

national news sources. Third, the Commission does not include low power television and low power radio stations in measuring viewpoint diversity. These stations are often operated with the express purpose of serving niche audiences with ethnic or political content that larger media outlets do not address. These low power outlets promote viewpoint diversity in a way that the Commission has not addressed because of their more limited reach, but collectively they enhance viewpoint diversity beyond the levels that are reflected in the Diversity Index measurements.

271. The Commission concludes that each of these judgments that inform its viewpoint diversity analysis are sound, but in each case the Commission makes the most conservative assumption possible. Thus, the results of the Commission's diversity index analysis can fairly be said to understate the true level of viewpoint diversity in any given market.

272. *Choice of Media.* The Commission has determined which media to include in the Diversity Index based on the survey information derived from the "Consumer Survey on Media Usage" prepared by Nielsen Media Research (FCC MOWG Study No. 8). This survey tells us how consumers perceive the various media as sources of news and information. The key threshold implication of this study is that consumers use multiple media as sources of news and current affairs, and hence that different media can be substitutes in providing viewpoint diversity.

273. FCC MOWG Study No. 8 asked respondents to identify the sources, if any, "used in the past 7 days for local news and current affairs." The same question was posed for national news and current affairs. The choices offered were television, newspaper, radio, Internet, magazines, friends/family, other, none, don't know, and refuse. The survey then asked follow-up questions regarding the first five choices. For each one of the five sources, respondents who did not mention a source were asked specifically if they used that source for local news and current affairs. The survey posed analogous questions with regard to national news and current affairs. Based on the initial and follow-up questions, the survey presents "summary data" on sources of local and of national news and current affairs information.

274. In an *ex parte* communication filed May 28, 2003, Media General submitted a critique of MOWG Study No. 8 by Prof. Jerry A. Hausman. Hausman argues that the Nielsen Survey

has a number of serious flaws and questions its usefulness in any rule-making concerning cross-ownership of newspapers and broadcast stations. The Commission recognizes Professor Hausman's concerns, but the Commission believes that the Nielsen survey sample of 3,136 households provides us with useful information. In addition, Professor Hausman provides no evidence that the sample is, in fact, biased. Concerning Hausman's second point, the Commission agrees that answers to hypothetical questions are less useful than information about actual behavior. MOWG Study No. 8 provides a substantial amount of information on reported actual behavior. It is this information, not the hypotheticals, on which the Commission relies to conclude that media can be substitutes in providing viewpoint diversity and to construct its Diversity Index. Regarding Hausman's third point, although the Nielsen survey may not directly ask respondents for their views concerning specific cross-ownership scenarios, the Commission finds that the results of the survey are useful in a number of areas, such as which forms of media are most heavily used for news. While questions could have been posed that contained more specificity concerning cross-ownership rules, the Commission understands that such complexities could have made the survey design more difficult, as well as possibly lowered the response rate. Overall, while Hausman claims that the Nielsen survey does not "provide a basis for the measurements necessary for the specification of policy," the survey does, in fact, help us establish an "exchange rate" for converting newspaper, television, radio, and other media into common units so the Commission can measure the extent of concentration in the "market of ideas." Finally, the Commission emphasizes that it has not relied solely on the results of the Nielsen survey, but has used a number of studies and its own expert judgment on media in reaching its decision.

275. The data in the Nielsen study indicate that television, newspapers, radio, Internet, and magazines are the leading sources of news and current affairs programming. Based on the initial question, the average respondent uses two of the five major sources for news and current affairs, whether the category is local or national. Taking account of the follow-up questions, the average respondent uses three of the five major sources for news and current affairs, again regardless of whether the category is national or local. These data

strongly suggest that citizens do use multiple media as sources of viewpoint diversity, and that media can be viable substitutes for one another for the dissemination of news, information and viewpoint expression. On the basis of this finding, the Commission proceeds to an analysis of local media markets and whether there are particular kinds of cross-media transactions in particular kinds of markets that would likely result in high levels of concentration. To assist in making that determination, the Commission relies in part on its Diversity Index.

276. The Commission's Diversity Index focuses on availability of sources of local news and current affairs. As the Commission explained in the policy goals section of the R&O, it is concerned with promoting viewpoint diversity in local media markets. Owners of media outlets clearly have the ability to affect public discourse. Consumers have numerous sources of national news and information available to them. Therefore the Commission does not believe that governmental regulation is needed to preserve access to multiple sources of national news and public affairs information.

277. The Diversity Index incorporates information on respondents' usage of television, newspapers, radio, and the Internet. Respondents also reported getting local news and information from magazines. The Commission excludes magazines, however, from its Diversity Index. First, as the description above makes clear, most (but not all) news magazines have a national rather than a local focus. Nonetheless, the decision to exclude magazines will be re-examined in the next biennial review, and the Commission will take the opportunity to gather additional survey data at that time on magazine usage.

278. For similar reasons, the Commission also excludes cable from its Diversity Index. The Commission is concerned that some consumers may have confused broadcast and cable television. Thus, the Commission believes some consumers who replied that they receive their local news from cable may have been viewing broadcast channels over the cable platform. The Commission also recognizes, however, that cable systems do provide local news and current affairs information through PEG channels and, in some markets, local news channels. However, the Commission does not have accurate data for this measure. Because the Commission does not have reliable data