

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

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

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Executive Summary

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

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

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

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

- Women comprise 51 percent of the entire U.S. population, but own a total of only 67 stations, or 4.97 percent of all stations.
- Minorities comprise 33 percent of the entire U.S. population, but own a total of only 44 stations, or 3.26 percent of all stations.
- Hispanics or Latinos comprise 14 percent of the entire U.S. population, but only own a total of 15 stations, or 1.11 percent of all stations.
- Blacks or African Americans comprise 13 percent of the entire U.S. population but only own a total of 18 stations, or 1.3 percent of all stations.
- Asians comprise 4 percent of the entire U.S. population but only own a total of 6 stations, or 0.44 percent of all stations.
- Non-Hispanic White owners controlled 1,033 stations, or 76.6 percent of the all stations.

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

- Women owned 28 percent of all non-farm businesses in 2002, but currently own less than 5 percent of commercial broadcast television stations.
- Minorities owned 18 percent of all non-farm businesses in 2002, but currently own approximately 3 percent of commercial broadcast television stations.

- In sectors such as transportation and health care, all minority groups own businesses at or near their proportion of the general population. But in the TV broadcast sector, the two largest groups — African-Americans and Latinos — barely own 1 percent of stations.
- The level of minority ownership in the general non-farm sector rose 23 percent from 1997 to 2002. However, from 1998 to 2006 the level of minority broadcast TV ownership dropped.

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

- There has been no improvement in the level of minority broadcast television ownership since 1998, even as the total universe of stations has increased by approximately 12 percent.
- At the same time, there has been a marked decrease in the total number of black or African-American owned stations — dropping nearly 30 percent since 1998.
- A majority of minority-owned station sales after 1998 would not have been permitted under the pre-1996 nationwide ownership cap or under the pre-1999 ban on local duopolies.
- Pro-consolidation policies enacted by the FCC in the late 1990s had a significant impact on minority ownership, indirectly or directly contributing to the loss of 40 percent of the stations that were minority-owned in 1998.

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

- Markets that added minority owned stations since 1998 are also *significantly* less concentrated than those that did not add minority owned stations, even if market characteristics are held constant.
- The probability that a particular station will be a minority-owned news airing station is *significantly* lower in more concentrated markets, even if market and station characteristics are controlled for.
- White male and large corporate station owners tend to own far more stations than their minority and female counterparts.
- Minorities own just 13 of the 847 “big four” network-affiliated stations, or 1.5 percent of the total.
- Despite being nearly shut out of the big network-affiliate market, minority owners still manage to produce local news content at levels that are equal to or exceed their non-minority counterparts.

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

- Minority-owned stations reach 21 percent of all U.S. TV households and just 30 percent of all minority U.S. TV households.
- Hispanic- or Latino-owned stations reach just 21.8 percent of the Latino TV households in the United States.
- Black- or African American-owned stations reach just 8.7 percent of the African American TV households in the United States.
- Asian-owned stations reach just 10 percent of the Asian TV households in the United States.
- Over 10 percent of the nation's Hispanic or Latino TV homes are in the New York City market, where there are no Latino-owned stations.
- Over 12 percent of the nation's African-American TV homes are in the New York City and Los Angeles markets, where there are no African American-owned stations. Nor do African-Americans own stations in cities with large black populations like Atlanta and New Orleans.

The FCC should seriously consider the effects on minority owners and viewers before it moves to enact policies that will lead to increased market concentration. The implications of this study should be clear: Further industry consolidation will diminish the number of minority- and female-owned stations. If just a handful of female and minority-owned stations were lost to consolidation, these already anemic numbers would fall precipitously.

Introduction

In 2003, the Federal Communications Commission implemented a series of policies that promised to completely alter the mass media marketplace.¹ But when formulating the rules, the FCC under the leadership of then-Chairman Michael Powell acted with little regard for public input or reasoned social-scientific policy analysis. Consequently, Powell's rule-changes were met with an unprecedented public and congressional backlash², and were ultimately overturned by the courts.³

Three years later, the FCC is poised to once again force rule changes upon an unwilling public. However, the public outcry in 2003, and the court's remand of the 2003 rule changes have forced new Chairman Kevin Martin to act more cautiously this time around. In July 2006, the FCC issued a *Further Notice of Proposed Rulemaking*, soliciting public comment on the issues raised on remand by the Third U.S. Circuit Court of Appeals in its *Prometheus v. FCC* decision.⁴ In addition to an extended comment period, Chairman Martin has promised to hold six hearings across the country to seek public input into the rulemaking process.

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

Minority and Female TV Ownership: A Sorry History

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

Congress also has recognized the poor state of female and minority ownership. The Telecommunications Act of 1996 contains specific language aimed at increasing female and minority ownership of broadcast licenses and other important communications mediums.⁶ The

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

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

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

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

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

⁶ 47 U.S.C. §257, §309(j)

Act requires the FCC to eliminate “market entry barriers for entrepreneurs and other small businesses” and to do so by “favoring diversity of media voices.”⁷ The Act also directs the Commission when awarding licenses to avoid “excessive concentration of licenses” by “disseminating licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women.”⁸

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

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

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

Other than this monitoring effort, the FCC has done very little to promote female and minority broadcast ownership (and the follow-up on this monitoring has been abysmal). In its 1999 Order that allowed television duopolies, the Commission paid lip-service to concerns about the policy change’s effect on minority and female ownership, but still went forward with rule changes that allowed increased market concentration.¹³ In 2004, the Commission sought input into how it could better implement Section 257 of the 1996 Act. But this proceeding remains open, and the current chairman has shown no sign of interest in completing this important matter.¹⁴

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

⁸ 47 U.S.C. §309(j)

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

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

¹¹ 47 C.F.R. 73.3615

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

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

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

In the 2003 Order implementing Powell's rule changes, the FCC assured the public that ownership diversity was a key policy goal underlying its approach to ownership regulation.¹⁵ However, the *Third Circuit* found otherwise, stating that "repealing its only regulatory provision that promoted minority television station ownership without considering the repeal's effect on minority ownership is also inconsistent with the Commission's obligation to make the broadcast spectrum available to all people 'without discrimination on the basis of race.'"¹⁶

The FCC Shows No Concern for Tracking Minority and Female Ownership

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

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

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

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

But the most alarming problems are ones of omission. Not a single station owned by Radio One is listed, even though the company is the largest minority-owned radio broadcaster in the United States. Stations owned by Granite Broadcasting, the largest minority-owned television broadcaster, are also missing from the FCC's summary reports. However, examination of the individual Form

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

¹⁶ See *Prometheus*, note 58.

¹⁷ Though this data summary is not directly displayed on the FCC's ownership data page (<http://www.fcc.gov/ownership/data.html>), it can be downloaded at <http://www.fcc.gov/ownership/ownminor.pdf> and <http://www.fcc.gov/ownership/ownfemal.pdf>

¹⁸ Though this data summary is not directly displayed on the FCC's ownership data page (<http://www.fcc.gov/ownership/data.html>), it can be downloaded at http://www.fcc.gov/ownership/owner_minor_2003.pdf and http://www.fcc.gov/ownership/owner_female_2003.pdf

¹⁹ http://www.fcc.gov/ownership/owner_minor_2004-2005.pdf and http://www.fcc.gov/ownership/owner_female_2004-2005.pdf

323 filings for these stations show that they are indeed minority-owned. Why aren't they in the FCC's summary?

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

Sources inside the Media Bureau indicate that there is little oversight of Form 323 filings and the summary reports produced from them.²¹ This lack of concern is made evident not only by the poor quality of the summary reports, but by the significant number of improperly filed forms. Station owners who listed themselves as one race in a certain year are listed as a completely different race in later years; race and gender information is left blank; names are misspelled; attribution of ownership in other stations is not listed as required; and some stations fail to file every two years as required by law.²²

This obvious lack of concern is truly troubling given the Commission's stated commitment and legal obligation to foster improved female and minority broadcast ownership. The FCC has both the raw data and the resources to adequately address the issues raised by the *Third Circuit* regarding minority ownership but chooses instead to ignore this issue and rely on public commenters to do its job.

Due to limited resources, this study is limited to full-power commercial broadcast television stations. We hope that the results of this study and the flaws in the current FCC summary reports will inspire the Commission to undertake a similar analysis of the more than 11,000 commercial radio stations. Furthermore, we hope that the Commission will undertake a longitudinal analysis to determine the effects of current policies on female and minority ownership of all broadcast stations.

²⁰ Indeed, the average number of stations owned by each unique female/minority owner who appears on the FCC Form 323 summary is 1.4, versus 2.5 for female/minority owners who should, but do not appear in the FCC's summary. This difference is weakly statistically significant (one-sided p-value of 0.039).

²¹ "Questioning Media Access: Analysis of FCC Women and Minority Ownership Data," Dr. Carolyn M. Byerly, Associate Professor, Department of Journalism, Howard University.

²² Numerous examples of these types of errors were noted. For example, Christina M. Coonce, the female American Indian/Alaska Native co-owner of WNYB was listed as "white" in the station's 1999 Form 323 filing but as American Indian/Alaska Native in later filings. In a 1999 filing for KBJR, the African-American owner of Granite Broadcasting, W. Don Cornwell, is listed as "W Don Ornell" and as a white male.

Methodology

The universe of full-power commercial television stations was determined using the FCC's CDBS Public Access Database.²³ Each individual station's Form 323 ownership filing was then reviewed, with ownership information assigned using the most recent filings (in most cases, the most recent filings were from 2004-2006).²⁴ "Ownership" was defined as the gender or race of owners with voting interest that exceeded 50 percent alone or in the aggregate. If no single gender or race met these criteria, then stations were assigned "no controlling interest status." This status most often was assigned to publicly traded corporations where listed entities did not form a majority of the voting interest. Information concerning stations that are operating under local marketing agreements (LMAs) was obtained from contracts that were filed with individual Form 323 filings. Data from the National Telecommunications and Information Administration's 1998 and 2000 *Minority Commercial Broadcast Ownership* reports were verified and updated with information from the CDBS database, as well as other publicly available sources and interviews with station representatives.

Stations broadcasting on channels 2-13 were assigned VHF status, while stations broadcasting on channels 14-69 were assigned UHF status. Information about the network affiliation and local news content of each station was determined by viewing station Web sites, checking local programming listings or contacting the station.²⁵ The above data were merged with demographic data at the state and Designated Market Area levels, using information from the U.S. Census Bureau and BIA Financial. Statistical analysis methods such as ANOVA, t-tests, OLS, robust regression and probit maximum likelihood models were performed to examine the statistical significance of market-level ownership and market-level demographics, as well as differences in ownership concentration. Significance levels are highlighted in each figure.

²³ The list was gathered on July 18th 2006. In addition to stations listed by the FCC as "licensed", each station that had "construction permit-off-air" or "licensed and silent" status was examined to determine if the station was currently on the air, and if so, were added to the list of licensed stations.

²⁴ This review was conducted from July 18th to August 3rd. Ownership reported herein is considered current as of June 2006, as stations are required to file an updated Form 323 report within 30 days of a change in ownership structure, in addition to their biennial filing.

²⁵ Stations were deemed to air local news if they aired at least one local news broadcast during the programming week, regardless of whether or not the station itself actually produced the newscast. Thus stations airing repurposed or repackaged news broadcasts are still counted as airing local news.

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

There are currently 1,349 full-power commercial television stations in the United States. Sixty-seven — or 4.97 percent — of the stations are owned by women.

Forty-four of the 1,349 stations, or 3.26 percent, are minority-owned. Of these stations, 18 have black or African-American owners, accounting for 1.33 percent of all stations. Nine of these stations were controlled by a single entity, Granite Broadcasting. Hispanic or Latino owners controlled 15 stations, or 1.11 percent of the total. American Indian or Alaska Native owners control five stations, or 0.37 percent, while Asian owners control six stations, or 0.44 percent. There are no stations in the United States owned by Native Hawaiian or Pacific Islanders (see Figure 1).

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

Category	Owner	Number of Stations	Percent of All Commercial Full Power TV Stations
Gender	Female	67	4.97
	Male	948	70.27
	No Controlling Interest	327	24.24
	Unknown	7	0.52
Race/Ethnicity	Amer. Ind./AK Nat.	5	0.37
	Asian	6	0.44
	Black or Afric. Amer.	18	1.33
	Hispanic or Latino	15	1.11
	Nat. Haw/Pac. Isl.	0	0.00
	All Minority	44	3.26
	White	1,033	76.58
	No Controlling Interest	264	19.57
	Unknown	8	0.59
	Total Universe	1,349	

Source: Form 323 filings; Free Press research

By comparison, non-Hispanic White owners controlled 1,033 stations, or 76.6 percent of the total stations. The bulk of the remaining stations were owned by entities with no single race/ethnicity accounting for greater than 50 percent of the voting interest (or where the proper information was not given). In most cases, the 264 stations designated as having “no controlling interest” are owned by large publicly traded corporations such as Clear Channel, whose voting stock is disbursed among a wide population of shareholders.

Seven stations, or 0.52 percent, are controlled by entities whose race/ethnicity and gender status could not be determined, and an additional station (WATM-TV) is controlled by an owner whose race/ethnicity status could not be determined.

Of the 1,349 total full-power commercial broadcast television stations, 576 are VHF stations, operating on channels 2-13. The remaining 773 are UHF stations, which operate on channels 14-

69. UHF stations usually have a smaller audience and broadcast at a lower power than their VHF counterparts.

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

Women own 30 of the 576 VHF stations, or 5.21 percent. The remaining 37 female-owned stations are UHF stations, or 4.79 percent of UHF stations. There are 12 minority-owned VHF stations, accounting for 2.08 percent of the total. The remaining 32 minority-owned stations make up 4.14 percent of UHF stations.

The already low-level of minority broadcast television ownership is even lower in the more valuable VHF market. African-Americans own six VHF stations, or 1.04 percent of the total. Latinos control three VHF stations, or 0.52 percent. There are two American Indian/Alaska Native-owned VHF stations and just one Asian-owned VHF station, accounting for 0.35 and 0.17 percent, respectively (see Figure 2).

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

Category	Type	VHF Stations		UHF Stations	
		Number of Stations	Percent of All Commercial Full Power VHF Stations	Number of Stations	Percent of All Commercial Full Power UHF Stations
Gender	Female	30	5.21	37	4.79
	Male	371	64.41	577	74.64
	No Controlling Interest	175	30.38	152	19.66
	Unknown	0	0.00	7	0.91
Race/Ethnicity	Amer. Ind./AK Nat.	2	0.35	3	0.39
	Asian	1	0.17	5	0.65
	Black or Afric. Amer.	6	1.04	12	1.55
	Hisp. or Latino	3	0.52	12	1.55
	Nat. Haw/Pac. Isl.	0	0.00	0	0.00
	All Minority	12	2.08	32	4.14
	White	430	74.65	603	78.01
	No Controlling Interest	134	23.26	130	16.82
	Unknown	0	0.00	8	1.03
Total Universe		576		773	

Source: Form 323 Filings; Free Press research

The data above encompass all stations where females and/or minorities control greater than 50 percent of the voting interest in the entity that ultimately owns the station license. However, some stations are operating under Local Marketing Agreements, or LMAs. Under an LMA, the official owner has little or no input in the station's daily operation, which is directed by the owner of another station in the same market. LMAs have been widely criticized by industry observers and members of the FCC for being little more than a scheme to avoid FCC ownership limits.²⁶ For

²⁶ See, for example, Prentiss Findlay, “Group Says Stations Not Independent,” *Charleston Post and Courier*, December 20, 2004; see also Paul Schmelzer, “The Death of Local News,” *Alternet*, April 23, 2003.

example, the six stations controlled by Carolyn C. Smith of Cunningham broadcasting are all operated by Sinclair under LMA's in markets where Sinclair would otherwise be in violation of the current duopoly rule. Carolyn Smith is the mother of Sinclair CEO David Smith, which along with the LMA relationship suggests that Cunningham is merely a front for Sinclair.

Free Press identified two minority-owned stations and eight female-owned stations that are under the *de facto* control of male or non-minority owners.²⁷ When these stations are removed from the total tally, the level of female ownership drops to 4.37 percent of all full-power commercial stations, while minority ownership falls to 3.11 percent of all stations.

No Controlling Interest but No Diversity at the Top

There were 264 stations with “no controlling interest” held by a single race, or 19.6 percent of all stations. But only one of these 264 stations — Atlanta’s WTBS, which is owned by Time Warner — has a minority CEO (see Figure 3).

Figure 3: Stations with “No Controlling Interest” by Race²⁸

Owner	Number of Stations	CEO or President	Gender	Race/Ethnicity
ABC/Disney	10	Rober Iger	Male	White, Non-Hispanic
Bank of Montreal	8	Tony Comper	Male	White, Non-Hispanic
Belo	19	Robert W. Decherd	Male	White, Non-Hispanic
Bowers Family	1	Claud W. Bowers	Male	White, Non-Hispanic
CJCLS	1	Craig L. Christensen	Male	White, Non-Hispanic
Clear Channel	35	Mark Mays	Male	White, Non-Hispanic
Coonce Family	5	Garth W. Coonce	Male	White, Non-Hispanic
Equity Broadcasting	22	Larry E. Morton	Male	White, Non-Hispanic
Freedom Communication	8	Scott M. Flanders	Male	White, Non-Hispanic
General Electric	27	Jeff Immelt	Male	White, Non-Hispanic
Gray	34	J. Mack Robinson	Male	White, Non-Hispanic
Journal	9	Steven J. Smith	Male	White, Non-Hispanic
Lincoln	3	Jon A. Boscia	Male	White, Non-Hispanic
MediaNews Group Inc.	1	William Dean Singleton	Male	White, Non-Hispanic
Raycom	47	Paul McTear	Male	White, Non-Hispanic
GEI Capital	2	Peter Nolan	Male	White, Non-Hispanic
Better Life Television	1	Robert Heisler	Male	White, Non-Hispanic
Time Warner	1	Richard D. Parsons	Male	Black or African American
Tribune	27	Dennis J. Fitzsimmons	Male	White, Non-Hispanic
Univ. of Missouri	1	Thomas E. Atkins	Male	White, Non-Hispanic
Univision	2	A. Jerrold Perenchio	Male	White, Non-Hispanic

Source: Form 323 filings; Free Press Research

There were 327 stations with “no controlling interest” by gender, or 24.24% of all stations. Of these 327 stations, only two stations (KJNP and WEHT) have a female CEO or president (see Figure 4).

²⁷ In addition to the six Cunningham stations, the other two female-owned stations operated under an LMA are WZVN (operated by Waterman Broadcasting) and WNYB (owned by Christina Coonce, but under the *de facto* control of Tri-State Christian Television, controlled by Mrs. Coonce’s husband, Garth). The two minority owned stations operated under LMA’s are KFWD (operated by Belo) and KVIQ (operated by the Eureka Group).

²⁸ Univision’s total in this chart differs from their overall total because the two stations captured here are those in which Univision has a partial, but not controlling, interest.

Figure 4: Stations with “No Controlling Interest” by Gender

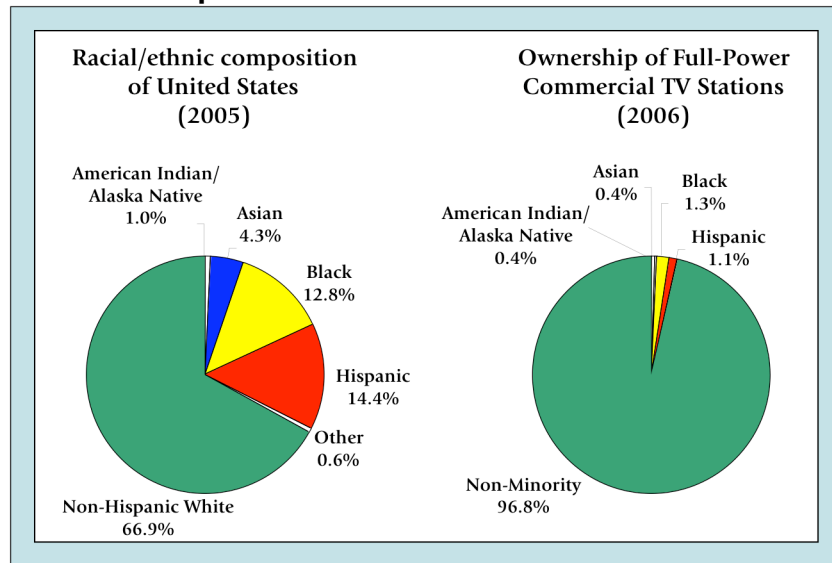
Owner	Number of Stations	CEO or President	Gender	Race/Ethnicity
ABC/Disney	10	Robert Iger	Male	White, Non-Hispanic
Bank of Montreal	8	Tony Comper	Male	White, Non-Hispanic
Belo	19	Robert W. Decherd	Male	White, Non-Hispanic
Better Life Television	1	Robert Heisler	Male	White, Non-Hispanic
Bowers Family	1	Claud W. Bowers	Male	White, Non-Hispanic
CJCLS	1	Craig L. Christensen	Male	White, Non-Hispanic
Chester & Naomi Smith	2	Chester Smith	Male	White, Non-Hispanic
Clear Channel	35	Mark Mays	Male	White, Non-Hispanic
Colley/Davis	2	Byron J. Colley	Male	White, Non-Hispanic
Coonce Family	5	Garth W. Coonce	Male	White, Non-Hispanic
Equity Broadcasting	22	Larry E. Morton	Male	White, Non-Hispanic
Evans Family	1	William Guy Evans	Male	White, Non-Hispanic
Evening Post Publishing Co.	11	Pierre Manigault	Male	White, Non-Hispanic
Fisher	1	Benjamin Tucker	Male	White, Non-Hispanic
Franklin Family	1	John Franklin	Male	White, Non-Hispanic
Freedom Communications	8	Scott M. Flanders	Male	White, Non-Hispanic
GEI Capital	2	Peter Nolan	Male	White, Non-Hispanic
General Electric	27	Jeff Immelt	Male	White, Non-Hispanic
Genvieve Nelson	1	Genvieve Nelson	Female	White, Non-Hispanic
Gilmore Family	1	Mariette Lemieux	Female	White, Non-Hispanic
Gray	34	J. Mack Robinson	Male	White, Non-Hispanic
Hernandez Family	1	Roland A. Hernandez	Male	Hispanic or Latino
Hildreth Family	2	David H. Lowell	Male	White, Non-Hispanic
Journal	9	Steven J. Smith	Male	White, Non-Hispanic
Lincoln	3	Jon A. Boscia	Male	White, Non-Hispanic
MediaNews Group Inc.	1	William Dean Singleton	Male	White, Non-Hispanic
Meridith	12	William T. Kerr	Male	White, Non-Hispanic
Palazuelos Family	1	Raul Palazuelos	Male	Hispanic or Latino
Quincy Newspapers	12	Thomas A. Oakley	Male	White, Non-Hispanic
Raycom	47	Paul McTear	Male	White, Non-Hispanic
Spain Family	1	None (Trust)	N/A	White, Non-Hispanic
Tawil Family	1	Saleem Tawil	Male	White, Non-Hispanic
Time Warner	1	Richard D. Parsons	Male	Black or African American
Tribune	27	Dennis J. Fitzsimmons	Male	White, Non-Hispanic
Univ. of Missouri	1	Thomas E. Atkins	Male	White, Non-Hispanic
Wray Family	1	Edwin N. Wray	Male	White, Non-Hispanic
Young/Gabelli	14	Vincent J. Young	Male	White, Non-Hispanic

Source: Form 323 filings; Free Press Research

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

Women make up half of the U.S. population, yet own less than one twentieth of the full-power commercial television stations. Minorities account for nearly 33 percent of the U.S. population but own just 3 percent of the television stations (see Figure 5).

Figure 5: U.S. Racial/Ethnic Composition & Ownership of Full-Power Commercial Television Stations

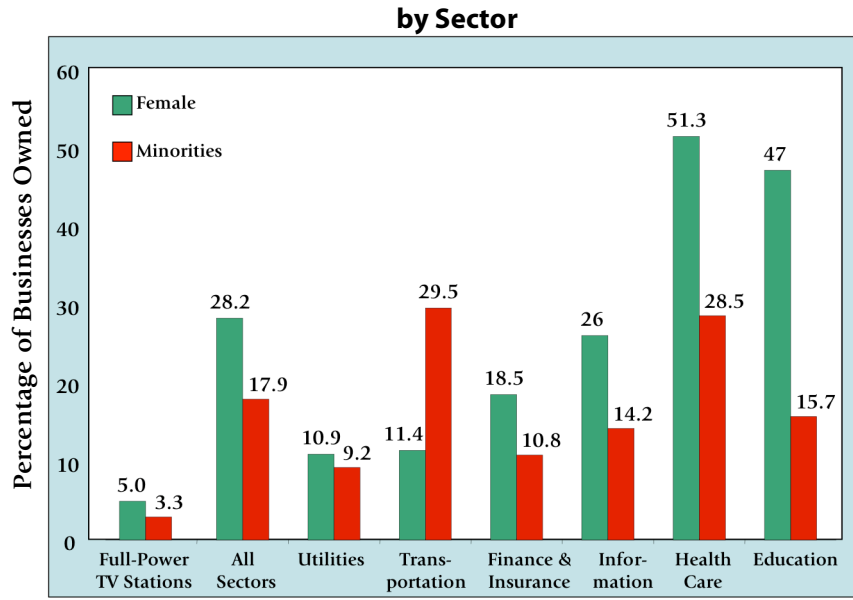


Source: Form 323 Filings; U.S. Census Bureau; Free Press Research

Given the long history of prejudice and economic discrimination against women and minorities, it is not too surprising that broadcast ownership is below these groups' respective proportions of the general population. However, the level of female and minority broadcast TV ownership is also very low when compared to other sectors of the economy, and even the information sector as a whole. In industries like transportation and health care, female and minority ownership is some five to 10 times higher than in the broadcast television industry (see Figure 6)²⁹.

Figure 6: Female & Minority Business Ownership

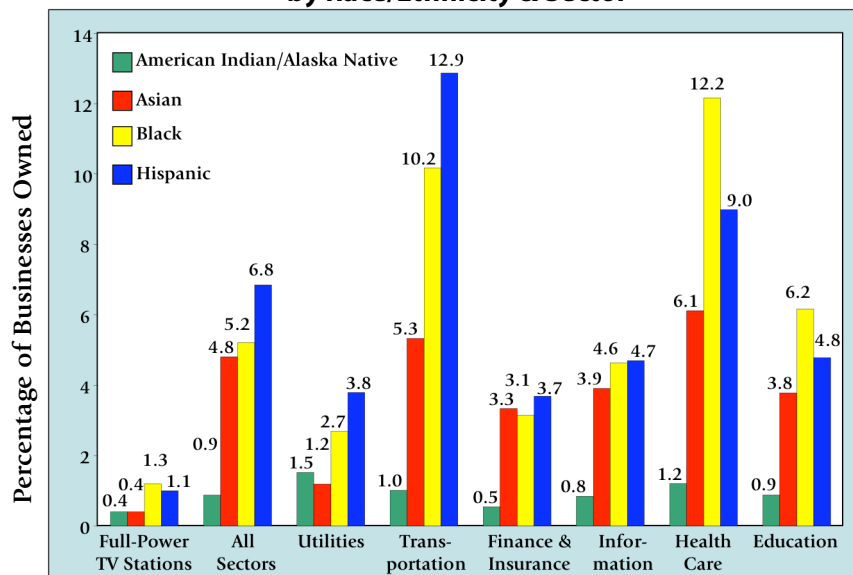
²⁹ 2005 U.S. Census Bureau Economic Census, data collected in 2002.



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

This disparity is even more telling when considering individual race and ethnic groups. In sectors such as transportation and health care, all minority groups own businesses at or near their proportion of the general population. But in the TV broadcast sector, the two largest groups — African-Americans and Latinos — barely own 1 percent of stations (see Figure 7).

Figure 7: Minority Business Ownership by Race/Ethnicity & Sector

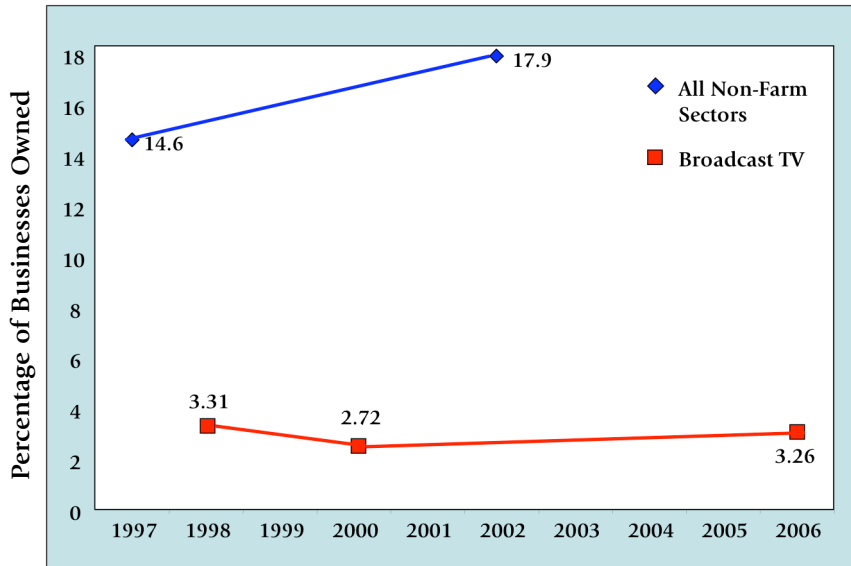


Source: Form 323 Filings; U.S. Census Bureau; Free Press Research

Also note that while the level of minority broadcast TV ownership has decreased in recent years, the percentage of minority ownership in the economy as a whole has increased (see Figure 8).³⁰

³⁰ Data for non-farm sectors from 1997 and 2002; data for broadcast TV sector from 1998, 2000, and 2006.

**Figure 8: Changes in Minority Business Ownership
1997-2006**



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

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

This study represents the first complete census of all licensed full-power commercial broadcast television stations operating in the United States. There was one other attempt to ascertain the level of female broadcast TV ownership, a 1982 study commissioned by the FCC.³¹ However, that study determined the gender ownership for just a sample of stations, not the full universe.

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

The agency has not conducted any further research into this matter since their last report was issued in December 2000, and officials have indicated that they do not intend to issue any further reports. When asked about plans for future studies by the National Association of Hispanic Journalists, the NTIA directed the group to the flawed FCC summaries of Form 323 data.³²

Because of the differing methodologies, direct comparisons between this study and earlier NTIA reports are not valid. At the time NTIA conducted its studies, it did not have the full ownership information that is now available from individual Form 323 filings. To compile their list of minority-owners, the NTIA relied on word of mouth and membership information from various minority broadcast trade associations. While this effort provided a fairly complete assessment of minority broadcast ownership, it was not a full census of all broadcast stations. The agency has indicated that its results were not comprehensive, and that future work based on Form 323 filings would provide a more complete picture of minority ownership.³³

Using the NTIA's 1998 list, the list of current minority owners, ownership information from the FCC and interviews with station representatives, Free Press identified nine stations that were missed by the NTIA in its 1998 report, for a total of 40 stations. A similar effort was applied to correct the 2000 NTIA report, but it was less precise because the NTIA omitted the names of minority-owned stations and owners in that survey. However, Free Press did identify 35 total stations that were minority-owned in 2000 (see Figure 9). While these corrected data provide a more complete assessment of the historical trend in minority television ownership, they do not represent a rigorous census of all stations.

³¹ "Female Ownership of Broadcast Stations," prepared for the Federal Communications Commission by ELRA Group Inc., May 1982.

³² Letter from NTIA to Ms. Veronica Villafane, President, National Association of Hispanic Journalists, April 27, 2006. Available at <http://www.nahj.org/nahjnews/articles/2006/april/NTIAResponseLetter.pdf>. "Presently, NTIA has no plans to conduct a minority ownership study. You may find of interest, however, data on female and minority ownership from the Federal Communications Commission's ownership reports filed in calendar year 2003. The data are available on the Commission's website. ..."

³³ See the 2000 NTIA report, which states: "MTDP acknowledges that despite its best efforts, non-sampling error likely occurred because of an inability to identify all of the nation's minority commercial broadcasters. Such error may be reduced in the future as a result of the FCC's recent requirement that owners disclose on their biennial reports information about the participation of minorities and women in station ownership. ... In establishing the requirement, the Commission noted the difficulty NTIA faces in obtaining complete and accurate information from broadcast owners. It concluded that NTIA's data would complement, but not substitute for, information the Commission gathered, because as the licensing authority, it is 'appropriately and uniquely situated to collect information on the gender and race of the attributable interests of its licensees.'"

However, these data clearly show there has been no improvement in the level of minority broadcast television ownership since 1998, despite the fact that the total universe of stations has increased by approximately 12 percent. Furthermore, there has been a marked decrease in the total number of black or African-American owned stations — dropping nearly 30 percent since 1998.

**Figure 9: Minority Full-Power Commercial Television Ownership Since 1998
By Gender & Race/Ethnicity**

	Historical Data for 50 U.S. States & DC				Current Ownership Summary for 50 U.S. States & DC	
Race/Ethnicity	Corrected 1998 NTIA Data		Corrected 2000 NTIA Data		2006 Free Press Census	
	Number of Stations	Percent of All Commercial Full Power TV Stations	Number of Stations	Percent of All Commercial Full Power TV Stations	Number of Stations	Percent of All Commercial Full Power TV Stations
Amer. Ind./AK Nat.	2	0.17	3	0.23	5	0.37
Asian	3	0.25	3	0.23	6	0.44
Black	25	2.07	21	1.63	18	1.33
Hispanic or Latino	10	0.83	8	0.62	15	1.11
Nat. Haw/Pac. Isl.	0	0.00	0	0.00	0	0.00
All Minority	40	3.31	35	2.72	44	3.26
White	n/a		n/a		1,033	76.58
No Controlling Interest	n/a		n/a		264	19.57
Unknown	n/a		n/a		8	0.59
Total Universe	1,209		1,288		1,349	

Source: Form 323 Filings; NTIA; Free Press research

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

Using the corrected list of minority-owned TV stations from the 1998 NTIA report, Free Press tracked the ownership of the 40 stations that were minority owned as of that year, investigating the effects of two key policy changes that occurred in the late 1990's: the increase in the national ownership cap from 25 percent to 35 percent and the 1999 FCC Order that allowed local television duopolies. Free Press identified 17 minority-owned stations that were sold to non-minority owners after 1998. Nine of these seventeen sales would not have been permitted under the old national ownership cap and duopoly rules (see Figure 10).³⁴ Had these stations not been sold, minority ownership would be 20 percent higher than the current level. Furthermore, 7 of the 8 station sales that would have been permissible under the old national cap and duopoly rules were sales to large station group owners, and may not have occurred if not for the pressures of increased industry consolidation.

Figure 10: Sales of Minority Full-Power Commercial Television Stations: Stations that were Minority Owned in 1998

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

Source: Form 323 Filings; NTIA; Free Press research

Granite Broadcasting, the largest minority station owner in 1998 (and today) controlled 10 stations in 1998. Since then, the company has sold three stations (KNTV to NBC-Universal in 2002; KEYE to CBS in 1999, and WPTA to Malara Broadcasting in 2005) and acquired two stations (KRII in 2000, and WISE in 2005).³⁵ Granite could not have sold its stations to NBC and CBS under the national ownership cap limits that were in effect prior to 1996. Furthermore, the

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

³⁵ In addition, Granite is currently in the process of acquiring Binghamton New York CBS station WBNG, and selling San Francisco WB station KBWB, thus the current station count for Granite is nine, reflecting ownership as of August 3rd, and after these station sales close.

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

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

Quincy Jones, the legendary African-American music producer, owned two stations in 1998 — WATL in Atlanta and WNOL-TV in New Orleans. In 1999, the Tribune Company purchased both of Jones' stations as a part of their merger with Mr. Jones' company, Qwest. These sales wouldn't have been allowed under the pre-1996 ownership limits. And WNOL could not have been sold under the pre-1999 duopoly rules, as Tribune also owns the New Orleans ABC affiliate, WGNO-TV.³⁶

In 1998, WGTW was the only station in the country owned by an African-American woman, Dorothy Brunson, who acquired the station license in 1988 after winning the license of failed station WKBS-TV at auction. But by 2004, Brunson found it difficult to acquire syndicated programming and sold the station to Trinity Broadcasting.³⁷

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

But perhaps the most notable loss of a minority-owned station since 1998 was Jackson Mississippi's WLBT and two other stations owned by Frank Melton, KTRE and KLTV. WLBT is one of only two stations to have had its license revoked by the FCC. WLBT violated the Fairness Doctrine via its flagrant, pro-segregationist activities in the 1950s and 1960s – which included selling airtime to the Klu Klux Klan. After being stripped of its license in 1971, WLBT came under the control of the African-American-owned group Communications Improvement, which sold the station in 1980 to TV3 Inc., a group owned by Melton, an African-American. Melton helped improve the station's news operations and took over first place in the ratings. However, by 2000, Melton felt he could no longer compete with the large corporate station owners for programming and advertising revenue, and sold all three stations to Cosmos Broadcasting, now called Raycom Media, the 14th-largest broadcast owner in the nation.³⁸

³⁶ Michael Schneider "Tribune to Acquire Qwest, Creating Big Easy Duopoly", *Daily Variety*, November 10, 1999.

³⁷ "Changing Hands", *Broadcasting and Cable*, August 30, 2004.

³⁸ Kay Mills, "Changing Channels: The Civil Rights Case That Transformed Television", *Prologue Magazine*, Vol. 36, No. 3, Fall 2004.

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

Is Granite the Next to Go?

Granite Broadcasting, whose majority voting interests are held by W. Don Cornwell, an African-American man, owned nine full-power commercial television stations as of Aug. 3, 2006. However, due to significant financial problems, Granite entered into a bridge financing agreement in July with Silver Point Finance LLC. Silver Point provided Granite with two loans totaling \$70 million. These loans are due on December 1, 2006, at which time Silver Point may choose to convert one of the loans into 200,000 shares of voting stock -- or 44.4 percent of the total voting stock.³⁹ In the interim, Granite must provide a restructuring plan to be approved by Silver Point, and it is possible the company may enter into bankruptcy.⁴⁰

If Silver Point converts one of its loans into voting stock, or if Granite goes bankrupt, the company will cease to be a minority-owned business. If this happens, the total number of minority-owned stations would drop to 35, or 2.59 percent of all stations. This change would also lower the number of black or African American owned stations to just nine, or 0.67 percent of all stations.

³⁹ "Credit and Guaranty Agreement Among Granite Broadcasting Corporation, The Subsidiaries of Granite Broadcasting Corporation as Guarantors, Various Lenders, and Silver Point Finance LLC as Administrative Agent," July 5, 2006. Accessed from <http://secinfo.com>.

⁴⁰ "WKBW-TV Owner Says it May Seek Bankruptcy," *Buffalo News*, July 6, 2006.

Minority-Owned Stations Can Thrive in Less Concentrated Markets

Minority-owned stations tend to be, on average, in the larger (by both number of stations and population) television markets, or Designated Market Areas.⁴¹ Given that the larger markets tend to be less concentrated, it is not surprising that markets with minority owned stations are less concentrated than those without these stations.⁴²

But even if the size of the market and the level of minority population in the market is held constant, markets with minority owners are *significantly* less concentrated than markets without minority owners.⁴³ And when these factors are held constant, markets with a minority-owned VHF station airing local news are also *significantly* less concentrated than markets without a minority-owned VHF station airing local news.⁴⁴

Furthermore, when market size and level of minority population is held constant, the markets that saw the addition of new minority owned stations since 1998 are *significantly* less concentrated than markets that did not gain new minority owners.⁴⁵

Another way of examining this issue is to look at the probability that an individual station will be minority owned, given the particular characteristics of each market or station. Under this analytical frame, we still find that even when holding market and station characteristics constant, as a market becomes more concentrated, a station is significantly less likely to be minority-owned or be a minority-owned station that airs local news. Similarly, holding market characteristics constant, as a market becomes more concentrated, the probability that a particular market will have a minority-owned station, a minority-owned news station, or have added a minority-owned station since 1998, are all significantly lower (see Appendix B).⁴⁶

These findings are extremely important, for they imply that minority-owners thrive in more competitive markets, regardless of market or station characteristics. Even more important, minority production of local news is more likely to occur in a competitive market versus markets with less competition, regardless of market or station characteristics.

These findings have tremendous implications for the current ownership proceeding at the FCC. One unambiguous consequence of further industry consolidation and concentration will be to diminish both the number of minority-owned stations and the already low number of minority-owned stations airing local news content. The FCC should seriously consider the effects on

⁴¹ The simple pairwise correlation between DMA rank (lowest number being the highest ranked) and the presence of a minority-owned station is highly significant, and shows that the rank of a market with a minority-owned station is on average 71, versus 112 for a station without a minority owner.

⁴² HHI, or the Herfindahl-Hirschman Index, is a measure of the amount of competition within a market, in this case the local broadcast TV market. The higher the HHI, the more concentrated the market. Markets with a minority owner present have a total day HHI of 2511 versus 3800 for markets without a minority owner. This is statistically significant at a p-value of less than 0.0005. The DOJ considers markets with HHIs over 1,800 to be highly concentrated. Of the 210 DMA's, 202 have HHIs above 1,800 (the mean HHI is nearly 3,579, with the median value at 2,900). As expected, the largest markets have HHI's lower than the smaller markets, but even the largest markets remain highly concentrated (the mean and median HHI for the top ten markets is 1,958 and 1,926 respectively; the mean and median HHI for the top 50 markets is 2,236 and 2,289 respectively; for the bottom 50 markets the values are 5,710 and 5,226 respectively).

⁴³ See Appendix B for details

⁴⁴ See Appendix B for details.

⁴⁵ In total, there was a loss of 22 minority owned stations since 1998, and a gain of 26. See Appendix B for details.

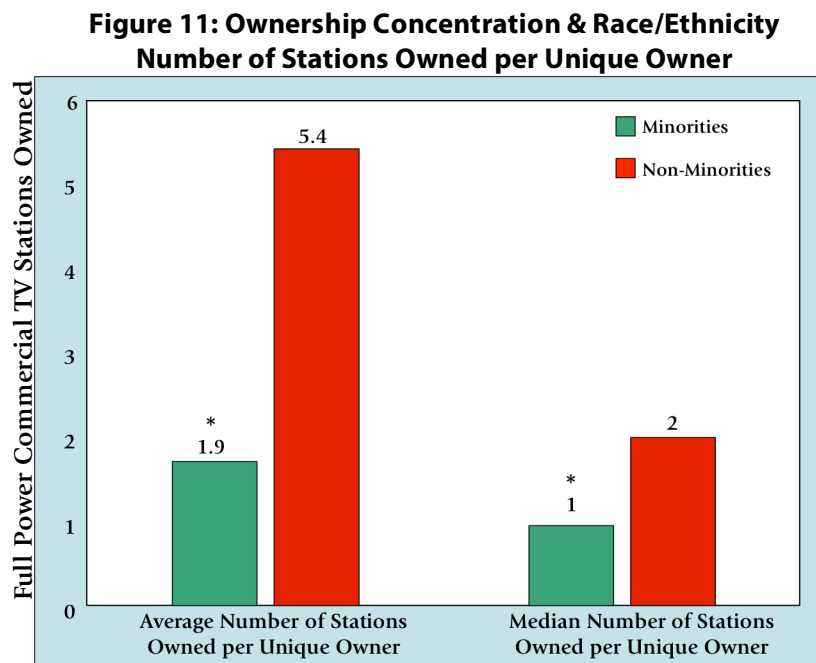
⁴⁶ These results are very robust to model specification type. See Appendix B for details.

minority owners and viewers before it moves to enact policies that will lead to increased market concentration.

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

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

White male and large corporate station owners tend to own far more stations than their minority and female counterparts. The average number of stations owned per unique non-minority owner is 5.4, while male owners controlled an average of 4.8 stations each. However, the average number of stations owned per unique owner is 1.9 for minorities and 2.3 for women (see Figs. 11 and 12).⁴⁷

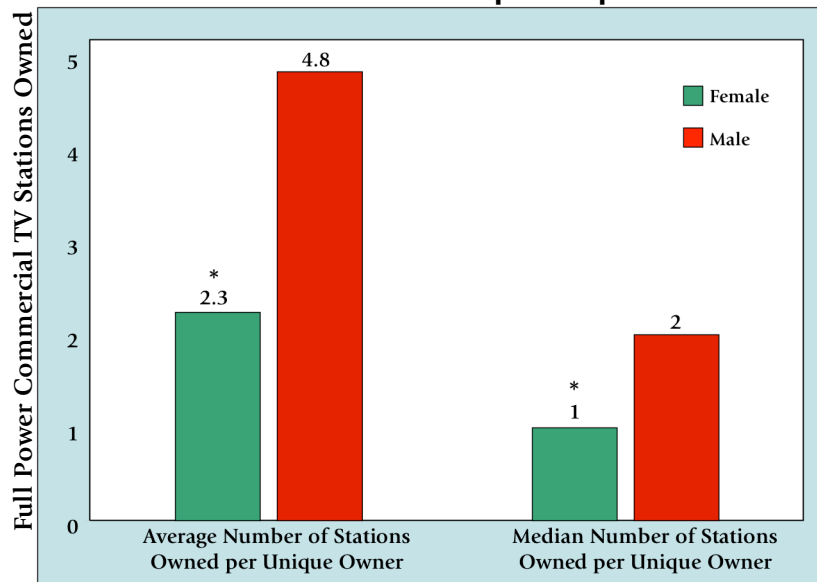


Source: Form 323 Filings; Free Press Research

* = difference is statistically significant at $p < 0.0001$

⁴⁷ The difference in concentration between females and males is highly statistically significant, as is the difference in concentration between minorities and whites.

**Figure 12: Ownership Concentration & Gender
Number of Stations Owned per Unique Owner**



Source: Form 323 Filings; Free Press Research

* = difference is statistically significant at $p < 0.0001$

While the average number of stations owned by a unique minority owner is 1.9, for Latinos it is even lower (see Figure 13). This reflects the fact that the largest Latino group owner controls just three stations, compared with the largest white male group owner, Ion (formerly Paxson), which controls 57 stations, or with the largest no-controlling-interest owner, Univision, which owns or co-owns 55 stations.⁴⁸

⁴⁸ The total for Univision includes the 2 stations co-owned with Roberts broadcasting, as well as stations owned by Entravision Communications, which 28% of the voting interest is held by Univision.

**Figure 13: Ownership Concentration
Number of Stations Owned per Unique Owner by Race/Ethnicity**

Group	Average Number of Stations Owned per Unique Owner	Median Number of Stations Owned per Unique Owner
Amer. Ind./AK Nat.	1.7	1
Asian	2.0	1
Black or African	2.3	1
Hispanic or Latino	1.3	1
All Minorities	1.9	1
White	4.8	2
Male	4.8	2
Female	2.3	1
White Male	5.2	2

Source: Form 323 Filings; Free Press Research

There are a total of 269 unique owners, and 140 of these control more than one station. Over 54 percent of white male owners control more than one station, compared to 32 percent of minority owners (see Figure 14).

**Figure 14: Ownership Concentration
Unique Owners Controlling Multiple Stations by Race/Ethnicity**

Race/Ethnicity	Gender	Number of Unique Owners Owning Just One Station	Percentage of Unique Owners Owning Just One Station	Number of Unique Owners Owning Multiple Stations	Percentage of Unique Owners Owning Multiple Stations
Amer. Ind./ AK Nat.	Male	1	50.0	1	50.0
	Female	1	100	0	0.0
	All	2	66.7	1	33.3
Asian	Male	2	100	0	0.0
	Female	0	0.0	1	100
	All	2	66.7	1	33.3
Black or African Amer.	Male	4	57.1	3	42.9
	Female	1	100	0	0.0
	All	5	62.5	3	37.5
Hispanic or Latino	Male	6	66.7	3	33.3
	Female	1	100	0	0.0
	All	8	72.7	3	27.3
All Minorities	Male	13	65.0	7	35.0
	Female	3	75.0	1	25.0
	All	17	68.0	8	32.0
White	Male	83	45.6	99	54.4
	Female	16	57.1	12	42.9
	All	105	47.3	117	52.7
All	Male	97	47.8	106	52.2
	Female	19	59.4	13	40.6
	All	129	48.0	140	52.0

Source: Form 323 Filings; Free Press research

These differences have a practical importance on several levels. First, given that the median minority or female owner controls just a single station, these operations are more likely to better serve their local communities than stations controlled by large group owners. This is confirmed by a recently surfaced 2004 FCC study which demonstrated that locally owned and operated stations aired more local news content than their conglomerate counterparts, devoting an additional 20 to 25% of each half hour broadcast to local news coverage.⁴⁹ Second, minority and female station owners are more likely than their white male counterparts to feel the negative effects of increased

⁴⁹ "Do Local Owners Deliver More Localism? Some Evidence from Local Broadcast News", a Federal Communications Commission Working Paper, June 17 2004.

consolidation. Women and minority owners will find it more difficult to compete with the large group owners for programming and advertising dollars.

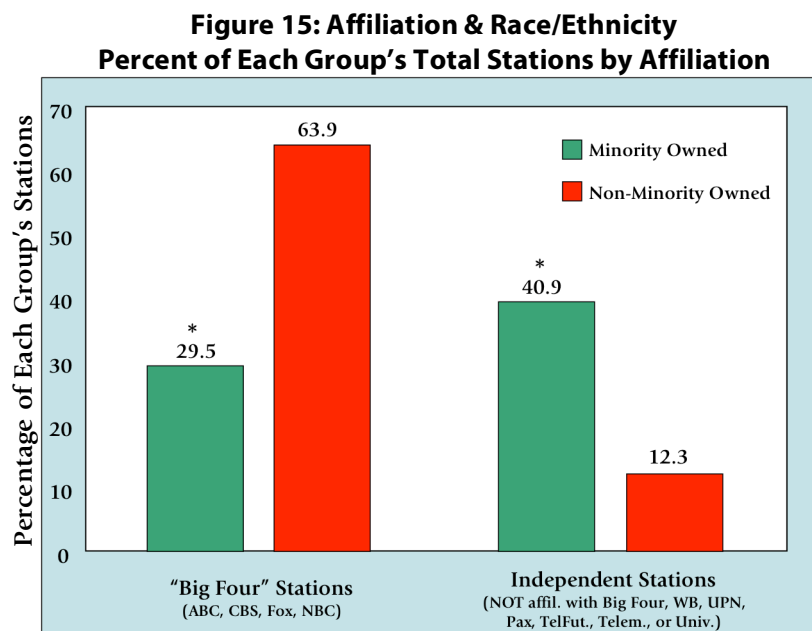
Ownership, Network Affiliation and Local News Production

The stations affiliated with the so-called “big four” networks — ABC, CBS, NBC and Fox — are consistently the top-rated stations in each market and are usually found on the lucrative VHF portion of the dial. These stations also produce the highest-rated local news content and thus command most of the local advertising revenue. Nearly 92 percent of VHF stations air local news content, compared to 47 percent of UHF stations. And over 96 percent of big-four affiliated VHF stations air local news content, compared to 81 percent of big-four-affiliated UHF stations.⁵⁰

Ownership of a big-four-affiliated station almost certainly guarantees a significant audience share and a news operation. However, minorities own just 13 of the 847 big-four-affiliated stations, or 1.5 percent (and just 1.3 percent of the big-four-affiliated VHF stations).

The difference in ownership patterns is stark when comparing the types of stations owned by minorities and non-minorities. Of the 1,305 non-minority owned stations, 834 are big four affiliated, or 64 percent. However, only 13 of the 44 minority-owned stations are affiliated with the big four networks, or 29.5 percent.

But the situation is reversed for independent stations unaffiliated with a big four network, the secondary English-language networks UPN, WB (and their successors CW and MYNTV) and Ion, or the Spanish-Language networks Telefutura, Telemundo and Univision. Just 161 of the 1,305 non-minority owned stations are independent, or 12.3 percent. However, 18 of the 41 minority-owned stations are independent, or 41 percent (see Figure 15).

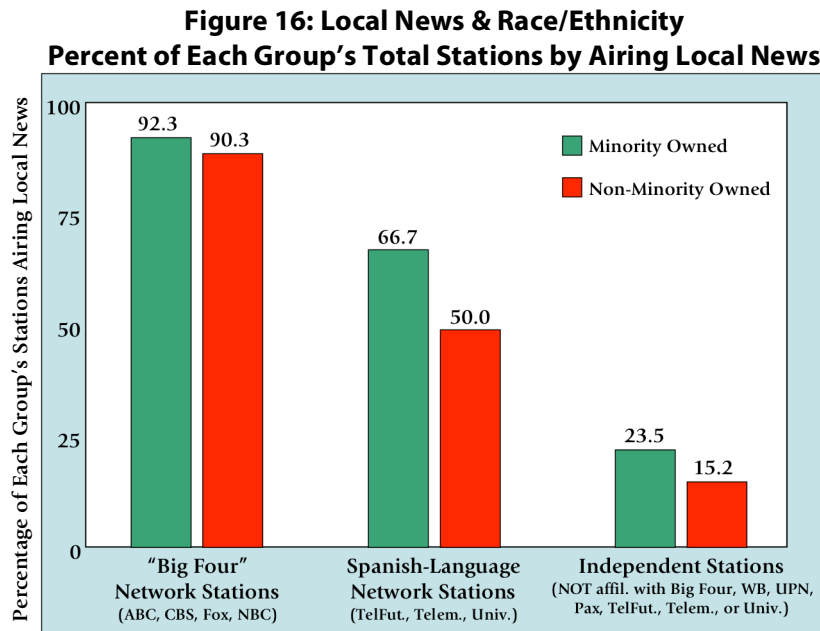


Source: Form 323 Filings; Free Press Research
 * Statistically significant at $p < 0.0001$

⁵⁰ These differences are highly statistically significant ($p < 0.0001$).

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

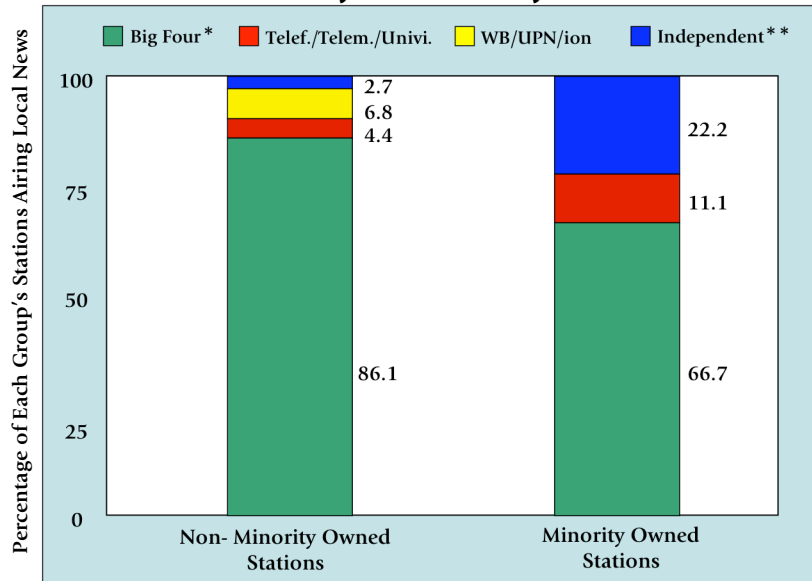
But that's not the whole story. Minority-owned big four stations are just as likely to air local news as their non-minority owned counterparts (92 versus 90 percent). Two-thirds of the minority-owned Spanish-language-network-affiliated stations air local news, versus half of the non-minority owned Spanish-language-network affiliates. And over 23 percent of the minority-owned independent stations air local news versus just 15 percent of the non-minority-owned independent stations (see Figure 16). While none of these differences is statistically significant (primarily due to the low total number of minority-owned stations within each category), these data do indicate that minority owners are just as capable of serving their local communities as their non-minority counterparts.



Source: Form 323 filings; Free Press research

Another way to illustrate this point is to examine the 892 full-power commercial television stations that air local news. Of the 874 non-minority owned stations that air local news, only 24 are independent stations, or just 2.7 percent. However, 22 percent of the minority-owned stations that air local news are independent stations (see Figure 17). This difference is statistically significant, despite the relatively small number of independent minority-owned stations. So even though minority owners are largely kept out of the lucrative big four affiliated market, they still manage to produce local news content at levels higher than non-minority independent station owners.

Figure 17: Affiliations of Stations that Air Local News by Race/Ethnicity



Source: Form 323 filings; Free Press research

* Statistically significant at $p < 0.05$

** Statistically significant at $p < 0.0001$

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

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

Like ownership at the national level, minorities are vastly underrepresented at the DMA level, even in areas where minorities are the majority. Minority-owned stations are present in 36 of the nation's 210 DMAs. Examination of individual race/ethnic groups shows very little overlap between minority-owned stations. American Indian or Alaska Native-owned stations are in four of the 210 DMAs. Asian-owned stations are present in six of the 210 DMAs. Black- or African-American owned stations are in 17 of the 210 DMAs, while Hispanic- or Latino-owned stations are present in 10 of the nation's 210 DMAs. Non-minority owned stations are present in every single DMA.

DMA coverage is slightly better for women-owners, but still far below that of men. Female-owned stations were present in 51 of the nation's 210 DMAs.

In 18 DMAs minorities make up the majority of the population living within the market. However seven of these DMAs have no minority-owned stations. The remaining 11 minority-majority populated DMAs all have very low levels of minority-ownership, some 3 to 10 times below the level of minority population living within each market (see Figure 18).

Figure 18: Television Markets Where Minorities Constitute a Majority of the Population

Designated Market Area (DMA)	Percent Minority Population	Percent Minority-Owned Full-Power Commercial TV Stations
Laredo, TX	96	0.0
Harlingen-Wslco-Brnsvl-McA, TX	90	20.0
El Paso, TX (Las Cruces)	82	14.3
Yuma, AZ-El Centro	69	0.0
Miami-Ft. Lauderdale	67	15.3
Greenwood-Greenville, MS	65	0.0
Corpus Christi, TX	64	0.0
Los Angeles	62	18.2
Honolulu	62	4.3
San Antonio, TX	60	9.1
Fresno-Visalia, CA	59	10.0
Albuquerque-Santa Fe	58	4.8
San Francisco-Oakland	56	5.9
Houston, TX	53	7.1
Bakersfield, CA	52	0.0
Monterey-Salinas, CA	51	0.0
Jackson, MS	50	14.3
Palm Springs, CA	50	0.0

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

Hispanics or Latinos are the only minority group that formed a plurality or majority of the population within a sizeable number of DMAs. Only six of the 16 markets with a plurality or majority of the population made up of Latinos had stations owned by Latinos. However, even in these six markets, the level of Hispanic or Latino-ownership was 3 to 8 times below the proportion of the Latino population living there (see Figure 19).

Figure 19: Television Markets Where Hispanics or Latinos Constitute a Plurality or Majority of the Population

Designated Market Area (DMA)	Percent Hispanic or Latino Population	Percent of Full-Power Commercial TV Stations that are Hisp./Latino-Owned
Laredo, TX	94.8	0.0
Harlingen-Wslco-Brnsvl-McA, TX	88.8	20.0
El Paso, TX (Las Cruces)	78.7	14.3
Yuma, AZ-El Centro	64.5	0.0
Corpus Christi, TX	59.1	0.0
San Antonio, TX	53.8	10.0
Fresno-Visalia, CA	48.7	0.0
Miami-Ft. Lauderdale	43.7	14.3
Los Angeles	43.3	18.2
Odessa-Midland, TX	43.3	0.0
Lafayette, LA	42.9	0.0
Monterey-Salinas, CA	42.9	0.0
Bakersfield, CA	42.2	0.0
Victoria, TX	41.0	0.0
Palm Springs, CA	39.7	0.0
Albuquerque-Santa Fe	39.0	4.8

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

While there is only one DMA where African-Americans constitute a majority of the population (Greenwood-Greenville, MS), there are 59 markets where the African-American proportion of the population is at or above the nationwide level. However, black-owned stations are present in just five of these 59 markets. Figure 20 shows the 10 markets with the highest percentages of African Americans living within each market. Only one of these markets contains an African American-owned station, WRBJ in Jackson Mississippi (see Figure 20).

There are no African-American-owned full power commercial TV stations in many cities with considerable African-American populations, such as Atlanta, New Orleans, New York City and Washington, D.C. Other than Jackson, Mississippi, Detroit is the only city with a large African-American population that has a black-owned TV station. This station is owned by Granite and may change hands by the end of the year.

Figure 20: Top 10 Television Market by Black or African-American Population

Designated Market Area (DMA)	Percent Black or African American Population	Percent of Full-Power Commercial TV Stations that are Black/AA-Owned
Greenwood-Greenville, MS	63.1	0
Jackson, MS	47.6	14.3
Montgomery-Selma, AL	43.7	0
Memphis, TN	41.6	0
Columbia, SC	39.7	0
Meridian, MS	39.3	0
Macon, GA	38.4	0
Columbus, GA	38.0	0
Augusta, GA	37.5	0
Albany, GA	37.4	0

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

Honolulu is the only DMA where Asians constitute a majority of the population, and there is one Asian-owned station in this market. In the 17 markets where the Asian proportion of the population is at or above its nationwide level, there are only 2 Asian-owned stations (see Figure 21).

Figure 21: Top 10 Television Market by Asian Population

Designated Market Area (DMA)	Percent Asian Population	Percent Asian-Owned Full-Power Commercial TV Stations
Honolulu	51.9	4.3
San Francisco-Oakland	21.4	0.0
Los Angeles	11.1	0.0
Sacramento-Stockton	9.5	0.0
San Diego	9.5	0.0
Seattle-Tacoma	8.0	0.0
New York	7.9	6.3
Washington DC - Hagerstown	7.0	0.0
Las Vegas	5.8	0.0
Fresno-Visalia	5.7	0.0

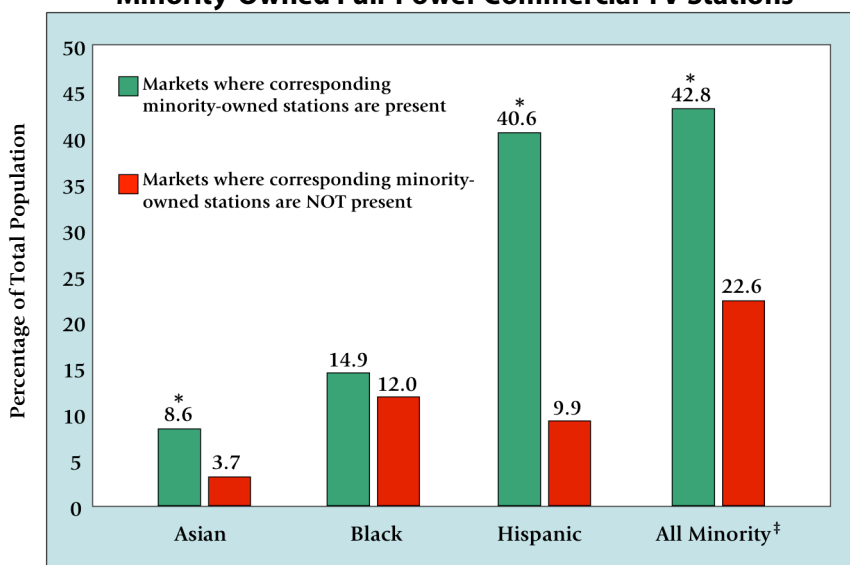
Source: Form 323 Filings; BIA Financial; Free Press Research

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

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

Though figure 19 shows that many markets with high Hispanic and Latino populations have no Latino-owned stations, Hispanic or Latino-owned stations are more likely to be in markets with higher levels of Latino population. This phenomenon is also true for Asian-owned stations, driven primarily by the single Asian-owned station in Hawaii (see Figure 22).⁵¹

Figure 22: Minority Population in Markets with Minority-Owned Full-Power Commercial TV Stations



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

* = difference is statistically significant at $p < 0.005$

[‡] = this category only encompasses the race/ethnicities shown in this figure

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

⁵¹ These data were calculated using 210 observations, one for each DMA. Each DMA was scored for the presence of a minority-owned station, an American Indian/Alaska Native-owned station, an Asian-owned station, and a black or African American-owned station. When calculating the population percentages, each market was weighted by the total population within each market, though the figures are not very different (and remain significant) without weighting.

The National Reach of Minority-Owned Stations

Another way to look into the connection between minority-owned stations and minority audiences is to determine the national reach of minority-owned stations — that is, how many minority households are living where there is a minority-owned station? As mentioned above, minority-owned stations are present in 36 of the nation’s 210 DMAs. These stations reach approximately 21 percent of all U.S. TV households, but just 30 percent of all minority TV households. To contrast, non-minority owned stations reach over 98 percent of all U.S. TV households.

These figures were calculated using the FCC’s UHF discount rule, which attributes just half of a market’s audience to UHF stations. Without the UHF discount, minority-owned stations reach 38 percent of all U.S. TV households and 54 percent of all minority TV households, while non-minority owned stations reach 100 percent of U.S. TV homes (see Figure 23).

Figure 23: National Population Reach of Minority-Owned Full-Power Commercial TV Stations

Station Owned by Race/Ethnicity	Percent of All U.S. TV Households Reached		Percent of All Minority TV Households Reached		Percent of Asian TV Households Reached		Percent of Black/Afr. Amer. TV Households Reached		Percent of Hisp./Latino TV Households Reached	
	With UHF Discount	Without UHF Discount	With UHF Discount	Without UHF Discount	With UHF Discount	Without UHF Discount	With UHF Discount	Without UHF Discount	With UHF Discount	Without UHF Discount
Amer. Ind./AK Nat.	2.1	3.2								
Asian	5.3	9			10	19.1				
Black	7.3	13.3					8.7	16.8		
Hispanic or Latino	6.9	12.1							21.8	37.3
Nat. Haw/Pac. Isl.	0	0								
All Minority	21.5	37.6	29.7	53.6						
Non-Minority	98.1	100								

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

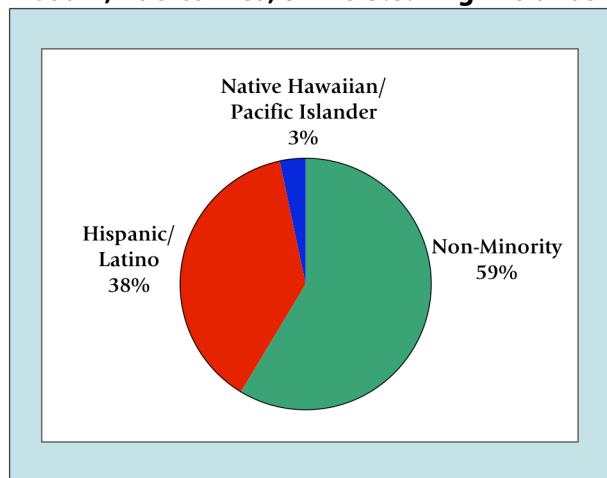
Perhaps more telling is the percentage of each minority group reached by each associated minority-owned station group. Under the UHF discount, Asian-owned stations reach only 10 percent of U.S. Asian TV households, while African American-owned stations reach just 8.7 percent of African American TV households. Latinos fare better than other minorities in this measure (primarily due to the Los Angeles market), with Latino-owned stations reaching 21.8 percent of all Latino TV households.

These findings provide greater context to the overall national ownership numbers. Not only is minority ownership low, but minority owners are reaching just a small portion of the minority audience. It is quite troubling that up to 91 percent of African-American households are not served by an African-American broadcaster. Even more troubling is the potential outcome of media consolidation on these few minority-owned stations. If just a handful were lost to consolidation, these already anemic numbers would fall even further.

Less than Half of the Full-Power Commercial TV Stations in the U.S. Territories Are Minority-Owned

The focus of this study was on full-power commercial stations licensed in the 50 U.S. states and the District of Columbia. However, owners of stations in the U.S. territories of Guam, Puerto Rico and the U.S. Virgin Islands also file Form 323 ownership information with the FCC. Minority ownership is, as expected, higher in these majority-minority-populated territories. However, minority owners still account for less than half of all stations. Non-minority owners control nearly 60 percent of the stations in the U.S. territories. In Guam, we find the only Native Hawaiian/Pacific Islander-owned station in the entire U.S. and its territories (see Figure 24).

**Figure 24: Minority Ownership in the U.S. Territories
Guam, Puerto Rico, & The U.S. Virgin Islands**



Source: Form 323 filings; Free Press Research

Conclusions and Recommendations

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

The findings of this study are a crucial first step toward understanding the true state of female and minority broadcast ownership, and the effects of regulatory policy on these owners. But this study was focused on the narrower universe of full-power commercial television, and says nothing about radio. It could be argued that radio is the more important medium, since there are 10 times as many outlets and the price of entry for female and minorities is comparatively low. The FCC's form 323 summaries seem to show a decline in female and minority radio ownership, but given their flaws a more thorough census is needed. The Commission should conduct this work and pay close attention to the changes in ownership over time.

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

The Commission also should take the following actions:

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

- Broadcast licenses are awarded for temporary use of the public airwaves, and the identities of the owners should be clearly stated on a single form.
- The Commission should expand the universe of stations that are required to file Form 323.
 - Currently, no owners of Class-A or low-power stations are required to file ownership information with the FCC. However, the Commission states that these classes of stations are important entry points for female and minority owners. To validate this hypothesis, the Commission should extend the obligation of filing Form 323 to these stations.
 - Currently all non-commercial educational broadcasters file Form 323-E, which does not solicit information about the gender, race, and ethnicities of station owners. The Commission should require their owners to disclose this information.
- The FCC should not take any action on media ownership rules until it has thoroughly studied the issue of female and minority ownership and analyzed the effects of past policies.
 - The FCC should also complete the open proceeding on how to better implement Section 257 of the 1996 Telecommunications Act before proceeding with any rulemaking.⁵²

⁵² MB Docket No. 04-228, "Media Bureau Seeks Comment on Ways to Further Section 257 Mandate and to Build on Earlier Studies" DA 04-1690, June 15, 2004.

Appendix A - Additional Tables

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

Call	Corporate Parent/ Owner	Race	Gender	DMA Rank	DMA	VHF/UHF	Affiliation	Local News?	On 323 Summary?
KBFD	Chung Family	A	M	72	Honolulu	UHF	Ind.	Yes	Yes
KBEO	Myoung Hwa Bae	A	F	163	Idaho Falls-Pocatello	UHF	Ind.	No	Yes
KCFG	Myoung Hwa Bae	A	F	14	Phoenix (Prescott)	VHF	Ind.	No	Yes
KEJB	Myoung Hwa Bae	A	F	135	Monroe-El Dorado	UHF	UPN	No	Yes
KWKB	Myoung Hwa Bae	A	F	88	Cedar Rapids-Wtrlo-IWC&D	UHF	WB	No	Yes
WMBC-TV	Rev Sun Young Joo	A	M	1	New York	UHF	Ind.	Yes	Yes
WNYB	Coonce Family	AI/AN	F	49	Buffalo	UHF	Ind.	No	Yes
KOTV	Griffin Family	AI/AN	M	61	Tulsa	VHF	CBS	Yes	Yes
KQCW	Griffin Family	AI/AN	M	61	Tulsa	UHF	WB	No	No
KWTV	Griffin Family	AI/AN	M	45	Oklahoma City	VHF	CBS	Yes	No
KHCV	Kenneth Casey	AI/AN	M	13	Seattle-Tacoma	UHF	Ind.	No	Yes
KTGF	Darnell Washington	B/AA	M	189	Great Falls	UHF	Fox	No	Yes
KBJR-TV	Granite	B/AA	M	137	Duluth-Superior	VHF	NBC	Yes	No
KBWB	Granite	B/AA	M	6	San Francisco-Oak-San Jose	UHF	WB	No	No
KRII	Granite	B/AA	M	137	Duluth-Superior	VHF	NBC	Yes	No
KSEE	Granite	B/AA	M	56	Fresno-Visalia	UHF	NBC	Yes	No
WEEK-TV	Granite	B/AA	M	117	Peoria-Bloomington	UHF	NBC	Yes	No
WISE-TV	Granite	B/AA	M	106	Ft. Wayne	UHF	NBC	Yes	No
WKBW-TV	Granite	B/AA	M	49	Buffalo	VHF	ABC	Yes	No
WMYD	Granite	B/AA	M	11	Detroit	UHF	WB	No	No
WTVH	Granite	B/AA	M	76	Syracuse	VHF	CBS	Yes	No
WJJA	Joel Kinlow	B/AA	M	33	Milwaukee	UHF	Ind.	No	Yes
WJYS	Joseph Stroud	B/AA	M	3	Chicago	UHF	Ind.	No	Yes
KNIN-TV	Lyle Banks	B/AA	M	119	Boise	VHF	UPN	No	No
KSCW	Lyle Banks	B/AA	M	67	Wichita-Hutchinson Plus	UHF	WB	No	No
KIDA	Marcia T. Turner	B/AA	F	192	Twin Falls	VHF	UPN	No	No
WRBJ	Roberts Brothers	B/AA	M	83	Columbia, SC	UHF	UPN	No	No
WZRB	Roberts Brothers	B/AA	M	89	Jackson, MS	UHF	UPN	No	No
WMGM-TV	Sydney L. Small	B/AA	M	4	Philadelphia	UHF	NBC	Yes	No
WGEN-TV	Alejandro Santo Domingo	H/Lat.	M	17	Miami-Ft. Lauderdale	VHF	Ind.	No	No
KCHF	Gonzalez Family	H/Lat.	F	46	Albuquerque-Santa Fe	VHF	Ind.	No	Yes
KFWD	Hernandez Family	H/Lat.	NCI	7	Dallas-Ft. Worth	UHF	Ind.	Yes	Yes
KMPX	Liberman Family	H/Lat.	M	7	Dallas-Ft. Worth	UHF	Ind.	No	No
KRCA	Liberman Family	H/Lat.	M	2	Los Angeles	UHF	Ind.	Yes	No
KZJL	Liberman Family	H/Lat.	M	10	Houston	UHF	Ind.	No	No
KTAS	Palazuelos Family	H/Lat.	NCI	122	SantaBarbra-SanMar-SanLu	UHF	T	Yes	Yes
KVIQ	Palazuelos Family	H/Lat.	M	194	Eureka	VHF	CBS	Yes	Yes
WSBS-TV	Raul Alarcon Jr.	H/Lat.	M	17	Miami-Ft. Lauderdale	UHF	Ind.	Yes	No
KTDO	Ronald Gordon	H/Lat.	M	99	El Paso (Las Cruces)	UHF	T	No	No
KVMD	Ronald L. Ulloa	H/Lat.	M	2	Los Angeles	UHF	Ind.	No	No
KXLA	Ronald L. Ulloa	H/Lat.	M	2	Los Angeles	UHF	Ind.	No	No
KTLM	Vale/Falcon	H/Lat.	M	92	Harlingen-Wslco-Brnsvl-Mc	UHF	T	Yes	Yes
KJLA	Walter Ulloa	H/Lat.	M	2	Los Angeles	UHF	Ind.	No	No
KVAW	Zavaletta	H/Lat.	M	37	San Antonio	UHF	Ind.	No	No

Source: Form 323 filings; Free Press Research

Figure A2: Female Owners of Full-Power Commercial Broadcast TV Stations

Call	Corporate Parent/ Owner	Race	Gender	DMA Rank	DMA	VHF/UHF	Affiliation	Local News?	On 323 Summary?
KBEO	Myoung Hwa Bae	A	F	163	Idaho Falls-Pocatello	UHF	Ind.	No	Yes
KCFG	Myoung Hwa Bae	A	F	14	Phoenix (Prescott)	VHF	Indep.	No	Yes
KEJB	Myoung Hwa Bae	A	F	135	Monroe-El Dorado	UHF	UPN	No	Yes
KWKB	Myoung Hwa Bae	A	F	88	Cedar Rapids-Wtrlo-IWC&Dul	UHF	WB	No	Yes
WNYB	Coonce Family	AI/AN	F	49	Buffalo	UHF	Indep.	No	Yes
KIDA	Marcia T. Turner	B/AA	F	192	Twin Falls	VHF	UPN	No	No
KCHF	Gonzalez Family	H/Lat.	F	46	Albuquerque-Santa Fe	VHF	Indep.	No	Yes
KCEN-TV	Anyse Sue Mayborn	W	F	94	Waco-Temple-Bryan	VHF	NBC	Yes	Yes
KEYC-TV	Brown Family	W	F	200	Mankato	VHF	CBS	Yes	Yes
WWNY-TV	Brown Family	W	F	178	Watertown	VHF	CBS	Yes	Yes
WWSB	Brown Family	W	F	12	Tampa-St. Pete (Sarasota)	UHF	ABC	Yes	No
KSBI	Brus Family	W	F	45	Oklahoma City	UHF	Indep.	No	No
KVTH	Caldwell Family	W	F	57	Little Rock-Pine Bluff	UHF	Indep.	No	Yes
KVTJ	Caldwell Family	W	F	179	Jonesboro	UHF	Indep.	No	Yes
KVTN	Caldwell Family	W	F	57	Little Rock-Pine Bluff	UHF	Indep.	No	Yes
KDKF	Carolyn Chambers	W	F	141	Medford-Klamath Falls	UHF	ABC	Yes	No
KDRV	Carolyn Chambers	W	F	141	Medford-Klamath Falls	VHF	ABC	Yes	No
KEZI	Carolyn Chambers	W	F	121	Eugene	VHF	ABC	Yes	No
KAIL	Claire Reis	W	F	56	Fresno-Visalia	UHF	UPN	Yes	No
KFOX-TV	Cox	W	F	99	El Paso (Las Cruces)	UHF	Fox	Yes	No
KICU-TV	Cox	W	F	6	San Francisco-Oak-San Jose	UHF	Indep.	No	No
KIRO-TV	Cox	W	F	13	Seattle-Tacoma	VHF	CBS	No	No
KRXI-TV	Cox	W	F	112	Reno	VHF	Fox	Yes	No
KTVU	Cox	W	F	6	San Francisco-Oak-San Jose	VHF	Fox	Yes	No
WAXN-TV	Cox	W	F	27	Charlotte	UHF	Indep.	Yes	No
WFTV	Cox	W	F	20	Orlando-Daytona Bch-Melbrn	VHF	ABC	Yes	No
WHIO-TV	Cox	W	F	59	Dayton	VHF	CBS	Yes	No
WJAC-TV	Cox	W	F	98	Johnstown-Altoona	VHF	NBC	No	No
WPXI	Cox	W	F	22	Pittsburgh	VHF	NBC	Yes	No
WRDQ	Cox	W	F	20	Orlando-Daytona Bch-Melbrn	UHF	Indep.	Yes	No
WSB-TV	Cox	W	F	9	Atlanta	VHF	ABC	Yes	No
WSOC-TV	Cox	W	F	27	Charlotte	VHF	ABC	Yes	No
WTOV-TV	Cox	W	F	154	Wheeling-Steubenville	VHF	NBC	Yes	No
WMYA-TV	Cunningham	W	F	35	Greenvll-Spart-Ashevl-And	UHF	WB	No	No
WNUV	Cunningham	W	F	24	Baltimore	UHF	WB	No	No
WRGT-TV	Cunningham	W	F	59	Dayton	UHF	Fox	Yes	No
WTAT-TV	Cunningham	W	F	101	Charleston, SC	UHF	Fox	Yes	No
WTTE	Cunningham	W	F	32	Columbus, OH	UHF	Fox	Yes	No
WVAH-TV	Cunningham	W	F	64	Charleston-Huntington	VHF	Fox	Yes	No
WLJC-TV	Drake Family	W	F	63	Lexington	UHF	Indep.	No	Yes
WTXL-TV	Ellis/Smith/Hardy	W	F	109	Tallahassee-Thomasville	UHF	ABC	Yes	No
KIDY	Hawk/Brown	W	F	197	San Angelo	VHF	Fox	No	Yes
KXVA	Hawk/Brown	W	F	164	Abilene-Sweetwater	UHF	Fox	No	Yes
WBPH-TV	Huber Family	W	F	4	Philadelphia	UHF	Indep.	No	Yes
KGWC-TV	Julie Jaffee	W	F	198	Casper-Riverton	UHF	CBS	Yes	No
KGWL-TV	Julie Jaffee	W	F	198	Casper-Riverton	VHF	CBS	Yes	No
KGWR-TV	Julie Jaffee	W	F	198	Casper-Riverton	VHF	CBS	Yes	No
WZVN-TV	Lara W. Kunkler	W	F	66	Ft. Myers-Naples	UHF	ABC	Yes	No
KPXJ	Lauren Wray Ostendorf	W	F	81	Shreveport	UHF	UPN	Yes	Yes
KTSF	Lincoln-Howell Family	W	F	6	San Francisco-Oak-San Jose	UHF	Indep.	Yes	Yes
KBMY	Marcil Family	W	F	160	Minot-Bismarck-Dickinson	UHF	ABC	Yes	No
KMCY	Marcil Family	W	F	160	Minot-Bismarck-Dickinson	UHF	ABC	Yes	No
WDAY-TV	Marcil Family	W	F	118	Fargo-Valley City	VHF	ABC	Yes	No
WDAZ-TV	Marcil Family	W	F	118	Fargo-Valley City	VHF	ABC	Yes	No
WTVA	Margaret & Mary Spain	W	F	132	Columbus-Tupelo-West Point	VHF	NBC	Yes	Yes
WFMJ-TV	Mark & Betty Brown	W	F	102	Youngstown	UHF	NBC	Yes	No
WINK-TV	McBride Family	W	F	66	Ft. Myers-Naples	VHF	CBS	Yes	Yes
KNOE-TV	Noe Family	W	F	135	Monroe-El Dorado	VHF	CBS	Yes	No
WHIZ-TV	Norma Jean Littick	W	F	202	Zanesville	UHF	NBC	Yes	Yes
KLSR-TV	Patricia Smullen	W	F	121	Eugene	UHF	Fox	Yes	Yes
KOBI	Patricia Smullen	W	F	141	Medford-Klamath Falls	VHF	NBC	Yes	Yes
KOTI	Patricia Smullen	W	F	141	Medford-Klamath Falls	VHF	NBC	Yes	Yes
KLEI	Racine Family	W	F	72	Honolulu	VHF	i (Pax)	No	Yes
WACY	Shirly A. Martin	W	F	69	Green Bay-Appleton	UHF	UPN	No	Yes
WKTC	Stefanie D. Rein	W	F	83	Columbia, SC	UHF	WB	No	No
WOAY-TV	Thomas Family	W	F	149	Bluefield-Beckley-Oak Hill	VHF	ABC	Yes	No
KTMW	Whitney/Openshaw	W	F	36	Salt Lake City	UHF	Indep.	No	No

Source: Form 323 filings; Free Press Research

Figure A3: Affiliation & Gender

Affiliation	Female			Non-Female		
	Station Count	Percent of Group's Stations	Percent of All Stations	Station Count	Percent of Group's Stations	Percent of All Stations
ABC	13	19	1.0	207	16	15.3
CBS	10	15	0.7	208	16	15.4
Fox	10	15	0.7	179	14	13.3
NBC	9	13	0.7	213	17	15.8
WB	4	6	0.3	90	7	6.7
UPN	5	7	0.4	78	6	5.8
Ion (Pax)	1	1	0.1	64	5	4.7
Univision	0	0	0.0	38	3	2.8
Telefutura	0	0	0.0	19	1	1.4
Telemundo	0	0	0.0	22	2	1.6
Independent	15	22	1.1	164	13	12.2
Total	67	100	4.97	1282	100	95.03

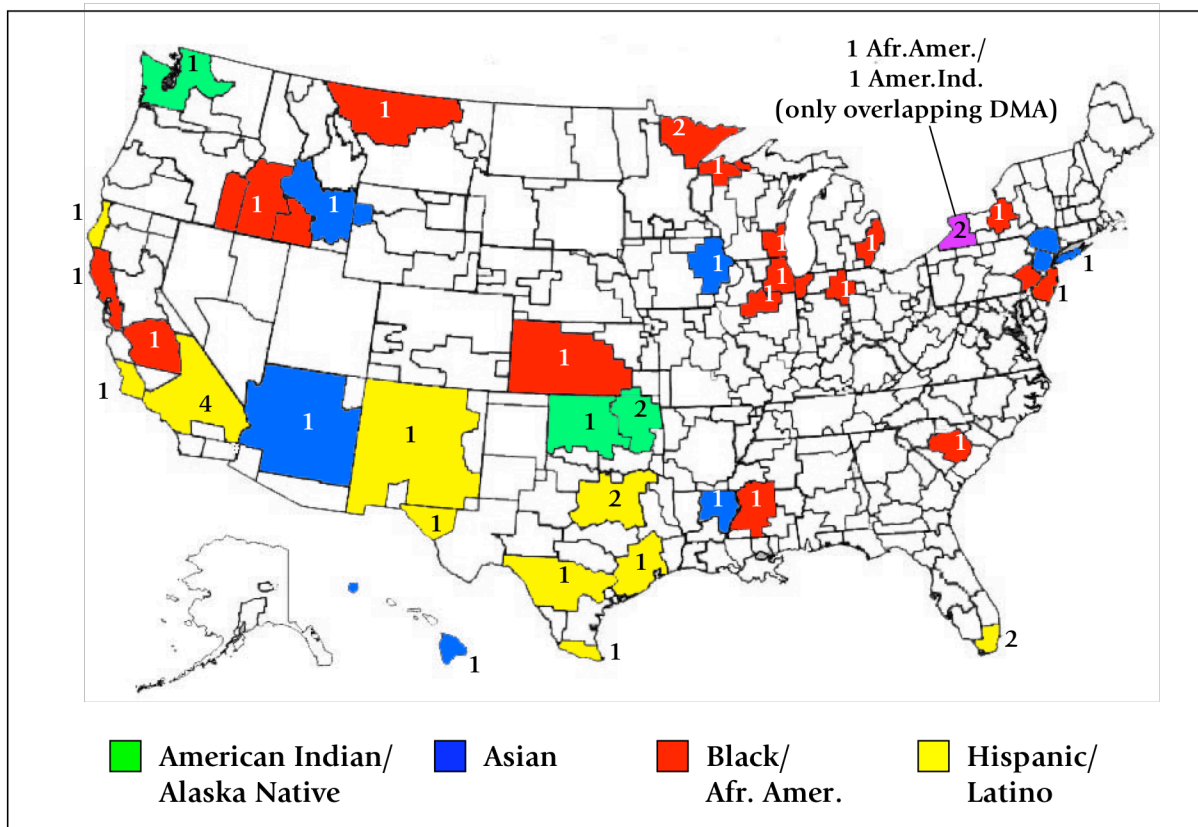
Source: Form 323 filings; Free Press Research

Figure A4: Affiliation & Race/Ethnicity

Affiliation	Asian			Amer. Ind./ AK Native			Black/African American			Hispanic/Latino			All-Minority			Non-Minority		
	Station Count	Percent of Group's Stations	Percent of All Stations	Station Count	Percent of Group's Stations	Percent of All Stations	Station Count	Percent of Group's Stations	Percent of All Stations	Station Count	Percent of Group's Stations	Percent of All Stations	Station Count	Percent of Group's Stations	Percent of All Stations	Station Count	Percent of Group's Stations	Percent of All Stations
ABC	0	0	0.0	0	0	0.0	1	6	0.1	0	0	0.0	1	2	0.1	219	17	16.2
CBS	0	0	0.0	2	40	0.1	1	6	0.1	2	13	0.1	5	11	0.4	213	17	15.8
Fox	0	0	0.0	0	0	0.0	1	6	0.1	0	0	0.0	1	2	0.1	188	15	13.9
NBC	0	0	0.0	0	0	0.0	6	33	0.4	0	0	0.0	6	14	0.4	216	16	16.0
WB	1	17	0.1	1	20	0.1	3	17	0.2	0	0	0.0	5	11	0.4	89	7	6.6
UPN	1	17	0.1	0	0	0.0	4	22	0.3	0	0	0.0	5	11	0.4	78	6	5.8
Ion (Pax)	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	65	5	4.8
Univision	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	38	3	2.8
Telefutura	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	19	1	1.4
Telemundo	0	0	0.0	0	0	0.0	0	0	0.0	3	20	0.2	3	7	0.2	19	2	1.4
Independent	4	67	0.3	2	40	0.1	2	11	0.1	10	67	0.7	18	41	1.3	161	12	11.9
Total	6	100	0.44	5	100	0.37	18	100	1.33	15	100	1.11	44	100	3.26	1305	100	96.74

Source: Form 323 filings; Free Press Research

Figure A5: Minority Owned Stations by DMA
(Number of Stations)



Source: Form 323 Filings; Free Press Research

Appendix B - Market Concentration and Minority Ownership

To examine the relationship between minority-ownership of full-power commercial television stations and television market concentration, several econometric models were constructed. The first set of models examines the effect that the presence of a minority owned station in a market has on market concentration. In order to control for market-specific effects, two control variables were used: market rank and the percent of minority population within a given market. This approach is also used to examine the relationship between minority-owned news stations and market concentration.

These models are specified as:

$$HHItotalday = \alpha + \beta_1(minorityown)_i + \beta_2 (marketrank)_i + \beta_3 (pctminor)_i + \varepsilon_i$$

$$HHItotalday = \alpha + \beta_1(minorownnews)_i + \beta_2 (marketrank)_i + \beta_3 (pctminor)_i + \varepsilon_i$$

$$HHItotalday = \alpha + \beta_1(minorownVHFnews)_i + \beta_2 (marketrank)_i + \beta_3 (pctminor)_i + \varepsilon_i$$

$$HHItotalday = \alpha + \beta_1(addminorown)_i + \beta_2 (marketrank)_i + \beta_3 (pctminor)_i + \varepsilon_i$$

Where

HHItotalday = the HHI for a particular market, based upon station audience share.

minorityown = dummy variable for the presence of a minority-owned station in a given market.

marketrank = the Nielsen market rank for the 2005-2006 period.

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

minorownnews = dummy variable for the presence of a minority-owned local news station

minorownVHFnews = dummy variable for the presence of a minority-owned VHF news station.

addminorown = dummy variable for a market that added a minority-owned station after 1998.

The results are presented below in Figures B1-B4. These models suggest that the presence of a minority owned station, a minority owned VHF news station, or a new minority-owned station, is negatively associated with market concentration.

Figure B1:

Dependent Variable = HHI total day

	OLS	Robust Regression
	Coefficient Beta-Value (significance) (sig. w/ robust std. err.)	Coefficient (significance)
Minority-owned Station	-435.6969 -0.087587 (0.112) (0.016)**	-285.4295 (0.030)**
Market Rank	19.76933 0.639241 (0.000)*** (0.000)***	9.177394 (0.000)***
Percent Minority Population	-2.17345 -0.020914 (0.702) (0.684)	-1.67478 (0.538)
constant	1616.35 (0.000)*** (0.000)***	2192.86 (0.000)***
N = 210	R ² = 0.4533 adjusted-R ² = 0.4453	R ² = 0.4518 adjusted-R ² = 0.4439

* = sig. at 10% level; ** = sig. at 5% level; *** = sig. at 1% level

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

Figure B2:

Dependent Variable = HHI total day

	OLS	Robust Regression
	Coefficient Beta-Value (significance) (sig. w/ robust std. err.)	Coefficient (significance)
Minority-owned Station Airing Local News	-376.4767 -0.0532756 (0.318) (0.163)	-338.3842 (0.065)*
Market Rank	20.06072 0.6486625 (0.000)*** (0.000)***	9.460458 (0.000)***
Percent Minority Population	-3.441814 -0.0331188 (0.540) (0.511)	-2.178654 (0.423)
constant	1568.00 (0.000)*** (0.000)***	2159.54 (0.000)***
N = 210	R ² = 0.4492 adjusted-R ² = 0.4412	R ² = 0.4497 adjusted-R ² = 0.4417

* = sig. at 10% level; ** = sig. at 5% level; *** = sig. at 1% level

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

Figure B3:

Dependent Variable = HHI total day

	OLS	Robust Regression
	Coefficient Beta-Value (significance) (sig. w/ robust std. err.)	Coefficient (significance)
Minority-owned VHF Station Airing Local News	-998.0537 -0.0886898 (0.089)* (0.023)**	-580.4603 (0.037)**
Market Rank	20.14959 0.6515361 (0.000)*** (0.000)***	9.264841 (0.000)***
Percent Minority Population	-5.329496 -0.051283 (0.338) (0.298)	-4.73582 (0.074)*
constant	1600.73 (0.000)*** (0.000)***	2214.84 (0.000)***
N = 210	R ² = 0.4543 adjusted-R ² = 0.4463	R ² = 0.4522 adjusted-R ² = 0.4442

* = sig. at 10% level; ** = sig. at 5% level; *** = sig. at 1% level

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

Figure B4:

Dependent Variable = HHI total day

	OLS	Robust Regression
	Coefficient Beta-Value (significance) (sig. w/ robust std. err.)	Coefficient (significance)
Added a Minority- Owned Station After 1998	-575.9534 -0.0940821 (0.077)* (0.014)**	-272.949 (0.088)*
Market Rank	20.13091 0.6509321 (0.000)*** (0.000)***	9.698766 (0.000)***
Percent Minority Population	-2.18187 -0.020995 (0.699) (0.678)	-1.668853 (0.547)
constant	1564.03 (0.000)*** (0.000)***	2130.40 (0.000)***
N = 210	R ² = 0.4549 adjusted-R ² = 0.4469	R ² = 0.4478 adjusted-R ² = 0.4398

* = sig. at 10% level; ** = sig. at 5% level; *** = sig. at 1% level

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

While this is an interesting and important finding, it may be more appropriate to treat minority ownership as a *dependent* variable, and examine the *probability* that a given station (or market) will be minority-owned (or contain a minority-owned station) given the characteristics of a market, including the market concentration.

These probability models are generally specified as:

$$\begin{aligned} \text{minorownsta} &= \alpha + \beta_1(\text{HHItoday})_i + \beta_2(\text{mktrank})_i + \beta_3(\text{pctminor})_i + \beta_4(\text{VHF})_i + \beta_5(\text{bigfour})_i + \varepsilon_i \\ \text{minornewssta} &= \alpha + \beta_1(\text{HHItoday})_i + \beta_2(\text{mktrank})_i + \beta_3(\text{pctminor})_i + \beta_4(\text{VHF})_i + \beta_5(\text{bigfour})_i + \varepsilon_i \\ \text{minorownmkt} &= \alpha + \beta_1(\text{HHItoday})_i + \beta_2(\text{mktrank})_i + \beta_3(\text{pctminor})_i + \varepsilon_i \\ \text{minornewsmkt} &= \alpha + \beta_1(\text{HHItoday})_i + \beta_2(\text{mktrank})_i + \beta_3(\text{pctminor})_i + \varepsilon_i \\ \text{addminorown} &= \alpha + \beta_1(\text{HHItoday})_i + \beta_2(\text{mktrank})_i + \beta_3(\text{pctminor})_i + \varepsilon_i \end{aligned}$$

Where

minorownsta = dummy variable for a minority-owned station.
minornewssta = dummy variable for a minority-owned station that airs local news.
minorownmkt = dummy variable for a market with a minority-owned station.
minornewsmkt = dummy variable for a market with a minority-owned station that airs local news.
addminorown = dummy variable for a market that added a minority-owned station after 1998.
HHItoday = the HHI for a particular market, based upon station audience share.
mktrank = the Nielsen market rank for the 2005-2006 period.
pctminor = the percentage of a market's population that is of minority racial or ethnic status.
VHF = dummy variable for a station operating on channel 2-13.
bigfour = dummy variable for a station that is affiliated with one of the big four networks.

Each probability model was investigated as a linear OLS model, and as a WLS (robust) linear model. But given the limitations of linear models in the case of a dummy dependent variable, these probabilities were also examined using Probit, and Logit binary response models.

The results are presented below in Figures B5-B9. These results suggest that the probability that a given station is minority-owned is significantly lower in more concentrated markets, even if market and station characteristics are held constant. Furthermore, a given station is less likely to be a minority-owned local news station in more concentrated markets. This result is also seen when examining the probability that a *market* will have a minority-owned station or a minority-owned local news station. Furthermore, less concentrated markets were more likely to have added a minority-owned station after 1998, even after controlling for market rank and minority population.

Figure B5:

Dependent Variable = station owned by a minority (dummy)

	OLS	Probit	Logit
	Coefficient Beta-Value (significance) (sig. w/ robust std. err.)	Coefficient dF/dx (significance) (sig. w/ robust std. err.)	Coefficient (significance) (sig. w/ robust std. err.)
HHI total day	-0.000011 -0.072878 (0.041)** (0.002)***	-0.0003752 -0.0000194 (0.012)** (0.006)***	-0.0007718 (0.021)** (0.016)**
Market Rank	0.0002288 0.073232 (0.052)* (0.058)*	0.0045539 0.0002351 (0.013)** (0.007)***	0.009408 (0.019)** (0.011)**
Percent Minority Population in Market	0.0007315 0.073532 (0.009)**** (0.035)**	0.0071797 0.0003707 (0.056)* (0.061)*	0.0165058 (0.043)** (0.060)*
VHF Station	0.0024051 0.006697 (0.834) (0.833)	-0.0002628 -0.0000136 (0.999) (0.999)	0.0705623 (0.870) (0.885)
Big Four Station	-0.0453484 -0.123403 (0.000)**** (0.003)**	-0.5981723 -0.0374242 (0.001)**** (0.004)***	-1.403894 (0.001)*** (0.007)***
constant	0.05546 (0.001)**** (0.000)***	-1.09931 (0.003)**** (0.001)***	-1.897872 (0.022)** (0.021)**
N = 1349	R ² = 0.0244 adjusted-R ² = 0.0208	pseudo R ² = 0.089	pseudo R ² = 0.0886

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

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

Figure B6

Dependent Variable = minority owned station airing local news (dummy)

	OLS	Probit	Logit
	Coefficient Beta-Value (significance) (sig. w/ robust std. err.)	Coefficient dF/dx (significance) (sig. w/ robust std. err.)	Coefficient (significance) (sig. w/ robust std. err.)
HHI total day	-0.0000607 -0.0641 (0.075)* (0.036)**	-0.0004846 -0.0000109 (0.028)** (0.071)**	-0.001311 (0.034)** (0.128)
Market Rank	0.0000443 0.022658 (0.553) (0.560)	0.0028309 0.0000639 (0.237) (0.221)	0.0071412 (0.231) (0.238)
Percent Minority Population in Market	0.0002696 0.04391 (0.128) (0.276)	0.0063395 0.0001431 (0.219) (0.316)	0.0126805 (0.351) (0.514)
VHF Station	-0.0056394 -0.025007 (0.437) (0.443)	-0.1849883 -0.004069 (0.419) (0.221)	-0.5120273 (0.366) (0.348)
Big Four Station	0.0112352 0.048685 (0.159) (0.168)	0.3827043 0.0079049 (0.141) (0.114)	1.004053 (0.124) (0.126)
constant	0.0152167 (0.153) (0.086)*	 (1.54) (0.006)*** (0.021)**	-2.315324 (0.137) (0.275)
N = 1349	R ² = 0.0056 adjusted-R ² = 0.0019	pseudo R2 = 0.0586	pseudo R2 = 0.0585

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

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

Figure B7:

Dependent Variable = market with a minority-owned station (dummy)

	OLS	Probit	Logit
	Coefficient Beta-Value (significance) (sig. w/ robust std. err.)	Coefficient dF/dx (significance) (sig. w/ robust std. err.)	Coefficient (significance) (sig. w/ robust std. err.)
HHI total day	-0.0000281 -0.1398196 (0.112) (0.041)**	-0.0006441 -0.0000977 (0.003)*** (0.001)***	-0.0011462 (0.005)*** (0.003)***
Market Rank	-0.0006912 -0.1111809 (0.210) (0.247)	0.001169 0.0001773 (0.660) (0.652)	0.0011261 (0.813) (0.815)
Percent Minority Population in Market	0.0046665 0.2233715 (0.001)*** (0.003)***	0.0183777 0.0027868 (0.003)*** (0.002)***	0.031689 (0.004)*** (0.003)***
constant	0.24043 (0.001)*** (0.001)***	0.3792889 (0.479) (0.462)	0.8303584 (0.410) (0.402)
N = 210	R ² = 0.1273 adjusted-R ² = 0.1146	pseudo R ² = 0.1898	pseudo R ² = 0.1925

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

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

Figure B8:

Dependent Variable = market with a minority-owned station airing local news (dummy)

	OLS	Probit	Logit
	Coefficient Beta-Value (significance) (sig. w/ robust std. err.)	Coefficient dF/dx (significance) (sig. w/ robust std. err.)	Coefficient (significance) (sig. w/ robust std. err.)
HHI total day	-0.0000128 -0.0906995 (0.318) (0.210)	-0.0007912** -0.000359 (0.017)** (0.038)**	-0.0015023** (0.031)** (0.115)**
Market Rank	-0.0004261 -0.0973687 (0.289) (0.313)	0.0012612 0.0000572 (0.705) (0.721)	0.0021537 (0.749) (0.790)
Percent Minority Population in Market	0.0021154 0.1438456 (0.040)** (0.132)	0.0119873 0.000544 (0.101) (0.185)	0.021037 (0.159) (0.338)
constant	0.1197049 (0.020)** (0.025)**	0.344887 (0.665) (0.727)	0.9018484 (0.595) (0.718)
N = 210	R ² = 0.0623 adjusted-R ² = 0.0486	pseudo R ² = 0.1768	pseudo R ² = 0.1735

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

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

Figure B9:

Dependent Variable = added minority owned station in market after 1998 (dummy)

	OLS	Probit	Logit
	Coefficient Beta-Value (significance) (sig. w/ robust std. err.)	Coefficient dF/dx (significance) (sig. w/ robust std. err.)	Coefficient (significance) (sig. w/ robust std. err.)
HHI total day	-0.0000262	-0.0005219	-0.000968
	-0.1604588	-0.0000598	
	(0.077)* (0.035)**	(0.016)** (0.005)***	(0.020)** (0.008)**
Market Rank	0.0002054	0.0039963	0.0064961
	0.0406665	0.0004577	
	(0.656) (0.697)	(0.162) (0.159)	(0.225) (0.235)
Percent Minority Population in Market	0.0034945	0.0168858	0.0312275
	0.2058482	0.0019338	
	(0.003)*** (0.023)**	(0.010)*** (0.007)***	(0.008)*** (0.008)***
constant	0.09863	-0.5118781	-0.728191
	(0.095)* (0.066)*	(0.346) (0.290)	(0.486) (0.434)
N = 210	R ² = 0.0703 adjusted-R ² = 0.0568	pseudo R ² = 0.1351	pseudo R ² = 0.1358

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

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

These findings are very robust to model specification type, and are extremely important, for they suggest that minority-owners thrive in more competitive markets, regardless of market or station characteristics. Also, minority production of local news is more likely to occur in a competitive market versus markets with less competition, regardless of market or station characteristics.

The magnitude of the effect of market concentration is quite large. For example, the predicted probability of a market having a minority-owned station at the median concentration level is approximately 17 percent (under the robust-standard error Probit model). If that concentration increases by one-half of one standard deviation (a 940 unit increase in HHI), then the predicted probability of a market having a minority-owned station drops by two-thirds, to about 6 percent. Likewise, for an individual station, the predicted probability of being minority-owned at the median market HHI is about 2.1 percent (under the robust-standard error Probit model). An increase of one-half of one standard deviation in HHI also leads to a large drop in the predicted probability, falling to just 0.8 percent.

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

Conclusion

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