

broadcast market. This conclusion is supported by a number of commenters and MOWG Study No. 10. Some commenters criticize MOWG Study No. 10 and argue that radio, TV, and newspapers, compete vigorously for advertising dollars.

232. Although the overall evidence appears to suggest little substitution between newspapers, broadcast TV, and radio, the Commission agrees that there may be a small group of advertisers that benefit from using various media to advertise their products.¹⁴ These advertisers could be harmed if owners of newspaper/broadcast combinations can identify this group and price discriminate. These advertisers, however, are not without remedy. The Department of Justice, the Federal Trade Commission, as well as state attorney generals, review mergers generally and are concerned about the effects in the advertising market. Further, both federal and state antitrust laws allow private suits to be brought. In any event, even if the Commission were to focus exclusively on the advertising markets alone, the potential for harm to advertisers who substitute between various media outlets would be greatest if one entity owned all the newspapers and all the broadcast facilities. Through the constraining effect of the Commission's local radio and TV ownership rules, the Commission expects that the majority of the potential newspaper/broadcast combinations would continue to face competition from separately owned media outlets in the local market.

233. *Localism.* The record indicates that the newspaper/broadcast cross-ownership prohibition is not necessary to promote broadcasters' provision of local news and information programming. Indeed, evidence suggests that the rule actually works to inhibit such programming. Many newspapers provide local content that far exceeds that provided by local broadcast outlets. Newspapers and broadcast stations—particularly television stations—continue to be the dominant sources, in terms of consumer use, for news and information to local communities. The Commission's rules should promote the ability of newspapers, television stations, and all other sources of local news and information to serve their communities.

234. While eliminating the rule may not be essential to achieve the efficiencies of common ownership—because the rule prohibits only ownership of newspapers and broadcast stations serving the same market—the breadth and depth of news coverage can be enhanced by collocation and the rule's elimination will increase the opportunities to realize these benefits by permitting combinations in areas where the rule currently prohibits them.

235. Specifically, MOWG Study No. 7 found that newspaper-owned affiliated stations provide almost 50% more local news and public affairs programming than do non-network owned network affiliated stations. In addition, the study found that the average number of hours of local news and public affairs programming provided by the same-market cross-owned television-newspaper combinations was 25.6 hours per week, compared to 16.3 hours per week for the sample of television stations owned by a newspaper that is not in the same market as the station. For each quality and quantity measure in the Commission's analysis, the newspaper network-affiliated stations exceed the performance of other, non-newspaper-owned network affiliates.

236. The benefits of combined ownership are not likely to be achieved through joint ventures as opposed to combined ownership. Many commenters illustrate how combining a newspaper's local news-gathering resources with a broadcast platform contributes to, rather than detracts from, the production of local news programming that serves the community. These results follow from the particular journalistic experience associated with local daily newspapers, as well as the tangible economic efficiencies, such as sharing of technical support staff, which can be realized through common ownership of two media outlets. There are several anecdotes in the record that illustrate how efficiencies resulting from cross-ownership translate into better local service. Efficiencies not involving the sharing of news staffs may also be realized through cross-ownership.

237. Although the Commission's conclusions pertain to markets of all sizes, newspaper-broadcast combinations may produce tangible public benefits in smaller markets in particular. In this regard, West Virginia Media argues that the rule may have the unintended effect of stifling local news by prohibiting efficient combinations that would produce better output. We assume that the benefits cited by West Virginia Media can benefit small businesses with respect to the

production of news and public affairs programming.

238. The Commission disagrees with those who argue that the relaxation or elimination of the newspaper/broadcast cross-ownership rule will create additional pressures on local news editors and directors to curtail coverage of public interest news. Also, the Commission does not find it troubling that newspaper owners use their media properties to express or advocate a viewpoint. To the contrary, since the beginning of the Republic, media outlets have been used by their owners to give voice to, among others, opinions unpopular or revolutionary, to advocate particular positions, or to defend, sometimes stridently, social or governmental institutions. The Commission's broadcast ownership rules may not and should not discourage such activity. Nor is it particularly troubling that media properties do not always, or even frequently, avail themselves to others who may hold contrary opinions. Nothing requires them to do so. The media are not common carriers of speech. Nor is it troubling that media properties may allow their news and editorial decisions to be driven by "the bottom line." Again, the need and desire to produce revenue, to control costs, to survive and thrive in the marketplace is a time honored tradition in the American media. In short, to assert that cross-owned properties will be engaged in profit maximizing behavior or that they will provide an outlet for viewpoints reflective of their owner's interests is merely to state truisms, neither of which warrants government intrusion into precious territory bounded off by the First Amendment.

239. *Diversity.* The Commission adopted the newspaper/broadcast cross-ownership rule because it believed that diversification of ownership would promote diversification of viewpoint. This proposition has been both defended and called into question. Although the Commission continues to believe that diversity of ownership can advance the Commission's goal of diversity of viewpoint, the local rules that it is adopting herein will sufficiently protect diversity of viewpoint while permitting efficiencies that can ultimately improve the quality and quantity of news and informational programming. Accordingly, the Commission will eliminate the newspaper/broadcast cross-ownership prohibition and consider any such proposed merger in light of the Commission's new rules.

240. The record indicates that cross-ownership of newspapers and broadcast

¹⁴ There is nothing in the record regarding the number of advertisers that may be targeted for such price discrimination, nor the magnitude of the potential price increases. The Commission believes however, that the number of advertisers that may be potential targets of price discrimination would be very small for most newspaper/broadcast combinations.