

**The Impact of the FCC's TV Duopoly Rule Relaxation on Minority and Women Owned Broadcast Stations 1999-2006**

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## **Executive Summary**

This study was commissioned to ascertain the impact of the Television Duopoly Rule (TVDR) on minority and female ownership of television broadcast stations. Currently, the only FCC rule deemed to be favorable to minority and female broadcast ownership is the Failed Station Solicitation Rule (FSSR) of the TVDR.

The TVDR originally prohibited the ownership of more than one television broadcast station in a market. In 1996, due to industry efforts to protect market gains realized through the use of local management agreements (LMAs)<sup>2</sup>, the TVDR was amended to allow the ownership of two stations in certain markets provided only one of the two was a VHF station and the overlapping signals of the two owned stations originated from separate albeit contiguous markets. In addition, the acquired station was required to be economically "failing" or "failed" or unbuilt.

In an effort to afford market access to potential minority and female owners, the FCC required the owners of the station to be acquired to provide public notice of its availability for acquisition. The FCC also curtailed the use of LMAs.

A recent decision by the FCC to repeal the FSSR and further relax its TVDR waiver policy by increasing the number of television stations a single owner could own locally was rejected by the Court of Appeals for the Third Circuit. The court found that the FCC had not given consideration to the impact of its decision on minority and female ownership of broadcast stations. The FCC decision was remanded in part so that the FCC could consider the impact of its proposed changes. The FCC's initiation of this study is a direct outgrowth of its response to the remand.

The FCC began to collect data on the race and gender of broadcast owners in 1999. Prior to that time, the National Telecommunications and Information Administration of the U.S. Department of Commerce (NTIA) published periodic reports on the number of minority and female owned broadcast stations in the United States.

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<sup>1</sup> Professor Hammond acknowledges the invaluable contributions and assistance of his student researchers: Adam Marcus, Shane Lunceford and Eli Edwards as well as those of Jason Dawson.

<sup>2</sup> Also called Local Marketing or Joint Marketing Agreements.

Because relatively reliable data on broadcast owner race and/or gender does not exist before 1998, researchers conducting this study are unable to successfully examine the impact of the FCC's broader set of ownership rule changes. Because the TVDR was the only ownership rule that was revised during the time period for which data on broadcast owner race and/or gender has been reliably recorded, researchers elected to examine its impact on minority and female broadcast television owners.

The researchers found that from 1999 to 2006 the relaxation of the TVDR did not appear to have a positive impact on minority and female ownership of television stations. Instead, the major beneficiaries were the largest twenty-five television broadcast station owners. Specifically, the researchers found:

- The relaxation of the TVDR codified the existing contractual relationships (local management agreements or LMAs) between group station owners and the stations they managed.
- Some group station owners leveraged their control of LMAs into control of access to attractive syndicated programming as well as access to programming affiliations with emerging networks.
- The majority of the broadcast group owners who benefited from the relaxation of the TVDR were the largest (top twenty-five) group broadcast owners (based on revenue, national market reach and/or number of stations owned). Appendix \_\_\_\_ As of 2005, they accounted for 83 of the 109 (76%) duopolies identified. Appendix \_\_\_\_
- Many of the group owners that managed "sister" stations acquired them outright once the TVDR was relaxed.
- Only one minority-owned duopoly was created. It has since been dissolved.
- There were no surviving minority-owned duopolies
- Across all markets in which minority-owned television stations operated between 1999 and 2006, the number of minority-owned television stations dropped by twenty-seven percent.
- Within markets entered and or occupied by TV duopolies, the number of minority owned stations dropped by more than thirty-nine percent.
- By contrast, in non-duopoly markets the number of minority-owned stations dropped by ten percent.

- The duopolies created in markets in which female owned television stations operated were non-female owned.
- There were no female-owned television duopolies.
- 36% of the female owned stations operating in duopoly markets were sold. All of the stations were sold to non-female, non-minority-owners.
- Female owned stations were more likely to be found in non-duopoly markets.
- The change to the TVDR has not had a positive impact on minority or female ownership of television stations.

**Introduction:**

In November of 2006, the researchers were awarded a contract by the Federal Communications Commission (FCC) to conduct a study examining the impact of the FCC's ownership policies on minority and women owned broadcast stations. At the time of the contract, the only FCC rule in existence that was perceived to have an arguable beneficial impact on minority and female owner opportunities to enter the broadcast market was the failed station solicitation rule (FSSR). The FSSR was a part of the FCC's TV Duopoly rule.

**A. The TV Duopoly Rule (TVDR)**

In 1999, the FCC modified the TVDR to allow signal area overlap if the television stations were in two separate Nielsen Designated Market Areas (DMAs) - industry accepted geographic areas for calculating station market audience share and advertising revenue share. Under the 1999 change, a local market television duopoly would be allowed if: eight full-power independent commercial and non commercial television stations remained in the DMA post-merger; and one of the duopoly stations was not among the top four-ranked stations in the DMA based on audience share.

The TV Duopoly Rule permits a waiver to allowing common ownership of two television stations in the same DMA where a same-market licensee is the only reasonably available buyer and the station purchased is a failing, failed or an unbuilt station. A station waiver applicant eligible for acquisition as part of a TV duopoly has to demonstrate: 1) that the in-market buyer is the only reasonably available candidate willing and able to operate the station and 2) that selling the station to an out-of-market buyer will result in an artificially depressed price.

## **B. The Further Proposed Relaxation of the TV Duopoly Rule**

In 2003, the FCC proposed a further relaxation of the rule to allow a single company to own as many as three television stations in large broadcast markets and two in medium sized markets. In the largest markets, the rule changes would allow a single company to own as many as three television stations, eight radio stations, the cable television system, cable television stations, and a daily newspaper. In addition, the FCC proposed to eliminate the FSSR.

## **C. The Third Circuit Remand**

In *Prometheus Radio Project vs. FCC*<sup>3</sup> the Court of Appeals for the Third Circuit reviewed the FCC's proposed relaxation of the TV Duopoly rule including the FCC's decision to repeal the FSSR. The court let stand existing duopoly combinations of two stations in a market. However, the FCC's proposed extension of duopolies to many mid-sized markets and extension of three-station ownership, or triopolies, in any market were stayed pending further FCC review and justification. In addition, the circuit court directed the FCC undertake an examination of the impact of its ownership policies on minority and female ownership of broadcast stations.

## **D. The FCC Contract**

The FCC contract to conduct this research study is a response to the Third Circuit's remand of the FCC's decision to further relax TV Duopoly ownership rules by inter alia repealing the Failed Station Solicitation Rule. The study, one of ten studies commissioned or conducted by the FCC, is to examine levels of minority and female ownership of media companies and barriers to entry that may be caused by the FCC's policies.

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<sup>3</sup> 373 F.3d 372 (2004).

## **Study Methodology and Data Limitations**

### **A. Methodology**

The change to the TV duopoly rule provides a limited opportunity to determine the impact of one of the FCC's policy changes on minority and female ownership from 1999 to 2007. The study seeks to ascertain the impact of the commission's rule by determining whether the number of minority and/or women owned broadcast stations changed during the period from 1999 to 2006. The change is measured in several ways.

First, the study identifies the transactions resulting in TV duopolies that could not have occurred before the rule change. Of these transactions, how many are situations in which a non-minority, non-female owner purchased a non-minority, non female owned station? How many of the transactions were situations in which a non-minority, non-female owner purchased a station owned by a minority or woman? How many of the latter transactions, were situations in which the minority or female owner who sold their TV station into the resulting duopoly later acquired another TV station that was non-minority, non-female owned or was minority or female owned? Finally, how many TV duopolies were acquired by minority or female owners of TV stations? Where such acquisitions occurred, how many were duopolies in which the minority or female owner acquired a second non-minority, non female owned station and how many were situations in which the second station acquired was minority or female owned?

Second, the study seeks to determine the number of commercial broadcast TV stations that were purchased (market entry) or sold (market exit) by minority or women owners in markets in which a TV duopoly was introduced that could not have existed before the passage of the FCC's rule. Market entry is defined as the acquisition of a commercial broadcast station through the purchase of a broadcast property (license transfers) or the acquisition of a permit and the subsequent implementation of an operating ongoing station enterprise. Market

exit is defined as the sale or transfer of a broadcast property by a minority or female owner to a non-minority, non-female owner or the cessation of station operations.

### TV Duopoly Inquiry Matrix

Study Tier	Data Required	Relevance	Result
TV Duopoly Tier #1	NMOS/ <sup>4</sup> NFOS <sup>5</sup> buys 2 <sup>nd</sup> NMOS/NFOS in same market NMOS/NFOS buys 2 <sup>nd</sup> MOS <sup>8</sup> or FOS <sup>9</sup> in same market MOS or FOS buys 2 <sup>nd</sup> NMOS/NFOS in same market	No increase or decrease in MO <sup>6</sup> or FO <sup>7</sup> diversity unless decrease in competitive status of MO or FO station Potential reduction in MO or FO diversity Increase in potential competitiveness of MOS or FOS	
TV Duopoly Tier #2	MO or FO entering market containing post rule TV duopoly MO or FO leaving market containing post rule TV duopoly	Increase in MOS or FOS diversity Decrease in MOS or FOS diversity	
TV Duopoly Tier #3	MO or FO staying in market containing post rule TV duopoly	Impact?	

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<sup>4</sup> NMOS = Non Minority Owned Station

<sup>5</sup> NFOS = Non Female Owned Station

<sup>6</sup> MO = Minority Owner

<sup>7</sup> FO = Female Owned

<sup>8</sup> MOS = Minority Owner Station

<sup>9</sup> FOS = Female Owned Station



## **B. Databases Used in the Study**

### **1. CDBS Database (FCC)**

The primary database used in the study is the CDBS Database, available for download at <http://www.fcc.gov/mb/databases/cdbs/>. It is probably the most useful database that exists for determining minority and female ownership status, but it is incomplete. An interactive version of the database is available at [http://svartifoss2.fcc.gov/prod/cdbs/pubacc/prod/cdbs\\_pa.htm](http://svartifoss2.fcc.gov/prod/cdbs/pubacc/prod/cdbs_pa.htm), and this version seems to have more information that is not available in the downloadable version.

A shortcoming of the data is that verifying minority and female ownership status is sometimes difficult. For example, many stations that may be owned by minorities and females may not show up by merely searching the form 323 data in the database. Cross-referencing the ownership information with other forms is also problematic. Many of the stations are owned by corporations and holding companies that are wholly owned subsidiaries of corporations. Some of these may still be listed as minority owned, but verification of ownership is extremely difficult. Where the researchers have not been able to establish minority or female owner control of a broadcast entity via majority voting or equity control, the company in question, regardless of programming orientation, is not included as a minority owned broadcaster.

In addition, stations listed as minority-owned but sold before the 1998 NTIA report have been deleted from the database for purposes of examining the impact of the change to the TVDR. In a subsequent study, it would be useful reconstruct the 1968 to 1998 ownership data and examine the impact of various commission rules and policies including the tacit FCC support for LMAs.

## **2. NABOB Membership Lists**

We compiled a list of black-owned television broadcast stations based on lists for the years 1991, 1996, 2001, and 2006 provided by the National Association of Black Owned Broadcasters (NABOB). The list was compiled to supplement ownership data supplied by FCC databases and the Free Press study. We did this in an effort to determine which stations appeared on the list one year and not the next (and vice versa).

## **3. BIA Database (Media Access Pro)**

Media Access Pro is considered the most comprehensive database for the broadcast industry. Unfortunately, this database has no flags indicating minority or female ownership status. The completeness of the data seems to be due in large part to the fact that a team of people are constantly calling stations and requesting updated information. The database supplies market and advertising information such as how much money is spent on advertising in the market each year, what percentage of that money the station in question gets, who the competitors to the station are, and other useful information.

The apparent downside of this database is that it seems to consider only stations currently in operation. This is problematic because several stations we are interested in have changed call signs, and thus the "old" station is not in the database. Searching by call sign may also be problematic when running large queries, since it appears that multiple stations (possibly only on different bands) across the country may have the same call letters.

## **4. The Free Press Study**

In addition to other sources, the Study relies on the data provided in Turner and Cooper, *Out of the Picture: Minority and Female TV Station Ownership in the United States* (2006).

## **C. Limitations of the Study**

### **1. Determination of Minority and Female Ownership**

Ultimately, determining what constituted a minority or female owned and/or controlled station was not a simple task. Where the owner in question is an individual who self reported their status, ascertaining minority or female status was relatively easy. Where the owner is a business organization, minority or female ownership status proved more difficult to ascertain. The flexibility afforded corporate organizations in structuring equity and/or voting participation presented challenges. For this reason, publicly traded companies, even when headed by a minority or woman, were not considered minority or female owned for purposes of this report. Ultimately the researchers relied on the FCC's definitions of "minority" and the licensee's self reporting of status which the FCC has historically allowed (subject to the caveat regarding publicly traded business organizations).

Aside from the issue of whether or not the entity is currently minority or female owned, there is the issue of when it became and/or ceased to be minority or female owned. Confirmation of the bonafides and duration of minority or female ownership status was sought using ownership lists published by the FCC, the NTIA, the Free Press and industry supplied ownership lists (when available) as well as resort to reports supplied through searches on Google, Wikipedia and Lexis.

For purposes of this report, the universe is comprised of owned full power commercial television broadcast stations situated in the Continental United States (Conus), Alaska and Hawaii. Low power television stations licensed in the fifty states<sup>10</sup> as well as full and/or low power stations licensed in U.S territories such

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<sup>10</sup> The second class status of low power stations in terms of signal reach, priority for spectrum usage, access to programming and eligibility for cable must carriage support this decision.

as Puerto Rico are not considered. It is recognized that this choice will have an impact on the number of minority owned stations reported and considered.

## **2. Limitations of Available Data**

It was initially hoped that the study could begin to document the impact that the Commission's ownership, spectrum allocation, minority and female ownership policies have had on the number of minority and female owned broadcast stations in the market. To properly document the impact of the FCC's multiple, minority and female ownership as well as spectrum allocation policies on minority and female ownership of broadcast stations one would have to engage in a longitudinal study. Such a study would track the policy changes and their impact across the time period beginning with the identification of the lack of diversity of viewpoint that lead to the creation of the minority ownership and women ownership policies from 1968 and 1978 respectively until today.

Unfortunately, minority and female ownership data are not available for the roughly 37 years from 1970 to 2007. The larger database would have permitted a full longitudinal study of the impact of the various changes arguably wrought by each of the FCC's ownership rule and policy changes (as well as those of Congress) on minority and/or female ownership from 1970 to 2007.

In addition, it might have been possible to begin to isolate the impact of new technologies on the audiences and revenues of minority and female owned broadcasters and their non-minority non-female owned counterparts over time. However, because the FCC did not begin requesting data on minority and female owner status until 1998, it could only provide a database covering the years 1999 to 2006.

Consequently, the study findings are constrained by the data limitation. During the time period in question, the FCC, in response to substantial political pressure,

revised its TV duopoly rule ostensibly finding that the change was justified because of increased competition in the local market from alternative media. In addition it established the FSSR. As mentioned above, further revisions to the TVDR and the decision to jettison the FSSR are currently under further FCC review subsequent to court action.

## **I. The TVDR in Context**

Among the policies that have affected the market entry and competitiveness of minority and women owned broadcasters are the minority and female ownership policies, the national ownership policies and the local ownership policies. This study seeks to ascertain the impact of the TVDR and FSSR by examining them within the context of these other policies.

### **A. Local Management Agreements (LMAs) and the TVDR**

The FCC's relaxation of the TVDR in 1999 was precipitated in part by the proliferation of local management agreements (LMAs). LMAs are contractual arrangements made between television broadcasters in the same market to combine their operations. LMAs are used to reduce the broadcasters' costs by sharing staff and or programming; expand their market reach by combining signal coverage; increase their advertising revenue shares by controlling access to a larger percentage of a desirable market segment and/or providing more opportunities to air programming. While the FCC prohibited broadcasters from outright ownership of a second television station in many local markets, LMAs allowed broadcasters to acquire control of a second station without actually owning the station.

#### **1. The Origin of LMAs**

LMAs were created in part as a response to the need for viable independent stations as programming outlets for then emerging networks such as the WB. In some markets, the WB had lost out to other networks in securing viable station

affiliates. As a result they were left with marginal<sup>11</sup> or underachieving stations as potential affiliates.<sup>12</sup> Using an LMA, "a strong affiliate in a market could take over the programming, sales and promotion of an underachieving independent station without changing its ownership."<sup>13</sup>

In order to increase the likelihood of success of marginal stations with which it would have to affiliate, the WB approached group owners that successfully managed UHF independent stations and encouraged them to enter into LMAs with strategically located UHF non-network affiliated TV stations.<sup>14</sup> The managing group owned stations could then steer more attractive non-prime time programming to the "underachieving" sister stations. This would in turn enhance the likelihood that the network affiliated prime time programming would attract enough viewers to be successful. In addition, LMAs were seen as a means for broadcasters to increase the number of channels of programming they could control in competition with the multi-channel cable and satellite providers.

Despite their alleged potential value, the broadcast industry was not united in support for the creation of LMAs.<sup>15</sup> Some prominent broadcasters viewed LMAs as anticompetitive and dangerous to diversity.<sup>16</sup> Within two years however,

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<sup>11</sup> UHF stations with low or negligible ratings that scheduled mixtures of home shopping, religious and/or "informercial" programming. John Dempsey, *WB Credo: If You Can't Sign 'Em, Create 'Em*, *Variety*, April 11, 1994 - April 17, 1994, Pg. 45.

<sup>12</sup> *Id*

<sup>13</sup> *Id*

<sup>14</sup> *Id*

<sup>15</sup> Christopher Stern, *LMA's Waiting In The Lobby*, *Variety*, January 27, 1997 - February 2, 1997, Pg. 29.

<sup>16</sup> Phil Jones, then president of the Meredith Broadcasting Corp. publicly expressed opposition to LMAs stating: "I think it's a dangerous thing for the industry...It does limit the number of voices in the marketplace and it smacks of unfair competition." Christopher Stern, *LMA's Waiting In The Lobby*, *Variety*, January 27, 1997 - February 2, 1997, Pg. 29.

broadcast groups began to see the value of LMAs in reducing the market power of program syndication companies, increasing the owners' access to valuable popular programming<sup>17</sup> and limiting market competitors' access to this same programming.<sup>18</sup> The reported originator and master of this strategy was Sinclair Broadcasting.<sup>19</sup>

Another profitable strategy emerged as well. The formerly underachieving, now better managed and better programmed UHF independent stations would garner more money as acquisition targets when the FCC relaxed its TV Duopoly rule.<sup>20</sup>

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<sup>17</sup> "**LMAs** allow a broadcaster to control the programming of a second station in a market where it already owns a station. Broadcasters use the arrangement to get around the current ban on owning more than one station in a single market. By managing the programming on two stations, in a single market, the broadcaster has much more leverage with programmers." Christopher Stern, *LMA's Waiting In The Lobby*, *Variety*, January 27, 1997 - February 2, 1997, Pg. 29. Also see Jim Benson, *Justice Dept. Seeks Info from L.A. Stations*, *Daily Variety*, November 13, 1995, Pg. 1.

In response to Sinclair's \$1.2 billion dollar acquisition of a broadcast station group, program syndicators expressed concern because between its owned stations and its LMAs Sinclair had garnered "incredible leverage when it comes to buying programs.

And that extends beyond the LMA markets. Many syndicators privately complain[ed] of having to sell a show to Sinclair in one market if they want clearances in other markets where the broadcaster has two outlets." Joe Flint, *Sinclair's Power Play*, *Daily Variety*, April 12, 1996, Pg. 1.

<sup>18</sup> "Through **LMAs, group owners** such as Sinclair Broadcast Group and Clear Channel **Television** have been able to control two outlets in one market. That means that when it comes to negotiating with studios for programming, they can often dictate the terms of deals because they control the likely buyers. Sinclair, for example, controls two stations in several major markets including Baltimore, Pittsburgh, Milwaukee and Indianapolis." Christopher Stern, *FCC Duopoly Delight*, *Variety*, November 11, 1996 - November 17, 1996, Pg. 76.

<sup>19</sup> Joe Flint, *Sinclair's Power Play*, *Daily Variety*, April 12, 1996, Pg. 1; Joe Flint, *Sinclair Puts on the Squeeze*, *Variety*, January 8, 1996 - January 14, 1996, Pg. 88.

<sup>20</sup> Michael Freeman, *Waiting For A UHF Windfall - Paxson Yanks Two U's Off Block; Seen Anticipating OK On Duopolies*, *Mediaweek*, November 25, 1996; Christopher Stern, *LMA's Waiting In The Lobby*, *Variety*, January 27, 1997 - February 2, 1997, Pg. 29.

By 1996, a scant two years after LMAs became a preferred broadcaster expansion strategy, the FCC acknowledged the potential adverse impact of duopolies and by implication LMAs on minority and female ownership of broadcast stations.<sup>21</sup> And, when Congress did not include the grandfathering of LMAs into the Telecommunications Act of 1996, despite the existence of a provision in the house version of the bill<sup>22</sup>, the stage was set for a showdown between the industry and its Congressional supporters on the one hand, and the FCC, women and minority broadcasters and public interest advocates on the other.

## **2. LMAs and Diversity of Ownership**

In November of 1996, the FCC issued a notice of proposed rulemaking soliciting comments on local management agreements. Some broadcasters became concerned that the FCC might forbid or limit the duration of existing LMAs.<sup>23</sup> According to one Wall Street analyst, the FCC's response to broadcaster efforts to codify and expand the use of same market LMAs was based on alarm expressed by some in Congress, at the FCC and among some broadcasters that relaxation of ownership rules in radio required by the Telecommunications Act of

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<sup>21</sup> [Commissioner]Ness said "Excessive consolidation . . . can drive out competition, reducing the diversity of voices...At what point does the loss from a reduction of voices and competition outweigh any benefits to the public? . . . I believe on balance local duopolies and some superduopolies have been good for radio . . . But, it would be unfortunate if everyone had to combine into multistation groups to have a chance of competing successfully." She went on query: at what point is a station kept from competing effectively; when does advertiser have trouble finding options; and at what point does "someone looking for a fresh, independent voice have a hard time finding one?" FCC Officials Say They, Not DOJ, Will Oversee Concentration, Television Digest, October 14, 1996, Vol. 36, No. 42; Pg. 1.

<sup>22</sup> Martin Peers and Joe Flint, Big Deals Brew with Bill OK, Daily Variety, February 2, 1996, Pg. 1.

<sup>23</sup> Alicia Mundy, Regulation: Hundt Outlines FCC Agenda, Mediaweek, November 11, 1996.



1996 (TA96) had resulted in a wave of unprecedented market consolidation.<sup>24</sup> There was significant concern that relaxation of ownership limits in television would have the same effect.<sup>25</sup> However, others in Congress argued that the FCC proposal to limit LMAs was contrary to Congress' intent that LMAs be allowed and protected under TA96.<sup>26</sup>

In 1997, a new commission panel and commission chairman later, the FCC still expressed concern "about the rapid pace of consolidation in the broadcast marketplace" and its impact on minority ownership of broadcast stations.<sup>27</sup> At the time, minority owners accounted for less than 3% of all broadcast stations nationally.<sup>28</sup> Industry consolidation was argued to be exacerbating the limited representation of minority owners. The FCC's failure to prohibit LMAs by enforcing the TV Duopoly rule was identified as one of the chief mechanisms facilitating consolidation.<sup>29</sup> By one estimate, seventy LMAs existed at the time. Despite Congressional pressure to grandfather all LMAs and allow ownership of one VHF and one UHF station in a market, the FCC did not modify its TV Duopoly

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<sup>24</sup> Television Digest, Act Affects Broadcasters Most, February 10, 1997

<sup>25</sup> ...Merrill Lynch analyst Jessica Reif said industry certainly had expected wave of broadcast mergers, but they appeared to have been surprise to Congress. As result of radio mergers, FCC appears to be moving slower on TV ownership rules...Reaction among broadcasters has been mixed. Groups that wanted to get bigger have done so. Others, including some large TV groups -- such as Post-Newsweek Stations (PNS) -- and small operations say it has hurt diversity. For instance, NAB TV board split 13-9 on whether to support FCC rulemaking to permit TV duopolies in same market and continue practice of approving local market agreements (LMAs). Id

<sup>26</sup> House Subcommittee Approves Budget Package, Communications Daily, June 11, 1997

<sup>27</sup> Christopher Stern, FCC's Kennard Airs On Side Of Diversity, Variety, November 10, 1997 - November 16, 1997, Pg. 22.

<sup>28</sup> Id

<sup>29</sup> Civil rights advocate Jesse Jackson "...argued that the consolidation (driven in part by LMAs) in the radio and television industry was pushing minorities out of the business..." Id

rule or retreat from its expressed concerns about the impact of LMAs on diversity and minority ownership.<sup>30</sup>

In 1998, the FCC considered proposals that existing same-market LMAs entered into after November 7, 1998 might be terminated after one year, while others would be terminated in three years or at the end of their current contract terms, whichever is sooner.<sup>31</sup> Broadcasters operating under LMAs, concerned about possible station divestitures and financial losses, responded swiftly demanding that the FCC grandfather all LMAs and provide duopoly "relief."<sup>32</sup> They argued that LMAs serve the public interest by facilitating enhanced TV service, construction of dormant stations, realization of economies of scale and introduction of local news and other programming improvements.<sup>33</sup> These broadcasters argued that they used the LMA structure to build UHF stations that aired startup WB or UPN network programming, adding to viewer entertainment programming choices.<sup>34</sup> They also alleged that the FCC had no evidence of harm from the industry practice of engaging in LMAs.<sup>35</sup>

The FCC's supporters argued that LMAs undermined the FCC's diversity policies through the loss of potential or actual competitive voices in local communities. Further, LMAs were an unauthorized circumvention of the FCC's duopoly prohibition (creating de facto duopolies) and that grandfathering would

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<sup>30</sup> Id

<sup>31</sup> Doug Halonen, Broadcasters Vow To Fight LMA Restraints, *Electronic Media*, November 23, 1998, Pg. 1.

<sup>32</sup> Id

<sup>33</sup> Id

<sup>34</sup> Broadcast Changes On Tap, *Frohlinger's Marketing Report*, November 30, 1998, Pg. NA Vol. 11 No. 23

<sup>35</sup> Broadcast Lobby Heats Up At FCC Against Tightened Ownership Rules, *Communications Daily*, December 3, 1998.

improperly reward those broadcasters who had violated the intent of the prohibition.<sup>36</sup>

The FCC set December 17, 1998 as the date for a vote on LMAs.<sup>37</sup> Among the proposals reported to be considered would have been attributing an ownership interest on the part of the broadcaster controlling the LMA.<sup>38</sup> The FCC was also reported to be considering a relaxation of the duopoly rule, to allow the overlap of "B" contour signals (an approximate 70-mile radius from the transmitter), but not "A" contour signals (35-mile radius).<sup>39</sup>

Congressional reaction was swift and mostly negative. Rep. Billy Tauzin, (R-La.) (House Commerce Committee), Sen. John McCain, (R-Ariz.) (Senate Commerce Committee), and Sen. Conrad Burns, (R-Mont.), expressed strong disagreement with the FCC's proposals, urged the FCC to delay (or eschew) a decision on LMAs and threatened to hold hearings on the FCC's jurisdiction over LMAs and other ownership rules.<sup>40</sup> The war of assertions between FCC and the broadcasters advocating for LMAs and their senators continued in the press for months. It would grow to include pressure on the FCC from Rep. Dingell (D-Mich.), the

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<sup>36</sup> Doug Halonen, Broadcasters Vow To Fight LMA Restraints, *Electronic Media*, November 23, 1998, Pg. 1.

<sup>37</sup> *Id.* See also, Broadcast Changes On Tap, *Frohlinger's Marketing Report*, November 30, 1998, Pg. NA Vol. 11 No. 23.

<sup>38</sup> Broadcast Changes On Tap, *Frohlinger's Marketing Report*, November 30, 1998, Pg. NA Vol. 11 No. 23.

<sup>39</sup> *Id.*

<sup>40</sup> Brooks Boliek, McCain, Tauzin, Burns Urge FCC to Save LMAs, *The Hollywood Reporter*, December 3, 1998; Broadcast Lobby Heats Up At FCC Against Tightened Ownership Rules, *Communications Daily*, December 3, 1998; Christopher Stern, FCC vs. Congress: Senator Says Panel Shouldn't Oppose LMAs, *Daily Variety*, December 2, 1998, Pg. 22; *Communications Daily*, December 2, 1998, Sec. Mass Media; Broadcast Changes On Tap, *Frohlinger's Marketing Report*, November 30, 1998, Pg. NA Vol. 11 No. 23; Alicia Mundy, Regulation /FCC LMA Plan Irks McCain, *Mediaweek*, November 30, 1998.

senior Commerce Committee Democrat.<sup>41</sup> By this time the number of LMAs had reportedly grown to seventy-eight.<sup>42</sup>

In response to substantial pressure from Congress and broadcasters as well as internal FCC dissension, and despite support from Sen. Ernest Hollings, (D-S.C.), ranking minority member on the Senate Commerce Committee, the FCC chairman withdrew the LMA item from the December 17, 1998 agenda.<sup>43</sup>

Nevertheless, congressional pressure on the FCC continued focusing on the national ownership limit as well as the FCC policy regarding TV duopolies and LMAs.<sup>44</sup>

For many, the battle over LMAs was seen as a war of competing priorities. Efforts to maintain the diversity of voices in local broadcast markets, protecting small broadcasters and enhancing minority and female ownership were perceived to conflict with policies supporting the continued economic success of large

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<sup>41</sup> Broadcast Lobby Heats Up At FCC Against Tightened Ownership Rules, Communications Daily, December 3, 1998.

<sup>42</sup> Brooks Boliek, McCain, Tauzin, Burns Urge FCC to Save LMAs, The Hollywood Reporter, December 3, 1998.

<sup>43</sup> Brooks Boliek, FCC Punts On Ownership Rules Under Pressure From Biz, Lawmakers, Kennard Delays Vote, The Hollywood Reporter, December 7, 1998; Kennard Delays Action On Ownership Rules, Television Digest, December 7, 1998; David Hatch and Doug Halonen, FCC Drops Ownership Rule Changes: Planned LMA Crackdown, Electronic Media, December 07, 1998, Pg. 1; Christopher Stern, FCC Chief Kennard Delays Vote On Eliminating LMAs, Daily Variety, December 7, 1998, Pg. 8; Communications Daily, December 7, 1998; Alicia Mundy, **W**ashington / Showdown Over LMAs, Mediaweek, December 07, 1998;

<sup>44</sup> McCain Opposes Ownership Cap, Television Digest, December 14, 1998; Christopher Stern, Capping FCC Power: McCain Bill Would Limit B'cast Ownership Regs, Daily Variety, December 9, 1998, Pg. 47; McCain Opposes TV Ownership Cap, Communications Daily, December 8, 1998.

group owners and networks on the other.<sup>45</sup> By this time, it was estimated that there were more than eighty LMAs operating across the nation.<sup>46</sup>

During the entire time that the FCC had fought to limit local market consolidation and preserve diversity and minority and female ownership opportunities in the face of industry and congressional opposition, the number of LMAs had been growing.

### 3. TVDR Relaxation

Less than a year later, in a policy turnaround, the FCC relaxed its TV duopoly rule by creating the waiver policy which gave large broadcasters and networks much of what they had sought.<sup>47</sup> Group and network owners could formally acquire the second stations many already operated as if they owned them. If they had unofficially "acquired" them, they were now officially allowed to keep them. A flurry of broadcast acquisitions by large group and network station owners was anticipated.<sup>48</sup>

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<sup>45</sup> "Kennard doesn't like **LMAs** because he believes they enable consolidation. And consolidation, according to Kennard, is not friendly to minorities. "I have talked to many people who have aspirations to become owners of radio and television stations," said Kennard last week, adding, "It's harder today because of consolidation, particularly in the major markets." By tightening ownership rules --- or at least making the agency's 34-year-old ban on local duopoly effective --- Kennard hopes to create more opportunity for minorities. Minorities now make up less than 3% of all radio and television owners, but major networks and large station groups insist that they are the ones who are endangered." Christopher Stern, Consolidation Issue Crystallizes FCC, Variety, December 14, 1998 - December 20, 1998, Pg. 37.

<sup>46</sup> Id

<sup>47</sup> David B. Wilkerson, FCC Seen Loosening Local TV Ownership Rules, CBS MarketWatch, August 4, 1999.

<sup>48</sup> Jennifer Files and Catalina Camia, FCC's Rule Change May Set Off Flurry of TV-Station Deals, The Dallas Morning News, August 7, 1999.

When the FCC announced its change in policy, many television group owners applied for permission to acquire stations they already operated under existing LMAs. Among the groups were Belo, Capitol, Clear Channel, CBS-Viacom, Gannett, Granite, Hubbard, Sinclair, and Tribune.<sup>49</sup> These requests appeared to be the logical consequence of the contractual provisions of many LMAs that reportedly included options to buy the managed stations at prices based on multiples of the stations' revenues or cash flow.<sup>50</sup> As the rule change caused the value of some stations to be bid up, these options gave holders of LMAs an advantage over other bidders. The LMA holders had first shot at their partner (sister station) at a bargain price.<sup>51</sup>

In an effort to foreclose the future use of the LMA vehicle, the FCC limited its use to a 2-5 year window of opportunity after the rule change.<sup>52</sup> In addition, the FCC tied the number of duopolies in a market to the number of stations in a market. Thus in smaller markets with a limited number of stations, many broadcasters were likely to have to abandon a contractual relationship with another station in the same market when the window of opportunity closed.<sup>53</sup> Finally, the FCC instituted new attribution rules.<sup>54</sup>

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<sup>49</sup> Station Groups Move On Duopoly Rules, Television Digest, November 22, 1999.

<sup>50</sup> Jon Lafayette, Next: \$2b Buying Spree? Electronic Media, August 09, 1999, Pg. 1.

<sup>51</sup> Id

<sup>52</sup> Under the rules LMAs were banned, but broadcasters were given time to either buy the LMA stations or exit the contract. Broadcasters entering into LMAs before Nov. 5, 1996, were afforded a five years window to curtail the relationship or acquire the managed station outright. Broadcasters entering into LMAs in or after November 1996 had a two year window to curtail the contractual relationship. Christopher Stern, Stations Dance To Duopoly, Variety, August 9, 1999 - August 15, 1999, Pg. 19,

<sup>53</sup> Christopher Stern, TV's Double Vision: FCC Votes Changes to Ownership Rules, Daily Variety, August 06, 1999, Pg. 1.

<sup>54</sup> Rule change also makes it more difficult to use debt to control broadcast outlets. In addition to old 5% voting stock test for whether broadcast station is considered attributable (legally owned by entity holding stock), **FCC** set new "equity/debt plus" test. Under test, station is attributable if entity's equity plus debt holding equals 33% of station's assets, plus if entity either provides more than 15% of station's programming or owns another outlet in same market. **FCC** did ease attribution

#### **4. The Failed Station Solicitation Rule (FSSR)**

At the same time, the FCC adopted the FSSR to provide potential minority and women owners notice of the availability of a failing, dark or unbuilt station in a broadcast market. The positive impact was expected to be the receipt of published notice of stations available for purchase. It remained to be seen what impact that notice, if received, would have on the acquisition of stations. In addition, it remained to be seen just how many viable opportunities for market entry remained after the earlier market entry of LMAs.

Under the 1999 TVDR waiver policy, in order to meet part of its burden of proof, a waiver applicant had to comply with the Failed Station Solicitation rule (FSSR). The FSSR required a waiver applicant (the station to be purchased/acquired) to provide public notice of the sale to potential out-of-market buyers before it could sell the failed, failing, or unbuilt television station to an in-market buyer.

The FSSR notice requirement gave minorities and women interested in purchasing a station an opportunity to bid when they might not otherwise have had timely notice. At the time of its implementation, the FSSR was the only remaining FCC rule perceived to facilitate minority and female ownership of broadcast stations.

#### **B. The Minority and Female Ownership Policies**

Between 1978 and 1994, the FCC implemented and operated its minority ownership and female broadcast ownership policies. The policies were initiated and maintained as a response to a documented lack of diversity in the presentation of viewpoints in the broadcast medium. These policies were

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benchmark for passive investors (bank trust department, mutual fund, insurance company) to 20% from 10%. FCC Eases Duopoly Broadcast Ownership, Tightens Other Rules, Communications Daily, August 6, 1999.

promulgated at a time when there were significant limits on national and local ownership of radio and television stations.

### **1. The Minority Ownership Policies**

The minority ownership policy consisted of three major components: a tax certificate policy; a distress sales policy; and a comparative plus awarded for minority ownership in the FCC's then competitive broadcast spectrum allocation procedure.

The "Tax Certificate Policy" allowed existing broadcasters who sold to minority entrepreneurs to defer taxation of the capital gains from the sale by reinvesting in a communications related enterprise within a specified time after the sale. The capital gains would not be taxed until the seller sold the subsequently acquired communications interest. The "Distress Sales Policy" allowed incumbent broadcast owners designated for an FCC hearing on potentially disqualifying issues (faced with the potential loss of their broadcast license) to sell to a minority entrepreneur at 75% of the fair market value. Prior to the Telecommunications Act of 1996 (TA96), the FCC was required by statute to allocate broadcast spectrum licenses through a comparative allocation process. Among the criteria the FCC developed for comparing competing applicants was the participation of minorities and /or women in a broadcast applicant's ownership structure. Broadcast license applicants having significant minority or women participation in ownership received a "Comparative Plus" in the comparative allocation process.

In 1992, Congress repealed §1071 Internal Revenue Code Tax Certificate Policy Exemption for minority ownership of broadcast stations as a budget restructuring measure. Subsequently, the remaining two minority ownership policies were essentially neutralized after the Supreme Court overturned its prior holding in *Metro Broadcasting* that the FCC's minority ownership policies were



constitutional. The decision in *Adarand Constructors* required the application of strict rather than intermediate scrutiny to race based federal government programs. The court concluded that the application of the more stringent level of scrutiny required adherence to new standards of proof. While the FCC considered how to proceed in light of the Court's decision, the comparative plus and the distress sales policies were tabled.

## 2. The Female Ownership Policy

In 1978, the FCC extended the comparative plus policy to women. The FCC concluded that "merit for female ownership and participation is warranted upon essentially the same basis as the merit given for black ownership and participation, but that it is a merit of lesser significance."<sup>55</sup> The FCC did not determine that there was a nexus between female ownership program diversity prior to award of the comparative plus.<sup>56</sup> The failure to establish the existence of a nexus proved the undoing of the female ownership policy.<sup>57</sup> The female ownership policy was overturned by the D.C. Circuit in 1992. The court concluded the FCC had failed to establish the factual nexus between female ownership and program diversity. In responding to the negative decision, a spokeswoman for American Women in Radio and Television (AWRT) stated: "The lack of definitive studies on female ownership of broadcast facilities has been a source of concern to AWRT for many years and AWRT has urged the FCC to undertake such studies."

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<sup>55</sup> *Reexamination of the Commission's Comparative Licensing, Distress Sales and Tax Certificate Policies Premised on Racial, Ethnic or Gender Classifications*, 1 F.C.C. Rcd. at 1315 (1986), citing *Mid-Florida Television Corp.*, 69 F.C.C.2d 607, 652 (Rev. Bd. 1978).

<sup>56</sup> *Id.* at 1315-6.

<sup>57</sup> *Lamprecht v. F.C.C.*, 958 F.2d 382, 384 (1992).

### 3. Quantifying Minority and Female Ownership

The Telecommunications Act of 1996 encouraged the FCC to promote more minority and female ownership in broadcasting. In response, in 1998, the Commission, operating under the constraints of the *Adarand Constructors* ruling, amended its "Annual Ownership Report form, FCC Form 323, to include a section requiring owners to identify their race or ethnicity and their gender."<sup>58</sup> The Commission stated that the collection of data on the race and gender of owners, would allow it to:

determine accurately the current state [of] minority and female ownership of broadcast facilities, to determine the need for measures designed to promote ownership by minorities and women, to chart the success of any such measures that we may adopt, and to fulfill our statutory mandate under Section 257 of the 1996 Act and Section 309(j) of the Communications Act of 1934 to promote opportunities for small businesses and businesses owned by women and minorities in the broadcasting industry.<sup>59</sup>

Recently, however, the FCC's execution of its collection and dissemination policy has met with significant criticism that the data is neither accurate nor comprehensive. It has been suggested that the limited reliability of the data reflects a lack of concern and commitment regarding minority and female broadcast ownership on the part of the agency.

### 4. The Impact of Other FCC Ownership Policies

The now dormant minority and female ownership policies did not exist in a policy vacuum, however. During the years that the policies were in existence, the FCC

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<sup>58</sup> *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*, 13 F.C.C Rcd. 23056, 23095 (1998).

<sup>59</sup> *Id.*

also adopted modifications to its television, radio and media cross ownership rules as well as its spectrum allocation policies. For purposes of this study, the interaction of the national multiple ownership limits and the TVDR are of particular importance.

The national multiple ownership rules limit the total number of television and radio stations an entity may own nationally, irrespective of location. Initially, the national rule prohibited one entity from owning more than three television stations. From 1953 to 1985 the national limit was raised to seven television stations. After a rule change in 1984, the national limit was raised to twelve broadcast stations with no more than five of the stations being in the VHF band. Congress repealed the 12 station limit in the Telecommunications Act of 1996 replacing it with a prohibition on owning stations allowing the owner to reach more than 35 percent of the nationwide television audience. Presently, the national ownership limit has effectively stopped the largest broadcast station owners from acquiring television duopolies in markets where they do not already own a station.<sup>60</sup>

According to industry sources, relaxation of the ownership limits tended to drive up the valuation and hence the purchase price of many broadcast stations as network and group owners bid up the prices of desirable stations. This market response was said to have priced many potential purchasers (small businesses and broadcasters including minorities and women entrepreneurs and owners) out of the market. However, the rise in prices may have benefited owners of existing stations by allowing them to sell out at higher prices. It would have thereby benefited a class of minority owners, but it would not necessarily have benefited the goal of preserving or increasing minority ownership. In addition,

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<sup>60</sup> Diane Mermigas, TV Station Economics Setback; Delayed Dereg Hurts Valuations, Mermigas on Media, September 10, 2003, Pg. 1.

station consolidation at the local and national level was said to have adversely affected smaller broadcasters. Unlike their network or group owned counterparts, these stations did not enjoy the reduced costs, enhanced market reach and increased advertising revenues afforded by the economies of scale the policy changes facilitated.

Conversely, increases in station licenses available in many local markets brought about by the FCC's liberalized spectrum allocation policies could be hypothesized to drive down or hold station prices constant. In the past, it has been argued that an increase in the available stations within a broadcast market could dilute audiences and available local market advertising revenues and hence station profitability.<sup>61</sup>

### **C. The TVDR Waiver's Impact**

#### **1. Benefits and Beneficiaries**

As of 2003, there were an estimated 119 TV station duopolies in the top 100 markets, according to a report by JP Morgan.<sup>62</sup> The researchers of this study were only able to confirm 109 duopolies as of 2006.<sup>63</sup> Of that number, one, the proposed duopoly composed of KTBS-TV and KPXJ-TV in Shreveport, La., was reported to be pending (in 2003) due to the Prometheus decision.<sup>64</sup>

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<sup>61</sup> "The broadcasting industry hates the idea of LPFM. The industry's man on the Hill is Rep. Billy Tauzin (R-La.), chairman of the House communications subcommittee. The National Association of Broadcasters has vociferously opposed the proposed rules from the beginning. Tauzin told a group of NAB executives in February that LPFM would cripple existing radio stations by stealing their audience and taking away advertising dollars and possibly causing interference." Lydia Polygreen, *The Death of "Local Radio*, *Washington Monthly*, April 1, 1999, No. 4, Vol. 31; Pg. 9

<sup>62</sup> Diane Mermigas, *TV Station Economics Setback; Delayed Dereg Hurts Valuations*, *Mermigas on Media*, September 10, 2003, Pg. 1.

<sup>63</sup> See Appendix \_\_\_\_.

<sup>64</sup> Todd Shields, *Dark Days for FCC Regs*, *Mediaweek*, September 8, 2003.

The proliferation of duopolies can be explained by the benefits they afforded their owners. Like the LMAs that preceded them, duopolies allow a broadcaster to increase advertising inventory and programming opportunities, expand market reach, and realize greater opportunities for cost cutting. The reported experience of Fox Broadcasting in its use of TV duopolies is illustrative of the value of duopolies. In 2003, due to its acquisition and management of its nine major market duopolies, Fox realized a substantial increase in station profits. Total station profits were reported to be approximately \$1 billion.<sup>65</sup> Roughly sixty percent of the reported TV station revenue base of \$2.2 billion that accounted for the \$1 billion in profits was generated by the TV duopolies.<sup>66</sup>

## **2. The Impact on Minority Owners**

Historically minority broadcast owners have expressed concern about FCC proposals and decisions to relax the broadcast national and local ownership rules.<sup>67</sup> The prior rule changes were said to result in a reduction in market entry and longevity opportunities for minority owners. Rule relaxation caused an increased market demand for stations that were attractive as second TV properties in a market. “[S]oaring station prices after...(relaxing the multiple ownership rules) put minority outlets in "'double jeopardy' . . . They couldn't afford to trade up to the better facilities in their markets and the stations against which they were competing were rapidly becoming parts of large broadcast groups, capable of bringing significant economies of scale to the market . It has been argued that further rule relaxation would only exacerbate an already negative situation.<sup>68</sup>

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<sup>65</sup> Diane Mermigas, *TV Station Economics Setback; Delayed Dereg Hurts Valuations*, Mermigas on Media, September 10, 2003, Pg. 1.

<sup>66</sup> *Id*

<sup>67</sup> Harry A. Jessell, *Sikes Ready To Move On TV Ownership: Chairman Wants To Expand Number Of Stations A Licensee May Own Both Locally And Nationally*, *Broadcasting*, April 20, 1992, Vol. 122 ; No. 17 ; Pg. 10.

<sup>68</sup> *Sikes Unscathed at Hearing: FCC May Settle On Permitting Ownership Of 30 AMs, 30 FMs; Change Duopoly Rule*, *Communications Daily*, March 12, 1992, Pg. 1.

These observations appear to be borne out by the adverse impact of the rule change. The origins of the adverse “impact” of the changes in the TVD rule in all likelihood predate the rule change to the extent that the rule codified the pre-existing LMA relationship. In this regard, impact is better measured from the introduction of LMAs into the respective television markets. This conclusion is supported by several observations. First, LMAs appear to include the more economically viable stations in a market (taking into account the management acumen of the partner station). Second, many of the LMAs were subsequently converted into TVDs after the rule change.

In this regard, one immediate adverse impact of the rule change for minorities and women owners was its inability to further dampen the market advantages the pre-existing LMA afforded the dominant LMA partner. First, the partner had intimate knowledge of the sister station’s availability and viability developed through the management of and/or investment in staff and facilities. Second, the LMA often included a provision affording favorable purchasing rights (1<sup>st</sup> refusal) and rates to the dominant partner. While the FSSR could partially offset the 1<sup>st</sup> advantage (knowledge of the existence of a “failing” or “failed” station), it provided no offset for the other. It is not surprising that only one TVD was reported to be minority owned.

#### **D. Further Relaxation of the TVDR**

In 2003, the FCC voted to further relax the limits on media concentration. The FCC proposed to: (1) increase the aggregate television ownership cap to enable one company to own stations reaching 45% of the national market (up from 35%); (2) lift the ban on newspaper-television cross-ownership, and (3) allow a single company to own three television stations in large media markets and two

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Quoting Pierre Sutton, Chairman of Inner City Broadcasting and the National Assn. of Black Owned Bcstrs. and Amancio Suarez, Secretary and Treasurer of American Hispanic Owned Radio Stations and of WAQI(AM).

in medium ones. In the largest markets, the rule would allow a single company to own up to three television stations, eight radio stations, the cable television system, cable television stations, and a daily newspaper. It was anticipated that once implemented the 2003 TVDR relaxation would result in more market consolidation.

Wall Street broadcast market observers anticipated that investments would support the creation of strategic duopolies and triopolies by large network station owners like CBS and Fox. These owners would receive relief from the increase the national ownership cap from 35% to 45% and have more room to add stations to their respective portfolios.<sup>69</sup> The deregulation was expected to result in \$325 million in duopoly driven cost savings<sup>70</sup> and to generate as much as \$6.5 billion in new market value.<sup>71</sup>

It was speculated that the proposed further deregulation would result in one company dominating the media outlets in most major markets except the top three. In addition, the U.S. broadcast market might become two tiered with large networks and group owners dominating the first 150 markets and small players in the remaining markets. Mid sized station group owners would be forced to sell out or become larger depending on strategic positioning and financing.

“Pure play” television stations and group owners operating single channels were expected to be absorbed into larger horizontally or vertically integrated media companies.<sup>72</sup> According to one Wall Street analyst: “[t]he] publicly traded pure-

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<sup>69</sup> The Hollywood Reporter, June 3, 2003; Mermigas on Media, June 3, 2003.

<sup>70</sup> Id

<sup>71</sup> Id

<sup>72</sup> Mermigas on Media, June 3, 2003

play TV companies most likely to be absorbed include Young Broadcasting, Sinclair Broadcast Group, LIN Television, Gray Broadcasting, Fisher Communications, Granite Broadcasting, Liberty Corp. (not Liberty Media Corp.) and Acme Communications.<sup>73</sup>

Large group owners like Hearst-Argyle Television, E.W. Scripps, Belo, Gannett and LIN Television were expected to merge to create mega “powerhouse station groups that would have the negotiating clout to reshape network-affiliate relations.”<sup>74</sup> Because of duopoly and triopoly driven synergies, Wall Street predicted a heightened interest in TV station purchases which would in turn inflate station prices.<sup>75</sup>

According to a study by J.P.Morgan media analysts, it was projected that the rule change would result in an additional 123 TV duopolies.<sup>76</sup> While duopolies would still be banned in 92 markets, significant concern was voiced about the likely consolidation and loss of diversity that would occur in the market once the rule change was implemented.<sup>77</sup>

## **II. Regulation and Market Dynamics**

To properly understand the possible impact of the FCC’s ownership policies on minority and female broadcast ownership, it is appropriate to examine how they might affect broadcast ownership generally. This in turn requires a brief understanding of broadcast market dynamics. To date, broadcasters’ primary ability to generate revenues has been directly related to their ability to attract

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<sup>73</sup> Mermigas on Media, June 3, 2003, quoting Jessica Reif Cohen, analyst at Merrill Lynch.

<sup>74</sup> Id

<sup>75</sup> Id

<sup>76</sup> Id

<sup>77</sup> The Times (London), June 2, 2003; Los Angeles Times, May 30, 2003.



viewers desirable to advertisers. Secondly, some broadcasters generate revenues through the sale of programming.

### **A. Generating Advertising Revenues**

A commercial broadcast station's ability to generate advertising revenues is affected by the size of its market (geographic area and population), the number of station competitors, its audience share and demography (age, gender, race, ethnicity, income, consumption patterns) as well as its service type (VHF or UHF), signal reach (geographic area covered) and signal strength (ease of receiving the signal within the geographic area covered). These characteristics (along with general business competence) affect the size and desirability of the broadcaster's audience for advertising purposes. Consequently they affect the broadcaster's ability to generate revenue and profits.

Beyond market, station type and signal, a television station's revenue and profitability can depend on membership in a broadcast group, a broadcast network or affiliation with a network. Membership in such entities affords members economies of scale in staffing and bargaining power and in production and distribution of programming (costs). Economies of scale are also realized in the production of higher quality programming to attract desirable audiences (revenues) as well as in the sale of advertising (revenues).

Possession of cable TV "must carry" status (regulatory entitlement) or of retransmission consent fees (ownership of programming desirable to cable operators<sup>78</sup>, broadcast satellite or telephone multi-channel providers) also

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<sup>78</sup> Under Sections 614 and 615 of the Communications Act, cable operators must set aside up to one third of their channel capacity for the carriage of commercial television stations and additional channels for noncommercial stations depending on the system's channel capacity. Commercial broadcast television stations may elect carriage on cable systems pursuant to either mandatory carriage (must carry) or retransmission consent. If a television station elects must carry, the cable operator is required to carry the signal without compensation. Alternatively, when a station

positively affects revenues by extending the station's market coverage and essentially "enhancing its signal reception" for purposes of ad sales.

Some broadcasters can elect to eschew must carry status and require multi-channel video providers to pay a fee in return for retransmission of the broadcasters' programming. These fees provide another source of revenues.<sup>79</sup> In addition, some television broadcasters have begun to seek advertising revenues from the provision of online content via the Internet as well as from the broadcast of digital channels.<sup>80</sup>

Competition from other broadcasters and other video distribution platforms such as cable TV, telephone and satellite firms and the Internet<sup>81</sup> can also affect a

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elects retransmission consent, the cable operator and broadcaster negotiate the terms of carriage. Broadcast television stations carried pursuant to either retransmission consent or must carry count towards the required set-aside for the carriage of commercial broadcast stations. FCC Issues Notice Of Inquiry Regarding Annual Assessment Of Status Of Competition In Market For Delivery Of Video Programming, US Fed News, October 20, 2006.

<sup>79</sup> Currently, cable and satellite operators are required to carry only one digital broadcast feed from stations. Allison Romano, *Digital Delivery; With Analog Exiting, Stations Launch Wave of Channels*, Broadcasting and Cable, April 24, 2006, Pg 6.

<sup>80</sup> Some stations have begun multicasting local weather and news channels on their digital broadcast space. NBC's channel "Weather Plus," has local versions in 90 markets covering 75% of the country. Rival networks have built their own local news and weather channels in response. Broadcasting multiple digital channels is possible now that 80% of approximately 2,000 U.S. TV stations have upgraded to digital technology. The increased digital spectrum offers local broadcasters the best opportunity to launch new businesses such as high-definition broadcasting, transmit data or create new TV-delivery services as low-cost alternatives to cable and satellite. Allison Romano, *Digital Delivery; With Analog Exiting, Stations Launch Wave of Channels*, Broadcasting and Cable, April 24, 2006, Pg 6.

<sup>81</sup> For instance, NBC Universal has formed a digital broadband venture with its 213 TV affiliates. The network will share advertising dollars generated by the sale of local and network news, sports, weather and video to Web portals and Internet video outlets. Similarly, Fox recently agreed to pay 150 TV affiliates 12.5% of the proceeds from post broadcast Internet downloads of 60% of its primetime series. Ironically, affiliates will have to give up network programming exclusivity to get the revenues. Smaller affiliates may be particularly disadvantaged. The ability to mine Internet revenues is peculiar to the large networks and group owners that have the ability to develop and distribute programming. Single broadcast station owners who

broadcaster's profitability. For instance, it is asserted that the migration of advertisers and consumers to the Internet is increasing and irreversible and has a detrimental impact on local television broadcast stations. According to some observers, local television station advertising sales are falling at the rate of 4% annually. The reduction of stations' advertising sales occurs despite the fact that broadcasting enjoys a 90% national market penetration rate in comparison to the internet's 60% national market penetration rate.

It has been argued that while the TV ad sales of all broadcasters combined barely keeps up with the growth in the gross domestic product (3%-4% per year), Internet advertising is growing at a pace of 40% per year. It is asserted that the shrinking television ad market share allegedly caused by the increasing shift to the interactive Internet will generate increasingly fierce market competition for the remaining market share among "one way" local TV broadcasters. However, at least one prominent broadcaster does not view this trend as a cause for alarm.<sup>82</sup>

Broadcaster audience shares are measured by national ratings services. The ratings measurement methodology used affects the calculation and reporting of the station's audience share and consequently affect its ability to sell advertising inventory.

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already struggle with programming costs must compete with network owned and operated stations, network affiliated stations and group owned stations that have another revenue stream to tap. Diane Mermigas, Mermigas on Media, The Hollywood Reporter, April 25, 2006.

<sup>82</sup> "The claim that broadcast television is dying is nearly as old as broadcast television itself," Redstone said. "Our nation's broadcasters--our national networks and local radio and TV stations--have been intelligent enough, dynamic enough and creative enough to remain the most important, most vital and most responsive medium for disseminating news and entertainment ever invented." Gary Dretzka, Chicago Tribune, April 11, 2000 Tuesday, Business Section, Pg. 3. Quoting Sumner Redstone, chairman and chief executive officer of Viacom Inc.

Based on the foregoing identification of the market factors affecting broadcast station competitiveness and profitability, it is reasonable to conclude that the FCC's ownership policies are not the sole determinants of station viability. However, policies having a fundamental role in determining the number of like competitors in the market and the potential scope of their economies of scale necessarily have an impact on how the stations, whatever their economic position, manage the other market factors.

For example, it is recognized that TV duopoly economics and the LMA economics which were codified when the TVDR was changed, affect several key market factors that broadcasters must control or at least manage in order to be successful. The addition of a second station in the market expands signal reach thereby expanding the broadcaster's potential audience. It reduces costs by spreading them over a larger portion of the reachable market. It increases audience size and enhances the ability to segment the audience while increasing advertising time available to generate income from the expanded audience. In the hands of a skillful group owner, it can allow the exertion of control over advertising rates. It can also facilitate greater access and control over syndicated program offerings. For all of these reasons, the interaction between the national ownership cap and the TVDR is critical to broadcaster success. The value of duopolies is recognized by Wall Street investors as reducing costs and enhancing value. Consequently it is viewed by potential broadcast station sellers and buyers as a justification for increasing the perceived value of potential duopoly sister stations.

### **III. Findings**

## **A. The TVDR Waiver and Minority Owned Television Stations**

Because of the differences in the onset and duration of a minority-owned station's operation in a market and gaps in data as well as to facilitate data manipulation, the minority owned station data are reported in three segments: 1998 – 2006; 2000 – 2006 and 2001 – 2006.

### **1. Minority Owned Stations 1998 to 2006**

Thirty television stations were identified as minority owned by the 1998 NTIA survey on minority ownership and/or identified and confirmed based on Form 323 filings with the FCC and/or findings of the Free Press study as well as resort to the popular press. Two stations operated in markets where there was no duopoly. Three stations operated in markets where there were LMAs operating but no duopoly.

Twenty-five of the stations operated in markets in which a duopoly operated or entered. Of those twenty-five stations, three minority owned stations operated in the San Francisco/San Jose metro. Two stations operated in Los Angeles and two operated in Lansing. The remaining eighteen stations each operated in a separate single market. A total of twenty-one markets were home to thirty-four duopolies.

Of the thirty minority-owned stations in this grouping, fifteen stations (50%) were sold to non-minority purchasers from 1998 to 2006. Of the fifteen minority-owned stations sold between 1998 and 2006, five were sold after a TV duopoly entered the market. Another one was sold in the same year that a TV duopoly entered the market. One of the five minority-owned stations that left the market after the entry of a TVD was part of a duopoly that was dissolved when one of the stations was sold. A new duopoly was then formed by NBC but the original minority owner (Granite) was excluded. Granite's short lived duopoly was the only minority owned duopoly formed during this time period.

Nine of the fifteen stations were sold before a TV duopoly entered the market. One of the nine stations, WPTT (Pittsburgh) was sold in 2000. It was purchased back from its minority owner Eddie Edwards by the former seller Sinclair Broadcasting after the FCC revision to the TVD rule in 1999 allowed Sinclair to own a second station in the market. This is one example of a non minority owner acquiring the minority owned station with a subsequent reduction in diversity of ownership in the market. One station was sold in the same year that a duopoly entered its market.

**Table # 1: Minority Owned Stations in Duopoly Markets 1999-2006**

	<u>Callsign</u>	<u>CITY</u>	<u>State</u>	<u>DMA</u>	<u>Duopolies</u>
1	KBFD	Honolulu	HI	72	2000 KHON, KGMB <b>Emmis</b>
2	KBJR	Duluth	MN	137	<b>LMA - KBJR Granite &amp; KDLH Malara</b>
3	KBSP	Salem (Portland)	OR	23	2003 KPTV, KPDX <b>Meredith</b> ;
4	KBWB	San Francisco	CA	5	2006 KATU, KUNP <b>Fisher Communications</b> ; 1999 KNTV, KBWB <b>Granite</b> ; KNTV, KSTS <b>NBC/Universal</b> ; KDTV, KFSF <b>Univision</b> ; KPIX, <b>KBCW Viacom/CBS</b> ; KTVU 2 Fox, KICU <b>Cox</b>
5	KEYE	Austin	TX	52	1999 KNVA, KXAN, KXAM <b>Lin TV</b>
6	KLTV	Tyler-Longview	TX	111	2006 <b>KLTV</b> , KTRE <b>Raycom Media</b>
7	KNTV	San Jose	CA	5	1999 KNTV, KBWB <b>Granite</b> ; KNTV, KSTS <b>NBC/Universal</b> ; KDTV, KFSF <b>Univision</b> ; KPIX, <b>KBCW Viacom/CBS</b> ; KTVU 2 Fox, KICU <b>Cox</b>
8	KPST	Vallejo	CA	5	1999 KNTV, KBWB <b>Granite</b> ; KNTV, KSTS <b>NBC/Universal</b> ; KDTV, KFSF <b>Univision</b> ; KPIX, <b>KBCW Viacom/CBS</b> ; KTVU, KICU <b>Cox</b>
9	KRCA	Riverside (Los Angeles)	CA	2	2002 KNBC, KVEA* <b>NBC/Universal</b> ; KCAL, KCBS <b>CBS/Viacom</b> ;
10	KSEE	Fresno	CA	55	KCOP, KTTV <b>Fox</b> ; KMEX, KFTR <b>Univision</b>
11	KSTV	Ventura (Los Angeles)	CA	2	2003 KFRE, KMPH <b>Pappas Telecasting Co.</b> *
12	KTRE	Lufkin	TX	111	2002 KNBC, KVEA <b>NBC/Universal</b> ; KCAL, KTTV <b>Fox</b> ; 2002 KMEX, KFTR <b>Univision</b> ; KCAL, KCBS <b>CBS/Viacom</b>
13	KTVJ	Denver	CO	18	2006 KLTV 7 ABC, <b>KTRE</b> 9 ABC <b>Raycom Media</b>
14	WATL	Atlanta	GA	9	2005 KUSA 9 NBC,KTVD 20 MNTV <b>Gannett</b>
15	WMBC	Newton (New York)	NJ	1	2006 WXIA 11 NBC, <b>WATL</b> 36 MNTV <b>Gannett</b>
16	WEEK	E. Peoria	IL	116	2002 WXTV 41 Univision, WFUT 68 Telefutara <b>Univision</b> ; WNYW, WWOR <b>Fox</b> <b>LMA – WEEK Granite</b> WAOE <b>Four Seasons B/cast'g</b> operated by Granite
17	WGTV	Burlington(Philadelphia)	NJ	4	2006 WPSG, KYW <b>CBS/Viacom</b>
18	WJJA	Racine	WI	33	2004 WWJ, WKBD <b>CBS/Viacom</b>
19	WJYS	Tinley Park	IL	3	2000 WMAQ, WSNS <b>NBC/Universal</b> ; WFLD, WPWR <b>Fox</b> ; WGBO, WXFT <b>Univision</b>
20	WKBW	Buffalo	NY	49	2000 WNYO, WUTV <b>Sinclair</b> ; 2006 WIVB, WNLO <b>Lin TV</b>
21	WLAJ	Lansing	MI	112	2004 WWJ 62 CBS, WKBD 50 CW <b>CBS/Viacom</b>
22	WLBT	Jackson	MS	87	No Duopolies found
23	WMYD	Lansing	MI	112	2004 WWJ 62 CBS, WKBD 50 CW <b>CBS/Viacom</b> *
24	WNOL	New Orleans	LA	54	2007 Granite in Chapter 11 1999 WGNO 26 ABC, WNOL 38 CW <b>LA Tribune</b> ;
25	WPTA	Ft. Wayne	IN	106	2005 WUPL 54 MNTV, WWL 4 CBS <b>Belo</b> <b>LMA - WISE Granite &amp; WPTA Malara</b> operated by

26	WPTT	Pittsburgh	PA	22	Granite 2006 WPGH, WPMY <b>Sinclair</b> ; KDKA, WPCW <b>CBS/Viacom</b>
27	WRBU	East St. Louis	IL	21	No Duopolies found * Sold in 2007 beyond scope of study
28	WTMW	Arlington	VA	8	2006 WTTG, WDCA <b>Fox</b> ; WTMW > WFDC * Sold 2007
29	WTVH	Syracuse	NY	79	2006 WSTM, WSTQ <b>Barrington B/ctg</b> 2007 Granite Chpt 11
30	WVII	Bangor	ME	152	1999 WCSH, WLBZ <b>Gannett</b>

**Table # 2: Minority Owned Station Activity in Duopoly Markets 1999-06<sup>83</sup>**

	<u>Call sign</u>	<u>City</u>	<u>State</u>	<u>DMA</u>	<u>MOS Activity</u>	<u>Mkt Activity</u>	<u>Duopoly Mkt Entry</u>
1	KBFD	Honolulu	HI	72	MO 1999-06	SO	2000
2	KBSP	Salem ( <b>Portland</b> )	OR	23	Sold 1999	LBD	2003 2006
3	KBWB	San Francisco	CA	5	Sold 2005	LAD	1999
4	KEYE	Austin	TX	52	Sold 2000	LAD	1999
5	KLTV	Tyler-Longview	TX	111	Sold 2000	LBD	2006
6	KNTV	San Jose	CA	5	Sold 2002	LAD	1999
7	KPST	Vallejo	CA	5	Sold 2001	LAD	1999
8	KRCA	Riverside ( <b>LA</b> )	CA	2	MO 2001-07	SO	2002
9	KSEE	Fresno	CA	55	MO 2001-07	SO*	2003
10	KSTV	Ventura ( <b>LA</b> )	CA	2	MO 1999-06	SO	2002
11	KTRE	Lufkin	TX	111	Sold 2000	LBD	2002
12	KTVJ	Denver	CO	18	Sold 2003	LBD	2005
13	WATL	Atlanta	GA	9	Sold 2006	LSYD	2006
14	WMBC	Newton ( <b>New York</b> )	NJ	1	MO 1999-07	SO	2002
15	WGTV	Burlington ( <b>Phila.</b> )	NJ	4	Sold 2004	LBD	2006
16	WJJA	Racine	WI	33	MO 1990-05	SO	2004
17	WJYS	Tinley Park	IL	3	MO 2003-05	EAD	2000
18	WKBW	Buffalo	NY	49	MO 1999-05	SO*	2000

<sup>83</sup> MO = **Minority Owned**

MOS = **Minority Owned Station**

EAD = **Entered market After Duopoly entered market**

ESYD = **Entered market the Same Year as the Duopoly entered market.**

LAD = **Left market After Duopoly entered market**

LBD = **Left Before Duopoly entered market**

LSYD = **Left market the Same Year as the Duopoly entered market.**

SO = **Still Operating in market entered by duopoly.**

\* = Qualification

Table does not include LMA markets or markets in which no duopoly was found. A total of five stations/markets are excluded.



								2006
19	WLAJ	Lansing	MI	112	Sold 1999	LBD		2004
20	WMYD	Lansing	MI	112	MO 1999-05	SO*		2004
21	WNOL	New Orleans	LA	54	Sold 2000*	LAD		1999
								2005
22	WPTT	Pittsburgh	PA	22	Sold 2000	LBD		2006
23	WTMW	Arlington	VA	8	Sold 2001	LBD		2006
24	WTVH	Syracuse	NY	79	MO 1998-06	SO*		2006
25	WVII	Bangor	ME	152	Sold 1998	LBD		1999

## 2. Minority Owned Stations 2000 to 2006

Six television stations were identified as minority owned based on Form 323 filings with the FCC in 2000. These stations were not identified as minority owned in the 1994 or 1998 surveys conducted by NTIA. Of the six minority owned stations, one is slated to be sold to a non-minority owner before the end of 2007. It currently operates in a market having two duopolies. The first duopoly entered the market in 2000 and the second one entered in 2006.

Of the remaining five stations, one station entered a market in which a duopoly had been operating since 1999. The station entered the market in 2001 and has continued to operate in the market. Four stations in this group operated in markets where no TV duopoly operated.

**Table # 3: Minority Owned Stations in Duopoly Markets 2000-06**

	<u>Call sign</u>	<u>City</u>	<u>State</u>	<u>DMA</u>	<u>Duopolies</u>
1	KCHF	Santa Fe (Albuquerque)	NM	45	1999 KWBQ, KASY <b>Acme Communications</b>
2	WKBW	Buffalo	NY	49	2000 WNYO, WUTV <b>Sinclair</b> ; 2006 WIVB, WNLO <b>Lin TV</b> ;

**Table # 4: Minority Owned Station Activity in Duopoly Markets 2000-06<sup>84</sup>**

	<u>Call sign</u>	<u>City</u>	<u>State</u>	<u>DMA</u>	<u>Own/Sell/NMO</u>	<u>Own/Sell/NMO</u>	<u>Duopolies in Market</u>
1	KCHF	Santa Fe ( <b>Albuquerque</b> )	NM	45	MO 2001-06	EAD	1999
2	WKBW	Buffalo	NY	49	MO 1999-06	SO*	2000

### 3. Minority Owned Stations 2001 to 2006

A total of thirty television stations were identified as minority-owned between 2001 and 2006. These stations were not identified in the 1998 NTIA study nor were they identified in available FCC files prior to 2001.

The thirty stations operated in twenty-six markets. Thirteen markets had no identified TV duopoly. As each contained a different minority owned station, it was concluded that the thirteen stations operated in markets with no operating duopoly. Sixteen minority-owned stations operated in markets with at least one TV duopoly. There were a total of twenty-five duopolies operating in thirteen markets. Three of the markets (Dallas/Fort Worth, Miami/Key West and Tulsa) each had two operating minority owned stations. These three markets accounted for six stations and nine duopolies. The remaining ten minority owned stations operated in separate markets. These markets contained sixteen

<sup>84</sup> MO = **Minority Owned**

MOS = **Minority Owned Station**

EAD = **Entered market After Duopoly entered market**

ESYD = **Entered market the Same Year as the Duopoly entered market.**

LAD = **Left market After Duopoly entered market**

LBD = **Left Before Duopoly entered market**

LSYD = **Left market the Same Year as the Duopoly entered market.**

SO = **Still Operating in market entered by duopoly.**

\* = Qualification

duopolies. One minority-owned station operated in a market in which two stations operated under an existing LMA but no duopoly existed.

Of the thirty stations, three were sold to non-minority owners. Two minority-owned stations were sold after a TV duopoly began operation in their market. Both were sold to non minority owners. The other station (WWRS) was essentially "sold" to a non-minority owner. The station operated in a market in which no duopoly was present. Three minority-owned stations entered their respective markets after a duopoly had entered.

#### **4. Minority-Owned Station Activity in Non-Duopoly Markets**

Combining all of the markets with minority-owned stations but no operating duopolies into one group was informative. In the nineteen "non duopoly" markets only two minority owned stations were sold. Ten percent of minority-owned stations left the market in "non-duopoly" markets.

Combining all of the markets with minority owned stations and entering or operating duopolies into one group was also informative. Seventeen of the forty-three minority-owned stations that operated in thirty-three markets in which duopolies entered or operated left the market. More than thirty-nine percent of minority-owned stations left duopoly markets from 1999 to 2006. Minority-owned stations were four times more likely to be sold in duopoly markets than in non-duopoly markets.

**Table # 5: Minority Owned Stations in Duopoly Markets 2001-2006**

	<u>Call sign</u>	<u>City</u>	<u>State</u>	<u>DMA</u>	<u>Duopolies</u>
1	KBFD	Honolulu	HI	72	2000 KHON, KGMB <b>Emmis</b>
2	KCFG	Flagstaff ( <b>Phoenix</b> )	AZ	13	2006 KSAZ, KUTP <b>Fox</b> ; KTVW, KFPH <b>Univision</b> ;
3	KFWD	Ft. Worth ( <b>Dallas</b> )	TX	6	KTVK, KASW <b>Belo</b> 2004 KDFW, KDFI <b>Fox</b> ; KXAS, KXTX <b>NBC/Universal</b> ;
4	KHCV	Seattle	WA	14	KUVN, KSTR <b>Univision</b> ; KTVT, KTXA <b>CBS/Viacom</b>
5	KMPX	<b>Dallas</b> /Ft. Worth	TX	6	2007 KOMO, KUNS <b>Fisher Communications</b> 2004 KDFW, KDFI <b>Fox</b> ) KXAS, KXTX <b>NBC/Universal</b> ;
6	KNMT	Portland	OR	23	KUVN, KSTR <b>Univision</b> ; KTVT, KTXA <b>CBS/Viacom</b> 2003 KPTV, KPDX <b>Meredith</b> ; 2006 KATU, KUNP <b>Fisher Communications</b>
7	KOTV	Tulsa	OK	62	2006 KOKI, KMYT <b>Clear Channel</b>
8	KQCW	Tulsa	OK	62	2006 KOKI, KMYT <b>Clear Channel</b>
9	KTDO	El Paso	TX	99	2004 KINT, KTFN <b>Entravision</b>
10	KTRG	Del Rio ( <b>San Antonio</b> )	TX	37	2005 KABB, KMYS <b>Sinclair</b>
11	KWTV	Oklahoma City	OK	46	2002 KOCB, KOKH <b>Sinclair</b>
12	KXLA	Rancho Palos Verdes ( <b>LA</b> )	CA	2	2002 KNBC-TV, KVEA <b>NBC/Universal</b> ; KCOP, KTTV <b>Fox</b> ; 2002 KMEX, KFTR <b>Univision</b> ;
13	KZJL	Houston	TX	10	KCAL, KCBS <b>CBS/Viacom</b> 2004 KRIV, KTXH <b>Fox</b> ; KXLN, KFTH <b>Univision</b>
14	WGEN	Key West ( <b>Miami</b> )	FL	16	2002 WTVJ, WSCV <b>NBC/Universal</b> ;
15	WISE	Fort Wayne	IN	106	WLTV, WAMI <b>Univision</b> ; WFOR, WBFS <b>CBS/Viacom</b>
16	WMGM	Atlantic City ( <b>Philadelphia</b> )	NJ	4	<b>LMA</b> - WISE ( <b>Granite</b> ) + WPTA ( <b>Malara</b> ) (operated by Granite)
17	WSBS	Key West ( <b>Miami</b> )	FL	16	2006 WPSG, KYW <b>CBS/Viacom</b> 2002 WTVJ, WSCV <b>NBC/Universal</b> ;
					WLTV, WAMI <b>Univision</b> ; WFOR, WBFS <b>CBS/Viacom</b>

**Table # 6: Minority Owned Station Activity in Duopoly Markets  
2001-06**

	<u>Callsign</u>	<u>City</u>	<u>State</u>	<u>DMA</u>	<u>Own/Sel/INMO</u>	<u>Mkt Activity</u>	<u>Duop. Mkt Entry</u>
1	KBFD	Honolulu	HI	72	MO 1999-06	SO	2000
2	KCFG	Flagstaff ( <b>Phoenix</b> )	AZ	13	MO 2002-06	SO*	2006
3	KFWD	Ft. Worth ( <b>Dallas</b> )	TX	6	MO 2001-06	SO	2004
4	KHCV	Seattle	WA	14	MO 2003-06	SO	2007
5	KMPX	<b>Dallas</b> /Ft. Worth	TX	6	MO 2004-06	SO	2004
6	KNMT	Portland	OR	23	"Sold" 2005	LAD	2003
						LBD	2006
7	KOTV	Tulsa	OK	62	MO 2003-07	SO	2006
8	KQCW	Tulsa	OK	62	MO 2006-07	SO	2006
9	KTDO	El Paso	TX	99	MO 2006	EAD	2004
10	KTRG	Del Rio ( <b>San Antonio</b> )	TX	37	Bnkpt 2006	LAD	2005
11	KWTV	Oklahoma City	OK	46	MO 2006	EAD	2002
12	KXLA	Rancho Palos Verdes ( <b>LA</b> )	CA	2	MO 2003-06	SO	2002
13	KZJL	Houston	TX	10	MO 2001-07	SO	2004
14	WGEN	Key West ( <b>Miami</b> )	FL	16	MO 2004-06	SO	2002
15	WMGM	Atlantic City ( <b>Philadelphia</b> )	NJ	4	MO 2001-07	SO	2006
16	WSBS	Key West ( <b>Miami</b> )	FL	16	MO 2003-07	EAD	2002

MO = **Minority Owned**

MOS = **Minority Owned Station**

EAD = **Entered market After Duopoly entered market**

ESYD = **Entered market the Same Year as the Duopoly entered market.**

LAD = **Left market After Duopoly entered market**

LBD = **Left Before Duopoly entered market**

LSYD = **Left market the Same Year as the Duopoly entered market.**

SO = **Still Operating in market entered by duopoly.**

**Table # 7: Minority Owned Station Activity in Non-Duopoly Markets (Combined)**

	<u>Callsign</u>	<u>City</u>	<u>State</u>	<u>DMA</u>	<u>MO Activity</u>	<u>Duopoly Status</u>
1	KBEO	Jackson ( <b>Idaho Falls</b> )	WY	163	MO 2001-06	None
2	KEJB	El Dorado	AR		MO 2003-07	None
3	KIDA	Sun Valley (Twin Falls)	ID	191	MO 2006	None
4	KNIN	Boise	ID	119	MO 2003-05	None
5	KPIF	Pocatello	ID		MO 2003-04	None
6	KRII	Chisolm	MN	137	MO 2005	None
7	KSCW	Wichita	KS	67	Sale 2007 *	None
8	KTAS	San Luis Obispo ( <b>Santa Barbara</b> )	CA	122	MO 2006	None
9	KTGF	Great Falls	MT	190	MO <b>2005</b>	None
10	KTLM	Mc Allen ( <b>Lower Rio Grande</b> )	TX	91	MO <b>2005</b>	None
11	KVAW	Eagle Pass ( <b>San Antonio</b> )	TX	37	MO 2004-07	None
12	KVIQ	Eureka	CA	193	MO 2005-07	None
13	KVMD	Twenty-Nine Palms ( <b>Los Angeles</b> )	CA	2	MO 2003-06	None
14	KWKB	Iowa City	IA	88	MO 1999-05	None
15	WLBT	Jackson	MS	87	Sold 2002	None
16	WRBU	East St. Louis	IL	21	MO-1999-06	None
17	WRBJ	Magee ( <b>Jackson</b> )	MS	89	MO 2004-05	None
18	WWRS <sup>85</sup>	Mayville ( <b>Milwaukee</b> )	WI	34	MO???	None
19	WZRB	Columbia	SC	83	MO 2004-06	None

#### 4. Conclusions

- There were no surviving minority-owned duopolies
- The chief beneficiaries of the rule change were the top 25 group owners who as of 2005 accounted for 83 of the 109 (76%) duopolies identified.
- Across all markets in which minority-owned television stations operated between 1999 and 2006, the number of minority-owned television stations dropped by twenty-seven percent.

<sup>85</sup> Minority ownership status questionable as early as 2001. A Challenge to TBN Growth; The FCC once ruled that a minority-owned company was a scheme to acquire more stations. Los Angeles Times September 20, 2004 Non Minority status clear as of 2005.

- Within markets entered and or occupied by TV duopolies, the number of minority owned stations dropped by more than thirty-nine percent.

Combined over the 1998-2006 time period, non-minority owners accounted for sixty duopolies operating in thirty-six of the markets in which minority-owned stations operated. Minority owners accounted for one short lived duopoly in one market. Two minority-owned stations were acquired to form non-minority-owned duopolies.<sup>86</sup> All of the duopoly owners were networks or relatively large group owners. The majority of duopoly owners were ranked in the top twenty-five group owners in the United States by national market share and/or by revenues.<sup>87</sup> None of the duopolies was formed by a single station owner acquiring a second station in the same market.

It appears that the FCC's 1999 change to the rule had a negligible, fleeting positive impact on minority ownership if it is measured in the number of duopolies acquired. Indeed, the net result of the duopoly relaxation was the loss of two minority owned stations with the acquisition of one station causing the loss of the only minority owned duopoly. Of the sixty duopolies created in markets containing minority-owned stations from 1998 to 2006 the net number of minority-owned duopolies is zero. Of the sixty duopolies formed in the time period in question, fifty-five were owned by groups ranked in the top twenty-five television group owners in terms of revenue or national market share for 2001-2002. It would seem that the true beneficiaries of the FCC's rule change were the large station group owners.

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<sup>86</sup> Query whether minority-owned stations were typically less desirable than other stations because they operated at a technical competitive disadvantage, were more reluctant to sell or were just one of many options for the entering duopolist.

<sup>87</sup> See Dan Trigoboff, *Less Is More As Viacom Retakes Top Spot*, *Broadcasting & Cable*, April 08, 2002, Special Report; Pg. 46; Kim McAvoy, *What the Top 25 Want*, *Broadcasting & Cable*, January 21, 2002, Special Report; Pg. 44; Elizabeth A. Rathbun, *Sly Fox Buys Big, Gets Back On Top*, *Broadcasting & Cable*, April 23, 2001, Pg. 59.

From 1998 to 2006 there were sixty-two minority-owned television stations operating in forty-six markets. By the end of 2006, twenty-seven percent of those stations had been sold to non-minority owners. During the same time period, only ten percent of minority owned stations were sold in non-duopoly markets. From 1999 to 2006 a total of five minority-owners acquired stations in markets already containing at least one TV duopoly. Twenty-one minority-owned stations continued to operate in their respective markets after a duopoly was introduced. Nineteen minority-owned stations operated in markets with no TV duopolies. Minority-owners did not account for a single surviving duopoly.

The net change in the number of minority-owned stations during the 1998 to 2006 time period reflected a drop of twenty-seven percent in the number of minority-owned stations. Minority owners were roughly three times more likely to leave a market than to enter it. Minority owners were slightly more likely to leave a market prior to the introduction of a duopoly (9) than once a duopoly they had entered their market (7). Again, the duopoly rule change does not appear to have had any positive impact on minority ownership of TV stations.

Indeed, as mentioned above, the chief impact may have been negative. The rule change stopped prospective use of the LMA but codified the pre-existing use. As a result it failed to erase the market advantages the pre-existing LMA afforded the dominant LMA partner. The dominant partner's intimate knowledge of the sister station's availability and viability as well as its enjoyment of favorable purchasing rights and purchasing rates disadvantaged all other buyers including potential minority and female purchasers. While the FSSR could partially offset this by making known the existence of a "failing" or "failed" station, it could not offset the favorable purchasing rights at favorable prices enjoyed by the dominant partner in an LMA. It is not surprising that only one TVD was briefly reported to be minority owned. Based on the demonstrable



benefit and detriment, the TV duopoly policy change appears to have benefited non-minority television station group owners and does not appear to have benefited minority-owned television owners.

**Table # 7: Minority-Owned Television and Revision to the TVDR**

Tier	Transaction	Relevance	Duopolies
Tier #1	NMOS buys 2 <sup>nd</sup> NMOS in same market	No increase or decrease in MO diversity unless decrease in competitive status of MOS	60
	NMOS buys 2 <sup>nd</sup> MOS in same market	Potential reduction in MO diversity	2
	MO buys 2 <sup>nd</sup> NMOS in same market	Increase in potential competitiveness of FOS	0
	MO buys 2 <sup>nd</sup> MOS in same market	No increase or decrease in MO diversity unless increase in competitive status	0
Tier #2	MO entering market containing post rule TV duopoly	Increase in MOS diversity	5
	MO leaving market containing post rule TV duopoly	Decrease in MOS diversity	7
	MO leaving market before duopoly enters	Decrease in MOS diversity	9
TV Duopoly Tier #3	MO staying in market containing post rule TV duopoly	Impact?	21

## **B. The TVDR Waiver and Female Owned Television**

Based on the available data and subject to the qualifications mentioned earlier in this study, sixty-four female owned stations in approximately forty-six markets were identified as operating between 1999 and 2006. There were nineteen female owned stations operating in markets in which at least one post 1999 TV duopoly entered between 1999 and 2006. All but one of the stations operated in the top seventy-five markets (DMAs). Seven operated in top twenty-five markets. Another seven operated in next tier of markets (26-50). Four operated in third tier markets (51-75) and one in market #108.

Of the nineteen stations, eight remained in their respective market subsequent to the duopoly's entry. Three female owners entered their respective television broadcast markets after duopolies had entered. Seven female owned stations were sold to non-female owners. Two of the seven stations became part of a TV duopoly. Twenty-six duopolies were created in markets in which female owned stations operated or later entered. However, no female owned broadcast duopolies were created.

**Table # 8: Female Owned Stations in Duopoly Markets  
(Alphabetical by Call Sign) 1999-2006**

Call Sign	City	State	DMA	Duopolies by Year	
1	KAIL	Fresno	CA	56	2003 KFRE-TV, KMPH-TV <a href="#">Pappas</a>
2	KCFG	Flagstaff (Phoenix)	AZ	13	2006 KSAZ, KUTP <a href="#">Fox</a> ; KTVW, KFPH <a href="#">Univision</a> ; KTVK, KASW <a href="#">Belo</a>
3	KCHF	Santa Fe (Albuquerque)	NM	45	1999 KWBQ, KASY <a href="#">Acme Communications</a>
4	KCWE	Kansas City	MO	31	2001 KSHB, KMCI <a href="#">Scripps-Howard</a> ; 2005 KMBC, KCWE <a href="#">Hearst-Argyle</a> ; KCTV, KSMO <a href="#">Meredith</a>
5	KFRE	Sanger (Fresno)	CA	56	2003 KFRE, KMPH <a href="#">Pappas</a>
6	KLEI	Kailua Kona (Honolulu)	HI	72	2000 KHON, KGMB <a href="#">Emmis</a>
7	KNMT	Portland	OR	23	2003 KPTV, KPDX <a href="#">Meredith Corp.</a> ; 2006 KATU-TV, KUNP <a href="#">Fisher Comm.</a>
8	KSBI	Oklahoma City	OK		2002 KOCB, KOKH <a href="#">Sinclair B/Cast'g</a>
9	KTFL	Flagstaff (Phoenix)	AZ	13	2006 KSAZ, KUTP <a href="#">Fox</a> ; KTVW , KFPH <a href="#">Univision</a> ; KTVK, KASW <a href="#">Belo</a>
10	KTFQ	Albuquerque	NM	45	1999 KWBQ, KASY <a href="#">Acme Communications</a>
11	KTMW	Salt Lake City	UT	35	2005 KTVX, KUWB & KTVX, KUCW <a href="#">Clear Channel</a> ; KUTH, KUTF <a href="#">Equity</a>
12	KTSF	San Francisco	CA	5	1999 KNTV, KBWB Granite>KNTV, KSTS <a href="#">NBC/Universal</a> ; KDTV, KFSF <a href="#">Univision</a> ; KPIX, KBHK>KBCW <a href="#">CBS/Viacom</a> ; KTVU, KICU <a href="#">Cox</a>
13	KVTN	Little Rock (Pine Bluff)	AR	57	2006 KLRT, KASN <a href="#">Clear Channel</a> ; KLRA, KWBF <a href="#">Equity</a> ; KNWA, KFTA <a href="#">Nextstar</a> ; KVTN, KVTH <a href="#">Victory</a>
14	WBPH	Bethlehem	PA	4	2006 WPSG, KYW <a href="#">CBS/Viacom</a>
15	WGTW	Burlington (Philadelphia)	NJ	4	2006 WPSG, KYW <a href="#">CBS/Viacom</a>
16	WNYB	Buffalo/Erie	NY	49	2000 WNYO, WUTV <a href="#">Sinclair</a> ; 2006 WIVB, WNLO <a href="#">Lin TV</a>
17	WTXL	Tallahassee	FL	108	2006 WFXU, WTLH <a href="#">Pegasus</a>
18	WWRS	Mayville (Milwaukee)	WI	34	2004 WCGV, WVTV <a href="#">Sinclair</a>
19	WWSB	Sarasota (Tampa)	FL	12	2006 WFTT-TV, WVEA-TV <a href="#">Univision</a>

**Table # 9: Female Owned Stations in Non Duopoly Markets  
1999-2006**

	<u>Call sign</u>	<u>City</u>	<u>State</u>	<u>DMA</u>
1	KBEO	Jackson ( <b>Idaho Falls</b> )	WY	163
2	KCEN	Temple ( <b>Waco</b> )	TX	95
3	KDKF	Klamath Falls	OR	141
4	KDRV	Medford	OR	141
5	KEJB	El Dorado	AR	135
6	KEYC	Mankato	MN	200
7	KEZI	Eugene	OR	120
8	KGWC	Casper	WY	195
9	KGWL	Casper	WY	195
10	KGWR	Casper	WY	195
11	KIDA	Twin Falls	ID	191
12	KIDY	San Angelo	TX	197
13	KLSR	Eugene	OR	120
14	KMVT	Twin Falls	ID	
15	KNOE	Monroe ( <b>El Dorado</b> )	LA	135
16	KOBI	Medford ( <b>Klamath Falls</b> )	OR	141
17	KOTI	Klamath Falls ( <b>Medford</b> )	OR	141
18	KPIF	Pocatello	ID	163
19	KPXJ	Minden ( <b>Shreveport</b> )	LA	
20	KTBS	Shreveport	LA	81
21	KWKB	Iowa City ( <b>Cedar Rapids</b> )	IA	88
22	KXVA	Abilene ( <b>Sweetwater</b> )	TX	164
23	WACY	Green Bay	WI	69
24	WCAV	Charlottesville	VA	
25	WDAY	Grand Forks ( <b>Fargo</b> )ND	ND	119
26	WDAZ	Fargo ( <b>Grand Forks</b> )	ND	119
27	WFMJ	Youngstown	OH	103
28	WGSA	Baxley ( <b>Savannah</b> )	GA	97
29	WHIZ	Zanesville	OH	203
30	WICU	Erie	PA	142
31	WINK	Fort Myers (Naples)	FL	64
32	WKBN	Youngstown	OH	103
33	WKTC	Sumpter ( <b>Columbia</b> )	SC	83
34	WLJC	Beattyville ( <b>Lexington</b> )	KY	63
35	WMYA	Greenville-Spartansburg	NC	36
36	WNUV	Baltimore	MD	24
37	WOAY	Oak Hill ( <b>Bluefield</b> )	WV	150
38	WRGT	Dayton	OH	58
39	WTAT	Charleston	SC	65
40	WTSF	Ashland ( <b>Charleston</b> )	KY	65
41	WTTE	Columbus	OH	32
42	WTVA	Tupelo	MS	132
43	WVAH	Charleston	WV	65
44	WWNY	Watertown	NY	176
45	WZVN	Naples ( <b>Ft. Myers</b> )	FL	64

### C. Conclusions

- There were no female-owned duopolies.
- 36% of the female owned stations operating in duopoly markets were sold.
- All of the stations were sold to non-female, non-minority-owners.
- The chief beneficiaries of the rule change were the top 25 group owners who as of 2005 accounted for 83 of the 109 (76%) duopolies identified.
- More female owned stations were found in non duopoly markets

Roughly thirty-six percent of the female owned stations operating in markets in which at least one post 1999 waiver duopoly entered between 1999 and 2006 sold out to non-female, non-minority owned broadcast groups. None of the duopolies created in markets in which female owned television stations operated were female owned. While three female owners entered markets in which duopolies were operating, seven left in the same year the duopoly entered the market or afterwards.

For the same reasons outlined above with regard to minority-owners, it would appear that the duopoly waiver did not have a positive impact on female ownership of television stations. Again, as found with regard to the duopolies in markets in which minority owners operated, the majority of owners benefiting from the duopoly rule change in markets in which female owned stations operated were owners ranked among the top twenty-five in revenue or reach. They include: Belo, CBS/Viacom, Clear Channel, Emmis, Fox, Lin TV, Meredith, Pappas, NBC/Universal, Scripps-Howard, Sinclair and Univision.

The ownership of broadcast television by women was more likely to be in markets in which fewer or no duopolies were present. While seventeen female-

owned television stations operated in the top 100 markets, twenty-eight operated in markets 101-203.

**Table #10: Female Owned Television Stations and the TVDR**

Tier	Transaction	Relevance	Duopolies
Tier #1	NFOS buys 2 <sup>nd</sup> NFOS in same market	No increase or decrease in FO diversity unless decrease in competitive status of FOS	26
	NFOS buys 2 <sup>nd</sup> FOS in same market	Potential reduction in FO diversity	2
	FOS buys 2 <sup>nd</sup> NFOS in same market	Increase in potential competitiveness of FOS	0
	FOS buys 2 <sup>nd</sup> FOS in same market	No increase or decrease in FO diversity unless increase in competitive status	0
Tier #2	FO entering market containing post rule TV duopoly	Increase in FOS diversity	3
	FO leaving market containing post rule TV duopoly	Decrease in FOS diversity	7
TV Duopoly	FO staying in market containing post rule TV duopoly	Impact?	8

### **Recalibrate the Benefit**

The avowed rationale for relaxing the TV Duopoly rule was to render “weak” UHF stations more economically viable thereby increasing service to the public.

Ironically, at a time when the number of potential program suppliers increased, the weaker UHF stations were not able to secure the valuable affiliations.

Instead, in markets in which LMAs and later duopolies were allowed, those affiliations went to stations managed under LMAs which later became part of duopolies owned by broadcasters many of whom already enjoyed economies of scale regarding program creation and acquisition. Minority and female owned

UHF television stations that had difficulty acquiring attractive programming were not aided by the changes to the TVDR. The enhanced market position that access to attractive programming could provide, was placed out of reach.

Instead, some minority and female owned stations became duopoly acquisition targets, others sold out perhaps because of increasing competition from duopolies and their LMA predecessors. None of the stations that were sold were acquired by minority or female owners.

Since the 1980s the FCC's broadcast ownership policies may be fairly categorized as bipolar. The FCC seems to alternate between the more inclusive policies and the more consolidation oriented policies. The TV Duopoly policy is a product of the tension between these policies. Minority, female and small broadcast ownership is valued because as studies have shown, it increases the likelihood of diverse voices being represented in the marketplace of ideas. In addition, it is fundamental that all Americans regardless of race or gender should have equal access to economic opportunity. Market consolidation ostensibly benefits viewers of "free" TV by facilitating more viable broadcast competitors. It is ironic that this "benefit" seems to come at the expense of maintaining and enhancing other broadcasters in the market.

The number of minority-owned television stations has dropped by more than 27%. Thirty-nine percent of minority owned stations in TV duopoly markets have been sold to non-minority owners. Thirty-six percent of the female owned stations operating in duopoly markets have been sold to non-female, non-minority owners. Neither group has benefited from the rule change. Neither group of owners owns duopolies. Meanwhile, the recent actions of some of the broadcasters who have benefited from the rule change have prompted even deregulation's congressional advocates to question the continued advisability of the policy.



While it is certain that the public interest is greater than the interests of underrepresented minorities, women and small businesses. It is also greater than the interests of Wall Street and vertically integrated media firms. Neither is an end unto itself although both are essential. The public's interest is that all Americans regardless of race, gender or religion have access to affordable communications and diversity of viewpoints. The facilitation of diverse, economically viable broadcast television service is the essential goal. The current TV duopoly policy appears to have resulted in a class of large, economically robust group owners and a continually dwindling number of smaller, often weaker players remaining to be plucked. In this regard the rule change has exacerbated the problem it was promulgated to solve. It is anticipated that further relaxation will exacerbate this already problematic result.

## Appendix A: TV Duopolies List (Alphabetical by Market)

Year	Market	Owner	Outlets
1999	Albuquerque, NM	Acme Communications	KWBQ-TV, KASY-TV
	Austin, TX	LIN TV Corp.	KNVA-TV, KXAN-TV
2005	Baltimore, MD	Sinclair Broadcasting	WBFF-TV/WNUV-TV (LMA)*
	Birmingham, AL	Sinclair Broadcasting	WTTO-TV, WABM-TV
2006	Boston, MA	Hearst-Argyle Television	WCVB-TV Ch. 5, WMUR-TV Ch. 9
	Boston, MA	Paxson/ION Media Networks	WPX-TV, WPXG-TV, WDPX-TV
2006	Boston, MA	Sunbeam Television Corp.	WLVI-TV Ch. 56, WHDH-TV Ch. 7
	Boston, MA	Univision/Telefutura	WUNI-TV, WUTF-TV
2006	Boston, MA	Viacom/CBS	WBZ-TV Ch. 4, WSBK-TV Ch. 38
	Buffalo, NY	LIN TV Corp.	WIVB-TV, WNLO
2000	Buffalo, NY	Sinclair Broadcasting	WNYO-TV, WUTV-TV
	Charlotte, NC	Capitol Broadcasting Co.	WJZY-TV, WMYT-TV
	Charlotte, NC	Cox Enterprises	WSOC-TV, WAXN
	Chicago, IL	NBC Universal	WMAQ-TV, WSNS-TV
2004	Chicago, IL	News Corp.	WFLD-TV, WPWR-TV
	Chicago, IL	Univision	WGBO-TV, WXFT-TV
	Cleveland, OH	Raycom Media	WOIO, WUAB
	Dallas, TX	News Corp.	KDFW-TV, KDFI-TV
	Dallas/Fort Worth, TX	NBC Universal	KXAS-TV, KXTX-TV
	Dallas/Fort Worth, TX	Univision	KUVN-TV, KSTR-TV
	Dallas/Fort Worth, TX	Viacom/CBS	KTVT, KTXA
2005	Denver	Gannett Co., Inc.	KUSA,KTVD
	Detroit, MI	Viacom/CBS	WWJ, WKBD
	El Paso, TX	Entravision	KINT-TV, KTFN-TV
2003	Fresno, CA	Pappas Telecasting Companies	KFRE-TV, KMPH-TV
	Grand Rapids, MI	LIN TV Corp.	WOOD-TV, WOTV-TV
	Greenville, NC	Media General	WNCT, WYCW
	Greenville, NC	Paxson/ION Media Networks	WEPX, WPXU-TV
	Hartford, CT	LIN TV Corp.	WCTX-TV, WTNH-TV
2001	Hartford, CT	Tribune Broadcasting	WTIC-TV, WTXH
2000	Honolulu, HI	Emmis Comm.	KHON, KGMB
2004	Houston, TX	News Corp.	KRIV, KTXH
	Houston, TX	Univision	KXLN-TV, KFTH-TV
	Indianapolis, IN	LIN TV Corp.	WIIH-TV, WISH-TV, WNDY-TV
2005	Indianapolis, IN	Tribune Broadcasting	WXIN, WTTV
1999	Jacksonville, FL	Clear Channel Communications	WAWS-TV, WTEV-TV
1999	Jacksonville, FL	Gannett Co., Inc.	WTLV-TV-12, WJXX-TV-25
2005	Kansas City	Hearst-Argyle Television	KMBC, KCWE****
2001	Kansas City, KS	Scripps Howard Broadcasting	KSHB-TV, KMCI
2005	Kansas City, MO	Meredith Corporation	KCTV-TV, KSMO-TV
2001	Las Vegas, NV	Sinclair Broadcasting	KVMY, KVCW

<b>Year</b>	<b>Market</b>	<b>Owner</b>	<b>Outlets</b>
2006	Little Rock, AR	Nexstar Broadcasting Group	KNWA, KFTA
	Little Rock, AR	Clear Channel	KLRT, KASN
	Little Rock, AR	Equity Broadcasting	KLRA, KWBF
	Little Rock, AR	Victory Television Network	KVTN, KVTH
2002	Los Angeles, CA	NBC Universal	KNBC-TV, KVEA-TV*
2002	Los Angeles, CA	News Corp.	KCOP-TV, KTTV-TV
	Los Angeles, CA	Univision	KMEX-TV, KFTR-TV
2002	Los Angeles, CA	Viacom / CBS	KCAL-TV, KCBS-TV
	Louisville, KY	Block Communications	WDRB, WMYO
	Memphis, TN	Clear Channel	WPTY-TV, WLMT
	Miami, FL	NBC Universal	WTVJ, WSCV
	Miami, FL	Univision	WLTN-TV, WAMI-TV
2004	Miami, FL	Viacom / CBS	WFOR, WBFS
	Milwaukee, WI	Sinclair Broadcasting	WCGV, WVTM
	Minneapolis/St Paul, MN	Hubbard Broadcasting	KSTP-TV, KSTC
	Minneapolis-St. Paul, MN	News Corp.	KMSP-TV, WFTC
	Mobile,AL/Pensacola,FL	Clear Channel	WPMI-TV, WJTC
	Mobile,AL/Pensacola,FL	Emmis Comm.	WALA-TV, WBPB-TV
	Mobile,AL/Pensacola,FL	LIN TV Corp.	WALA-TV, WBPB-TV
	Nashville, TN	Sinclair Broadcasting	WZTV, WUXP
2005	New Orleans, LA	Belo Corp.	WUPL-TV, WWL-TV
1999	New Orleans, LA	Tribune Broadcasting	WGNO-TV, WNOL-TV
2003	New York, NY	NBC Universal	WNBC-TV, WNJU
2002	New York, NY	News Corp.	WNYW-Ch. 5, WWOR-Ch. 9.
	New York, NY	Univision	WXTV-TV, WFUT-TV
	Norfolk, VA	LIN TV Corp.	WAVY-TV, WVBT-TV
	Oklahoma City, OK	Sinclair Broadcasting	KOCB, KOKH
	Orlando, FL	Cox Enterprises	WFTV, WRDQ
2006	Orlando, FL	Hearst-Argyle Television	WKCF-TV, WESH-TV
	Orlando, FL	News Corp.	WOFL, WRBW
	Orlando, FL	Univision	WVEN-TV, WOTF-TV
	Philadelphia, PA	Viacom/CBS	WPSG, KYW
	Phoenix, AZ	Belo Corp.	KTVK, KASW
	Phoenix, AZ	News Corp.	KSAZ-TV, KUTP
	Phoenix, AZ	Univision	KTVW-TV, KFPH-TV
	Pittsburgh, PA	Sinclair Broadcasting	WPGH, WPMY
	Pittsburgh, PA	Viacom/CBS	KDKA, WPCW
2006	Portland, OR	Fisher Communications	KATU-TV, KUNP-TV
2003	Portland, OR	Meredith Corporation	KPTV-TV, KPDX-TV
2003	Providence, RI	LIN TV Corp.	WPRI, WNAC
	Puerto Rico DR	LIN TV Corp.	WAPA-TV, WJPX-TV
	Puerto Rico DR	Univision/Telefutara	WLII, WSUR-TV
	Raleigh/Durham, NC	Capitol Broadcasting Co.	WRAL-TV, WRAZ-TV
	Raleigh/Durham, NC	Paxson/ION Media Networks	WRPX, WFPX
	Raleigh/Durham, NC	Sinclair Broadcasting	WLFL, WRDC

<b>Year</b>	<b>Market</b>	<b>Owner</b>	<b>Outlets</b>
	Sacramento, CA	Hearst-Argyle Television	KCRA-TV, KQCA
2006	Sacramento, CA	Viacom/CBS	KOVR-TV, KMAX-TV
2005	Salt Lake City, UT	Clear Channel Communications	KTVX-Ch. 4, KUWB-Ch. 30
	Salt Lake City, UT	Clear Channel Communications	KTVX, KUCW
	Salt Lake City, UT	Equity	KUTH, KUTF
	San Antonio, TX	Sinclair Broadcasting	KABB, KMYS
2006	San Francisco, CA	Cox Enterprises	KTVU, KICU
1999	San Francisco, CA	Granite Broadcasting	KNTV-TV, KBWB-TV
	San Francisco, CA	NBC Universal	KNTV-TV, KSTS-TV
	San Francisco, CA	Univision	KDTV-TV, KFSF-TV
2006	San Francisco, CA	Viacom/CBS	KPIX-TV, KBHK-TV
2006	Seattle, WA	Fisher Communications	KWOG-TV, KOMO-TV
	Seattle/Tacoma, WA	Belo Corp.	KONG, KING-TV
	Seattle/Tacoma, WA	Tribune	KCPQ, KMYQ
	Spokane, WA	Belo Corp.	KREM, KSKN
	Syracuse, NY	Barrington	WSTM, WSTQ
	Tallahassee, FL	Pegasus Communications	WFXU, WTLH
	Tampa, FL	Univision	WFTT-TV, WVEA-TV
	Tucson, AZ	Belo Corp.	KMSB-TV, KTTU
	Tucson, AZ	Univision	KUVE-TV, KFTU-TV
	Tulsa, OK	Clear Channel	KOKI, KMYT-TV
2006	Tyler, TX	Raycom Media	KLTV, KTRE
	Washington, DC	News Corp.	WTTG-Ch. 5, WDCA-Ch. 20
2003	Shreveport, LA	On hold due to Prometheus ruling	KTBS & KPXJ

## Appendix B: Top 25 Station Groups with TV Duopolies and LMAs<sup>88</sup>

### #1 Viacom VIA (9 Duopolies)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
KCBS	Los Angeles (CBS; 2)	2	5.010	5.010
KCAL	Los Angeles (Ind.; 9)	2		
KYW	Philadelphia (CBS; 3)	4	2.693	2.693
WPSG	Philadelphia (UPN; 57)	4		
WBZ	Boston (CBS; 4)	5	2.207	2.207
WSBK	Boston (UPN; 38)	5		
KPIX	San Francisco-Oakland (CBS; 5)	6	2.177	2.177
	San Francisco-Oakland (UPN; 44)	6		
KTVT	Dallas-Ft. Worth (CBS; 11)	7	2.115	2.115
KTXA	Dallas-Ft. Worth (UPN; 21)	7		
WKBD	Detroit (UPN; 50)	10	1.793	0.897
WWJ	Detroit (CBS; 62)	10		
WFOR	Miami-Ft. Lauderdale (CBS; 4)	17	1.381	1.381
WBFS	Miami-Ft. Lauderdale (UPN; 33)	17		
KOVR	Sacramento-Stockton (CBS; 13)	19	1.213	1.213
KMAX	Sacramento-Stockton. (UPN; 31)	19		
KDKA	Pittsburgh (CBS; 2)	22	1.094	1.094
WNPA	Pittsburgh (UPN; 19)	22		

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<sup>88</sup> This document is derived from: George Winslow, How They Rank and Why: Top 25 Station Groups, Broadcasting and Cable, April 18, 2005, Pg. 38. "The Top 25 Station Groups are ranked according to the percentage of the 109.6 million U.S. TV homes they reach, as measured by Nielsen Media Research. Stations' reach is calculated to correspond with FCC ownership rules (listed as coverage FCC in the tables below). The FCC method discounts by half the reach of UHF stations, those channel 14 and above. The ranking also shows reach without the discount (coverage total). If a group owns other stations in a market, those stations' coverage is not counted in the group's total. This year, BIA Financial Network, which collects the list of stations and computes coverage, excluded stations run under joint marketing and programming agreements. It also omitted stations operated under time-brokerage deals. As always, low-power stations, satellite stations, translators and stations that have only cable distribution were excluded. Sources: B&C, BIA Financial Network, Nielsen Media Research." Id

## #2 Fox TV Stations NWS (9 Duopolies)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WNYW	New York (Fox; 5)	1	6.786	6.786
WWOR	New York (UPN; 9)	1		
KTTV	Los Angeles (Fox; 11)	2	5.010	5.010
KCOP	Los Angeles (UPN; 13)	2		
WFLD	Chicago (Fox; 32)	3	3.152	1.576
WPWR	Chicago (UPN; 50)	3		
KDFW	Dallas-Ft. Worth (Fox; 4)	7	2.115	2.115
KDFI	Dallas-Ft. Worth (Ind.; 27)	7		
WTTG	Washington (Fox; 5)	8	2.068	2.068
WDCA	Washington (UPN; 20)	8		
KTXH	Houston (UPN; 20)	11	1.756	0.878
KRIV	Houston (Fox; 26)	11		
KMSP	Minneapolis-St. Paul (Fox; 9)	14	1.537	1.537
WFTC	Minneapolis-St. Paul (UPN; 29)	14		
KSAZ	Phoenix (Fox; 10)	15	1.473	1.473
KUTP	Phoenix (UPN; 45)	15		
WOFL	Orlando-Daytona Beach, Fla. (Fox; 35)	20	1.202	0.601
WRBW	Orlando-Daytona Beach, Fla. (UPN; 65)	20		

## #3 NBC Universal GE (6 duopolies)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WNBC	New York (NBC; 4)	1	6.786	6.786
WNJU	New York (Tel.; 47)	1		
KNBC	Los Angeles (NBC; 4)	2	5.010	5.010
KWHY	Los Angeles (Tel.; 22)	2		
KVEA	Los Angeles (Tel.; 52)	2		
WMAQ	Chicago (NBC; 5)	3	3.152	3.152
WSNS	Chicago (Tel.; 44)	3		
KNTV	San Francisco-Oakland (NBC; 11)	6	2.177	2.177
KSTS	San Francisco-Oakland (Tel.; 48)	6		
KXAS	Dallas-Ft. Worth (NBC; 5)	7	2.115	2.115
KXTX	Dallas-Ft. Worth (Tel.; 39)	7		
WTVJ	Miami-Ft. Lauderdale (NBC; 6)	17	1.381	1.381
WSCV	Miami-Ft. Lauderdale (Tel.; 51)	17		

### #5 Tribune TRB (4 Duopolies)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
KCPQ	Seattle-Tacoma (Fox; 13)	12	1.560	1.560
KTWB	Seattle-Tacoma (WB; 22)	12		
WTTV	Indianapolis (WB; 4)	25	0.971	0.971
WXIN	Indianapolis (Fox; 59)	25		
WTXX	Hartford-New Haven, Conn. (WB; 20)	27	0.939	0.470
WTIC	Hartford-New Haven, Conn. (Fox; 61)	27		
WGNO	New Orleans (ABC; 26)	43	0.624	0.312
WNOL	New Orleans (WB; 38)	43		

### #7 Univision UVN (11 Duopolies)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WXTV	New York (Uni.; 41)	1	6.786	3.393
WFUT	New York (TLF; 68)	1		
KMEX	Los Angeles (Uni.; 34)	2	5.010	2.505
KFTR	Los Angeles (TLF; 46)	2		
WXFT	Chicago (TLF; 60)	3	3.152	1.576
WGBO	Chicago (Uni.; 66)	3		
KDTV	San Francisco-Oakland (Uni.; 14)	6	2.177	1.089
KFSF	San Francisco-Oakland (TLF; 66)	6		
KUVN	Dallas-Ft. Worth (Uni.; 23)	7	2.115	1.058
KSTR	Dallas-Ft. Worth (TLF; 49)	7		
KXLN	Houston (Uni.; 45)	11	1.756	0.878
KFTH	Houston (TLF; 67)	11		
KFPH	Phoenix (TLF; 13)	15	1.473	1.473
KTVW	Phoenix (Uni.; 33)	15		
WLTV	Miami-Ft. Lauderdale (Uni.; 23)	17	1.381	0.690
WAMI	Miami-Ft. Lauderdale (TLF; 69)	17		
KUVS	Sacramento-Stockton. (Uni.; 19)	19	1.213	0.607
KTFK	Sacramento-Stockton. (TLF; 64)	19		
KFTV	Fresno-Visalia, Calif. (Uni.; 21)	58	0.487	0.244
KTFF	Fresno-Visalia, Calif. (TLF; 61)	58		
KFTU	Tucson, Ariz. (TLF; 3)	72	0.385	0.385
KUVE	Tucson, Ariz. (Uni.; 46)	72		

### #8 Gannett GCI (1 Duopoly)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WTLV	Jacksonville, Fla. (NBC; 12)	52	0.565	0.565
WJXX	Jacksonville, Fla. (ABC; 25)	52		

### #10 Hearst-Argyle HTV (2 Duopolies, 1 LMA)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WCVB	Boston (ABC; 5)	5	2.207	2.207
WMUR	Boston (ABC; 29)	5		
KCRA	Sacramento-Stockton. (NBC; 3)	19	1.213	1.213
KQCA	Sacramento-Stockton. (WB; 58)	19		
KMBC	Kansas City, Kan.-Mo. (ABC; 9)	31	0.826	0.826
KCWE*	Kansas City (UPN; 29)	31		

### #11 E.W. Scripps SSP (2 Duopolies)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WEWS	Cleveland (ABC; 5)	16	1.436	1.436
WOAC	Cleveland (Ind.; 67)	16		
KMCI	Kansas City, Kan.-Mo. (Ind.; 38)	31	0.826	0.413
KSHB	Kansas City, Kan.-Mo. (NBC; 41)	31		

### #12 Belo Corp. BL (4 Duopolies, 1 LMA)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
KING	Seattle-Tacoma (NBC; 5)	12	1.560	1.560
KONG	Seattle-Tacoma (Ind.; 16)	12		
KTVK	Phoenix (Ind.; 3)	15	1.473	1.473
KASW	Phoenix (WB; 61)	15		
KENS	San Antonio (CBS; 5)	37	0.691	0.691
KBEJ*	San Antonio (UPN; 2)	37		
KMSB	Tucson, Ariz. (Fox; 11)	72	0.385	0.385
KTTU	Tucson, Ariz. (UPN; 18)	72		
KREM	Spokane, Wash. (CBS; 2)	80	0.354	0.354
KSKN	Spokane, Wash. (WB; 22)	80		



**#13 Sinclair SBGI (11 Duopolies, 9 LMAs)**

Station	Market (affiliate; ch.)	DMA	Total	FCC
<b>Coverage %</b>				
WCWB	Pittsburgh (WB; 22)	22	1.094	0.547
WPGH	Pittsburgh (Fox; 53)	22		
WBFF	Baltimore (Fox; 45)	23	1.004	0.502
WNUV*	Baltimore (WB; 54)	23		
WLFL	Raleigh-Durham, N.C. (WB; 22)	29	0.892	0.446
WRDC	Raleigh-Durham, N.C. (UPN; 28)	29		
WZTV	Nashville, Tenn. (Fox; 17)	30	0.845	0.423
WUXP	Nashville, Tenn. (UPN; 30)	30		
WNAB*	Nashville (WB; 58)	30		
WVTV	Milwaukee (WB; 18)	32	0.818	0.409
WCGV	Milwaukee (UPN; 24)	32		
WSYX	Columbus, Ohio (ABC; 6)	34	0.800	0.800
WTTE*	Columbus, Ohio ((Fox; 28)	34		
WLOS	Greenville, S.C.-Ashville, N.C. (ABC; 13)	35	0.750	0.750
WBSC*	Greenville, S.C.-Asheville, N.C. (WB; 40)	35		
KABB	San Antonio (Fox; 29)	37	0.691	0.345
KRRT	San Antonio (WB; 35)	37		
WTTO	Birmingham, Ala. (WB; 21)	40	0.661	0.331
WABM	Birmingham, Ala. (UPN; 68)	40		
KOKH	Oklahoma City (Fox; 25)	45	0.604	0.302
KOCB	Oklahoma City (WB; 34)	45		
WUTV	Buffalo, N.Y. (Fox; 29)	46	0.601	0.301
WNYO	Buffalo, N.Y. (WB; 49)	46		
WXLV	Greensboro-High Point, N.C. (ABC; 45)	48	0.599	0.299
WUPN	Greensboro-High Point, N.C. (UPN; 48)	48		
KVWB	Las Vegas (WB; 21)	51	0.566	0.283
KFBT	Las Vegas (Ind.; 33)	51		
WKEF	Dayton, Ohio (ABC; 22)	56	0.496	0.248
WRGT*	Dayton ((Fox; 45)	56		
WCHS	Charleston-Huntington, W.Va. (ABC; 8)	62	0.470	0.470
WVAH*	Charleston (Fox; 11)	62		
WEAR	Mobile, AL-Pensacola, Fla. (ABC; 3)	63	0.454	0.454
WFGX	Mobile, AL-Pensacola, Fla. (Ind.; 35)	63		
WSYT	Syracuse, N.Y. (Fox; 68)	77	0.364	0.182
WNYS*	Syracuse, N.Y. (WB; 43)	77		
KBSI	Paducah, Ky. (Fox; 23)	79	0.355	0.178
WDKA*	Paducah, Ky. (WB; 49)	79		
WMMP	Charleston, S.C. (UPN; 36)	101	0.261	0.131
WTAT*	Charleston, S.C. (Fox; 24)	101		

### #14 Cox Private (3 Duopolies, 1 LMA)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
KTVU	San Francisco-Oakland (Fox; 2)	6	2.177	2.177
KICU	San Francisco-Oakland (Ind.; 36)	6		
WFTV	Orlando-Daytona Beach, Fla. (ABC; 9)	20	1.202	1.202
WRDQ	Orlando-Daytona Beach, Fla. (Ind.; 27)	20		
WSOC	Charlotte, N.C. (ABC; 9)	28	0.926	0.926
WAXN	Charlotte, N.C. (Ind.; 64)	28		
KRXI	Reno, NV (Fox; 11)	114	0.228	0.228
KAME*	Reno, NV (UPN; 21)	114		

### #15 Clear Channel CCU (5 Duopolies, 1 LMA)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WHP	Harrisburg-Lancaster, Pa. (CBS; 21)	42	0.649	0.324
WLYH*	Harrisburg, Pa. (UPN; 15)	42		
WPTY	Memphis, Tenn. (ABC; 24)	44	0.607	0.304
WLMT	Memphis, Tenn. (UPN,WB; 30)	44		
WAWS	Jacksonville, Fla. (Fox; 30)	52	0.565	0.283
WTEV	Jacksonville, Fla. (CBS; 47)	52		
KLRT	Little Rock-Pine Bluff, Ark. (Fox; 16)	57	0.491	0.245
KASN	Little Rock-Pine Bluff, Ark. (UPN; 38)	57		
KOKI	Tulsa, Okla. (Fox; 23)	60	0.471	0.236
KTFO	Tulsa, Okla. (UPN; 41)	60		
WPMI	Mobile, Al.-Pensacola, Fla. (NBC; 15)	63	0.454	0.227
WJTC	Mobile, Al.-Pensacola, Fla. (UPN; 44)	63		

### #16 Pappas Telecasting Private (1 Duopoly, 3 LMAs)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
KMPH	Fresno-Visalia, Calif. (Fox; 26)	58	0.487	0.244
KFRE	Fresno-Visalia, Calif. (WB; 59)	58		
KPTM	Omaha, Neb. (Fox; 42)	76	0.365	0.183
KXVO*	Omaha, Neb. (WB; 15)	76		
KHGI	Lincoln-Hastings, Neb. (ABC; 13)	103	0.254	0.254
KSNB*	Lincoln-Hastings, Neb. (Fox; 4)	103		
KTVG*	Lincoln-Hastings, Neb. (Fox; 17)	103		

### #17 Raycom Private (2 Duopolies)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WOIO	Cleveland (CBS; 19)	16	1.436	0.718
WUAB	Cleveland (UPN; 43)	16		
KFVE	Honolulu (WB; 5)	71	0.385	0.385
KHNL	Honolulu (NBC; 13)	71		

### #18 Meredith MDP (2 Duopolies)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
KPTV	Portland, Ore. (Fox; 12)	24	1.003	1.003
KPDX	Portland, Ore. (UPN; 49)	24		
KCTV	Kansas City, Kan.-Mo. (CBS; 5)	31	0.826	0.826
KSMO	Kansas City, Kan.-Mo. (WB; 62)	31		

### #20 Media General MEG-A (1 "Triopoly)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WSPA	Greenville, S.C.-Ashville, N.C. (CBS; 7)	35	0.750	0.750
WNEG	Greenville, S.C.-Ashville, N.C. (CBS; 32)	35		
WASV	Greenville, S.C.-Ashville, N.C. (UPN; 62)	35		

### #21 Entravision EVC (1 Duopoly, 1 LMA)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
KCEC	Denver (Uni.; 50)	18	1.293	0.647
KTFD*	Denver ((TLF; 14)	18		
KINT	El Paso, Texas (Uni.; 26)	100	0.266	0.133
KTFN	El Paso, Texas (TLF; 65)	100		

### #22 Emmis EMMS (2 Duopolies)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WALA	Mobile, AL-Pensacola, Fla. (Fox; 10)	63	0.454	0.454
WBPG	Mobile, AL-Pensacola, Fla. (WB; 55)	63		
KHON	Honolulu (Fox; 2)	71	0.385	0.385
KGMB	Honolulu (CBS; 9)	71		

### #23 LIN TV TVL (5 Duopolies, 1 "Quintopoly," 2 LMAs)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WISH	Indianapolis (CBS; 8)	25	0.971	0.971
WNDY	Indianapolis (UPN; 23)	25		
WTNH	Hartford-New Haven, Conn. (ABC; 8)	27	0.939	0.939
WCTX	Hartford-New Haven, Conn. (UPN; 59)	27		
WOOD	Grand Rapids, Mich. (NBC; 8)	38	0.676	0.676
WOTV	Grand Rapids, Mich. (ABC; 41)	38		
WAVY	Norfolk-Portsmouth, Va. (NBC; 10)	41	0.653	0.653
WVBT	Norfolk-Portsmouth, Va. (Fox; 43)	41		
WIVB	Buffalo, N.Y. (CBS; 4)	46	0.601	0.601
WNLO	Buffalo, N.Y. (UPN; 23)	46		
WPRI	Providence, R.I. (CBS; 12)	49	0.595	0.595
WNAC*	Providence, R.I. (Fox; 64)	49		
KXAN	Austin, Texas (NBC; 36)	54	0.524	0.262
KNVA*	Austin, Texas (WB; 54)	54		
WAPA	San Juan, P.R. (Ind.; 4)	999		
WTIN	San Juan, P.R. (Ind.; 14)	999		
WNJX	San Juan, P.R. (Ind.; 22)	999		
WJPX	San Juan, P.R. (Pax; 24)	999		
WIRS	San Juan, P.R. (REL; 42)	999		

## #25 Gray Television GTN (3 Duopolies, 1 Triopoly)

Station Coverage %	Market (affiliate; ch.)	DMA	Total	FCC
WVLT	Knoxville, Tenn. (CBS; 8)	59	0.474	0.474
WVLT-DT	Knoxville, Tenn. (UPN; 30)	59		
WKYT-DT	Lexington, Ky. (UPN; 13)	64	0.444	0.444
WKYT	Lexington, Ky. (CBS; 27)	64		
WYMT	Lexington, Ky. (CBS; 57)	64		
KBTX	Waco-Temple-Bryan, Texas (CBS; 3)	95	0.285	0.285
KWTX	Waco-Temple-Bryan, Texas (CBS; 10)	95		
WRDW	Augusta, Ga. (CBS; 12)	115	0.228	0.228
WRDW-DT	Augusta, Ga. (UPN; 31)	115		

**\*Operated under LMA**