

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

In the Matter of)	
)	
2010 Quadrennial Regulatory Review –)	MB Docket No. 09-182
Review of the Commission’s Broadcast)	
Ownership Rules and Other Rules Adopted)	
Pursuant to Section 202 of the)	
Telecommunications Act of 1996)	
)	
Promoting Diversification of Ownership)	MB Docket No. 07-294
In the Broadcasting Services)	

To The Commission

**COMMENTS OF THE MINORITY MEDIA
AND TELECOMMUNICATIONS COUNCIL**

The Minority Media and Telecommunications Council (MMTC) respectfully submits these comments in response to the Commission’s Public Notice¹ requesting comment on the BIA/Kelsey study (“Study”) that MMTC sponsored and submitted to the Commission.² The Study evaluated the impact of the newspaper/broadcast station cross ownership rule³ on the

¹ See Media Bureau Invites Comments on Study Submitted by the Minority Media and Telecommunications Council in 2010 Quadrennial Review of Broadcast Ownership Rules, Public Notice, 2013 FCC LEXIS 2506 (“Public Notice”).

² See Mark Fratrik, Ph.D., The Impact of Cross Media Ownership On Minority/Women Owned Broadcast Stations, BIA/Kelsey (May 30, 2013), available at <http://apps.fcc.gov/ecfs/document/view?id=7022419396> (last visited July 13, 2013) (“Study”). MMTC will respond to requests from the Commission for additional Study information in the near future.

³ As the Commission has stated in this proceeding, “The newspaper/broadcast cross-ownership rule prohibits common ownership of a full-service broadcast station and a daily newspaper if: (1) a television station’s Grade A service contour completely encompasses the newspaper’s city of publication; (2) the predicted or measured 2 mV/m contour of an AM station completely encompasses the newspaper’s city of publication; or (3) the predicted 1 mV/m contour for an FM station completely encompasses the newspaper’s city of publication.” See 2010 Quadrennial Regulatory Review et al., Notice of Proposed Rulemaking, 26 FCC Rcd 17489, 17519-17520 (2011).

nation's minority and women-owned broadcast stations to determine whether the relaxation of the rule might adversely impact minority and women's ownership. We urge the Commission to consider the Study as a piece of evidence supporting the assertion made in the Study that based on its findings it appears 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 rule."⁴

Study researchers made a valiant attempt to gather information about common ownership from broadcast stations in local markets and provided incentives to maximize the responses received.⁵ The Study used the well-established unaided recall research technique⁶ to survey the impressions of general managers of broadcast stations, who have day to day experience with competition matters. While the Study is not dispositive of the issue of how cross-ownership

⁴ See Study at p. 2.

⁵ Broadcast stations solicited to participate in the Study "were initially individually contacted via email from the study's author alerting them of this study and that someone would be calling them to ask them questions concerning the competitiveness of their local radio or television market. Soon after that email those phone calls were made. To increase the number of responses, we subsequently sent an email with a link to an online survey questionnaire, with a promise of an online gift card if the survey was completed. All respondents were guaranteed confidentiality of their responses and that we were only going to report on the general trends of all respondents." See Study at pp. 2-3. The Study states: "In total we obtained information from 14 local broadcast operations – 13 of which represent 31 stations in those markets, along with information from a principal of a minority owned station that had exited a market in which there was a commonly-owned cross-media operation." See Study at p.4

⁶ As the Study explains, unaided recall allows "the respondent to offer those 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." See *id.* at p.5, n.5. For reference, we incorporate portions of the letter we transmitted to the Commission regarding the Study. See, e.g., MMTTC Letter Re: Cross Ownership Study (May 30, 2013), available at <http://apps.fcc.gov/ecfs/comment/view?id=6017444680> (last visited July 22, 2013) ("MMTC May 30, 2013 Letter").

impacts minority and female ownership of broadcast stations,⁷ MMTC believes that the Study's findings can be of assistance to the Commission. However, as we have noted, the Study identified one market in which all three respondents mentioned cross-media interests as having a competitive impact on their stations.⁸ 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.⁹

As MMTC's core mission is to preserve and promote minority advancement in the communications sector, MMTC historically opposed cross ownership. MMTC continues to urge

⁷ The Study states that the "results," "while not dispositive, do provide evidence that the impact of cross-media ownership on minority and women broadcast ownership is probably negligible." See Study at p. 10. The Study explored the question of "whether the existence of a commonly owned cross-media operation has a disparate impact on minority and/or women owned broadcast stations." BIA/Kelsey "surveyed both minority and/or women owned broadcast stations in markets with cross-media operations along with non-minority/non-women owned broadcast stations in the same markets. In that survey we asked respondents in several different ways to offer their views on the importance of these local cross-media operations ... to see if there was a difference in the responses of the two groups of stations of these cross-media operations." The survey's author notes, "we were struck by the lack of any large concern by almost all of the respondents to these cross-media operations. Several times in the questionnaire we provided opportunities for the responding stations in both groups to offer those operations as answers. The answers provided reflect 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. The only responses expressed regarding the impact of cross-media combinations were expressed by all three respondents in a medium market in which the daily newspaper is affiliated with a full power television station and local radio stations" See id. at p. i.

⁸ See id.

⁹ See MMTC May 30, 2013 Letter at p. 2.

the Commission to closely supervise the implementation of its cross-ownership ownership policies to ensure that, as applied, they do not impede the growth of diverse broadcast station ownership.¹⁰

Respectfully submitted,

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¹⁰ See, e.g., Initial Comments of Diversity and Competition Supporters, MB Docket 02-277 (Jan. 2, 2003), at pp. 42-43, available at <http://mmtconline.org/lp-pdf/BroadcastOwn-Comments.pdf> (last visited July 15, 2013) (stating that “cross-ownership should not be allowed to proceed unless there is very close and continuing supervision of its impact on diversity, competition and minority ownership,” while “laissez-faire deregulation of cross-ownership should be rejected, since that would significantly diminish minority ownership opportunities.”) In this proceeding, MMTC, along with numerous other organizations, informed the Commission that we do not object to the relaxation of the newspaper/broadcast station ownership ban so long as relaxation “would not diminish minority ownership.” See also 2012 Initial Comments of the Diversity and Competition Supporters in Response to the Notice of Proposed Rulemaking, 2010 Quadrennial Regulatory Review, MB Docket No. 09-182, et al. (Mar. 5, 2012), at pp. 40-43, available at <http://apps.fcc.gov/ecfs/document/view?id=7021898416> (last visited July 13, 2013).