University of Delaware



# Cross-Ownership, Markets & Content on Local TV News

## Danilo Yanich

Center for Community Research & Service School of Urban Affairs & Public Policy University of Delaware Newark, DE 19716 dyanich@udel.edu

May 2009

This research is partially supported by the Social Science Research Council and conducted in cooperation with the Consumer Federation of America and Free Press.

### Acknowledgements

Any research requires the dedication of a group of people committed to the enterprise. I was fortunate to be the beneficiary of the prodigious efforts of the colleagues whom I gratefully thank here. Joe Karaganis and Dr. Minna Aslama of the Social Science Research Council's Necessary Knowledge Project provided crucial support and advice for the work. Dr. Mark Cooper, Research Director of the Consumer Federation of America, and Derek Turner, Research Director of Free Press, acted as the foil, sounding board and analytical touchstones for the project. University of Delaware doctoral students Deidre Beadle and Tapas Ray directed the coding and content analysis efforts of the coding staff which included University of Delaware students Jenny Bolen, Graceanna Enzinger, Ted Patterson and Megan Snyder. Their commitment to the project was fundamental to its success.

Further, I would like to thank my colleagues at the School of Urban Affairs & Public Policy, the Center for Community Research & Service and University of Delaware for their advice and generosity throughout the project. Dr. Paul Solano, Professor Ed Ratledge, Dr. John McNutt and Dr. Steven Peuquet patiently endured my many interruptions when I popped into their offices with the "what do you think about this" greeting. I am greatly indebted to all of them.

dy May 2009

#### Abstract

This study examined the effect that the cross-ownership of local television stations and newspapers may have on the local content of newscasts across television markets. It is particularly timely for two reasons: (1) the Federal Communications Commission significantly reduced the prohibitions to crossownership in an order issued after a December 2007 meeting; and (2) the current economic crisis has increased the calls for media consolidation by the media industry as a mechanism for staving off financial ruin. Further, this study applies a new coding scheme to specific research that was commissioned by the Federal Communications Commission (FCC) to examine issues of cross-ownership. That particular FCC research, Media Ownership Study No. 6 (Milyo, 2007) was among ten studies that the FCC commissioned in November 2006. Study 6 analyzed the effect of cross-ownership on political slant and local content and it concluded that cross-ownership positively affected both the amount of total news and local content. The FCC relied heavily on the findings of Study 6 in its December 2007 decision to significantly relax the restrictions on the cross-ownership of local television stations. However, peer reviews of Study 6 cited various methodological problems including its definition of "local". This research, partially funded by the Social Science Research Council, used the same broadcasts as Study 6 but applied a different coding scheme to the content. The study found that cross-ownership negatively affects the amount of total news and the amount of local news in the television markets that formed the database for the research.

#### Introduction

This study examined the effect that the cross-ownership of local television stations and newspapers may have on the local content of newscasts across television markets. It is particularly timely for two reasons: (1) the Federal Communications Commission significantly reduced the prohibitions to cross-ownership in an order issued after a December 2007 meeting; and (2) the current economic crisis has increased the calls for media consolidation by the media industry as a mechanism for staving off financial ruin. Further, this study applies a new coding scheme to specific research that was commissioned by the Federal Communications Commission (FCC) to examine issues of cross-ownership. That particular FCC research, Media Ownership Study No. 6 (The Effects of Cross-Ownership on the Local Content and Political Slant of Local Television News, Milyo, 2007) was among ten studies that the FCC commissioned in November 2006. Study 6 analyzed the effect of cross-ownership on political slant and local content. The FCC relied heavily on the findings of Study 6 in its December 2007 decision to significantly relax the restrictions on the cross-ownership of local television stations. This research, partially funded by the Social Science Research Council, used the same broadcasts as Study 6. We were able to acquire copies of the broadcasts only after protracted negotiations with the FCC on the part of the Consumer Federation of America. We subjected the broadcasts to a coding scheme that has been used in previous research (Brown & Alexander, 2004; Higgins & Sussman, 2007; Yanich, 2007, 2008).

In this research, I focused on the issue of localism because that is one of the three principles (along with diversity and competition) on which the FCC can regulate broadcast stations. Specifically, the research question for this paper focused on what effect, if any, did the proportion of cross-owned television stations with a television market have on the amount of total news and the amount of local content within the market.

# Background

The Federal Communications Act of 1934 stipulated that the three fundamental principles that should guide media regulation and policy-

making are competition, diversity and localism. Therefore, in its mandated periodic reviews of the state of the media, the Federal Communications Commission (FCC) is obliged to use these principles as the touchstone for any policy consideration. In December 2007, the FCC completed its quadrennial review of the major broadcast ownership rules with the adoption of the Quadrennial Review Order (Federal Communications Commission, 2007). The decision contained within the Order significantly relaxed the 32-year old restrictions on newspaper/broadcast cross-ownership within television markets.

The Order was the latest in a series of developments regarding media ownership with which the agency has dealt since 2002. One of the most significant events in the period was the FCC's decision in the 2002 Biennial Review Order (Federal Communications Commission, 2003) which was adopted in June 2003. The vote was 3-2 with the Republican commissioners voting for the rules and the Democratic commissioners voting against the changes. Considerations of localism were at the heart of the fundamental decisions within the Order. In the Order, some regulations (such as the newspaper-television station cross-ownership rule) were relaxed in part because the FCC stated that such an action would promote localism. Other regulations were modified (such as the number of television stations that one firm could own in a television market) because the FCC believed that their relaxation would not significantly harm localism due to the FCC's belief that there were a wide array of media outlets available in most markets (Napoli, 2004).

The decisions contained in the Order were not a routine set of rule modifications, but a striking change in the structure of the media system in the U.S. The Order opened up cross-media ownership in the same market, inviting newspapers and broadcasters to operate under one roof in every major city. It also permitted substantially increased media concentration in local and national television markets, tilting market conditions to favor larger firms and conglomerates (Scott, 2004, p. 645).

The response to the Order was resoundingly negative. In addition to the 750,000 messages from the general public to the FCC opposing the rules changes, more institutional opposition was expressed across the political spectrum, from the National Rifle Association to MoveOn.org (Klinenberg, 2007; Scott, 2004). The provisions of the Order were never put into effect as I explain below. But there was one important exception—the broadcast cap. The broadcast cap is the limit on the percentage of the national audience that any one media firm can reach through all of its outlets. Prior to the new Order, the cap stood at thirty-five percent. The Order increased the cap to forty-five percent. The Congress, in its deliberations through the Fall of 2003 regarding the new rules, settled on a compromise of thirty-nine percent that was to be in effect for just one year. However, that compromise was made permanent, much to the chagrin of media reformers (Scott, 2004).

Among the actions taken against the Order, arguably the most important was a lawsuit that was filed with the Third Circuit Court of Appeals (Prometheus v. FCC, 2004). In response to the suit, the Court stayed the rules changes in September 2003 and in July 2004 remanded the Order back to the FCC indicating that the agency could either appeal to the United States Supreme Court or reconsider the rules. In its remand, the Court cited the flawed research methods of the FCC that produced absurd results. For example, the FCC's "diversity index" did not account for the market share of the media firm. That produced a result in New York City in which the television station for Dutchess Community College was considered more influential than the New York Times (Cooper, 2003).

The FCC decided not to appeal the ruling to the U.S. Supreme Court and it took some steps to respond to the Court after the Order was stayed. In August 2003 then Chairman Michael Powell created a Localism Task Force to examine the performance of broadcasters in local markets. He stated:

I created the Localism Task Force to evaluate how broadcasters are serving their local communities. Broadcasters must serve the public interest, and the Commission has consistently interpreted this to require broadcast licensees to air programming that is responsive to the interests and needs of their communities (as cited in Alexander and Brown 2004, p. 1).

FCC Chair Powell resigned in January 2005 and was replaced by Commissioner Kevin Martin. Powell's resignation and Martin's elevation to the Chair left the FCC with only four commissioners (two Republicans and two Democrats) during the period from January 2005 to June 2006. In June 2006 new Republican commissioner Robert McDowell was sworn in and within one month Chairman Martin¹ served notice that the FCC would reconsider the media ownership rules (Federal Communications Commission, 2006).

During the last half of 2006 and through November 2007, Martin consistently insisted that the agency would reconsider all of the rules governing media ownership, specifically media consolidation (duopolies) and newspaper/broadcast cross-ownership. By all indications, the FCC was poised to relax the restrictions not only on the number of television stations that could be owned by one firm in a television market, but also the rules regarding the cross-media ownership of television stations and newspapers. However, in November 2007, Martin seemingly changed his position. He gave up the effort to allow more consolidated ownership of television stations in and across markets and he focused on the cross-ownership aspects of media policy. In an "op-ed" piece in the New York Times on November 13, 2007, he proposed lifting the 32 year-old ban on TV and newspaper crossownership. Further, he announced that the FCC would vote on that issue at a December 18, 2007 meeting of the Commission. Despite withering criticism from two of the FCC's five commissioners, Congress, media advocacy groups and the public, Martin prevailed in forcing the vote. The lifting of the crossownership ban was approved by a 3-2 vote with the Republican commissioners voting with Martin and the Democratic commissioners voting against the proposal.

With the vote, Chairman Martin declared that the consideration of media ownership rules was now complete. The implication was that there was nothing more about which to wrangle; that the issues of localism,

<sup>&</sup>lt;sup>1</sup> Chairman Martin resigned in late 2008 and Commissioner Michael Copps was named Acting Chair. As of May 2009, President Obama's nominee for Chair of the FCC, Julius Genachowski, had not been confirmed by the Senate.

diversity and competition had been resolved. But that is not the case. The rule that the FCC passed on December 18 stated that the lifting of the ban on cross-ownership would apply only to the top 20 markets. However, as in all such endeavors, the devil is in the details. There are loopholes in the rule that would effectively allow cross-ownership to occur in all of the 210 television markets in the U.S. The language of the new rule is revealing. It states that applications for cross-ownership combinations in the top 20 markets that meet the criteria of the rule will be "presumed" to be in the public interest by the FCC (Federal Communications Commission, 2007). In other words, any challenge to the cross-ownership combination will have to first overcome that presumption.

If the FCC thought that the new rules for cross-ownership would settle the issue, it was mistaken. Public interest groups and the media industry have entered the fray. Common Cause (along with five other groups) filed a Petition for Reconsideration on March 24, 2008 asking for a rollback of the FCC's decisions and a reconsideration of the FCC's television and radio ownership limits. The media industry has filed lengthy denunciations of the petition. Further, there have been lawsuits filed by media industry firms and public interest groups that challenge the rules change. The media industry's claim is that the rules did not relax cross-ownership enough while the public interest groups contend that the relaxation of the rule went too far. In addition, on April 24, 2008, the Senate Commerce Committee passed a resolution of disapproval (a rare event) in an effort to invalidate the FCC's decision in December to relax cross-ownership rules. President Bush threatened to veto the resolution.

On the opposite side of the consolidation issue are industry groups and some members of the Senate. In separate letters to Chairman Martin on April 28, 2008, the National Association of Broadcasters and twenty-three Republican senators expressed their concern about the FCC's localism proposals that call for advisory boards and new license-renewal requirements. They argued that the regulations would have a damaging effect on the efficiencies in the media market.

#### **Differences Between the Studies**

In its decision to essentially vacate the restrictions on television/ newspaper cross-ownership in local television markets, the FCC relied on a variety of information sources to support its view. One of the pieces of research to which it paid particular attention was one that it funded, The Effects of Cross-Ownership on the Local Content and Political Slant of Local Television News, (Milyo, 2007). The FCC referred to this research as Media Ownership Study No. 6 (hereafter referred to as Study 6). The study came to the conclusion that cross-ownership is positively associated with the amount of total news and the amount of local content produced by local television stations. Essentially, the study found that cross-ownership enhances the cause of localism. Study 6 underwent two peer reviews and both found substantial methodological difficulties with the research (Gentzkow, 2007; Goldstein & Kaplan, 2007). The purpose of this research was to take the raw data (the local television newscast content) that Study 6 used and to subject it to a new coding scheme and analysis. Given this background for this research, it is appropriate to indicate the differences between the two studies, particularly as they relate to their fundamental attributes. One difference involves research questions. In addition to examining the amount of total news and local news on newscasts, Study 6 also analyzed political slant. That was not part of this research and, while it may be of interest, the FCC does not regulate broadcast television based on a determination of political slant. Therefore, I confined my analysis to the issue of localism.

Within the examination of local content, there are important substantive differences between this analysis and Study 6. They relate to: (1) the definition of a local story; (2) the inclusion/exclusion of sports and weather segments in the overall determination of local content; and (3) the use of the television market (DMA) rather than the individual stations as a unit of analysis.

The definition of local: A fundamental consideration for any analysis of local content is the definition of "local". Obviously, a broad definition of the term will, necessarily, yield a higher proportion of "local"

content for the broadcasts under study. Conversely, a more narrow definition of "local" would produce a lower proportion of local content. But, whatever the definition, the notion of what is "local" must make some intuitive and conceptual sense.

The FCC and Nielsen Media Research identify 210 television markets (DMAs) in the United States. Each DMA consists of all of the counties in which the home market stations receive a preponderance of viewing. Every county in the U.S. is allocated exclusively to one DMA. Each market is given a rank depending on its size as measured by the number of television households in the DMA. In a very real sense, this specification of television markets (some of which cross state borders) represents a cognitively (as expressed in viewing) and geographically bounded definition of local.

In contrast to the use of the DMA as a local entity, the Study 6 defines "local" very broadly so that local is not bounded by DMA. In a footnote, the study states:

"Local news" includes any coverage of events in the same state; for DMA's which cross or abut state borders, coverage of the neighboring state is considered "local." (Milyo, 2007, p.11).

There are three attributes that are embedded in the study's definition of local, all of which render the conception of local extremely problematic. First, there is the "within state" conception of local. Let us think of the implications of such an approach. By this definition, a crime story about a robbery in Pittsburgh that was broadcast by a Philadelphia station would be considered a local story for the Philadelphia DMA. But Pittsburgh and Philadelphia are 300 miles apart. By this approach, any local story anywhere in Pennsylvania would be considered local in all of the DMAs in the state, not just in the DMA in which it occurred. That seems farfetched and not able to withstand the common sense test.

Second, let us look at DMAs that cross state borders. One such DMA in the study was Cincinnati, Ohio. The market includes counties in three states, southwestern Ohio, southeastern Indiana and northern Kentucky. By the definition of "local" advanced in the Study 6, local stories from any DMA

in all three of these states that were broadcast in the Cincinnati DMA would be considered local.

Third, what about the extension of "local" to stories from a state that "abuts" the DMA under scrutiny? Let us take one of the DMAs in the study to examine the implications of this part of the definition of local. The Hartford DMA includes seven of the eight counties in Connecticut. Fairfield County, in southwestern Connecticut, is part of the New York DMA. The Hartford DMA directly abuts western Massachusetts, western Rhode Island and eastern New York (north of Fairfield County). Again, the broad definition of "local" in the Study 6 would render all of the stories broadcast in Hartford about local events in New York, Massachusetts and Rhode Island as local stories for Hartford.

This definition of "local" is so broad as to make its application highly questionable. It even violates the FCC's own definition of local (as I explain below). The effect, though, of this broad definition is to render any analysis based on this conception unsustainable. Specifically, given this definition, almost any story would be considered "local". Not surprisingly, using this definition, Study 6 finds a high proportion of "local content" on the newscasts among the stations that were examined.

My definition of a local story is based on that used by the FCC in its examination of media consolidation and localism and previous research. The FCC researchers determined the definition of localism, in part, by the delineation of Designated Market Areas (DMA) by Nielsen Media Research. In a letter dated April 3, 2003 to the FCC, Nielsen Media Research offered the following explanation for the construction of DMAs: "In designing the DMA regions, Nielsen Media Research uses proprietary criteria, testing methodologies and data to partition regions of the United States into geographically distinct television viewing areas, and then expresses them in unique, carefully defined regions that are meaningful to the specific business we conduct" (as cited in Alexander and Brown, p. 4).

The FCC researchers established necessary and sufficient conditions for localism. The "necessary" condition for localism was that the story had to

take place within the DMA. That is, the area that was bounded by the geography of the television market. The "sufficient" condition concerned the news stories themselves. When was a story broadcast by a station in a DMA considered a "local" story? The decision rule used by the FCC researchers and adopted in this analysis stipulated that the story was "local" if the story was of at least marginally greater importance to the average individual residing within the DMA and that the individual would identify the story as local. "Thus, it is the value of the story to the individual within the DMA, and that individual's perception of the story as local relative to individuals in other DMAs, that gives the story its 'sufficient' local context" (Alexander and Brown, p. 5). Therefore, to make it clear, this research used a definition of "local" that meets the FCC's conception of the term.

Let us take an example. A story about the New York Stock Exchange and its effect on the economy that was broadcast in the New York DMA would necessarily interest persons in that television market whose professional activity was tied to the stock market. However, the average individual in the New York television market would likely view that story as a national issue. Therefore, we would code the story as national rather than local. For the most part, the local versus non-local nature of the story was relatively straightforward. However, in the cases where there was a question regarding that specification, my approach was to consider the story as a local issue first. That is, the coding of local versus non-local gave the benefit of the doubt to a specification as a local story. The result was that the distribution of the stories along the local/non-local dimension cast the widest net possible to include local stories.

Total News, Sports and Weather segments: Study 6 used specifications regarding the amount of total news on a broadcast and the consideration of the sports and weather segments that are inconsistent with the professional literature regarding the composition of local television newscasts. The study states:

Local stations broadcast approximately 26 minutes of total news coverage, with about 80% of this time devoted to local stories. However, a fair amount of local news is devoted to sports and

weather. Local news, excluding sports and weather, accounts for a little less than half (46%) of the total news time (Milyo, 2007, p.16).

Let us take the claim that a 30-minute newscast contains 26 minutes of total news. According to the professional literature regarding the construction of a newscast, that claim cannot be justified. In his *Winning with the News Media*, Clarence Jones calls local television news the 17-minute newscast. He states:

Time is absolute, and it is precious. After you subtract commercials, weather, sports, good evening and good-bye, a 30-minute local TV newscast is only about 17 minutes of news. Most stories will run 30 seconds, or less. A few will have the luxury of a full minute. For a major story — 90 seconds. Half-hour network newscasts contain about 22 minutes of news. They don't have weather and sports segments" (Jones, 2004, p. 345).

By this calculus, the claim of a 26-minute portion of a newscast devoted to news is virtually impossible. Further, in Jones' characterization of the components of the newscast, he specifically separates the sports and weather segments from the news component. That characterization of the separation of the components of a local newscast is consistent with other authors.

The typical ½ -hour local newscast allocates a relatively fixed amount of time to local (and sometimes national) "hard" news, commercial breaks, sports, weather and perhaps a feature story (Donald & Spann, 2000, p. 282).

The professional literature regarding the construction of a newscast recognizes that the sports and weather segments are structural features of the broadcast. They are always included in the newscast and, as a result, they are not subject to the news selection calculus that is applied to all other stories. They are always "in" the broadcast. And, even within the segments, the "in-or-out" decision model is less stark than that with the general news outside of the segments. In general, the sports segments on local television news deal with the day's scores or activities of whatever sport is in season and not with in-depth sports reporting.

As for the weather segment, it is, by definition, prescribed. The weather reporter necessarily includes whatever information he/she gets

from the weather service and it is truly local or it would have no meaning for the viewer. It seems nonsensical to claim the weather report as part of the local content of a newscast in relation to the notion of localism.

Study 6 conducted analysis of local content in which the sports and weather segments were both included and excluded. However, Study 6 states that the inclusion of the sports and weather segments is "the preferred definition of local news" (Milyo, 2007, p.5). The inclusion and exclusion of these segments significantly affected the findings. Including sport and weather, Study 6 asserted that 80% of news time was devoted to local news; excluding the two segments, the proportion of news time used for local news decreased to 46% (Milyo, 2007). That is a significant difference.

In this research, the sports and weather segments were *not* included in the analysis to determine the proportion of total news and local news on the broadcasts. However, sports and weather stories that were presented outside of those segments were coded as news. For example, a story regarding the effects of flooding that was broadcast outside of the weather segment was coded as a news story. Likewise, a sports story concerning the level of steroid use in professional baseball that was presented outside of the sports segment was also coded as a news story.

*DMA as unit of analysis:* Study 6 focused on the individual television station as the unit of analysis. However, the policies of the FCC regarding media regulation, while they are directed at media entities, have their effect on the overall television market. All of the FCC's language regarding media policy is directed at the effect of the agency's actions on the local media market. As I stated, the FCC regulates the broadcast industry based on three principles---diversity, competition and localism. Each of those terms has practical meaning only within the context of the local television market. The language of the Order that lifted the cross-ownership ban makes it clear that the FCC is concerned with the conditions in the DMA. When ruling on cross-ownership applications, the FCC will consider:

(1) whether the cross-ownership will increase the amount of local news disseminated through the affected media outlets in the combination; (2) whether each affected media outlet in the combination will exercise its own independent news judgment; (3) the level of concentration in the Nielsen DMA; and (4) the financial condition of the newspaper or broadcast outlet, and if the newspaper or broadcast station is in financial distress, the proposed owner's commitment to invest significantly in newsroom operations (Federal Communications Commission, 2007).

These factors refer to the television market, therefore, this research employs the DMA as the appropriate unit of analysis.

# Methodology

The purpose of this study was to examine the amount of total news and the extent of local content on locally produced newscasts and to examine what effect, if any, media cross-ownership had on that content. To conduct that analysis, I focused on the individual stories that comprised the newscasts. The basic methodology for this research was content analysis (Riffe, Lacey & Fico, 2005; Krippendorf, 1980). It is a method that produces a systematic and objective description of information content. The analytical method used in this research was multiple regression. The specification of the independent and dependent variables in the regression equation are specified later in this paper.

Sample: The sample for this study was derived from the raw content that was used for Study 6. Specifically, after some period of negotiation, the FCC provided the Consumer Federation of America with copies of the Study 6 broadcasts on DVD that were then transferred to me for coding and content analysis. The sample included the local television news broadcasts of multiple stations in each of the 27 DMAs with a cross-owned station in November 2006. No DMAs without cross-owned stations were included in the database. The markets that were included in the database accounted for over 30 percent of the television households in the U.S. (Table 1).

Specifically, the sample included the local newscasts of November 1, 3, and 6, the Wednesday, Friday and Monday immediately before Election Day, 2006 (Tuesday, November 7). This study examined the broadcasts of 104 stations, 75 of which were not cross-owned and 29 of which were cross-owned (Table 2). However, some of the DVDs that were delivered by the

FCC were unreadable and/or contained only partial broadcasts. As a result, we could not examine thirteen broadcasts out of the 312 that Study 6 used. Three of the thirteen broadcasts that were missing were broadcast by station WKPT (not cross-owned) in the Tri-Cities DMA. Therefore, that station was not included in the sample for this research. The remaining ten missing broadcasts were random occurrences and did not diminish the number of stations for which we had data. We examined 299 broadcasts, 230 of which were 30-minute newscasts and 69 of which were 60-minute newscasts.

In addition, the DVDs that were sent to us by the FCC contained the broadcasts of station WMAQ in Chicago. This station was not cross-owned and it was not included in Study 6. The broadcasts for WMAQ were included in the sample for this research. In order to ensure that WMAQ's presence in the database did not unduly affect the findings, analyses were run with and without WMAQ's broadcasts included in the data. There was virtually no difference in the findings and the broadcasts were included. Therefore, both Study 6 and this research examined the broadcasts of 104 stations, 103 of which were the same stations and, except for the caveat noted above, the same broadcasts.

Table 1: Distribution of DMAs, DMA Rank & TV Households

DMA	DMA Rank*	# TV households	% of U.S. audience in DMA
New York	1	7,375,530	6.6
Los Angeles	2	5,536,430	5.0
Chicago	3	3,430,790	3.1
Dallas	6	2,336,140	2.1
Atlanta	9	2,097,220	1.9
Tampa	12	1,710,400	1.5
Phoenix	13	1,660,430	1.5
Miami	16	1,522,960	1.4
Hartford	28	1,013,350	0.9
Columbus, OH	32	890,770	0.8
Cincinnati	33	880,190	0.8
Milwaukee	34	880,390	0.8
Salt Lake City	35	810,830	0.7
Dayton	58	513,610	0.5
Spokane	77	389,630	0.3
Paducah	80	383,330	0.3
South Bend	88	333,190	0.3
Cedar Rapids	89	331,480	0.3
Tri-Cities, TN-VA	92	323,690	0.3
Baton Rouge	93	305,810	0.3
Waco	95	310,960	0.3
Youngstown	103	276,720	0.2
Myrtle Beach	107	265,770	0.2
Fargo	119	234,190	0.2
Columbus, GA	128	205,300	0.2
Panama City	156	136,450	0.1
Quincy, IL	171	103,890	0.1
Total		34,259,450	30.7

Source: Nielsen Media Research. The total number of television households in the U.S. in 2006 was 111,400,000. \*Rank is determined by the number of television households in the market.

Table 2: Distribution of Stations in the DMAs

DMA#	DMA	Cross-owned stations (owner)	Non-cross owned stations
1	New York	WOR, WNYW (New York ost); WPIX (Newsday)  WABC, WCBS, WNBC	
2	Los Angeles	KTLA (Los Angeles Times)	KABC, KCBS, KNBC, KTTV
3	Chicago	WGN (Chicago Tribune)	WBBM, WFLD, WLS, WMAQ
6	Dallas	WFAA (Dallas Morning News)	KDAF, KDFW, KTVT, KXAS
9	Atlanta	WSB (Atlanta Journal Constitution)	WAGA, WGCL, WXIA
12	Tampa	WFLA (Tampa Tribune)	WFTS, WTSP, WTVT
13	Phoenix	KPNX (Arizona Republic)	KNXV, KPHO, KSAZ
16	Miami	WSFL (Sun Sentinel)	WFOR, WPLG, WSVN, WTVJ
28	Hartford	WTIC (Hartford Courant)	WFSB, WTNH, WVIT
32	Columbus, OH	WBNS (Columbus Dispatch)	WCMH, WSYX, WTTE, WWHO
33	Cincinnati	WCPO (Cincinnati Post)	WKRC, WLWT, WXIX
34	Milwaukee	WTMJ (Milwaukee Sentinel Journal)	WDJT, WISN, WITI
35	Salt Lake City	KSL (Desert News)	KSTU, KTVX, KUTV
58	Dayton, OH	WHIO (Dayton Daily News)	WDTN, WKEF, WRGT
77	Spokane	KHQ (Spokeman-Review)	KAYU, KREM, KXLY
80	Paducah, KY	WPSD (Paducah Sun)	KFVS, WSIL
88	South Bend, IN	WSBT (South Bend Tribune)	WNDU, WSJV
89	Cedar Rapids, IA	KCRG (Cedar Rapids Gazette)	KFXA, KGAN, KWWL
92	Tri-Cities, TN-VA	WJHL (Bristol Herald Courier)	WCYB, WEMT
93	Baton Rouge	WBRZ (Morning Advocate)	WAFB
95	Waco, TX	KCEN (Temple Daily Telegram & Kileen Herald)	KWTX, KXXV
103	Youngstown, OH	WFMJ (Vindicator)	WKBN, WYFX, WYTV
107	Myrtle Beach	WBTW (Morning News)	WFXB, WPDE
119	Fargo	WDAY (Forum)	KVLY, KVRR, KXJB
128	Columbus, GA	WRBL (Opelika-Auburn News)	WTVM, WXTX
156	Panama City, FL	WMBB (Jackson County Floridian)	WJHG, WTVY
171	Quincy, IL	WGEM (Quincy-Herald Whig)	KHQA

Study 6 explained that the choice of this sample of broadcasts was based on the expectation to "observe local news during a particularly focal and salient time period" (Milyo, 2007, p. 8) and that the approach departed "from the common practice of content analysis that examines a 'constructed

week' (e.g., Monday of one week, Tuesday from another and so on) in order to minimize the influence of any particular news event in a given week" (Milyo, 2007, p. 8)<sup>2</sup>. Therefore, as the peer reviews stated, the sample that was used in Study 6 was not representative of the broadcast of local television stations throughout other periods of the year. In fact, the methodology used in Study 6 would overstate the quantity of election stories because studies indicate that the amount of election coverage increases in the last days of the campaign (Fowler, et. al, 2007). The coding of the broadcasts was accomplished by four research assistants of the Local Television News Media Project at the University of Delaware. In order to assure inter-coder reliability, there were weekly meetings throughout the coding process to resolve any coding questions that may have arisen. Tests for inter-coder reliability for the local/non-local variable yielded a rating of 100 percent. Tests for inter-coder reliability yielded a rating above 95 percent for all other variables.

Stories: The Unit of Observation: The unit of observation was the individual story that was shown on the newscast. The 299 broadcasts from the twenty-seven markets yielded 5,372 separate stories, excluding the sports and weather segments. Crime stories accounted for a significant proportion of broadcast time (27%) and that was consistent with previous research (Yanich, 2004). The public issues category (containing all public issues such housing, education, environment, health, etc., except crime) occupied 29 percent of broadcast time. Across the newscasts, stories about government and the election were 23 percent of broadcast time. Fires, disasters and accidents occupied just under 9 percent of broadcast time. The other category (human interest, entertainment, etc.) accounted for about 12 percent of broadcast time.

٠

<sup>&</sup>lt;sup>2</sup> Study 6 notes: Nevertheless, an important caveat to keep in mind is that the behavior of local news stations may not be the same during the week just prior to the general elections compared to other times of the year. For example, the temptation and means to slant the news may be particularly abundant during this period. On the other hand, the viewing public may be particularly sensitized to any slant in election coverage, which in turn may serve to deter such behavior. Consequently, the findings of this study may not be representative of differences in local news coverage by cross-ownership throughout the rest of the year. Even so, this study does investigate the presence and extent of such differences during a particularly important period, when local and unbiased news content should be especially valuable and salient for the viewing audience. p. 9.

#### How Much News? News Content & Television Markets

A primary question regarding local news broadcasts was how much time was devoted to news. In a 30-minute newscast the conventional wisdom is that 22.5 minutes of the broadcast is available for news. The other 7.5 minutes is devoted to commercials. For 60-minute broadcasts, the conventional wisdom identifies about 45 minutes that is available for news with the remaining 15 minutes devoted to commercials, lead-in, etc. As I stated earlier, in this research, everyday weather and sports segments of the newscasts were not included in the analysis because they were structural features of the broadcast. Their inclusion in the newscast was a foregone conclusion and they were not subject to the zero-sum game of news selection. The segments may have been shorter or longer across the broadcasts, but the segments were not treated as separate news stories in the broadcasts.

Given these attributes, it was possible to determine the amount of time that the broadcasts devoted to news by subtracting the combined time applied to the sports and weather segments from the 22.5 minutes (for 30minute broadcasts and 45 minutes for 60-minute broadcasts) available for news selection. The remaining time after that subtraction for each broadcast rendered the amount of time utilized for total news. It was specified as a proportion of the 22.5 minutes that was available for news. For example, if the sports and weather segments combined accounted for five minutes of the broadcast time, the amount of time left for total news was 17.5 minutes. Therefore, the proportion of total news in the broadcast was 77.7 percent (17.5/22.5). This was an important distinction because, outside of the sports and weather segments, the zero-sum news selection process was carried out in earnest. That is, if one story was in, another story was out. And that played out across all types of stories, from crime to human interest stories. This same calculus was used for 60-minute newscasts with the exception that 45 minutes was used as the denominator rather than 22.5 minutes.

Once the amount of total news was calculated for a broadcast, the question was what proportion of that news was dedicated to local stories. The amount of local news on the broadcasts was specified as the amount of

time devoted to local stories out of the amount of time allotted to total news. It was specified as a proportion. Continuing the previous example, it means that if there were 17.5 minutes of total news on the broadcast and 13 minutes of that time were devoted to local stories, the proportion of local news on the broadcast was 74.2 percent (13/17.5) In short, the denominator for calculating the proportion of total news for a 30-minute broadcast was always 22.5 (the amount of time available to a 30-minute newscast absent the time allotted for commercials). Of course, that denominator was 45 minutes for a 60-minute newscast. The denominator for calculating the proportion of local news changed within each broadcast to reflect the amount of time that each broadcast devoted to total news.

Although the sports and weather segments of the newscasts were not defined as news, these types of stories were included in news content when they were presented outside of the sports and weather segments as independent stories. For example, as previously stated, a sports story about steroid use among professional athletes that was reported outside of the sports segment was included as news. Likewise, a weather story that covered the effect of a storm that was reported outside of the weather segment was also counted as news.

Total news for the DMA: Given that the unit of analysis for this research was the DMA, it was necessary to determine the total amount of news and the amount of local news that were possible for the entire television market. The first step in that process was to calculate the total amount of time that was available for news across all of the broadcasts that occurred in the DMA. That was accomplished by specifying the total number of 30-minute and 60-minute broadcasts that were recorded in each DMA. Then the total number of possible news minutes was calculated by multiplying the appropriate number of minutes that were available on each type of broadcast by the number of those broadcasts in the DMA. For example, the Atlanta DMA had nine 30-minute broadcasts and three 60-minute broadcasts. Therefore, the total amount of possible news in the DMA was 337.5 minutes (9 broadcasts X 22.5 minutes=202.5 minutes and 3 broadcasts X 45 minutes=135 minutes). In the Atlanta DMA, the amount of

time devoted to the sports and weather segments was 141.75 minutes. As a result, the remaining 195.75 minutes was devoted to total news. Therefore, in the Atlanta DMA, 58 percent of the amount of possible news was devoted to total news (195.75/337.5). By this method, I was able to specify the total amount of news that was broadcast in each DMA.

Local news for the DMA: Once the amount of total news was calculated for a DMA, the question was what proportion of that news was dedicated to local stories. The amount of local news in the DMA was specified as the amount of time devoted to local stories out of the amount of time allotted to total news. It was specified as a proportion. Using the Atlanta DMA again, the amount of total news that was broadcast in the market was 195.75 minutes. The amount of local content across those broadcasts occupied 142.9 minutes. Therefore, the proportion of local content in the Atlanta DMA was 73 percent (142.9/195.75). The proportion of total news and local news was derived in this manner for each DMA. The denominator for calculating the proportion of local news in a DMA changed within each DMA to reflect the amount of time that each market devoted to total news.

In short, the proportion of *local* news in the DMA was only a proportion of the *total* news that was presented in the market and the amount of total news in the market was only a proportion of the amount of *possible* news in the DMA. Therefore, the information in Table 3 should be read with that caveat in mind. The table is organized to present the DMAs in a descending order based on the proportion of *local* news that was broadcast in the market. By that reckoning, the Chicago DMA produced the highest proportion of local news (77%). However, that 77 percent was a proportion of the 59 percent of total news that was broadcast in the market (Table 3). Likewise, the Spokane DMA accounted for the lowest proportion of local news (45%) and a very low proportion (51%) of total news. The mean proportion across all DMAs for local news and total news was 65 and 53 percent, respectively. The differences in these proportions across the DMAs was statistically significant (p=.000).

When the stations in the DMAs broadcast local stories, they were significantly longer that non-local stories. Across all DMAs the average duration for a local story was 62 seconds, compared to 43 seconds for a non-local story (Table 3). However, there were significant differences among the DMAs. For example, the largest difference between the local/non-local average duration of stories was 38 seconds in Miami (Table 3). In contrast, that difference was only one second in the Tri-Cities, TV-VA market. In that DMA the average length of a local story (56 seconds) was lower than that across all DMAs (62 seconds) and, conversely, the average length of a non-local story (55 seconds) was significantly higher than non-local stories (43 seconds) across all DMAs (Table 3).

Table 3: Distribution of Local Content, Total News & Duration of Stories by DMA

DMA	% of broadcast time devoted to local content*	% of broadcast time devoted to news*	Mean duration** local stories*	Mean duration** non-local stories*
Chicago	77	59	75	47
Salt Lake City	77	69	75	42
Fargo	76	51	54	35
New York	73	66	70	53
Atlanta	73	58	64	39
Cincinnati	73	57	55	48
Columbus, GA	73	42	51	45
Columbus, OH	70	49	66	41
Miami	69	66	86	48
Baton Rouge	69	56	50	35
Dallas	67	61	62	40
Hartford	67	66	56	43
Youngstown, OH	67	40	52	36
Phoenix	66	64	64	28
Los Angeles	65	72	83	50
Cedar Rapids, IA	63	49	53	38
Waco	60	49	51	40
Quincy, IL	60	51	39	28
Tampa	59	50	72	53
Milwaukee	59	64	61	47
Panama City, FL	55	49	66	59

Tri-Cities, TN-VA	54	58	56	55
Myrtle Beach	53	57	64	51
Paducah, KY	51	49	51	49
South Bend, IN	50	52	52	39
Dayton, OH	48	51	57	52
Spokane, WA	45	51	33	24
All DMAs	65	53	62	43
*= Significant at p=.000. **=Reported in seconds.				

#### **News Content & DMA Characteristics**

The tables below report the findings of the analysis of the total amount of news content and the amount of local news content on the broadcasts in the DMAs. The dependent variables were specified in this research as: (1) the proportion of the broadcasts that was devoted to total news, and (2) the proportion of the broadcasts that were local in content. That is different from the dependent variables that were specified by Study 6 which utilized: (1) the total number of news seconds and (2) the total number of local news seconds as the dependent variables. Conceptually, however, the two sets of dependent variables are consistent. Each approach measures the amount of total news and the amount of local news on the newscasts. The dependent variables used in this research are expressed in standardized form as proportions. That standardization was developed because the distribution of 30-minute and 60-minute broadcasts and, therefore, the amount of possible broadcast time that was available varied across the DMAs. For example, as I indicated previously, the total amount of possible news in the Atlanta DMA was 337.5 minutes as the result of the broadcast of nine 30-minute and three 60-minute newscasts. By contrast, the broadcasts in the Spokane DMA consisted of twelve 30-minute newscasts and no 60-minute broadcasts. Therefore, the total amount of possible news time in that market was 270 minutes. Using the number of seconds as the dependent variable in this scenario would make it impossible to compare the amount of total and local news across DMAs. As a result, the amount of total news and local news content had to be calculated in a standardized form to make comparisons across DMAs possible. That was accomplished by stating the dependent

variables as proportions rather than the total amount of time (in seconds) devoted to total news or to local news.

The independent variables for this research were a set of market characteristics. They included: (1) the percentage of cross-owned television stations in the DMA; (2) the number of unique parent companies of commercial television stations in the DMA; (3) the number of unique parent companies of newspapers in the DMA; (4) the number of non-commercial television stations in the DMA; (5) the number of 30-minute newscasts that were broadcast in the DMA; (6) the percentage of the U.S. total of television households that were represented in the DMA and (7) the percentage of households in the DMA that were connected to the Internet.

All of the independent variables were examined for collinearity using the tolerance value and the variance inflation factor (VIF). None of the independent variables used in the model was collinear. These independent variables represent those factors that were statistically significant, not collinear and that provided the most explanatory power for the regression models.

#### How Much Total News?

The amount of total news in the DMAs was affected by the television market characteristics and those factors carried significant explanatory power, explaining 62 percent (R<sup>2</sup>=.622) of the variance in total news content (Table 4). Interpreting the statistically significant OLS results, three variables negatively affected the amount of total news in the DMA. Most significantly, for every one percent of cross-ownership of television stations in the market, there was a decrease in total news by just under .4 percent (.038). Similarly, the number of 30-minute broadcasts (-.013) and the size of the DMA (-.007), as measured by the percentage of U.S. television households in the DMA, negatively affected the amount of total news in the market.

Conversely, there were four variables that positively affected the amount of total news in the market. The percentage of Internet households in the DMA (.001), the number of newspaper parents in the DMA (.004), the number of non-commercial (.013) and commercial (.014) television stations in

the DMA all positively affected the amount of total news that was broadcast in the DMA. Although the amount of total news that was affected by these characteristics was quite small, there was a significant relationship among the dependent and independent variables.

Table 4: Relationship of Television Market Characteristics and Total News Content

Television Market Characteristic	OLS Regression Coefficient	t-statistic	
Percentage of cross-owned stations in DMA	038	-7.748*	
Number of 30-minute broadcasts in DMA	013	-26.297*	
Percentage of U.S. TV households in DMA	007	-7.913*	
Percentage of Internet households in DMA	.001	17.898*	
Number of newspaper parents in DMA	.004	10.544*	
Number of non-commercial TV stations in DMA	.013	18.658*	
Number of commercial TV station parents in DMA	.014	46.042*	
*=Significant at p=.000. $R^2$ =.622. # of observations=299 broadcasts			

#### How Much Local News?

The amount of local news that was presented on the newscasts was affected by the characteristics of the television markets. Again, as with the case of total news content, the size of the effect was not large, but the relationships were statistically significant, explaining just over 27 percent (R<sup>2</sup>=.271; p=.000) of the variance (Table 5). Consistent with the relationships for total news, three market characteristics negatively affected the amount of local news in the DMAs. The percentage of cross-owned stations in the DMA (-.136), the number of 30-minute newscasts in the DMA (-.012) and the size of the DMA (-.010) as measured by the percentage of U.S. television households in the DMA, all slightly decreased the amount of local content that was broadcast in the market (Table 5).

Alternatively, three variables were positively associated with the amount of local content: the number of commercial television station parents in the DMA (.003); the number of non-commercial television stations in the DMA (.006) and the number of newspaper parents in the DMA (.013). Consistent with the model for the amount of total news, the proportion of

local content that was affected by the variables was small. However, the relationship among the dependent and independent variables was statistically significant (p=.000).

Table 5: Relationship of Television Market Characteristics and Local Content

Television Market Characteristic	OLS Regression Coefficient	t-statistic	
Percentage of cross-owned stations in DMA	136	-18.242*	
Number of 30-minute broadcasts in DMA	012	-17.483*	
Percentage of U.S. TV households in DMA	010	-7.428*	
Number of commercial TV station parents in DMA	.003	6.429*	
Number of non-commercial TV stations in DMA	.006	5.78*	
Number of newspaper parents in DMA	.013	24.398*	
*=Significant at p=.000. $R^2$ =.271. # of observations=299 broadcasts			

#### Discussion

It is important to note that there was a consistent finding in this The variable that most clearly measured consolidation (the proportion of cross-owned stations) most strongly and negatively affected both the amount of total news and local news that was broadcast in the DMAs. Further, the prevalence of more 30-minute broadcasts (as opposed to 60-minute broadcasts) also diminished the amount of total and local news in the market. That makes sense, especially in light of the point made earlier in this paper regarding the broadcast industry's penchant for a 17-minute newscast (Jones, 2004, p. 345). Conversely, the factors which were positively associated with total and local news content also mitigated against consolidation. The number of unique newspaper parents, the number of unique commercial television station parents and the number of noncommercial television stations in the DMA all positively affected total and local news content. Each of those variables represents some measure of diversity in the television market. To be sure, the effect, both negatively and positively, of the variables in the models on total and local news content was small. But, the pattern was unmistakable.

#### Conclusion

The issue of the cross-ownership of television stations in local television markets has important political and economic implications. fact, the reason that there have been long-standing restrictions to such consolidation is the over-riding value that we place on the principle of many Indeed, the Federal Communication Commission's regulatory guiding principles of competition, diversity and localism are grounded in the belief that many voices are needed in a democracy. Consequently, any change in the ownership regime of television stations within a market must take those principles into account. When the FCC vacated the 32-year ban on cross-ownership in December 2007, it decided that none of those principles would be violated by such an action and it specifically accepted the conclusions of Study 6 that cross-ownership would positively affect the amount of local content in television markets. Even when the FCC acknowledged the critical peer reviews of Study 6, it categorically rejected the majority of the criticisms saying, in part, that different researchers will That is certainly true. But there are two approach an issue differently. aspects of Study 6 that the FCC accepted that bear some scrutiny beyond the "different approaches" axiom, e.g., the sample of broadcasts that was used for the analysis and the definition of "local".

One of the major foci of Study 6 was an examination of political slant. Therefore, the sample of broadcasts was drawn from three weekdays virtually immediately prior to the mid-term election on November 7, 2006. The logic of Study 6 suggested that political slant, to the extent it was present, would be more visible during the political season. By design, then, the sample drawn for Study 6 was not representative of the broadcasts of the stations throughout the year. That sample may have been acceptable to examine political slant (although one peer review questioned that assumption), but it was clearly not appropriate for the examination of the amount of local news on the stations and, by extension, in the DMAs. Study 6 acknowledged the data's unrepresentative nature, as stated previously in this paper. The FCC, however, specifically rejected the notion of unrepresentative data:

...because Study 6 represents one piece of evidence in a larger body of evidence. We accept that it may not represent the behavior of all news outlets all the time, but it does provide evidence consistent with overall trends and patterns for the period of time that it studies (Federal Communications Commission, 2007, p. 26).

What does that mean? That the FCC both accepts and rejects the argument that the sample is unrepresentative of the television news broadcasts? That is not the way the scientific method works. The methodology of any research must be measured against the research question that it is intended to answer. The sample of broadcasts drawn for Study 6 was, by design, unrepresentative of the broadcasts of the stations that were under scrutiny and the sample was not appropriate for the examination of local content.

Given the policy question that prompted the research, both for Study 6 and my examination, the definition of "local" was crucial. As mentioned previously in this paper, the definition of "local" in Study 6 was so broad as to render it meaningless, as the peer reviews pointed out. And it violated the FCC's formulation of the concept articulated in its internal studies of localism (Alexander and Brown, 2004). For example, the notion that any story broadcast in any DMA in a state about an event from another DMA in the same state would be a "local" story stretches reason. By this definition, as I mentioned previously, a Pittsburgh crime reported in Philadelphia becomes a local story. Defining "local" in this manner renders almost all stories as local. However, the FCC dismissed the difficulties with such a definition saying that the criticism:

...simply involves a judgment call on what to define as "local" news and we find that Study 6 made a reasonable judgment that may be disputed but that is not inherently incorrect (Federal Communications Commission, 2007, p. 26).

But, there is no inherently correct or incorrect definition of "local". The key feature is its "reasonableness". Is it reasonable to say that any local story in a state that is broadcast *anywhere* in the state is local *everywhere* in the state? Is it reasonable to say that any story broadcast in a DMA that crosses state boundaries that refers to an event in any of the states in the DMA is a local story? Apparently, the FCC said yes. And therein lay the rub.

The findings of this research were very different than those of Study 6. Specifically, I found that cross-ownership of television stations negatively affected the amount of total news and local news in the DMA. The effect was small, but it was statistically significant and that result obtained even in a sample of broadcasts that, by their very nature (immediately prior to an election), would compel stations to cover local campaign stories, thereby increasing the proportion of local stories due to the timing of the broadcasts. Of course, the sample of broadcasts was not representative of the stations' activity throughout the year. But, the purpose of this research was to subject the FCC study to a different methodological regimen and to compare the results. With respect, I submit that this research more accurately reflects the relationship between cross-ownership and the content on local television newscasts in television markets.

Neither Study 6 nor this research can be seen in a vacuum. Although the proportion of the public that regularly watched local television news declined to 52 percent in 2008, it is still a main source of news for Americans (Project for Excellence in Journalism, 2008). Given the state of the U.S. economy, in general, and the media system, in particular, there are increasing calls from the media industry and some policy makers that more ownership consolidation is required to stave off financial ruin. Frank Kalil of Kalil & Co., a leading station broker was clear in his language.

We need duopoly. We need consolidation. There's no question about that. There are a lot of things that we can save money on in the industry by combining properties in a given market (Lafayette & Krukowski, 2009).

But Barry Baker, managing director of Boston Ventures, which owns and operates several stations in smaller markets, wants to go much further than increasing duopolies.

I think ultimately there should be a move to an agency system, where stations just say we're sharing news, we're sharing back office, we are sharing everything, otherwise we can't be in business, and hopefully the new FCC will say, 'You know what, they won't be in business so we might have less editorial voices in local news, but at least we'll have three separate sets of anchors (Lafayette & Krukowski, 2009).

Baker's stipulation that three sets of anchors is an acceptable substitute for diverse voices in the market is absurd and laughable, but it indicates the depth to which media investors do not understand the public interest requirements of the licenses that they hold.

In some measure, the concentration that they seek is already occurring, even without a relaxation of ownership rules. Joint service agreements (in which local stations in a DMA agree to share video and other services) abound. In March 2009 in Syracuse, NY (DMA 81) and Peoria, IL (DMA 116) each community lost one of its local television news outlets within the same business deal when Barrington Broadcasting and Granite Broadcasting decided to merge their operations in both markets due to financial woes. Technically, all four stations will continue to broadcast news, "but, in fact two stations, WTVH and WHOI, have ceased to exist as independent journalistic enterprises" (Jessell, H. 2009). WTVH and WHOI lost their news staffs.

Further, station owners skirt the duopoly rules by entering into Local Management Agreements (LMA's) in which one station virtually runs another station providing news content and other services. In most instances in which the brokered station's news broadcast was taken over by the brokering station, the former station suffered significant losses. Such was the case in Philadelphia in December 2005 when station WPHL's 10PM newscast was replaced by their affiliated station WCAU (NBC affiliate channel 10). The newscast was renamed "WB 17 News at 10 Powered by NBC 10". The entire news and production staff at WPHL was fired. The de-facto consolidation continues as almost 200 television stations report that they acquire their news content from other stations (Rapper, 2009).

This most recent restructuring prompted by calls for cost-cutting comes when the majority of stations are still profitable business enterprises. Between 1999 and 2008, the average yearly proportion of television stations that showed a profit was 55.3 percent with another 12 percent reporting that they broke even (Rapper, 2009). This is not to say that media firms, local television stations included, are not experiencing economic challenges. However, there is a context in which that must be viewed. "The companies

still make plenty, of course, but not as much as they once did. For publicly-traded businesses accustomed to a 40 percent profit margin, 20 percent seems paltry---especially to Wall Street" (Potter, 2008).

Depending on the parties, the discussion of the consolidation of media ownership, whether through cross-ownership arrangements, duopolies or local management agreements, takes place either within the context of information as commodity or within the context of information as a necessary condition for informed citizens. Each applies very different recommendations for what public policy should accomplish. In the first instance, public policy should simply facilitate the operation of the market system in order to distribute information across a set of consumers. In the second instance, public policy should diligently protect the public interest through a reasonable regulation of that market. Further, there is the position that any broadcast regulation has a chilling effect on content (Weare, Levi & Raphael, 2001). The broadcast media industry, in which media owners are increasingly firms that have no experience with journalism, insists that it can produce news more efficiently if it could just own more "platforms" on which to present that news. That is probably true. However, media reformers (and I count myself among them) argue that news is not just another commodity in the marketplace and the means of its production should be carefully considered to preserve the informational needs of citizens (Baker, 2007; McChesney, 2004) . Whatever the context, sound policy research is an essential ingredient in the discussion. This research was offered to add some clarity to that endeavor.

#### References

- 1. Alexander, P. J., & Brown, K. (2004). *Do local owners deliver more localism? Some evidence from local broadcast news.* Working Paper, Federal Communications Commission, Washington, D.C.
- 2. Baker, C.E. (2007). *Media concentration and democracy: why ownership matters*. New York: Cambridge University Press.
- 3. Butler, J. (2007). *Television: critical methods and applications, 3rd edition*. London: Routledge.
- 4. Cooper, M. (2003). *Abracadabra! hocus-pocus! making media market power disappear with the FCC's diversity index*. Consumers Federation of America. [available at <a href="http://cyberlaw.stanford.edu/blogs/cooper/archives/mediabooke.pdf">http://cyberlaw.stanford.edu/blogs/cooper/archives/mediabooke.pdf</a>] (on file with the American University Law Review).
- 5. Donald, R. & Spann, T. (2000). *The fundamentals of television production*. Hoboken, NJ: Wiley-Blackwell.
- 6. Federal Communications Commission. (2007). *Quadrennial review and order, FCC* 07-216. Federal Communications Commission: Washington, D.C.
- 7. Federal Communications Commission. (2006). Quadrennial regulatory review —review of the commission's broadcast ownership rules and other rules adopted pursuant to section 202 of the telecommunications act of 1996, further notice of proposed rule making, mb docket Nos. 06-121, 02-277, mm docket Nos. 01-235, 01-317, 00-244, 21 fcc rcd 8834 (2006). Federal Communications Commission: Washington, D.C.
- 8. Federal Communications Commission. (2003). *Biennial review order, FCC 03-127*. Federal Communications Commission: Washington, D.C.
- 9. Fowler, E., Goldstein, K., Hale, M. & Kaplan, M. (2007). "Does local news measure up?", Stanford Law & Policy Review, 18:2.
- 10.Gentzkow, M. (2007). *Peer review evaluation, FCC media ownership study #6 news coverage of cross-owned newspapers and television stations.* [Available at: http://www.fcc.gov/mb/peer\_review/prstudy6a.pdf], accessed April 2, 2009.
- 11. Goldstein, K. and Kaplan, M. (2007). *Invited peer review of FCC media ownership study 6, the effects of cross-ownership on the local content and political slant of local television news, MBDocket No. 06-121.* [Available at http://www.fcc.gov/mb/peer\_review/prstudy6a.pdf], accessed April 2, 2009.
- 12. Higgins, Carey L. and Sussman, G. (2007). "Plugola: news for profit, entertainment and network consolidation" in *Urban communication: production, text, context*. Gibson, T.A. & Lowes, M (eds). Rowman & Littlefield: Lanham, MD.

- 13. Jessell, H. (2009). *TV news: it doesn't play in Peoria*. TVNewsday. [Available at: http://www.tvnewsday.com/articles/2009/03/06/daily.7], accessed March 6, 2009.
- 14. Jones, C. (2004). Winning with the news media: a self defense manual when you're the story, 8th edition. Winning News Media, Inc. [Available at <a href="http://www.winning-newsmedia.com/newscast.htm">http://www.winning-newsmedia.com/newscast.htm</a>], accessed March 23, 2009. p. 345.
- 15. Lafayette, J. & Krukowski, A. (2009). *Stations in the balance*. TV Week.com. [Available at: http://www.tvweek.com/news/2009/03/stations\_in\_the\_balance.php], accessed March 3, 2009.
- 16. Klinenberg, E. (2007). *Fighting for air: the battle to control America's media*. Macmillan: New York.
- 17. Krippendorf, K. (1980). Content analysis. Sage: Beverly Hills, CA.
- 18. McChesney, R. (2004). *The problem of the media: U.S. communication politics in the 21st century.* New York: Monthly Review Press.
- 19. Milyo, J. (2007). *The effects of cross-ownership on the local content and political slant of local television news.* Federal Communications Commission, Study No. 6: Washington, DC.
- 20. Napoli, P. (2004). The localism principle in communications policymaking: An annotated bibliography. The Donald McGannon Communication Research Center, Fordham University.
- 21. Potter, D. (2008). "The perfect storm: broadcasters face a gloomy outlook". RTNDA Communicator Magazine, May-June 2008. [Available at: <a href="http://www.newslab.org/articles/broadcasteconomy.htm">http://www.newslab.org/articles/broadcasteconomy.htm</a>], accessed May 5, 2009.
- Project for Excellence in Journalism. (2008). The state of the media 2009. Project for Excellence in Journalism: Washington, D.C. [Available at: <a href="http://www.stateofthemedia.org/2009/index.htm">http://www.stateofthemedia.org/2009/index.htm</a>], accessed May 5, 2009.
- 23. Prometheus Radio Project v. Federal Communications Commission, 373 F.3d 372 (3r Cir. 2004).
- 24. Rapper, B. (2009). *The real story of tv news staffing and other numbers for tv and radio in 2008*. RTNDA/Hofstra University Survey-2008. Available at: http://www.rtnda.org/pages/media\_items/about-news-staffing-and-profitability492.php?id=492], accessed April 27, 2009.
- 25. Riffe, D., Lacey, S. & Fico, F. (2005). *Analyzing Media Messages, Second Edition*. Mahwah, NJ: Lawrence Erlbaum Associates.

- 26. Scott, B. (2004). "The politics and policy of media ownership", *American University Law Review*, Vol. 53, N. 3, pp. 645-677.
- 27. Weare, C., Levi, T. & Raphael, J. (2001). "Media convergence and the chilling effect of broadcast licensing". *The Harvard International Journal of Press/Politics*, V. 6., N. 47. pp. 47-67.
- 28. Yanich, D. (2004). "Crime creep: urban and suburban crime on local tv news". *Journal of Urban Affairs*, V. 26, N. 5, pp. 535-563.
- 29. Yanich, D. (2007). *Does ownership matter? content, localism & ownership on local television news.* Paper presented at Telecommunication Policy Research Conference, Sept 2007 and available at the website of the Media Research Hub of the Social Science Research Council.
- 30. Yanich, D. (2008). *Does ownership matter? localism, content & the FCC.* Paper presented at the annual conference of the International Communications Association, Chicago, May 2009 that represents an expanded analysis and database from the 2007 study.

# University of Delaware NONDISCRIMINATORY STATEMENT

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER. The University of Delaware is committed to assuring equal opportunity to all persons and does not discriminate on the basis of race, color, gender, religion, ancestry, national origin, sexual orientation, veteran status, age, or disability in its educational programs, activities, admissions, or employment practices as required by Title IX of the Education Amendments of 1972, Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans with Disabilities Act, other applicable statutes, and University policy. Inquiries concerning these statutes and information regarding campus accessibility should be referred to the Affirmative Action Officer, 305 Hullihen Hall, 302/831-2835 (voice), 302/831-4552 (TDD).

