

for greater common ownership are likely to advance our localism goal.

103. *Effect of Local Market*

Consolidation on Local Control Over Content. Contrary to views expressed by some commenters, the Commission has no record evidence linking relaxation of our local ownership rule to a reduction in local control over content. The Commission also has no means of measuring the extent to which news professionals' fear of retribution by their employers is reducing the ability of television broadcast stations to offer news focused on the needs and interests of their local communities, nor can it connect such concerns to its local ownership rules.

104. *News Programming Costs and Viability of Local News Operations.* Several commenters contend that the rising cost of producing news and public affairs programming is forcing broadcasters to reduce news production and that relaxation of the local TV ownership rule would allow broadcasters to invest in new local news and public affairs programming, or at least to maintain existing programming. The Commission finds that the current local TV ownership rule is not necessary in the public interest to promote localism. More likely, the current rule is hindering our efforts to promote localism. Anecdotal and empirical evidence in the record demonstrates post-combination increases in the amount of local news and public affairs programming offered by commonly owned stations. Moreover, rising news production costs and other factors may cause broadcasters to turn to less costly programming options. Having found that there is a positive correlation between same-market combinations and the offering of local news, the Commission further agrees with those commenters who contend that modifying the local TV rule is likely to yield efficiencies that will allow broadcasters to invest in new local news and public affairs programming, or at least to maintain existing local programming.

105. *Diversity.* Section 202(h) requires that the Commission consider whether the local TV ownership rule is necessary in the public interest to promote our diversity goal. The current rule measures viewpoint diversity largely through its voice test, which ensures that all television markets have at least eight independent broadcast television voices. The Commission finds that multiple media owners are more likely to present divergent viewpoints. Upon review of the record in this proceeding as well as its own analysis of local

media markets, the Commission finds that media other than television broadcast stations contribute to viewpoint diversity in local markets. The data in the record indicate that the majority of markets have an abundance of viewpoint diversity. The Commission therefore concludes that its existing local TV ownership rule is not necessary to achieve its diversity goal. In order to promote viewpoint diversity, the Commission will rely on a combination of its cross media limits as well as revised local television and local radio ownership caps. The Commission also concludes that the current rule is not necessary to promote program diversity.

106. *Viewpoint Diversity.* The Commission recognizes that a single media owner may elect to present a range of different perspectives on a particular political or social issue. It may also be accurate that a single owner of multiple media outlets in a local market may have a greater incentive to appeal to more viewers by presenting more perspectives than do multiple owners of single outlets. Even if a single owner of multiple television stations in the same market has an enhanced ability and incentive to present a broader range of viewpoints, that single owner still retains "ultimate control over programming content, who is hired to make programming decisions, what news stories are covered, and how they are covered." The Commission concludes that it cannot rely exclusively on the economic incentives that may or may not be created by ownership of multiple television stations to ensure viewpoint diversity. However, because the Commission finds that other media contribute to viewpoint diversity in local markets, it concludes that the existing local TV ownership rule is not necessary to achieve its diversity goal.

107. *Contribution of Other Media to Viewpoint Diversity in Local Markets.* The local television ownership rule has traditionally focused only on the contribution of television broadcast stations to diversity in local markets. Based on the evidence in the record, including our own evaluation of the media marketplace, the Commission finds that media outlets other than television stations contribute significantly to viewpoint diversity in local markets, and that our current rule fails to account for this diversity.

108. The Commission finds that television broadcast stations are not the only media outlets contributing to viewpoint diversity in local markets. The market for viewpoint diversity and the expression of ideas is, therefore, much broader than the economic

markets in which broadcast stations compete. In particular, in focusing on the delivered video market alone, the Commission would ignore countless other sources of news and information available to the public. As a corollary, however, limits imposed on television station combinations designed to protect competition in local delivered video markets necessarily also protect diversity; indeed they are more protective of competition in the broader marketplace of ideas given the difference in market definition.

109. The Commission does not, therefore, necessarily disagree with those commenters who maintain that a local television ownership cap can help to protect the public's First Amendment interest in a robust marketplace of ideas. We disagree, however, to the extent that they advocate a diversity-based rule that looks to broadcast-only television voices. Accepting this narrowly-defined view would result in a rule that is overly restrictive both for competition and diversity purposes, because it would fail to include other participants in some relevant product markets and in the marketplace of ideas. Such an approach cannot be squared with our statutory mandate under section 202(h) or our desire to minimize the impact of our rules on the rights of speakers to disseminate messages.

110. Accordingly, by setting our local television ownership caps only so high as necessary to protect competition in the delivered video market, the Commission will achieve necessary protection for diversity purposes without unduly limiting speech. The current rule is not necessary to protect competition and, indeed, may be harming competition in the delivered video market. It likewise cannot be justified on diversity grounds as it is overly restrictive. The Commission's modifications to the rule remedy that failing.

111. *Program Diversity.* The local TV ownership rule has not traditionally been justified on program diversity grounds. However, the NPRM sought comment on whether common ownership of multiple stations promotes program diversity, and if so, how this affects the need for the current local TV ownership rule.

112. The Commission finds that modification of the current local TV ownership rule may enhance program diversity. Program diversity is best achieved by reliance on competition among delivery systems rather than by government regulation. The Commission's local TV ownership rule will ensure robust competition in local DVP markets. As long as these markets