; Stromberg, 2004). Gentzkow (2006), however, presented an argument that television has decreased voter turnout over time. He suggested that as some members of the public substitute television for newspapers, they receive less complete coverage of public issues, and that reduces their interest and participation in the political act of voting.

The production of news, either electronic or print, is subject to a calculus that treats information as a commodity (Adilov, Alexander, & Brown, 2006; Hamilton, 2004). Commodified news was essentially endorsed by then FCC Chair, Michael Powell, in 2001 when he was asked about the digital divide, the gap in Internet access, and use across demographic groups: “I think there’s a Mercedes divide. I’d like one, but I can’t afford it” (as cited in Hamilton, 2004, p. 1). The treatment of news as a commodity already has an effect on the nature of news and public affairs programming in local places (Lacy, Coulson, & Martin, 2004; Yan, 2006; Yan & Napoli, 2004; Yan & Park, 2005).

Given the political and informational role of news and public affairs content in local places, the FCC’s concern regarding localism in its policy-making assumes critical importance. Although the concept of localism has not been well-defined, I adopt the idea that localism refers to local places that have physical geographical boundaries. That is consistent with the definition of localism employed by the FCC that appears to be rooted in the idea of communities (Alexander & Brown, 2007).

**DEFINITION AND MEASURE OF LOCALISM**

The FCC researchers determined the definition of localism, in part, by the delineation of DMAs by Nielsen Media Research. In a letter dated April 3, 2003 to the FCC quoted in their (FCC researchers) paper, Nielsen Media Research offered the following explanation for the construction of DMAs:

> In designing the DMA regions, Nielsen Media Research uses proprietary criteria, testing methodologies and data to partition regions of the United States into geographically distinct television viewing areas, and then expresses them in unique, carefully defined regions that are meaningful to the specific business we conduct. (as cited in Alexander & Brown, 2004, p. 4)

The FCC researchers established necessary and sufficient conditions for localism. The “necessary” condition for localism was that the story had to take place within the DMA. The “sufficient” condition concerned the news stories themselves. When was a story broadcast by a station in a DMA a “local” story? The decision rule for sufficiency used by the FCC researchers and adopted in this analysis stipulated that the story was “local” if the story was of at least marginally greater importance to the average individual residing within the DMA, and that the individual would identify the story as local. “Thus, it is the value of the story to the individual within the DMA, and that individual’s perception of the story as local relative to individuals in other DMAs, that gives the story its ‘sufficient’ local context” (Alexander & Brown, 2004, p. 5).

For example, a story about the New York Stock Exchange and its effect on the economy that was broadcast in the New York DMA would necessarily interest persons in that market.
whose professional activity was tied to the stock market. However, the average individual in
the New York television market would likely view that story as a national issue. For the most
part, the local versus non-local nature of the story was relatively straightforward. However, in
the cases where there was a question regarding that specification, my approach was to consider
the story as a local issue first—that is, the coding of local versus non-local gave the benefit of
the doubt to a specification as a local story. The result was that the distribution of the stories
along the local–non-local dimension cast the widest net possible to include local stories.

METHOD

The purpose of this study was to examine the extent of local content on locally produced
newscasts and to examine what effect, if any, media ownership had on that local content.
To conduct that analysis, I focused on the individual stories that comprised the newscasts.
The basic methodology for this research was content analysis (Riffe, Lacey, & Fico, 2005).
It is a method that produces a systematic and objective description of information content.
The analytical method used in this research was multiple regression. The specification of the
independent and dependent variables in the regression equations are specified later in this
article.

The Sample

The sample for this research was developed from the videotaped local television newscasts
originally recorded by the Project for Excellence in Journalism (PEJ) during sweeps and non-
sweeps time periods in 2002. Specifically, the broadcasts were presented in March, April, and
May 2002. A sweeps month is a period when the Nielsen ratings of the stations’ programs
are recorded to establish the size of its audience and, by extension, to determine the price of
advertising on the station. Obviously, the larger the audience, the more the station can charge
for advertising. Non-sweeps periods are those months when the Nielsen ratings are not officially
used to set advertising rates. PEJ recorded newscasts from both periods.

PEJ selected the markets by first grouping all DMAs in quartiles based on rank. Rank is
determined by the number of television households in the DMA. Five markets within each
quartile group were then chosen randomly after being stratified to ensure geographic diversity.
PEJ chose the highest-rated competing news programs in the market using the highest-rated
time slot as the common denominator. Hour-long newscasts and distant stations were excluded.
According to PEJ, this approach provided the most consistent yardstick among markets. PEJ
provided the videotapes to me for digitizing and further study. The Local Television News
Media Project at the University of Delaware developed the databases on which this research
was based.

In 2002, the PEJ data included 17 DMAs that accounted for approximately 30% of the
television households in the United States in 2002.¹ They included the following: New York

¹ Source: Nielsen Media Research. There are 210 designated market areas (DMAs) in the United States. The number
of television households in the DMA determines DMA rank. There were approximately 106.7 million TV households
in the United States in 2002.
(DMA rank No. 1); Los Angeles (No. 2); Chicago (No. 3); Boston (No. 6); Houston (No. 11); Miami (No. 17); Denver (No. 18); Sacramento (No. 19); Nashville (No. 30); Kansas City (No. 31); Grand Rapids (No. 38); Albuquerque (No. 49); Las Vegas (No. 51); Honolulu (No. 72); Baton Rouge (No. 95); Sioux Falls (No. 113); and Columbia, SC (No. 139).

Three graduate research assistants of the Local Television News Media Project at the University of Delaware coded the broadcasts. To assure intercoder reliability, there were regular meetings throughout the coding process to resolve any coding questions that may have arisen. Tests for intercoder reliability for the local-non-local variable yielded a rating of 100%. Tests for intercoder reliability yielded a rating above 95% for all other variables.

Stories: The Unit of Observation

The unit of observation was the individual story that was shown on the newscast. The sample included 514 broadcasts that were broadcast by 53 stations in 17 markets and yielded 7,137 separate stories, excluding sports and weather. Crime stories accounted for the most significant proportion of stories and broadcast times (28.2% and 29.2%, respectively). In fact, crime accounted for more broadcast time than the following two story types combined: public issues = 19%; and fires, accidents, and disasters = 8%. It is instructive to note that the public issues category contained all public issues (housing, education, environment, health, etc.), except crime, and it still only accounted for just over 19% of broadcast time.

Units of Analysis: Stations and Television Markets

In this article, two units of analysis were examined: individual stations and television markets. The characteristics of the stations that were included mainly focused on station ownership characteristics. Market-level characteristics included the size of the market, the proportion of duopoly stations within the market, and the proportion of commercial stations within the market.

Station Ownership Characteristics

The basic research question for this study was concerned with the extent to which the ownership of local stations affected, if at all, the local content of television news broadcasts. In this

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2 The specification of whether a story was local or not local was central to the research question. It formed the dependent variable for the regression equations. Therefore, it was absolutely necessary that we were consistent in its specification. Our definition of local was very straightforward: (a) The story had to take place within the designated market area (DMA), and (b) the story had to be seen as “local” by the average viewer in the market. The first part of the definition (the “location” criterion) was readily verifiable, and it was the main criterion for the local-non-local decision. For stories that took place in the core city or any of the larger cities or towns in the DMA, their location was easily identified. For those stories that took place in smaller towns or areas in the DMA where the local-non-local factor was not immediately clear, we consulted maps of the DMA. To make sure that we properly specified the location as local or non-local, we downloaded maps of each DMA with the delineation of all of the counties. Then, we entered the name of the location in the Google™ map program to determine if the location was in any of the counties within the DMA. The location of the story was an objective fact that we could verify by consulting the appropriate sources. Therefore, it was possible to achieve a 100% agreement on that variable. That was crucial to the research. Otherwise, the specification of the dependent variables would have been problematic.
section, I present the station ownership characteristics that were the independent variables for the station-level regression analysis. They are consistent with and extend the previous work of the FCC researchers.

The crucial ownership characteristics of the stations in the database were whether the station was O&O by a network and whether the station was a part of a duopoly. O&O refers to stations that are O&O by the network itself. For example, WNBC in New York was O&O by NBC Universal. Duopoly refers to whether the station was part of a duopoly—that is, it was one of at least two stations that was owned by the same firm in the same DMA. Given these specifications, the stations’ ownership profile was one of four possibilities:

1. O&O and duopoly: The station was O&O by a network and it was part of a duopoly in the DMA. Six of the stations fell into this category, and the stories they presented accounted for 11% of broadcast time across all stations. These stations were in four DMAs: Boston, Los Angeles, Miami, and New York. The owners of these stations were CBS, Inc. and General Electric (NBC).
2. O&O-only: The station was O&O-only and not part of a duopoly. Seven stations comprised this category. The stories from these stations accounted for 13% of total broadcast time. These stations were in five DMAs: Chicago, Denver, Houston, Los Angeles, and New York. The owners of these stations were CBS Inc., Walt Disney (ABC), and General Electric (NBC).
3. Duopoly-only: The station was part of a duopoly in its DMA and not O&O by a network. Six stations comprised this category, and their stories accounted for 15% of total broadcast time. These stations were in six DMAs: Boston, Honolulu, Houston, Las Vegas, Miami, and Sacramento. The owners of these stations were BELO, CBS Inc., Hearst, and Sunbelt.
4. Not duopoly nor O&O (independent): The station was neither part of a duopoly nor was it O&O by a network. Thirty-four stations in this category accounted for 61% of total broadcast time.

Four additional station ownership characteristics were used as independent variables in this analysis:

1. Owned television DMAs: Owned television DMAs referred to the total number of markets in which the owner owned a television station.
2. Number of TV stations owned by owner: This referred to the number of television stations owned by the owner across the United States.
3. Own newspaper in different DMA: This referred to whether the owner of the television station also owned a newspaper in a DMA other than the one in which the station was located.
4. Owned radio markets: This referred to the total number of television markets in which the owner owned a radio station.

Station Ownership

Twenty-seven media firms owned the 53 stations that produced the 2002 newscasts. The size of the media firms, as measured by the number of television stations owned in 2002, ranged
from Sinclair Broadcasting (60 stations) to Manship Communications (2 stations). The average number of stations owned by these firms in 2002 was 19.

LOCAL CONTENT, TELEVISION MARKETS, AND STATION OWNERSHIP

The fundamental question for this research concerned the degree of local content on local television news. A local story was defined as having been broadcast in the DMA and perceived by the average viewer in the DMA as a local story. How was the local versus non-local nature of the stories distributed across the DMAs and across the different owners of the stations?

Thirteen of the stations were O&O by a network, and these stations were present in four DMAs in the sample (New York, Los Angeles, Chicago, & Boston).

There were also duopolies among the stations represented in the sample. Duopolies (comprised of 12 stations) occurred in eight markets: New York, Los Angeles, Boston, Miami, Honolulu, Houston, Sacramento, and Las Vegas. The duopoly owners were BELO, CBS, General Electric NBC, Hearst Argyle, and Sunbelt.

There were significant differences in the proportion of broadcast time that was devoted to local content across the DMAs, and that difference was statistically significant (see Table 1).

Overall, stations in the smaller markets devoted the most broadcast time to local stories; local content accounted for 91% of broadcast time in Baton Rouge, followed by Columbia, SC and Grand Rapids with 88% local content each (see Table 1). In fact, those DMAs represented two of the smallest three markets in the database (Baton Rouge at No. 95 and Columbia, SC at No. 139). Conversely, in general, the largest DMAs presented the smallest proportion of local content; Chicago (No. 3), New York (No. 1), and Los Angeles (No. 2) produced 68%, 65%, and 60% of local content, respectively (see Table 1). It is important to note that three large DMAs that registered among the lowest proportions of local content (Miami, New York, and Los Angeles) were those markets in which duopolies existed.

In every DMA, local stories were significantly longer (as measured by mean number of seconds) than non-local stories (70 sec and 49 sec, on average, respectively, across all DMAs). Only in the New York DMA was the duration of non-local stories longer than local stories (Ms = 60 sec and 58 sec, respectively).

As with the DMAs, there were statistically significant differences among the owners regarding local content. It was clear that ownership did matter regarding the proportion of local content on newscasts. Across all owners, the average proportion of broadcast time devoted to local content was 72%.

The stations owned by Freedom Broadcasting devoted the largest proportion of its local newscast time to local content (90%). Conversely, the stations owned by News Corporation presented the only newscasts in which local content occupied less than one half (48%) of broadcast time. Further, the stations of only one of the firms that owned duopolies (Hearst) had a proportion of local content (74%) above the average for all owners (72%). In addition, generally, the largest media firms such as CBS Inc, Walt Disney (ABC), General Electric (NBC), and Sinclair presented significantly smaller proportions of local content than smaller firms.
TABLE 1

Distribution of Local Content by DMA and Duration of Stories

<table>
<thead>
<tr>
<th>DMA</th>
<th>Percentage of Broadcast Time Devoted to Local Content&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Mean Duration (in Seconds) of Local Stories</th>
<th>Mean Duration (in Seconds) of Non-Local Stories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baton Rouge</td>
<td>91</td>
<td>70</td>
<td>32</td>
</tr>
<tr>
<td>Columbia, SC</td>
<td>88</td>
<td>68</td>
<td>44</td>
</tr>
<tr>
<td>Grand Rapids</td>
<td>88</td>
<td>76</td>
<td>52</td>
</tr>
<tr>
<td>Boston&lt;sup&gt;b&lt;/sup&gt;</td>
<td>81</td>
<td>75</td>
<td>77</td>
</tr>
<tr>
<td>Sioux Falls</td>
<td>76</td>
<td>72</td>
<td>44</td>
</tr>
<tr>
<td>Albuquerque</td>
<td>75</td>
<td>62</td>
<td>34</td>
</tr>
<tr>
<td>Honolulu&lt;sup&gt;b&lt;/sup&gt;</td>
<td>75</td>
<td>72</td>
<td>48</td>
</tr>
<tr>
<td>Las Vegas&lt;sup&gt;b&lt;/sup&gt;</td>
<td>74</td>
<td>75</td>
<td>47</td>
</tr>
<tr>
<td>Nashville</td>
<td>72</td>
<td>71</td>
<td>42</td>
</tr>
<tr>
<td>Sacramento&lt;sup&gt;b&lt;/sup&gt;</td>
<td>70</td>
<td>97</td>
<td>64</td>
</tr>
<tr>
<td>Houston&lt;sup&gt;b&lt;/sup&gt;</td>
<td>70</td>
<td>77</td>
<td>44</td>
</tr>
<tr>
<td>Denver</td>
<td>69</td>
<td>59</td>
<td>42</td>
</tr>
<tr>
<td>Chicago</td>
<td>68</td>
<td>76</td>
<td>49</td>
</tr>
<tr>
<td>Miami&lt;sup&gt;b&lt;/sup&gt;</td>
<td>67</td>
<td>74</td>
<td>60</td>
</tr>
<tr>
<td>New York&lt;sup&gt;b&lt;/sup&gt;</td>
<td>65</td>
<td>58</td>
<td>60</td>
</tr>
<tr>
<td>Los Angeles&lt;sup&gt;b&lt;/sup&gt;</td>
<td>60</td>
<td>71</td>
<td>53</td>
</tr>
<tr>
<td>Kansas City</td>
<td>60</td>
<td>55</td>
<td>50</td>
</tr>
<tr>
<td>All DMAs</td>
<td>72</td>
<td>70</td>
<td>49</td>
</tr>
</tbody>
</table>

Note. DMA = designated market area.
<sup>a</sup>All values are significant at $p = .05$.<sup>b</sup>DMAs with duopolies with stations in the database.

For all but two of the ownership firms, the duration of local stories was longer than non-local stories. In fact, local stories were, on average, 21.2 sec longer than non-local stories. However, News Corporation not only presented a majority of non-local news, their non-local news stories were, on average, 23 sec longer than their local stories. News Corporation represented the clear exception both in local content and story duration to the other owners. Sunbeam also presented longer non-local stories than local stories, but that difference was only 2 sec ($M = 77$ sec and 75 sec, respectively).

NEWS CONTENT AND STATION CHARACTERISTICS

The following tables report the findings of the analysis of the total amount of news content and the amount of local news content on the broadcasts of each station. The unit of analysis is the station. The results of the regression analyses that examine the relation between local content and station characteristics are also presented. Two of the dependent variables in this research were specified as (a) the proportion of each station’s broadcasts that was devoted to news and (b) the proportion of each station’s broadcasts that was local in content. That is different from the dependent variables that were specified by the FCC researchers. They utilized the
following as the dependent variables: (a) the total number of news seconds and (b) the total number of local news seconds. Conceptually, however, the two sets of dependent variables are consistent. Each approach measures the amount of total news and the amount of local news on the newscasts. The dependent variables used in this research are expressed in standardized form as proportions. That standardization was developed because the number of broadcasts attributed to owners varied, as they owned different numbers of stations. For example, if a firm owned three stations in the database, by definition, it would register more time both for news in general and for local news in particular. As a result, the amount of general news and local news content had to be calculated in a standardized form to make comparisons across the stations and the owners possible. That was accomplished by stating the dependent variables as proportions rather than the total amount of time devoted to news or to local news.

**How Much News?**

A primary question regarding local news broadcasts was how much time was devoted to news. In a 1/2-hr newscast, the conventional wisdom is that 22.5 min of the broadcast is available for news. The other 7.5 min is devoted to commercials. In this research, everyday weather and sports segments of the newscasts were not included in the analysis because they were structural features of the broadcast. Their inclusion in the newscast was a foregone conclusion, and they were not subject to the zero-sum game of news selection. The segments may have been shorter or longer across the broadcasts, but the segments were not treated as separate news stories in the broadcasts.

With this approach, it was possible to determine the amount of time that the broadcasts devoted to news by subtracting the combined time applied to the sports and weather segments from the 22.5 min available for news selection. The remaining time after that subtraction for each broadcast rendered the amount of time utilized for total news. It was specified as a proportion of the 22.5 min that were available for news. For example, if the sports and weather segments combined accounted for 5 min of the broadcast time, the amount of time left for total news was 17.5 min. Therefore, the proportion of total news in the broadcast was 77.7% (17.5/22.5). This was an important distinction because, outside of the sports and weather segments, the zero-sum news selection process was carried out in earnest—that is, if one story was in, another story was out. That played out across all types of stories, from crime to human interest stories.

Once the amount of total news was calculated for a broadcast, the question was what proportion of that news was dedicated to local stories. The amount of local news on the broadcasts was specified as the amount of time devoted to local stories out of the amount of time allotted to total news. It was specified as a proportion. Continuing the previous example, it means that if there were 17.5 min of total news on the broadcast and 13 min of that time were devoted to local stories, the proportion of local news on the broadcast was 74.2% (13/17.5). In short, the denominator for calculating the proportion of total news was always 22.5 (the amount of time available to a 30-min newscast, absent the time allotted for commercials). The denominator for calculating the proportion of local news changed within each broadcast to reflect the amount of time that each broadcast devoted to total news.

Although the sports and weather segments of the newscasts were not defined as news, these types of stories were included in news content when they were presented outside of the sports
and weather segments as independent stories. For example, a sports story about steroid use among professional athletes that was reported outside of the sports segment was included as news. Likewise, a weather story that covered the effect of a storm that was reported outside of the weather segment was also counted as news.

**Ownership and News**

The ownership profile was statistically significantly ($p = .05$) related to broadcast content. Those stations that were neither part of a duopoly nor O&O by a network (independent) produced the highest proportion of local news (74%) and less total news as a proportion of the broadcast (63%). Conversely, stations that were either part of an O&O-only registered 69% of local news and 68% of total news. Stations that were O&O and part of a duopoly presented 66% of local news and 65% of total news. Duopoly-only stations presented 72% of local content and 75% of total news. In short, the independent stations produced significantly more local content but less total news than their counterparts. That result may be expected because the stations that were owned by the same entity could realize some economies of scale in the production of news—that is, local stories created in one market could easily be presented in another market on a station owned by the same entity. Of course, by definition, broadcasting that story in the second market was not a local story.

The comparator ownership condition that was used in the regression analyses was that the station was neither O&O by a network nor was it part of duopoly. Therefore, the results of the regression were measured against that condition.

The total amount of news broadcast by the stations was affected by station ownership characteristics, although that effect accounted for only 15% ($R^2 = .146$) of the variance in news content (see Table 2). Interpreting the statistically significant ordinary least squares (OLS) results, six characteristics positively affected the amount of total news on broadcasts. Being part of a duopoly-only increased the station’s proportion of total news by almost 10% (9.930%). Stations that were O&O by a network and part of a duopoly broadcast almost 3% more total

<table>
<thead>
<tr>
<th>Station Characteristic</th>
<th>Ordinary Least Squares Regression Coefficient</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duopoly-only</td>
<td>9.930</td>
<td>23.768*</td>
</tr>
<tr>
<td>Owned-and-operated and duopoly</td>
<td>2.746</td>
<td>5.703*</td>
</tr>
<tr>
<td>Owned-and-operated-only</td>
<td>2.158</td>
<td>3.393*</td>
</tr>
<tr>
<td>Owner owns paper in different designated market area</td>
<td>1.371</td>
<td>4.511*</td>
</tr>
<tr>
<td>No. of markets in which owner owns TV stations</td>
<td>0.309</td>
<td>11.647*</td>
</tr>
<tr>
<td>No. of markets in which owner owns radio stations</td>
<td>0.217</td>
<td>8.779*</td>
</tr>
<tr>
<td>No. of radio stations owned by owner of TV station</td>
<td>−0.047</td>
<td>−7.983*</td>
</tr>
<tr>
<td>No. of TV stations owned by owner</td>
<td>−0.175</td>
<td>−8.223*</td>
</tr>
</tbody>
</table>

*Note.* $R^2 = .146$. $F = 153.398$. No. of observations = 53 stations.

*p = .05.*
news (2.746%). Stations that were O&O-only also registered an increase in total news by about 2% (2.158%).

Two of the variables were negatively affected with the proportion of total news content. The number of radio stations owned by a firm slightly decreased the proportion of total news on the broadcasts (0.047%). Further, the number of television stations owned by the owner of the station negatively affected the amount of total news (−0.175%).

### How Much Local News on the TV Stations?

The amount of local news that was presented on the newscasts was affected by the ownership characteristics of the stations. In this examination, the unit of analysis was the individual station. The dependent variable was stated as the proportion of local content that was broadcast on the station. The independent variables were station-level characteristics. Again, as with total news content, the comparator ownership profile used in the regression was that the station was neither O&O by a network nor was it part of a duopoly.

Interpreting the statistically significant OLS results, six of the eight variables negatively affected the amount of local news on the broadcasts (see Table 3). In fact, the effect on local content of the ownership profiles was almost directly opposite of the effect that the profiles had on the amount of total news. The equation accounted for 18% of the variance ($R^2 = .180$). By far, the strongest factor that affected local news content was whether the station was O&O by a network and that it was part of a duopoly. When that was the case, local news content decreased by over 6% (−6.494%). When the station’s ownership profile was O&O-only, local news content decreased by over 2% (−2.330%). Duopoly-only ownership status also had a negative effect on local news content, decreasing it by about one half of 1% (−0.453%).

### Table 3

<table>
<thead>
<tr>
<th>Station Characteristic</th>
<th>Ordinary Least Squares Regression Coefficient</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned-and-operated and duopoly</td>
<td>−6.494</td>
<td>−14.707*</td>
</tr>
<tr>
<td>Owned-and-operated-only</td>
<td>−2.330</td>
<td>−3.996*</td>
</tr>
<tr>
<td>Duopoly-only</td>
<td>−0.453</td>
<td>−1.182</td>
</tr>
<tr>
<td>No. markets in which owner owns radio stations</td>
<td>−0.274</td>
<td>−12.076*</td>
</tr>
<tr>
<td>No. of markets in which owner owns TV stations</td>
<td>−0.216</td>
<td>−8.881*</td>
</tr>
<tr>
<td>No. of TV stations owned by owner</td>
<td>−0.118</td>
<td>−6.014*</td>
</tr>
<tr>
<td>No. of radio stations owned by owner of TV station</td>
<td>0.096</td>
<td>17.876*</td>
</tr>
<tr>
<td>Owner owns paper in different designated market area</td>
<td>0.624</td>
<td>2.239**</td>
</tr>
</tbody>
</table>


*p $= .05$. **p $= .01$.

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3 All of the independent variables were examined for collinearity using the tolerance value and the variance inflation factor. None was found to be collinear. Further, only two of the days on which the broadcasts were presented were statistically significantly associated with the amount of local news, but the effect (negative) was very small at less than 1%.
number of markets in which the owner owned television stations and radio stations and the number of television stations owned by the owner all had negative effects on the proportion of local content on the broadcasts: $-0.274\%$, $-0.216\%$, and $-0.118\%$, respectively.

Conversely, two variables had a positive effect on the amount of local news content. If the owner of the station owned a newspaper in another DMA, local news content increased over one half of 1% ($0.624\%$). The number of radio stations owned by the media firm television very slightly increased local content ($0.096\%$).

In the analysis represented in Table 3, I looked at the relation between station-level characteristics and the proportion of local content each station presented on its broadcasts. A logical question, however, is whether the characteristics of the television markets (DMAs) might have an effect on the stations’ broadcast content. In the following analysis, I included characteristics of the media system of the DMA to examine that issue. The variables of the DMA media system that were examined included the population size of the DMA, the proportion of duopoly stations in the DMA, and the proportion of commercial television stations in the DMA. To be sure, a more complete analysis of the market effects on local news would require more data for the DMA. However, the examination of these three variables offers a glimpse of this condition.

The addition of the market-level variables produced interesting results. The dependent variable remained the proportion of local content that appeared on the stations’ broadcasts. First, the proportion of the explained variance rose significantly, from $R^2 = .18$ to $R^2 = .379$ (see Table 4). Second, the ownership characteristics of the individual stations moved from being negatively associated with local content to being positively associated. However, the market-level characteristics and the number of television markets in which the station owner

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Three variables that appeared in the station-level equation (No. of markets in which owner owns radio stations, No. of TV stations owned by owner, and No. of radio stations owned by owner of TV station) were removed from this analysis because they were highly collinear with each other, with variance inflation factor scores between 5.4 and 14.2.
owned a television station (−0.232) were all negatively associated with the proportion of local content that appeared on the stations—the most significant of which were the proportion of duopoly stations in the DMA (−0.449) and the proportion of commercial stations in the DMA (−0.795). This result underscores the fact that the stations do not function in isolation, and the actions of their competitors in the DMA affect their behavior. Further, this result emphasizes the need to examine television markets as the unit of analysis when considering media policy questions. I approach that issue in the following section.

How Much Local News Within the Television Market?

In addition to examining the amount of local news on individual stations, I considered the amount of local news that was broadcast in the entire DMA. To accomplish that analysis, the dependent variable in the regression equation was changed from the amount of local news that was broadcast on a specific station to the amount of local news that was broadcast in the entire DMA. The specification of the amount of local news in the DMA was calculated in the same manner (albeit for a different unit of analysis) as the definition for that factor at the station level. The amount of total news that was broadcast in a DMA was derived from the sum of total news for each station in the market. By extension, the amount of local news within the DMA was calculated as a proportion of the amount of total news that was broadcast in the market.

Using the proportion of local content that was broadcast in the entire DMA as the dependent variable, the analysis (see Table 5) accounted for over 37% of the variance ($R^2 = .376$). The general direction of the effects of two out of the three individual station ownership profiles remained the same (O&O and duopoly = 2.471 and duopoly-only = 2.199) as the previous analysis (see Table 4). However, the strength of the effect was significantly reduced when compared to the analysis of station local content (see Table 4). One of the station ownership profiles changed from positively affecting local news content to negatively affecting it (O&O-only = −1.042). All of the market-level variables negatively affected the amount of local

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</tr>
<tr>
<td>Duopoly-only</td>
<td>2.199</td>
<td>8.265*</td>
</tr>
<tr>
<td>Owner owns paper in different DMA</td>
<td>1.701</td>
<td>8.772*</td>
</tr>
<tr>
<td>DMA population</td>
<td>−0.001</td>
<td>−24.936*</td>
</tr>
<tr>
<td>No. of markets in which owner owns TV stations</td>
<td>−0.010</td>
<td>−1.208</td>
</tr>
<tr>
<td>Percentage of duopoly stations in DMA</td>
<td>−0.190</td>
<td>−16.128*</td>
</tr>
<tr>
<td>Owned-and-operated-only</td>
<td>−1.042</td>
<td>−3.147*</td>
</tr>
<tr>
<td>Percentage of commercial stations in DMA</td>
<td>−1.055</td>
<td>−55.254*</td>
</tr>
</tbody>
</table>

Note. $R^2 = .376$. $F = 539.336$. No. of observations = 17 DMAs. DMA = designated market area.

*p = .05.
content that was broadcast in the DMA. The proportion of commercial television stations within a DMA negatively affected the amount of local news, but only by just over 1% (−1.055). Likewise, the proportion of duopoly stations (−0.19) and the size of the market, as determined by population (−0.01), also negatively affected the proportion of local news in the entire DMA.

CONCLUSION

This research represents an examination of the potential relation between the content of local news broadcasts and ownership and DMA characteristics. I used the content from local television broadcasts in 17 DMAs in 2002. It is an extension of work that was undertaken by FCC researchers Peter Alexander and Keith Brown (2004), who examined newscasts from 1998. An important feature of this research is that the actual content of local news programs was analyzed.

The findings suggest that ownership does matter. However, the ownership of stations must be viewed within the context of the media system of the television markets in which they reside. That has important implications for the policy-making process. The policies of the FCC regarding media regulation, although they are directed at individual media entities, have their effect on the overall television market. The FCC regulates the broadcast industry based on the three principles of localism, diversity, and competition. Each of those terms has practical meaning only within the context of a local television market. The findings here suggest that various consolidated ownership profiles of individual stations can negatively affect the amount of local content on the stations. However, adding market-level factors to the analysis and looking at the amount of local news in the entire DMA explains much more of the variance in the phenomenon. Further, consolidated ownership profiles were positively associated with local content. However, consolidated ownership within the market (as defined by the proportion of duopoly stations within the market) negatively affected the proportion of local content on local television news broadcasts in the market as a whole.

Future research should extend the examination conducted here regarding the entire television market as the unit of analysis to include social, economic, demographic, and media system factors as necessary components of the analysis.

There is one more caveat to this research. It was beyond the scope of this article to examine the character of the content that formed the local news in these broadcasts. The fact that a story is local does not necessarily make it more or less relevant to the information needs of citizens in a democracy than a non-local story. Is a local crime story that is broadcast with sensational pictures but with no context preferable to a well-produced, non-local story simply because it is local? Future research should examine the nature of the local stories.

The debate over the proper level of regulation of the broadcast industry is often based on the underlying philosophies of the parties regarding the utility of the market versus the oversight of the government to produce information that citizens require for active citizenship. By some metrics, segments of the media have become more consolidated over the last 1/4 century, whereas other segments have become less concentrated. Over the past few years, some suggest that consolidation in DMAs has occurred through the use of joint services agreements among stations in the same market. Some media firms contend that, in any event, new informational mechanisms, such as the Internet, mitigate any effects of that consolidation.
The FCC is required to revisit the issues surrounding media ownership in 2010. Communications policy that proposes to consider “diversity, competition and localism” as guiding principles will have to understand and respond to competing visions of the present and future media landscape. This policy research is offered to assist in treading that line.

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REFERENCES


