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TO: Michelle Connolly, Chief Economist,
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FROM: Robert Kieschnick, Associate Professor and the Finance and Managerial
Economics Area Coordinator, University of Texas at Dallas

SUBJECT: Review of the Media Ownership Study Two: Ownership Structure and the
Robustness of Media by Kiran Duwadi, Scott Roberts, and Andrew Wise

I have reviewed the report entitled, "Media Ownership Study Two: Ownership Structure and the Robustness of Media" by Kiran Duwadi, Scott Roberts, and Andrew Wise and examined the associated data file. I think that the authors are to be commended for the work that they expended in putting these data together as the source data are diverse and in some cases incomplete or subject to error.

Essentially the report provides a compilation of the ownership of media outlets by Designated Marketing Areas (DMAs) and so must address issues concerning geographic matching and the identification of the ultimate parent or owner of an outlet. Based on the evidence before me, it appears that they did the geographic matching in the best manner possible. However, there are limits to my ability to judge this. For example, in the Excel data file provided, for the Cable 2002 worksheet, PSID 13523 has Owner/Parent Zipcode 4730 and Local Zipcode 4783 and is identified as locally owned. Since the set of zipcodes covered by the relevant DMA are not identified, one must assume that this assignment follows the procedure described on page 4. In a similar manner, as far as one can judge from the report, the identification of the parent owner and whether the owner is a minority or female owner is as complete as the data permit.

I have only two minor suggestions for improving the report. First, in Table 5, the authors identify the average Internet penetration by DMA. However, I could not determine from the previous page (page 10) how they derive these estimates. Second, the authors did not round consistently. For example, on page 7, the authors state that the "total number of locally owned stations decreased by 3.7%; down 8% for commercial owners but up 10% for non-commercial owners." By my computation, locally owned commercial stations were down 7.65%. While it might be nice to be consistent in how the numbers were rounded, it does not mean that the raw data are mis-represented.

So in conclusion, within the above noted limits of my ability to judge: (1) the methodology and assumptions employed were reasonable and technically appropriate, (2) the data used were reasonable, and (3) the conclusions about the pattern of changes in media ownership appear to follow from the data.