

memorandum

DATE: June 3, 2011

TO: Professor David Layton

FROM: Jonathan Levy, Deputy Chief Economist; Federal Communications Commission

SUBJECT: Peer Review of Influential Scientific Information in the Commission's 2010 Quadrennial Review of Media Ownership Rules Proceeding

The Commission is currently undertaking a comprehensive review of its broadcast ownership policies in its rulemaking proceeding in MB Docket No. 09-182. In connection with the proceeding, the Media Bureau (Bureau) has commissioned nine economic studies, which were conducted by outside researchers. Additional studies are being conducted by Commission staff. The studies examine a range of issues that impact diversity, competition, and localism, three important policy goals of those rules.

The Office of Management and Budget (OMB) requires that influential scientific information on which a Federal Agency relies in a rulemaking proceeding be subject to peer review to enhance the quality and credibility of the government's scientific information. The nine outside studies and the studies conducted internally by Commission staff constitute influential scientific information under OMB's definition,¹ and thus the Commission is conducting peer review of the studies. OMB further requires Federal Agencies to provide peer reviewers with "instructions regarding the objective of the peer review and the specific advice sought."²

The Bureau requests that you perform a peer review of Study 2 of the FCC Media Ownership Studies, titled *Consumer Valuation of Media As A Function of Local Market Structure*, which was conducted by Professors Scott Savage and Donald Waldman of the University of Colorado.

In performing this peer review, we ask that you evaluate and comment on the theoretical and empirical merit of the information. You should consider, among other things, whether: (1) the methodology and assumptions employed are reasonable and technically correct; (2) whether the methodology and assumptions are consistent with accepted theory and empirical (e.g., econometric) practices; (3) whether the data used are reasonable and of sufficient quality for purposes of the analysis; and (4) whether the conclusions, if any, follow from the analysis. Please note that the standards for evaluation are not necessarily the same as those one might apply in evaluating studies for publication in a professional journal. For example, it is not necessary that the study present new or novel theoretical results or empirical techniques. Consistent with the requirements of the OMB Bulletin, we are not asking you to "provide advice on policy" or to evaluate the policy implications of the study.³

¹ See *OMB Peer Review Bulletin*, 70 Fed. Reg. 2664.

² *Id.*, at 2668.

³ The OMB Bulletin states in relevant part: "Peer reviewers can make an important contribution by distinguishing scientific facts from professional judgments. Furthermore, where appropriate, reviewers should be asked to provide advice on the reasonableness of judgments made from the scientific evidence. However, the charge should make clear that the reviewers are not to provide advice on the policy..." OMB Bulletin, 70 Fed. Reg. at 2669.

Finally, you should be aware of two other aspects of the peer review process. First, the peer review will not be anonymous. Rather, you will be identified and your review will be placed in the public record. Second, the OMB Bulletin requires us to assess whether potential peer reviewers have any potential conflicts of interest.⁴ To assist you in determining whether there are any potential conflicts, I am attaching a list of parties who have participated in the proceeding.

I ask that you provide a written report of your review, findings, and recommendations with regard to this influential scientific information by **July 1, 2011**. Please submit your written report in either Word or pdf format to Jessica Almond (Jessica.almond@fcc.gov) with a copy to Jonathan Levy (jonathan.levy@fcc.gov). Questions about the peer review process should be directed to Jonathan Levy.

Thank for your assistance in this matter.

Attachments

⁴ The OMB Bulletin considers a conflict of interest to be "any financial or other interest" which could include investments, consulting arrangements, grants or contracts that "could impair the individual's objectivity or could create an unfair competitive advantage for a person or organization." OMB Bulletin, 70 Fed. Reg at 2670.

Proceeding Number	Name of Filer	Lawfirm Name
09-182	A. H. Belo Corp.	Wiley Rein LLP
09-182	Alliance for Community Media	Spiegel & McDiarmid LLP
09-182	Alliance for Women in Media	
09-182	Alpha Broadcasting, LLC, et al.	
09-182	American Association of Independent Music	
09-182	American Cable Association	Cinnamon Mueller
09-182	American Federation of Television & Radio Artists	
09-182	Arbitron Inc.	Paul, Hastings, Janofsky & Walker LLP
09-182	Arso Radio Corporation	Anthony T. Lepore, Esq., P.A.
09-182	Azteca International Corporation	Dow Lohnes
09-182	Belo Corp.	Wiley Rein LLP
09-182	Bluewater Broadcasting, LLC	
09-182	Bonneville International Corporation and The Scranton Times, L.P.	Wilkinson Barker Knauer, LLP
09-182	Brian A. Rich	
09-182	Carolyn Byerly	
09-182	Carolyn M. Byerly, PhD	
09-182	Caucus for Producers, Writers & Directors	
09-182	CBS Corporation	
09-182	Christopher McLean	
09-182	Christopher Reed	
09-182	Citizen Petitioners	Media Access Project
09-182	Clear Channel Communications, Inc.	Wiley Rein LLP
09-182	Coalition of Smaller Market Television Stations	Covington & Burling LLP
09-182	Coalition to Preserve Local TV Broadcasting	Dow Lohnes, PLLC
09-182	Communications Workers of America	
09-182	Congressman Joe Wilson	
09-182	Covington & Burling	Covington & Burling
09-182	Cox Enterprises, Inc.	Dow Lohnes PLLC
09-182	Danilo Yanich	
09-182	Diversity and Competition Supporters	Minority Media and Telecommunications Council
09-182	Entercom Communications Corp.	
09-182	Entercom Communications Corp., Media Venture Partners, LLC and Triad Broadcastin	
09-182	Entravision Holdings, LLC	Thompson Hine LLP
09-182	Faith Bautista	
09-182	Financial Conditions of the Broadcast Industry	
09-182	Fox Entertainment Group, Inc. and Fox Television Stations, Inc.	Skadden, Arps, Slate, Meagher & Flom LLP
09-182	Fredrick W. Birt	
09-182	Free Press	
09-182	Future of Music Coalition	
09-182	Galaxy Communications L.P.	Lerman Senter PLLC
09-182	Gannett Co., Inc.	Covington & Burling LLP
09-182	Grant Group, Inc.	Wilkinson Barker Knauer, LLP
09-182	Grant Steen	

09-182	Gray Television, Inc.	Wiley Rein LLP
09-182	Hearst Television Inc.	Brooks Pierce et al.
09-182	Hispanic Information and Telecommunications Network, Inc.	RJGLaw LLC
09-182	Hubbard Broadcasting, Inc.	Holland & Knight LLP
09-182	Industry Analysis Division	FCC
09-182	Institute for Public Representation	Institute for Public Representation
09-182	ION Media Networks	
09-182	Ira Warren Patasnik	
09-182	Jean Chung	The Greenlining Institute
09-182	Kansas Association of Broadcasters	Davis Wright Tremaine LLP
09-182	KTBS, Inc.	Fletcher, Heald & Hildreth, PLC
09-182	Kurt Wimmer	Covington & Burling
09-182	LIN Media	Pillsbury Winthrop Shaw Pittman
09-182	LIN Television Corp	Pillsbury Winthrop Shaw Pittman
09-182	LIN TELEVISION CORPORATION	
09-182	Lisa Wines	
09-182	M. Kent Frandsen	Davis Wright Tremaine LLP
09-182	Maneesh Pangasa	
09-182	Martin Kaplan	
09-182	Martin L. Stern	K&L Gates
09-182	Matt Ganssle	
09-182	Media General, Inc.	Dow Lohnes PLLC
09-182	Media Venture Partners	
09-182	Michael Geary	
09-182	Mid-Atlantic Community Papers Association	
09-182	Mid-West Family Stations	
09-182	Minority Media and Telecommunications Council	Minority Media and Telecommunications Council
09-182	Monterey Licenses, LLC	Davis Wright Tremaine LLP
09-182	Morgan Murphy Media	Rini Coran, PC
09-182	Morris Communications Company, LLC	Wiley Rein LLP
09-182	Mt. Wilson FM Broadcasters, Inc.	Cohn and Marks LLP
09-182	National Association of Black Owned Broadcasters, Inc.	
09-182	National Association of Broadcasters	
09-182	National Cable & Telecommunications Association	
09-182	National Hispanic Media Coalition	
09-182	NBC Television Affiliates	Covington & Burling LLP
09-182	Newspaper Association of America	Wiley Rein LLP
09-182	Nexstar Broadcasting, Inc.	Drinker Biddle & Reath LLP
09-182	Office of Communication for United Church of Christ	Institute for Public Representation
09-182	PP 1-218	FCC
09-182	Public Knowledge	
09-182	Rick Dahlgren	
09-182	Sainte Sepulveda, Inc.	Womble Carlyle Sandridge & Rice, PLLC
09-182	simon wilkie	

09-182	Sinclair Broadcast Group, Inc.	Pillsbury Winthrop Shaw Pittman LLP
09-182	Spanish Broadcasting System, Inc.	Lerman Senter PLLC
09-182	Suntrust Robinson Humphrey	
09-182	Teresa Shelander	
09-182	The Association for Maximum Service Television - MSTV	Covington & Burling LLP
09-182	The Honorable Pedro R. Pierluisi	
09-182	The Joint Center for Political and Economic Studies	
09-182	Thomas Desmond	
09-182	Time Warner Cable Inc.	Latham & Watkins LLP
09-182	Tribune Company, Debtor-in-Possession	
09-182	TRIBUNE COMPANY, DEBTOR-IN-POSSESSION	
09-182	TTBG LLC	Wiley Rein LLP
09-182	United Church of Christ, Prometheus Radio Project, Media Alliance, NOW, Natioona	Institute for Public Representation
09-182	Univision Communications Inc.	Covington & Burling LLP
09-182	Writers Guild of America, East	