



June 10, 2014

Hon. Greg Walden, Chairman  
2182 Rayburn House Office Building  
Washington, DC 20515

Hon. Anna Eshoo, Ranking Member  
241 Cannon Building  
Washington, DC 20515

Re: *Media Ownership in the 21<sup>st</sup> Century*

Dear Chairman Walden and Ranking Member Eshoo,

The low level of diverse and female broadcast ownership in the United States poses policy makers with several troubling problems. According to the Federal Communication Commission's (FCC) 2012 *Report on Ownership of Commercial Broadcast Stations*, although women account up more than half of the US population they account for less than 8% of total broadcast ownership, mostly in low-power TV and AM radio, which have more limited audiences than FM and full-power stations.<sup>1</sup> Similarly, Hispanic/Latino ownership accounted for slightly more than 4%,<sup>2</sup> and Black/African American ownership for less than 2%,<sup>3</sup> in spite of the fact that these segments account for 16 and 13 percent of the total population, respectively.<sup>4</sup>

On their own, these statistics are dire, but they are all the more disturbing given their implications for the future of democracy. Indeed, providing for an informed electorate is a core public interest goal.

The consolidation of ownership away from local and diverse viewpoints reduces the number of voices that are heard and contributes to homogenization of content. However, local and diversely owned media, as well as competition among media outlets, increase both the number of voices heard and the quality of information available to the public.

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<sup>1</sup> FCC *Report on Ownership of Commercial Broadcast Systems*, 3 (2012).

<sup>2</sup> *Id.* at 3-4

<sup>3</sup> *Id.* at 4.

<sup>4</sup> U.S. Census Bureau, Press Release, 2010 Census Shows America's Diversity, *available at* [http://www.census.gov/newsroom/releases/archives/2010\\_census/cb11-cn125.html](http://www.census.gov/newsroom/releases/archives/2010_census/cb11-cn125.html).

Local media's community ties not only ground them in their local markets, but also make them more likely to report on stories of local, as opposed to regional or national interest.<sup>5</sup> Thus, they are more responsive to local issues, and more likely to devote the resources to investigate stories of local corruption, cover local events, and pursue local angles that regional and national media might miss.<sup>6</sup> They also fill other critical information needs, such as polling locations or calls to action, fostering citizen engagement, and, of course emergency communications.<sup>7</sup> The National Bureau of Economic Research found that Hispanic voter turnout was 5-10% higher in locations with access to local news in Spanish compared to those that do not.<sup>8</sup>

Similarly, diverse ownership of media encourages public access to a variety of perspectives.<sup>9</sup> It encourages reporters to tell stories that might not otherwise be told, and provides citizens of diverse backgrounds with sources that reflect their interests and views.<sup>10</sup> For example, in the wake of Hurricane Katrina, Asian media sources covered the impact on displaced Korean and Vietnamese families, and Black/African American media outlets raised awareness of class disparities in the storm's impact and questioned how race impacted planning and response.<sup>11</sup> This increase in the number and diversity of stories provides citizens with a broader, richer information base on which to make decisions, and can help diverse citizens feel that their perspectives matter. Furthermore, in a 2001 study, the National Bureau of Economic Research found that minorities were more likely to vote when they had access to media outlets reflecting their perspectives.<sup>12</sup> This is precisely the type of increased engagement and involvement that §257 seeks to promote by increasing the diversity of voices in the media.

In addition, increased competition for stories leads to coverage of otherwise unreported stories, as journalists and media outlets vie for the next big story to catch the eyes of readers and viewers. This drives investment in newsgathering and reporting, which

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<sup>5</sup> *How People Learn About Their Local Community: The Role of Newspapers*, Journalism.org (Sept. 26, 2011), <http://commcns.org/VrxIGm>.

<sup>6</sup> Marion Just, Ann Crigler & Tami Buhr, *Voice, Substance, and Cynicism in Presidential Campaign Media*, 16 POL. COMM. 25 (1999).

<sup>7</sup> Patricia Moy et. al, *Political Correlates of Local News Media Use*, 54 J. OF COMM. 532, 536 (2005); Philip M. Napoli, *Access and Fundamental Principles in Communication Policy*, 2002 L. REV. MICH. ST. U. DET. C.L. 797, 801.

<sup>8</sup> Felix Oberholzer-Gee and Joel Waldfogel, *Media Markets and Localism: does Local News en Espa* [http://www.researchgate.net/publication/227354257\\_Media\\_Markets\\_and\\_Localism\\_Does\\_Local\\_News\\_en\\_Espanol\\_Boost\\_Hispanic\\_Voter\\_Turnout/file/3deec524ea5a5f0a3c.pdf](http://www.researchgate.net/publication/227354257_Media_Markets_and_Localism_Does_Local_News_en_Espanol_Boost_Hispanic_Voter_Turnout/file/3deec524ea5a5f0a3c.pdf).

<sup>9</sup> For examples of the increased number of perspectives from diverse or minority media, see LaVonda N. Reed-Huff, *Radio Regulation: The Effect of A Pro-Localism Agenda on Black Radio*, 12 WASH. & LEE J. CIVIL RTS. & SOC. JUST. 97 (2006).

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 102.

<sup>12</sup> Felix Oberholzer-Gee and Joel Waldfogel, *Electoral Acceleration: The Effect of Minority Population on Minority Voter Turnout*, NBER Working Paper no. 8252, 3-4, available at <http://www.nber.org/papers/w8252.pdf>.

improves the amount and quality of information flowing through to readers and viewers.<sup>13</sup> As noted by Gentzkow and Shapiro, media outlets that compete for stories must establish a reputation for accurate and interesting news stories.<sup>14</sup> They risk damaging their reputation if they let a story go uncovered and their competitors cover it, but they can gain reputation by breaking stories of their own.<sup>15</sup> Conversely, excessive consolidation and cross-ownership limit this information flow and limit the avenues citizens can use to inform themselves about current issues.<sup>16</sup> Furthermore, the value of this competition also exists across media. As the Newspaper Association of America itself has noted, removing the cross-ownership rules would lead to “efficiencies in their news operations.”<sup>17</sup> The Association, as such, implicitly concedes newsroom layoffs, which undoubtedly harm quality and quantity of newsgathering.

For the coming Quadrennial Review, the FCC should focus on understanding the impact of its current rules, and evaluating the impact of any changes it is considering in light of *Prometheus II* and its obligations under §257 of the Communications Act. The court in *Prometheus II* clearly understood the importance of diverse viewpoints in the media when it required the FCC to take into consideration the impact that its rule changes would have on ownership opportunities for women and minorities. The FCC’s existing data-collection efforts need to be bolstered to provide the data necessary to make meaningful *Prometheus II* and §257 entry-barrier determinations, and must be supplemented in the 2014 review. The long-delayed Adarand studies cry out for updating.

The FCC acted correctly in moving to attribute some Joint Sales Agreements (JSAs). The Commission’s March decision serves to promote an informed public because it helps open up more avenues for diverse and local ownership. By attributing the JSAs, the FCC takes into account the fact that such sharing agreements reduce competition and serve to elide important and hard won public interest rules. The unwinding of noncompliant JSAs presents an important opportunity for new, diverse, female, and local ownership. However, the FCC should take the next step by moving to reform Shared Services Agreements (SSAs) and other “sidecar” deals that serve to skirt agency rules. The FCC should evaluate SSAs and determine their exact impact and whether they should be attributed similarly to JSAs. Opponents may contend that reforming these sharing rules harms diversity. That is not the case. Moreover, financially-distressed broadcasters that can demonstrate a sharing agreement would benefit the public interest may seek a waiver.

Given the abysmal statistics on ownership, now is not the time for the FCC to water down its ownership guidelines. Rather, in compliance with the *Prometheus II* ruling and its

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<sup>13</sup> See, e.g., Maurice E. Stucke & Allen P. Grunes (FNdd1), *Toward A Better Competition Policy for the Media: The Challenge of Developing Antitrust Policies That Support the Media Sector's Unique Role in Our Democracy*, 42 CONN. L. REV. 101, 116 (2009).

<sup>14</sup> Matthew Gentzkow and Jesse Shapiro, *Competition and Truth in the Market for News*, 22, J. of Econ. Perspectives, 133, 141 (2008).

<sup>15</sup> *Id.*

<sup>16</sup> See, c.f., Daniel C. Moore, *Double Crossed: Why the Newspaper/broadcast Cross-Ownership Ban Remains Necessary in the Public Interest*, 88 MINN. L. REV. 1697, 1718-19 (2004).

<sup>17</sup> Newspaper Association of America, *Comments of the Newspaper Association of America, In re 2010 Quadrennial Regulatory Review*, (2012) (Docket No. 09-182).

obligations under §257, the Commission should increase its data gathering and explore avenues to encourage new ownership that preserves localism, diversity, and competition. Without more diverse media ownership, we will not have – we cannot have – the kind of informed civic dialog upon which successful self-government depends.

Founded in 1970 as the “citizen’s lobby,” Common Cause has advocated good government reforms and fought corruption for over 40 years. Common Cause is a nonpartisan grassroots organization dedicated to restoring the core values of American democracy, reinventing an open, honest and accountable government that serves the public interest, and empowering ordinary people to make their voices heard in the political process. Common Cause has more than 400,000 members around the country and 35 state chapters.

Thank you,

A handwritten signature in black ink, appearing to read "Michael Copps". The signature is fluid and cursive, with the first name "Michael" written in a larger, more prominent script than the last name "Copps".

Michael Copps  
Former Commissioner, Federal Communications Commission  
Special Adviser, Media and Democracy Reform Initiative at Common Cause