

Chairman Martin, Commissioners, my name is Derek Turner and I am the Research Director for Free Press, a public interest organization dedicated to public education and consumer advocacy on communications policy.

At the center of this proceeding lies the basic question: How do FCC rules further the goals of localism, competition and diversity.

The record in this proceeding is clear. Media consolidation has been a disaster for localism, precisely because increased concentration in ownership is a disaster for competition and diversity. Gutting the few remaining rules is clearly not in the public interest.

How do we know this? Because the Commission's own research tells us.

The Commission's latest research was born in a biased environment. The FCC's former Chief-Economist started by asking, how can the FCC "approach relaxing newspaper broadcast cross-ownership restrictions." Despite this shaky framework, the underlying data produced from this research does have value.

Using this data, and implementing the substantive critiques of the peer reviewers, we find that:

1. Though the Commission has claimed that cross-owned stations do more local news, the FCC's own data reveal that **Markets** with cross-owned stations produce less total minutes of local news, a result that is even more pronounced in smaller markets.
2. Higher levels of local ownership lead to more local news at the market level.
3. Increasing market concentration decreases the production of local news at the market level.
4. Locally owned so-called "Big 4" affiliates produce more local news than their non-locally-owned counterparts.
5. Cross-owned stations aired less hard local news in the days leading up to the 2006 elections.

Given these results, what possible reason would you have for dismantling these important ownership rules?

The industry groups will tell you that they need you to gut these rules because their businesses are in poverty; that the Internet has changed everything.

This is simply untrue.

- The Commission's own data indicates that outside of the very largest markets, there is no financial benefit from the creation of cross-owned and duopoly combinations.

As far as the Internet changing everything, I wish it were true, but it is not.

- Overwhelmingly broadcast television and newspapers continue to be the most relied upon sources of local news. This is because they are really the only entities producing local news.
- Only a small percentage of the public uses the Internet as their primary source for local news, and those that do are visiting the websites of their local broadcasters and newspapers.
- Over the long-term, the Internet does present a challenge to the current business models of traditional local media companies; but it also presents an opportunity. There will always be a market for local news, and broadcasters and newspapers are the companies best suited to meet that demand.

There is no evidence to suggest that consolidation is the answer to the challenges that the traditional media may face.

In fact, history suggests that consolidation will hurt these companies in the long run.

When companies consolidate they cut newsroom staff and budgets, which devastates local journalism, and turns away their loyal customers.

Now, let's turn to the crucial issue of female and minority ownership.

Here, the record is quite clear.

Increased media consolidation will result in fewer stations owned by women and people of color.

This is because these owners are more likely to own just a single station, and are more likely to be local owners, the precise characteristics of the station owners who are most vulnerable to the pressures of media consolidation.

We know this, because my organization Free Press actually did the hard work of assessing the race, ethnicity and gender of the owners of our nation's broadcast stations.

However, in the Commission's most recent effort to count female- and minority-owned stations, it failed miserably. Study 2 missed 67 percent of all minority-owned TV stations and a whopping 75 percent of all TV stations owned by women.

This record of neglect is pervasive throughout most of the 10 Studies.

For example, Study 1 -- the taxpayer-funded survey of people's media habits -- neglected to include in its demographic question a category for Latinos.

That's right, our nation's largest and fastest growing minority group was simply forgotten.

The Communications Act established this Commission to serve the public interest. You conduct proceedings and hold hearings like these in order to get the evidence you need to make decisions that actually serve the public interest. You have a duty to pay attention to the record, and to the people.

You are faced with a choice. You can listen to the concerns of Wall Street, or you can listen to the concerns of Main Street.

The public is tired of these companies using our airwaves as personal ATMs.

They want you to say "NO" to more consolidation, and say "YES" to local accountability, diversity in ownership, and the public interest.

Commissioners, for the sake of our great nation's democracy, I hope you are listening. Thank You.