assessing diversity, which takes into account the developments in the communications marketplace and which captures the rigor of our economic analysis may be appropriate.

27. In the full text of this FNPRM, the Commission lays out its traditional diversity goals and approaches for achieving them, raises questions concerning new approaches for defining diversity, and seeks comment on how to apply a framework for assessing the efficacy of broadcast regulations in achieving these goals. More specifically, Section IV A describes the three types of diversity that the Commission's rules have attempted to foster—viewpoint, outlet and source diversity, and the two basic techniques the Commission has used to achieve these diversity goals—direct means (such as nonentertainment programming guidelines) and indirect means (like our structurally-based ownership rules). Section IV B, then considers new approaches to ensure diversity, and Sections IV C and D set forth possible methods for defining what markets should be evaluated to determine whether the Commission's diversity goals are being served by the particular broadcast regulation in question. Section IV C proposes a broadening of the ''product'' market that the Commission has traditionally examined for diversity purposes, to go beyond just broadcast-delivered video programming received in the home, and Section IV D discusses the geographic markets the Commission would examine in determining whether its diversity goals are being furthered by the broadcast regulation in question.

28. Once the Commission has determined the appropriate product and geographic markets that are relevant for assessing whether the diversity goals of a rule are being met, we will examine each rule at issue by (a) identifying which diversity goal or goals the rule seeks to foster (*e.g.*, viewpoint, outlet and/or source), (b) determining whether the rule in fact fosters such goals in the relevant markets, and (c) deciding whether, in those markets, there is a need for continued regulation to maintain or increase existing levels of diversity.

III. National Ownership Rule

29. Currently, a company is limited to owning 12 broadcast TV stations nationally in different local markets and to a maximum aggregate 25% national audience reach. The reach limit presently prevents a group owner from owning television stations in each of the 12 largest markets. The national networks and some other group owners have concentrated their station purchases on stations located in markets with the largest audiences. As a result of this strategy, some group owners have reached the 25% audience reach limit before they have acquired 12 stations. Thus, it appears that for many of the existing national TV group owners, the 25% national audience reach limit is the more binding regulatory constraint on group acquisition of additional stations nationally. In order to examine whether the national ownership limits should be relaxed, the full text of this FNPRM presents first a competitive analysis and then a diversity analysis.

Effects on Competition

30. In conducting the competitive analysis, the Commission seeks to examine the effects of relaxing these rules on the potential competitiveness of the markets for delivered video programming, advertising, and video program production. The primary focus in each of these discussions is on the effect of changing the rules on the concentration of the market. As a consequence of these analyses, the FNPRM solicits comments on a number of issues such as: (1) The effect of relaxation of the national ownership limits on competition in the local market for delivered video programming; (2) the effect of relaxation of the national ownership limits on competition in local advertising markets; (3) evidence concerning economies in the distribution of video programming which may accrue to group owners of television stations, particularly if the commenters distinguishes between the effects of owning a group of stations and the effects of affiliating with a network; and (4) the effect relaxation of national group ownership limits might have on the prices of broadcast television stations, with its attendant effect on the ability of minorities to acquire broadcast television stations.

Effects on Diversity

31. In conducting the diversity analysis, the Commission seeks to examine the effects of relaxing these rules on the diversity of viewpoints available to the public, paying particular attention to the diversity of voices. The FNPRM notes that one of the premises of the national television ownership limitations has been that placing limitations on the number of stations a party can have a cognizable interest in promotes diversity outlets and viewpoints, and limits the degree of control over viewpoints expressed nationally that any entity could have thus furthering First Amendment goals. However, while the national ownership rules may foster these goals, and especially outlet diversity, the rules may not be essential to achieving such diversity. It appears that such factors as increased video media competition, network affiliation and diversity on the local level all favor alteration of the national ownership limitations. While the Commission's analysis suggests that, from a diversity standpoint, changes in the current national ownership limitations may be warranted, commenters should nevertheless address what effect, if any, group ownership and consolidation of ownership nationally would have on viewpoint diversity in news and public affairs programming, especially locally. Additionally, for national news, network affiliated stations primarily use their network affiliation to provide national news programming, and broadcast networks must compete with each other and with cable news networks in providing national news. Consequently, we ask whether changing national group ownership rules would have any impact on the delivery of national news and, if so, what that impact would be. Finally, given that the pursuit of large audiences may drive all licensees—whether group owners or not—towards the exclusion of controversial, non-mainstream subjects from their programming, does ownership diversity, indeed, have a major effect on viewpoint diversity with respect to television?

Tentative Proposals

32. The Commission tentatively concludes that liberalization of the national ownership limits would not have an adverse impact upon competitiveness of the markets for delivered video programming, the market for advertising, or the video program production market. Nor do we believe that raising the national ownership limits would have serious adverse effects on diversity. Therefore, the Commission proposes raising national ownership limits and seeks comment about the manner in which these limits should be expressed (*e.g.*, number of stations or outlets, number of stations or outlets with a reach cap, reach cap without any limit on the number of stations or outlets, or audience share cap) and the extent to which they should be raised. The Commission believes that changes in the national multiple ownership rules should be incremental in order to avoid significant dislocation in the television industry.

33. The NPRM in this proceeding proposed several adjustments to the multiple ownership rules, which