

outlets creates efficiencies and synergies that enhance the quality and viability of media outlets, thus enhancing the flow of news and information to the public. Relaxing the cross-ownership rule could lead to an increase in the number of newspapers in some markets and foster the development of important new sources of local news and information.

241. Evidence that common ownership can enhance the flow of news and information to the public can be found in grandfathered newspaper-television combinations of which there are 21. The Commission's review of the record indicates that such combinations often serve the public interest by adding information outlets and creating high quality news product. Empirical research confirms that newspaper/television combinations frequently do a superior job of providing news and informational programming. MOWG Study No. 7 found that network affiliated TV stations that are co-owned with a newspaper "experience noticeably greater success under our measures of quality and quantity of local news programming than other network affiliates."

242. The newspaper/broadcast cross-ownership rule may be preventing efficient combinations that would allow for the production of high quality news coverage and broadcast programming, including coverage of local issues, thereby harming diversity. Newspapers and local over-the-air television broadcasters alike have suffered audience declines in recent years. Given the decline in newspaper readership and broadcast viewership/listenership, both newspaper and broadcast outlets may find that the efficiencies to be realized from common ownership will have a positive impact on their ability to provide news and coverage of local issues. The Commission must consider the impact of the Commission's rules on the strength of media outlets, particularly those that are primary sources of local news and information, as well as on the number of independently owned outlets.

243. As suggested by MOWG Study No. 2, authored by David Pritchard, commonly-owned newspapers and broadcast stations do not necessarily speak with a single, monolithic voice. Several parties, however, assert that ownership affects editorial decisions and, ultimately, viewpoints expressed by media outlets. Although there is evidence to suggest that ownership influences viewpoint, the degree to which it does so cannot be established with any certitude. In order to sustain a blanket prohibition on cross-ownership, the Commission would

need, among other things, a high degree of confidence that cross-owned properties were likely to demonstrate uniform bias. The record does not support such a conclusion. Indeed, as the market becomes more fragmented and competitive, media owners face increasing pressure to differentiate their products, including by means of differing viewpoints. While such differentiation may occur, however, the Commission's analysis does not turn on that premise, and it is not determinative of our decision with respect to our current newspaper/broadcast cross-ownership rule. The Commission's analysis turns, rather, on the availability of other news and informational outlets. Thus, while the Commission does not dispute that a particular outlet may betray some bias, particularly in matters that may affect the private or pecuniary interest of its corporate parent such anecdotes do not show a pattern of bias in the vast majority of news comment and coverage where such self-interest is not implicated. Nor, moreover, do such incidents mean that the public was left uninformed about the situation by other available media.

244. The record in this proceeding provides ample evidence that competing media outlets abound in markets of all sizes—each providing a platform for civic discourse. Television and radio stations, both commercial and noncommercial, are important media for news, information, entertainment, and political speech. Cable television systems, which originated as passive conduits of broadcast programming, have expanded to carry national satellite-delivered networks. Many also carry local public, educational, and governmental channels. Cable systems in larger markets are now evolving into platforms for original local news and public affairs programming. Daily newspapers, while declining in number, continue to provide an important outlet for local and national news and expression. The Internet, too, is becoming a commonly-used source for news, commentary, community affairs, and national/international information.

245. The Commission disagrees with parties that assert that there is little diversity in media markets. The average American has a far richer and more varied range of media voices from which to choose today than at any time in history. Given the growth in available media outlets, the influence of any single viewpoint source is sharply attenuated. The Commission concludes that its new local rules will protect the diversity of voices essential to achieving its policy objectives. A blanket prohibition on newspaper-broadcast

combinations, however, can no longer be sustained.

246. In short, the magnitude of the growth in local media voices shows that there will be a plethora of voices in most or all markets absent the rule. Indeed, the question confronting media companies today is not whether they will be able to dominate the distribution of news and information in any market, but whether they will be able to be heard at all among the cacophony of voices vying for the attention of Americans. The Commission's rules should account for these changes and promote, rather than inhibit, the ability of media outlets to survive and thrive in this evolving media landscape. They must "give recognition to the changes which have taken place and to see to it that [they] adequately reflect the situation as it is, not was."

247. *Conclusion.* The Commission finds that a newspaper-broadcast combination cannot adversely affect competition in any relevant product market and, thus, the Commission cannot conclude that the current newspaper-broadcast cross-ownership rule is necessary to promote competition.

248. Similarly, the Commission concludes that the evidence in the record of this proceeding demonstrates that combinations can promote the public interest by producing more and better overall local news coverage and that the current rule is thus not necessary to promote its localism goal. Instead, the Commission finds that it, in fact, is likely to hinder its attainment. Finally, the record does not contain data or other information demonstrating that common ownership of broadcast stations and daily newspapers in the same community poses a widespread threat to diversity of viewpoint or programming. The Commission concludes, therefore, that the current rule is no longer necessary in the public interest.¹⁵

249. *Radio/Television Cross-Ownership Rule.* The radio/television cross-ownership rule limits the number of commercial radio and television stations an entity may own in a local market. Currently, the rule allows a party to own up to two television stations (provided it is permitted under the television duopoly rule) and up to

¹⁵ On March 11, 2003, Media General, Inc., filed a "Motion to Bifurcate and Repeal." That Motion asked the Commission to break the newspaper/broadcast cross-ownership rule out of the biennial review, and repeal the rule, if it could not act in the biennial review in the spring of 2003. Because the Commission is acting in the biennial review in the spring of 2003 and is repealing the subject rule, the Commission dismisses Media General's Motion as moot.