



**Minority Media &  
Telecom Council**

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May 30, 2013

Hon. Mignon Clyburn, Chairwoman  
Hon. Ajit Pai, Commissioner  
Hon. Jessica Rosenworcel, Commissioner  
Federal Communications Commission  
445 12th Street S.W.  
Washington, DC 20554

Dear Chairwoman Clyburn and Commissioners:

**RE: MB Dockets 09-182 (2010 Quadrennial Review) and 07-294 (Diversity Proceeding)**

The Minority Media and Telecommunications Council (“MMTC”) respectfully submits its study, “The Impact of Cross Media Ownership on Minority/Women Owned Broadcast Stations” (“Study”). The Study examines whether, and to what extent, cross-ownership might have a material adverse impact on minority and women ownership.

The Study was conducted by Dr. Mark Fratrick, Vice President and Chief Economist, BIA/Kelsey, peer-reviewed by three distinguished scholars, and conducted in accordance with refereed journal standards. The Study was undertaken at MMTC’s own expense.

The Study was premised on the well-known methodology of “unaided recall,” which allows the respondent to offer points

without any prompting. If the respondents do cite these issues as important without any prompting, then one can easily conclude as to its importance. All of the respondents were general managers and thus may be assumed to be familiar, for unaided recall purposes, with the factors that might impact their stations’ programming, operations and competitive success.

Study at 5 n. 5. The Study was not intended to be exhaustive:

This study was not a comprehensive examination of all of the women and/or minority owned stations in all of the markets in which a commonly owned cross-media operation is present. Additionally, FCC and public interest groups’ economists agree that the number of these instances is not large enough to conduct a random sample study to elicit generalizable results. On the other hand, what can be determined through this procedure is a reasonably clear sense of whether there is a material difference in the impact of these commonly owned local cross media operations. Of course, specific instances might be present that contradict these findings, but the results can provide some indications of whether there is an adverse or, especially, a disparate impact on these minority/women owned broadcasters.

Hon. Mignon Clyburn and Commissioners

May 30, 2013

Page 2.

Study at 2.

The results provide an important piece of evidence that “cross-media interests’ impact on minority and women broadcast ownership is not sufficiently material to be a material justification for tightening or retaining the rules.” Study at i. In particular:

Several times in the questionnaire we provide opportunities for the responding stations in both [ownership] groups to offer those operations as answers. What was provided as answers are general business concerns that all radio and television stations have in all markets – strong broadcast station competitors especially in the genre of programming they provide and the emergence of new competitors from new sources.

This lack of mentions of local cross-media operations was also present in the questions concerning the provision of news and information. Answers were provided on other media outlets providing news and information involved strong stations within the local markets as well as generic answers of an entire media. Further, the answers to the challenges that the stations in both groups of respondents once again included general business concerns on providing programming that is compelling to watch and the emergence of new outlets providing such news and information.

Study at 9-10. Two important caveats should be noted:

First, there was a market in which all three respondents mentioned cross-media interests as having a competitive impact on their stations. Study at 6 and n. 6 (“respondents citing the cross media operation were in a medium market in which there was a local combination of the only daily newspaper, a full power television station, and radio stations.”) We interpret this finding as an indication that an especially extensive cross-media combination, although lawful under the rules, could materially inhibit “singleton station” operations in the advertising marketplace. Inasmuch as minority owned stations are more likely than others to be singleton stations, we recommend that the Commission be alert to the possibility that a cross-media combination, with strong newspaper, television and radio outlets in a medium (or small) market, can have sufficient market power to operate as a material detriment to minority and women ownership.

Second, inasmuch as the Study was limited to the impact on minority and women’s ownership, it does not attempt to address other issues involving cross-ownership. As the Study notes, “There may be sound justifications relating to overall viewpoint diversity, localism, or competition for why the cross-ownership rules should or should not be changed.” Study at i.

If the Commission wishes to consider the Study in rendering its decision in these dockets, a round of public comment would be appropriate. Thus it is respectfully requested that the Commission invite public comment on the results, their limitations, what probative value they might add when read together with other evidence of record, and the policy directions in which they might lead.

Respectfully submitted,

*David Honig*

David Honig  
President