

owners will use additional revenue and resource savings from television-radio combinations to provide new and innovative programming, provide more in-depth local interest programming, and provide better service to the public, including locally oriented services.

257. The parties arguing to retain the current rule have failed to show that the rule remains necessary in the public interest. First, isolated anecdotes of changes in news programming schedules following a transaction do not provide the kind of systematic empirical evidence necessary to support a general allegation that cross-owned stations produce lesser quantities of news, or news of lower quality, than do non-cross-owned stations. Second, shared support staff and conservation of resources does not necessarily mean a reduction in local news. The efficiencies derived from some of these practices may in fact, increase the amount of diverse, competitive news and local information available to the public. Thus, the record does not demonstrate that the current rule specifically promotes localism, or that elimination of the rule would harm it.

258. *Diversity*. The NPRM asked whether the cross-ownership rule is necessary to foster viewpoint diversity in today's media marketplace. The NPRM sought comment on the types of media that contribute to viewpoint diversity and how the cross-ownership rule affects viewpoint diversity. The NPRM noted that the current rule counts as a media voice commercial and non-commercial broadcast television and radio stations, certain daily newspapers, and cable systems. The NPRM asked whether additional types of media should also be counted as contributing to viewpoint diversity, such as the Internet, DBS, cable overbuilders, individual cable networks, magazines, and weekly newspapers.

259. The Commission has previously concluded that "the information market relevant to diversity includes not only television and radio outlets, but cable, other video media and numerous print media as well." Not only has the Commission seen an increase in the types of outlets available, but local markets have also experienced enormous growth in broadcast outlets. The record shows that in local broadcast markets of all sizes the numbers of radio and television stations have increased over the years.

260. The Commission concludes that the current television/radio cross-ownership rule is not necessary to ensure viewpoint diversity. The Commission agrees with the commenters that argue that a cross-

ownership rule applicable only to radio and television is "inequitable and outdated." Although several commenters argue that retention of the radio/television cross-ownership rule is necessary to protect the availability of diverse views, information, and local programming, the Commission believes that a rule limited to just radio and television fails to take into account all of the other relevant media in local markets available to consumers.

261. The Commission agrees with the commenters, however, that fostering the availability of diverse viewpoints remains an important policy goal, and that diversity of ownership promotes diversity of viewpoints. The Commission is adopting modified service-specific local ownership rules that will protect and promote competition in the local television and radio markets and, as a result, will also protect and preserve viewpoint diversity within those services. In addition, the Commission is adopting a new cross-media limit rule, described below, that is specifically designed to protect diversity of viewpoint in those markets in which the Commission believes consolidation of media ownership could jeopardize such diversity.

262. *Conclusion*. The Commission does not have evidence in the record sufficient to support retention of the current radio/television cross-ownership rule. From a competitive perspective, radio and television are not good substitutes for the same revenue producing opportunities, and thus, cannot be regarded as competing in the same product market. There is little evidence that the current rule promotes localism and, to the contrary, the record indicates that combined station groups may be able to achieve cost savings that may accrue to the benefit of listeners and viewers. Finally, radio and television stations compete with many other electronic and print media in providing programming and information to the public, and the targeted cross-media limits adopted herein are therefore better designed to achieve the Commission's diversity goal in markets where diversity could be jeopardized by cross-ownership than the stand-alone radio/television cross-ownership rule. In addition, the Commission's local television and local radio ownership rules, which are designed to preserve competition in those markets, will also foster diversity of voices. The Commission now turns to a discussion of the Diversity Index, which is intended to help us analyze outlets that contribute to viewpoint diversity in local markets.

263. *The Diversity Index*. In order to provide its media ownership framework with an empirical footing, the Commission has developed a method for analyzing and measuring the availability of outlets that contribute to viewpoint diversity in local media markets. The measure the Commission is using, the Diversity Index or DI, accounts for certain, but not all media outlets (newspapers, broadcast, television, radio, and the Internet) in local markets available to consumers, the relative importance of these media as a source of local news, and ownership concentration across these media. The DI builds on the Commission's previous approach to the diversity goal: The Commission retains the principle that structural regulation is an appropriate and effective alternative to direct content regulation; the Commission retains the principle that viewpoint diversity is fostered when there are multiple independently-owned media outlets in a market; the Commission retains its emphasis on the citizen/viewer/listener and on ensuring that viewpoint proponents have opportunities to reach the citizen/viewer/listener. What the Commission adds is a method, based on citizen/viewer/listener behavior, of characterizing the structure of the "market" for viewpoint diversity. The Commission uses the DI as a tool to inform its judgments about the need for ownership limits. This section explains the rationale for the diversity index and discusses calculation methodology.

264. The DI is based partly on the results of a consumer survey, which the Commission acknowledges is not without flaws, and partly on its expert judgment and analysis of the local viewpoint diversity marketplace. While the Diversity Index is not perfect, nor absolutely precise, it is certainly a useful tool to inform the Commission's judgment and decision-making. It provides us with guidance, informing us about the marketplace and giving us a sense of relative weights of different media. It informs, but does not replace, the Commission's judgment in establishing rules of general applicability that determine where the Commission should draw lines between diverse and concentrated markets.

265. Because of the limitations in the Nielsen survey, and the specific assumptions underlying the DI, it is a useful tool only in the aggregate. It cannot, and will not, be applied by the Commission to measure diversity in specific markets. Indeed, it could not be used on a particularized basis to review the diversity available in a specific market. For example, in determining the