

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

In the Matter of )  
 )  
2010 Quadrennial Review – Review of the )  
Commission’s Broadcast Ownership Rules )  
And Other Rules Adopted Pursuant to ) MB Docket No. 09-182  
Section 202 of the Telecommunications )  
Act of 1996 )

**REPLY COMMENTS OF THE WALT DISNEY COMPANY**

These comments are submitted on behalf of The Walt Disney Company, which through subsidiaries owns eight television stations in the following markets: New York, Los Angeles, Chicago, Philadelphia, San Francisco, Houston, Raleigh-Durham, and Fresno. Disney also owns The ABC Television Network (again, through subsidiaries). Disney also currently owns 36 radio stations (33 AM and 3 FM, again, through subsidiaries). These comments are being filed in response to the FCC’s Notice of Proposed Rulemaking in the quadrennial broadcast ownership rulemaking captioned above, which once more sought comment on the FCC’s broadcast ownership rules.

TWDC filed comments almost six years ago, in response to a prior FCC rulemaking on the broadcast ownership rules, in which TWDC noted that, although it was not advocating or seeking any relaxation of the Commission’s Broadcast Ownership Rules, it was becoming increasingly clear that, “[g]iven the increase in, and attractiveness of, new media outlets, in Disney’s view, the Commission may soon find itself considering ways to incent, rather than restrict, ownership of over-the-air broadcast stations.”<sup>1</sup> Again, in this proceeding, TWDC did

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<sup>1</sup> Comments of The Walt Disney Company, In the Matter of 2006 Quadrennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to

not file Opening Comments to seek the relaxation of any particular broadcast ownership rule. Nonetheless, TWDC is filing these very short Reply Comments to re-iterate the point it made six years ago.

Indeed, as stated above, TWDC owns 8 television stations, two fewer than six years ago, and these stations collectively have a theoretical aggregate reach of 22.4% of U.S. Television Households, still well below the statutory cap of 39%. TWDC has not bought a television station in more than 15 years and sold two television stations several years ago. In the last six years, TWDC completed the divestiture of a large number of its owned radio stations, including the former ABC Radio Station Group and several AM stations. TWDC sold any interest in newspapers decades ago.

At the same time, TWDC remains committed to providing its viewers with high-quality programming, ranging from locally and nationally produced news, to sports, to the best in entertainment. Indeed, TWDC is at the forefront of developing and introducing innovative ways to present its high-quality content to its viewers, wherever and on whatever devices they may choose.<sup>2</sup> Of course, the new media outlets have only continued to grow exponentially and have dramatically increased their reach and influence over their users.<sup>3</sup>

Given the realities of today's marketplace, it seems misplaced for the FCC to focus narrowly on the continuing relevance of and need for the Broadcast Ownership Rules. Indeed,

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Section 202 of the Telecommunications Act of 1996, MB Docket No. 06-121 (filed October 23, 2006).

<sup>2</sup> See, e.g., *Disney First Up for Apple's Video iPod*, Multichannel News (Oct. 12, 2005); *ABC relaunches online media player with hit shows, affiliate support*, <http://arstechnica.com/apple/news/2006/09/7740.ars>; *ESPN launches Watch ESPN app that lets you do just that*, <http://www.tuaw.com/2011/04/07/espn-launches-watch-espn-app-that-lets-you-do-just-that/> (Apr. 7, 2011).

<sup>3</sup> See, e.g., [http://en.wikipedia.org/wiki/2012\\_Wikipedia\\_blackout#Wikimedia\\_community](http://en.wikipedia.org/wiki/2012_Wikipedia_blackout#Wikimedia_community).

given the proliferation and increased pace of adoption of other, competing forms of media, we believe that the FCC would be better served to broaden its inquiry to consider the full panoply of challenges facing broadcasters, ways to incent ownership of over-the-air broadcast stations, and whether some elements of the overall regulatory regime have become outdated.

Indeed, such a focus would mirror the path the Commission has recently followed in crafting an incentive auction for spectrum, which simultaneously recognized both the need for spectrum for such other forms of media, while protecting the significant value that broadcast television continues to serve. While again stressing that TWDC did not file Opening Comments to advocate or seek any relaxation of the Commission's Broadcast Ownership Rules, we more strongly believe, than we even did six years ago, that such broader focus would best serve the public interest.

Respectfully submitted,

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