Peer-review Report on
"The Impact of the FCC's TV Duopoly Rule Relaxation
on Minority and Women Owned Broadcast Stations 1999-2006"
by Hammond, *et al.*

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This report is fatally flawed by a fundamental logical error that pervades every aspect of the analysis. What follows is a typical example of the error. On page three the authors state their conclusion: "The researchers found that from 1999 to 2006 the relaxation of the TVDR [Television Duopoly Rule] did not appear to have a positive impact on minority and female ownership of television stations." Three of their specific findings are:

- Across all markets in which minority-owned television stations operated between 1999 and 2006, the number of minority-owned television stations dropped by twenty-seven percent.
- Within markets entered and or occupied by TV duopolies, the number of minority owned stations dropped by more than thirty-nine percent.
- By contrast, in non-duopoly markets the number of minority-owned stations dropped by ten percent.

Noting that the ratio of 39% to 10% is roughly 4, on page 43 the authors write, "Minority-owned stations were four times more likely to be sold in duopoly markets than in non-duopoly markets." In the context of their report, their obvious implication is that the existence of duopoly is the reason that minority stations were observed to be sold more frequently in duopoly markets rather than in the non-duopoly markets. This could only be logically inferred if the duopoly and non-duopoly markets were identical in all other respects, which the authors did not show because they could not show this.

Since the markets are not identical, some effort must be made to control for the differences between the duopoly and non-duopoly markets. In this way, the authors could have avoided the *post hoc ergo propter hoc* logical fallacy. There exists a wide variety of statistical and econometric techniques to control for these differences, yet the authors employ not a single one. Indeed, it would be remarkable if there were no other variables separating the sale of minority-owned stations in duopoly and non-duopoly markets. The authors had access to the BIA

database and could easily have made some effort to control for confounding variables. That the authors did not bother to control for confounding variables completely vitiates their analysis of minority-owned stations. The same is true for the "women-owned" portion of their report. In general,

So much for the specific example. In general, their overall methodology embodies the *post hoc ergo propter hoc* logical fallacy. On page seven the authors lay out their methodology:

> The change to the TV duopoly rule provides a limited opportunity to determine the impact of one of the FCC's policy changes on minority and female ownership from 1999 to 2007. The study seeks to ascertain the impact of the commision's rule by determining whether the number of minority and/or women owned broadcast stations changed during the period from 1999 to 2006.

This point is worth belaboring: by determining whether the number of minority and/or women owned broadcast stations changed during the period from 1999 to 2006, the authors are ascertaining the impact of the relaxation of the duopoly rule. Any number of other things could have caused the decline in the number of minority and/or women owned broadcast stations during the period from 1999 to 2006, but the authors make no attempt to consider any alternatives. The authors do document that the number of minority and/or women owned broadcast stations changed during this time. Their error is to attribute this change solely to the relaxation of the duopoly rule, without consideration of any simultaneously occurring economic or demographic phenomena.

It may well be true that the Duopoly Rule relaxation was the cause of the decline in the number of minority-owned and/or women-owned broadcast stations, but the authors have not provided any evidence thereof.