FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

February 14, 2014

The Honorable Brett Guthrie
U.S. House of Representatives
308 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Guthrie:

Thank you for writing with your views regarding the field test of the Research Design for the Commission's Office of Communications Business Opportunities (OCBO) Multi-Market Study of Critical Information Needs (Research Design). I understand this is a matter of importance to you, as it is to me, and appreciate the opportunity to provide additional information about the development and conduct of the Research Design.

The Commission has no intention of regulating political or other speech of journalists or broadcasters by way of this Research Design, any resulting study, or through any other means. The development of the Research Design was intended to aid the Commission in meeting its obligations under Section 257 of the Communications Act. Section 257 directs the Commission to identify and eliminate "market entry barriers for entrepreneurs and other small businesses in the provision and ownership of telecommunications services and information services." The statutory provision expressly links our obligation to identify market barriers with the responsibility to "promote the policies and purposes of this chapter favoring diversity of media voices." Finally, Section 257 requires the Commission to review and report to Congress on "any regulations prescribed to eliminate barriers within its jurisdiction … that can be prescribed consistent with the public interest, convenience, and necessity."

Under the statutory reporting requirement of Section 257, the Commission studies market conditions to understand the scope and extent of market entry barriers. Past studies by the Commission pursuant to Section 257, include *History of the Broadcast Licensee Application Process; Utilization Rates, Win Rates, and Disparity Ratios for Broadcast Licenses Awarded by the FCC; Logistic Regression Models of the Broadcast Licensee Award Process for Licenses Awarded by the FCC*; and the *FCC Econometric Analysis of Potential Discrimination Utilization Ratios for Minority and Women-Owned Companies in FCC Wireless Spectrum Auctions*. The Research Design is a precursor to any formal study. If used in any way, its goal would be similar to those of past reports – seeking to identify whether potential market barriers exist and, if so, whether those barriers affect diversity of media voices.

After the selection of the contractor for the Research Design, the Commission put the design out for comment, inviting input from all stakeholders. Your letter and the opportunity for

public review surfaced a number of issues and modification of the Research Design may be necessary. My staff has engaged in a careful and thorough review of the Research Design with the contractor to ensure that the inquiries closely hew to the mandate of Section 257. While the Research Design is a tool intended to help the Commission consider effective, pro-competitive policies that would encourage new entrants, its direction need not go beyond our responsibilities. We continue to work with the contractor to adapt the study in response to these concerns and expect to complete this work in the next few weeks. As the revisions that we may implement likely will require cost reassessments, we will provide you with further details regarding cost and methodology as soon as they are available.

Again, thank you for providing me with your views on this matter.

Sincerely,

Tom Wheeler

cc: The Honorable Mignon Clyburn, Commissioner
The Honorable Jessica Rosenworcel, Commissioner
The Honorable Ajit Pai, Commissioner
The Honorable Michael O'Rielly, Commissioner