TESTIMONY

OF

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Good morning. I am Dean Singleton, vice chairman and chief executive officer of MediaNews Group Inc., a private company that publishes 50 daily newspapers—including *The Denver Post*, the *Los Angeles Daily News* and *The Salt Lake Tribune*—as well as 121 non-daily newspapers. I am also the immediate past chairman of the Board of the Newspaper Association of America. I am very pleased to have this opportunity to appear before the Committee today to discuss the compelling reasons for eliminating the FCC's long outdated and counterproductive ban on newspaper/broadcast cross-ownership.

The newspaper ban is the last vestige of a series of "one outlet per customer" local media ownership restrictions adopted by the FCC in the 1960s and 1970s. Of these limitations, only the newspaper/broadcast cross-ownership rule has remained completely unchanged over the past three decades, with only four permanent waivers of the rule granted by the FCC over the last 28 years. All of the Commission's other restrictions on broadcast ownership have been either eliminated or significantly relaxed over the years. Aside from these four situations and the newspaper/broadcast combinations that were "grandfathered" when the rule was originally adopted, newspaper publishers—alone among local media outlets—have been completely barred from participating in the broadcast markets of their local communities.

This inaction on the part of the Commission is not for a lack of evidence. To the contrary, over the past few years, the agency has accumulated a mountain of evidence supporting the repeal of the newspaper/broadcast cross-ownership ban. Recognizing the need to review the cross-ownership restriction in light of the explosive growth among media outlets that has occurred in the years since the ban was first adopted, the FCC has initiated no fewer than four proceedings over the past seven years to reconsider the ban. In a scaled-back version of the promise it made to the Court of Appeals to review the rule in its entirety during its consideration of the *ABC/Cap Cities* merger, the FCC in 1996 launched an inquiry regarding its waiver policy for newspaper/radio combinations. Two years later, the Commission sought public comment on the rule as well as other media ownership regulations in its first biennial review proceeding. In 2001, the agency again gathered evidence by initiating a broad notice and comment rulemaking proceeding specifically on newspaper/broadcast cross-ownership. Just over a year later, that rulemaking proceeding was rolled into the FCC's current omnibus proceeding on media ownership, giving interested parties a third opportunity in four years to submit evidence on the rule. Each of these proceedings has produced a wealth of record evidence regarding the extensive public interest benefits—as well as the lack of public interest harms—that would result from repealing the ban. There is no substantial evidence or data in the record supporting the ban.

In particular, the evidence concerning the operations of the 40 or so grandfathered newspaper/broadcast combinations has essentially taken the guesswork out of eliminating the ban. These combinations have provided the Commission with illustrative case studies of the substantial public interest benefits that will result from repeal. Indeed, the extensive record before the FCC is replete with evidence of the clear public interest benefits offered by newspaper-affiliated broadcast stations. Representing the full gamut of market sizes, these co-owned facilities consistently have provided their home communities with unmatched levels of service.

At the same time, there is simply no evidence that the existing combinations have threatened competition in their local markets. To the contrary, there is substantial record evidence before the FCC showing that even the smallest markets containing newspaper/broadcast combinations remain vibrantly diverse and competitive. The evidence offered by existing combinations further shows that co-owned outlets generally present diverse perspectives on news and informational issues. Jointly-owned newspapers and broadcast stations have strong economic and professional incentives to, and do in practice, avoid coordinating their viewpoints. It is important to note that, especially with newspaper ownership of broadcast stations, viewpoint diversity does not require ownership diversity. Local autonomy and editorial freedom is the tradition of newspapers, and the same principles apply to the operation of local stations by newspapers.

The evidence presented by newspaper publishers and other parties has been confirmed by several recent studies on newspaper/broadcast cross-ownership. A study commissioned by the FCC in connection with its omnibus media ownership proceeding specifically found that "[a]ffiliates co-owned with newspapers experience noticeably greater success under our measures of quality and quantity of local news programming than other network affiliates." That conclusion was true even where the newspaper and TV station were located in different markets, and the results were even greater for combinations in the same markets. The results of a five-year study recently released by the Project for Excellence in Journalism at Columbia University echoes these findings. That study concluded that "stations in cross-ownership situations were more than twice as likely to receive an 'A' grade than were other stations" and that, on the whole, these stations "were more likely to do stories that focused on important community issues, more likely to provide a wide mix of opinions, and less likely to do celebrity human-interest features." In addition, dispelling any concern that newspaper/broadcast combinations will simply represent single, monolithic viewpoints, the FCC-commissioned studies also confirmed the extensive evidence already on the record that existing newspaper/broadcast combinations do not demonstrate a pattern of coordinating viewpoints on important political issues.

Those who oppose relaxation of the antiquated newspaper/broadcast cross-ownership rule usually predict that mass, national consolidation of the newspaper and broadcast industries will happen if the rule is changed. I believe those predictions are unfounded. Instead, relaxation of the rules will result in dramatically improved information flow in each local market—market by market.

Let me give you some examples close to home in my newspaper markets.

- Fairbanks, Alaska, is perhaps the most remote, isolated community in America. There are four commercial television stations in the market. All struggle financially. One station covers news with a staff of eight, another has six, the third has two and the fourth has no local news gathering capacity. My newspaper employs 31 in the news department. Under today's rules, my newspaper thrives with an award-winning news presentation, while the television stations struggle to broadcast even a small amount of local news. There are no commercial news radio stations. In central and northern Alaska, many communities cannot get my newspaper delivered, but they can get television. Imagine how their lives could be improved if I could put my 31 newsroom personnel behind television coverage.

- In Eureka, California, in another remote section of the country on the North Coast of California, there are four commercial television stations. The strongest station has a news staff of 11, and the other three don't produce substantive local news. My newspaper devotes 23 people to local news coverage. Imagine the community service we could provide by putting these news resources behind television and radio news, especially if we purchase a station that produces no news today.

- I own a newspaper in Pittsfield, Massachusetts, which covers the western quadrant of Massachusetts. There is no television station there and never has been. But there is a license allocated to the market. But with 51 newsroom employees at my newspaper, I could serve this community with television news for the first time ever. The current restraints, however, do not allow that to happen.

- And let me talk about a larger market…Denver, Colorado. There are at least three radio stations that call themselves news stations, but they're really not news stations at all. They are **talk** stations. The largest two have news-gathering staffs of about six, and the other has five. Not much news-gathering resources. But the two newspapers managed by the Denver Newspaper Agency have combined news resources of almost 500. Imagine the public service we could provide by putting our news assets behind a real, full-time news station.

There are similar stories to be told in almost every American market. Newspapers will add new resources to struggling television and radio enterprises, and those broadcast outlets will strengthen newspapers as the number of media choices continue to explode in a changing media environment.

The fact is that the communications world—and the media alternatives available to our citizens—has undergone a vast transformation since the newspaper/broadcast cross-ownership ban was adopted over a quarter of a century ago. Back in 1975, the FCC was concerned that daily newspapers might dominate the still-fledging television broadcast industry. Whatever merits that concern may have had nearly three decades ago, it simply has no place in today's media environment. For example, there are now 70 percent more radio outlets and 50 percent more television stations than there were in the 1970s. Now omnipresent cable and satellite television services were still in their infancy in 1975, and the Internet—with its vast potential for delivering news and information—was non-existent when the newspaper/broadcast rule was adopted. Traditional media thus have been bombarded with a host of new, multi-media rivals in recent years.

In this vastly diverse, competitive, and ever-growing environment, the ban on cross-ownership of daily newspapers and broadcast outlets plainly is not needed. Quite to the contrary, the extensive record before the agency demonstrates beyond question that the prohibition frustrates the achievement of significant and vitally needed operating efficiencies and, most importantly, deprives the public of enhanced local news and other new and innovative informational services.

Based on that record evidence, the FCC is required by the terms of Congress' Biennial Review mandate to eliminate the archaic and wholly unnecessary cross-ownership prohibition.

Thank you. I would be pleased to attempt to answer your questions.