

OPENING STATEMENT OF THOMAS HERWITZ

Hello. My name is Tom Herwitz, and I am the President of Station Operations for FOX Television Stations, Inc. In my current position, I am responsible for all aspects of FOX's local programming efforts, and I am intimately familiar with each of our station's local news operations. I am pleased to have the opportunity to be here with you today and to share with you a glimpse of the dedication to local programming that epitomizes the 35 full-power television stations owned by FOX in 26 markets across the United States.

We at FOX are frankly confounded by the argument that allowing FOX to own stations that reach more than 35% of U.S. TV households will threaten competition, diversity and localism. As we hope to demonstrate today, just the opposite is true. At FOX, we are constantly striving to make vital local programming – especially local news – an absolute priority. In markets both large and small, FOX's dedicated employees have expended an enormous amount of time and effort to make this goal a reality for our viewers. Even a cursory review of the amount of local news on our stations illuminates the zeal with which we have approached this undertaking. Today, our 35 full-power TV stations collectively produce and air more than 800 hours of original, regularly-scheduled local news per week. That's an average of more than 23 hours a week per station.

I joined FOX Television Stations in 1986 when FOX bought its first six stations.

- At that time, WNYW, New York, had 9 ½ hours of local news a week, principally the 10 PM news. Today, WNYW broadcasts news from 5:30 AM to 9:00AM, a half-hour of midday news, 1 ½ hours of news from 5:00 PM to 6:30 PM and an hour of Prime Time news at 10:00 PM plus 3 hours of news on the weekend – all of it local, **for a total of 35 ½ hours per week**. This is

almost **4 times the amount of news** we aired when we bought the stations in 1986.

- KTTV, Los Angeles, broadcast one hour of local news daily when we bought it. So did WTTG, Washington. Now in LA we air *Good Day, LA* for **3 ½ hours** each weekday morning in addition to the hour of news at 10:00 PM, and in DC we've added an additional **5 hours** of local news every weekday.
- KDAF, Dallas, WFLD, Chicago, and KRIV, Houston, aired no news. Now, in Dallas, we broadcast **43 hours** a week; in Chicago, we provide **33 ½ hours** of local news a week; and in Houston we air **27 hours** a week.

*Bottom line: from the 23 ½ hours of local news that FOX inherited on those original 6 stations, we now produce and air **195.5 hours of local news every week – an 8-fold increase.*** In many markets we've produced and aired more local news by 9:00 AM than our competitors will air all day long. Wouldn't consumers benefit if FOX were permitted to bring this kind of commitment to additional communities?

Like most other major news-producing stations, when it comes to breaking news stories that affect our communities, our stations do not hesitate to put aside their regular broadcast schedule in order to devote whatever time and resources are necessary to provide our viewers with vital information: from the aftermath of the September 11th terrorist attacks, to coverage of the Columbia space shuttle tragedy, to important political events, to extensive coverage of breaking local and national news and weather like the Blizzard of '03, our stations regularly provide extensive coverage of important fast-developing stories. We would argue that group ownership helps provide the resources that make the amount and nature of these local news efforts possible. As an example, we were absolutely aided in the Columbia coverage by the depth of our resources and the physical location of our stations in the markets that were key to the story.

We also provide local news service that is unique to many communities. We are especially proud of FOX's leadership in airing news in dayparts where there is no other local news, particularly Primetime, and in the development and success of our 3 to 4 hours of local morning news.

We are also baffled by the argument advanced by some broadcasters that they are somehow more local, and therefore more dedicated to serving their local communities, than FOX, for no apparent reason other than that their station ownership doesn't reach the 35% cap. The facts completely belie these assertions. First, it is absurd to suggest that a group owner headquartered in Atlanta, Detroit, or Cincinnati, is any more or less "local" than FOX, a group owner headquartered in Los Angeles and New York. Like other group owners, at each of our stations, the local station managers, news directors, anchors, reporters, and technicians that comprise our news teams all live in their station's local market. They shop in the same stores as viewers; their children attend the same schools as viewers' children; and they confront the same important issues each day. In other words, FOX's local professionals are all members of the communities in which they work, and they are all keenly aware of the things that matter in those communities. That is why FOX gives our capable local managers editorial autonomy, which we believe benefits our stations and their viewers.

Second, I would categorically and emphatically dispute the notion that our stations have less than the highest commitment to serving their local communities. Take WJBK, our station in Detroit. One of our principal competitors in this market, WDIV, is owned by Post-Newsweek Stations, which has been an outspoken advocate in support of retention of the 35% cap, arguing that companies whose stations *don't* reach the cap are better local operators. In fact, FOX's WJBK airs 50% more local news than WDIV, and earlier this

month the Michigan Association of Broadcasters chose our station as the Michigan Station of the Year for the fourth year in a row. Our station is known for our “Problem Solver” news. One recent WJBK investigative report focused on lax enforcement of prostitution laws, particularly near schools. As a result of our station’s effort, the Detroit City Council amended the law and ordered the police to crack down on prostitution in an effort to give schools and neighborhoods back to families.

The station also investigated the problem of abandoned homes near city public schools, which were attracting drug dealers, prostitutes, rats and other vermin that posed a danger to children who had to pass by these structures every day on their way to school. Our investigation revealed that these homes were actually owned by the Detroit public school district. As a result of WJBK’s investigation, the district tore down the abandoned buildings and cleaned up the neighborhoods around these schools.

The FOX station also uncovered a group of Detroit Water and Sewage Department workers who were spending their days drinking and smoking marijuana rather than doing their jobs. Not only were they wasting tax dollars, they were dangerously driving large city-owned trucks while intoxicated. As a result of WJBK’s investigation, the department pledged to clean up their operations. In these and other ways, WJBK tries to “solve problems” in the City of Detroit every day.

I’m not suggesting that WDIV is a better or worse station than WJBK. We have great respect for them as a strong competitor. We win the news ratings race in some dayparts and they win it in others. But it really isn’t relevant which station is “better.” If the Commission’s task is to find empirical evidence to justify preventing FOX from owning additional stations, in light of the *facts* – the hard evidence of this FOX-owned station’s

service and commitment to the Detroit community – it is hard to understand what that evidence is or possibly could be. The same is true for all our stations across the board.

So, given everything I've just told you about the commitment of FOX stations to their local communities, isn't it fair to ask how FOX's ownership of multiple stations harms competition, diversity or localism? Of course, we will continue to comply with the FCC's ownership rules. But with this kind of track record and commitment to providing local news and information, why should there be a government rule that requires FOX to divest the stations we own in, say, Austin (where we air 30 hours of local news), Greensboro (where we do 35 hours), Birmingham (where we do 41 hours), St. Louis (where we do 41 hours), or Kansas City (where we do 48 hours) (or any of our markets, for that matter) in order to get below a 35% national ownership cap? If the FCC truly cares about what's best for local viewers, why should FOX be prevented by government regulation from bringing the kind of service it provides in our 26 markets to viewers in say, San Francisco, Seattle, or El Paso?

From 1983 to 1986, I was a legal advisor to FCC Chairman Mark Fowler. I spent my last year at the FCC working to support the Commission's decision to increase the number of television stations one company could own from 7 to 12. That sounds downright quaint now. But many of the same arguments you are hearing today were made back then by many of the same interests and groups. The 1986 FCC dreamed of an environment with increased local and national competition. But even in their wildest dreams, the 1986 FCC didn't contemplate the vast increases in diversity, competition and localism that have been achieved since that time, and certainly did not envision the creation of a 4th network (which yesterday won the February Sweeps in Adults 18-49), much less a 5th and 6th network, or that the formerly weak independent stations now owned by and affiliated with the 4th network would

air as much as 50 hours of local news per week, including 3+ hours daily of local morning news in almost 50% of the country.

Since its inception, FOX has stood out as part of the “competition, diversity and localism” solution, not part of the problem. Thanks to the vision and courage of Rupert Murdoch, the dedication of hundreds of locally-based FOX station employees to their communities, the relaxation of Commission ownership rules, and the changing media marketplace, FOX has played a vital role in advancing the FCC’s goal of increasing diversity, competition, and localism. We urge the FCC to recognize that there is no empirical justification for rules that restrict our company’s ownership of television stations.