Out of The Picture 2007: Minority & Female TV Station Ownership in the United States

Current Status, Comparative Statistical Analysis & the Effects of FCC Policy and Media Consolidation

S. Derek Turner
Research Director
Free Press

Mark Cooper
Fellow
McGannon Communications Research Center

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Executive Summary

Just four years after the Third U.S. Circuit Court of Appeals rejected sweeping policy changes that would have dramatically altered our nation's media landscape, the Federal Communications Commission is once again — despite widespread public opposition — poised to eliminate longstanding limits on media ownership. These changes could have a tremendous negative impact, especially on broadcast outlets owned by women and minorities.

In the landmark *Prometheus v. FCC* decision, the Third Circuit chastised the FCC for ignoring the issue of female and minority ownership. But since 2003, the FCC has done very little to address the issue. The FCC has abdicated its responsibility to monitor and foster increased minority and female broadcast ownership. In fact, the Commission cannot account for the actual state of female and minority ownership.

This report is an update and revision of our 2006 study, and provides a complete assessment and analysis of female and minority ownership of full-power commercial broadcast television stations as of October 2007. The purpose of this study is to provide the public, Congress and the FCC with a complete understanding of the state of female and minority television ownership, as well as the potential impacts of changes to media ownership rules.

Taken together, the findings of this study paint a troubling picture:

- Women comprise 51 percent of the entire U.S. population, but own a total of only 80 stations, or 5.87 percent of all full power commercial television stations.
    - From October 2006 to October 2007 the number of female-owned full power commercial TV stations increased from 76 to 80, or from 5.58 percent to 5.87 percent of all stations. However, much of this increase is due to changes in the ownership structure of several family-owned companies, and not due to the actual acquisition of stations by female-owned companies.
- Minorities comprise 34 percent of the entire U.S. population, but own a total of 43 stations, or 3.15 percent of all full-power commercial television stations.
    - **From October 2006 to October 2007 the number of minority-owned full power commercial TV stations decreased by 8.5 percent**, from 47 to 43 stations, or from 3.45 percent to 3.15 percent of all stations.
- Blacks or African Americans comprise 13 percent of the entire U.S. population but only own a total of 8 stations, or 0.6 percent of all stations.
    - **From October 2006 to October 2007 the number of African American-owned full power commercial TV stations decreased by nearly 60 percent**, from 19 to 8, or from 1.4 percent to 0.6 percent of all stations. Much of this decrease is attributable to the bankruptcy and subsequent reorganization of Granite Broadcasting. Prior to its change to a white-controlled company in February of this year, Granite was the largest African American-owned (and largest minority-owned) broadcast television company, owning 10 stations.
- Hispanics or Latinos comprise 15 percent of the entire U.S. population, but only own a total of 17 stations, or 1.25 percent of all stations.

- From October 2006 to October 2007 the number of Latino-owned full power commercial TV stations increased from 16 to 17, or from 1.18 percent to 1.25 percent of all stations. This increase stems from the purchase of a Salt Lake City station, KPNZ, by Liberman Broadcasting, owner of three other TV stations and 22 radio stations. Liberman is the largest Latino-owned broadcast television company, and the third largest minority-owned broadcast television company.

- Asians comprise 4.5 percent of the entire U.S. population but only own a total of 13 stations, or 0.95 percent of all stations.
  - From October 2006 to October 2007 the number of Asian-owned full power commercial TV stations increased from 7 to 13, or from 0.51 percent to 0.95 percent of all stations. This increase stems from the April 2007 purchase of 5 home-shopping affiliates from EW Scripps Company by Multicultural Radio Broadcasting Incorporated. Multicultural Radio Broadcasting also owns 42 radio stations and is the second largest minority-owned broadcasting company.
- Non-Hispanic White owners controlled 1,116 stations, or 81.9 percent of the all stations.
  - Companies with dispersed voting interest (usually large publicly traded corporations such as ABC/Disney) controlled the remaining 203 stations, or 14.9 percent of all stations.

The state of female and minority ownership in the broadcast sector is even more shocking compared to other industries. While female and minority ownership has advanced in other sectors since the late 1990s, it has gotten worse in the broadcast industry.

- Women owned 28 percent of all non-farm businesses in 2002, but currently own less than 6 percent of commercial broadcast television stations.
- Minorities owned 18 percent of all non-farm businesses in 2002, but currently own approximately 3 percent of commercial broadcast television stations.
- In sectors such as transportation and health care, all minority groups own businesses at or near their proportion of the general population. But in the TV broadcast sector, the two largest groups — African-Americans and Latinos — barely own 1 percent of stations.
- The level of minority ownership in the general non-farm sector rose 23 percent from 1997 to 2002. However, from 1998 to 2007 the level of minority broadcast TV ownership dropped.

The pressures of consolidation and concentration brought on by bad policy decisions have crowded out minority owners, who tend to own just a single station and find it difficult to compete with their big-media counterparts for programming and advertising revenue.

- There has been no improvement in the level of minority broadcast television ownership since 1998, even as the total universe of stations has increased by approximately 13 percent.
- At the same time, there has been a marked decrease in the total number of black or African-American owned stations — dropping nearly 70 percent since 1998.
- A majority of minority-owned station sales between 1998 and 2006 would not have been permitted under the pre-1996 nationwide ownership cap or under the pre-1999 ban on local duopolies.

- Pro-consolidation policies enacted by the FCC in the late 1990s had a significant impact on minority ownership, indirectly or directly contributing to the loss of 40 percent of the stations that were minority-owned in 1998.

Our analysis suggests that minority-owned stations thrive in more competitive, less concentrated markets. Even if the size of the market is held constant, markets with minority owners are *significantly* less concentrated than markets without minority owners.

- The probability that a particular station will be minority-owned is *significantly* lower in more concentrated markets, even if market and station characteristics are controlled for.
- The probability that a particular market will have a minority-owner is *significantly* lower in more concentrated markets, even if market and station characteristics are controlled for.
- White male and large corporate station owners tend to own far more stations than their minority and female counterparts.
- Minorities own just 5 of the 845 "big four" network-affiliated stations, or 0.6 percent of the total. This is a 62 percent decline from October 2006, when minorities owned 13 big four affiliated stations.
- Despite being nearly shut out of the big network-affiliate market, minority owners still manage to produce local news content at levels that are equal to or exceed their non-minority counterparts.

Though the national aggregate ownership data is telling, data at the local market level shows an even starker picture. Minorities are vastly underrepresented at the Designated Market Area (DMA) level, even in areas where minorities are the majority.

- Minority-owned stations reach 22 percent of all U.S. TV households and just 30 percent of all minority U.S. TV households.
- Hispanic- or Latino-owned stations reach just 21.7 percent of the Latino TV households in the United States.
- Black- or African American-owned stations reach just 5.3 percent of the African American TV households in the United States.
- Asian-owned stations reach just 24 percent of the Asian TV households in the United States.
- Over 10 percent of the nation's Hispanic or Latino TV homes are in the New York City market, where there are no Latino-owned stations.
- Nearly 12 percent of the nation's African-American TV homes are in the New York City and Los Angeles markets, where there are no African American-owned stations. Nor do African-Americans own stations in cities with large black populations like Detroit, Atlanta and New Orleans.

The FCC has failed miserably in its efforts to account for the level of female and minority television ownership.

- In their most recent effort (tallies for 2005), the Commission missed 69 percent of the minority-owned TV stations and a full 75 percent of the female-owned TV stations.

Minority-owned stations are particularly vulnerable to the increased consolidation that will occur under the cross-ownership rule recently proposed by FCC Chairman Kevin Martin.

- Over 44 percent of all minority owned TV stations, or 19 of the 43, are located in the 20 largest Designated Market Areas, and all 19 are ranked outside of the top four stations within each market. Though the Martin rule will likely lead to cross-owned combinations of *any* station in *any* market, regardless of rank or size, these minority-owned stations in the top 20 markets are highly likely to be top acquisition targets upon implementation of the proposed plan.
- No minority owner of broadcast television stations also owns any daily or weekly newspaper.
- The Martin rule will likely have a disproportionate negative impact on minority owners, as their stations become targets for acquisition by large newspaper-television companies.

The FCC should seriously consider the effects on minority owners, female owners, as well as minority and female viewers before it moves to enact policies that will lead to increased market concentration. The implications of this study should be clear: Further industry consolidation will diminish the number of minority- and female-owned stations. If just a handful of female and minority-owned stations were lost to consolidation, these already anemic numbers would fall precipitously. This precarious nature of minority ownership is seen by the loss of a single minority-owned company, Granite Broadcasting, whose exit from the market contributed substantially to the 60 percent decline in the level of African American television ownership from 2006 to 2007.

The goal of increasing minority and female ownership can best be served by rolling back the level of media market concentration. Piecemeal policies, such as designated entity leased access or changes to construction permit build-out deadlines, will have little positive impact on the level of minority ownership if they are enacted in the current climate of increasing market concentration.

Introduction

In 2003, the Federal Communications Commission implemented a series of policies that promised to completely alter the mass media marketplace.[1] But when formulating the rules, the FCC under the leadership of then-Chairman Michael Powell acted with little regard for public input or reasoned social-scientific policy analysis. Consequently, Powell's rule-changes were met with an unprecedented public and congressional backlash[2], and were ultimately overturned by the courts.[3]

Four years later, the FCC is poised to once again force rule changes upon an unwilling public. However, the public outcry in 2003, and the court's remand of the 2003 rule changes have forced new Chairman Kevin Martin to act more cautiously this time around. In July 2006, the FCC issued a *Further Notice of Proposed Rulemaking*, soliciting public comment on the issues raised on remand by the Third U.S. Circuit Court of Appeals in its *Prometheus v. FCC* decision.[4]

A key issue before the Commission is how the rule changes will impact female and minority ownership of broadcast radio and television outlets. This report provides a complete and accurate assessment and analysis of female and minority full-power commercial broadcast television ownership. The purpose of this study is to provide the public, Congress, and the FCC itself with a complete understanding of the state of minority and female television ownership, as well as the potential effects of proposed rule changes on female and minority ownership.

Minority and Female TV Ownership: A Sorry History

Historically, women and minorities have been under-represented in broadcast ownership due to a host of factors — including the unfortunate fact that some of these licenses were originally awarded decades ago when the nation lived under a segregationist regime. The FCC, beginning with its 1978 *Statement of Policy on Minority Ownership of Broadcasting Facilities*, has repeatedly pledged to remedy this sorry history.[5]

Congress also has recognized the poor state of female and minority ownership. The Telecommunications Act of 1996 contains specific language aimed at increasing female and minority ownership of broadcast licenses and other important communications mediums.[6] The Act requires the FCC to eliminate "market entry barriers for entrepreneurs and other small

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[1] *Report and Order and Notice of Proposed Rulemaking in the Matter of 2002 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996; Cross-Ownership of Broadcast Stations and Newspapers; Rules and Policies Concerning Multiple Ownership of Radio Broadcast Stations in Local Markets; Definition of Radio Markets; Definition of Radio Markets for Areas Not Located in an Arbitron Survey*, MB Docket Nos. 02-277. 01-235, 01-317, 00-244, 03-130, FCC 03-127 (2003). Herein referred to as "*2003 Order.*"

[2] Ben Scott, "The Politics and Policy of Media Ownership," *American University Law Review*, Vol. 53, 3, February 2004.

[3] *Prometheus Radio Project, et al. v. F.C.C.*, 373 F.3d 372 (2004) (herein referred to as "*Prometheus*"), stay modified on rehearing, No. 03-3388 (3d Cir. Sept. 3, 2004), cert. denied, 73 U.S.L.W. 3466 (U.S. June 13, 2005).

[4] *Further Notice of Proposed Rulemaking, in the Matter of 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; 2002 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996; Cross-Ownership of Broadcast Stations and Newspapers; Rules and Policies Concerning Multiple Ownership of Radio Broadcast Stations in Local Markets; Definition of Radio Markets*, MB Docket Nos. 06-121; 02-277 ; 01-235; 01-317; 00-244, FCC-06-93 (2006); Herein referred to as *"Further Notice"*

[5] *Statement of Policy on Minority Ownership of Broadcasting Facilities*, 68 FCC 2d, 979, 980 n. 8 (1978).

[6] 47 U.S.C.§257, §309(j)

businesses" and to do so by "favoring diversity of media voices."[7] The Act also directs the Commission when awarding licenses to avoid "excessive concentration of licenses" by "disseminating licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women."[8]

The FCC initially appeared to take this mandate seriously. In 1997, the Commission completed a proceeding, as required by the 1996 Act, which identified barriers to entry for small businesses (which has been interpreted to include minority- and female-owned entities) and set forth the agency's plan for eliminating these barriers.[9] Unfortunately, subsequent triennial reports have lacked substance.[10]

In 1998, the Commission further demonstrated its seriousness by taking a crucial first step to determine the actual state of female and minority ownership of broadcast radio and television stations. That year, the FCC began requiring all licensees of full-power commercial stations to report the gender and race/ethnicity of all owners with an attributable interest in the license.[11] In the *Form 323 Report and Order*, the Commission stated:[12]

> *Our revised Annual Ownership Report form will provide us with annual information on the state and progress of minority and female ownership and enable both Congress and the Commission to assess the need for, and success of, programs to foster opportunities for minorities and females to own broadcast facilities.*

Other than this monitoring effort, the FCC has done very little to promote female and minority broadcast ownership (and the follow-up on this monitoring has been abysmal). In its 1999 Order that allowed television duopolies, the Commission paid lip-service to concerns about the policy change's effect on minority and female ownership, but still went forward with rule changes that allowed increased market concentration.[13] In 2004, the Commission sought input into how it could better implement Section 257 of the 1996 Act. But this proceeding remains open, and it is unclear if the Commission will move forward an complete this important matter.[14]

In the 2003 Order implementing Powell's rule changes, the FCC assured the public that ownership diversity was a key policy goal underlying its approach to ownership regulation.[15]

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[7] Section 257 is contained within Title II of the Communications Act and thus does not directly encompass broadcast services. However, the Commission has interpreted some aspects of the language of §257 to apply to broadcast licensing. In 1998, the Commission stated: "While telecommunications and information services are not defined by the 1996 Act to encompass broadcasting, Section 257(b) directs the Commission to 'promote the policies and purposes of this Act favoring diversity of media voices' in carrying out its responsibilities under Section 257 and, in its Policy Statement implementing Section 257, the Commission discussed market entry barriers in the mass media services." See FCC 98-281, *Report and Order: In the Matter of 1998 Biennial Regulatory Review -- Streamlining of Mass Media Applications Rules, and Processes -- Policies and Rules Regarding Minority and Female Ownership of Mass Media Facilities,* MM Docket No. 98-43, November 25, 1998, herein after referred to as *the Form 323 Report and Order.*

[8] 47 U.S.C.§309(j)

[9] "In the Matter of Section 257 Proceeding to Identify and Eliminate Market Entry Barriers for Small Businesses," *Report*, GN Docket No. 96-113, 12 FCC Rcd 16802 (1997).

[10] In his dissenting statement on the 2004 Section 257 report, Commissioner Michael Copps described the report as a "a slapdash cataloging of miscellaneous Commission actions over the past three years that fails to comply with the requirements of Section 257."

[11] 47 C.F.R. 73.3615

[12] *Report and Order, In the Matter of 1998 Biennial Regulatory Review Streamlining of Mass Media Applications, Rules, and Processes Policies and Rules Regarding Minority and Female Ownership of Mass Media Facilities*, MM Docket Nos. 98-43; 94-149, FCC 98-281 (1998).

[13] *Report and Order, In the Matter of Review of the Commission's Regulations Governing Television Broadcasting Television Satellite Stations Review of Policy and Rules*, MM Docket Nos. 87-8. 91-221, FCC 99-209 (1999).

[14] MB Docket No. 04-228, "Media Bureau Seeks Comment on Ways to Further Section 257 Mandate and to Build on Earlier Studies" DA 04-1690, June 15, 2004.

[15] See *2003 Order*, "Encouraging minority and female ownership historically has been an important Commission objective, and we reaffirm that goal here."

However, the *Third Circuit* found otherwise, stating that "repealing its only regulatory provision that promoted minority television station ownership without considering the repeal's effect on minority ownership is also inconsistent with the Commission's obligation to make the broadcast spectrum available to all people 'without discrimination on the basis of race.' "[16]

The FCC Shows No Concern for Tracking Minority and Female Ownership

The 2006 *Further Notice* seeks public comment on the issue of minority and female ownership. But before considering the potential effects of policy changes on female/minority ownership, we must first know the *current* state of ownership and evaluate the effects of previous policy changes. No one should be in a better position to answer these questions than the Commission itself. The FCC possesses gender and race/ethnicity information on every single broadcast entity and knows exactly when licenses changed hands.

However, **the FCC has *no* accurate picture of the current state of female and minority ownership, and shows no sign of taking the matter seriously.** Though the Commission has gathered gender and race/ethnicity data for the past seven years, it has shown little interest in the responsible dissemination of the information contained within the Form 323 filings.

This lack of interest or concern is made evident by the FCC's own Form 323 summary reports. Station owners began reporting gender/race/ethnicity information in 1999, and the FCC released its first "summary report" in January 2003 (for reporting in 2001).[17] A second summary followed in 2004 (for reporting in 2003).[18] The most recent report was issued in June 2006 (for the 2004-2005 period).[19] However, calling these publications "summary reports" is somewhat misleading, as they are merely a listing of each minority- or female-owned station's Form 323 response and not aggregated in any manner. No information on the stations *not* reportedly owned by women or minorities is given.

Closer examination of these summary reports reveals significant problems. For starters, on the FCC Web site where the most recent summary files are provided for download, there is a paragraph that explains the purpose of the data and provides a brief summary of the tally.[20] This Web site lists the total number of stations that filed Form 323 or Form 323-E in the 2004-2005 calendar year, and then lists the total number of stations that the FCC determined are owned by women or people of color. All commercial stations are required to report the race/ethnicity and gender of station owners on Form 323. Form 323-E requires all non-commercial educational stations to report the identity of station owners, but does not require the disclosure of the race/ethnicity or gender information.

However, since stations that file Form 323-E *don't report gender or race/ethnicity* information, it is perplexing why the FCC Web site reports the total number of stations that filed *either* form. This

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[16] See *Prometheus*, note 58.
[17] Though this data summary is not directly displayed on the FCC's ownership data page (http://www.fcc.gov/ownership/data.html), it can be downloaded at http://www.fcc.gov/ownership/ownminor.pdf and http://www.fcc.gov/ownership/ownfemal.pdf
[18] Though this data summary is not directly displayed on the FCC's ownership data page (http://www.fcc.gov/ownership/data.html), it can be downloaded at http://www.fcc.gov/ownership/owner_minor_2003.pdf and http://www.fcc.gov/ownership/owner_female_2003.pdf
[19] http://www.fcc.gov/ownership/owner_minor_2004-2005.pdf and http://www.fcc.gov/ownership/owner_female_2004-2005.pdf
[20] http://www.fcc.gov/ownership/data.html

ambiguous reporting has led to some observers using these summaries to erroneously report the wrong percentage of stations owned.[21]

Other problems exist in these summaries. Some station owners listed in the 2003 summary are missing from the 2004 report but reappear in the 2006 summary, despite the fact that ownership had not changed during the interim period. Certain stations have ownership interests that add up to more than 100 percent. In some instances, the type of station facility (AM, FM or TV) is not specified.

But the most alarming problems are ones of omission. Not a single station owned by Radio One is listed by the FCC, even though the company is the largest minority-owned radio broadcaster in the United States. Stations owned by Granite Broadcasting, the largest minority-owned television broadcaster, are also missing from the summary reports. However, examination of the individual Form 323 filings for these stations shows that they are indeed minority-owned. Why aren't they in the FCC's summary?

The answer likely lies in how the larger-group stations report ownership information, and how the FCC harvests the information for their summary reports. Most of the licenses of those stations missed by the FCC are "owned" by intermediate entities, which are -- in some cases -- many degrees separated from the "actual" owner. Some stations file more than 20 separate Form 323 forms (one for each holding entity), with the true owners listed on only one form. And in many cases, the actual ownership information is attached as an exhibit and not listed on the actual form. Thus the FCC, which tabulates the information for its summaries by harvesting these electronic forms via an automated process, misses stations that file in this convoluted and confusing manner.

The Commission's lack of understanding of its own Form 323 data became even more apparent when the Media Bureau released previously unpublished internal studies that attempted to ascertain the true state of female and minority broadcast ownership.[22] A draft dated November 14, 2005, reports that there were, as of 2003, 60 television stations and 692 radio stations owned by women; and 15 television stations and 335 radio stations owned by minorities.[23] However, our data from *Out of the Picture* (published in September 2006) showed that by July 2006 there were 44 minority-owned stations, and this was not the result of a massive increase in minority ownership. Indeed, the same FCC draft report indicated just a single African-American-owned television station in the 2003 sample period. However, a review of Granite Broadcasting's (a former African-American-owned company) Form 323 filing in 2003 showed that they alone held nine full-power television station licenses.[24] This internal summary is deeply troubling in its

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[21] For example, Howard University Professor Carolyn M. Byerly in an October 2006 report writes: "FCC data indicate that in 2005, women owned only 3.4% and minorities owned only 3.6% of the 12,844 stations filing reports." This report was based on the flawed FCC summaries of Form 323 data (see "Questioning Media Access: Analysis of FCC Women and Minority Ownership Data," Benton Foundation and Social Science Research Council, October 2006). Also, in his book *Fighting For Air*, New York University Professor Eric Klinenberg writes that "by 2005, the FCC reported that only 3.6 percent of all broadcast radio and television stations were minority-owned, while a mere 3.4 percent were owned by women" (page 28). These are the exact but inaccurate percentages obtained from the information on the FCC 323 summary Web site. They were calculated by dividing the number of reported stations by the total number of stations that filed Form 323 or Form 323-E (438/12,844 = 3.4 percent women-owned; 460/12,844 = 3.6 percent minority-owned).

[22] See http://www.fcc.gov/ownership/additional.html for documents released in December of 2006.

[23] http://www.fcc.gov/ownership/materials/newly-released/minorityfemale011405.pdf

[24] Furthermore, FCC data also indicates that during the timeframe of the FCC analysis, there were at least three more African-American-owned stations (WJYS, KNIN-TV and KWCV), bringing the number of African-American-owned stations to 12. The FCC document reported two American Indian-owned stations; but at the time of this draft study, FCC records indicate at least four American Indian-owned stations (KHCV, KOTV, KWTV, and WNYB). The FCC document reported four Asian-owned stations; but at the time of this draft study, FCC records indicate at least seven Asian-owned stations (KBFD, WMBC, KBEO, KWKB, KCFG, KEJB and KKJB).

inaccuracy and raises questions about the data analysis ability of Commission staff, and the commitment of the Commission to accurately monitor female and minority ownership.

But the biggest indication of the Commission's failure to take seriously its obligation to track female and minority ownership is seen in its most recent effort in this area -- the 10 Official "Research Studies on Media Ownership".[25] Study #2, "Media Ownership Study Two: Ownership Structure and Robustness of Media" authored by FCC staff fails miserably in its effort to tabulate the number of female and minority owned broadcast radio stations. It appears that Study #2 likely missed well over half of all the female- and minority-owned broadcast station. As we demonstrate below, **the FCC missed 75 percent of the TV stations that were female-owned in 2005, and missed 69 percent of the TV stations that were minority-owned in 2005.** It is simply astonishing that the Commission could make such an error, especially given the fact that the 2006 version of *Out of the Picture -- a* census of TV station racial/ethnic/gender ownership -- was readily available both in the record in the media ownership proceeding, as well as reported in numerous media outlets.

The authors of Study #2 chose to blame perceived imperfections in Form 323 data, and relied on flawed NTIA data as their starting point for assessing minority ownership. This was a fundamental flaw, and indicates a lack of seriousness on the part of the Commission in fulfilling the mandates of Sections 257 and 309(j). The simple fact is, the raw data contained in Form 323 individual filings is extremely reliable and useful. The problems associated with Form 323 are not with the data, ***but*** *how the Commission automates the harvesting of the data from these forms.* There are various aspects of how Form 323 is submitted by owners that appear to be causing the Commission trouble in its efforts to automatically harvest the data. Some stations file multiple forms for a single station (because of the numerous shell or holding companies); some stations do not enter the racial/gender/ethnic ownership information in the form, choosing to attach this information separately (many forms that do this often have "See Exhibit" written where the ownership information should be listed); some owners choose write "No change; information on file" as opposed to properly filling out Form 323.

These are all roadblocks to the researcher who wishes to use automated scripts to harvest Form 323 data. But they are not roadblocks to those who actually examine each form. **The simple fact is, the Commission appears to have taken the lazy way out when faced with the choice of inaccurate automated data harvesting or accurate but labor-intensive manual coding of Form 323 data.**

Fortunately for the Commission, we did do the hard work of determining the ownership of nearly every single licensed full-power commercial broadcast radio and television station.

In total, the FCC only accounted for 17 of the 68 stations that were actually owned by women in 2005. This means that in its most recent, official, and presumably best effort at assessing female ownership, the Commission missed 75 percent of the actual female-owned TV stations.

In total, the FCC only accounted for 14 of the 45 stations that were actually owned by people of color in 2005. This means that in its most recent, official, and presumably best effort at assessing minority ownership, the Commission missed 69 percent of the actual minority-owned TV stations.

[25] http://www.fcc.gov/ownership/studies.html

This inability to even come close to accurately assessing the state of female and minority ownership simply because of a methodological choice shows an obvious lack of concern by the Commission. This lack of concern is truly troubling given the Commission's legal obligation to foster improved female and minority broadcast ownership. The FCC has both the raw data and the resources to adequately address the issues raised by the Third Circuit regarding minority ownership but chooses instead to ignore this issue and rely on public commenters to do its job.

We hope that this exposure of failure will cause the Commission to take pause and reassess its approach towards undertaking this proceeding. The issue of ownership diversity is far too important to be built upon a flimsy foundation of basic empirical data. Chairman Martin recently said, "To ensure that the American people have the benefit of a competitive and diverse media marketplace, we need to create more opportunities for different, new and independent voices to be heard."[26] If the Chairman and the other Commissioners truly believes this to be the case, then they should demand a complete and accurate assessment of the ownership status of every single full-power commercial broadcast station.

[26] "Remarks of FCC Chairman Kevin J. Martin, 2007 AWRT Annual Leadership Summit Business Conference, March 9, 2007, Available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-271371A1.pdf. At the same event, Commissioner Robert McDowell stated that the data on female and minority ownership was "extremely troubling" to him, and that he wanted to find out "why that number is lower than in other industries." See http://www.broadcastingcable.com/article/CA6423119.html?title=Article&spacedesc=news.

Methodology

The universe of full-power commercial television stations and owners was determined using BIA Media Access Pro and the FCC's CDBS Public Access Database. BIA Media Access Pro data reflects ownership status as of October 1, 2006 (for 2006 data) and October 1, 2007 (for 2007 data). Ownership information reflects ownership as of the respective date or sale deals that were announced as of that date. With the universe of stations established, FCC Form 323 ownership filings were then reviewed, with ownership information assigned using the most recent filings. In some cases where deals had been announced but not consummated, FCC Form 314 (or 315 or 316) filings were reviewed to determine the distribution of voting interest, which in many cases could then be cross-referenced with Form 323 filings to determine the gender and race or ethnicity of owners. "Ownership" was defined as the gender or race of owners with voting interest that exceeded 50 percent alone or in the aggregate. If no single gender or race met these criteria, then stations were assigned "no controlling interest status." This status most often was assigned to publicly traded corporations where listed entities did not form a majority of the voting interest. The "no controlling interest" status for gender was also conferred upon entities where a man and a woman each controlled 50 percent of the voting interest. For each station-owning entity, the gender and race/ethnicity of the CEO, president or managing member was noted using Form 323 filings. Data from the National Telecommunications and Information Administration's 1998 and 2000 *Minority Commercial Broadcast Ownership* reports were verified and updated with information from the CDBS database, as well as other publicly available sources and interviews with station representatives.

Stations broadcasting on channels 2-13 were assigned VHF status, while stations broadcasting on channels 14-69 were assigned UHF status. Information about the local news content of each station was determined by viewing station Web sites, checking local programming listings or contacting the station.[27] The above data were merged with demographic data at the state and Designated Market Area levels, using information from the U.S. Census Bureau and BIA Financial. Statistical analysis methods such as ANOVA, t-tests, OLS, and Probit maximum likelihood models were performed to examine the statistical significance of market-level ownership and market-level demographics, as well as differences in ownership concentration.

[27] Stations were deemed to air local news if they aired at least one local news broadcast during the programming week, regardless of whether or not the station itself actually produced the newscast. Thus stations airing repurposed or repackaged news broadcasts are still counted as airing local news. News production data was not updated for the 2007 report, and reflects data as of July 2006.

Note About Differences Between 2006 Report and the 2006 Data Contained in this Report

The first version of this report, released September 2006, contained information on station ownership as of July 2006. In that report, stations that were listed by the FCC as "licensed" were the only stations included in the data set. Stations that had "construction permit-off-air," "licensed and silent," or "licensed cancelled" status were excluded from the analysis. However, we later discovered that some of these stations were actually on the air at the time of the study. Thus the universe of stations for October 2006 period reported in this current study is 1,361 (as opposed to the 1,349 stations reported in the previous report). In addition, there were a few stations that were assigned incorrect gender or racial status due to idiosyncrasies in the CDBS system (explained below). Other differences can be attributed to the fact that the 2006 ownership reported in the current study is as of October 2006, whereas the 2006 data in the previous report was as of July 2006.

Out of the Picture listed 67 female-owned stations and 44 minority-owned stations as of July 2006. This report lists 76 female-owned stations and 47 minority-owned stations as of October 2006. These differences are not due entirely to actual station purchases, but a mix of purchases and omissions caused by idiosyncrasies in the CDBS system.

These differences are explained as follows:

For the female-owned stations: Six stations owned by Bahakel Communications were inadvertently omitted from the July 2006 count due to the late appearance on the FCC CDBS website of Form 316 filings that indicated an intra-family change in the ownership structure of Bahakel (this transfer took place in late 2005, but were not discovered in our July 2006 research). KPIF (owned by KM Communications) was Asian-Female owned in July 2006, but its status was listed incorrectly by the FCC as "CP-Off Air." KOHD was purchased by Chambers Communications in September 2006, and thus did not belong in our July 2006 count, but does belong in the October 2006 count. And WMDT became 51% female-owned as a result of an intra-family transfer that occurred after July 2006, but prior to October 2006.

For the minority-owned stations: KPIF (owned by KM Communications), as mentioned above, was Asian-Female owned in July 2006, but its status was listed incorrectly by the FCC as "CP-Off Air." WBNG was purchased by Granite in a deal that closed in late July 2006, after our July 2006 research was conducted. And WHMM-DT was purchased by Mayavision in September 2006, and thus did not belong in our July 2006 count, but does belong in the October 2006 count.

The State of Minority and Female TV Ownership in the United States

There are currently 1,363 full-power commercial television stations in the United States. Eighty — or 5.87 percent — of the stations are owned by women. This represents a slight increase from 2006. However, much of this increase is due to changes in the distribution of ownership within certain family owned companies, and not due to female-owned companies purchasing stations.[28] For example, Malara Broadcasting (owner of KDLH and WPTA) is now female-owned, but this is because of changes in voting interest due to the passing of a portion of the estate of Anthony C. Malara to his daughter.

Forty-three of the 1,363 stations, or 3.15 percent, are minority-owned. This represents a net decrease of four stations from 47 in October 2006 to 43 in October 2007, or a 8.5 percent decline.[29] Of these 47 stations, 9 have black or African-American owners, accounting for 0.59 percent of all stations. This is a decline of nearly 60 percent, down from 19 stations just a year prior. Hispanic or Latino owners controlled 17 stations, or 1.25 percent of the total. American Indian or Alaska Native owners control five stations, or 0.37 percent, while Asian owners control thirteen stations, or 0.95 percent. There are no stations in the United States owned by Native Hawaiian or Pacific Islanders (see Figure 1).

By comparison, non-Hispanic White owners controlled 1,116 stations, or 81.9 percent of the total stations. The bulk of the remaining stations were owned by entities with no single race/ethnicity accounting for greater than 50 percent of the voting interest. In most cases, the 203 stations designated as having "no controlling interest" by race are owned by large publicly traded corporations such as ABC/Disney, whose voting stock is disbursed among a wide population of shareholders.

[28] From October 2006 to October 2007 there was a gain of seven female-owned stations and a loss of three. Three of the gains and 1 of the losses were due to changes in the ownership structure of license holding companies (the gains here were KDLH and WPTA by Malara and KFMB by Midwest Television; the loss was KSBI by Family Broadcast Group). Four of the gains and 2 of the losses were due to purchases or sales by female-owned companies (the gains here were KFTY and KVOS by LK Station Group; KTRG by SATV 10 LLC; WAAY by Southern Broadcast Corporation; the losses were WABG by Bahakel Communications and KNOE by Noe Corporation). The net resulting changes from 2006 to 2007 were two new female-owned stations from purchases, and two new stations from ownership structure changes.

[29] From October 2006 to October 2007 there was a gain of eight minority-owned stations and a loss of twelve. The 12 losses were: all 10 stations owned by Granite Broadcasting; the sale of WJJA by Joel Kinlow (his only station); and the sale of KSCW by Banks Broadcasting (who still owns KNIN, though that too may soon be sold). The 8 gains were: the 5 stations purchased by Multicultural Radio Broadcasting; Roberts Brothers Broadcasting's purchase of WAZE; Liberman Broadcasting's purchase of KPMZ; and the purchase of KHIZ by TVPlus Inc, a the only new minority entrant into the broadcast market (Multicultural already owned 42 radio stations).

Figure 1: Full-Power Commercial Television Ownership
By Gender & Race/Ethnicity
October 2006 - October 2007

Category	Owner	October 2006		October 2007	
		Number of Stations	Percent of All Commercial Full Power TV Stations	Number of Stations	Percent of All Commercial Full Power TV Stations
Gender	Female	76	5.58	80	5.87
	Male	951	69.88	1,004	73.66
	No Controling Interest	333	24.47	278	20.40
	Unknown	1	0.07	1	0.07
Race/Ethnicity	Amer. Ind./AK Nat.	5	0.37	5	0.37
	Asian	7	0.51	13	0.95
	Black or Afric. Amer.	19	1.40	8	0.59
	Hispanic or Latino	16	1.18	17	1.25
	Nat. Haw/Pac. Isl.	0	0.00	0	0.00
	All Minority	47	3.45	43	3.15
	White	1,043	76.63	1,116	81.88
	No Controling Interest	270	19.84	203	14.89
	Unknown	1	0.07	1	0.07
	Total Universe	1,361		1,363	

Source: Form 323 filings; Free Press research

Of the 1,363 total full-power commercial broadcast television stations, 580 are VHF stations, operating on channels 2-13. The remaining 783 are UHF stations, which operate on channels 14-69. UHF stations usually have a smaller audience and broadcast at a lower power than their VHF counterparts.

The FCC uses a "discount rule" to measure the nationwide audience reach of UHF stations, giving them half the potential audience reach compared to VHF stations. Consequently, VHF station licenses are considered more valuable than UHF licenses, and the bulk of stations operating in this region are affiliated with the traditional "big four" networks of ABC, CBS, NBC and Fox. More than 92 percent of VHF stations are affiliated with these networks.

Women own 37 of the 580 VHF stations, or 6.38 percent. The remaining 43 female-owned stations are UHF stations, or 5.49 percent of UHF stations. There are 9 minority-owned VHF stations, accounting for 1.55 percent of the total. The remaining 3 minority-owned stations make up 4.34 percent of UHF stations.

The already low-level of minority broadcast television ownership is even lower in the more valuable VHF market. African-Americans own only two VHF stations, or 0.34 percent of the total. Latinos control three VHF stations, or 0.52 percent. There are two American Indian/Alaska Native-owned VHF stations and two Asian-owned VHF stations, accounting for 0.34 percent each (see Figure 2).

Figure 2: Ownership of VHF & UHF Full-Power Commercial TV Stations By Gender & Race/Ethnicity

October 2007					
Category	Type	VHF Stations		UHF Stations	
		Number of Stations	Percent of All Commercial Full Power VHF Stations	Number of Stations	Percent of All Commercial Full Power UHF Stations
Gender	Female	37	6.38	43	5.49
	Male	390	67.24	614	78.42
	No Controling Interest	153	26.38	125	15.96
	Unknown	0	0.00	1	0.13
Race/Ethnicity	Amer. Ind./AK Nat.	2	0.34	3	0.38
	Asian	2	0.34	11	1.40
	Black or Afric. Amer.	2	0.34	6	0.77
	Hisp. or Latino	3	0.52	14	1.79
	Nat. Haw/Pac. Isl.	0	0.00	0	0.00
	All Minority	9	1.55	34	4.34
	White	460	79.31	656	83.78
	No Controling Interest	111	19.14	92	11.75
	Unknown	0	0.00	1	0.13
	Total Universe	580		783	

Source: Form 323 Filings; Free Press research

The data above encompass all stations where females and/or minorities control greater than 50 percent of the voting interest in the entity that ultimately owns the station license. However, some stations are operating under Local Marketing Agreements, or LMAs. Under an LMA, the official owner has little or no input in the station's daily operation, which is directed by the owner of another station in the same market. LMAs have been widely criticized by industry observers and members of the FCC for being little more than a scheme to avoid FCC ownership limits.[30] For example, the six stations controlled by Carolyn C. Smith of Cunningham broadcasting are all operated by Sinclair under LMA's in markets where Sinclair would otherwise be in violation of the current duopoly rule. Carolyn Smith is the mother of Sinclair CEO David Smith, which along with the LMA relationship suggests that Cunningham is merely a front for Sinclair.

Free Press identified two minority-owned stations and eight female-owned stations that are under the *de facto* control of male or non-minority owners.[31] When these stations are removed from the total tally, the level of female ownership drops to 5.3 percent of all full-power commercial stations, while minority ownership falls to 3.0 percent of all stations.

[30] See, for example, Prentiss Findlay, "Group Says Stations Not Independent," *Charleston Post and Courier*, December 20, 2004; see also Paul Schmelzer, "The Death of Local News," *Alternet,* April 23, 2003.

[31] In addition to the six Cunningham stations, the other two female-owned stations operated under an LMA are WZVN (operated by Waterman Broadcasting) and WNYB (owned by Christina Coonce, but under the *de facto* control of Tri-State Christian Television, controlled by Mrs. Coonce's husband, Garth). The two minority owned stations operated under LMA's are KFWD (operated by Belo) and KVIQ (operated by the Eureka Group).

No Controlling Interest but No Diversity at the Top

There were 203 stations with "no controlling interest" held by a single race, or 14.9 percent of all stations. But only two of these 203 stations — Atlanta's WTBS, which is owned by Time Warner, and Denver's WRBU, co-owned by Roberts Broadcasting and Univision— have a minority CEO (see Figure 3).

Figure 3: Stations with "No Controlling Interest" by Race
October 2007

Owner	Number of Stations	CEO Gender	CEO Race
ABC/Disney	10	Male	White, Non-Hispanic
Belo Corp	20	Male	White, Non-Hispanic
Bonneville Inter.	1	Male	White, Non-Hispanic
Danville Television	1	Male	White, Non-Hispanic
Equity Media Holdings	17	Male	White, Non-Hispanic
Freedom Broadcasting	8	Male	White, Non-Hispanic
GMC Television Broadcasting	3	Male	White, Non-Hispanic
Gray Television	34	Male	White, Non-Hispanic
International Media Group	2	Male	White, Non-Hispanic
Journal Broadcas	9	Male	White, Non-Hispanic
Liberty Media Co	2	Male	White, Non-Hispanic
Lincoln Financial Media	3	Male	White, Non-Hispanic
NBC/GE	25	Male	White, Non-Hispanic
Pullman Broadcasting	1	Male	White, Non-Hispanic
Raycom Media Inc	35	Male	White, Non-Hispanic
Roberts Broadcasting/Univision	1	Male	Black or African American
Second Generation TV	1	Male	White, Non-Hispanic
Southeastern Media Holdings	4	Female	White, Non-Hispanic
Time Warner Inc	1	Male	Black or African American
Tribune Company	24	Male	White, Non-Hispanic
ValueVision Media	1	Male	White, Non-Hispanic

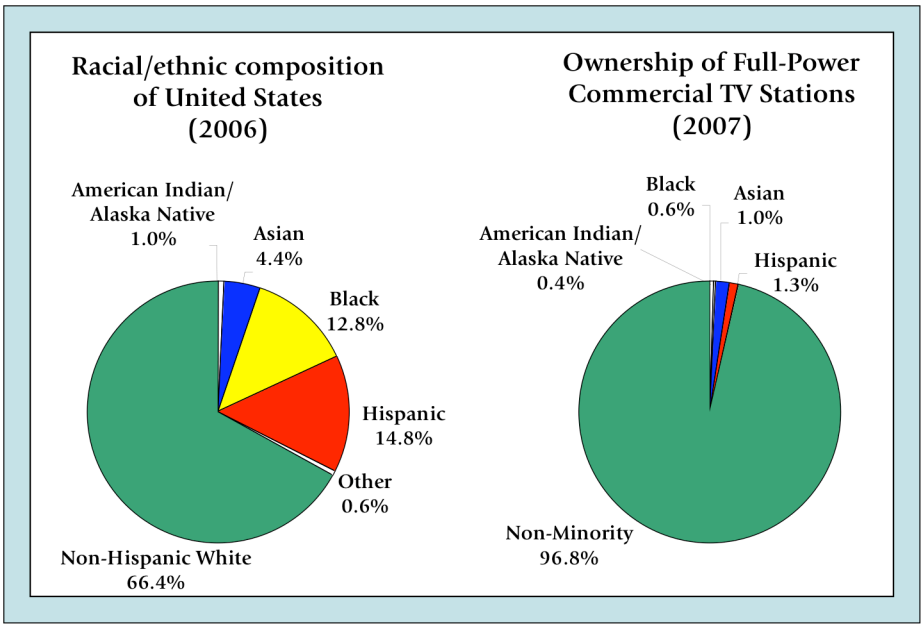
Source: Form 323 filings; Free Press Research

There were 278 stations with "no controlling interest" by gender, or 20.4% of all stations. Of these 327 stations, only 8 stations have a female CEO or president (WFXG, WUPV, WXTX and WSFX-TV owned by Southeastern Media Holdings; WEHT owned by Gilmore Broadcasting; KJZZ-TV owned by Larry H Miller Broadcasting; KMTF owned by Meridian Communications; and WMDN owned by Meridian Media).

Female and Minority Broadcast TV Ownership Don't Match Their Proportion of the General Population or Other Economic Sectors

Women make up half of the U.S. population, yet own less than six percent of the full-power commercial television stations. Minorities account for nearly 34 percent of the U.S. population but own just above 3 percent of the television stations (see Figure 4).

Figure 4: U.S. Racial/Ethnic Composition & Ownership of Full-Power Commercial Television Stations October 2007

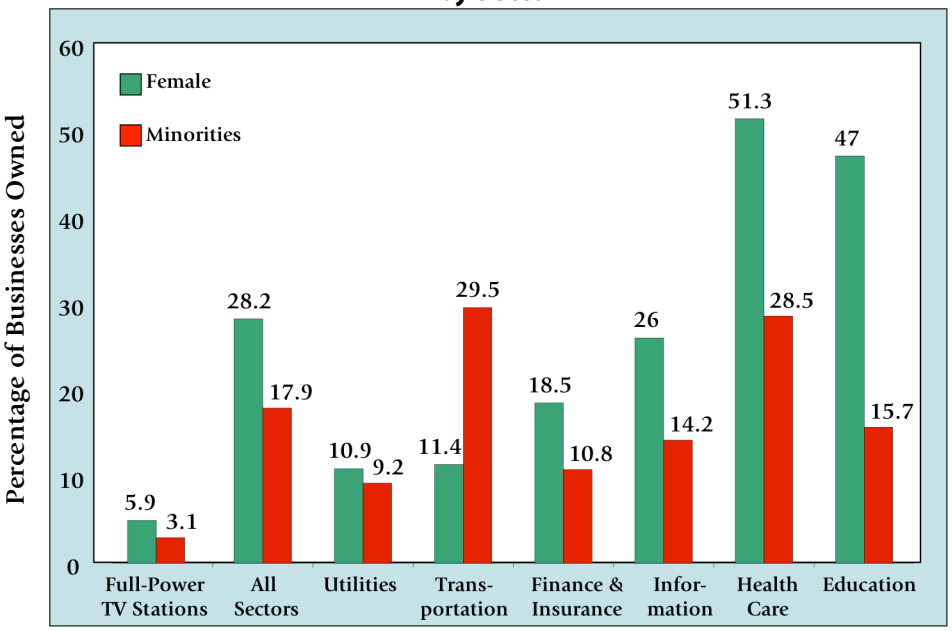


Source: Form 323 Filings; U.S. Census Bureau; Free Press Research

Given the long history of prejudice and economic discrimination against women and minorities, it is not too surprising that broadcast ownership is below these groups' respective proportions of the general population. However, the level of female and minority broadcast TV ownership is also very low when compared to other sectors of the economy, and even the information sector as a whole. In industries like transportation and health care, female and minority ownership is some five to 10 times higher than in the broadcast television industry (see Figure 5)[32].

[32] 2005 U,S, Census Bureau Economic Census, data collected in 2002.

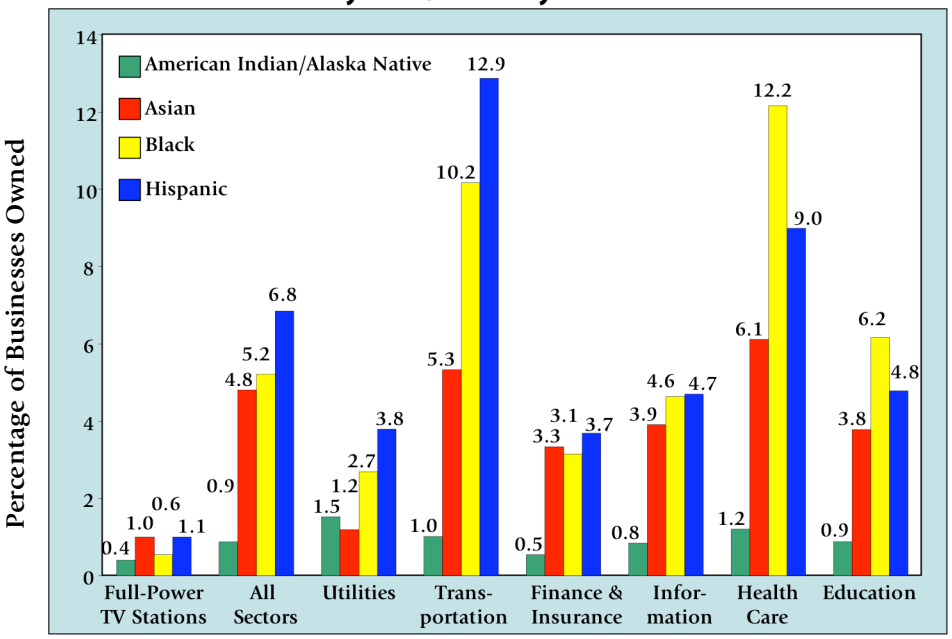
Figure 5: Female & Minority Business Ownership by Sector



Source: Form 323 Filings; U.S. Census Bureau; Free Press Research

This disparity is even more telling when considering individual race and ethnic groups. In sectors such as transportation and health care, all minority groups own businesses at or near their proportion of the general population. But in the TV broadcast sector, the two largest groups — African-Americans and Latinos — barely own 1 percent of stations (see Figure 6).

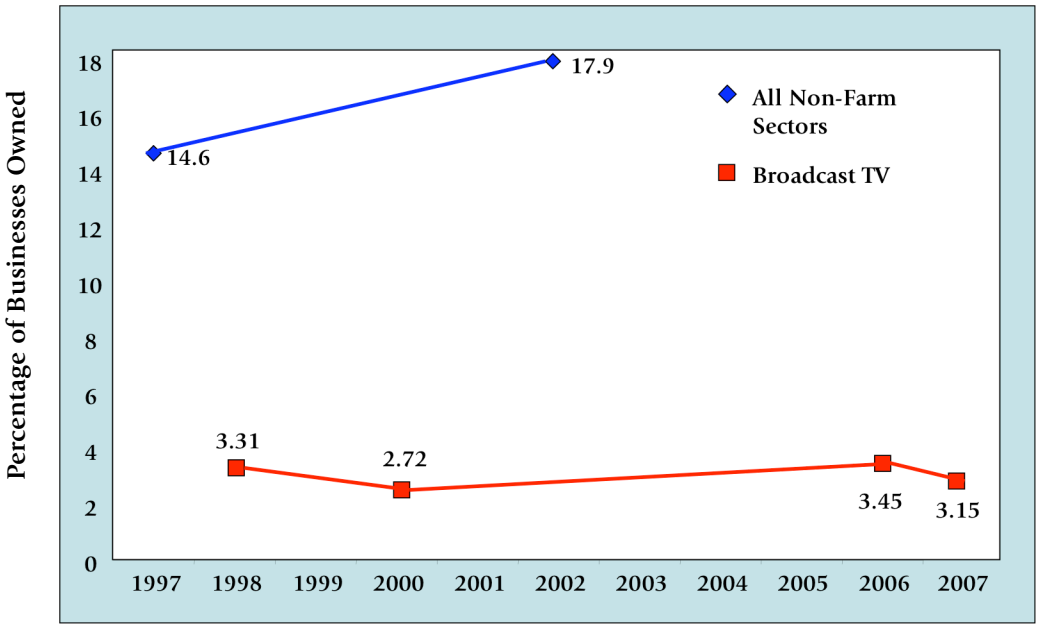
Figure 6: Minority Business Ownership by Race/Ethnicity & Sector



Source: Form 323 Filings; U.S. Census Bureau; Free Press Research

Also note that while the level of minority broadcast TV ownership has decreased in recent years, the percentage of minority ownership in the economy as a whole has increased (see Figure 7; data from 1998 and 2000 is corrected NTIA data, and is potentially an underestimate of what the actual level of ownership was at those times, see following section for details).[33]

Figure 7: Changes in Minority Business Ownership 1997-2007



Source: Form 323 Filings; U.S. Census Bureau; Free Press Research

[33] Data for non-farm sectors from 1997 and 2002; data for broadcast TV sector from 1998, 2000, and 2006.

Historical Comparison: Minority Ownership of Full-Power Commercial TV Stations Has Decreased Since 1998

Out of the Picture is the first complete census of all licensed full-power commercial broadcast television stations operating in the United States. There was one other attempt to ascertain the level of female broadcast TV ownership, a 1982 study commissioned by the FCC.[34] However, that study determined the gender ownership for just a sample of stations, not the full universe.

Since 1990, the National Telecommunications and Information Administration (NTIA) has administered the Minority Telecommunications Development Program (MTDP), a program first initiated during the Carter administration to increase minority ownership of radio and television broadcasting stations as well as other telecommunications businesses. From 1990 to 2000, the NTIA released several reports that estimated the total number of minority-owned radio and television stations.

The agency has not conducted any further research into this matter since their last report was issued in December 2000, and officials have indicated that they do not intend to issue any further reports. When asked about plans for future studies by the National Association of Hispanic Journalists, the NTIA directed the group to the flawed FCC summaries of Form 323 data.[35]

Because of the differing methodologies, direct comparisons between this study and earlier NTIA reports are not valid. At the time NTIA conducted its studies, it did not have the full ownership information that is now available from individual Form 323 filings. To compile their list of minority-owners, the NTIA relied on word of mouth and membership information from various minority broadcast trade associations. While this effort provided a fairly complete assessment of minority broadcast ownership, it was not a full census of all broadcast stations. The agency has indicated that its results were not comprehensive, and that future work based on Form 323 filings would provide a more complete picture of minority ownership.[36]

Using the NTIA's 1998 list, the list of current minority owners, ownership information from the FCC and interviews with station representatives, Free Press identified nine stations that were missed by the NTIA in its 1998 report, for a total of 40 stations. A similar effort was applied to correct the 2000 NTIA report, but it was less precise because the NTIA omitted the names of minority-owned stations and owners in that survey. However, Free Press did identify 35 total stations that were minority-owned in 2000 (see Figure 8). While these corrected data provide a more complete assessment of the historical trend in minority television ownership, they do not represent a rigorous census of all stations. Indeed, the actual level of minority ownership during the 1998 and 2000 periods was likely somewhat higher than these corrected data indicate.

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[34] "Female Ownership of Broadcast Stations," prepared for the Federal Communications Commission by ELRA Group Inc., May 1982.

[35] Letter from NTIA to Ms. Veronica Villafane, President, National Association of Hispanic Journalists, April 27, 2006. Available at http://www.nahj.org/nahjnews/articles/2006/april/NTIAResponseLetter.pdf. "Presently, NTIA has no plans to conduct a minority ownership study. You may find of interest, however, data on female and minority ownership from the Federal Communications Commission's ownership reports filed in calendar year 2003. The data are available on the Commission's website. …"

[36] See the 2000 NTIA report, which states: "MTDP acknowledges that despite its best efforts, non-sampling error likely occurred because of an inability to identify all of the nation's minority commercial broadcasters. Such error may be reduced in the future as a result of the FCC's recent requirement that owners disclose on their biennial reports information about the participation of minorities and women in station ownership. ... In establishing the requirement, the Commission noted the difficulty NTIA faces in obtaining complete and accurate information from broadcast owners. It concluded that NTIA's data would complement, but not substitute for, information the Commission gathered, because as the licensing authority, it is 'appropriately and uniquely situated to collect information on the gender and race of the attributable interests of its licensees.' "

However, these data clearly show there has been no improvement in the level of minority broadcast television ownership since 1998, despite the fact that the total universe of stations has increased by approximately 13 percent. Furthermore, **there has been a marked decrease in the total number of black or African-American owned stations — dropping nearly 70 percent since 1998**. The change from 1998 to 2000 is likely a direct result of the change in the duopoly rule -- a change enacted by the FCC in 1999. While the level of minority broadcast TV ownership had slowly increased to the pre-duopoly level by October 2006, all those gains were wiped out just a year later.

Figure 8: Minority Full-Power Commercial Television Ownership Since 1998 By Gender & Race/Ethnicity

Race/Ethnicity	Historical Data for 50 U.S. States & DC				Recent Ownership for 50 U.S. States & DC		Recent Ownership for 50 U.S. States & DC	
	Corrected 1998 NTIA Data		Corrected 2000 NTIA Data		October 2006 Free Press Census		October 2007 Free Press Census	
	Number of Stations	Percent of All Commercial Full Power TV Stations	Number of Stations	Percent of All Commercial Full Power TV Stations	Number of Stations	Percent of All Commercial Full Power TV Stations	Number of Stations	Percent of All Commercial Full Power TV Stations
Amer. Ind./AK Nat.	2	0.17	3	0.23	5	0.37	5	0.37
Asian	3	0.25	3	0.23	7	0.51	13	0.95
Black	25	2.07	21	1.63	19	1.40	8	0.59
Hispanic or Latino	10	0.83	8	0.62	16	1.18	17	1.25
Nat. Haw/Pac. Isl.	0	0.00	0	0.00	0	0.00	0	0.00
All Minority	40	3.31	35	2.72	47	3.45	43	3.15
White	n/a		n/a		1,043	76.63	1,116	81.88
No Controling	n/a		n/a		270	19.84	203	14.89
Unknown	n/a		n/a		1	0.07	1	0.07
Total Universe	1,209		1,288		1,361		1,363	

Source: Form 323 Filings; NTIA; Free Press research

Tracking Ownership: FCC Rules Changes Led to the Sale of Minority-Owned Stations

Using the corrected list of minority-owned TV stations from the 1998 NTIA report, Free Press tracked the ownership of the 40 stations that were minority owned as of that year, investigating the effects of two key policy changes that occurred in the late 1990's: the increase in the national ownership cap from 25 percent to 35 percent and the 1999 FCC Order that allowed local television duopolies. Free Press identified 17 minority-owned stations that were sold to non-minority owners after 1998. Nine of these seventeen sales would not have been permitted under the old national ownership cap and duopoly rules (see Figure 9).[37] Had these stations not been sold, minority ownership would be 20 percent higher than the current level. Furthermore, 7 of the 8 station sales that would have been permissible under the old national cap and duopoly rules were sales to large station group owners, and may not have occurred if not for the pressures of increased industry consolidation.

Figure 9: Sales of Minority Full-Power Commercial Television Stations: Stations that were Minority Owned in 1998

Station	Owner in 1998	Race/Ethnicity	Year of Sale	Purchaser	Would have Been Permited under 25% Cap?	Would have Been Permited under Duopoly Ban?
KCMY	Ponce-Nicasio	Hispanic/Latino	2000	Paxson	No	Yes
KEYE	Granite Broadcasting	African American	1999	CBS	No	No
KLTV	TV 3 INC.	African American	2000	Cosmos (Raycom)	Yes	Yes
KNTV	Granite Broadcasting	African American	2002	NBC Universal	No	No
KPST	Golden Link TV Inc.	African American	2002	Univision	Yes	No
KTRE	TV 3 INC.	African American	2000	Cosmos (Raycom)	Yes	Yes
KTVJ	Roberts Broadcasting	African American	2003	Univision	Yes	Yes
KUPX	Roberts Broadcasting	African American	1999	Paxson	No	Yes
WATL	Qwest	African American	2000	Tribune	No	Yes
WGTW	Brunson Comm.	African American	2004	Trinity Broadcasting	Yes	Yes
WHPX	Roberts Broadcasting	African American	1999	Paxson	No	Yes
WHSL	Roberts Broadcasting	African American	2003	Univision	Yes	Yes
WLBT	TV 3 INC.	African American	2000	Cosmos (Raycom)	Yes	Yes
WNOL	Qwest	African American	2000	Tribune	No	No
WPTA	Granite Broadcasting	African American	2005	Malara	Yes	Yes
WPTT	WPTT Inc.	African American	2000	Sinclair	Yes	No
WTMW	Urban Broadcasting Corp	African American	2002	Univision	Yes	Yes

Source: Form 323 Filings; NTIA; Free Press research

Granite Broadcasting, the largest minority station owner in 1998 (up until February 2007) controlled 10 stations in 1998. Since that time, the company sold three stations (KNTV to NBC-Universal in 2002; KEYE to CBS in 1999, and WPTA to Malara Broadcasting in 2005) and acquired two stations (KRII in 2000, and WISE in 2005).[38] Granite could not have sold its stations to NBC and CBS under the national ownership cap limits that were in effect prior to 1996.

[37] 22 of the 40 minority-owned stations (in 1998) have changed owners since 1998. In addition to the 17 stations listed above, one was sold by a Latino to a Latino (KRCA), one was sold by a Latino to a Latino-owned company that later became non-Latino majority controlled (KLDO sold by Panorama to Entravision), two were held by companies that later became non-minority controlled (KTMW and KSMS), and one station's status could not be determined (there is no record in the CDBS of Albuquerque station KDB-TV). KTVJ and WHSL are only partial station sales, as Roberts Broadcasting retained 50% of the voting interest in these two stations. Since 1998, there has been a loss of 22 minority owned stations and a gain of 26 minority owned stations.

[38] In addition, Granite is currently in the process of acquiring Binghamton New York CBS station WBNG, and selling San Francisco WB station KBWB, thus the current station count for Granite is nine, reflecting ownership as of August 3rd, and after these station sales close.

Furthermore, the sale of California's KNTV would have been prohibited before the FCC allowed market duopolies in 1999, as NBC also owns the local Telemundo affiliate KSTS in the Bay Area.

African-American-owned Roberts Broadcasting controlled four stations in 1998. Two of these stations were sold to Paxson (WHPX and KUPX, both in 1999) in deals that would not have been permitted under pre-1996 national ownership caps. The other two stations owned by Roberts Broadcasting in 1998 (KTVJ and WHSL, now KTFD and WRBU) remain partially owned by the company, but Univision now holds a 50 percent interest in each of these stations and controls all aspects of their day-to-day operations. The Roberts brothers have since acquired two new station licenses by constructing new stations, (WZRB in Columbia South Carolina, and WRBJ in Jackson Mississippi); and they acquired Evansville Indiana station WAZE in October 2006. WZRB and WRBJ are the only two African American owned stations in the South.

Quincy Jones, the legendary African-American music producer, owned two stations in 1998 — WATL in Atlanta and WNOL-TV in New Orleans. In 1999, the Tribune Company purchased both of Jones' stations as a part of their merger with Mr. Jones' company, Qwest. These sales wouldn't have been allowed under the pre-1996 ownership limits. And WNOL could not have been sold under the pre-1999 duopoly rules, as Tribune also owns the New Orleans ABC affiliate, WGNO-TV.[39]

In 1998, WGTW was the only station in the country owned by an African-American woman, Dorothy Brunson, who acquired the station license in 1988 after winning the license of failed station WKBS-TV at auction. But by 2004, Brunson found it difficult to acquire syndicated programming and sold the station to Trinity Broadcasting.[40]

Other minority-owned stations were sold to large conglomerates due in part to FCC rule changes that allowed for increased consolidation. Pittsburgh station WPMY (formerly WPPT) was sold to Sinclair by African-American owner Eddie Edwards in 2000, after the FCC allowed duopolies. (Sinclair also owns the local Fox affiliate WPGH-TV.). Another African-American owner, Eddie Whitehead sold KPST (now KFSF) in 2001 to Univision, creating a duopoly in San Jose. Carmen Briggs, a Latino woman, sold KCMY (now KSPX) to Paxson in June 2000 in a deal that exceeded the pre-1996 national ownership limits.

But perhaps the most notable loss of a minority-owned station since 1998 was Jackson Mississippi's WLBT and two other stations owned by Frank Melton, KTRE and KLTV. WLBT is one of only two stations to have had its license revoked by the FCC. WLBT violated the Fairness Doctrine via its flagrant, pro-segregationist activities in the 1950s and 1960s – which included selling airtime to the Klu Klux Klan. After being stripped of its license in 1971, WLBT came under the control of the African-American-owned group Communications Improvement, which sold the station in 1980 to TV3 Inc., a group owned by Melton, an African-American. Melton helped improve the station's news operations and took over first place in the ratings. However, by 2000, Melton felt he could no longer compete with the large corporate station owners for programming and advertising revenue, and sold all three stations to Cosmos Broadcasting, now called Raycom Media, the 14th-largest broadcast owner in the nation.[41]

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[39] Michael Schneider "Tribune to Acquire Qwest, Creating Big Easy Duopoly", *Daily Variety*, November 10, 1999.
[40] "Changing Hands", *Broadcasting and Cable*, August 30, 2004.
[41] Kay Mills, "Changing Channels: The Civil Rights Case That Transformed Television", *Prologue Magazine*, Vol. 36, No. 3, Fall 2004.

The case of WLBT and the other minority-owned stations put up for sale makes it clear that increased consolidation has a measurable effect on minority ownership. Small-station owners find it increasingly difficult to compete against large companies in the acquisition of both programming and advertising clients. Too many station owners find the financial pressures of consolidation too hard to resist.

Losing Granite

Granite Broadcasting, whose majority voting interests were held until early 2007 by W. Don Cornwell (an African-American man), own ten full-power commercial television stations. However, due to significant financial problems, Granite entered into a bridge financing agreement in July 2006 with Silver Point Finance LLC. Silver Point provided Granite with two loans totaling $70 million.

In February 2007 the Granite filed paperwork with the FCC indicating that 100 percent of the voting interest had transferred to Silver Point, which is controlled by two Caucasian males. The loss of these 10 stations, along with WJJA (owned by Joel Kinlow) and WSCW (owned by Lyle Banks) contributed to the one-year decline in black ownership of nearly 60 percent (the net loss was 11 stations; Roberts Brothers Broadcasting increased their total to 3 stations via their purchase of Evansville Indiana's WAZE-TV).

Minority-Owned Stations Can Thrive in Less Concentrated Markets

Minority-owned stations tend to be, on average, in the larger (by both number of stations and population) television markets, or Designated Market Areas.[42] Given that the larger markets tend to be less concentrated, it is not surprising that markets with minority owned stations are less concentrated than those without these stations.[43]

But even if the size of the market and the level of minority population in the market is held constant, markets with minority owners are *significantly* less concentrated than markets without minority owners.[44]

Another way of examining this issue is to look at the probability that an individual station will be minority owned, given the particular characteristics of each market or station. Under this analytical frame, we still find that even when holding market and station characteristics constant, as a market becomes more concentrated, a station is significantly less likely to be minority-owned. Similarly, holding market characteristics constant, as a market becomes more concentrated, the probability that a particular *market* will have a minority-owned station is significantly lower (see Appendix B).

These findings are extremely important, for they imply that minority-owners thrive in more competitive markets, regardless of market or station characteristics. These findings also have tremendous implications for the current ownership proceeding at the FCC. One unambiguous consequence of further industry consolidation and concentration will be to diminish both the number of minority-owned stations and the already low number of minority-owned stations airing local news content. The FCC should seriously consider the effects on minority owners and viewers before it moves to enact policies that will lead to increased market concentration.

Indeed, as shown above, previous pro-consolidation policies enacted by the FCC in the late 1990's had a significant impact on minority ownership, indirectly or directly contributing to a loss of 40 percent of the stations that were minority owned as of 1998.

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[42] The simple pairwise correlation between DMA rank (lowest number being the highest ranked) and the presence of a minority-owned station is highly significant, and shows that the rank of a market with a minority-owned station is on average 64, versus 113 for a station without a minority owner.

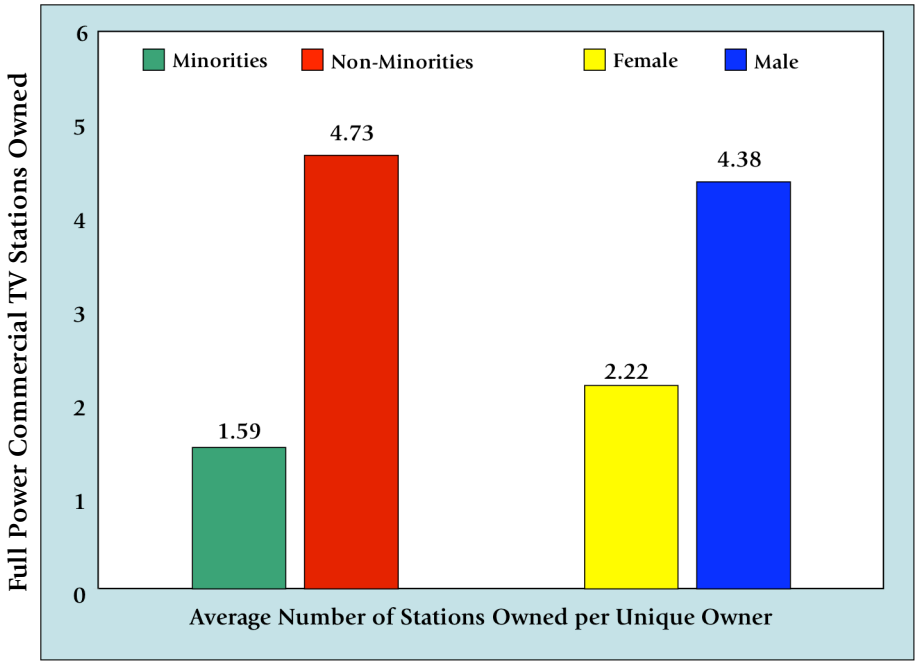
[43] HHI, or the Herfindahl-Hirschman Index, is a measure of the amount of competition within a market, in this case the local broadcast TV market. The higher the HHI, the more concentrated the market. Markets with a minority owner present have a HHI (based on audience share) of 2398 versus 3586 for markets without a minority owner. This is statistically significant at a p-value of less than 0.0005. The DOJ considers markets with HHIs over 1,800 to be highly concentrated. Of the 210 DMA's, 199 have HHIs above 1,800 (the mean HHI is nearly 3,394, with the median value at 2,786). As expected, the largest markets have HHI's lower than the smaller markets, but even the largest markets remain highly concentrated (the mean and median HHI for the top ten markets is 1,913 and 1,870 respectively; the mean and median HHI for the top 50 markets is 2,183 and 2,228 respectively; for the bottom 50 markets the values are 5,532 and 4,982 respectively).

[44] See Appendix B for details

Ownership Concentration: Female and Minority Owners Control Fewer Stations per Owner than Male and White Owners

White male and large corporate station owners tend to own far more stations than their minority and female counterparts. The average number of stations owned per unique non-minority owner is 4.7, while male owners controlled an average of 4.4 stations each. However, the average number of stations owned per unique owner is 1.6 for minorities and 2.2 for women (see Fig. 10).

Figure 10: Ownership Concentration, Race/Ethnicity & Gender
Number of Stations Owned per Unique Owner
October 2007



Source: Form 323 Filings; Free Press Research

While the average number of stations owned by a unique minority owner is 1.59, for Latinos and African Americans it is even lower (see Figure 11). This reflects the fact that the largest Latino group owner controls just four stations and the largest Black owner controls just 3 stations. This is far lower than the largest white male group owner, Ion (formerly Paxson), which controls 59 stations.

Figure 11: Ownership Concentration
Number of Stations Owned per Unique Owner by Race/Ethnicity
October 2007

Group	Average Number of Stations Owned per Unique Owner
Amer. Ind./ AK Nat.	1.6
Asian	2.6
Black or African Amer.	1.33
Hispanic or Latino	1.31
All Minorities	1.59
White	4.3
Male	4.38
Female	2.22
White Male	4.67

Source: Form 323 Filings; Free Press Research

There are a total of 306 unique owners, and 141 of these control more than one station. Over 47 percent of white male owners control more than one station, compared to 22 percent of minority owners (see Figure 12).

Figure 12: Ownership Concentration
Unique Owners Controlling Multiple Stations by Race/Ethnicity
October 2007

Race/Ethnicity	Gender	Number of Unique Owners Owning Just One Station	Percentage of Unique Owners Owning Just One Station	Number of Unique Owners Owning Multiple Stations	Percentage of Unique Owners Owning Multiple Stations
Amer. Ind./ AK Nat.	Male	1	50.0	1	50.0
	Female	1	100	0	0.0
	All	2	66.7	1	33.3
Asian	Male	3	75	1	25.0
	Female	0	0.0	1	100
	All	3	60.0	2	40.0
Black or African Amer.	Male	4	80.0	1	20.0
	Female	1	100	0	0.0
	All	5	83.3	1	16.7
Hispanic or Latino	Male	9	90.0	1	10.0
	Female	1	100	0	0.0
	All	11	84.6	2	15.4
All Minorities	Male	17	81.0	4	19.0
	Female	3	75.0	1	25.0
	All	21	77.8	6	22.2
White	Male	109	52.4	99	47.6
	Female	19	59.4	13	40.6
	All	138	53.3	121	46.7
All	Male	126	55.0	103	45.0
	Female	22	61.1	14	38.9
	All	165	53.9	141	46.1

Source: Form 323 Filings; Free Press research

These differences have a practical importance on several levels. First, given that the median minority or female owner controls just a single station, these operations are more likely to better serve their local communities than stations controlled by large group owners. This is confirmed by a 2004 FCC study which demonstrated that locally owned and operated stations aired more local news content than their conglomerate counterparts, devoting an additional 20 to 25% of each half hour broadcast to local news coverage.[45] Second, minority and female station owners are more likely than their white male counterparts to feel the negative effects of increased consolidation. Women and minority owners will find it more difficult to compete with the large group owners for programming and advertising dollars.

Ownership, Network Affiliation and Local News Production

The stations affiliated with the so-called "big four" networks — ABC, CBS, NBC and Fox — are consistently the top-rated stations in each market and are usually found on the lucrative VHF portion of the dial. These stations also produce the highest-rated local news content and thus command most of the local advertising revenue. Nearly 92 percent of VHF stations air local news content, compared to 47 percent of UHF stations. And over 96 percent of big-four affiliated VHF stations air local news content, compared to 81 percent of big-four-affiliated UHF stations.[46]

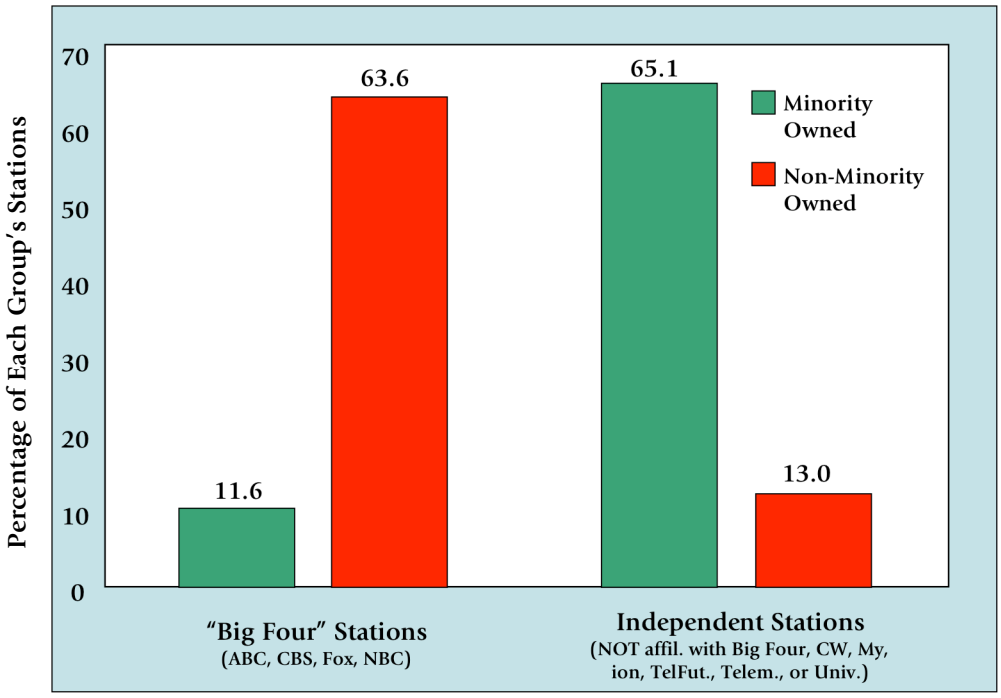
Ownership of a big-four-affiliated station almost certainly guarantees a significant audience share and a news operation. However, minorities own just 5 of the 845 big-four-affiliated stations, or 0.6 percent (and just 3 of the 533 big-four-affiliated VHF stations).

The difference in ownership patterns is stark when comparing the types of stations owned by minorities and non-minorities. Of the 1,316 non-minority owned stations, 840 are big four affiliated, or 64 percent. However, only 5 of the 47 minority-owned stations are affiliated with the big four networks, or 11.6 percent.

But the situation is reversed for independent stations unaffiliated with a big four network, the secondary English-language networks CW, MyNetworkTV and Ion, or the Spanish-Language networks Telefutura, Telemundo and Univision. Just 13 percent of the non-minority-owned stations are independents versus 65.1 percent of the stations owned by people of color (see Figure 13).

[45] "Do Local Owners Deliver More Localism? Some Evidence from Local Broadcast News", a Federal Communications Commission Working Paper, June 17, 2004.
[46] Data as of July 2006.

Figure 13: Affiliation & Race/Ethnicity
Percent of Each Group's Total Stations by Affiliation
October 2007

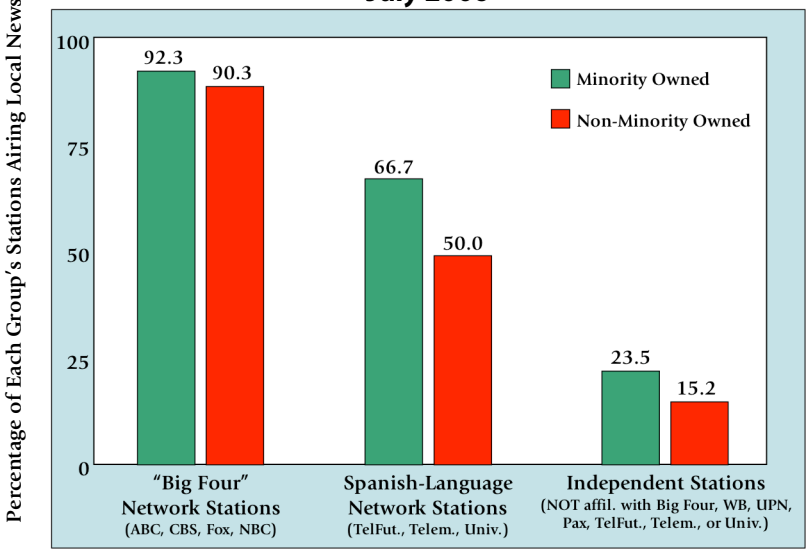


Source: Form 323 Filings; Free Press Research

The fact that minority owners control so few big-four stations suggests that the percentage of minority-owned stations airing local news is likely to be lower than their non-minority counterparts. This is true: 41 percent of minority-owned stations (as of July 2006) aired local news versus 67 percent of non-minority owned stations.

But that's not the whole story. As of July 2006 (the following data was not updated for 2007) minority-owned big four stations are just as likely to air local news as their non-minority owned counterparts (92 versus 90 percent). Two-thirds of the minority-owned Spanish-language-network-affiliated stations aired local news, versus half of the non-minority owned Spanish-language-network affiliates. And over 23 percent of the minority-owned independent stations aired local news versus just 15 percent of the non-minority-owned independent stations (see Figure 14). These data indicate that minority owners are just as capable of serving their local communities as their non-minority counterparts.

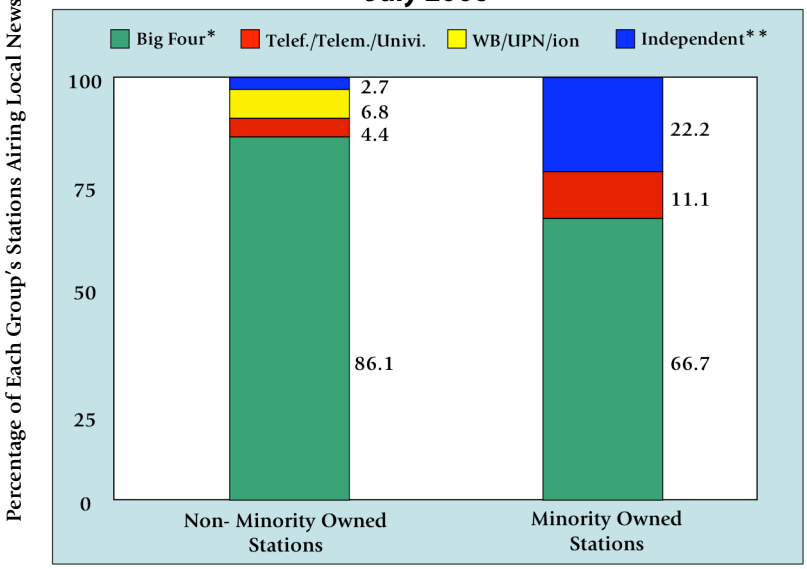
Figure 14: Local News & Race/Ethnicity
Percent of Each Group's Total Stations by Airing Local News
July 2006



Source: Form 323 filings; Free Press research

Another way to illustrate this point is to examine the 892 full-power commercial television stations that aired local news (as of July 2006). Of the 874 non-minority owned stations that aired local news, only 24 were independent stations, or just 2.7 percent. However, 22 percent of the minority-owned stations that aired local news were independent stations (see Figure 15). This difference is statistically significant, despite the relatively small number of independent minority-owned stations. So even though minority owners are largely kept out of the lucrative big four affiliated market, they still manage to produce local news content at levels higher than non-minority independent station owners.

Figure 15: Affiliations of Stations that Air Local News
by Race/Ethnicity
July 2006



Source: Form 323 filings; Free Press research

Minority Ownership of TV Stations is Low Even in Markets with Large Minority Populations

Because full-power broadcast television stations are geographically limited in their market reach, information about minority ownership at the local level is more telling than the national aggregate. The traditional geographic boundary used for analysis of television markets at the local level is the Designated Market Area, or DMA.

Like ownership at the national level, minorities are vastly underrepresented at the DMA level, even in areas where minorities are the majority. Minority-owned stations are present in 34 of the nation's 210 DMAs. Examination of individual race/ethnic groups shows very little overlap between minority-owned stations. American Indian or Alaska Native-owned stations are in four of the 210 DMAs. Asian-owned stations are present in 11 of the 210 DMAs. Black- or African-American owned stations are in 8 of the 210 DMAs (down from 18 DMAs in 2006), while Hispanic- or Latino-owned stations are present in 12 of the nation's 210 DMAs. Non-minority owned stations are present in every single DMA.

DMA coverage is slightly better for women-owners, but still far below that of men. Female-owned stations were present in 60 of the nation's 210 DMAs.

In 18 DMAs minorities make up the majority of the population living within the market. However nine of these DMAs have no minority-owned stations. The remaining nine minority-majority populated DMAs all have very low levels of minority-ownership, some 3 to 10 times below the level of minority population living within each market (see Figure 16).

Figure 16: Television Markets Where Minorities Constitute a Majority of the Population October 2007

DMA	Percent Minority Population	Percent Minority-Owned Full Power Commercial TV Stations
Laredo, TX	95.4	0.0
Harlingen-Weslaco-Brownsville-McAllen, TX	89.8	20.0
El Paso, TX	81.5	14.3
Yuma, AZ-El Centro	69.2	0.0
Miami - Ft Lauderdale, FL	66.8	15.4
Greenwood-Greenvile	64.8	0.0
Corpus Christi, TX	63.6	0.0
Los Angeles, CA	62	22.7
San Antonio, TX	60.6	9.1
Honolulu, HI	60.4	4.3
Fresno-Visalia, CA	59.6	0.0
Houston, TX	53.4	7.1
Bakersfield, CA	53.3	0.0
Palm Springs, CA	51.6	0.0
Monterey-Salinas, CA	50.9	0.0
Jackson, MS	50	16.7
San Francisco-Oakland-San Jose, CA	50	5.6
Odessa-Midland, TX	50	0.0

Source: Form 323 Filings; BIA Financial; Free Press Research

Hispanics or Latinos are the only minority group that formed a plurality or majority of the population within a sizeable number of DMAs. Only six of the 15 markets with a plurality or majority of the population made up of Latinos had stations owned by Latinos. However, even in these six markets, the level of Hispanic or Latino-ownership was 3 to 8 times below the proportion of the Latino population living there (see Figure 17).

Figure 17: Television Markets Where Hispanics or Latinos Constitute a Plurality or Majority of the Population October 2007

Designated Market Area (DMA)	Percent Hispanic or Latino Population	Percent of Full-Power Commercial TV Stations that are Hisp./Latino-Owned
Laredo, TX	94.6	0.0
Harlingen-Wslco-Brnsvl-McA, TX	88.6	20.0
El Paso, TX (Las Cruces)	78.0	14.3
Yuma, AZ-El Centro	64.8	0.0
Corpus Christi, TX	58.8	0.0
San Antonio, TX	53.4	9.1
Fresno-Visalia, CA	49.0	0.0
Odessa-Midland, TX	44.5	0.0
Miami-Ft. Lauderdale	44.0	15.4
Bakersfield, CA	43.6	0.0
Los Angeles	43.2	18.2
Monterey-Salinas, CA	43.1	0.0
Victoria, TX	41.4	0.0
Palm Springs, CA	40.7	0.0
Albuquerque-Santa Fe	39.1	4.3

Source: Form 323 Filings; BIA Financial; Free Press Research

While there is only one DMA where African-Americans constitute a majority of the population (Greenwood-Greenville, MS), there are 60 markets where the African-American proportion of the population is at or above the nationwide level. However, black-owned stations are present in just four of these 60 markets. Figure 20 shows the 10 markets with the highest percentages of African Americans living within each market. Only two of these markets contains an African American-owned station, WRBJ in Jackson Mississippi and WZRB in Columbia South Carolina (see Figure 18; both stations are owned by Roberts Brothers Broadcasting).

There are no African-American-owned full power commercial TV stations in many cities with considerable African-American populations, such as Atlanta, Detroit, New Orleans, New York City and Washington, D.C.

Figure 18: Top 10 Television Market by Black or African-American Population October 2007

Designated Market Area (DMA)	Percent Black or African American Population	Percent of Full-Power Commercial TV Stations that are Black/AA-Owned
Greenwood-Greenville, MS	62.8	0
Jackson, MS	47.6	16.7
Montgomery-Selma, AL	43.7	0
Memphis, TN	41.7	0
Meridian, MS	39.4	0
Macon, GA	39.3	0
Columbus, GA	39.0	0
Columbia, SC	38.9	16.7
Augusta, GA	38.2	0
Albany, GA	38	0

Source: Form 323 Filings; BIA Financial; Free Press Research

Honolulu is the only DMA where Asians constitute a majority of the population, and there is one Asian-owned station in this market. In the 17 markets where the Asian proportion of the population is at or above its nationwide level, there are only 5 Asian-owned stations (see Figure 19).

Figure 19: Top 10 Television Market by Asian Population October 2007

Designated Market Area (DMA)	Percent Asian Population	Percent Asian-Owned Full-Power Commercial TV Stations
Honolulu	50.1	4.3
San Francisco-Oakland	22.0	5.6
Los Angeles	11.6	4.5
San Diego	10.4	0.0
Sacremento-Stockton	10.2	0.0
Seattle-Tacoma	8.5	0.0
New York	8.1	12.5
Washington DC - Hagerstow	7.2	0.0
Las Vegas	6.9	0.0
Fresno-Visilia	6.2	0.0

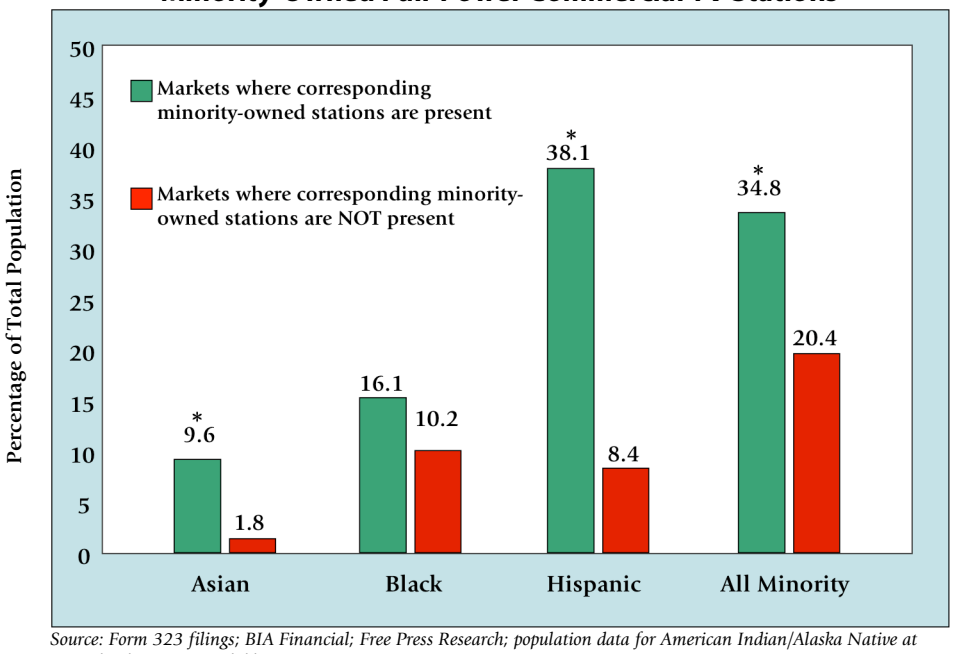
Source: Form 323 Filings; BIA Financial; Free Press Research

Population data for American Indian or Alaska Natives was not available at the DMA level. However, there are no American Indian/Alaska Native owners in the states with the highest American Indian and Alaska Native populations (New Mexico and Alaska). Three of the five American Indian/Alaska Native-owned stations are located in Oklahoma and owned by David Griffin, a broadcaster whose family has operated KWTV since 1953. The other two are in the Seattle and Buffalo, New York markets (KHCV and WNYB).

Hispanic and Asian-Owned Stations Are Located in Markets With Large Hispanic and Asian Populations But Black-Owned Stations Are Not

Though figure 17 shows that many markets with high Hispanic and Latino populations have no Latino-owned stations, Hispanic or Latino-owned stations are more likely to be in markets with higher levels of Latino population. This phenomenon is also true for Asian-owned stations, driven primarily by the Asian-owned stations in Hawaii and San Francisco (see Figure 20).

Figure 20: Minority Population in Markets with Minority-Owned Full-Power Commercial TV Stations



Source: Form 323 filings; BIA Financial; Free Press Research; population data for American Indian/Alaska Native at DMA-level was not available

However, black-owned stations are not more likely to be in markets with larger levels of African-American population. These findings suggest that language, particularly Spanish, is an important factor underlying ownership. These findings also suggest that due to difficulties with capital access and other institutional barriers to ownership, African-American owners may be purchasing stations where they can — in certain smaller, less lucrative Midwestern markets (and as of 2007 many of these remaining stations have been lost). However, perhaps due to the legacy of racism in the South, African-American owners haven't been able to effectively operate in the smaller Southern markets. While having African-American owners anywhere is desirable, it is troubling that African-American owners are not present in most large African-American communities, where they would add a valuable perspective to the coverage of local news and community affairs.

The National Reach of Minority-Owned Stations

Another way to look into the connection between minority-owned stations and minority audiences is to determine the national reach of minority-owned stations — that is, how many minority households are living where there is a minority-owned station? As mentioned above, minority-owned stations are present in 34 of the nation's 210 DMAs. These stations reach approximately 21 percent of all U.S. TV households, but just 30 percent of all minority TV households. To contrast, non-minority owned stations reach over 98 percent of all U.S. TV households (figure is not 100 percent due to the UHF discount rule, explained below).

These figures were calculated using the FCC's UHF discount rule, which attributes just half of a market's audience to UHF stations. Without the UHF discount, minority-owned stations reach 39.5 percent of all U.S. TV households and 53.5 percent of all minority TV households, while non-minority owned stations reach 100 percent of U.S. TV homes (see Figure 23).

Figure 23: National Population Reach of Minority & Female-Owned Full-Power Commercial TV Stations October 2007

Station Owned by Race/Ethnicity/Gender	Percent of All U.S. TV Households Reached		Pct. of All Minority TV HH Reached		Percent of Asian TV Households Reached		Pct. of Black/Afr. Amer. TV HH Reached		Pct. of Hisp./Latino TV HH Reached	
	With UHF Discount	Without UHF Discount	With UHF Discount	Without UHF Discount	With UHF Discount	Without UHF Discount	With UHF Discount	Without UHF Discount	With UHF Discount	Without UHF Discount
Amer. Ind./AK Nat.	2.1	3.2								
Asian	11.2	20.7			24	47.7				
Black	3.6	6.9					5.3	10.6		
Hispanic or Latino	7.9	13.8							21.7	37.3
Nat. Haw/Pac. Isl.	0	0								
All Minority	22.3	39.5	29.9	53.5						
Non-Minority	97.8	100								
Female	23.8	30.5								
Non-Female	97.6	100								

Source: Form 323 filings; BIA Financial; Free Press research

Perhaps more telling is the percentage of each minority group reached by each associated minority-owned station group. Under the UHF discount, Asian-owned stations reach 24 percent of U.S. Asian TV households, while African American-owned stations reach just 5.3 percent of African American TV households. Latinos fare better (primarily due to the Los Angeles market), with Latino-owned stations reaching 21.7 percent of all Latino TV households.

These findings provide greater context to the overall national ownership numbers. Not only is minority ownership low, but minority owners are reaching just a small portion of the minority audience. It is quite troubling that up to 95 percent of African-American households are not served by an African-American broadcaster. Even more troubling is the potential outcome of media consolidation on these few minority-owned stations. If just a handful were lost to consolidation, these already anemic numbers would fall even further.

The Martin Cross-Ownership Plan Will Have A Disproportionate Negative Impact on Minority Owners

Minority-owned stations are particularly vulnerable to the increased consolidation that will occur under the cross-ownership rule recently proposed by FCC Chairman Kevin Martin. The plan completely lifts the ban in the top 20 DMAs, for mergers between papers and non-top-4 ranked TV stations. For top 4 stations, and stations in other markets, the Martin plan essentially allows cross-owned combinations via an extremely weakened permanent waiver standard.

Martin's cross-ownership proposal will not only deal a devastating blow to viewpoint diversity, but it will also likely lead to a further decline in the already low level of minority ownership

This is because nearly half of the stations owned by people of color are in the top 20 markets (19 of the 43), and none of those are among the top four stations. That puts the few minority-owned stations directly in the cross-hairs of consolidation.

Overall, nearly 90 percent of minority-owned stations are not ranked among the top four in their respective markets. Minority-owned stations will be targeted by newspaper owners seeking to purchase a station if the ban is lifted. And increased consolidation will only decrease opportunities for people of color to enter the market and purchase stations of their own.

One of the myths manufactured by Martin and his allies is that the current ban is especially bad for minority owners, because it keeps the ethnic media from establishing synergy between their print and broadcast outlets. But currently there are ***no*** minority-owned companies that already own both daily newspapers and radio or TV stations. And it's the Big Media giants -- not smaller minority owners -- that are pushing for these rule changes.

Conclusions and Recommendations

As the FCC considers how to respond to the remand of the 2003 Powell Commission media ownership rules, it must pay close attention to the Third Circuit's strong language regarding the Commission's failure to adequately justify its rule changes in regards to female and minority ownership. It is not sound policymaking to assert that diversity, localism, and female/minority ownership are important goals, but then ignore the effects that rule changes have on these goals. Furthermore, it is a failure of responsibility to gather valuable information on ownership but then to do nothing with the data. And it is inexcusable to continue to release data summaries the Commission knows to be flawed.

The findings of this study are a crucial first step toward understanding the true state of female and minority broadcast ownership, and the effects of regulatory policy on these owners. Though this study focused on television, our study *Off The Dial* showed a similar dismal state of minority and female radio station ownership, with less than 8 percent of the stations owned by people of color and only 6 percent owned by women. This low level of ownership is particularly troubling, given the fact that radio stations are much less expensive to own and operate. This suggests that factors beyond access to capital -- factors like market consolidation -- play a large role in keeping women and people of color off the public airwaves.

The FCC should not proceed with any rulemaking before it has thoroughly studied the issue of female and minority broadcast ownership. Furthermore, we feel that the results of our study demonstrate that any policy changes that allow for increased concentration in television markets will certainly lead to a decrease in the already low number of female and minority-owned TV stations and minority-owned local TV news outlets. Enacting regulations that lead to such outcomes directly contradicts the Commission's statutory and legal obligations under the 1996 Telecommunications Act. Instead, the Commission should consider proactive policies that protect and promote female and minority ownership.

The Commission also should take the following actions:

- The FCC Media Bureau should conduct a comprehensive study of every licensed broadcast radio and television station to determine the true level of female and minority ownership.
    - The study should examine the level of ownership at both the national level and at the DMA and Arbitron market levels.
    - The study should be longitudinal, examining the changes since 1999, when the Commission began gathering gender and race/ethnicity ownership information.
    - The study should focus on station format and content, particularly paying attention to local news production.
    - The results of the study, as well as the raw data, should be made available to the public.
- The FCC should revise and simplify the public display of individual Form 323 station filings.
    - A citizen searching for the owner of a local station should easily be able to ascertain the true identity of a station owner.

- The practice of station licenses being held by layers and layers of wholly owned entities should be thoroughly examined by the Commission.
- Each station should file a single form detailing the racial/ethnic/gender ownership of the ultimate voting and equity owners of the license holder. The practice of filing dozens of forms for a single station, with the ownership information filed as attachments, should be prohibited.

- The Commission should expand the universe of stations that are required to file Form 323.
  - Currently, no owners of Class-A or low-power stations are required to file ownership information with the FCC. However, the Commission states that these classes of stations are important entry points for female and minority owners. To validate this hypothesis, the Commission should extend the obligation of filing Form 323 to these stations.
  - Currently all non-commercial educational broadcasters file Form 323-E, which does not solicit information about the gender, race, and ethnicities of station owners. The Commission should require their owners to disclose this information.

- The goal of increasing minority and female ownership can best be served by rolling back the level of media market concentration. Piecemeal policies, such as designated entity leased access or changes to construction permit build-out deadlines, will have little positive impact on the level of minority ownership if they are enacted in the current climate of increasing market concentration.

- The FCC should not take any action on media ownership rules until it has thoroughly studied the issue of female and minority ownership and analyzed the effects of past policies.
  - It should commission an independent minority-ownership task force to study and make policy recommendations on how to best fulfill the mandates of the Communications Act to promote ownership diversity.
  - The FCC, based on the recommendations of the independent task force, should complete the open proceeding on how to better implement Section 257 of the 1996 Telecommunications Act before proceeding with any rulemaking.[47]

[47] MB Docket No. 04-228, "Media Bureau Seeks Comment on Ways to Further Section 257 Mandate and to Build on Earlier Studies" DA 04-1690, June 15, 2004.

Appendix A - Additional Tables

Figure A1: Minority Owners of Full-Power Commercial Broadcast TV Stations October 2006

Year	Calls	Owner	Race	Gender	DMA Rank	DMA	VHF	Affiliation
2006	KCFG	KM Communications Inc	A	F	13	Phoenix, AZ	Yes	IND
2006	KWKB	KM Communications Inc	A	F	89	Cedar Rapids-Waterloo-Iowa City-Dubuque, I	No	CW,My
2006	KEJB	KM Communications Inc	A	F	135	Monroe, LA-El Dorado, AR	No	My
2006	KBEO	KM Communications Inc	A	F	163	Idaho Falls-Pocatello, ID	Yes	IND
2006	KPIF	KM Communications Inc	A	F	163	Idaho Falls-Pocatello, ID	No	CW
2006	WMBC-TV	Mountain Broadcasting Corp (NJ)	A	M	1	New York, NY	No	IND
2006	KBFD	Allen Broadcasting Corporation	A	M	72	Honolulu, HI	No	IND
2006	WNYB	Tri-State Christian TV Inc	AI	F	49	Buffalo, NY	No	IND
2006	KHCV	Northern Pacific International TV	AI	M	14	Seattle-Tacoma, WA	No	IND
2006	KWTV	Griffin Communications	AI	M	46	Oklahoma City, OK	Yes	CBS
2006	KOTV	Griffin Communications	AI	M	62	Tulsa, OK	Yes	CBS
2006	KQCW	Griffin Communications	AI	M	62	Tulsa, OK	No	CW
2006	KIDA	Turner Communications Incorporated	B	F	191	Twin Falls, ID	Yes	IND
2006	WJYS	Jovon Broadcasting	B	M	3	Chicago, IL	No	IND
2006	WMGM-TV	Access.1 Communications	B	M	4	Philadelphia, PA	No	NBC
2006	KBWB	Granite Broadcasting Corp	B	M	5	San Francisco-Oakland-San Jose, CA	No	IND
2006	WMYD	Granite Broadcasting Corp	B	M	11	Detroit, MI	No	My
2006	WJJA	TV-49 Inc	B	M	34	Milwaukee, WI	No	IND
2006	WKBW-TV	Granite Broadcasting Corp	B	M	49	Buffalo, NY	Yes	ABC
2006	KSEE	Granite Broadcasting Corp	B	M	55	Fresno-Visalia, CA	No	NBC
2006	KSCW	Banks Broadcasting Inc	B	M	67	Wichita - Hutchinson, KS	No	CW
2006	WTVH	Granite Broadcasting Corp	B	M	79	Syracuse, NY	Yes	CBS
2006	WZRB	Roberts Broadcasting Companies	B	M	83	Columbia, SC	No	CW
2006	WRBJ	Roberts Broadcasting Companies	B	M	87	Jackson, MS	No	CW
2006	WISE-TV	Granite Broadcasting Corp	B	M	106	Ft. Wayne, IN	No	NBC
2006	WEEK-TV	Granite Broadcasting Corp	B	M	116	Peoria-Bloomington, IL	No	NBC
2006	KNIN-TV	Banks Broadcasting Inc	B	M	118	Boise, ID	Yes	CW
2006	KBJR-TV	Granite Broadcasting Corp	B	M	137	Duluth, MN-Superior, WI	Yes	NBC
2006	KRII	Granite Broadcasting Corp	B	M	137	Duluth, MN-Superior, WI	Yes	NBC
2006	WBNG-TV	Granite Broadcasting Corp	B	M	157	Binghamton, NY	Yes	CBS
2006	KTGF	Destiny Licenses LLC	B	M	190	Great Falls, MT	No	FOX
2006	KCHF	Son Broadcasting Inc	H	F	45	Albuquerque-Santa Fe, NM	Yes	IND
2006	KJLA	LATV Holdings, LLC	H	M	2	Los Angeles, CA	No	IND
2006	KRCA	Liberman Broadcasting Inc	H	M	2	Los Angeles, CA	No	IND
2006	KVMD	KVMD Acquisition Corporation	H	M	2	Los Angeles, CA	No	IND
2006	KXLA	KXLA TV 44 Inc	H	M	2	Los Angeles, CA	No	IND
2006	KMPX	Liberman Broadcasting Inc	H	M	6	Dallas-Ft. Worth, TX	No	INS
2006	KZJL	Liberman Broadcasting Inc	H	M	10	Houston, TX	No	INS
2006	WGEN-TV	Cumbia Entertainment LLC	H	M	16	Miami - Ft. Lauderdale, FL	Yes	INS
2006	WSBS-TV	Spanish Broadcasting System	H	M	16	Miami - Ft. Lauderdale, FL	No	INS
2006	KVAW	Zavaletta Broadcasting Group	H	M	37	San Antonio, TX	No	tr3
2006	WHMM-DT	Mayavision Inc	H	M	54	New Orleans, LA	No	
2006	KTLM	Sunbelt Multimedia Company	H	M	91	Harlingen-Weslaco-Brownsville-McAllen, TX	No	TEL
2006	KTDO	ZGS Broadcast Holdings Inc	H	M	99	El Paso, TX	No	TEL
2006	KVIQ	Palazuelos, Raul	H	M	193	Eureka, CA	Yes	CBS
2006	KFWD	HIC Broadcast Inc	H	NCI	6	Dallas-Ft. Worth, TX	No	IND
2006	KTAS	Palazuelos, Raul	H	NCI	122	Santa Barbara-Santa Maria-San Luis Obispo, C	No	TEL

Source: Form 323 filings; Free Press Research

Figure A2: Minority Owners of Full-Power Commercial Broadcast TV Stations October 2007

Year	Calls	Owner	Race	Gender	DMA Rank	DMA	VHF	Affiliation
2007	KCFG	KM Communications Inc	A	F	12	Phoenix, AZ	Yes	IND
2007	KWKB	KM Communications Inc	A	F	87	Cedar Rapids-Waterloo-Iowa City-Dubuque, I	No	CW,My
2007	KEJB	KM Communications Inc	A	F	136	Monroe, LA-El Dorado, AR	No	My
2007	KBEO	KM Communications Inc	A	F	163	Idaho Falls-Pocatello, ID	Yes	IND
2007	KPIF	KM Communications Inc	A	F	163	Idaho Falls-Pocatello, ID	No	CW
2007	WMBC-TV	Mountain Broadcasting Corp (NJ)	A	M	1	New York, NY	No	IND
2007	WSAH	Multicultural Radio Broadcasting Inc	A	M	1	New York, NY	No	IND
2007	KHIZ	TVPlus LLC	A	M	2	Los Angeles, CA	No	IND
2007	KCNS	Multicultural Radio Broadcasting Inc	A	M	6	San Francisco-Oakland-San Jose, CA	No	IND
2007	WMFP	Multicultural Radio Broadcasting Inc	A	M	7	Boston, MA	No	IND
2007	WOAC	Multicultural Radio Broadcasting Inc	A	M	17	Cleveland-Akron, OH	No	IND
2007	WRAY-TV	Multicultural Radio Broadcasting Inc	A	M	28	Raleigh-Durham, NC	No	IND
2007	KBFD	Allen Broadcasting Corporation	A	M	73	Honolulu, HI	No	IND
2007	WNYB	Tri-State Christian TV Inc	AI	F	50	Buffalo, NY	No	IND
2007	KHCV	Northern Pacific International TV	AI	M	14	Seattle-Tacoma, WA	No	AZT
2007	KWTV	Griffin Communications	AI	M	45	Oklahoma City, OK	Yes	CBS
2007	KOTV	Griffin Communications	AI	M	60	Tulsa, OK	Yes	CBS
2007	KQCW	Griffin Communications	AI	M	60	Tulsa, OK	No	CW
2007	KIDA	Turner Communications Incorporated	B	F	193	Twin Falls, ID	Yes	IND
2007	WJYS	Jovon Broadcasting	B	M	3	Chicago, IL	No	IND
2007	WMGM-TV	Access.1 Communications	B	M	4	Philadelphia, PA	No	NBC
2007	WZRB	Roberts Broadcasting Companies	B	M	81	Columbia, SC	No	CW
2007	WRBJ	Roberts Broadcasting Companies	B	M	90	Jackson, MS	No	CW
2007	WAZE-TV	Roberts Broadcasting Companies	B	M	101	Evansville, IN	No	CW
2007	KNIN-TV	Banks Broadcasting Inc	B	M	113	Boise, ID	Yes	CW
2007	KTGF-TV	Destiny Licenses LLC	B	M	191	Great Falls, MT	No	FOX
2007	KCHF	Son Broadcasting Inc	H	F	44	Albuquerque-Santa Fe, NM	Yes	IND
2007	KJLA	LATV Holdings, LLC	H	M	2	Los Angeles, CA	No	IND
2007	KRCA	Liberman Broadcasting Inc	H	M	2	Los Angeles, CA	No	IND
2007	KVMD	KVMD Acquisition Corporation	H	M	2	Los Angeles, CA	No	IND
2007	KXLA	KXLA TV 44 Inc	H	M	2	Los Angeles, CA	No	IND
2007	KMPX	Liberman Broadcasting Inc	H	M	5	Dallas-Ft. Worth, TX	No	INS
2007	KZJL	Liberman Broadcasting Inc	H	M	10	Houston, TX	No	INS
2007	WGEN-TV	Cumbia Entertainment LLC	H	M	16	Miami - Ft. Lauderdale, FL	Yes	INS
2007	WSBS-TV	Spanish Broadcasting System	H	M	16	Miami - Ft. Lauderdale, FL	No	INS
2007	KPNZ	Liberman Broadcasting Inc	H	M	35	Salt Lake City, UT	No	IND
2007	KVAW	Zavaletta Broadcasting Group	H	M	37	San Antonio, TX	No	tr3
2007	KGLA-TV	Mayavision Inc	H	M	53	New Orleans, LA	No	
2007	KTLM	Sunbelt Multimedia Company	H	M	88	Harlingen-Weslaco-Brownsville-McAllen, TX	No	TEL
2007	KTDO	ZGS Broadcast Holdings Inc	H	M	98	El Paso, TX	No	TEL
2007	KFWD	HIC Broadcast Inc	H	NCI	5	Dallas-Ft. Worth, TX	No	IND
2007	KTAS	Palazuelos, Raul	H	NCI	122	Santa Barbara-Santa Maria-San Luis Obispo, C	No	TEL
2007	KVIQ	Palazuelos, Raul	H	NCI	195	Eureka, CA	Yes	CBS

Figure A3: Female Owners of Full-Power Commercial Broadcast TV Stations October 2006

Year	Calls	Owner	Race	Gender	DMA Rank	DMA	VHF	Affiliation
2006	KCFG	KM Communications Inc	A	F	13	Phoenix, AZ	Yes	IND
2006	KWKB	KM Communications Inc	A	F	89	Cedar Rapids-Waterloo-Iowa City-	No	CW,My
2006	KEJB	KM Communications Inc	A	F	135	Monroe, LA-El Dorado, AR	No	My
2006	KBEO	KM Communications Inc	A	F	163	Idaho Falls-Pocatello, ID	Yes	IND
2006	KPIF	KM Communications Inc	A	F	163	Idaho Falls-Pocatello, ID	No	CW
2006	WNYB	Tri-State Christian TV Inc	AI	F	49	Buffalo, NY	No	IND
2006	KIDA	Turner Communications Incorporated	B	F	191	Twin Falls, ID	Yes	IND
2006	KCHF	Son Broadcasting Inc	H	F	45	Albuquerque-Santa Fe, NM	Yes	IND
2006	WBPH-TV	Sonshine Family TV	W	F	4	Philadelphia, PA	No	IND
2006	KICU-TV	Cox Broadcasting	W	F	5	San Francisco-Oakland-San Jose, C	No	IND
2006	KTSF	Lincoln Broadcasting	W	F	5	San Francisco-Oakland-San Jose, C	No	IND
2006	KTVU	Cox Broadcasting	W	F	5	San Francisco-Oakland-San Jose, C	Yes	FOX
2006	WSB-TV	Cox Broadcasting	W	F	9	Atlanta, GA	Yes	ABC
2006	WWSB	Southern Broadcast Corporation	W	F	12	Tampa-St Petersburg-Sarasota, FL	No	ABC
2006	KIRO-TV	Cox Broadcasting	W	F	14	Seattle-Tacoma, WA	Yes	CBS
2006	WFTV	Cox Broadcasting	W	F	19	Orlando-Daytona Beach-Melbourn	Yes	ABC
2006	WRDQ	Cox Broadcasting	W	F	19	Orlando-Daytona Beach-Melbourn	No	IND
2006	WPXI	Cox Broadcasting	W	F	22	Pittsburgh, PA	Yes	NBC
2006	WNUV	Cunningham Broadcasting Corporation	W	F	24	Baltimore, MD	No	CW
2006	WAXN-TV	Cox Broadcasting	W	F	26	Charlotte, NC	No	IND
2006	WCCB	Bahakel Communications Limited	W	F	26	Charlotte, NC	No	FOX
2006	WSOC-TV	Cox Broadcasting	W	F	26	Charlotte, NC	Yes	ABC
2006	WTTE	Cunningham Broadcasting Corporation	W	F	32	Columbus, OH	No	FOX
2006	KTMW	Alpha & Omega Communications LLC	W	F	35	Salt Lake City, UT	No	IND
2006	WMYA-TV	Cunningham Broadcasting Corporation	W	F	36	Greenville-Spartanburg, SC-Ashevi	No	My
2006	KSBI	Family Broadcasting Group Inc	W	F	46	Oklahoma City, OK	No	IND
2006	KAIL	Trans-America Broadcasting Corp.	W	F	55	Fresno-Visalia, CA	No	My
2006	KVTH	Agape Church Inc	W	F	57	Little Rock-Pine Bluff, AR	No	IND
2006	KVTN	Agape Church Inc	W	F	57	Little Rock-Pine Bluff, AR	No	IND
2006	WHIO-TV	Cox Broadcasting	W	F	58	Dayton, OH	Yes	CBS
2006	WRGT-TV	Cunningham Broadcasting Corporation	W	F	58	Dayton, OH	No	FOX
2006	WLJC-TV	Hour of Harvest Inc	W	F	63	Lexington, KY	No	REL
2006	WINK-TV	Ft Myers Broadcasting Company	W	F	64	Ft. Myers-Naples, FL	Yes	CBS
2006	WZVN-TV	Waterman Broadcasting Corp	W	F	64	Ft. Myers-Naples, FL	No	ABC
2006	WVAH-TV	Cunningham Broadcasting Corporation	W	F	65	Charleston-Huntington, WV	Yes	FOX
2006	WACY	Ace TV Inc	W	F	69	Green Bay-Appleton, WI	No	My
2006	KLEI	Pacifica Broadcasting Co	W	F	72	Honolulu, HI	Yes	i
2006	KPXJ-DT	Minden Television Company LLC	W	F	81	Shreveport, LA	No	CW
2006	WKTC	WBHQ Columbia LLC	W	F	83	Columbia, SC	No	My
2006	WOLO-TV	Bahakel Communications Limited	W	F	83	Columbia, SC	No	ABC
2006	KCEN-TV	Frank Mayborn Enterprises	W	F	95	Waco-Temple-Bryan, TX	Yes	NBC
2006	WJAC-TV	Cox Broadcasting	W	F	98	Johnstown-Altoona, PA	Yes	NBC
2006	KFOX-TV	Cox Broadcasting	W	F	99	El Paso, TX	No	FOX
2006	WTAT-TV	Cunningham Broadcasting Corporation	W	F	100	Charleston, SC	No	FOX
2006	WFMJ-TV	Vindicator Printing Company	W	F	103	Youngstown, OH	No	NBC
2006	WFXB	Bahakel Communications Limited	W	F	105	Myrtle Beach-Florence, SC	No	FOX
2006	WTXL-TV	Southern Broadcast Corporation	W	F	108	Tallahassee, FL-Thomasville, GA	No	ABC
2006	KRXI-TV	Cox Broadcasting	W	F	110	Reno, NV	Yes	FOX
2006	WAKA	Bahakel Communications Limited	W	F	117	Montgomery, AL	Yes	CBS
2006	WDAY-TV	Forum Communications Co	W	F	119	Fargo-Valley City, ND	Yes	ABC
2006	WDAZ-TV	Forum Communications Co	W	F	119	Fargo-Valley City, ND	Yes	ABC
2006	KEZI	Chambers Communications Corp	W	F	120	Eugene, OR	Yes	ABC
2006	KLSR-TV	Calif-Oregon Broadcasting, Inc	W	F	120	Eugene, OR	No	FOX
2006	WTVA	Spain Family	W	F	132	Columbus-Tupelo-West Point, MS	Yes	NBC
2006	KNOE-TV	Noe Corporation LLC	W	F	135	Monroe, LA-El Dorado, AR	Yes	CBS
2006	KDKF	Chambers Communications Corp	W	F	141	Medford-Klamath Falls, OR	No	ABC
2006	KDRV	Chambers Communications Corp	W	F	141	Medford-Klamath Falls, OR	Yes	ABC
2006	KOBI	Calif-Oregon Broadcasting, Inc	W	F	141	Medford-Klamath Falls, OR	Yes	NBC
2006	KOTI	Calif-Oregon Broadcasting, Inc	W	F	141	Medford-Klamath Falls, OR	Yes	NBC
2006	WMDT	Brechner Management Company	W	F	148	Salisbury, MD	No	ABC
2006	WOAY-TV	Thomas Broadcasting	W	F	150	Bluefield-Beckley-Oak Hill, WV	Yes	ABC
2006	WTOV-TV	Cox Broadcasting	W	F	155	Wheeling, WV- Steubenville, OH	Yes	NBC
2006	KBMY	Forum Communications Co	W	F	158	Minot-Bismarck-Dickinson, ND	No	ABC
2006	KMCY	Forum Communications Co	W	F	158	Minot-Bismarck-Dickinson, ND	No	ABC
2006	KXVA	Sage Broadcasting Corp	W	F	164	Abilene-Sweetwater, TX	No	FOX
2006	WBBJ-TV	Bahakel Communications Limited	W	F	174	Jackson, TN	Yes	ABC
2006	WWNY-TV	United Communications Corp	W	F	176	Watertown, NY	Yes	CBS
2006	KVTJ	Agape Church Inc	W	F	180	Jonesboro, AR	No	IND
2006	WABG-TV	Bahakel Communications Limited	W	F	184	Greenwood-Greenville, MS	Yes	ABC
2006	KOHD	Chambers Communications Corp	W	F	194	Bend, OR	No	
2006	KIDY	Sage Broadcasting Corp	W	F	197	San Angelo, TX	Yes	FOX
2006	KGWC-TV	Mark III Media Inc	W	F	198	Casper-Riverton, WY	No	CBS
2006	KGWL-TV	Mark III Media Inc	W	F	198	Casper-Riverton, WY	Yes	CBS
2006	KGWR-TV	Mark III Media Inc	W	F	198	Casper-Riverton, WY	Yes	CBS
2006	KEYC-TV	United Communications Corp	W	F	200	Mankato, MN	Yes	CBS
2006	WHIZ-TV	Southeastern Ohio Television System	W	F	203	Zanesville, OH	No	NBC

Source: Form 323 filings; Free Press Research

Figure A4: Female Owners of Full-Power Commercial Broadcast TV Stations October 2007

Year	Calls	Owner	Race	Gender	DMA Rank	DMA	VHF	Affiliation
2007	KCFG	KM Communications Inc	A	F	12	Phoenix, AZ	Yes	IND
2007	KWKB	KM Communications Inc	A	F	87	Cedar Rapids-Waterloo-Iowa City-	No	CW,My
2007	KEJB	KM Communications Inc	A	F	136	Monroe, LA-El Dorado, AR	No	My
2007	KBEO	KM Communications Inc	A	F	163	Idaho Falls-Pocatello, ID	Yes	IND
2007	KPIF	KM Communications Inc	A	F	163	Idaho Falls-Pocatello, ID	No	CW
2007	WNYB	Tri-State Christian TV Inc	AI	F	50	Buffalo, NY	No	IND
2007	KIDA	Turner Communications Incorporated	B	F	193	Twin Falls, ID	Yes	IND
2007	KCHF	Son Broadcasting Inc	H	F	44	Albuquerque-Santa Fe, NM	Yes	IND
2007	WBPH-TV	Sonshine Family TV	W	F	4	Philadelphia, PA	No	IND
2007	KFTY	LK Station Group LLC	W	F	6	San Francisco-Oakland-San Jose, C	No	IND
2007	KICU-TV	Cox Broadcasting	W	F	6	San Francisco-Oakland-San Jose, C	No	IND
2007	KTSF	Lincoln Broadcasting	W	F	6	San Francisco-Oakland-San Jose, C	No	IND
2007	KTVU	Cox Broadcasting	W	F	6	San Francisco-Oakland-San Jose, C	Yes	FOX
2007	WSB-TV	Cox Broadcasting	W	F	8	Atlanta, GA	Yes	ABC
2007	WWSB	Southern Broadcast Corporation	W	F	13	Tampa-St Petersburg-Sarasota, FL	No	ABC
2007	KIRO-TV	Cox Broadcasting	W	F	14	Seattle-Tacoma, WA	Yes	CBS
2007	KVOS-TV	LK Station Group LLC	W	F	14	Seattle-Tacoma, WA	Yes	IND
2007	WFTV	Cox Broadcasting	W	F	19	Orlando-Daytona Beach-Melbourn	Yes	ABC
2007	WRDQ	Cox Broadcasting	W	F	19	Orlando-Daytona Beach-Melbourn	No	IND
2007	WPXI	Cox Broadcasting	W	F	22	Pittsburgh, PA	Yes	NBC
2007	WNUV	Cunningham Broadcasting Corporation	W	F	24	Baltimore, MD	No	CW
2007	WAXN-TV	Cox Broadcasting	W	F	25	Charlotte, NC	No	IND
2007	WCCB	Bahakel Communications Limited	W	F	25	Charlotte, NC	No	FOX
2007	WSOC-TV	Cox Broadcasting	W	F	25	Charlotte, NC	Yes	ABC
2007	KFMB-TV	Midwest Television	W	F	27	San Diego, CA	Yes	CBS
2007	WTTE	Cunningham Broadcasting Corporation	W	F	32	Columbus, OH	No	FOX
2007	KTMW	Alpha & Omega Communications LLC	W	F	35	Salt Lake City, UT	No	IND
2007	WMYA-TV	Cunningham Broadcasting Corporation	W	F	36	Greenville-Spartanburg, SC-Ashevi	No	My
2007	KTRG	SATV 10 LLC	W	F	37	San Antonio, TX	Yes	INS
2007	KAIL	Trans-America Broadcasting Corp.	W	F	55	Fresno-Visalia, CA	No	My
2007	KVTH	Agape Church Inc	W	F	57	Little Rock-Pine Bluff, AR	No	IND
2007	KVTN	Agape Church Inc	W	F	57	Little Rock-Pine Bluff, AR	No	IND
2007	WHIO-TV	Cox Broadcasting	W	F	62	Dayton, OH	Yes	CBS
2007	WRGT-TV	Cunningham Broadcasting Corporation	W	F	62	Dayton, OH	No	FOX
2007	WINK-TV	Ft Myers Broadcasting Company	W	F	63	Ft. Myers-Naples, FL	Yes	CBS
2007	WZVN-TV	Waterman Broadcasting Corp	W	F	63	Ft. Myers-Naples, FL	No	ABC
2007	WLJC-TV	Hour of Harvest Inc	W	F	64	Lexington, KY	No	REL
2007	WVAH-TV	Cunningham Broadcasting Corporation	W	F	65	Charleston-Huntington, WV	Yes	FOX
2007	WACY	Ace TV Inc	W	F	70	Green Bay-Appleton, WI	No	My
2007	KLEI	Pacifica Broadcasting Co	W	F	73	Honolulu, HI	Yes	i
2007	WKTC	WBHQ Columbia LLC	W	F	81	Columbia, SC	No	My
2007	WOLO-TV	Bahakel Communications Limited	W	F	81	Columbia, SC	No	ABC
2007	KPXJ-DT	Minden Television Company LLC	W	F	82	Shreveport, LA	No	CW
2007	WAAY-TV	Southern Broadcast Corporation	W	F	83	Huntsville-Decatur-Florence, AL	No	ABC
2007	KCEN-TV	Frank Mayborn Enterprises	W	F	95	Waco-Temple-Bryan, TX	Yes	NBC
2007	KFOX-TV	Cox Broadcasting	W	F	98	El Paso, TX	No	FOX
2007	WJAC-TV	Cox Broadcasting	W	F	99	Johnstown-Altoona, PA	Yes	NBC
2007	WTAT-TV	Cunningham Broadcasting Corporation	W	F	100	Charleston, SC	No	FOX
2007	WFXB	Bahakel Communications Limited	W	F	103	Myrtle Beach-Florence, SC	No	FOX
2007	WFMJ-TV	Vindicator Printing Company	W	F	106	Youngstown, OH	No	NBC
2007	WPTA	Malara Broadcasting	W	F	107	Ft. Wayne, IN	No	ABC
2007	WTXL-TV	Southern Broadcast Corporation	W	F	108	Tallahassee, FL-Thomasville, GA	No	ABC
2007	KRXI-TV	Cox Broadcasting	W	F	110	Reno, NV	Yes	FOX
2007	WAKA	Bahakel Communications Limited	W	F	118	Montgomery, AL	Yes	CBS
2007	WDAY-TV	Forum Communications Co	W	F	119	Fargo-Valley City, ND	Yes	ABC
2007	WDAZ-TV	Forum Communications Co	W	F	119	Fargo-Valley City, ND	Yes	ABC
2007	KEZI	Chambers Communications Corp	W	F	120	Eugene, OR	Yes	ABC
2007	KLSR-TV	Calif-Oregon Broadcasting, Inc	W	F	120	Eugene, OR	No	FOX
2007	WTVA	Spain Family	W	F	133	Columbus-Tupelo-West Point, MS	Yes	NBC
2007	KDLH	Malara Broadcasting	W	F	138	Duluth, MN-Superior, WI	Yes	CBS
2007	KDKF	Chambers Communications Corp	W	F	140	Medford-Klamath Falls, OR	No	ABC
2007	KDRV	Chambers Communications Corp	W	F	140	Medford-Klamath Falls, OR	Yes	ABC
2007	KOBI	Calif-Oregon Broadcasting, Inc	W	F	140	Medford-Klamath Falls, OR	Yes	NBC
2007	KOTI	Calif-Oregon Broadcasting, Inc	W	F	140	Medford-Klamath Falls, OR	Yes	NBC
2007	WMDT	Brechner Management Company	W	F	147	Salisbury, MD	No	ABC
2007	WOAY-TV	Thomas Broadcasting	W	F	155	Bluefield-Beckley-Oak Hill, WV	Yes	ABC
2007	KBMY	Forum Communications Co	W	F	158	Minot-Bismarck-Dickinson, ND	No	ABC
2007	KMCY	Forum Communications Co	W	F	158	Minot-Bismarck-Dickinson, ND	No	ABC
2007	WTOV-TV	Cox Broadcasting	W	F	159	Wheeling, WV- Steubenville, OH	Yes	NBC
2007	KXVA	Sage Broadcasting Corp	W	F	164	Abilene-Sweetwater, TX	No	FOX
2007	WBBJ-TV	Bahakel Communications Limited	W	F	174	Jackson, TN	Yes	ABC
2007	WWNY-TV	United Communications Corp	W	F	177	Watertown, NY	Yes	CBS
2007	KVTJ	Agape Church Inc	W	F	182	Jonesboro, AR	No	IND
2007	KOHD-DT	Chambers Communications Corp	W	F	192	Bend, OR	No	ABC
2007	KIDY	Sage Broadcasting Corp	W	F	197	San Angelo, TX	Yes	FOX
2007	KGWC-TV	Mark III Media Inc	W	F	198	Casper-Riverton, WY	No	CBS
2007	KGWL-TV	Mark III Media Inc	W	F	198	Casper-Riverton, WY	Yes	CBS
2007	KGWR-TV	Mark III Media Inc	W	F	198	Casper-Riverton, WY	Yes	CBS
2007	KEYC-TV	United Communications Corp	W	F	199	Mankato, MN	Yes	CBS
2007	WHIZ-TV	Southeastern Ohio Television System	W	F	202	Zanesville, OH	No	NBC

Source: Form 323 filings; Free Press Research

Appendix B - Market Concentration and Minority Ownership

To examine the relationship between minority-ownership of full-power commercial television stations and TV market concentration, several econometric models were constructed. The data consists of station and market level observations from 2006 and 2007.

The first set of models examines the effect that the presence of a minority-owned station in a market has on market concentration. In order to control for market-specific effects, population size and percentage female and minority populations were used as control variables. The model controlled for year-fixed effects and used robust standard errors clustered at the market level.

The model is specified as:

$$HHItotalday = \alpha + \beta_1(mktpop)_{it} + \beta_2(mktpop^2)_{it} + \beta_3(pctminor)_{it} + \beta_4(pctfem)_{it} + \beta_5(minorownmkt)_{it} + \beta_6(femownmkt)_{it} + \beta_7(2006) + \varepsilon_{it}$$

We also chose to treat minority ownership as a *dependent* variable, and examine the *probability* that a given station (or market) will be minority-owned (or contain a minority-owned station) given the characteristics of a market, including the market concentration. Because of the yes/no nature of probability models, and the fact that there are many markets with no minority-owned stations, market-fixed effects could not be controlled for in these models. We did include year-fixed effects, and used robust standard errors clustered at the station-level.

These probability models are generally specified as:

$$minorownmkt = \alpha + \beta_1(mktpop)_{it} + \beta_2(mktpop^2)_{it} + \beta_3(pctminor)_{it} + \beta_4(pctfem)_{it} + \beta_5(femownmkt)_{it} + \beta_6(HHI)_{it} + \beta_7(2006) + \varepsilon_{it}$$

$$minorownsta = \alpha + \beta_1(mktpop)_{it} + \beta_2(mktpop^2)_{it} + \beta_3(pctminor)_{it} + \beta_4(pctfem)_{it} + \beta_5(VHF)_{it} + \beta_6(big4)_{it} + \beta_7(age)_{it} + \beta_8(femownsta)_{it} + \beta_9(duopoly)_{it} + \beta_{10}(owner_numsta)_{it} + \beta_{11}(HHI)_{it} + \beta_{12}(2006) + \varepsilon_{it}$$

Where

femownsta = dummy variable for a female-owned station.

minownsta = dummy variable for a minority-owned station.

femownmkt = dummy variable for a market with a female-owned station.

minownmkt = dummy variable for a market with a minority-owned station.

HHI = the HHI for a particular market, based upon audience share or revenue share.

mktpop = the total population living in the Arbitron market.

pctminor = the percentage of a market's population that is of minority racial or ethnic status.

pctfem = the percentage of a market's population that are women.

VHF = dummy variable for a VHF station

big4 = dummy variable for a station affiliate of ABC, CBS, Fox or NBC

age = station age in years

duopoly = station is co-owned with at least one other same-market station

owner_numsta = the number of stations owned by the owner of a particular station

The results are presented below in Figures B1-B3. These results suggest that the probability that a given station is minority-owned is significantly lower in more concentrated markets, even if market and station characteristics are held constant. This result is also seen when examining the probability that a *market* will have a minority-owned station.

Figure B1:

OLS on HHI, robust standard errors clustered on market	HHI Audience Share	HHI Revenue Share
Market Population	-7.19E-04	-8.06E-04
	[9.61e-05]***	[1.04e-04]***
Market Population Squared	3.45E-11	3.85E-11
	[6.26e-12]***	[6.73e-12]***
Percent Minority Population	-21.2254	-18.0691
	[5.0364]***	[5.1880]***
Percent Female Population	225.3098	186.9944
	[157.7379]	[157.7613]
Minority-Owner in Market	-270.4076	-306.6046
	[155.8357]*	[179.3463]*
Female-Owner in Market	155.8893	131.172
	[238.4087]	[253.2976]
2006 dummy variable	84.496	-315.0164
	[36.6240]**	[58.2658]***
Observations	420	420
Adjusted R-squared	0.28	0.28

Robust standard errors in brackets
* significant at 10%; ** significant at 5%; *** significant at 1%

Source: Form 323 Filings; BIA Financial; Free Press Research

Figure B2:

dProbit on Minority-Owner in Market, robust standard errors clustered on market	dF/dx HHI Audience Share	dF/dx HHI Revenue Share
Market Population	-6.06E-08	-6.96E-08
	[5.76e-08]	[5.88e-08]
Market Population Squared	1.55E-14	1.66E-14
	[9.61e-15]	[9.68e-15]*
Percent Minority Population	0.0025	0.0029
	[0.0013]*	[0.0013]**
Percent Female Population	0.0082	0.0029
	[0.0320]	[0.0331]
Female-Owner in Market	0.128	0.127
	[0.0663]*	[0.0677]*
HHI (Audience Share)	-8.44E-05	
	[2.9408e-05]***	
HHI (Revenue Share)		-8.10E-05
		[3.5015e-05]**
2006 dummy variable	0.033	0.0136
	[0.0228]	[0.0224]
Observations	420	420
Psuedo R-squared	0.23	0.23

Robust standard errors in brackets

* significant at 10%; ** significant at 5%; *** significant at 1%

Source: Form 323 Filings; BIA Financial; Free Press Research

Figure B3:

dProbit on Minority-Owned Station, robust standard errors clustered on station	dF/dx HHI Audience Share	dF/dx HHI Revenue Share
Market Population	1.13E-09	1.02E-09
	[1.74e-09]	[1.76e-09]
Market Population Squared	-3.46E-18	3.65E-19
	[8.20e-17]	[8.25e-17]
Percent Minority Population	0.0001	0.0001
	[0.0001]	[0.0001]
Percent Female Population	0.001	0.0008
	[0.0025]	[0.0025]
VHF Station	0.0097	0.0098
	[0.0068]	[0.0067]
Big 4 Station	-0.0185	-0.0183
	[0.0077]**	[0.0077]**
Station Age (in years)	-0.0004	-0.0004
	[0.0002]***	[0.0001]***
Female-Owned Station	0.0268	0.0269
	[0.0179]	[0.0179]
Duopoly Station	-0.0087	-0.0087
	[0.0046]*	[0.0045]*
Owner_Number of Stations	-0.0007	-0.0007
	[0.0002]***	[0.0002]***
HHI (Audience Share)	-3.81E-06	
	[2.2305e-06]*	
HHI (Revenue Share)		-3.84E-06
		[2.4790e-06]*
2006 dummy variable	0.0029	0.0024
	[0.0018]	[0.0017]
Observations	2724	2724
Psuedo R-squared	0.26	0.26

Robust standard errors in brackets

* significant at 10%; ** significant at 5%; *** significant at 1%

Source: Form 323 Filings; BIA Financial; Free Press Research

These findings suggest that the likely outcome of further industry consolidation and concentration will be fewer minority-owned stations and markets with minority owners. This has tremendous implications for the current ownership proceeding at the FCC. One unambiguous consequence of further industry consolidation and concentration will be to diminish both the number of minority-owned stations and the already low number of minority-owned stations airing local news content. The FCC should seriously consider the effects on minority owners and viewers before it moves to enact policies that will lead to increased market concentration.

The econometric results reaffirm the lessons from theory, anecdote and history. The results from this study indicate that policy agenda of relaxed ownership limits not only fails to promote minority ownership, but actually undermines it at three levels. First, the trend since rules were relaxed in the mid-1990s shows a decline in minority ownership, despite an increase in the number of overall stations. Second, examination of the stations that were sold since that change in policy shows that many sales of minority owned stations to non-minorities were made possible by directly by that change (there may have been indirect effects as well, since many of the sales that took place could have taken place prior to the change in policy, but did not). The pressures to consolidate unleashed by the relaxation of the previous limits may have pushed minority owners, who have little prospect of keeping up the trend, to sell. Third, econometric evidence supports the proposition at the macro level that this micro-level data would suggest – greater concentration is associated with lower levels of minority ownership.