

Testimony of Bronx Borough President Adolfo Carrión
Before the New York City Council
Committees on Consumer Affairs and Civil Rights

Good Morning. Chairpersons Comrie and Seabrook, members of the City Council Committees' on Consumer Affairs and Civil Rights thank you for the opportunity to testify at this morning's hearing on Resolution 1583-A, calling on the Federal Communications Commission to investigate Arbitron's Personal People Meter System and its potential effect on the diversity of radio.

My name is Adolfo Carrión and I am submitting this testimony to you as President of the Borough of the Bronx, President of the National Association of Latino Elected Officials, and, perhaps most importantly, as a bilingual New Yorker who cares deeply about the health and welfare of the Latino and African American communities in my city.

For years, New York City has been undergoing a profound transformation. In neighborhoods throughout the five boroughs—and, I am proud to say, especially in the Bronx—recent immigrants from Spanish-speaking countries have arrived carrying with them the ambition and resolve to make a good life for themselves and their families by opening stores and businesses that have become the most dynamic sectors of our economy. Many of these new arrivals do not speak English well—although data show that within a generation their fluency in English is much-improved—and they look to Spanish-language radio not only for the purposes on entertainment but as a source of news and information on issues ranging from citizenship to health care. In bodegas in the Sunset Park, hair salons in Washington Heights, livery cab bases in Corona and auto-body shops in the Bronx, Spanish-language radio is a lifeline for our community.

In much the same way, the Urban radio format too is a vital resource in communities throughout our city. In middle-class African American homes and businesses, Urban Radio stations don't just provide a variety of musical styles for a variety of musical tastes but serve as a critical and important place for information-sharing, debate, and instruction. I needn't tell you how many people in our neighborhoods spend their Sunday mornings listening to powerful sermons—and I know something about that—not just from the preacher at church but also from the deejay on the radio.

Against this backdrop of vitality and civic engagement we have data from Arbitron's new PPM system that tells us that listenership for Spanish-language and Urban formats in our City is dropping. That after years of diary data that showed these stations to be among the most popular radio properties in the City, the PPM has shown drop-offs of 50 and 60 percent in listenership. That, almost as if by magic, Spanish-language and Urban format radio station listeners have disappeared.

You and I know this isn't the case because we see these listeners in our communities and their numbers are growing. You and I know that something isn't quite right with the



Frank Flores
Vice President
Market Manager
September 10, 2008

My name is Frank Flores. I am the Vice President and Market Manager for Spanish Broadcasting Systems in New York. I manage WSKQ - "LA MEGA" 97.9FM and WPAT - "AMOR" 93.1FM, two of the most successful Spanish Language Radio Stations in terms of ratings as well as revenue in the United States today. I come before you to continue my efforts to prevent Arbitron's launching of the PPM Survey in October. I could speak volumes of what I believe are the many shortcomings of this new survey treatment but needless to say they are too many to mention in such a short time and the purpose of my participation here is not to bore you into submission but to call attention to other facts and issues regarding this matter. I would much rather talk to you about what I believe are the real consequences involved here and how they will eventually play out in the not so distant future. You see no matter what is presented to you by the good people of Arbitron today the real truth is that the Spanish Radio Stations who currently are having a tough time competing for the radio advertising dollar will be further challenged in this new world. Why? Because our ratings - which is what we sell to advertisers - will be less. Much less! How much less? How about 50-60% less! That translates to that much less revenue - 50-60% less! Some stations will survive - some won't. So in a market that some say has more than 4 million Latinos who hail from 21 different countries and 21 distinct cultures and share the same language who can now listen to at least 5 Spanish language radio stations will have a choice of 2...maybe 3. Simple business mathematics will rule and only the "strong" will survive.

Scary isn't it? It is frightening when you consider what these radio stations mean to the Latinos here the New York area. I can tell you about what our radio stations have done for the community but I am also certain that my competitors can paint a similar picture in terms of what they have done as well. Consider this...without Spanish language radio stations there would have been no efforts city-wide to help those in need in the Dominican Republic and Florida when killers hurricanes ravaged their homes in recent years. Spanish language radio stations were there to help organize and promote the relief efforts. And what about the extraordinary work we did to heighten the awareness of the plight of the immigrants here in the New York area? In fact some might say that if it weren't for our efforts the great immigration demonstration of a few years back might not have had the impact that it did. Spanish language radio was there - front and center - to lead the way. Domestic violence reform, getting our children back to school, school mentoring programs, voter registration drives, AIDS Awareness campaigns...learn to read programs...I could go on and on...Spanish language radio stations have been there making sure that we lead by example.



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You see...the reality is that we're not just radio stations but a vibrant extension of the community that we serve. And serve it we do... Every day... every single day. We serve a community that far too often has been forced to go in the back of the bus...A community that continues to grow in leaps and bounds becoming a vital force in today's economy but whose dedication to the American dream is sometimes questioned. A community that continues to suffer untold slights and flagrant discrimination even in today's enlighten world. A community that is founded on good family values and strong religious beliefs...a community who prides itself on a good work ethic but has far too often been relegated to the back of the line...

You see... this is not just a radio industry problem where the company who's only job is to accurately measure radio listening has undervalued the Hispanic listener. No...we are talking about what that severe undercounting will mean to the stations affected and the community they so nobly serve.

We are talking about taking something away from a community who deserves a hell of a lot better...No... we are not talking about a problem affecting radio stations here... No...We are talking about potentially silencing our community and that; we cannot let anyone do...Not now... not ever.

Testimony to the NY City Council re Arbitron/PPM
Wednesday September 10, 2008

My name is Ceril Shagrin. I am the Executive Vice President of the Corporate Research Division for Univision Communications where I oversee research for all of our media divisions. Univision provides information and entertainment for Hispanic consumers. Prior to joining Univision, nine years ago, I worked for Nielsen Media Research for 27 years. I was the first Director of Quality Assurance for the Nielsen company and spent the last 10 years there as Sr. VP Director of Market Development. In that position I designed, implemented and managed Nielsen Hispanic Services. As part of that development Nielsen tested various methods to ensure a representative Hispanic sample. That improved methodology and procedures have now been incorporated into most Nielsen samples.

Similar improvements need to be accomplished by Arbitron in order to accurately report radio listening by Hispanics. For Hispanics radio provides more than entertainment. Spanish media provides a lifeline to the Hispanic community it serves.

While other concerned parties may focus on differences in ratings, I am a researcher and my focus is the quality of the sample. This is not a question of the viability of electronic measurement.

My background is in audience measurement research – and I would like to use my time today to provide the Council with my analysis of why Arbitron's proposed new system risks inaccurately counting Hispanic radio listeners.

But before getting into the details of Arbitron's flawed methodology, it is important to understand the context of this debate.

Today, Arbitron is the only game in town when it comes to radio audience measurement. It is a monopoly with no current market competitors. Thus, whatever rating numbers Arbitron produces, those are the numbers that drive advertising rates, which in turn drive what programming is economically sustainable. Put simply, Arbitron's ratings determine what programming stays on the air and what gets dropped; which radio stations thrive and which shut down. It is a huge responsibility.

This responsibility becomes all the more important when one recalls that while Arbitron's work powerfully impacts the public airwaves, Arbitron is also a publicly traded for-profit corporation. Arbitron decision makers must balance their public responsibility to make the necessary investments in effective research methodologies, with their financial responsibility to limit operational costs and promote the interests of their shareholders.

It is, therefore, important for outside observers, including this City Council, to play an oversight role, making sure that Arbitron is putting the interests of the viewing public first and making the necessary investments to ensure that its numbers are as accurate as possible. Unfortunately, in this case Arbitron is falling far short of that standard and I would like to explain precisely why that is so.

Regardless of the media measured, certain standards must be met to ensure accurate measurement. A primary measure of quality is the response rate. The response rate lets the user know what percent of the originally selected homes and persons agree to participate in the sample. Not all persons agree to participate in research samples. Those who agree and those who do not agree are not the same and may not consume media in the same way. Different incentives are required to encourage participation from those less likely to cooperate. Arbitron's incentive is cash which may not be the right or only incentive for some households. Arbitron Radio Only PPM sample design recruits participants via the telephone. It is more difficult to convince someone to agree to participate in a panel via the telephone. While the diary service recruits the sample by phone, the request is to fill out a one week diary while the PPM sample is asked to wear or carry the PPM every day for up to 2 years. Spanish dependent Hispanics are far less likely to agree on the phone to accepting a meter that tracks where they are than to fill in a diary for a week. Arbitron needs to implement ways to improve initial and on going cooperation rates. Some PPM samples may have enough Hispanics, but are those Hispanics representative of the city being measured? Arbitron does not collect or share enough information about their sample to know if participants are representative. Their goal should be to have the right number of Hispanics and an accurate mix by language use, country of origin, age, sex and working status.

Once a person agrees to be in the panel, they need to provide usable data. The percent of Hispanic persons providing usable data is another quality measure. Panelists need to carry their meter every day. Too many do not do so every day. The activities they engage in may be different on days they remember to carry the meter than on days they do not? Too many young Spanish Dominant panelists are not providing usable data for 10 or more days in a month leading to a bias in the reported radio ratings. The MRC uses the term SPI, Sample Performance Indicator, for measuring the quality of samples. The SPI is the percent of originally selected homes/persons providing usable data on the average day. In NY the PPM SPI is 14 compared to the NY Nielsen LPM SPI of 27.6.

Sample size in PPM is smaller than the diary service which limits the ways the data can be used. PPM may require larger sample sizes in order to provide stability of the data and accurate representation of ethnic populations.

Arbitron's current PPM methodology under represents cell phone only homes. Their target is low and response rates and compliance is lower among those who do agree to be in the panel. As a result they are given large weights which leads to increased bias in the estimates. Cell phone penetration of young Hispanics is higher than among other groups. Weighting cannot adjust for the missing portion of the sample.

Language weighting as implemented by Arbitron is insufficient to adjust for differential response rates among Hispanics. Arbitron only weights for Spanish Dominant non Spanish Dominant with no differentiation by age. The percent of Hispanics who are Spanish Dominant varies by age and even by sex.

Arbitron sets its goals too low. They set an overall standard of 75% of persons 6+ providing usable data and 60% of persons 18-34. That is not acceptable for currency data.

Arbitron must be made to delay making PPM data currency in NY and other markets until they improve the accuracy and reliability of the data. Managing an ongoing panel is not the same as a weekly diary service. The quarterly diary measurement was an average of 12 different weekly samples. In PPM if the sample is not representative, users must live with that sample for months.

These estimates become the currency with which radio is bought and sold. Spanish radio will not continue to exist if our currency is counterfeit.

Statement of Charles M. Warfield,
President & Chief Operating Officer
ICBC Broadcast Holdings, Inc.

Before the

NEW YORK CITY COUNCIL

SEPTEMBER 10, 2008

Good morning Council Speaker Quinn, Chairman Seabrook, Chairman Comrie, Committee members and staff. My name is Charles Warfield and I am the President and Chief Operating Officer of ICBC Broadcast Holdings, Inc., a minority broadcast company that owns and operates 17 radio stations, primarily targeting the African American communities in New York, San Francisco, Jackson, MS and Columbia, SC. WBLS-FM and WLIB-AM, here in New York City are two of our stations.

I thank you for holding this hearing today regarding Resolution No. 1583, calling on the Federal Communications Commission to investigate Arbitron's Personal People Meter (PPM) system and its potential, devastating effect on the diversity of radio broadcasting.

Free-over-the-air radio is dependent on the single revenue stream of commercial advertising. For four decades Arbitron has provided the audience measurement

data upon which the radio industry has based the cost of commercial advertising. In June, despite failing to achieve accreditation from the Media Ratings Council – the independent body responsible for evaluating the accuracy and reliability of audience measurement data – Arbitron announced that it intends to continue the commercialization of its new PPM service.

My comments this morning speak to the threat to minority ownership and any broadcaster committed to serving the Black and Hispanic communities in this country and specifically in New York City. Each year, BILLIONS of advertising dollars are spent in radio based on Arbitron data. Arbitron likes to refer to itself as the preferred provider of ratings data but the reality is that they are a monopoly...the sole provider of audience measurement data for the radio broadcasting industry.

Arbitron has created the PPM methodology. The PPM meter is a device carried by listeners throughout the day that records the individual's exposure to radio broadcasts. Arbitron intends to replace the existing accredited written diary based ratings services with the PPM system in the Top 50 radio markets by 2010. To date, Arbitron has rolled out PPM commercially in the Houston and

Philadelphia markets. Commercial roll-out of PPM in New York, Los Angeles and Chicago is planned for this month.

Arbitron has been denied Media Ratings Council (MRC) accreditation for its Philadelphia and New York sampling methodology, which is scheduled to replace the accredited diary-based service. Arbitron's unaccredited methodology produces unreliable and inaccurate measurement data.

Some of the problems experienced with PPM are:

- Inexplicable variances between the data provided by the PPM and the data provided in the Arbitron diary system
- Lack of MRC accreditation
- Difficulty in recruiting and an inability to maintain the size of the sample panels in the 18-34 demo, particularly African-Americans and Hispanics 18-24
- Disproportionately small sample panels for Minorities

- PPM does not take listener choice into account or engagement with a station, therefore, passive measurement is skewed toward general market stations

Initial results from the PPM system have shown drastic declines in the audiences for stations serving African-American and Hispanic audiences:

In Philadelphia –

- WDAS-FM, previously Philadelphia's top rated radio station, suffered a 44.4% decline in its 12+ Average Quarter Hour ratings vs the immediate preceding diary rating period. More damaging was a 57.1% decline in its primary target demo of Adults 25-54.
- WRNB-FM and WUSL-FM incurred respective losses of 60.0% and 57.1% in 12+ audience.

In Los Angeles –

- KJLH-FM, an urban station owned and operated by Stevie Wonder, suffered an 84% audience decline and a 0.0 rating share. The station's market rank dropped from #20 to #40 in PPM.

In New York –

- WBLS-FM, our Adult Urban Contemporary station here in NYC, had a 50% decline 12+ and a 62.5% decline 25-54
- Spanish-language station, WPAT-FM had a 60.0% decline in 12+ audience
- WRKS-FM, (Kiss FM) had a 43% 12+ decline and a 50% decline in its Adult audience.

In Chicago –

- WGCI-FM, Chicago's #2 station in the Spring Arbitron diary survey, suffered a 67% decline in PPM ratings. The station dropped to #12 in the market.

The continued, unabated roll out of PPM data by Arbitron will result in huge financial losses for radio stations serving the Black and Hispanic audiences and

might even force some stations out of business. For ICBC Broadcast Holding, this is a Civil Rights Issue. This is about survival. The commercialization of flawed ratings data will directly affect the ability of current owners to service debt, repay debt, employee staff and serve the communities we live in and are committed to serve.



Frank Flores
Vice President
Market Manager
September 10, 2008

MI NOMBRE ES FRANK FLORES. SOY EL VICEPRESIDENTE Y GERENTE DE MERCADO PARA SPANISH BROADCASTING SYSTEM EN NUEVA YORK.

SOY EL GERENTE DE WSKQ –“LA MEGA” – 97.9FM Y WPAT 93.1FM “AMOR”, DOS DE LAS MAS EXITOSAS EMISORAS DE RADIO EN ESPAÑOL EN TERMINOS DE AUDIENCIA E INGRESOS AQUÍ EN LOS ESTADOS UNIDOS.

ME ENCUENTRO ANTE USTEDES PARA CONTINUAR MIS ESFUERZOS DE DESCARRILAR EL LANZAMIENTO DE LAS ENCUESTAS PPM DE ARBITRON, PAUTADAS PARA EL MES DE OCTUBRE.

PODRIA HABLAR EN MAGNITUD SOBRE LO QUE YO CREO QUE SON LOS MUCHOS DEFECTOS DE ESTE NUEVO TRATAMIENTO DE ENCUESTAS, PERO SON DEMASIADOS PARA MENCIONARLOS EN EL POCO TIEMPO QUE ME HAN OTORGADO. ADEMAS, EL PROPOSITO DE MI PARTICIPACION AQUÍ NO ES EL DE ABURRIRLOS HASTA EL CONVENCIMIENTO, SINO EL DE PRESTAR ATENCION A OTROS HECHOS Y ASUNTOS QUE TIENEN QUE VER CON ESTE TEMA.

PREFIERO HABLARLES HOY SOBRE LO QUE YO CREO QUE PODRIAN SER LAS CONSECUENCIAS REALES ENVUELTAS AQUÍ, Y SOBRE COMO LAS MISMAS SE MANIFESTARAN EVENTUALMENTE EN UN FUTURO NO MUY LEJANO.

NO IMPORTA LA MANERA EN QUE SE PRESENTE LO QUE TRAE LA BUENA GENTE DE ARBITRON EN EL DIA DE HOY; LA VERDAD REAL ES QUE LAS EMISORAS DE RADIO EN ESPAÑOL, QUE AHORA MISMO LUCHAN SEVERAMENTE POR COMPETIR PARA RECIBIR LOS DOLARES DE PUBLICIDAD EN LA RADIO, SE VAN A TENER QUE ENFRENTAR A MAYORES Y MAS DIFICILES RETOS EN ESTE NUEVO MUNDO.

¿POR QUE? PORQUE NUESTROS INDICES DE AUDIENCIA- QUE ES LO QUE LE VENDEMOS A NUESTROS ANUNCIANTES- SERAN MENORES. ¿CUAN MENORES? ¡MUCHO MENORES! ¿CUANTO? DE UN 50 A UN 60% MENOS! ESO SE TRADUCE EN MENOS INGRESOS TAMBIEN- DE UN 50 A UN 60% MENOS.

ALGUNAS EMISORAS SOBREVIVIRAN- OTRAS NO. LO QUE SIGNIFICA QUE EN UN MERCADO QUE TIENE MAS DE 5 MILLONES DE LATINOS QUE AHORA PUEDEN ESCUCHAR 5 EMISORAS DE RADIO EN ESPAÑOL, AHORA SOLO PODRAN ESCOGER ENTRE QUIZAS 2 O 3. QUIZAS.



Frank Flores
Vice President
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September 10, 2008

LA MATEMATICA SIMPLE DE LOS NEGOCIOS REINARA, Y SOLO SOBREVIVIRAN LOS "MAS FUERTES".

DA MIEDO, ¿VERDAD? Y DA MAS MIEDO SI CONSIDERAMOS LO QUE ESTAS EMISORAS DE RADIO SIGNIFICAN PARA LA COMUNIDAD LATINA. YO SOLO LES PUEDO HABLAR SOBRE LO QUE NUESTRAS EMISORAS HAN HECHO POR LA COMUNIDAD EN AÑOS RECIENTES, PERO ESTOY SEGURO QUE NUESTRA COMPETENCIA TAMBIEN PUEDE PINTAR UN CUADRO SIMILAR EN TERMINOS DE LO QUE ELLOS HAN HECHO.

CONSIDEREN ESTO....SIN LAS EMISORAS DE RADIO EN ESPAÑOL, NO HUBIERAN PODIDO EXISTIR LOS ESFUERZOS DE AYUDA EN TODA LA CIUDAD PARA SOCORRER A LAS VICTIMAS DE LOS HURACANES EN LA REPUBLICA DOMINICANA Y EL ESTADO DE LA FLORIDA- LAS EMISORAS DE RADIO EN ESPAÑOL ESTUVIERON ALLI PARA AYUDAR A ORGANIZAR Y PROMOVER ESTOS ESFUERZOS DE BUENA VOLUNTAD.

¿Y QUE TAL EL BUEN TRABAJO QUE HEMOS HECHO PARA AUMENTAR LA CONCIENTIZACION SOBRE LA DIFICIL SITUACION DE LOS INMIGRANTES AQUÍ EN EL AREA DE NUEVA YORK? DE HECHO, MUCHA GENTE HA SEÑALADO QUE SI NO HUBIERA SIDO POR NUESTROS ESFUERZOS, LA GRAN MARCHA DE LOS INMIGRANTES QUE SE CELEBRA HACE UNOS AÑOS ATRÁS NO HUBIERA TENIDO EL IMPACTO QUE TUVO.

LA RADIO EN ESPAÑOL ESTUVO ALLI, EN EL CENTRO DE TODO, DIRIGIENDO EL CAMINO.

Y COMO ESTAS HAY OTRAS CAUSAS. LA REFORMA DE VIOLENCIA DOMESTICA, REGRESAR A NUESTROS NIÑOS A LA ESCUELA, PROGRAMAS DE TUTORIA EN LAS ESCUELAS, CAMPAÑAS DE REGISTRO PARA EL VOTO, CAMPAÑAS DE CONCIENTIZACION SOBRE EL SIDA, PROGRAMAS PARA ENSEÑAR A LEER...PODRIA SEGUIR MENCIONANDO MUCHAS MAS...Y DURANTE TODO, LAS EMISORAS DE RADIO EN ESPAÑOL ESTUVIERON ALLI ASEGURANDOSE DE DAR EL EJEMPLO.

VERAN, LA REALIDAD ES QUE NOSOTROS NO SOMOS SOLO EMISORAS DE RADIO, SOMOS UNA VIBRANTE EXTENSION DE LA COMUNIDAD A LA CUAL SERVIMOS. Y LA SERVIMOS BIEN...TODOS LOS DIAS. UNA COMUNIDAD QUE MUCHAS VECES HA SIDO FORZADA A SENTARSE EN LA PARTE DE ATRAS DEL BUS...UNA COMUNIDAD QUE CONTINUA CRECIENDO A PASOS AGIGANTADOS Y QUE SE HA DEDICADO INCUESTIONABLEMENTE A LA REALIZACION DEL SUEÑO AMERICANO. UNA COMUNIDAD QUE CONTINUA SUFRIENDO HUMILLACIONES



Frank Flores
Vice President
Market Manager
September 10, 2008

INCONTABLES Y DISCRIMINACION DESCARADA Y SIN MEDIDA, AUN EN EL MUNDO EDUCADO EN QUE VIVIMOS. UNA COMUNIDAD QUE ESTA FUNDADA EN LOS BUENOS VALORES FAMILIARES Y SOLIDAS CREENCIAS RELIGIOSAS. UNA COMUNIDAD QUE SE ENORGULLECE EN SEGUIR UNA BUENA ETICA DE TRABAJO.

ESTAMOS HABLANDO DE QUITARLE ALGO A UNA COMUNIDAD QUE SE MERECE MUCHO MAS. NO, NO ESTAMOS HABLANDO SOLO SOBRE UNA EMISORA DE RADIO...ESTAMOS HABLANDO SOBRE SILENCIAR A TODA UNA COMUNIDAD...Y NOSOTROS NO PODEMOS DEJAR QUE NADIE HAGA ESO...

NI AHORA, NI NUNCA.



Arbitron Inc. Testimony

New York City Council
September 10, 2008



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Hearing Testimony

Presented by Stephen B. Morris,
Chairman, President & CEO
Arbitron Inc



Arbitron New York City Council Testimony: September 10, 2008

Good morning. I'm Steve Morris, and I am the CEO of Arbitron. Seated with me is Bob Patchen, Arbitron's Chief Research Officer.

Thank you for the opportunity to present Arbitron's views on why the Portable People Meter is a superior radio ratings system and how its success is critical to the future of all radio broadcasters, the advertisers who use radio, and its listeners.

Arbitron has great respect and appreciation for the work of the City Council and for the critical and unique role that Black and Hispanic targeted radio plays as a voice for the diverse communities of New York City. For those reasons we are committed to working together with the Council and with minority broadcasters in a voluntary, collaborative and supportive manner.

What we are debating here is change – change of the survey instrument – from a recall-dependent, paper and pencil diary to an electronic, completely passive, objective measurement device.

The industry demanded a more precise and credible measurement tool for radio just as they have for all media.

Paper and pencil diaries are simply not up to the task of reliably recording actual listening behavior in large, complex markets such as New York. And paper and pencil diaries are not up to the critical task of providing New York advertisers with the credible, accountable measures that they demand of radio and of every other advertising medium. The Internet, with more accountable, electronic measures of its audience, is taking ad revenue from radio as radio struggles to compete using diary-based ratings.

What we are not changing is the fundamental, decades-old technique we use to recruit our respondent samples. As with the paper and pencil diary, for PPM we:

- configure samples based on annually updated US census data,
- recruit by telephone, and
- provide larger cash incentives for Blacks, Hispanics and 18-34 year olds of all races and ethnicities.

And while cell-phone only households are not included in the paper and pencil diary method, we do sample cell phone only households in PPM.

As our written submission details, the PPM sample is as representative of the diversity of New York City and of the New York radio market as the diary sample is today.

The roughly 30 percent lower ratings, that we see in PPM versus the paper and pencil diary, are primarily attributable to one key factor: the diary tends to overstate a listener's actual exposure to radio.

Let me show you what I mean:

Here are individual pages from three actual diaries from the New York Spring Survey:

One for an African American female, age 39

One for a Hispanic male, age 24

One for a non-Black, non-Hispanic "Other" male, age 28

What you see are long, uninterrupted blocks of listening. And there are thousands of diaries just like these from New York and other markets across the country.

If we are to take these and other diary pages literally, we would have to believe that no one ever goes to a meeting; no one ever turns down the radio to talk on the phone; and no one ever steps outside for a breath of fresh air.

We would also have to believe that everyone turns the radio on and off at exactly the same time each and every weekday – almost always at the top or the bottom of the hour.

This isn't how real people live their lives. And this isn't how real people use radio. If anyone needs proof, we now have it in the PPM.

It is no surprise that this sort of overstated "heavy listening" is more common with the paper and pencil diary than with the PPM. The PPM can only report what you actually hear...not your perception of what you heard.

Here's another example.

On the left is diary data and on the right is PPM data, from the same person, one year apart. In the diary, this person reports similar radio listening for each weekday. The PPM data show a much more varied picture.

- More stations listened to (6 vs. 4)
- 44 percent more listening occasions (26 vs. 18)
- Each individual occasion is 39 percent shorter (57 minutes vs. 93 minutes)

Here is another example, this time from an African-American respondent. Again, the PPM data show a much more varied view of radio listening.

- Twice as many stations listened to (4 vs. 2)
- More than twice as many episodes (27 vs. 11)
- Each individual episode is 70 percent shorter (83 minutes vs. 281 minutes)

The difference in ratings between the diary and the PPM is not about the sample. It's about how the diary lends itself to overstated listening particularly by loyal listeners. The more loyal the listener, the more likely a diary-keeper will overstate listening. It is the primary driver of the 30 percent overall reduction in audience in PPM versus the diary.

It makes sense that urban and Spanish-language radio stations that spend the majority of their time servicing their local community would develop a special loyalty with their listeners. However, it's not just urban and Spanish-language stations that are impacted by this affinity for a station or a personality. The phenomenon affects all stations and formats in varying degrees.

For example, WABC, a talk radio station that features personalities such as Rush Limbaugh and Sean Hannity, has an audience that is 89 percent comprised of persons who are not African-American or Hispanic. The July 2008 PPM ratings for Persons 25-

54 for WABC are only 40 percent of those reported by the diary. That's a 60 percent reduction.

Let me say that again: For Adults age 25-54, the demographic most sought by advertisers, WABC has less than HALF the audience in PPM than they have in the diary. We see the same sort of large differences for WBBR and for WOR.

In our written submission, we highlight the successes that broadcasters who serve urban and Hispanic audiences are already having using the more reliable and detailed audience estimates that PPM delivers. They are improving their programming; building their audiences and showing their advertisers how effective their formats are in the marketplace. They are succeeding by harnessing the power of PPM. In Houston, our first commercialized PPM market, after initially suffering a ratings decrease, with programming changes the number one and number two stations among listeners twelve years and older are both urban formatted stations owned by Radio One, a majority Black-owned broadcaster.

We have also included exhibits that show how Arbitron is committed to helping the entire radio industry, including urban and Hispanic stations, make a smooth transition to PPM.

We recognize that PPM, like any new technology, can be disruptive. We believe that it is our responsibility to enable the community that uses and is affected by this new and vastly superior technology to make the transition with as little disruption as practicable, yet without sacrificing the progress that PPM represents.

This Council will be asked to vote on a resolution recommending that the FCC launch an investigation into PPM. We believe that would be a mistake. Most importantly, the FCC does not have jurisdiction over our service. Diverting everyone's time and attention to a proceeding on the part of a federal agency that lacks both jurisdiction and specialized knowledge is not the best use of anyone's resources. We should be working constructively with our clients in the radio industry to address specific diary-to-PPM transition issues.

Furthermore, Arbitron adheres to the Voluntary Code of Conduct of the Media Rating Council, which requires three things prior to commercializing a market:

1. a rigorous independent audit of a market
2. a review of that audit by a committee of industry representatives; and
3. a pre-currency period during which customers can prepare for the transition from diary to PPM.

We work tirelessly with the MRC to continually improve the PPM service, just as we have for decades with the diary.

Accreditation is a very difficult and time-consuming standard to achieve. By design of the MRC's Voluntary Code of Conduct, it is not required prior to commercializing a market. The path we have chosen—commercializing in a market and continuing to seek accreditation—is the path chosen, to our knowledge, by the other major audience measurement companies.

As I conclude, let me summarize my main points. These are important and they represent the heart of this whole debate:

- Contrary to what our critics would like you to believe, the PPM respondents are every bit as representative of the diversity of New York and other top markets as the diary is today.
- The fundamental techniques we use to recruit PPM respondents are the same as we use in the diary.
- What drives the difference between PPM ratings and diary ratings is the survey tool, not the sample. PPM collects ACTUAL exposure; the diary “habitual” behavior.
- The paper and pencil diary allows loyal listeners, of any and all formats, to overstate their habitual listening. We can show you thousands upon thousands of such diaries in our research center in Columbia, Maryland.
- Broadcasters of all formats, including urban and Hispanic, who have embraced PPM, have improved their audiences and their standing in the marketplace.
- We are committed to working constructively with our clients in the radio industry to address specific diary-to-PPM transition issues.
- We will continue to strictly adhere to the MRC’s Voluntary Code of Conduct including fulfilling the predicates necessary to commercialize a market, and continuously improving the PPM service.

Thank you for your time and attention to this important issue.



Testimony Exhibits

Diary Page Illustrations

African American Female Age 39

Hispanic Male Age 24

Non Ethnic "Other" Male Age 28

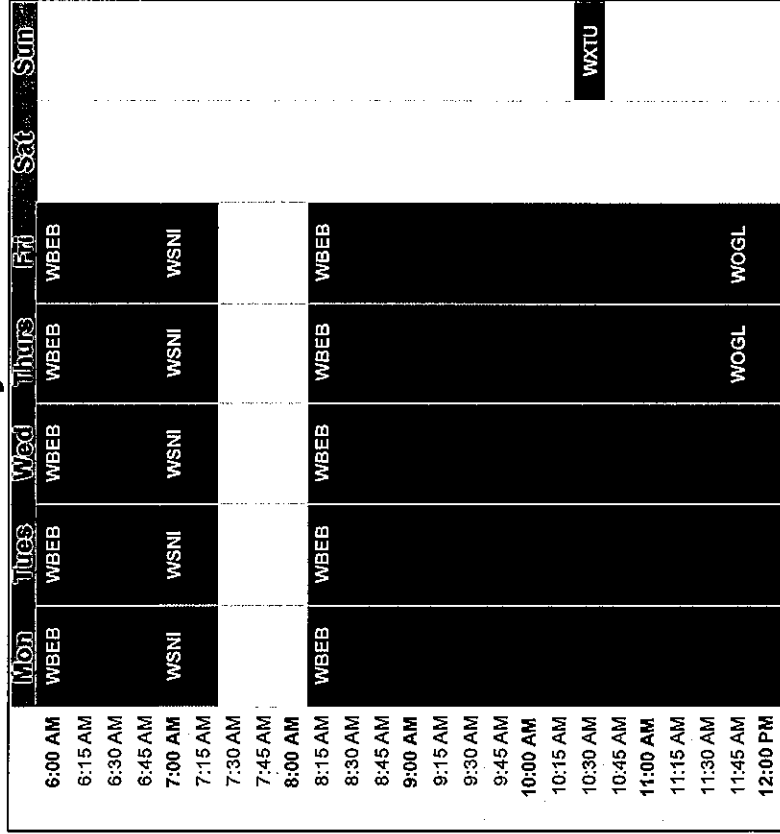
PPM vs. Diary Comparison

Exhibit 2

PPM Captures Actual Listening

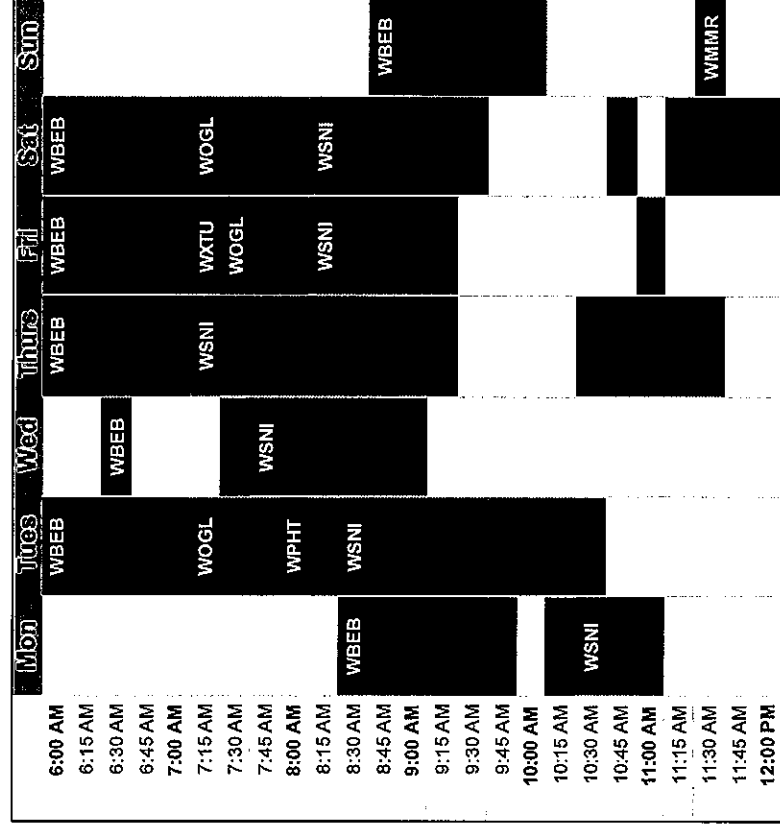
Survey records from same respondent: white male
(one year apart)

Diary



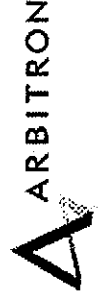
Winter 2004

PPM



Winter 2003

Source: Philadelphia Radio Metro

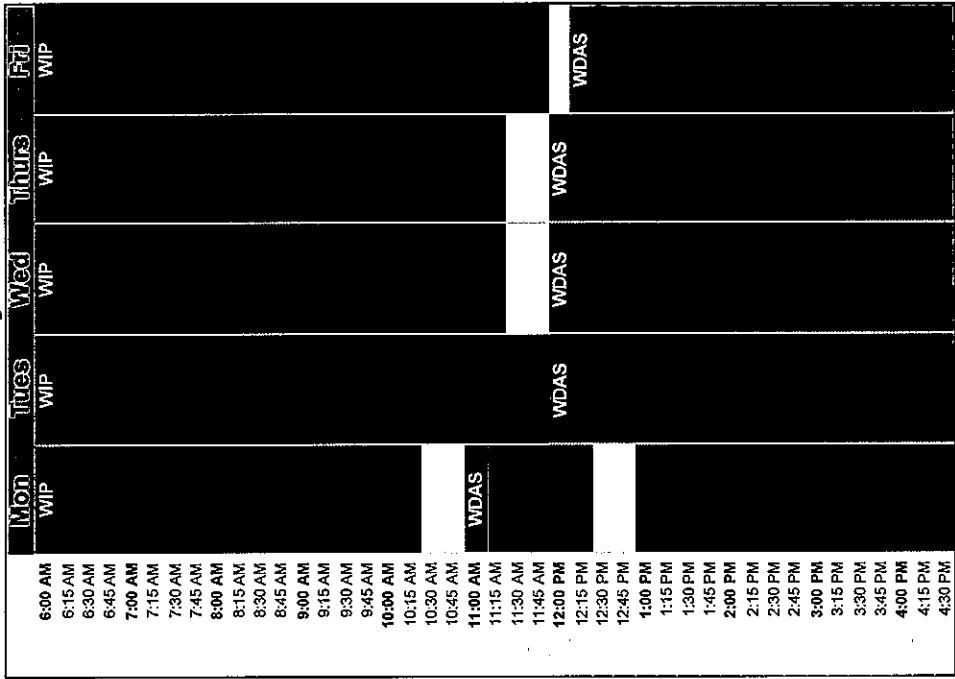


PPM Captures Actual Listening

Survey records from same respondent: black male

(one year apart)

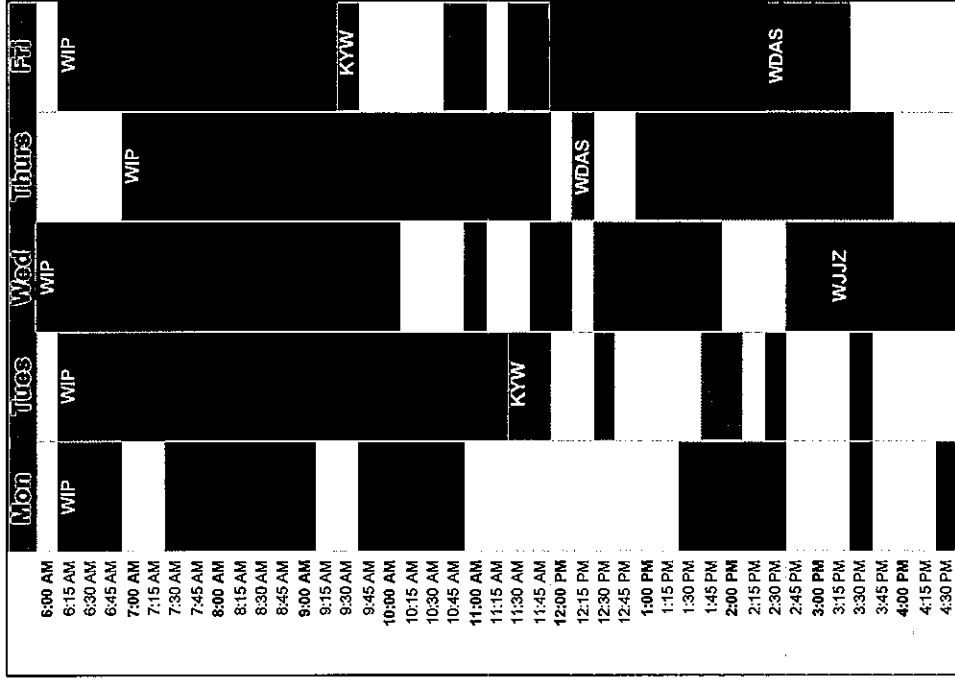
Diary



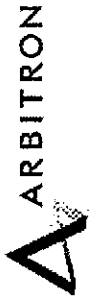
Winter 2004

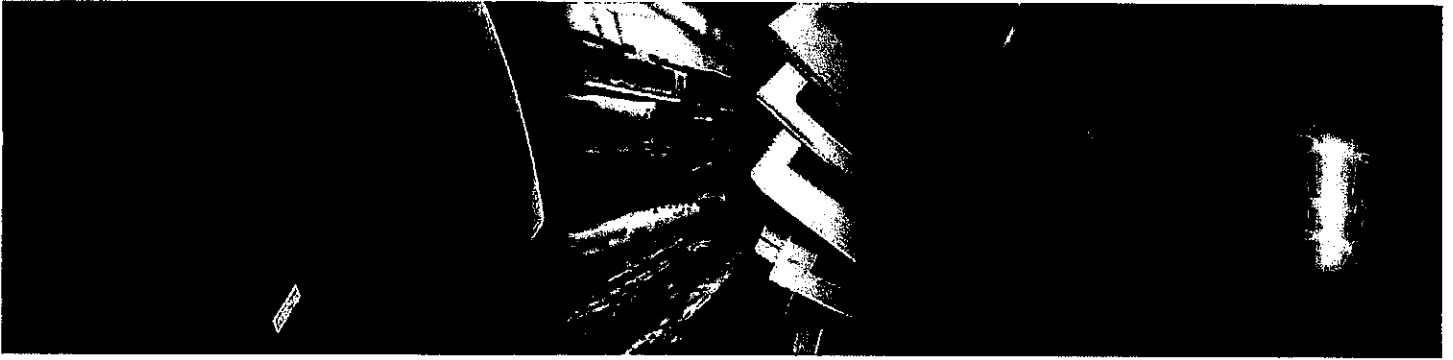
Source: Philadelphia Radio Metro

PPM



Winter 2003





Additional Documentation

Supporting evidence to Statements
made:

- Sample Representation of Diversity
- Success of Broadcasters serving Hispanic
and Urban Audiences
- Station and Agency Outreach Efforts



Spring 2008 New York City Five Boroughs
Diary Sample Performance

Cnty Code	County	State	Persons 12+ Target	Intab	Diary		PPM	
					Intab Target Index	Intab Target Index		
9345	BRONX HDBA	NY	84	84	100		125	
9563	BRONX HDHA	NY	518	468	90		103	
9666	KINGS BALANCE	NY	480	437	91		85	
6798	KINGS HDBA	NY	469	462	98		79	
9667	KINGS HDHA	NY	190	154	81		119	
9521	NEW YORK BALANCE	NY	486	401	83		69	
4349	NEW YORK HDBA	NY	77	86	112		120	
7359	NEW YORK HDHA	NY	216	239	111		149	
8876	QUEENS BALANCE	NY	444	425	96		123	
8877	QUEENS HDBA	NY	191	201	105		95	
7651	QUEENS HDHA	NY	421	414	98		153	
2184	RICHMOND	NY	226	246	109		85	
			3802	3,617	95		104	

Persons 12+ Diary

Race/ Ethnicity	P 12+ Population	Population %	Theoretical Target	Intab	Intab %	DDI	Diary		PPM	
							Proportionality Index	Proportionality Index		
Black	1,640,100	23.8%	903.8	919	25.4%	102	107	109		
Hispanic	1,805,800	26.2%	995.1	898	24.8%	90	95	139		
Other	3,452,600	50.0%	1902.6	1800	49.8%	95	99	83		
Total	6,898,500	100.0%	3801.6	3617	100.0%	95				

Persons 18-24 Diary

Race/ Ethnicity	P 18-24 Population	Population %	Theoretical Target	Intab	Intab %	DDI	Diary		PPM	
							Proportionality Index	Proportionality Index		
Black	182,700	2.6%	100.7	107	3.0%	106	112	102		
Hispanic	251,100	3.6%	138.4	132	3.6%	95	100	129		
Other	300,100	4.4%	165.4	141	3.9%	85	90	93		
Total	733,900	10.6%	404.4	380	10.5%	94				

Persons 18-34 Diary

Race/ Ethnicity	P 18-34 Population	Population %	Theoretical Target	Intab	Intab %	DDI	Diary		PPM	
							Proportionality Index	Proportionality Index		
Black	452,000	6.6%	249.1	248	6.9%	100	105	85		
Hispanic	610,500	8.8%	336.4	317	8.8%	94	99	122		
Other	906,800	13.1%	499.7	336	9.3%	67	71	68		
Total	1,969,300	28.5%	1085.2	901	24.9%	83				

Persons 25-54 Diary

Race/ Ethnicity	P 25-54 Population	Population %	Theoretical Target	Intab	Intab %	DDI	Diary		PPM	
							Proportionality Index	Proportionality Index		
Black	856,000	12.4%	471.7	451	12.5%	96	100	91		
Hispanic	985,600	14.3%	543.1	517	14.3%	95	100	137		
Other	1,821,600	26.4%	1003.8	814	22.5%	81	85	68		
Total	3,663,200	53.1%	2018.7	1782	49.3%	88				

Spring 2008 Unembedded Diary New York Radio Metro*
vs.

July 2008 Unembedded PPM New York Radio Metro**

Sample Performance For Hispanic Persons 12+ (diary) And Hispanic Persons 6+ (PPM)
by Language Dominance

Persons 12+ Diary Spring '08

Race/ Ethnicity	P 12+ Population	Population %	Theoretical Target	Intab	Intab %	DDI	Proportionality Index
Hispanic English Dominant	966,900	9.3%	532.5	474	8.6%	89	92
Hispanic Spanish Dominant	1,580,600	15.3%	870.5	722	13.2%	83	86
Hispanic P12+	2,547,500	24.6%	1402.9	1196	21.8%	85	89
Total Persons 12+	10,350,300		5,700	5,486			

Persons 6+ PPM July '08

Race/ Ethnicity	P 6+ Population	Population %	Theoretical Target	Intab	Intab %	DDI	Proportionality Index
Hispanic English Dominant	1,322,800	10.4%	219.4	320	14.1%	146	136
Hispanic Spanish Dominant	1,690,200	13.3%	280.3	378	16.7%	135	125
Hispanic P12+	3,013,000	23.7%	499.6	698	30.8%	140	130
Total Persons 12+	12,724,000		2,110	2,268			

* Unembedded diary New York Metro: Bergen, NJ; Essex, NJ; Hudson, NJ; Passaic, NJ; Bronx, NY; Kings, NY; New York, NY; Putnam, NY; Queens, NY; Richmond, NY; Rockland, NY; Westchester, NY

** Unembedded PPM New York Metro includes the above counties plus:
Fairfield (SN Split), CT; Monmouth, NJ; and Morris, NJ

Non-Ethnic Station Rating Changes: Diary vs. PPM

New York July 08 PPM vs. Spring 08 Diary			Persons 25-54		
Station	Format	Owner	PPM AQH	Diary AQH	Index
WABC-AM	News Talk Information	Citadel Communications Corp.	11,800	29,800	40
WBBR-AM	All News	Bloomberg Communications, Inc.	2,300	6,100	38
WOR-AM	News Talk Information	Buckley Broadcasting	5,600	11,200	50

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How Jay-Z Became A Pop/Alt Artist

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Ross on Radio »

Blink And It's Back: How Entertainment News Took Over Music Radio

A Tight Race, But We Declare A Summer Song Winner

What's At The Bottom Of The Music Test?

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How Urban Radio Can Compete In a PPM World

Entry by [Sean Ross](#)

When Arbitron PPM for Philadelphia numbers were released to the public in late April, the ratings service was very careful to offer some encouragement for Urban radio--encouragement that most Urban programmers did not find in the numbers themselves.

Under the new methodology, with shares based on 6-plus listening, and with only those encoded stations being measured, the resultant shares for almost every significant commercial FM in the market were higher than they had been under the diary, often sharply. The exceptions were Philly's five African-American targeted FMs. Heritage Urban AC powerhouse WDAS-FM fell to seventh in 25-54 (it has since, reportedly, rebounded to fifth in the April numbers). And yet, the initial Arbitron press release noted that:

- "African-Americans have [the] highest time spent with radio"--12 hours' listening vs. an overall 11.5 hours--"and [the] highest overall persons using radio" levels.
- "There was a "dramatic increase in the composition of the radio audience (persons 18+) who are employed Full Time compared to what was reported by the radio diary." That number went from 60% to 64% overall and from 56% to 69% for Black Persons 18+.
- "Even as individual Cume audiences have increased, radio still maintains its targetability." With all of the above likely to raise the question of whether there was now more forced listening involved,

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Arbitron released AQH audience composition numbers for Urban, Spanish Tropical, and CHR demonstrating, for instance, that only 12% of CHR listening was coming from African-Americans.

How broadcasters reacted to the first data depended varied widely. One anonymous executive told Inside Radio that the PPM results proved that ethnic weighting under the diary system had "failed" broadcasters by over-representing listening to Urban radio. But James Winston of the National Assn. of Black Owned Broadcasters contended that 18-to-24 sample proportionality was low--an issue which improved in the third month--as well as raising the issue of "exposure" vs. "engaged listening." And even Clear Channel's John Hogan recently told Forbes, "I question the way they assemble a panel, I question their ability to accurately reflect black and Hispanic listening."

What hasn't been said in all of this is that, to some extent, what happened in Philadelphia had already been happening to Urban radio, in that market and others, in a diary world. The fragmentation of Urban radio meant that many markets have two Hip-Hop/R&B outlets and two Urban ACs. And in Philadelphia, one can add a Gospel FM, a Rhythmic Top 40 and a Mainstream Top 40 that has long leaned Rhythmic, meaning that the biggest hip-hop hits often get played 200 times a week. Only WDAS-FM regularly emerged from that fray as better than a five-share performer 12-plus.

And the fragmentation of Hip-Hop has been even more noticeable in markets like New York and Los Angeles. Those markets' young-end Urban stations have been hit in recent years by a broad mix of issues: new population estimates, morning show changes, the siphoning of several shares by a new Latin Urban, and a pop resurgence that had made Hip-Hop no longer "the only music that matters" for 12-to-24-year-olds. In addition, New York, like Philly, spent several books without a young-end Rock station, which probably allowed some potential Hip-Hop sharers to wander away from the radio altogether.

Philly, in other words, already represented a perfect storm for its Urban outlets, and it's not hard to imagine similar results when PPM gets to equally fragmented markets like Detroit or St. Louis. Whether you regard the new numbers as defying or finally reflecting reality, it remains a situation that R&B radio has to deal with. And even if the issue here is losing rank, not actual listening, that throws another challenge--educating ad buyers to look beyond rank--on to those that the format already deals with. And already the predictions are coming in that some broadcasters will simply be less interested in the Urban format.

But no broadcaster should throw their hands up because of PPM. And no broadcaster has to. Here are some thoughts on how Urban radio can compete going forward:

- If the name of the game indeed turns out to be exposure and not just preference, Urban radio needs to compete as aggressively as possible to be in front of as many listeners as possible. That might seem difficult in a format where so many midday contest winners still say they're not supposed to be listening to the radio, but whenever an office or retailer is available, Urban should be aggressive in asking for the order. That means doing the same kind of workplace visits and "work force" contesting that every other format does. And if not every person in that office is a potential fan, well, that doesn't stop other formats from showing up.
- Conversely, with Urban radio's largest groups--Radio One, Clear Channel, and Citadel among them --now represented on the Web, R&B radio also needs to make sure its listeners who don't control the radio for the whole office know that they can listen at their desks, rather than have to listen to a co-worker's choice.
- Rather than resign itself to a world with lower Time Spent Listening, Urban radio should campaign relentlessly for as much TSL as possible, with as much recycling as possible. That could be the "nine-two-five" money songs at 9 a.m., 2 p.m., and 5 p.m. It certainly means making sure that listeners to a syndicated morning show hear as much about the programming during the rest of the day as possible.
- Don't give up on younger listeners. Even before PPM, Hip-Hop/R&B radio's place as the center of youth culture--African-American, Latino or white--had been whittled down in many markets. 18-to-34s are certainly hard to sample, but the problem gets worse if they're allowed to stop using radio. And to that end...
- Urban radio has to address some of the problems that were becoming apparent before PPM and be sure that it is still on target for its listeners. After nearly a decade in which Mainstream Urban radio was Hip-Hop radio, the format has settled into a template in many markets that often borders on Urban AC--just as it did in the

early '90s. And while that could conceivably be the right strategy in a world where workplace-friendly formats win, it is hard not to look at the decline in young-end listening and wonder if the 18-to-24s are being pushed away. And in a world where TSL is no longer promised, it also means asking if spotload issues have been addressed as aggressively as they have been by general-market competitors.

Urban radio cannot, in its quest to become competitive in the workplace, stop super-serving its core audience. Even under the new methodology, WDAS-FM still leads Rhythmic Oldies sister WISX by more than two shares. And the records that set those two stations apart are the ones that many listeners beyond the core have never been exposed to--Al Green's "Love & Happiness" or Maze's "Before I Let Go." Taking those records off WDAS-FM would effectively be giving up on the format, too.

But being workplace friendly can manifest itself in other ways. More than a decade ago, I suggested that Top 40 stations thank not only the listener who turned them on in the office, but anybody else who might be discovering the station as a result. And even if you're talking to a roomful of core listeners, people still like to be thanked for listening. And it's never a bad idea to give any listener as much of a user's guide to the station, particularly by front- and back-selling.

Stations like WDAS-FM have been part of the cultural fabric in their market for 40 years. And whatever happens to the station's ratings in a PPM world, it seems unlikely that fewer listeners are going to show up at the station's Unity Day event this summer as a result. But with stations in other formats now benefiting from listening that would have been lost to phantom come in the diary, Urban radio should fight to keep its place at the front-and-center of its best markets and it should do whatever it takes to hold on to that.

Reader Comments

YOUR 2¢, IN CHRONOLOGICAL ORDER — ADD YOUR COMMENT BELOW.

1 **Gary Bernstein** on June 11, 2007 9:43 AM

Brilliant piece!

Gary Bernstein

2 **KJ Carson** on June 15, 2007 2:57 AM

Sean!

You know your s%#! Great stuff!

KJ

3 **Autumn Caviness** on June 28, 2007 2:48 PM

FANTASTIC glimpse into how PPM may shape the Urban World.

What was best about your article? You tendered solutions.

Thank you!

~AUTUMN CAVINESS

4 **Long John** on July 23, 2007 2:45 PM

This is what I'm looking for... solutions. I've been researching the PPM for a while now and I understand the issues... higher cume, lower TLS, more male listening, exposure, ect. But what programming adjustments will need to be made to compete in this new ratings measurement era?

Thanks for the article Sean.

Long John, PD WUHT Birmingham

5 **steve** on November 9, 2007 11:06 PM

I agree that urban aka "black radio stations." need to not give up, but when will they fight? that is the real question and concern here, since the late 80's and into the 90's black or as it's known now urban radio has seemed to have losted it's identity and followed their pop radio counterparts ofcourse in a browner way, but until we as black people really start focusing on the issues that have always plagued urban/black radio over the decades...like ad dollars!!! rating game tricks and uneven playing fields, then we will be fooling ourselves, ppm is not a friend to urban radio nor was the diary system. Let's be real and clear here folks how can a city like philly with a large black population not have atleast wdas being number1 even in the ppm age? hehe ask yourself that question...peace.

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NO <P> TAGS NECESSARY, VALID XHTML IS ALWAYS APPRECIATED.

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<input type="text"/>	Email Address (required)
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SUMMARY OF ARBITRON OUTREACH INITIATIVES

Arbitron is committed to an outreach program that reaches a broad cross-section of constituencies in an effort to promote the value of minority radio and provide a channel of on-going communication. Our commitment includes a combination of our talent and resources, as well as sponsorship and conference participation.

Continued and varied initiatives have been implemented to support outreach efforts:

- Internal Resource Assessment
- External Input Sources
- Client Communications
- Client Education Initiatives
- Advertiser/Industry Outreach Activities
- Industry Association Interaction

Internal Resource Assessment

- Review of the resources led to two important changes:
 - » Hiring of Manager of Multiethnic Advertiser Agency Outreach to focus on targeted efforts in this area.
 - » Restructured resources that “touched” the minority marketplace under a new Office of Multicultural Business Affairs.

External Input Sources

- Hired Equals Three Communications, Inc. to conduct a full review and evaluation of respondent materials in order to provide recommendations for improved programs aimed at continued response and participation by young Hispanic and Black survey respondents.
- Commissioned third party assessment of our minority representation from Arizona State University’s Center for Community Development and Civil Rights and Howard University Johnson School of Communications. Requested input on ways to enhance our methodology and ideas to assist clients in the transition to PPM from the diary.

Client Communications

- Monthly Client Briefings: started at the suggestion of Arbitron's Advisory Council for greater transparency around panel metrics.
<http://www.arbitron.com/downloads/monthlyppmclientupdate.pdf>
- PPM Website: survey schedules, sample targets, and client briefing presentations are made available for download.
http://www.arbitron.com/portable_people_meters/home.htm
- PPM Pre-launch Breakfasts: localized event for clients and non-clients; take place a month or two before the actual pre-currency mode for that market.
- Urban PPM Programmer's Conference took place early in the year; Urban Sales and Hispanic Program Director conferences also scheduled for the Fall.

Client Education Initiatives

- PPM Website provides the PPM Training modules as well as an invitation to sign up for self-paced study.
http://www.arbitron.com/portable_people_meters/ppm_training.htm
- Posting of Hispanic and Black Radio Today on our website readily available for print or download. <http://www.arbitron.com/home/content.stm>
- Development of Urban Radio in a PPM world through consortium of broadcasters and consultancy by Mark O'Neill.
http://www.arbitron.com/study/urban_radio_ppm.asp
- Dissemination of "Hispanic Radio and Urban Radio in a PPM World" presentations in group settings as well as webex seminars.
- On-going one-on-one meetings with clients to walk them through results and the dynamics of PPM.

Advertiser/Industry Outreach Initiatives

Key Advertiser Meetings

- Active program targeted to top 10 leading radio advertisers.
- Presented PPM overview and multicultural implications and capabilities to multicultural initiatives team.

Educational Handouts/Communications

- “Did You Know” one-sheet includes information about Non-Discrimination Provisions in Advertising Sales Contracts, Advertisement of Alcohol Products, and Commercial Time in Children’s Programming.

Key Industry Presentations

- Multicultural Media Expo- Los Angeles, CA, March 11, 2008
 - » Panelist – “How to use radio to effectively reach Black and Hispanic consumers.”
- Target Market News Conference – Chicago, IL, July 1, 2008
 - » Panelist – “New Challenges for Urban Radio: PPM Solutions”

Industry Association Interaction:

- **National Association of Black Owned Broadcasters (NABOB):**
 - » Regular written and detailed sample performance status reports.
 - » Executive meetings every 2-3 months.
 - » Formal meetings have taken place since July 2007.
 - » Spring and Fall conference sponsorship and participation in discussion panels.

- **Association of Hispanic Advertising Agencies (AHAA):**
 - » Participating members in newly formed convergence of agency and broadcaster PPM Advisory group.
 - » Summer Conference participation and support.
 - » Panel formed over the Summer months.

- **Spanish Radio Association (SRA)**
 - » Association formed recently by broadcasters which are involved in a dialogue with Arbitron on a number of issues.
 - » Dialogue commenced over the course of the last couple of months.

- **Minority Media and Telecommunications Council (MMTC)**
 - » Participated in annual Access to Capital conference in July 2008 to discuss PPM service and list to concerns expressed by various attendees.
 - Panel: "Due Diligence and Research"

Minority Media & Telecommunications Council

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**Testimony
of
JOSEPH S. MILLER
Earle K. Moore Fellow
Minority Media and Telecommunications Council**

**Before
The New York City Council**

September 10, 2008

Good morning, Speaker Quinn and Council Members. On behalf of the Minority Media and Telecommunications Council (MMTC), thank you very much for inviting us to testify here today. MMTC is a member of the PPM Coalition, and since 1986 MMTC has been the pre-eminent advocate before the FCC for racial diversity in all electronic media.

My name is Joseph Miller. I am MMTC's Earle K. Moore Fellow and a product of New York City. I grew up listening to radio stations WSKQ and WBLS. Had it not been for La Mega 97.9 and 107.5 WBLS, it would have been a lot more difficult, if not impossible, for me and millions of others to discover artists like Celia Cruz, Mary J. Blige, Tego Calderon, Jerry Rivera, and Luther Vandross, and radio hosts like Juan Carlos Alonso and Steve Harvey. These artists have special value to minorities and non-minorities alike, those who take the subway or bus to work, rather than fight through traffic on the Long Island Expressway and who live in neighborhoods like West 207th St., where, during the sweltering summer months, flavored ice carts sparkle the landscape—not lawn sprinklers.

Before I attended New York Law School, just five-and-a-half blocks north of here, I was employed in the radio broadcasting industry. Over the course of ten years, I worked in five radio stations here in New York City, in all departments, including advertising sales. I have analyzed many an Arbitron ratings book, and I have firsthand knowledge of how crucial ratings are to a radio station's ability to generate revenue, ultimately determining its continued survival.

The implementation of a flawed PPM methodology would be akin to dropping a financial nuclear bomb—what MMTC estimates to be around \$500 million in annual lost revenues— on America's minority radio stations. It would create the greatest loss of asset value in the history of minority radio, and if implemented nationwide would most likely bring about the demise of about half of America's minority owned stations. The cost to the public in lost service, and lost opportunities to receive diverse information, would be huge.

We are all now very familiar with some of the flaws in Arbitron's PPM methodology that make it unconscionable to release in its current state. But why is minority-owned media important? Why can't we just have mass appeal radio stations? There are several reasons:

1. Minority-Owned Media Ownership is Critical For Promoting A Robust Dialogue That Is Reflective Of the Diversity of the Population
2. Minority-Owned Radio Stations Are Key For Ensuring that Minority Consumers Are Able to Make Well-Informed Product Choices
3. Were It Not for Minority-Owned Radio Stations, The Current Sad State Of Broadcast Employment Diversity Would Fare Even Worse
4. All Three Branches Of Government Have Held That Broadcast Diversity Must be Preserved

Minority media ownership is critical for promoting a robust dialogue that is reflective of the diversity of the entire population. Today, over one third of the nation's population owns barely 1% of the equity of the industry most important to democracy. This is unacceptable in a nation in which, a generation from now, minorities are expected to make up more than 50% of the population.

Minority-owned radio stations ensure that minority audiences are able to make well-informed product choices. But PPM's flawed methodology threatens to drive advertising dollars away from minority-owned radio stations—a slap in the face of minority broadcasters. By helping to control advertising budget allocations, Arbitron is as much an ally to advertisers as it is to top ranked radio stations. Many advertisers have used pretextual excuses for not advertising on urban and Spanish- language stations, when the real reason is often that, under the preconceived notion that they will drive away white customers, they do not want to associate their products with people of color. Some of the absurd assertions advertisers have used in their attempts to justify their failure to advertise on urban and Spanish- language radio have been things like, “Black people don't buy yogurt,” “Blacks and Hispanics don't do housecleaning,” or “are not interested in our product,” with no empirical basis for the assertions. As a result, many minority radio listeners do not enjoy the same exposure to the full range of product choices that are available to them. Earlier this year, after 24 years of advocacy by MMTC and others, the FCC adopted a rule banning discrimination in advertising sales and requiring advertising sales contracts to contain a clause stating that neither the advertiser nor the station discriminates against other stations on the basis of the ethnic composition of their audience. Now that this anti-discrimination rule has been enacted, the flawed PPM methodology has arrived as a gift to

discriminating advertisers in need of a pretext to justify decisions not to use Black and Spanish radio.

The continued viability of minority-owned media outlets is not important solely for the purpose of ensuring that minority consumers are well informed of product choices. Minority-owned radio stations are an indispensable training ground for minority broadcasters. Non-minorities have had an enormous head start—by more than a generation—in the broadcasting industry, which affords them a huge competitive advantage in depth of experience, job tenure, and cross-generational entitlements. Many young White college graduates entering broadcasting today can call for help from parents, uncles, aunts and grandparents who entered broadcasting early without facing competition from minorities. These fortunate few, with the advantage of family ties to the beneficiaries of discrimination, today stand first in line for internships and plum jobs. The current state of diversity in broadcast journalism reflects these pervasive effects of past discrimination. According to the Radio-Television News Directors Association, the number of minorities who were radio news employees dropped by 58%—from 14.7% to 6.2%—between 1995 and 2007. Most of the remaining employees were employed at minority-owned stations. MMTC has calculated the percentage of radio news employees at non-minority-owned English language radio stations as statistically zero. Therefore, if we are to ensure equal opportunity for all broadcasting employees, it is critical for minority-owned radio stations to remain viable.

Finally, Congress, the FCC, and the courts have all maintained that broadcast diversity must be preserved. Congress, by amending the Communications Act in 1996 to include Sections 151 (nondiscrimination) and 257 (elimination of market entry barriers) has expressed its desire to promote broadcast diversity. Less than a year ago, at MMTC's urging, the Commission adopted thirteen new regulatory proposals aimed at improving broadcast diversity – including the

Broadcast Advertising Nondiscrimination Rule, which requires broadcasters to include a nondiscrimination clause in their advertising sales contracts. For its part, in 1990 the Supreme Court held, in Metro Broadcasting [497 U.S. 547] that broadcast diversity is an important governmental objective.

In conclusion, it is absolutely critical that we give Arbitron's PPM methodology an appropriate level of scrutiny and skepticism. The stakes are too high. The PPM Coalition does not argue against the need for laser-sharp metrics. It simply requests the prevention of the potentially devastating effects of Arbitron's flawed methodology.

* * * * *

**Testimony
of
JAMES L. WINSTON
Executive Director and General Counsel
of the
NATIONAL ASSOCIATION OF BLACK OWNED BROADCASTERS, INC.**

**Before the
COUNCIL OF THE CITY OF NEW YORK
COMMITTEE ON CIVIL RIGHTS AND COMMITTEE ON CONSUMER AFFAIRS
HEARING RE: RES. NO. 1583
RESOLUTION CALLING ON THE FEDERAL COMMUNICATIONS COMMISSION
TO INVESTIGATE ARBITRON'S PERSONAL PEOPLE METER SYSTEM AND ITS
POTENTIAL EFFECT ON THE DIVERSITY OF RADIO
September 10, 2008**

Good Morning Chairperson Seabrook and Chairperson Comrie and members of the Council. I thank you for convening this hearing today to consider adopting a resolution calling upon the FCC to investigate Arbitron's Personal People Meter (PPM).

Yesterday, the New York Attorney General announced that he has initiated a formal investigation of PPM. With your convening of this hearing, the City and State of New York have demonstrated great leadership in protecting the listening public from the loss of voices for the African American and Hispanic communities. On behalf of NABOB, I thank you for your leadership on this important issue.

NABOB is the only trade association representing the interests of the 245 radio and 13 television stations owned by African Americans across the country. The association was organized in 1976 by African American broadcasters who desired to establish a voice and a viable presence in the industry to increase minority station ownership and to improve the business climate in which these stations operate. Throughout our existence, NABOB has been involved in efforts to promote equality of opportunity in the ownership and control of broadcast facilities among all Americans. We have had many successes over the years. We have seen the number of African American owned broadcast stations grow from 40 radio stations and no television stations to 245 radio stations and 13 television stations.

Today I am here to talk about the greatest threat to the survival of minority owned radio in the United States. Radio stations generate their revenue from the sale of commercial time to advertisers. Advertisers decide which stations to advertise on and how much to pay for that advertising based upon information about the size of a station's audience. That audience measurement information is provided by Arbitron.

Arbitron maintains a monopoly over the business of measuring the audiences of radio stations. The existence of Arbitron's monopoly means that, if radio stations do not subscribe to the Arbitron ratings service, those stations will have no ratings data to present to advertisers who purchase advertising time on radio stations. It also means that, if Arbitron under-measures your

Arbitron ratings service, those stations will have no ratings data to present to advertisers who purchase advertising time on radio stations. It also means that, if Arbitron under-measures your audience, you will be forced to accept lower advertising rates than you deserve, or be bypassed altogether and ignored. In short, radio stations live and die according to the audience ratings and market ranks reported by Arbitron.

It is for this reason that NABOB is asking that the FCC and other government entities investigate Arbitron's PPM audience measurement system. We request these investigations, because it appears that the PPM methodology is critically flawed, and these flaws have resulted in a clear bias against the reporting of minority audiences. Initial results from the PPM measurements have shown such huge rating declines for stations serving Black and Hispanic audiences that the financial survival of these stations will be at stake if Arbitron continues to implement PPM across the nation in the form it has been initially introduced.

When Arbitron first introduced PPM in Houston and Philadelphia, the leading stations serving African American and Hispanic audiences experienced steep ratings declines. NABOB has been meeting with Arbitron for over a year and a half to address deficiencies in the PPM methodology that appear to be causing these declines. However, after nineteen months of discussions, Arbitron has failed to rectify the deficiencies in PPM.

Attached to my testimony is an exhibit which graphically demonstrates the extent of the problem. Arbitron has announced that it will implement PPM as "currency" in four markets beginning October 8, 2008. PPM test data in three of those markets, New York, Chicago and Los Angeles is shown in the exhibit. What the exhibit shows is that virtually all of the stations serving African American and Hispanic communities experienced average quarter hour (AQH) ratings and market rank declines.

In particular, the exhibit shows that 16 out of 17 stations serving African American and Hispanic communities, which were ranked in the top ten in their markets in the diary, experienced significant market rank declines in PPM. On the other hand, the exhibit also shows that every general market station either maintained its diary rank or experienced a market rank increase in PPM. These market rank and ratings declines will have serious financial consequences for the stations serving African American and Hispanic communities if Arbitron is allowed to proceed with the rollout of PPM.

One clear cause of these audience declines is Arbitron's deficiencies in the recruitment, retention and participation of young African Americans and Hispanics in the sample panel, and these deficiencies have resulted in a significant underrepresentation of young African Americans and Hispanics in the PPM panel results. In addition, PPM's attribution of sporadic listening, and the lack of a metric that reflects listener engagement also add to the underrepresentation of minorities in the panel results.

However, it seems clear that there are other not so obvious factors affecting these ratings declines. NABOB suspects that these additional factors have been uncovered in the Media Rating Council ("MRC") accreditation review. The MRC is the industry group that accredits audience

research used in the advertising industry. The MRC was created by the advertising industry in response to a request from Congress.

Arbitron has been denied accreditation by the MRC in both New York and Philadelphia.¹ The failure of Arbitron to obtain MRC accreditation for PPM in Philadelphia and New York is a situation that calls for investigation, because that failure suggests that there are other deficiencies in the methodology that are not yet apparent. NABOB therefore requests that the FCC and other governmental entities investigate the PPM methodology and obtain information on the PPM accreditation process from Arbitron and the MRC.

The MRC's accreditation process is very confidential, and the MRC has provided no public information on its reasons for denying PPM accreditation. However, in an analogous situation, the MRC provided its confidential information to Congress, when Congress investigated Nielsen's electronic audience measurement service.

NABOB requests that the Commission undertake a similar investigation regarding PPM. The issue to be investigated is whether the PPM system is having or will have a detrimental or discriminatory effect upon stations serving minority audiences. This would be a fact finding inquiry, not an effort to assert regulatory jurisdiction over Arbitron or the MRC.

NABOB submits that the FCC and other government entities should ask Arbitron and the MRC to produce: all correspondence, meeting minutes, requests for information, and all other communications between Arbitron and the MRC regarding: (a) the 2007 accreditation process for the Philadelphia and New York PPM methodologies, which resulted in a denial of accreditation, (b) the 2008 accreditation process for the Philadelphia and New York PPM methodologies, which is pending, and (c) all other accreditation applications submitted by Arbitron for the PPM methodology in any other market.

NABOB requests that the FCC and other government entities ask Arbitron and the MRC:

- Why is there such a large discrepancy between the ratings results for radio stations serving African American and Hispanic audiences under the diary methodology versus the PPM methodology?

¹ While Arbitron has received PPM accreditation by the MRC in Houston, the Houston methodology is not being used in any other markets. The Houston PPM methodology was developed by Arbitron and Nielsen, when they were exploring the joint provision of electronic audience ratings data. When the two companies decided not to work together, Arbitron abandoned the Houston methodology and developed the PPM methodology that was denied accreditation in Philadelphia and New York.

- Why has Arbitron consistently failed to reach the targets that Arbitron sets for young African Americans and Hispanics in their survey results?
- What is Arbitron doing to reach its targets for young African American and Hispanic listeners?
- Why is Arbitron unwilling to await Media Rating Council accreditation before making PPM methodology currency in additional markets?
- What is the status of each of Arbitron's accreditation applications for PPM in Philadelphia and New York, and what is the status of any accreditation applications filed for any other markets?
- What objections, problems and concerns has the MRC raised regarding Arbitron's 2007 and 2008 accreditation applications in Philadelphia and New York, and its accreditation applications pending for any other markets?

Conclusion

If Arbitron is allowed to move forward issuing flawed reports on African American and Hispanic audiences, it will result in huge financial losses for the radio stations serving those audiences and might even force some stations out of business. This would be a tremendous loss for the communities that rely on those stations. The stations serving the African American and Hispanic communities are the voices of those communities. They carry the messages of those communities on social, political, economic, health, and all other issues of concern to those communities. Without stations serving them, the African American and Hispanic communities will become even more isolated and ignored by mainstream media than they are already. Therefore, defective ratings information being spread by Arbitron is more than a business crisis for African American and Hispanic station owners; it is a civil rights crisis for all of America.

We at NABOB thank you in advance for considering this request, and we look forward to working with you to investigate and rectify this very serious situation.

Thank you for the opportunity to appear before you today.

Diary vs. Portable People Meter
 Sp' 08 vs. June 2008
 Urban and Hispanic Stations

NY Spring 2008 Diary			June PPM			Variance					
Station	AQH Rtg %	Rank	AQH Rtg %	Rank	%	Station	AQH Rtg %	Rank	Variance		
WSKG	0.5	41	0.4	61	-34%	WVAZ-FM	0.4	31	-34%		
WRKS	0.5	81	0.4	61	-20%	WLEY-FM	0.4	101	-25%		
WOHT	0.8	41	0.4	61	-34%	WONO-FM	0.3	101	-50%		
WHER	0.6	41	0.4	61	-34%	WGCH-FM	0.3	101	-50%		
WELS	0.5	81	0.3	131	-40%	WPRN-FM	0.4	181	-67%		
WPAT-FM	0.5	81	0.3	131	-40%	WFWX-FM	0.4	271	-75%		
WORA	0.2	221	0.2	181	flat	WTVV-FM	0.3	171	-67%		
WLIB-AM	0.2	221	0.1	221	-50%	WCOQ-FM	0.1	291	flat		
WCRU	0.1	251	0.1	221	flat	WGRB-FM	0.1	291	flat		
WADO-AM	0.1	251	0.1	221	flat	WRTA-AM	0.1	291	-100%		
WBGO	0.7	11	0.1	221	-86%	WYCA-FM	0.0	30	flat		
General Market Leaders			General Market Leaders			General Market Leaders			General Market Leaders		
WLTW	0.7	11	0.5	11	-29%	WGN-AM	0.9	11	-72%		
WRTZ	0.7	11	0.5	11	-29%	WDRV	0.4	91	33%		
WCBS-FM	0.5	81	0.5	11	flat	WBBM-AM	0.8	31	flat		
WAKG	0.4	131	0.5	11	25%	WTTX	0.4	91	20%		
WABC-AM	0.5	81	0.5	11	flat	WJUN	0.4	91	20%		

Chicago Spring 2008 Diary			June PPM			Variance					
Station	AQH Rtg %	Rank	AQH Rtg %	Rank	%	Station	AQH Rtg %	Rank	Variance		
KLVE-FM	0.8	1	0.7	21	-12%	KLVE-FM	0.8	1	-12%		
KSCA-FM	0.7	21	0.5	51	-40%	KSCA-FM	0.7	21	-40%		
KRCD-FM	0.5	71	0.3	91	-40%	KRCD-FM	0.5	71	-40%		
KLAX-FM	0.5	71	0.3	91	-40%	KLAX-FM	0.5	71	-40%		
KGUE-FM	0.5	71	0.3	91	-40%	KGUE-FM	0.5	71	-40%		
KSSE-FM	0.2	221	0.2	201	flat	KSSE-FM	0.2	221	flat		
KLYY-FM	0.1	291	0.2	201	50%	KLYY-FM	0.1	291	50%		
KRLZ-AM	0.2	221	0.1	271	-50%	KRLZ-AM	0.2	221	-50%		
KRIZ-FM	0.1	271	0.1	271	flat	KRIZ-FM	0.1	271	flat		
KTNQ-AM	0.2	221	0.0	421	-100%	KTNQ-AM	0.2	221	-100%		
KULH-FM	0.2	221	0.0	421	-100%	KULH-FM	0.2	221	-100%		
KLTW-AM	0.1	291	0.0	441	-100%	KLTW-AM	0.1	291	-100%		
General Market Leaders			General Market Leaders			General Market Leaders			General Market Leaders		
KIIS	0.7	21	0.6	1	-12%	KIIS	0.7	21	-12%		
KFV-AM	0.5	41	0.5	2	-16%	KFV-AM	0.5	41	-16%		
KRTH	0.5	71	0.4	81	-20%	KRTH	0.5	71	-20%		
KOST	0.6	41	0.4	31	-36%	KOST	0.6	41	-36%		
KRCQ	0.5	71	0.4	31	-36%	KRCQ	0.5	71	-36%		

Sources: Arbitron NY, Chicago, Los Angeles Spring 2008 Diary vs. June PPM data; P12; N-S 6a-12m

TESTIMONY

José Calderón
Vice President,
Policy and Programs
Hispanic Federation

Before the New York City Council,
Committees on Civil Rights and Consumer Affairs
Council Chambers, City Hall
Wednesday, September 10, 2008

**Hearing: Resolution calling the Federal Communications
Commission to investigate Arbitron's Personal People Meter system
and its potential effect on diversity of radio**

Good morning, members of the New York City Council, guests and friends. Thank you for the opportunity to testify before this body today on a matter of grave importance to the Latino community.

My name is José Calderón and I am Vice President of the Hispanic Federation, a non-profit membership association of more than 100 charitable organizations serving Latinos in the New York Metropolitan Area. I join you this morning because the Hispanic Federation and its member agencies are profoundly concerned over proposed changes to the radio ratings system established by Arbitron, Inc.

You will no doubt hear today from experts who will raise serious questions regarding the methodological underpinnings and technological shortcomings of Arbitron's new and much-celebrated Personal People Meter system. You will also hear today about the devastating impact that roll-out of the PPM, as it is now constituted, will have on the Spanish-language broadcasting community not just in the New York Metropolitan Area but throughout the country.

I am here however to address an issue that may not catch headlines and may not be of import to statisticians but is very important to you as representatives of the people of the City of New York. I am here to tell you that if the proposed roll-out of the PPM continues as planned, Latinos living in many of the neighborhoods that many of you represent will be deprived of perhaps the single greatest source for information on health, education and public affairs that we have at our disposal. I am here to tell you that in our neighborhoods the stakes of this fight could not be any higher.

Each week the Hispanic Federation produces four, one-half-hour segments for the Spanish Broadcasting System stations here in New York. Our programs are

heard in Northern Manhattan and the South Bronx, in Bridgeport and Dover. Every Sunday, listeners tune-in to episodes of Linea Informativa on La Mega and Amor and Dialogando on La Kalle. These shows cover a full spectrum of issues ranging from immigration matters and health and fitness to domestic violence prevention and navigating the public school system. The shows are popular not just among listeners but among our member agencies, many of which lack the resources to get the word out about the important work they do on behalf of our community. Put simply, our radio programs are a vital link to our community and without them we would be unable to accomplish our mission of "promoting the social, political and economic well-being of the Latino community."

We at the Hispanic Federation are not alone in understanding the importance and reach of Spanish-language radio. Data from a number of projects—including a national campaign to increase booster seat usage among Latinos to a regional initiative in Arizona to increase awareness of childhood dental health among Latina mothers—show that radio is one of the most powerful tools available to reach Latinos in the United States.

We believe that this vital link would be jeopardized if the Spanish-language radio stations that are our partners in this endeavor were undermined by the ratings system now being peddled by Arbitron. We fear that in the face of diminished advertising revenues that Spanish-language radio would return to the days—and I remember them well—when the Spanish voices coming over the airwaves were difficult if not impossible to find. This would force a fundamental reorganization of Spanish-language radio programming and would, we are certain, compromise our access to the communities we work day and night to help.

By way of conclusion, let me add that as an organization whose staff, member agencies, and clients are in the communities most dependent on Spanish-language radio, I find it difficult to believe and accept the fall-off in radio listenership for Spanish language radio shown by pre-currency PPM data. I know that statisticians are loathe to accommodate anecdotal information into their equations but anyone walking along Dyckman Street or Graham Avenue or the Grand Concourse knows that New York is becoming more bilingual, not less, more Latino, not less. I invite the good people at Arbitron to come with us to visit the day care facilities and senior centers and job training programs run by our agencies and filled to capacity with the very people Arbitron now says have disappeared from the New York Metro Area's community of radio listeners. Arbitron's numbers may not lie but we at the Hispanic Federation know they don't tell the whole truth.

Thank you.

**Testimony
of
JAMES L. WINSTON
Executive Director and General Counsel
of the
NATIONAL ASSOCIATION OF BLACK OWNED BROADCASTERS, INC.**

**Before the
COUNCIL OF THE CITY OF NEW YORK
COMMITTEE ON CIVIL RIGHTS AND COMMITTEE ON CONSUMER AFFAIRS
HEARING RE: RES. NO. 1583
RESOLUTION CALLING ON THE FEDERAL COMMUNICATIONS COMMISSION
TO INVESTIGATE ARBITRON'S PERSONAL PEOPLE METER SYSTEM AND ITS
POTENTIAL EFFECT ON THE DIVERSITY OF RADIO
September 10, 2008**

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Attached to my testimony is an exhibit which graphically demonstrates the extent of the problem. Arbitron has announced that it will implement PPM as "currency" in four markets beginning October 8, 2008. PPM test data in three of those markets, New York, Chicago and Los Angeles is shown in the exhibit. What the exhibit shows is that virtually all of the stations serving African American and Hispanic communities experienced average quarter hour (AQH) ratings and market rank declines.

In particular, the exhibit shows that 16 out of 17 stations serving African American and Hispanic communities, which were ranked in the top ten in their markets in the diary, experienced significant market rank declines in PPM. On the other hand, the exhibit also shows that every general market station either maintained its diary rank or experienced a market rank increase in PPM. These market rank and ratings declines will have serious financial consequences for the stations serving African American and Hispanic communities if Arbitron is allowed to proceed with the rollout of PPM.

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Conclusion

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