

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Barrington Myrtle Beach License LLC)	
)	CSR-7986-N
Petition For Waiver of Section 76.92(f) of the)	
Commission's Rules)	

MEMORANDUM OPINION AND ORDER

Adopted: February 13, 2009

Released: February 18, 2009

By the Senior Deputy Chief, Policy Division, Media Bureau:

I. INTRODUCTION

1. Barrington Myrtle Beach License LLC, licensee of television broadcast station WPDE-TV (ABC), Florence, South Carolina ("WPDE-TV"), filed the captioned petition seeking a waiver of the rule that precludes the deletion of programming of "significantly viewed" stations under the Commission's network nonduplication rules.¹ No opposition to this petition has been received. For the reasons discussed below, we grant WPDE-TV's waiver request.

II. BACKGROUND

2. Upon the request of a local television station with exclusive rights to distribute a network or syndicated program, a cable operator generally may not carry a duplicating program broadcast by a distant station.² Under Section 76.92(f) of the Commission's rules, however, a signal otherwise subject to deletion is exempt from application of the network nonduplication rules if it is "significantly viewed" in a relevant community (the "significantly viewed exception").³ The significantly viewed exception to the exclusivity rules is based on it being established that an otherwise distant station receives a "significant" level of over-the-air viewership in a subject community. If this viewership level is met, the station is no longer considered distant for purposes of the application of the exclusivity rules because it has established that it is viewed over the air in the subject community. A similar exception is provided in

¹47 C.F.R. § 76.92(f). Although not expressly requested in WPDE-TV's petition for waiver of Section 76.92(f) (significantly viewed exception to cable network nonduplication), a waiver of Section 76.122(j) (significantly viewed exception to satellite network nonduplication) would also appertain based on the same showing that a station is no longer significantly viewed in the relevant community. *See* 47 C.F.R. §§ 76.92(f) and 76.122(j). *See* 47 U.S.C. §§ 340(a)(2) and 340(c).

²*See* 47 C.F.R. §76.92; 47 C.F.R. §76.101.

³ 47 C.F.R. §76.92(f); *see* 47 C.F.R. §§76.5(i) and 76.54.

the syndicated exclusivity rules.⁴

3. In order to obtain a waiver of Section 76.92(f), the Commission held in *KCST-TV, Inc.*⁵ that petitioners would be required to demonstrate for two consecutive years that a station was no longer significantly viewed, based either on community-specific or system-specific over-the-air viewing data, following the methodology set forth in Section 76.54(b). Section 76.5(i) of the Commission's rules requires that for network stations to be considered significantly viewed, the survey results should exceed a 3 percent share of total viewing hours and a net weekly circulation of 25 percent, by at least one standard error.⁶ For independent stations (*i.e.*, non-network stations), to be considered significantly viewed, Section 76.5(i) of the Commission's rules requires that the survey results should exceed a 2 percent share of total viewing hours and a net weekly circulation of 5 percent, by at least one standard error.⁷ The Commission has found that this type of test is applicable as well for waivers of the syndicated exclusivity exemption.⁸

4. Since the Commission's decision in *KCST-TV*, the methodology required by Section 76.54(b) of the rules for a petitioner seeking a waiver of the significantly viewed exception has evolved, pursuant to case law and market realities. Section 76.54(b) states in pertinent part that significant viewing "may be demonstrated by an independent professional audience survey of [over-the-air] television homes that covers at least two weekly periods separated by at least thirty (30) days but no more than one of which shall be a week between the months of April and September."⁹ Over time, The Nielsen Company ("Nielsen") became the primary surveying organization through which a petitioner could obtain television surveys.¹⁰ Nielsen, which routinely surveys television markets to obtain television stations' viewership, conducts four-week audience surveys four times a year (*i.e.*, February, May, July and November "sweep periods"). The Bureau has found that replacing each week required under *KCST-TV* with a sweep period is acceptable and, if anything, adds to the accuracy of the audience statistics because of the increased sample size.¹¹ Accordingly, a petitioner may submit the results from two sweep periods in each year. For use in exclusivity waivers, a petitioner may purchase survey data from Nielsen on either a community-specific or system-specific basis.¹² If a petitioner is purchasing survey data on a

⁴ 47 C.F.R. §76.106(a).

⁵ 103 FCC 2d 407 (1986).

⁶ 47 C.F.R. §76.5(i).

⁷ *Id.*

⁸ See *Chambers Cable of Oregon, Inc.*, 5 FCC Rcd 5640 (1990).

⁹ 47 C.F.R. § 76.54(b). The criteria set forth in *KCST-TV* require that two separate surveys be performed pursuant to Section 76.54(b) in consecutive years. The provisions of Section 76.54(b) therefore apply to each year's survey. It should be noted that these types of surveys cannot be done by the affected television station, cable system or satellite operator.

¹⁰ Nielsen Media Research recently changed its name to The Nielsen Company.

¹¹ Although, in general, petitioners are prohibited from using two surveys between April and September (*i.e.*, May or July sweeps), we have not ruled out a petitioner providing all sweeps in a year where more than two are submitted. See *WTNH Broadcasting, Inc. and K-W TV, Inc.*, 16 FCC Rcd 6781, 6784 (2001), where the Bureau did not reject the petition because of the inclusion of both May and July data, but only concluded that, in such a case, it would be necessary to provide individual survey period results so that we could determine the effect of the third and fourth sweep periods.

¹² It should be noted that Nielsen identifies individual communities by zip codes, a process not incompatible with the surveying process discussed here.

system-specific basis where two or more communities are involved, the percent of diaries from each community surveyed must be approximately the same as the percentage of the total population for each community served by the cable system.¹³ In order to produce the data required for exclusivity waivers, Nielsen re-tabulates the over-the-air data that it collects for its routine audience sweep periods, selecting in-tab diaries from its database from the area served by a cable system or an individual cable community.¹⁴ It should be noted that, despite the fact that a petitioner is purchasing a re-tabulation of data that has already been collected, it is still obligated to notify interested parties prior to the purchase of such data, pursuant to the requirements set forth in Section 76.54(c) of the Commission's rules.¹⁵ Such notice should indicate the surveying organization, the methodology used to calculate the viewing shares (e.g., a description of the process used to re-tabulate the information in an existing database), the manner in which the communities (and/or zip codes) were selected, and the survey periods used.¹⁶ Notification to interested parties before the purchase of Nielsen data allows a petitioner to correct any errors or clarify issues related to the methodology before the data are purchased and the petition is actually filed and, perhaps, avoid the filing of oppositions. Finally, we note that the manner in which surveys based on sweep periods are averaged, remains the same as for weekly surveys.¹⁷ A petitioner may therefore submit the average of the two sweep periods for each year. If, however, a petitioner submits more than two sweep periods, in addition to the average or combined audience shares for the year, it must also include the separate sweep data for each individual sweep period used. This ensures that the reported audience results data are not skewed by the choice of sweep periods.

5. WPDE-TV seeks a waiver of the significantly viewed exception so that it may enforce its network nonduplication rights against television broadcast station WWAY (ABC), Wilmington, North Carolina ("WWAY") for the communities of Myrtle Beach and Marion, South Carolina.¹⁸ WWAY is

¹³47 C.F.R. § 76.54(b). Proportionality based on population demonstrates that more weight is given to larger communities. While there must be at least one diary from each community in each survey, there is no minimum sample size since the standard error allows us to be sure that there is a high probability that the reported result meets or falls below our criteria. Because Nielsen is able to weight its sampling, they can provide such proportionality.

¹⁴We expect petitioners who commission such data to include, along with the survey data itself, a description of the procedures used to re-tabulate the data, which data base it is using, what communities (or zip codes) are covered, the station(s) surveyed, and time periods covered. Because Nielsen routinely provides this information in a cover letter along with its survey data, it is most helpful if this letter is included. That way there is no doubt that the data provided was provided by Nielsen. See e.g., *Radio Perry, Inc.*, 11 FCC Rcd 10564, 10568-9 (1996); *Gulf-California Broadcast Company*, 21 FCC Rcd 3476, 3479-80 (2006). We further suggest that the petitioner make it clear that the data they are submitting, along with the description of methodology, are as agreed on between the petitioner and Nielsen.

¹⁵47 C.F.R. § 76.54(c). Section 76.54(c) states that "[n]otice of a survey to be made pursuant to paragraph (b) of this section shall be served on all licensees or permittees of television broadcast stations within whose predicted Grade B contour the cable community or communities are located, in whole or in part, and on all other system community units, franchisees, and franchise applicants in the cable community or communities at least (30) days prior to the initial survey period."

¹⁶*Id.*

¹⁷Section 76.54(b) states that "[i]f two surveys are taken, they shall include samples sufficient to assure that the combined surveys result in an average figure at least one standard error above the required viewing levels. If surveys are taken for more than 2-weekly periods in any 12 months, all such surveys must result in an average figure at least one standard error above the required viewing level."

¹⁸Petition at 1. WPDE-TV states that the communities of Myrtle Beach and Marion are served by two

(continued...)

considered to be significantly viewed in New Hanover County, South Carolina, where the communities of Myrtle Beach and Marion are located.¹⁹

6. In support of its petition, WPDE-TV states that it is licensed to a community in the Myrtle Beach-Florence, South Carolina designated market area (“DMA”), while WWAY is licensed to a community located in the Wilmington, North Carolina DMA.²⁰ WPDE-TV argues that it would normally be entitled to assert network nonduplication protection against WWAY in the communities of Myrtle Beach and Marion, but it cannot because WWAY is considered significantly viewed in New Hanover County, where the communities are located.²¹ WPDE-TV maintains, however, that WWAY no longer meets the significantly viewed standard in Myrtle Beach and Marion and, as proof, it submits the results of two separate community-specific re-tabulations of Nielsen audience data based on noncable/non-ADS homes for the specified zip codes comprising the communities of Myrtle Beach and Marion.²² The submitted data are averages for four four-week audience sweep periods in each of two years.²³ The first year’s survey audience estimates were derived from July 2005, November 2005, February 2006, and May 2006 audience sweep data, combined (2005-2006), and the second year’s estimates from the July 2006, November 2006, February 2007, and May 2007 audience sweep data, combined (2006-2007).²⁴ These survey dates and the method used to combine audience surveys are consistent with the requirements set forth in Section 76.54(b) of the Commission’s rules.²⁵ WPDE-TV states that WWAY’s share of total viewing hours in over-the-air homes in Myrtle Beach and Marion falls far short of the required significantly viewed minimums, within one standard error, as shown in the tables below:

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separate cable systems – Time Warner Cable and Horry Telephone and Cable.

¹⁹*Id.* at 1-2.

²⁰*Id.* at 2.

²¹*Id.* at 2-3. WPDE-TV states that WWAY achieved its significantly viewed status by its inclusion in Appendix B to the *Reconsideration of the Cable Television Report and Order*, 36 FCC 2d 326, 378 (1972).

²²*Id.* at Attachment 1. Nielsen defines Alternative Delivery Source (“ADS”) to include the following technologies: satellite (C-Band), DBS (Ku-Band), SMATV (master antennae), and MMDS (includes multi-channel multi-point and multi-point distribution service). Thus, noncable/non-ADS homes are those that do not subscribe to an MVPD, and view the broadcast signal in question off-air. See The Nielsen Company at <http://www.nielsenmedia.com/nc/portal/site/Public/>.

²³*Id.*

²⁴*Id.*

²⁵47 C.F.R. § 76.54(b).

TABLE 1 – WWAY VIEWING IN MYRTLE BEACH, SC

<u>Survey Year</u> ²⁶	<u>Households Studied</u>	<u>Share Viewing Hours</u>	<u>Standard Error</u>	<u>Net Weekly Circulation</u>	<u>Standard Error</u>
2005-2006	3	0.00	0.00	0.00	0.00
2006-2007	6	0.00	0.00	0.00	0.00

TABLE 2 – WWAY VIEWING IN MARION, SC

<u>Survey Year</u>	<u>Households Studied</u>	<u>Share Viewing Hours</u>	<u>Standard Error</u>	<u>Net Weekly Circulation</u>	<u>Standard Error</u>
2005-2006	12	0.026	0.027	5.6	5.82
2006-2007	11	0.00	0.00	0.00	0.00

As a result, WPDE-TV requests that the Commission grant its petition so that it can assert its exclusivity rights in Myrtle Beach and Marion, South Carolina.

III. DISCUSSION

7. We find that WPDE-TV made the requisite showing to support its petition. As required by the rules, WPDE-TV has provided community-specific survey results for each community for each year surveyed. For the community of Myrtle Beach for both years, the submitted data of each of the reported average audience shares show that the share of total viewing hours and net weekly circulation share is zero.²⁷ As required when more than two surveys are used for each year, WPDE-TV has provided individual sweep period audience estimates and standard errors in order to ensure that the additional sweep periods do not alter the results or skew them in any way.²⁸ In this instance, Nielsen does not have in-tab diaries for the specified zip codes in all sweeps, thereby necessitating the use of more than two sweep periods in each year to demonstrate that WWAY is no longer significantly viewed. Considering the combined four audience sweep averages, along with the individual sweep period results, we conclude that WWAY attains approximately no viewing in the community of Myrtle Beach and that WPDE-TV has demonstrated that WWAY is no longer significantly viewed.

8. For the community of Marion for the first year, the submitted data for the July

²⁶The survey dates of July 2005/November 2005/February 2006/May 2006, and July 2006/November 2006/February 2007/May 2007 meet the criteria set forth in the rules and *KCST-TV* that the two one-week surveys be separated by at least 30 days and that both surveys may not occur between April and September.

²⁷Although WPDE-TV indicates that the standard error for each of these estimates is also zero, we note that technically, because of the nature of the computation of the standard error, that value is indeterminate.

²⁸WPDE-TV indicated that the additional sweeps were added in the interest of achieving a robust number of in-tab diaries for the study. See Petition at 4 n.10; see also Attachment 1, Annex A.

2005/November 2005/February 2006/May 2006 sweep periods, with the standard errors added, show that WWAY attains a 0.053 percent share of total weekly viewing hours (0.026 reported share + 0.027 standard error) and a 11.42 percent average net weekly circulation share (5.6 reported share + 5.82 standard error). For the second year, the submitted data for the July 2006/November 2006/February 2007/May 2007 sweep periods, with the standard errors added, show that WWAY attains no measurable audience share.

9. As before, WPDE-TV provided the required individual audience sweep period results. The individual survey results for the second survey year (2006-2007) support the claim that WWAY is no longer significantly viewed in Marion as the station's reported audience share was zero in each sweep period. A review of the individual survey results for the first survey year (2005-2006), however, indicates that WWAY attains reportable audience in one period, but not in others, and requires further analysis. The first combined survey included audience estimates for the July 2005/November 2005/February 2006/May 2006 sweeps periods. There were no in-tab diaries for the February 2006 survey period, but this survey is clearly included to show that data were collected from Nielsen's database for consecutive survey periods. This is consistent with our requirements. The reported results for May 2006 sweep period, however, show audience estimates for WWAY other than zero. During that sweep period, WWAY attained a 25.84 percent net weekly circulation share, with a 24.97 standard error, and a 0.11 percent share of total viewing hours, with a 0.12 standard error. Adding the standard errors to the reported results indicates that WWAY attains a 0.23 percent share of total viewing hours and a 50.81 percent net weekly circulation share. In this case, the net weekly circulation share, plus its standard error, exceeds the criteria of a 25 percent share for a network affiliate.²⁹ Because the test for significantly viewed status requires that both statistics exceed the criteria, and the 0.23 percent estimate of the total share of viewing hours, with its standard error, does not do so, WWAY fails the significant viewing test in Marion. While the results for the May 2006 appear somewhat anomalous compared to the other sweep periods, by providing the individual survey period results, we conclude that WPDE-TV has demonstrated that WWAY is no longer significantly viewed in the community of Marion since WWAY does not meet the criteria for significantly viewed status in any of the individual survey periods.

10. Accordingly, we find that the submitted audience surveys are sufficient to show that WWAY no longer attains the viewing levels needed to demonstrate significantly viewed status in the communities of Myrtle Beach and Marion, South Carolina, and we grant WPDE-TV's request.

²⁹47 C.F.R. § 76.5(i). For significant viewing purposes, full or partial network stations must exceed an average 3 percent share of total weekly viewing hours and an average 25 percent net weekly circulation share to be considered significantly viewed.

IV. ORDERING CLAUSES

11. Accordingly, **IT IS ORDERED**, that the petition filed by Barrington Myrtle Beach License LLC **IS GRANTED**.

12. This action is taken pursuant to authority delegated under Section 0.283 of the Commission's rules.³⁰

FEDERAL COMMUNICATIONS COMMISSION

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³⁰47 C.F.R. §0.283.