

Invited Peer Review of FCC Media Ownership Study 4 Section I  
“The Impact of Ownership Structure on  
Television Stations’ News and Public Affairs Programming”  
Study author: Daniel Shinman  
Reviewers: Kenneth Goldstein, Matthew Hale and Martin Kaplan<sup>1</sup>  
MB Docket No. 06-121  
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Using a sample gathered during “sweeps” weeks over a five-year period, “The Impact of Ownership Structure on Television Stations’ News and Public Affairs Programming” seeks to determine whether there is a causal relationship between ownership structure and the raw amount of news and public affairs scheduled to air during the sample periods. However, a number of methodological issues with this paper cast doubt on its findings and lead us to conclude that it does not provide anywhere near the adequate level of confidence necessary to inform policy decisions.

Although we will outline these methodological concerns in more detail, there is a more fundamental weakness in the report. Namely, the outcome that is the focus of the study – total amount of scheduled news and public affairs programming – **has no theoretical or substantive meaning for the regulatory question at hand.** FCC Commissioners, members of Congress, and members of the Judiciary will find in this study’s results no useful scientific evidence bearing on the Commission’s quadrennial review of whether its broadcast ownership rules continue to serve the public interest, or on the issues remanded by the Third Circuit in *Prometheus Radio Project v. FCC*.

Five major deficiencies make this study irrelevant and useless to policy makers.

- 1. The paper assumes that studying the *total number of minutes of news, newsmagazines, politics and public affairs that are programmed on stations’ schedules is an acceptable proxy for a study of news and public affairs coverage. This assumption is unwarranted.***

All news and public affairs minutes are given equal weight in this study, irrespective of their content, the amount of advertising or promotional material that aired within the timeslots, the time period during which the programs aired, or the programs’ ratings. Ads, teasers, and bumpers are given the same weight as news stories. Weather, sports, car chases, celebrity crime, and even cross-promotion of network entertainment are given the same weight as coverage of government and politics. Duplicate news stories that may have aired several times on the same day (a common occurrence on some stations), or that may have aired in nearly identical form on different channels (a feature of some duopolies) are counted the same as non-repeat content. No content analysis whatsoever was performed. Though other research has demonstrated significant variance in the

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<sup>1</sup> Kenneth Goldstein is a professor of political science at the University of Wisconsin-Madison. Matthew Hale is an assistant professor at the Center for Public Service at Seton Hall University. Martin Kaplan is a research professor at the University of Southern California’s Annenberg School for Communication.

quantity and quality of news aired by different stations in the same market,<sup>2</sup> this study counts all stations' minutes of news programming as the same. Though the study acknowledges in passing that it concerns "the quantity of news programming, and not its quality," there is no objective evidence whatsoever – within this study, within the scholarly literature, or anywhere for that matter – that the quantity of scheduled news programming is a justifiable metric to assess diversity, competition, or localism, identified by the Commission in the *2002 Biennial Review Order* as longstanding goals and core agency objectives.

- 2. In counting minutes of scheduled news, the study draws *no distinction between local news and non-local news*, and it treats minutes of news programming produced by local stations the same as minutes produced by national networks. This renders its findings about the impact of station ownership useless to an assessment of diversity, competition, or localism.**

The study treats coverage of local communities' news and public affairs the same as coverage of freeway chases half a country away. It treats minutes of national newsmagazine programming and nightly network news the same as minutes spent on local school board races or hospital closings. Furthermore, even if the raw amount of news minutes were relevant to the policy debate (which it is not), it is simply not plausible that national network news minutes are influenced by local cross-ownership. Yet this correlation is built into the study's methodology and biases any causal findings on the effects of cross ownership.

- 3. The study treats all scheduled news minutes *the same, no matter what their rating, no matter when they aired or who is watching them*. This repeats the error made by the FCC in its Diversity Index rejected by the Court.**

The study counts public affairs programming that airs on Sunday morning at 5 am as equivalent to programming scheduled during a station's highest-rated time periods. It counts news minutes on top-rated stations the same as news minutes on stations with comparatively negligible numbers of viewers. Each station in the study, no matter its audience or the size of the market where it is located, is weighted equally. The regression analysis in the study fails to weight the stations. Without weighting, stations in smaller markets or stations viewed by tiny audiences could be driving all the results.

The Third Circuit Court of Appeals put it this way in the *Prometheus* decision:

[T]here is no dispute that the assignment of equal market shares generates absurd results.... A Diversity Index that requires us to accept

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<sup>2</sup> Hale, M., and Fowler, E.F. (forthcoming November 20, 2007). Capturing multiple markets: A new method of analyzing local television news. *Electronic News* 1(4) 1-17; Kaplan, M., Goldstein, K., & Hale, M. (2005) Local news coverage of the 2004 campaigns: An analysis of nightly broadcasts in 11 markets. The Norman Lear Center. University of Southern California, Annenberg School for Communication. Available at <http://www.localnewsarchive.org/pdf/LCLNAFinal2004.pdf>

that a community college television station makes a greater contribution to viewpoint diversity than a conglomerate that includes the third-largest newspaper in America also requires us to abandon both logic and reality. (*Prometheus*, 373 F3d at 408.)

This study, requiring us to accept that news minutes scheduled in early prime time on the top-rated station in New York City should be counted the same as early morning news minutes on the lowest-rated station in Traverse City, Michigan, generates an equally absurd result.

**4. The study draws no distinction between news minutes on commercial stations and minutes on *public, non-commercial* stations. This distorts its data on the impact of station ownership.**

It is unclear why public television stations are included in the analysis at all. By definition, public television stations do not own other media outlets in a market, nor are they the property of any national ownership group. Unlike commercial stations, much of whose schedules are driven by network and syndicated entertainment, and which fight among themselves for ratings dominance in market share, public stations are licensed and chartered for the primary purpose of delivering news, public affairs, and educational programming. Without being adjusted for the unique content and ownership structure of public television stations, the data in this study – in the words of the Third Circuit – make the “unjustified assumption that media outlets of the same type make an equal contribution to diversity and competition in local markets” (*Prometheus*, 373 F3d at 435). While it is impossible to tell with certainty, given the data provided in the study, it is plausible that including public, non-commercial stations in the analysis as part of the non-crossowned comparison group, has had significant and undesirable effects on the results.

Table 1.4. shows that, on average, PBS and public non-commercial stations schedule *less news programming* than the major networks. This means that including public TV stations in the analysis most likely *artificially increases* the differences reported between cross-owned and non-cross owned stations. Table 1.5, however, shows that PBS and other public non-commercial stations schedule a great deal *more public affairs programming* than the major networks. So including public TV stations in the analysis may *artificially decrease* the reported differences between cross-owned and non-cross owned stations.

Phillip Leslie, another peer reviewer of this paper, found it “hard to rationalize the different effects of newspaper and radio cross-ownership on news and public affairs programming.... It is puzzling why the findings about news programming tend to differ so much from the findings about public affairs programming” (p. 3). Including public, non-commercial stations in the data set may well have contributed to this anomaly. In any event, it is inappropriate, and further erodes the credibility of the study.

**5. There are more technical weaknesses as well. Most seriously, there is little done here to verify that the results are robust across different specifications and different time periods.**

Given the nature of the dataset – stations nested within ownership structures within markets – at a minimum, standard errors should be calculated allowing for clustering. Failure to do so results in smaller standard errors, which may lead to conclusions that particular relationships are statistically significant when, in fact, they are not. Furthermore, it does not appear that anything was done to account for the covariance among the error terms when pooling multiple observations from given units over time. At the very least, tests for serial correlation should be conducted, but alternative estimations accounting for the presence of auto-correlation are almost certainly more appropriate.

Moreover, while the author appropriately states that newsworthy events may drastically affect the results, it is unclear how including indicators for particular years, rather than indicators for time periods (each week within each year), is the appropriate control. A newsworthy event in November is unlikely to have affected the results for May of that same year, and *vice versa*. Additionally, the reviewer’s point about time-varying covariates is valid. Assuming that time period effects are equal across markets seems unnecessarily restrictive as newsworthy events undoubtedly vary by market across time, and failing to account for this possibility may affect the results.

Also the dependent variable is truncated (more specifically, it is left-censored, which could cause additional problems). Simply stating that only 11-13 percent of the sample aired no news or public affairs programming does not negate the important step of the process in which stations decide whether or not to incorporate such programming. Other research cited does employ a two-stage model, first looking at whether any news is aired at all. Also, consistent with the point above about public television stations, while some stations may air news – and high quality news at that – it may be for a relatively little time.

The number of independent variables (and especially dummy variables) makes it likely that results are very specific to this particular model specification. The fixed effects model used is reasonable, but is certainly not the only possible specification. The author did not systematically check other reasonable specifications to ensure the findings were consistent.

Finally, was there any empirical work done to confirm that the sample weeks were typical, and that findings from these weeks were similar to what one would see if all weeks in the year were examined? Schedule data from May and November – “sweeps weeks” which are anecdotally notorious for programming stunts -- may systematically differ from programming during other times of the year.

Even if one chooses to accept the limitations that flow from these unwarranted assumptions in the paper’s theory and methodology:

**6. The study fails to adequately address the data within its own findings that significantly *undermine its own conclusions*.**

The principal finding emphasized by the study is that duopolies lead to increased news programming. Yet the study's own data (Tables I.6-9) lead to two statistically significant conclusions that contradict this highlighted finding – conclusions which are neither mentioned in the study's Abstract, nor discussed except glancingly in the text of the report.

These inconvenient findings are (1) that markets with more unrelated stations – i.e., markets with fewer or no duopolies – air *more* news minutes than markets with more duopolies; and (2) that the presence of additional unrelated stations in a market *increases* the amount of public affairs minutes, while the presence of duopolies *decreases* public affairs programming.

It is assumed in the research community that authors will faithfully report information that weakens, as well as strengthens, their overall conclusions. But this study emphasizes weak results that favor relaxation of the ownership rule, and all but ignores stronger results that support further tightening of the ownership rule.

It is also universally accepted among social scientists that research purporting to identify causal relationships must be subject to more intense scrutiny. The challenges involved in determining the existence and magnitude of causal relationship are substantial. Researchers must not only be confident that the data, as well as any effects identified, are generalizable, but that they have accounted for alternative factors and causal processes. This paper fails to meet these basic standards. As we outlined above and consistent with other reviews, we question the robustness of the report's findings and some of the modeling decisions made.

Causal research that is being used to support or oppose particular public policies is the kind of research that should be scrutinized at the highest level, and from which we should expect the most precision. This study fails to meet that standard. The key policy question simply does not turn on the raw volume of unweighted news minutes on television. Evidence on the raw minutes of scheduled news and public affairs programming is completely irrelevant to the Commission, the Court and the Congress.