

provided programming geared towards a particular audience interest. Regionally distributed non-broadcast networks also flourished in the 1980's through the 1990's. Some provided regional sports, while others provided regional and local news or general regional-interest programming.

64. When the Fox broadcast network launched as a challenger to the "Big Three" networks in 1985, it entered the market building on the niche concept employed by the non-broadcast networks. Fox provided general interest fare, like its broadcast competitors, but targeted its programming to the teenage demographic. Later, in January 1995, Paramount and Warner Brothers launched the UPN and WB networks, respectively, both building on similar demographics on which Fox had initially entered the market.

65. *Significant Technological Advances: Recorded Media, Digital Compression, and the Internet.* Several significant advances in technology during the 1980's and 1990's supplied the footing for increased competitive pressure on the media marketplace. The video-cassette recorder ("VCR") empowered the public with the ability to stray from the pre-set video programming schedule inherent in broadcast television content. Furthermore, content not available over other video media, or content which had been previously available over broadcast television was created specifically for VCR consumption. By 1986, more than 13 million VCRs had been sold in the United States.

66. Digital technology was used in the development of advanced satellite distribution systems. Direct broadcast satellite systems ("DBS") provided an all-digital transmission of video programming, employing a small satellite dish, practical for both rural and urban deployment. DBS provides more than 200 channels of video programming to subscribers. The presence of DBS in the market for the delivery of subscription video programming has expanded the market, such that now almost all televisions households have access to subscription video. In addition, the competitive presence of DBS has forced cable television services to expand channel capacity and service options. At the end of 1994, DBS services had approximately 600,000 subscribers. Today there are more than 18 million subscribers.

67. As a result of the widespread acceptance of DBS, cable television operators began replacing much of their original infrastructure, and began employing digital technology to

transmit high-quality video signals to their customers. Digital technology also expanded the channel capacity of the networks, enabling cable operators to provide vastly more channels of video programming, and furthered the ability of cable operators to implement advanced two-way services.

68. Digital versatile disc ("DVD") players were introduced in 1997, and the personal video recorder ("PVR") was introduced in 1999. PVR's use a hard disk drive, software, and other technology to digitally record and access programming. In addition to these other significant technological advancements of the 1980's and 1990's, the Internet has spawned an entirely new way of looking at media. Today the Internet affects every aspect of media, from video and audio, to print and personal communications. Whereas other forms of media allow for only a finite number of voices and editorially-controlled viewpoints, the Internet provides the forum for an unlimited number of voices, independently administered. Furthermore, content on the Web is multi-media; it can be read, viewed, and heard simultaneously. Since Web pages are stored on Web-hosting file servers, accessing Web content is a highly individualized activity, and any individual with access to a Web browser can access all available Web content 24-hours a day throughout the world.

69. Virtually every major media company has a corresponding Web site, today, and any individual with access to a Web-hosting file server can create a Web site for public access. As such, the Web provides an unrestrained forum for the dissemination and consumption of ideas. News and information are available on the Internet like they have never been available to the public before. Internet users can view the news source of their own choosing, or can use a news gathering service which presents information culled from thousands of news sources worldwide. Furthermore, Internet users can access content that may have appeared in print or on broadcast television at an earlier time, giving them greater control over traditionally available content.

70. *The Multimedia Landscape III—2000.* Since the 1960's, there has been tremendous growth in the media market. By 2000, American consumers had access to a multitude of media outlets, hundreds of channels of video programming, and enormous amounts of content not available just twenty, or even ten years earlier. There were more than 12,615 radio stations in 2000, and 1,616 broadcast television stations.

71. Approximately 100.8 million homes had a television in 2000 and 76.2 million of those had more than one television. There were 68.5 million cable subscribers in 2000, approximately 14.8 million DBS subscribers and 1.2 million HSD subscribers. There also were 1,480 daily newspapers in 2000 with a total circulation of 55.8 million readers. In addition to the traditional broadcast television stations offered over-the-air and via cable systems, there were 281 nationally-distributed non-broadcast networks available in 2000 and 80 regional non-broadcast networks. Approximately 42.5 million households subscribed to an Internet access provider in 2000.

72. The number of outlets per market also grew significantly between 1960 and 2000. The number of radio outlets grew by 142% from 1960 to 2000 and the number of independent radio station owners grew by 74% in that same time period. The number of television outlets grew by 217% from 1960 to 2000 and the number of independent television station owners grew by 150% in that same time period. The number of daily newspapers declined by 9% from 1960 to 2000 and the number of newspaper owners was the same in 2000 as it was in 1960.

73. The number of hours of news and public interest programming has also grown significantly since 1980. Although in most markets, only a few stations increased the amount of national news programming available from 1980, when national news was aired for about thirty to forty five minutes per station per day, there were more broadcast stations airing national news in 2003, and several non-broadcast news networks airing national news programming on a 24-hour a day basis. Public interest programming also has proliferated. Although television broadcast stations in various markets were airing about the same amount of public interest programming per-station in 2003 as they were in 1980, in 2003, there are more television broadcast stations per-market and numerous new non-broadcast networks providing such programming.

74. *The Current Competitive Landscape and Developments Since 2000.* Non-broadcast television programming continues to proliferate. We are moving to a system served by literally hundreds of networks serving all conceivable interests. Today, there are more than 308 satellite-delivered national non-broadcast television networks available for carriage over cable, DBS and other multichannel video program distribution ("MVPD")