Future of Music Coalition

press clips following release of radio study

November 2002 - January 2003

Study Shows an Increase in Overlap of Radio Playlists;

The report by an artists' rights group says that morestations with different formats play the same songs. Industry officials disagree.
By Jeff Leeds
Los Angeles Times, November 15, 2002
http://www.latimes.com/business/la-fi-radio15nov15,0,4652989.story

Ever since the Clinton administration loosened restrictions on how many radio stations a broadcaster could own, record label executives have complained that media consolidation would lead to bland playlists and homogenous programming.

Now a coalition of musicians and independent record label executives say they have statistical proof that the relaxation of ownership rules has stifled recording artists and "damaged radio as a public resource." The study was done by the **Future of Music Coalition**, a Washington-based nonprofit organization that advocates artists' rights. The study, to be released Monday, found that although radio station chains have increased the number of music formats available on the air, they are increasingly playing similar lists of songs. For example, the study found that 76% of the 50 most-played songs on stations labeling themselves as "contemporary hit radio/rhythmic" also are among the 50 most-played songs on stations considering themselves "urban." According to the study, the amount of overlap between these two formats in the last four years has increased 18%.

Moreover, the study says, radio companies that have grown the most under deregulation are limiting the choice of music by operating two or more stations in the same market with the same music format. The report said that Clear Channel Communications Inc., the nation's biggest radio conglomerate, has 143 stations with similar music formats in the same market.

The study contradicts the conclusions of a September report by the Federal Communications Commission. That report found that song diversity had remained about the same since 1996. But that study looked at only the top 10 songs played at each station.

In the **Future of Music Coalition** report, the authors say that radio broadcasters may be developing similar playlists in response to shifting consumer tastes. But the report also includes a public opinion poll in which respondents said they were dissatisfied with the state of radio programming.

The report also echoed complaints from record labels and small broadcasters, who say deregulation has handed too much control to a handful of giant media companies, including Clear Channel and Viacom Inc.'s Infinity Broadcasting, which operates more than 180 stations. Radio industry officials dismissed the study's conclusions.

"The big gap in the logic is that the authors don't believe radio stations care about what consumers do," said Jodie Renk, general manager of Core Callout Research, a firm that tests new songs with radio listeners.

"Stations spend hundreds of thousands of dollars a year finding out what their listeners care about. The concept of these oligopolies agreeing that they're all going to not serve listeners is the most ridiculous thing I've ever heard."

Diane Warren, a spokeswoman for Clear Channel, agreed. "We spent a lot of time and money finding out what our listeners want. If we don't give it to them, they will go elsewhere."

Music coalition study blasts radio consolidation in U.S.

by Brooks Boliek
Hollywood Reporter, November 15, 2002

WASHINGTON – Radio consolidation has had an adverse effect on musicians and the American public by cutting down on independent voices and making it more difficult for emerging artists to get airplay, according to a survey to be released next week.

The **Future of Music Coalition** analyzed changes in the radio industry's structure from 1996, when the Telecommunications Act was approved, through this year, recording the number of station acquisitions, the number of parent companies over time and nationwide market share. The coalition, a not-for-profit organization of musicians, technology experts and public-policy and intellectual-property law attorneys, also attempted to measure the radio industry's tendency to play the same songs released by the recording industry's major labels over various formats. What the coalition found wasn't pretty.

"The radical deregulation of the radio industry allowed by the Telecommunications Act of 1996 has not benefited the public or musicians," a copy of the report obtained by The Hollywood Reporter said. "Instead, it has led to less competition, fewer viewpoints and less diversity in programming."

The coalition's report claims that the wholesale deregulation of the radio industry has "damaged radio as a public resource."

"This research makes an overwhelming case that market consolidation intended by the act does not serve the diverse needs of American citizens," the report said. "Substantial ethnic, regional and economic populations are not provided the service to which they are entitled. The public is not satisfied, and possible economic efficiencies of industry consolidation are not being passed on to the public in the form of improved local service."

But broadcast industry executives dismissed the report, questioning both its findings and results.
"The Future of Music Coalition's study contains shoddy research and superficial analysis," a spokesman for the National Association of Broadcasters said. "It was motivated by an activist agenda and not by balanced objectivity."

The NAB argues that the radio industry is far less concentrated than other media and noted that the number of foreign language stations has increased.

Compared to other mediums, radio is one of the least consolidated.

"Currently, there are nearly 4,000 separate companies owning radio stations in America," the NAB said. "Five music labels essentially control the entire music business, and a handful of Hollywood studios control nearly the entire movie business.

Study Decries Lack of Diversity in Radio Programming

by Bill Cahir
Newhouse News Service, November 18, 2002

Congress in 1996 passed a telecommunications law to promote diversity in radio programming. But critics claim deregulation has not turned out as planned.

Corporate consolidation in station ownership, according to a new study, has enabled "oligopolies" to control specific markets, increased homogeneity in on-air programming and caused an intensifying case of listener's remorse.

The National Association of Broadcasters this week attempted to discredit the analysis by the **Future of Music Coalition**, deeming the nonprofit group's study a willful attempt to give the radio industry a black eye. The music coalition's survey of radio listeners, the broadcasters' group claimed, was biased and flawed. Radio remained "one of the least consolidated mediums" in modern telecommunications.

"There's more diversity in terms of programming on the radio dial today than there has been in history," said Dennis Wharton, spokesman for the NAB. Wharton noted that the number of Spanish language stations over the past six years had grown from 400 to 600.

Debating what has happened in radio since Congress passed the 1996 Telecommunications Act does not constitute an idle exercise for Washington lawyers.

The FCC next year plans to decide whether to permit narrower corporate control of all forms of mass media, including television networks and major newspapers. Public comments are due Jan. 2. The music coalition submitted its study to the FCC on Monday.

A change to the existing FCC rules could allow one corporate parent to own more than one national television network, more than eight radio stations in one city, all of the cable television networks in a single news market, several Internet service providers, and the dominant newspaper in the area, too.

Michael J. Copps, a member of the Federal Communications Commission, urges journalists and consumers to focus more attention upon the media-consolidation story.

'We're making decisions affecting not just the diversity of entertainment available to us, but the diversity of viewpoints in our political dialogue," Copps says. "And we are maybe putting at risk much of the openness and diversity that we have valued so much in our media over the years." Proponents of liberalized rules for media giants claim that the Internet and satellite communications have rendered obsolete the old-school limits on media monopolies. Anyone unhappy with one local newspaper can read another one online, the argument goes.

The Future of Music Coalition in a study called "Radio Deregulation: Has It Served Citizens and Musicians?" points out that 10 companies control two-thirds of the radio market, including its advertising revenues.

Kristin Thomson, a social policy researcher and public relations specialist in Washington, and Peter DiCola, a graduate student in law and economics at the University of Michigan, note that two companies, Clear Channel and Viacom International, control broadcasting to 42 percent of all radio listeners.

The two companies collect 45 percent of the money generated by radio stations nationwide.

The music coalition concedes one point to the broadcasters' lobby, noting that radio stations now offer more formats to listeners than ever before. But the different format labels Adult Rhythm and Blues, Crossover and Rhythmic Top 40, for example are generally misleading, the study says.

Most formats spoon-feed the same hit songs to listeners under different labels. Two formats, Rhythmic and Urban, played 76 percent of the same songs in 2002, the authors reported. They compared play lists published by the Billboard Airplay Monitor and another trade journal, Radio and Records.

In a survey of 500 people conducted for the music coalition, the Behavior Research Center of Phoenix, Ariz., found that 80 percent of all listeners

Study Decries Lack of Diversity in Radio Programming
continued

would favor federal action to prohibit further consolidation of radio station ownership.

But the broadcasters' group says a survey sample of 500 people is too small to be accurate. In a survey of more than 3,000 people conducted by Arbitron/Edison Media Research, the National Association of Broadcasters found that 75 percent of all people believe radio does a "good job playing the kinds of music they like."

Consumer activists say they were appalled by the broadcasters' stance. Andrew Jay Schwartzman, president of the Media Access Project, claims radio broadcasters ought not to boast about surveys showing that 25 percent of all radio listeners are unhappy with local stations' music selection.

"It is an astounding denunciation of the industry to find that 25 percent aren't served," Schwartzman says.

Radio Deregulation No Hit for Listeners-Report

By Andy Sullivan
Reuters November 18, 2002

WASHINGTON (Reuters) - Relaxed federal oversight of the radio dial may have helped a few big broadcasters make sweet music over the past few years, but the listening public has heard mostly static, according to a report released on Monday.

Six years after a landmark deregulation law lifted ownership limits on radio stations, airwaves in many cities are dominated by a few media behemoths that offer little in the way of variety or local content, the **Future of Music Coalition** found.

While deregulation has allowed companies like Clear Channel Communications Inc. to buy up struggling radio stations across the country, the new owners have often pursued profitability by slashing costs, rather than seeking to lure listeners with unique content.

As a result, local airwaves are often dominated by a handful of companies that offer a portfolio of similar-sounding radio stations, the think tank said.

"Much of radio on a local level has become bland and formulaic and not locally programmed," research director Kristin Thomson said.

The report prompted an aggressive response from the broadcasting industry, which said it should not be taken seriously after a leaked version appeared in Los Angeles papers on Friday. The group slanted its findings to support its position as a critic of the industry, the National Association of Broadcasters said.

"This report has as much credibility as Miss Cleo," said NAB spokesman Dennis Wharton, referring to the television psychic who settled federal fraud charges last week.

The report comes as large radio owners are coming under scrutiny from lawmakers on Capitol Hill, while at the same time the Federal Communications Commission considers whether to relax regulations on media ownership further.

Wisconsin Democratic Sen. Russell Feingold, an industry critic, said the report underlined many complaints he had heard from constituents, and said he would press to limit anti-competitive practices.

Musicians' unions and consumer advocates also welcomed the report.

The coalition analyzed industry data and surveyed 500 randomly chosen radio listeners for its report.

FEWER OWNERS, SAME SONGS

What it found was an industry that has consolidated significantly over the past decade to questionable public benefit.

While federal law formerly forbade broadcasters to own more than 40 stations nationwide, 10 companies now claim 65 percent of the listening public. Two of these, Clear Channel and Viacom Inc.'s Infinity Broadcasting, account for 42 percent of listeners and a similar percentage of industry revenues.

In smaller markets, these two firms and two others -- often control all the stations on the dial, the report found.

Such consolidation could subvert market forces as a few companies set advertising rates and determine what songs become hits, the coalition said. News reporting could be affected as well, as budget-slashing managers close newsrooms.

The report also challenged the broadcast industry's contention that deregulation has led to a wider variety of formats. A recent Bear Stearns report found that format variety has increased by 7 percent since 1996, including new categories such as kids, hip hop and tropical.

But the practical difference is minimal as many formats overlap considerably, the report said.

For example, 38 of the top 50 songs played on "urban"-formatted stations also appeared on the top-50 lists of stations that billed themselves as "CHR rhythmic" in August, according to the Radio and Records trade magazine. "Active rock" and "alternative" stations shared 29 of their top 50 songs.

A Clear Channel spokeswoman said that radio stations offered different listening experiences even if they shared the same songs.

"The music might cross over, but the combination of the information, the community service, the commercials, the promotions, all these elements make up the total radio station," said Diane Warren, vice president of communications for Clear Channel.

Music Coalition Reports Less Variety on Radio

by Todd Shields

MediaWeek, November 18, 2002

A research group that wants to improve the lot of musicians and radio listeners has released a study asserting that radio consolidation has left the public with less variety in broadcast music.

The study, which examined changes in the radio market since the deregulatory 1996 telecommunications act, concluded that four companies control more than half of commercial radio's revenues. The study also reported that a smal group of radio companies serve 70 percent of listeners in "virtually every geographic market". The report was presented by the **Future of Music Coalition** Monday at a news conference in Washington, D.C.

Coalition members said they would file their findings, which draw upon data from BIA Financial Networks, with the Federal Communications Commission. The agency is presently considering whether to relax broadcast ownership limits.

Defenders of current broadcast practices say listeners hear more formats than in previous years. But Future of Music researchers said such an increase is largely illusory because many songs are shared among formats. "Extensive overlap exists between nominally different formats," said Peter DiCola, the coalition's director of economic analysis.

The National Association of Broadcasters said the coalition reached "inaccurate conclusions" that are "refuted by numerous governmental and respected research organizations." The NAB, which represents commercial broadcasting interests, said format variety has increased since 1996, and that radio, with nearly 4,000 separate companies, is among the least consolidated media industries.

Charge: Radio sings the same tune
But industry hotly disputes narrowing of playlist

By Heidi Vogt
Medialife Magazine, November 18, 2002

When the Federal Communications Commission opened the way in 1996 for consolidation within the radio industry, critics were most vocal in their concern that fewer station groups would quickly lead to less diversity in the music available to listeners.

It was only a matter of time before someone would attempt to prove that it was actually happening.

Today a report from a musicians group makes just that charge.

But whether the charge will hold up under public scrutiny is not entirely clear.

The Future of Music Coalition, a musicians' advocacy group, polled about 500 people and analyzed local radio formats to conclude that while the number of radio formats have actually increased since 1996, the variety of songs being played has diminished.

"With 145 pages of analysis that draws almost exclusively on industry data, we demonstrate how the radical consolidation of radio station ownership has damaged the public's radio airwaves and stifled localism, competition, innovation and diversity across the country," said the Future of Music Coalition in a statement released Friday.

While the study's findings are contrary to much current research, media experts say they're not completely surprising, either. "The bigger stations, the Clear Channels of the world, they're putting one program director over several stations. Stations are starting to blend formats, and there's a very fine line between formats," says Lynn Cortelezzi, associate media director at Empower MediaMarketing.

The Future of Music Coalition study finds that playlists on different formats are often very similar.

For example, 76 percent of the 50 most-played songs on "contemporary hit radio/rhythmic" stations are also in the 50 most-played songs on "urban" stations. The study claims that these two formats have increased in playlist overlap by 18 percent over the last four years.

Among those attacking the study, and in scathing terms, is the National Association of Broadcasters. The report, its says, "contains very little, if any, news."

The NAB cites a September FCC study that found that song diversity had stayed largely the same since 1996. The FCC study looked at stations' 10 most-played songs.

The NAB also cites a July 2002 Arbitron/Edison Media Research study in which 74 percent of respondents said that radio "does a good job of playing the kinds of music they like."

However, this is a smaller percentage than four years ago, when 81 percent of respondents said radio did a good job of playing the songs they liked.

Then again, the same Arbitron study concluded that "the premise that radio 'sucks'because of consolidation is false."

Cortelezzi says much of the confusion over the issue of increasingly or decreasingly diverse playlists comes from trying to talk nationally about an issue that only makes sense regionally.

"You almost have to look at it market by market," says Cortelezzi. She says while Clear Channel's Chicago stations have lost a lot of their individual identities, Kansas City stations have really branched out since consolidation to avoid taking share from other properties

Music group protests radio mergers

by Ron Orol

The Deal, November 18, 2002

As the Federal Communications Commission prepares rules that could spur radio industry mergers, a media advocacy group is calling for the agency to halt consolidation.

The **Future of Music Coalition** said Monday, Nov. 18, that the Telecommunications Act of 1996 weakened radio competition in the United States and narrowed diversity in programming.

"Our report clearly demonstrates that the radical deregulation of the radio industry has not benefited the public or musicians," said Jenny Toomey, director of the group, which released a report on the effects of the Telecommunications Act.

Ten companies, including Clear Channel Communications Inc. and Viacom Inc., control 42% of listeners and 45% of industry revenues, according to the report. It also showed that four or fewer radio companies control 70% of all radio revenues. The group said that although format variety increased at radio stations, programming diversity diminished.

"Analysis of music chart data in the report reveals considerable format homogeneity, with many songs overlapping on various format playlists," Toomey said.

The study contradicts a September report by the FCC indicating that U.S. radio programming music diversity increased slightly. The agency found an 11% increase in song diversity within the same format in each market.

Blair Levin, analyst at Legg Mason Inc., said the Telecom Act eliminated national radio ownership restrictions, replacing them with local market caps that fostered mergers. Current FCC rules limit a company to owning a maximum of eight radio stations in markets where there are 45 stations.

"The agency's radio rules are getting very close to the Justice Department's competition rules, so there isn't much wiggle room," he said.

Think tank report says deregulation hurts radio

by Craig Havighurst
The Tennessean, November 19, 2002

The 1996 Telecommunication Act has failed to achieve any of its goals of enhancing competition, diversity and localism on radio, according to a new national study by an artist- and consumer-oriented think tank.

The report was immediately challenged by the radio industry, which said parts of it were biased.

According to the Washington-based **Future of Music Coalition**, "deregulation has damaged radio as a public resource." The group says radio profitability has been studied extensively since 1996 but that the Federal Communications Commission's mandate to regulate radio in the "public interest" has not been carefully investigated.

Consolidation of the radio industry is a widely recognized result of deregulation, but the coalition study clarifies how far it has gone. Two companies, Clear Channel Communications and Viacom, control 42% of listeners and 45% of industry revenue, they say. While 4,000 small companies account for one-third of radio revenue, 10 companies account for the rest. "Oligopolies," defined as four companies serving over 50% of the audience, control most radio markets and 28 of 30 music formats, said study author Peter DiCola. "We have less competition than before deregulation, not more," he said yesterday in a telephone press conference.

The study also attempts to repudiate broadcasters' assertion that the Telecom Act led to greater diversity of programming. Radio "formats" did proliferate in recent years, but the study found extensive overlap of specific songs across formats.

"Formats with different names have similar playlists," the study says. Country was one of three formats (besides smooth jazz and contemporary Christian) to have no overlap with other formats in the sample week from August 2001 investigated by the coalition.

The study sparked a quick and fierce reaction from the National Association of Broadcasters. Radio, it said in a statement, is far less consolidated than other entertainment media, from record and movie companies to cable providers.

The broadcasters group also called a survey of 500 individuals on the state of radio biased.

That survey, a core part of the study, produced ambiguous results.

The music coalition's legislative director, Michael Bracy, said yesterday that radio programming marginalized older demographics. But the survey found that people under 30 are least likely to hear the music they most enjoy on the radio. Seventy percent of respondents said they listen to FM commercial radio more or the same as they did five years ago.

The survey asked if respondents favored policies to stem consolidation, ban radio promotion that let record labels financially influence programming or encourage local music on the air and found considerable support for each.

"When given the opportunity to think outside the limitations of commercial radio now, they can imagine something better," said study author Kristin Thomson.

Local music professionals had not had time yesterday to fully assess the 145-page study, but Belmont University assistant music business professor James Elliott said the recent sale of Nashville's The Phoenix, a locally focused and eclectic station, was evidence of the dominant trends in radio today.

"This study should get some attention. It's well-documented," he said.

DAILY NEWS

Report Says Format Choice is Too Limited

by David Hinckley
New York Daily News, November 19, 2002

An activist group and the National Association of Broadcasters (NAB) are in sharp disagreement over how much choice commercial radio is providing its listeners these days.

The Future of Music Coalition (FMC) charges in a new report that the 1996 Telecom Act, which allowed companies to own more stations, "has not benefited the public. It has led to less competition, fewer viewpoints and less diversity in programming." Nonsense, replies NAB spokesman Dennis Wharton: "Studies repeatedly show 75% of Americans express high satisfaction with radio. This report has all the credibility of Miss Cleo."

A key part of the problem, says the FMC, is that today "a very small number of gatekeepers control access to the public airwaves. Ten companies control two-thirds of revenue and listeners. Clear Channel and Viacom control 42% of listeners and 45% of revenues."

Wharton says this doesn't matter, pointing to studies showing there are more formats now.

"Radio stations stay in business by giving listeners what they want," he says. "If there is a viable market for a format, someone will provide it."

The FMC says it should work this way but may not when there are so few competitors to play what the giants do not.

In New York today, there are no full-time stations for country, popular standards, dance, easy listening, classic soul, early rock 'n' roll, gospel, hot talk and several types of rock.

"No one denies broadcasters spend enormous resources trying to determine what listeners want," says Peter DiCola, a primary author of the report. "Our concern is that large portions of society are not considered attractive demographics, so there is no effort to reach them.

"We're asking how much of the public airwaves should be guided by economic interest and how much by the idea of serving as much of the public as possible. We think the balance is out of whack."

DiCola also says the number of formats is "a flawed measure, since it doesn't address lack of diversity" between, say an urban and rhythmic top-40 format. If eight formats all play the same Sean Paul and Madonna records, that isn't eight formats' worth of diversity.

Wharton says, however, that radio stations subdivide formats like rock or urban because that's what listeners want: "It's a way for individuals to get closer to their ideal station."
In general, he says, "A lot of this is in the ear of the beholder. If someone doesn't hear exactly what they want, they may not recognize the greater diversity."

The FMC report coincides with a Federal Communications Commission review of radio ownership policies, which some have speculated could lead to further relaxation of ownership limits.

Boston Radio; Fewer voices are calling the shots

by Dean Johnson
Boston Herald, November 22, 2002

A recent study conducted by the nonprofit group the **Future of Music Coalition** paints a bleak picture of radio. Radio, the report says, has become dominated by big business and bland programming since the government relaxed ownership regulations in the mid-'90s.

The study - titled "Radio Deregulation: Has It Served Citizens and Musicians?" - points out that 10 companies control two-thirds of the radio market, including its advertising revenues. The study also noted that two companies, Clear Channel and Viacom International (which owns Infinity Broadcasting), control broadcasting to 42 percent of all radio listeners and collect 45 percent of the money generated by stations nationwide.

The National Association of Broadcasters was quick to blast the group and its study. A spokesman said there is more diversity in radio today than ever before.

Nevertheless, at least part of the study's numbers ring true for Boston radio.

Just four radio groups in Boston (Clear Channel, Entercom, Infinity and Greater Media) accounted for nearly 95 percent of all radio billings here last year, according to industry source Duncan's Radio. Infinity's local block of stations alone (WBZ-AM, WBMX-FM, WBCN-FM, WODS-FM and WZLX-FM) was responsible for nearly 43 percent of the billings.

The total audience locally for Clear Channel (WJMN-FM, WXKS-FM and WXKS-AM) and Infinity is 36 percent, lower than the national average of 42 percent, according to the summer ratings.

But add the local Infinity and Greater Media (WMJX-FM, WBOS-FM, WTKK-FM, WKLB-FM and WROR-FM) audiences, and the 41 percent total all but matches the national mark for the two firms.

What does it all mean? There may be more formats than ever, but fewer people are calling the shots, both nationwide and in Boston

Radio deregulation has hurt quality, study says

National Post (CANADA)
November 19, 2002

WASHINGTON - Relaxed federal oversight of the radio dial may have helped a few big broadcasters over the past few years, but the listening public has suffered, according to a report released yesterday. Six years after a deregulation law lifted ownership limits on radio stations, airwaves in many cities are dominated by a few media behemoths that offer little in the way of variety or local content, the **Future of Music Coalition** found.

While deregulation has allowed companies like Clear Channel Communications Inc. to buy up struggling radio stations across the country, the new owners have often pursued profitability by slashing costs, rather than seeking to lure listeners with unique content.

Merger Foes Slam Fauxmats;
Radio format diversity is a sham, critics tell FCC

by Bill McConnell
Broadcasting and Cable, November 25, 2002

Bad-boy rapper Eminem complained on his summer smash "Without Me" that the "FCC won't let me be." But critics of media consolidation say the commission is going too easy on the hip-hop mega- star, or at least on the stations airing his tunes.

It's not that they have a gripe with Eminem's profanity-laced bits. They just want him played a little less: Anybody bypassing urban stations on the dial would have been almost as likely to hear "Without Me" on alternative-rock, pop and dance-oriented stations, too. That's the problem with radio these days, says the **Future of Music Coalition**, a group of musicians and media watchdogs. Playlists suffer from tremendous overlap and offer little opportunity for local artists and local tastes. Last week, they derided industry claims that radio mergers created more diversity in station formats as little more than industry propaganda.

Variety-shmariety

"There is a tremendous overlap of songs between supposedly distinct formats," said Jennifer Toomey, the coalition's executive director.

"Format variety is not a substitute for true format diversity."

Since media conglomerates began buying radio stations after the 1996 Telecommunications Act removed limits on the number that one company can own, there has been a proliferation of formats, with only slight variety in their actual playlists, the coalition argues. A merger wave has put two-thirds of industry revenue into the hands of 10 radio groups.

The industry responds that the consolidation and resulting efficiencies were necessary to return financial health to a long-struggling mom-and-pop business. Because of the mergers, big groups have eliminated duplicate formats in most markets and introduced new ones.

The coalition's new report, however, submitted to the FCC last week to bolster the case against further relaxation of radio-ownership limits, attempts to debunk the industry's claims.

The commission is currently reviewing nearly all its media-ownership rules--others include TV-household reach and cable-subscriber share limits--and is expected to relax many this spring. The coalition is calling for tougher radio limits, but, in today's deregulatory environment, it can realistically hope only to stanch further relaxation.

A listener survey also conducted by the coalition found audiences unhappy with radio today, as evidenced by declining amount of time listening and a desire for fewer ads and longer playlists.

The credibility of Miss Cleo

The coalition's research was ridiculed by the NAB in a point-by-point rebuttal debunking the study's "myths." Said NAB spokesman Dennis Wharton, "This study has less credibility than Miss Cleo. Their findings were directly contradicted by the FCC." An FCC study released in October found that radio playlists have become more diverse within individual markets but slightly less diverse nationally.

"Clearly, we hit a nerve," said Toomey in response to the NAB broadside. "There would be no reason to issue such a lengthy screed if the study was as flawed as they say it is."

Certainly, Eminem wasn't the only format-jumper. According to the coalition's review of the July 31 rankings in Radio & Records magazine, Creed's "One Last Breath" hit the top 30 in five formats: Hot Adult Contemporary, Alternative Rock, Pop, Rock and Active Rock. In fact, among the 390 slots available in the 13 categories tracked by R&R's Top 30 lists, 179 songs appeared in at least two formats and many of those in three or more.

For example, the Urban and Contemporary Hit Radio (rhythmic) formats shared 38 songs on a 50-song sampled playlist, a 76% overlap. Although that example was the most extreme, 18 other format pairings showed overlap ranging from 18% to 58%.

The study also found that, while nearly 4,000 radio owners remain, virtually every geographic market is dominated by four radio companies controlling 70% of market share and, in most small markets, by companies controlling 90% or more. The top four firms nationwide--Clear Channel, Viacom, Cox and Entercom--now hold 49.3% listeners, and nearly every format is dominated by a four-company bloc comprising those or other big station groups.

Coalition Says Consolidation Has Decreased Competition, Diversity Of Playlists

by Bill Holland
Billboard, November 30, 2002

A new report the **Future of Music Coalition** (FMC) filed with the Federal Communications Commission (FCC) Nov. 18 has riled the giant National Assn. of Broadcasters (NAB) trade group and prompted the Recording Industry Assn. of America (RIAA) to take issue as well. The report concludes that consolidation of the radio industry in the past decade, following deregulation of FCC ownership rules, has led to less competition, less programming diversity, and unsatisfied listeners.

The RIAA took issue with the report's finding that the five major record companies have limited their promotion efforts due to shrinking playlists, creating "a double bottleneck" for artists trying to get exposure.

An RIAA spokesman comments: "Record companies of all sizes are constantly pushing for more diverse and expanded playlists. The focus should not be on a record industry that makes and markets more than 30,000 new CDs a year but [on] a radio promotion system that, as this report finds, needs to be reformed."
The NAB charges that the study uses flawed methodology and calls its assertions "myths." "This survey," an NAB spokesman says, "has all the credibility of Miss Cleo," referring to the TV psychic recently discredited by the Federal Trade Commission for deceptive advertising.

Concerned members of Congress, as well as the NAB and the FMC, will be watching closely to see if the FCC incorporates the study and other anti-consolidation complaints into its ongoing review of current ownership rules, which chairman Michael Powell calls the "most comprehensive undertaking in the area of media ownership in the commission's history." (Powell's FCC tilts heavily toward further deregulation.)

Sen. Russ Feingold, D-Wis., however, is expected to reintroduce a bill next year that calls for the FCC to critically look at whether consolidation has resulted in diminished diversity and programming choices for citizens.

The FMC report analyzes current industry data compiled from Billboard sister publication Airplay Monitor and other trade magazines, finding "format redundancy" as well as "considerable format homogeneity-playlist overlap between supposedly distinct formats [by] as much as 76%."

The report also includes the results of a survey it commissioned with 500 radio listeners, which gives big radio a black eye. Eighty percent of respondents support action to prevent further consolidation; most want less repetition of songs and longer playlists with more variety. A majority of respondents, 68%, say they support congressional involvement to curb the use by big radio companies of payola-like systems in which independent promoters pay huge fees for their client's product to be considered for airplay.

A written NAB statement says the FMC survey flies in the face of the positive results of a larger recent survey of 3,000 listeners conducted by Arbitron/Edison Research that found listeners satisfied with the current state of radio. The NAB mocked the small sampling of listeners in the FMC study. It did not address the independent promotion payment issue.

FMC co-founder Michael Bracy maintains, "The 500 in our survey is a perfectly valid sample size. We've been very public about our [small] margin of error. I'm not sure what their concern is."

The report's data analysis concludes that the U.S. radio industry is an "oligopoly," reporting that every geographic radio market in the U.S. is dominated by four companies, which control 70% or more of market share. It also finds that 10 parent corporations of broadcast companies control two-thirds of both listeners and revenue nationwide and that two of them-Clear Channel Communications and Viacom combined-control 42% of listeners and 45% of industry revenue. It also finds that in 28 of the 30 major markets, four companies or fewer control more than 50% of listeners, with even higher percentages in smaller markets.

As a result, the FMC report says, a small number of companies control the news on the radio, and format consolidation has also produced a negative impact on the music industry, leading to control of specific formats, shorter playlists, and fewer opportunities for record companies and indie artists to get airplay.

The Washington Post

FCC Preparing to Overhaul Telecom, Media Rules

If All Proposals Are Enacted, Major Firms in Field Will Be Less Regulated and More Free to Expand
By Jonathan Krim
Washington Post, January 3, 2003

Over the next few months, a single federal agency will begin to fundamentally alter the nation's communications and mass-media landscape, rewriting a broad swath of rules that affect the choices consumers have for getting online and the variety of television and radio programming they watch and hear.

If all of the changes being reviewed by the Federal Communications Commission are enacted as proposed, major telecommunications and media corporations will be less regulated, and more free to grow, than at any time in decades.

The rules in question govern how much telephone companies need to open their lines to competitors for local phone and high-speed Internet service, set restrictions on how many TV and radio stations can be owned by one company, and determine whether a company can own both newspapers and TV stations that serve the same community.

FCC officials say they expect to begin making decisions as early as February, after more than a year of intense debate and lobbying over sharply different visions of the best way to spur growth and competition in the country's information economy.

Opponents of the proposed rules fear that, taken together, they ultimately could lead to a few powerful conglomerates controlling the flow of electronic information, from programming of television and radio news and entertainment to owning the pipes that connect people to the Internet. Those pushing for the changes argue that the old rules fail to account for emerging technologies that can provide a wealth of diverse information and means of communication. Burdensome regulation has stunted their deployment -- particularly of high-speed Internet access -- these people say, and this in turn has hampered recovery of the battered technology sector.

"We've teed up a lot," said Michael J. Copps, one of two commission Democrats. "It's high noon at the FCC."

With the stakes high, the corporate owners of three of the nation's major TV networks came together yesterday to call on the FCC to abolish its ownership rules. Viacom Inc., which owns CBS and the Paramount movie studio, joined with News Corp., owner of the Fox TV network and the 20th Century Fox studio, and NBC/Telemundo in arguing that the regulations are no longer needed given the "wealth of media available to virtually all Americans."

Proposed rules often are modified through negotiations among the commission's five members, and FCC officials insist that final decisions have not been made. But analysts are increasingly convinced that, for the most part, the deregulatory agenda of Chairman Michael K. Powell will prevail, marking a definitive turn from the policies of the FCC during the Clinton administration.
Powell and Republican commissioners Kevin J. Martin and Kathleen Q. Abernathy have a 3 to 2 majority, and while they don't always vote in lock step, they are in general philosophical agreement that less regulation is beneficial.

Meanwhile, Powell's most powerful and ardent critic, Sen. Ernest F. Hollings (D-S.C.), lost control of the Senate Commerce Committee when the Republicans won a Senate majority last month.

At one hearing last summer, Hollings all but called Powell a shill for big business in general and the large regional telephone companies in particular. Although the FCC is an independent agency, Congress controls its purse strings. Taking over the Commerce Committee is Sen. John McCain (R-Ariz.), who championed Powell's nomination to the commission in 1997 and who shares his deregulatory instinct. McCain has promised hearings on several of the issues the FCC is grappling with.

"The political environment has shifted significantly," said Nancy Kaplan, a Bethesda-based telecommunications consultant. "We'll see just how strong Powell really is."

The commission's existing regulatory regime also has been under attack by the courts, which have issued key rulings challenging the commission's requirements on the sharing of telephone networks and its limits on media concentration.

In an interview, Powell rejected the notion that he seeks mindless deregulation, or that the contemplated changes would necessarily shift the media and telecommunications balance in dramatic fashion.

"No industry is so fraught with impassioned histrionics as this one," he said. Congress requires the commission to review many of its rules every two years, Powell said, and to toss out those that cannot be justified as providing benefit.

But Powell said he is determined to keep the Internet relatively free from the decades-old, tightly regulated framework of local telephone service. He also disparages claims that changing FCC rules will mean open season for consolidation that will stifle competition.

"That assumes that the antitrust division takes a pill and goes to sleep," said Powell, who once worked in that Justice Department division. He added that the FCC will continue to evaluate mergers to determine whether they are in the public interest. He cited the agency's recent rejection of the proposed buyout of Hughes Electronics Corp.'s DirecTV by satellite competitor EchoStar Communications Corp. as one example.

But industry experts, consumer groups and several major technology companies aren't convinced.
"The most important thing the Powell commission will do is eliminate all the rules that proactively prevent telecommunications and media companies from entering new lines of business," said Blair Levin, an FCC official in the Clinton administration who now analyzes regulatory policy for the investment firm Legg Mason Wood Walker Inc.

"We are clearly going to have a lot of consolidation. The question is, is the nature of technology such that we can still get the vibrant competition that you would want?"

Paul Misener, vice president of global public policy for Amazon.com Inc., who also worked at the FCC, said it is "an operating assumption" in his industry that there will be fewer Internet access providers in the future.

Misener said the direction the FCC is headed creates the likelihood that while consumers will have a choice between high-speed Internet technologies -- via cable or souped-up telephone service known as DSL -- there will be only one or two Internet providers within each technology.

That prospect has Amazon, Microsoft Corp. and a coalition of other technology companies worried that those gatekeepers could prevent users from looking at certain content.

For example, a company that owns a movie studio and provides Internet connections might restrict the downloading of movies produced by rival studios.

Amazon wants the FCC to add a rule that would require high-speed Internet providers to agree to refrain from content discrimination or to be required to give at least three competing Internet providers the ability to offer service on their systems.

Consumer groups have called on the FCC to require the cable and phone companies that provide broadband connections to be required to allow other Internet service providers -- such as EarthLink Inc. or United Online Inc. -- onto those systems under any circumstance.

The pipe owners want no such requirements, although America Online Inc. and Time Warner Inc. had to accept them as a condition of merger approval in 2000.

Powell said that providing choice for Internet service is vital for consumers and that the commission is still mulling the issue. But the question, he said, is whether the pipe owners should be required to allow other providers on their systems, or whether they will have enough market incentive to negotiate deals with other providers on their own, as some have.

That question is at the heart of the broader argument over how best to nurture and encourage competition in the digital world.

Proponents of deregulation say that owners of existing infrastructure, such as cable and telephone networks, cannot be expected to invest in new technologies and ultra-fast fiber-optic lines if they are forced to share their facilities with or lease them to potential competitors.

The other side argues that only by requiring owners of monopoly networks to compete will they have incentive to invest in new services and expand their revenue opportunities. To do otherwise would force many competitors out of business, these people say.

In passing the landmark Telecommunications Act of 1996, Congress forged a patchwork filled with compromise. But it required the regional phone companies to open their networks to competitors to provide local service and high-speed DSL Internet access.

On the local-service side, the results have been mixed.

Under the Telecommunications Act states have the power -- based on FCC rules -- to set the lease rates that the phone companies can charge competitors to use the equipment needed to provide local service.

But states were slow to act, faced in part with heavy lobbying from phone companies arguing that they would fail to recoup their costs if rates were lowered. Meanwhile, many start-up companies were swept away in the collapse of the telecom sector. Recently, however, several states have moved aggressively to lower the lease rates, and long-distance companies have made significant inroads into local-service markets, winning customers from the former regional Bell companies. Nationwide, the regional competitors provide about 8 million customers with local phone service, up about 40 percent from a year ago. As a result, costs to consumers have dropped as the Bells have been forced to compete.

In states where those rates are low, such as Michigan and Wisconsin, AT&T Corp., WorldCom and Sprint Corp. have been particularly successful in offering package rates to consumers for long-distance and local phone service.

The FCC is considering changes in the rules specifying which parts of the network the Bells must make available. The changes also might preempt the states' rate-setting authority, in light of court decisions that have questioned the fairness of, among other things, rates varying from area to area.

Similarly, the FCC is examining how much telephone networks should be opened to competition for high-speed Internet access, or broadband, which the phone companies also provide. Some competitors successfully offer service, but they have accused the phone companies of stalling in making needed equipment available. Other competitors have gone out of business or don't serve residential customers.

The phone companies want to be treated in the same fashion as the cable operators, which are not required to offer competing services on their broadband networks. Only then, the phone companies say, will they have the incentive to extend the "last mile" of fiber-optic lines to homes.

Commissioner Martin agrees. He said he fears that the current 2-to-1 subscription advantage that cable broadband enjoys over DSL will widen, threatening competition between the two platforms.

But David Baker, head of public policy at EarthLink, sees a possible windfall for the Bell phone companies if they are not at least required to allow other Internet service providers onto the networks.

The FCC commissioners "are considering a lot of potentially very good things for the Bells and very bad things for everybody else," Baker said. "Hopefully, cooler heads will prevail."

The newest commissioner, Democrat Jonathan S. Adelstein, said that "competition is key to deployment" of high-speed lines and revitalizing the telecommunications industry, but he declined to state a position on how best to achieve it.

Powell called much of the Telecom

FCC Preparing to Overhaul Telecom, Media Rules
continued

Act "an experiment" from which the FCC is learning what works and what doesn't.

It is clear, though, that Powell wants companies to compete by building their own facilities and networks, rather than relying on piggybacking. Moreover, he sees emerging technologies, such as voice-over-Internet, cable telephony and expanded wireless, as providing new avenues of competition.

That is the argument the large phone companies have been making aggressively, lobbying hard both in Congress and at the FCC.

Commissioner Copps worries about changing the broadband rules, but he is so incensed about the proposals that would ease limits on media ownership that he has threatened to hold public hearings, on his own, around the country. Powell agreed to one hearing in Richmond in February, but a senior FCC official said that it is unlikely to change any minds.

Under the proposals, a newspaper and a radio or TV station in the same market could be owned by the same company. The commission also is considering lifting rules that bar one company from owning more than one of the top four TV stations in a market, raising the cap from 30 percent to as much as 45 percent on the number of total viewers nationwide that one cable system can serve, raising or abolishing the cap that prevents one company from owning or controlling TV stations that reach more than 35 percent of households nationwide, and ending the ban on the major networks being merged.

A limit that bars one company from owning more than eight radio stations in the largest metropolitan areas also is under review.
"This is public property we're talking about," said Copps, speaking about the airwaves. The changes have "the potential to change media choices, for better or for worse, for years to come. And what I keep asking is, what if we make a mistake? How do you put the genie back in the bottle?"

A wide range of consumer groups have objected to the proposals, noting that a handful of major media companies, most prominently Walt Disney Co., Viacom, AOL Time Warner Inc., News Corp. and Clear Channel Communications Inc., already own the country's biggest online service; hundreds of television stations; more than 1,000 radio stations; three of the country's four national TV networks; and most of the largest U.S. movie and TV production studios, cable networks and magazines. These include CBS, ABC, Fox; Time, Fortune and People magazines; and MTV, HBO, CNN and ESPN.

The FCC recently released 12 pieces of research that its officials say shows that diversity is growing in radio and TV programming and ownership. But several organizations, including the National Association of Broadcasters, t**he Future of Music Coalition** and the Caucus for Television Producers, Writers & Directors, have attacked some or all of the studies as flawed.

Like most large media companies, The Washington Post Co., which owns this newspaper along with six TV stations and the Cable One cable system, would be affected by the rule changes. Officials of many major radio, cable and broadcast networks argue that the ownership limits, designed to ensure some measure of programming diversity and local control of media outlets, fail to account for today's technological advances. Satellite TV, satellite radio, cable TV and the Internet all provide alternatives, they say.

For opponents of Powell's agenda, time is growing short. They are hoping that the chairman's cautious nature will lead him to move slowly and to compromise on key issues. Indeed, Powell has been so deliberate that many conservatives have accused him of indecision and timidity, openly wondering whether he will ever pull the trigger.
This is the year, Powell says.

Effects of consolidation of radio stations

by Jon Heasman
Music and Media (UK), November 30, 2002

A US lobbying group called The **Future of Music Coalition** (FMC) has just published a report which ought to set alarm bells ringing loud and clear among record companies in Europe--particularly those in the UK, Spain and Italy, whose governments are currently considering permitting a further liberalisation of radio ownership laws.

US radio giants such as Clear Channel and the big radio groups in Europe such as NRJ, Capital and GWR have argued that greater consolidation of the radio sector equals more choice for listeners. Their point is simple--if one company is allowed to own a number of stations in the same market, commercial logic dictates that they'll want to make those stations sound as distinct from each other as possible to avoid cannibalising the audience. This contrasts to the alternative scenario of a market populated by a number of competitor companies, who will all try to cluster their stations around the centre-ground to maximise their audience. But the FMC, which has been studying the effects of consolidation on the US radio market, says statistical evidence shows that although consolidation has nominally increased the number of music formats present in each market, there isn't more musical diversity on US radio--in fact, there's less.

The FMC says consolidation has led to playlists that are remarkably similar across formats. For example, the report says 76% of the 50 most-played songs on stations labelling themselves as Rhythmic CHR are also among the 50 most-played songs on stations considering themselves Urban.

FMC claims that format "overlap" in the US has increased by 18% over the past four years, and that the biggest radio groups are limiting listener choice by airing similarly-formatted stations in the same market. What consolidation appears to equal is slightly different mixes of essentially the same canon of music, all derived from music research carried out by just a few big radio groups.

The FMC also claims that radical consolidation of radio station ownership in the US has stifled localism, competition and innovation in radio.

True, the FMC's study isn't the only one to look into the effects of consolidation on US radio. Others have come up with different results. Nevertheless, coming a week after the UK government has seen fit to allow the possibility of having just two commercial radio operators in local marketplaces (no matter how big), the report makes sobering reading.

Television & Radio;

AROUND THE DIAL; Surveys seem to conflict

by Steve Carney
Los Angeles Times, January 3, 2003
http://www.latimes.com/business/custom/cotown/la-et-carney3jan03.story

Which is correct?: (a) Americans love radio and say it gives them everything they want and need, or (b) they're fed up with homogenized radio playlists and yearn for more diversity.

Well, it's both, according to dueling studies released recently by the National Assn. of Broadcasters and by a nonprofit advocacy group, the results of which seem to jibe perfectly with the aims of the organizations behind them.

Earlier this week, the National Assn. of Broadcasters, the trade group of the nation's 13,000 radio stations, published the findings of a poll it commissioned of 1,000 Americans. And the results are bound to please membership: 65% of those surveyed are satisfied with the job their local radio stations are doing, and 78% "believe that radio stations play an important role providing news and information their community." In addition, reported pollster Mark Mellman, president of the Mellman Group, Americans "believe radio provides them with the music they want to hear."

Among those surveyed, 56% said their favorite local radio stations "play the music they like at least most of the time," while only 13% said local stations play their preferred music rarely or never. And only 17% of respondents said that radio stations are providing less variety than they were five years ago, while 29% said it was more variety and 21% said it is about the same.

Those results fly in the face of a report released six weeks ago by the **Future of Music Coalition**, a group of musicians, independent record executives and consumer advocates, which said that the consolidation of ownership among radio stations in the United States has shrunk the variety of programming. Their report said that two companies now control 42% of the nation's radio listeners, and that even though more music formats are available now, the differences between them are so slight that they duplicate many of the same songs.

"Radio consolidation has resulted in less variety of music being played on the radio, shorter playlists, homogenization of playlists, and less local music being broadcast," the coalition said.

A survey that the group commissioned earlier in the year, and included in the November report, said that of the 500 people polled, 52% said "radio would be more appealing to them if it offered more new music, less repetition and more music of local bands and artists."

And six out of seven respondents expressed preference for "a long, rather than a short, playlist that provides them a greater variety of songs and less repetition during the week."

At the time, the National Assn. of Broadcasters contested the findings of the report, saying its methodologies were flawed and that it was skewed against broadcasters.

The coalition barked back, citing surveys claiming that radio listenership has declined, and challenging the association's assertions, saying, "it's not surprising that an industry-conducted survey found results favorable to the industry."

Communications Daily

Consumer Groups, Unions Ask FCC to Retain Ownership Restrictions

by Brigitte Greenberg
Communications Daily, January 6, 2003

Docket for FCC's rulemaking on broadcast ownership showed consumer groups and unions generally pitted against companies. Comments were due Thurs. (CD Jan 3 p1), and FCC's Web site, which generally runs behind, had logged 1,669 filings as of Fri. afternoon.

CWA said it had drawn upon views of its 100,000 members to come to conclusion that media concentration already has diminished quality of newsgathering and diversity of viewpoints. "They [union members] find it harder to practice their craft in an environment of reduced staffing and fewer resources," union said. "They know that who owns the media outlet is the final arbiter as to what gets printed, broadcast or posted on an Internet news site." CWA said some labor issues weren't covered and some outlets wouldn't accept ads from unions. It also quoted TV columnist who said he was expected to write big story if co-owned TV station's ratings were up and "to bury the story" if ratings were down. CWA proposed alternate framework for unified local media ownership rule: (1) Newspaper, TV and radio would be considered separate and distinct local markets. (2) Concentration would be analyzed in each of those markets separately. (3) Combinations would be banned where market already was concentrated or would result in concentrated market. (4) Combination would be allowed in unconcentrated markets, putting burden of proof that merger was in public interest on those who wanted to merge. (5) Commonly owned media would be required to maintain separate newsrooms and editorial staffs.

NAB joined Network Affiliated Stations Alliance (NASA) in urging Commission to retain 35% TV audience reach cap. NAB also had its own, separate filing. NASA, on its own, advocated retention of dual network rule. Together, NAB and NASA said national TV ownership cap was necessary to maintain "balance between national programming excellence and local-community responsiveness."

(Note: We've learned that NAB is paying "substantial part" of NASA's legal expenses in affiliates' all-out drive to convince FCC to retain 35% cap on viewers. It's reported NAB already has reimbursed NASA about $600,000. It was NAB's continued support of cap that caused CBS, NBC and Fox TV Networks and their owned stations to withdraw as NAB members.)

Economic study they included by Profs. Marius Schwartz of Georgetown U. and Daniel Vincent of U. of Md. found national TV ownership rule was necessary because programming decisions of affiliates were more closely attuned to local viewers than network owned stations. NAB and NASA said they had gathered nearly 1,000 examples of preemptions by independent affiliates that better served their local communities. Survey showed independents were "experiencing pressure" from networks not to preempt network programming and that such preemptions had declined significantly.

NAB and NASA complained that with repeal of financial interest and syndication (fin/syn) rules and other developments, networks now supplied most of their own prime-time content, dominated syndication market, increasingly were re-purposing broadcast fare and had incentives to favor their own programs.

Disney/ABC said public interest would be served by "broad and principled deregulation of broadcast ownership." Company cited examples of its purchase of WJRT-TV Flint, Mich., and WTVG Toledo, O., both in 1994, saying that in both cases, network significantly increased local news coverage, in WJRT's case more than doubling hours of local news. Disney/ABC complained that preemptions often weren't for local news or other local specials, but instead for movies, syndicated programming, telethons, sports or paid religious programming and infomercials.

Consumer groups said current limits on media concentration were "fully supported by decades of academic research and analysis." In 280-page filing, Consumer Federation of America, Consumers Union, Center for Digital Democracy and Media Access Project said their research and FCC's own studies showed there was little substitution between media

Consumer Groups, Unions Ask FCC to Retain Ownership Restrictions

continued

forms as sources of news and information, previous decisions to relax rules had "already resulted in an alarmingly high level of concentration," cross-ownership affected newsgathering, often reducing coverage and tailoring content to "the lowest common denominator." CU Senior Dir.- Public Policy & Advocacy Gene Kimmelman said not preserving rules could distort election results: "There is clear evidence of news and information that are presented in ways that reflect the bias of those who control the media. That bias influences elections." Groups filing cited June 2002 article in American Political Science Review that found newspaper articles slanted in favor of Senate candidates endorsed on editorial pages. Groups also cited 3 TV network news shows that groups said failed to adequately inform public about govt. decisions that benefited media companies.

Coalition of United Church of Christ, Black Citizens for Fair Media, Civil Rights Forum, Philadelphia Lesbian and Gay Task Force and Women's Institute for Freedom of the Press urged FCC to generally retain, with some modification, existing ownership limits as "necessary in the public interest." Groups said amount and diversity of news and public affairs programming on TV had been decreasing. "Other media outlets such as cable, DBS and the Internet provide little additional diverse or local content to the public," they wrote. Contradicting NAB (CD Jan 3 p1), they said retention of duopoly rule was "particularly important to preserve local viewpoint diversity." What's more, retaining national audience reach limits is necessary, groups said, because not doing so would allow 4 Big Networks to buy most of their affiliates.

AFTRA and Writers Guild of America-East (WGA-E) told FCC that restrictions should remain for each of rules being considered for revision. Filing focused on what groups called lack of adequate and appropriate research by FCC and highlighted study by **Future of Music Coalition** that found consolidation in radio had led to decrease in diversity of music locally. Groups said research showed people got their news from complementary sources, so loss of one entity would "lead consumers to get significantly less news generally." Groups also said they had examples of local news stories' being "killed" because corporate management wanted them dead.

Hearst-Argyle TV said newspaper/broadcast cross-ownership rule should be repealed and duopoly rule should be relaxed to benefit stations in small and medium markets. Gray TV also urged repeal of duopoly rule. Media General said time was "long overdue" for repeal of newspaper/broadcast cross-ownership rule, and Cox Enterprises made similar argument. Cox asked FCC to keep 35% national TV cap, citing pressure on its local stations not to preempt network programming.