

**STATEMENT OF
COMMISSIONER DEBORAH TAYLOR TATE**

RE: 2006 Quadrennial Regulatory Review-Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996; 2002 Biennial Regulatory Review-Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996; Cross Ownership of Broadcast Stations and Newspapers; Rules and Policies Concerning Multiple Ownership of Radio Broadcast Stations in Local Markets; Ways to Further Section 257 Mandate and To Build on Earlier Studies; Public Interest obligations of TV Broadcast Licensees.

As Commissioners of the Federal Communications Commission we face many serious, far-reaching, and contentious decisions affecting this nation. While I always strive to seek consensus, I know there will be some times when consensus is simply not possible, and we must agree to disagree. Today is one of those days.

I believe that the process we have engaged in over the past year and a half, has been open, transparent, and thorough—a true example of our vibrant democracy at work. Others may disagree. While I think we would all prefer to be part of a unanimous decision, I do not believe waiting would have resulted in any further agreement.

In its 2004 remand, the 3rd Circuit affirmed “the power of the Commission to regulate media ownership.” In addition, Congress requires that the Commission undertake a review of our media ownership rules every four years. The 3rd Circuit also made clear that the FCC must not simply be a “revolving door” of notice and comment. We must act to fulfill our obligations: “monitor the effect of . . . competition . . . and make appropriate adjustments’ to its regulations.” In this Order we conclude our 2006 Quadrennial Review, and respond to the Court’s remand of our 2002 Biennial Review Order.

I wish that I had time to truly capture and describe the places we visited and the thousands of individuals who lined up to speak to us – from California to Maine; Chicago to Florida; Pennsylvania to Tennessee – we traveled literally from sea to shining sea. In several cases, we stayed until after midnight in order to accommodate those citizens who took time to sit through hours of public testimony. These lengthy hearings provided an opportunity for thousands of American citizens to have unprecedented access to a governmental body about the role media plays in their lives and their opinion regarding media ownership. Over my 20-plus years of public service – at all levels of government – I cannot remember a single time that an agency expended this much institutional energy and investment on an issue, or was this open and thorough regarding a matter of public interest. We invited comment not only from the general public, but also from expert panels of economists; TV, radio, and film producers; musicians; directors; professors; students; small and large TV and radio broadcasters, and community organizations. During the roughly year and a half of on-going hearings, we arranged for ten media studies by experts – preeminent economists, academics, and researchers – and also released all of those studies for public comment as well as peer review by unaffiliated experts. Four of the studies were peer reviewed by multiple reviewers.

In addition to the FCC’s formal process, I also felt it was important to seek first-hand knowledge regarding the challenges, as well as the exciting innovations, facing broadcasters and newspapers. I toured large and small media outlets, local broadcasters, network affiliates, and newspapers. In addition, I spent time hearing from consumer organizations, such as Media Access Project and the Consumer Federation of America, as well as some of our nation’s most knowledgeable professors and economists, and Members of Congress.

Throughout this process, I was struck by the ongoing, dramatic changes in how Americans use

the media to receive news, information, and entertainment. Increases in broadband penetration have transformed the Internet into a viable platform for streaming full-length video programming, with more content moving online daily. And our mobile phones now provide us with stock quotes, email and news updates from sources locally and around the globe. With the multiplicity of sources now available at the click of a button, the historic concerns underlying the newspaper-broadcast cross-ownership ban would seem to be alleviated. Many academics and professionals note that developments since the Commission last reviewed its rules show that the diminishment of mainstream media power over information flow is real. This will only continue as the Internet and other communications networks develop. The diminution in the power of old media enhances the need to permit exploration of the synergies of limited cross-ownership. The Commission must ensure that our rules do not unduly stifle efficient communications that are likely to preserve or increase the amount and quality of local news available to consumers via these outlets.

As we traveled across America, one of the most prominent concerns we heard was with regard to radio consolidation. This was especially true at the hearing we held in my hometown of Nashville, TN-- Music City USA. While best known as the "Home of Country Music", Nashville is the #2 video production locale in the country; second only to L.A. Nashville is the home of some of the greatest songwriters and musicians in the entire world. It provided an appropriate forum to take a look at how ownership affects artists and their art. I want to thank all the Tennessee public officials, Belmont University, and so many Nashville stars who participated: Naomi Judd, Big and Rich, George Jones, Dobie Gray and my good friend, the late Porter Wagner. We listened and heard from you, and many fans as well, who opposed further radio consolidation, and today we retain the current radio ownership limits.

For those concerned about radio consolidation, it is important to note that the industry has recently seen a number of radio giants engaging in significant divestitures. Major companies like Clear Channel, ABC, Entercom, and CBS have divested, or filed applications to divest, hundreds of stations over the last few years. This is a good example of the marketplace in action. In addition, many of the stations that were spun off were made available to new owners through capital supplied by the former ones. This will hopefully result in additional women and minority owners; a good result for them, and for America's diverse citizenry.

In addition to radio ownership, the other concern that stands out in my mind is the content provided by today's media outlets. From concerns about the pervasive impact media has on our children, to the lack of diversity of programming, to the "negativity" of news coverage in general. Some commenters took issue with a specific local station. To those citizens, I commend you to our website, www.fcc.gov, where you can file complaints regarding a broadcaster who may not be fulfilling their public interest obligations, or you believe has violated other Commission regulations. Also, we recently adopted an Enhanced Disclosure Order, requiring local broadcasters to post their public inspection files online, which will make it easier for individuals and citizens to review those files to ensure that broadcasters are meeting their regulatory responsibilities.

It was important to the process that we heard not only from passionate members of the public who shared personal stories of how media ownership has impacted their lives, but also from dispassionate academics and economists who analyzed marketplace data and derived findings that directed our inquiries. The studies examined various subjects, but several conclusions were reached. First, there is a staggeringly low rate of female and minority ownership in the broadcasting industry. Today, we adopt a separate order that takes positive steps to address that concern. Second, according to three of our media studies, cross-ownership of newspapers and broadcast stations actually results in more local news. Some point out the potential inconclusiveness as to the outcome of some of the studies, but this concern lends credence to our decision to conduct a case-by-case review of the particular characteristics of specific combinations in specific markets, rather than adopting a one-size-fits-all rule.

In conclusion, I think it is important to step back from the emotionally-charged debate that has surrounded this issue over the past few weeks, and consider the narrowness of the rule change we make

today. In this Order, we retain the limits on television ownership, radio ownership, and radio-television cross-ownership. We retain the newspaper-broadcast cross-ownership ban, except in the top 20 markets, which are our most media-rich, highly-populated markets. We establish a heavy presumption against cross-ownership in markets outside the top 20. This was at the heart of the 3rd Circuit's decision which affirmed the elimination of the ban, upholding the Commission's conclusion that the ban undermined localism and was unnecessary to protect diversity.

We have traveled across the country and heard from thousands of citizens. The process has been long, but fruitful. Many wanted us to go further in repealing the ownership restrictions, but we have chosen a measured and cautious approach. We recognize the changing dynamics of the media market, but also give due consideration to the weight of the record before us. In the end, our approach is an extremely modest change, which reflects the views of citizens as well as experts gathered over the past 18 months.

Thank you to the Media Bureau for organizing the many public hearings and for drafting this item. Most of all, thank you to all of those citizens who participated in this truly monumental process. We value your insight and hope you will continue to be part of this Commission's work in the future.