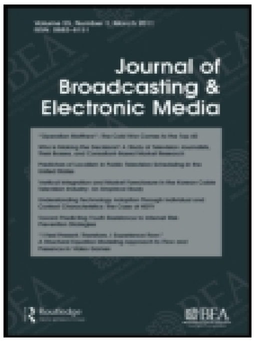

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Local TV News Content & Shared Services Agreements: The Honolulu Case

Danilo Yanich

In 2009 3 of the 5 stations in Honolulu that deliver a daily newscast entered into a Shared Services Agreement (SSA). A community group, Media Council Hawaii, filed a formal complaint with the FCC to stop the arrangement. This research is a content analysis of the broadcasts of the stations before and after the SSA went into effect. What differences, if any, occurred in content and the distribution of stories among the SSA stations, among the SSA stations as compared to the non-SSA stations and among the non-SSA stations across those time periods?

Local television news remains the critical news source of information about their localities for the American public. Even in the age of the Internet, almost eight of ten Americans get their news from a local television station (Waldman, 2011). The Pew Research Center for the People and the Press found that almost two-thirds of the public identified local television news as their dominant local news source, significantly more than any other source (Pew, 2009). Indeed, the Federal Communications Commission's seminal study of the information needs of communities concluded that, "In many ways, local TV news is more important than ever" (Waldman, 2011, p. 13).

According to the Federal Communications Commission (FCC) there were 1,130 commercial television stations with 450 owners in 1996. In 2010, there were 1,302 commercial television stations and 303 owners, representing a 33% drop in the number of owners (Federal Communications Commission, 2010). In addition, the FCC reports that there are 175 television station duopolies, which include owners with "attributable local marketing agreements" in the 210 Nielsen television markets (FCC, 2010, p. 3). These local marketing agreements (variously known as shared services agreements or joint service agreements) are arrangements among stations in the same television market in which they share newsgathering resources, video, and/or marketing and management activities. Although the earliest of these arrangements date as far back as 2000, in the midst of national and global economic instability, increasing numbers of local television news stations have signed these

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agreements. Purportedly, these agreements are expected to help relieve some of the economic burdens that are shouldered by local stations in gathering and presenting news content or other activities. It is uncertain what impact these agreements will have on the overall content of local news in markets with stations that have adopted this practice.

The movement toward joint/shared/managing service agreements will undoubtedly continue. There are economic incentives for such endeavors, even though there may be difficult organizational consequences within the cultures of the stations that are party to the agreement (Rapozo-Davis & Avanzino, 2003). In fact, the Coalition of Smaller-Market Television Stations filed an ex parte comment with the FCC and met with FCC staffers in December 2011 to press the case for the need for shared services agreements and other arrangements (Eggerton, 2011). The record shows that these arrangements have invariably resulted in a loss of jobs in, at least, one of the stations involved in the agreement.

One factor that may help explain the movement toward joint service agreements may be the debt that many television owners face. Despite positive revenue reports, ''local television stations remain less than attractive take-over targets'' due to the ''enormous debt that many station owners took on when they purchased properties in boom times'' (Pew, 2011). Specifically, in 2010, only about six full-power stations were sold as the debt decreased stations' market value. ''Instead of outright sales, more stations entered into joint and/or shared services agreements with former competitors'' (Pew, 2011).

Another factor that makes joint service agreements (rather than purchase) a reasonable economic strategy from the media firms' perspective is the continuing uncertainty about media ownership rules that have been under review by the FCC. The 2010 proceeding had been postponed and on December 22, 2011 the FCC finally released a Notice of Proposed Rulemaking (NPRM) that indicated, among other things, that it would look more closely at service agreements:

> Instead of focusing on attributing certain named agreements (e.g., JSAs, LMAs, SSAs, LNS agreements) as we have in the past, should we adopt a broader regulatory scheme that encompasses all agreements, however styled, that relate to programming and/or operation of broadcast stations? (Federal Communications Commission, 2011b)

There is an argument that the media landscape has changed drastically with more diverse ways to acquire news in local places, which is true. But, even within that landscape, a recent survey by Frank N. Magid Associates (2010) confirms that local television news remains the most engaging source of information for citizens. Over half of the public (55%) reported that it was the most preferred medium for news and political information. Its nearest competitor is Web sites/Internet at only about one-fifth of respondents. Further, after news on search engines, local television news Web sites were the most frequently used source of news (Magid, 2010).

Magid's findings were important because local news is, by far, the most profitable type of programming for local stations, accounting for 44% of the stations' profits

(Pew, 2010). The Pew report goes on to state that the proportion of stations' profits from newscasts is ''increasingly significant'' when considering that the average television station broadcasts an average of just over 4.5 hours of news per day. The remaining broadcast day—more than 19 hours—accounts for the other 56% of profits (Pew, 2010). The Pew report concludes that, ''local news continues to play a critical role in local TV financing'' (Pew, 2010). All this is to confirm the place that local television news holds in the calculus of media owners who recognize the value of the franchise.

In 2008 and 2009, local television stations were as affected by the economic crisis as other sectors of the economy (Pew, 2009, 2010). We should not underestimate the difficulties that faced the industry. For example, stations in markets 51–100 (Honolulu is number 71) saw an average station revenue drop of 13% between 2007 and 2008 (Pew, 2010). In contrast, 2010 saw a significant increase in media firms' revenues. Out of the $3 billion that was spent on political advertising in that year, $2.4 billion went directly to television stations (Miller & Jessell, 2010).

Further, television broadcasting revenue increased 17% to $18.5 billion from 2009 to 2010. Of course, the fortunes of the media industry were sufficiently depressed in 2009 that the gains in 2010 must be seen in that context. However, there are forecasts that the fortunes of local television will realize single digit increases over the 2010 revenues (Malone, 2011).

By any measure, the shared services agreements that have been concluded among the owners of television stations in the same market change the operation of the stations that are part of the agreement. That is their intended goal. Aspects of the stations—news, marketing, advertising, etc.—are shared among the parties to achieve economies of scale in the operation of the stations. The FCC regulates the broadcast industry based on three principles: diversity, competition, and localism. The implementation of the shared service agreements has implications for each of the fundamental principles. This research is an examination of the news programming outcomes of such an arrangement in one market and it speaks to the issues of market structure raised by the FCC.

Television Markets and Local News

The availability of information about public issues has significant consequences in localities and there is an expectation by the public that information about public issues will be available to them through their local media. There was a strong relationship between community integration and local media such that the ''use of local news in newspapers was a somewhat better predictor of community knowledge and participation but local television news had a decided edge in local political interest'' (McLeod et al., 1996, p. 203). Further, when that information is lacking or there are gaps in access to that information, voter turnout may decrease (Filla & Johnson, 2006). In fact, there is substantial evidence that demonstrates the importance of local news content to local political and economic outcomes (George & Waldfogel, 2003; Stromberg, 2004). Gentzkow (2006), however, presents an argument that television has decreased voter turnout over time.

The production of news, either electronic or print, is subject to a calculus that treats information as a commodity (Adilov, Alexander & Brown, 2006; Hamilton, 2004) and that treatment has an effect on the nature of news and public affairs programming in local places (Yan & Napoli, 2004; Yan & Park, 2005).

The Honolulu Television Market

The FCC does not have a definitive list of the stations that have entered into Shared Services Agreements (for purposes of this article, I include local marketing agreements and joint services agreements under this term). Therefore, there is not a definitive list of the Designated Market Areas (DMA) where the phenomenon is present. Our own efforts have identified, at least, 45 DMAs in which these agreements are operative. However, the American Cable Association (ACA) identifies ownership arrangements of 36 instances in 34 DMAs of common ownership of multiple Big 4 affiliates in the same market. Further, ACA identifies 57 instances of common control of stations in 53 DMAs (American Cable Association, 2010).

One television market in which a shared services agreement is operative is Honolulu, Hawaii. As of the 2009–2010 television season, the Honolulu television market consisted of 433,240 television households and it was ranked number 71 out of the 210 television markets (DMAs) in the United States as determined by Nielsen Media Research.[1] There are five stations in the market that deliver daily locally produced news broadcasts: KFVE (MyNetworkTV), KHNL (NBC), KGMB (CBS), KHON (Fox) and KITV (ABC). On August 18, 2009, Raycom Media, owner of KHNL and KFVE, and MCG Capital Corporation, owner of KGMB, announced the establishment of a Shared Service Agreement (SSA) under which the two companies would combine the three stations (KFVE, KHNL & KGMB) to "creatively and successfully address the impact of the negative economy and to secure the future of all three television stations in Hawaii" (tvnewscheck.com, 2009). Paul McTear, president-CEO of Raycom Media further articulated the economic reasons for the action:

> The purpose of the shared services agreement is to not only secure the future of KHNL, KFIVE and KGMB, but to operate them more efficiently and effectively without diminishing the quality of news and other programming provided to our customers in Hawaii. We realize there may be other financial and business options available, and while we are certainly open to discussing these with any interested party, the economic reality is that this market cannot support five traditionally separated television stations, all with duplicated costs. Rather than experiencing the loss of one, or possibly two stations in Hawaii, we intend to preserve three stations that provide important and valuable local, national and international programming in Hawaii. (tvnewscheck.com, 2009)

Under the agreement, non-news programming remained in place, but the news operations of two (KGMB & KHNL) of the three SSA stations were combined under one banner, Hawaii News Now. The news operation began broadcasting on October 26, 2009. KHNL and KGMB jointly produce a simulcast of their newscasts on weekday mornings between 5 a.m. and 7 a.m., and weeknights from 5:00 p.m. to 5:30 p.m., and 10:00 p.m. to 10:30 p.m. Therefore, three hours of the exact same daily news appears on the stations each weekday. KFVE produces a 6:30 p.m. and 9:00 p.m. newscast. The news operations of all three stations are housed in the same building.

KGMB has consistently achieved significantly higher ratings than its simulcast partner, KHNL. According to Nielsen Media Research, in November 2010, the performance for KGMB's 10:00 p.m. newscast was a 10 rating with a 25 share.[2] At the same time, the numbers for KHNL were a 3 rating and an 8 share (Engle, 2010). That pattern was consistent with the performance of the stations in November 2009 (9/22 for KGMB and 3/7 for KHNL). Officials at Nielsen Media have given the Hawaii News Now operation permission to combine the ratings of KGMB and KHNL to determine its audience share. With that logic, the managers of Hawaii News Now claim to be the ratings leader in the market.

KHON is the Fox affiliate in the Honolulu DMA and it signed on the air in 1952. The station is owned by New Vision Television with bases in Los Angeles, California and Atlanta, Georgia. The company owns fourteen major network affiliates and it operates three other stations in Birmingham, Alabama; Youngstown, Ohio; and Mason City, Iowa under joint sales and shared services agreements. The company filed for bankruptcy on July 13, 2009, underwent a re-structuring of its debt, and emerged 80 days later on September 30, 2009 with agreements with all its debt holders (New Vision Television, 2009). According to Nielsen Media Research, its 6:00 p.m. flagship evening newscast is a consistent ratings leader in the market, achieving a 12 rating and a 27 share in November 2009 and maintaining that performance in November 2010 with a 12 rating and a 28 share (Engle, 2010).

KITV is the ABC affiliate in the Honolulu DMA and it signed on the air in 1954. KITV is owned by Hearst Television, Inc., based in New York City. Hearst owns 26 television stations and manages three others across 26 DMAs. It also manages two radio stations in Baltimore, MD. The company holds duopolies in the Orlando, FL and Sacramento, CA television markets and owns one station and manages another in the Kansas City, MO market (Hearst Television, 2010). Its third-place performance in the ratings has been relatively consistent. According to Nielsen Media Research, its 6:00 p.m. evening newscast achieved a 6 rating and a 13 share in November 2009 but the station saw performance slip slightly in November 2010 with a 5 rating and an 11 share (Engle, 2010).

In addition to the implementation of the Shared Services Agreement, in October 2009, the Honolulu market experienced another change in its media system when the Honolulu Advertiser was sold to the Honolulu Star-Bulletin in May 2010 (with the loss of 300 jobs). The sale made Honolulu a one-newspaper city (open.salon.com, 2010). As a result, the market's media landscape has undergone significant changes in a relatively short time.

Media Council Hawaii

A local, non-profit organization Media Council Hawaii (MCH) officially challenged the Shared Services Agreement announced by Raycom and MCG Capital. Founded in 1970, MCH, represented by the Institute for Public Representation at the Georgetown University Law Center, filed a complaint and request for relief with the FCC on October 7, 2009. MCH's filing is the only formal challenge that the FCC has received from a community group in any of the television markets in which Shared Service Agreements are in effect.

In its filing, Media Council Hawaii contended that the Shared Services Agreement between Raycom and MCG Capital would result in "an unauthorized transfer of control in contravention of the Communications Act and FCC rules" (Campbell, 2009, p. 1). Further, MCH stated that these actions,

> would harm the members of Media Council Hawaii and the general public by reducing the number of independent voices providing local news from four to three, and by substantially reducing competition in the provision of local news and the sale of advertising time. (Campbell, 2009, p. 2)

On November 25, 2011 the Media Bureau of the FCC ruled against Media Council Hawaii and rejected its complaint against Raycom (Federal Communications Commission, 2011a). However, it made its ruling on the technical question regarding whether Raycom acquired control of a new license and it added the caveat that, "further action on our part is warranted with respect to this and analogous cases . . . whether the actions taken by the licensees in this case, or analogous actions by other licensees, are consistent with the public interest" (Federal Communications Commission, 2011a, p. 6).

Method

The basic goal of this research was to examine the content of the local television newscasts in the Honolulu DMA before and after the implementation of the Shared Services Agreement. Specifically, the research question focused on the stories that were broadcast on the five stations in the market that regularly delivered a daily newscast. Before and after the implementation of the Shared Service Agreement, what was the distribution of stories across: (1) the SSA stations combined; (2) the SSA stations individually; (3) the non-SSA stations combined; (4) the non-SSA stations individually? What differences, if any, occurred in the distribution of stories among the stations across the two time periods?

Methodology

The methodology for this research was content analysis (Riffe, Lacey, & Fico, 2005). It is a method that produces a systematic and objective description of information content. The analytical method used in this research was the Chi-square measure of association. Content analysis has been used extensively over time to examine local television news (Alexander & Brown, 2004; Atwater, 1986; Chermak, 1995; Gilliam & Iyengar, 2000; Graber, 1980; Miller, 1998).

The Sample of Stations

The stations whose broadcasts were included in this research comprised all of the stations in the Honolulu DMA that regularly delivered a daily newscast to the viewers. They were: KFVE, KHNL, KGMB, KHON and KITV.

The Sample of Broadcasts

The sample of broadcasts for this research consisted of a constructed week of broadcasts before and after the implementation of the shared service agreement on October 26, 2009. A constructed week consisted of the newscasts of a particular day gathered over an extended period of time. For example, the Monday of the first week was included in the sample. The Tuesday broadcast of the second week was part of the data, and so on until the broadcast week was constructed. I limited the broadcast week to Monday through Friday to eliminate the possibility of weekend sporting events that might have pre-empted newscasts. The purpose of acquiring broadcasts for a constructed week, rather than one week of consecutive days, was to limit the possibility that one story would dominate the newscasts over that short period. For example, the tragic shootings at Virginia Tech University in April 2007 took over the local newscasts for a substantial period, as we might expect. The constructed week offers a more representative group of broadcasts.

The dates for the beginning of the constructed weeks for each period were randomly determined. For the period before the implementation of the SSA, that day was Monday, May 4, 2009. Therefore, the broadcasts that were included in this period were Tuesday, May 12; Wednesday, May 20; Thursday, May 28; and Friday, June 5. For the period after the SSA implementation, the randomly drawn start date was Monday, February 3, 2010. Consequently, the remaining dates were Tuesday, February 11; Wednesday, February 19; Thursday, February 22; and Friday, March 2. Using this approach, the sample consisted of fifty broadcasts, half of which occurred over a 5-week period before the SSA implementation and half of which occurred over a 5-week period after the implementation of the SSA.

The broadcasts for this research were obtained from the archives of Dateline Media, a media monitoring firm, in Honolulu. Given the schedule of the stations, the 6 PM broadcasts of KHON and KITV, the 10:00 p.m. broadcasts of KGMB and

KHNL and the 9:00 p.m. broadcast of KFVE were included in the sample. Dateline Media provided DVDs with the sample broadcasts to the Local Television News Media Project at the University of Delaware for coding by two doctoral students.[3]

Unit of Observation

The unit of observation for this research was the individual stories that appeared on the broadcasts. The coding revealed a total of 711 separate stories that were broadcast across the stations, excluding sports and weather segments. The distribution of stories across the five stations was: KFVE = 134; KGMB = 191; KHNL = 169; KHON = 109; KITV = 108. There were 324 stories broadcast in the pre-SSA period and 387 stories were broadcast post-SSA. The professional literature regarding the construction of a newscast recognizes that the sports and weather segments are structural features of the broadcast (Donald & Spann, 2000; Jones, 2004). They are always included in the newscast and, as a result, they are not subject to the news selection calculus that is applied to all other stories. They are always ''in'' the broadcast. And, even within the segments, the ''in-or-out'' decision model is less stark than that with the general news outside of the segments. In general, the sports segments on local television news deal with the day's scores or activities of whatever sport is in season and not with in-depth sports reporting. The stories were distilled from the broadcast units that were presented. Including the stories (n = 711), the station promotions (n = 297), commercials (n = 177), weather segments (n = 62) and sports segments (n = 48), accounted for 1295 broadcast units among the newscasts.

Even though the sports and weather segments were not included in the sample of stories, sports and weather stories that were presented outside of those segments were coded as news. For example, a story regarding the effects of flooding that was broadcast outside of the weather segment was coded as a news story. Likewise, a sports story concerning the level of steroid use in professional baseball that was presented outside of the sports segment would also be coded as a news story.

Distribution of Individual Stories, Pre/Post SSA

In order to examine the possible effect of the implementation of the Shared Services Agreement, I analyzed the distribution of each specific story across the stations. That is, on how many stations did a story appear on the same day? There were many possibilities, from only one station to all five stations, with a myriad of combinations in between. I looked at every combination that appeared in the data. The specific distributions that revealed themselves were: (1) stories that appeared only on the non-SSA stations either individually or in combination of non-SSA stations (n = 100); (2) stories that appeared only on the SSA stations individually (n = 72); (3) stories that appeared only on a combination of SSA stations (n = 233);

and (4) stories that appeared only on a combination of SSA stations and non-SSA stations (n = 306).

The findings are organized to indicate the distribution of the stories as they were broadcast by the stations. Each story (N = 711) is counted only once in this analysis and it is categorized by the number and type of station(s) on which it appeared. For example, the stories that were categorized as having been broadcast only on the SSA stations individually appeared either on only KFVE, only KHNL, or only KGMB and nowhere else. Likewise, the stories that were reported only on a combination of the SSA stations were broadcast on two or more of the SSA stations, and nowhere else. In this manner, it was possible to determine the extent to which, if at all, stories appeared on multiple stations, before and after the implementation of the Shared Services Agreement and within which station group as defined by the SSA and non-SSA stations. The graphs that follow indicate the findings for each of the specific distributions across the stations.

Non-SSA Stations, KHON & KITV

The stations that were not part of the Shared Services Agreement broadcast 100 of the 711 stories that were part of the database, 52 pre-SSA, and 48 post-SSA. The distribution of the stories across the stations was virtually the same in the pre- and post-SSA periods (Figure 1). In terms of the separate stories that each station broadcast, they seemingly made the same news judgments in both time periods. In both time periods, KHON and KITV broadcast a similar number of individual stories and only seven stories appeared on both broadcasts pre-and post the implementation of the SSA.

Figure 1
Distribution of Stories for Non-SSA Stations, Pre/Post SSA.

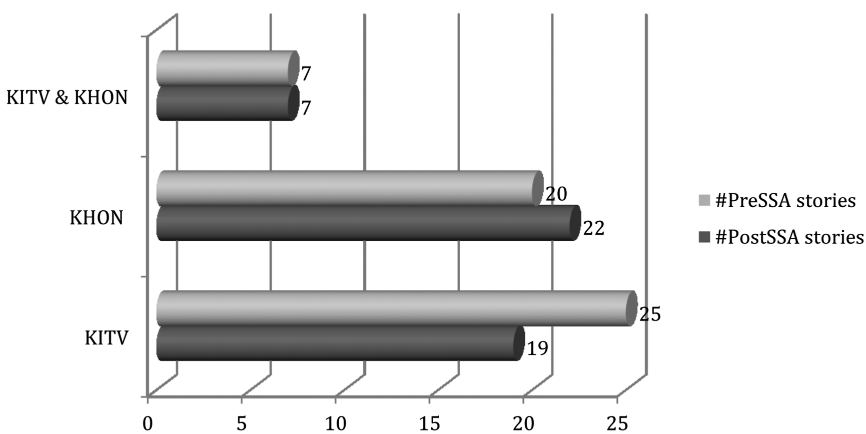
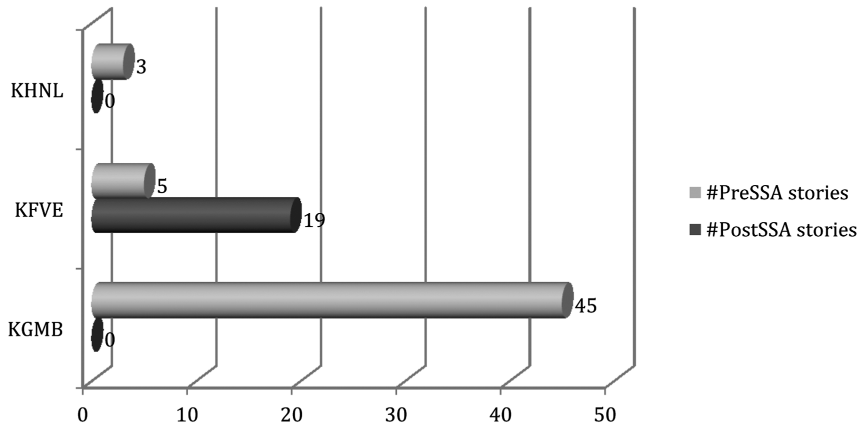


Figure 2
Distribution of Individual Stories for SSA Stations, Pre/Post SSA.



p = <.05

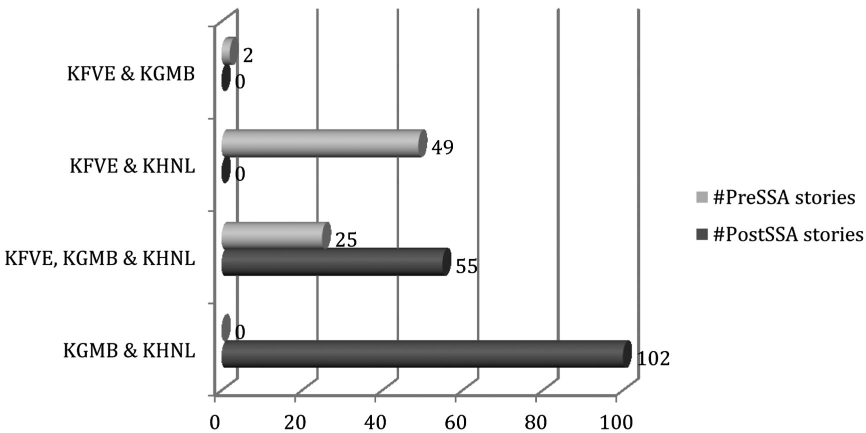
SSA Stations, KFVE, KGMB, KHNL, Individual Stories

The stations that were part of the Shared Services Agreement exhibited very different broadcasting behavior regarding stories that were broadcast only on the station and nowhere else. The differences in the 72 stories (53 pre- and 19 post-SSA stories) were statistically significant. The largest differences occurred with KGMB where the number of individually broadcast stores fell precipitously from 45 pre-SSA stories to none in the post-SSA period. That is explained by the fact that KGMB was part of the simulcast with KHNL in the post-SSA period. KNHL produced no individual stories in the post-SSA period. Interestingly, KFVE, which was not part of the simulcast, increased its individually broadcast stories in the post-SSA period (Figure 2).

SSA Stations, KFVE, KGMB, KHNL, Combined Stories

The stations that were part of the SSA exhibited the most significant change in their broadcasting behavior with respect to the number of stories that appeared on combinations of those stations before and after the implementation of the Shared Services Agreement. Prior to the SSA, only 76 stories (25 stories on all three SSA stations, 49 stories and 2 stories, respectively, on a two station combination) were broadcast on two or all three of the stations (Figure 3). There were no stories that were presented on the KGMB and KHNL combination before the advent of the SSA. After the SSA, however, stories that appeared on a combination of those stations

Figure 3
Distribution of Combined Stories for SSA Stations, Pre/Post SSA.



p = <.05

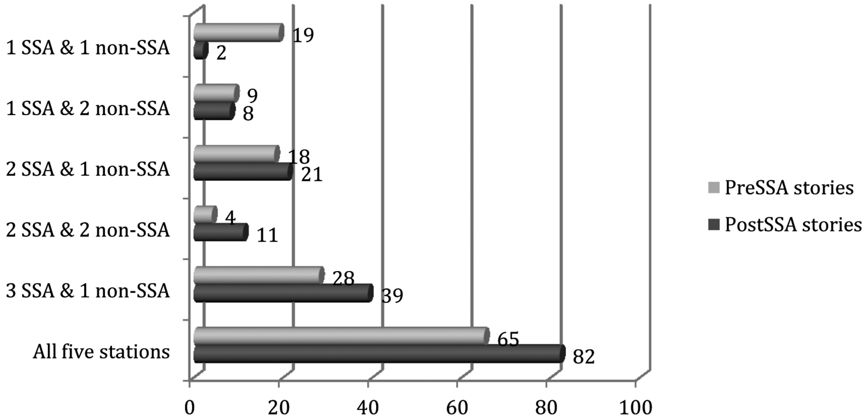
virtually doubled to 157 (102 stories on the simulcast and 55 stories on the simulcast plus KFVE). The KGMB and KHNL combination accounted for 102 of those stories and that represented the most dramatic change in station behavior. Of course, that is due to the decision of the SSA station management to simulcast the 10:00 p.m. newscasts of both stations. Viewers in the Honolulu DMA saw exactly the same newscast (with different commercials) regardless of the station they chose to watch.

In addition to the activity on KGMB and KHNL, there was a change in the broadcasting of stories when KFVE was added to the equation. Prior to the SSA, there were 25 stories that were broadcast on all three of the SSA stations. That number more than doubled to 55 in the post-SSA period. Prior to the SSA, 49 stories were broadcast by KFVE and KHNL; that number dropped to zero after the SSA became operational. It is reasonable to suggest that the KFVE/KHNL combination gave way to the KFVE/KGMB/KHNL arrangement in the post-SSA period. In so doing, the SSA broadcasts became more alike in that they were presenting the same stories.

SSA & Non-SSA Stations, Combined Stories

A significant proportion of the total number of stories was broadcast across some combination of SSA and non-SSA stations in the pre- (n = 143) and post-SSA (n = 163) periods. That broadcasting approach was most evident in the number of stories that appeared on all five stations; 65 stories and 82 stories in the pre- and post-SSA periods, respectively (Figure 4). At first glance, that suggests that the stations were exercising the same news selection process across a wide range of stories.

Figure 4
Distribution of Combined Stories for all Stations, Pre/Post SSA.



p = <.05

However, that was not the case. A closer examination of the stories revealed that they covered only 27 separate topics and, given the news selection process that governs local television (Gilliam & Iyengar, 2000; Klite, Bardwell, & Salzman, 1998; Miller, 1998), they were stories that would have made the news regardless of the SSA arrangement. For example, ten topics covered crime, fires or accidents; another nine topics dealt with public issues to include the Mayor's budget plan, the H1N1 flu virus, and electricity rates, among others. Human-interest stories accounted for another five topics, the most common of which was Tiger Wood's public apology. The remaining three topics were dispersed among weather, volcanic activity, and the confirmation of a judge.

Beyond the stories that appeared on all five stations, the next most common distribution of stories occurred across the three SSA stations and one non-SSA station. As with the case for five stations, that number also increased from the pre- to post-SSA period (28 to 39 stories, respectively).

The category of stories that was covered by one SSA station and two non-SSA stations looked relatively stable from the pre- to the post-SSA period (9 and 8 stories respectively). However, the details of that coverage were revealing. In the pre-SSA period, the combination of stations that broadcast the stories consisted of KGMB (SSA station) and non-SSA stations KHON and KITV. In the post-SSA environment, that combination broadcast no stories and the SSA station (KGMB) was replaced by KFVE, which presented all nine of the stories in that category.

There was a significant decrease in the number of stories that were presented on one SSA station and one non-SSA station between the two periods, (19 and 2 stories, respectively).

It is important to note that the categories that specify 2 SSA stations and 1 or 2 non-SSA stations in Figure 4 consist of the two simulcasting SSA stations (KGMB and KHNL). There was no instance in which the SSA station combination included KFVE and either KGMB or KHNL and a non-SSA station. Therefore, the 11 and 21 stories for two SSA stations and one or two non-SSA stations in the post-SSA period were, essentially, the exact same stories due to the simulcast.

Results

In this research, I examined one market in which a Shared Services Agreement was implemented—Honolulu, Hawaii. I compared the local newscasts before and after the SSA was put into effect in October 2009. I chose the Honolulu market because it represented the only case in the US in which there was an official challenge by a community group to the Federal Communications Commission regarding the SSA.

What was the result of the analysis? The short answer is that the implementation of the Shared Services Agreement had a profound effect on the local news broadcasts in the market. The most significant finding is that two stations that were part of the three-station SSA group simply duplicated their newscasts through the mechanism of a simulcast. On weekdays at 10:00 p.m., the news broadcasts of KGMB and KHNL were exactly the same (save different commercials). It did not matter which channel the viewer chose. That was a substantial change because, prior to the SSA, there were no stories that appeared in that combination. As mentioned previously, after the SSA was implemented, that combination accounted for 26% of the stories. The simulcast approach has been used even more extensively by KGMB and KHNL. Although I did not examine the other newscasts during the day, the two channels also simulcast news between 5:00 a.m. and 7:00 a.m. and between 5:00 p.m. and 5:30 p.m. By definition, the simulcasts removed separate newscasts from the news offerings in the market on any given day. The obvious and unambiguous result is a reduction in the number of separate news voices in the market.

The managers of the SSA made the argument that the agreement was necessary to provide sound financial footing to the stations that would, in turn, improve the capacity of the stations to produce more enterprising news content. Presumably, the SSA stations would realize these advantages by achieving economies of scale in the production of news by reducing duplication of effort. Those economies of scale would be important because the SSA resulted in the loss of 68 of the over 190 jobs that comprised the staff of the three SSA stations (Dateline Media, 2010). However, judging by the change in the duration of stories and the presentation modes that were used to present the stories pre- and post-SSA, there was no evidence of an increase in enterprise reporting by the SSA stations. For the SSA stations, the median duration of stories dropped significantly (43%) from the pre- to post-SSA periods. That was compared to a ten percent drop in the median duration for the non-SSA stations. It would seem relatively more difficult to present ''enterprise'' stories as the median broadcast time allotted for stories substantially decreased.

In addition to the duration of stories, the SSA stations changed the use of presentation modes between the time periods. The most significant change came with a reduction of the use of the package mode by almost half (47%). The package mode is the most expensive method to present the narrative and pictures of a news story and it would logically be the approach most closely associated with ''enterprise'' stories in which more complex issues are examined. But, the SSA stations moved away from that approach and increased the use of less expensive modes. Coupled with the decrease in the duration of stories, the reduced use of the package mode would seem to make the production of ''enterprise'' stories much more difficult to accomplish in the post-SSA period. To the extent my analysis could detect, ''enterprise'' stories were not a large part of the offerings of any of the stations in the market before the SSA was implemented. However, an increase in their number as a result of the shared news production of the SSA stations did not materialize.

The distribution of stories across the stations in the Honolulu television market was significantly affected by the implementation of the Shared Services Agreement between Raycom Media and MCG Capital Corporation. The most conservative reading of the findings shows that the SSA had its greatest effect on stories that were broadcast ***only*** on the combination of KGMB and KHNL (the simulcast). Prior to the implementation of the SSA, that combination presented no stories. After the SSA, that combination accounted for 26% (102 out of 387) of the stories broadcast in the post-SSA period. To be clear, this refers to the stories that were broadcast only on the combination of KGMB/KHNL and nowhere else.

A more expansive interpretation of the effect of the SSA and the simulcast would have to consider any of the stories that appeared on KGMB and KHNL only and in combination with other stations. In this approach, all of the stories that appeared on the KGMB/KHNL combination (whether on the simulcast only or with other stations) in the post-SSA period must be added to the total of duplicated (as defined by the simulcast) stories. That calculus reveals that eighty percent of the stories (310 out of 387) in the post-SSA period were broadcast as part of the simulcast (Table 1). That compares to a pre-SSA proportion of thirty-five percent of stories (115 out of 324) that were broadcast in those combinations. Whichever of these metrics is used, it seems clear that the SSA had an effect on the local newscasts in the market.

A limitation of this research is that it refers to only one television market. Therefore, I do not make any claim regarding the representativeness of this market structure on other DMAs with similar arrangements. However, I have developed a methodology in his research that, I suggest, will be useful for other researchers to examine the issue. In fact, based on this work, I have undertaken a larger study to build on this foundation.

Conclusion

Media firms are trying to create new economic models. E.W. Scripps President/CEO Rich Boehne makes the case forcefully when he states that the model

Table 1
Stories on KHNL/KGMB *and* Other Station Combinations, Post-SSA

Station Combination Post-SSA	Number of Stories
KGMB/KHNL only	*102*
KFVE, KGMB, KHNL (3 *SSA* stations)	55
All 5 stations	82
3 *SSA* & 1 *non-SSA*	39
KGMB/KHNL & 1 *non-SSA* station	21
KGMB/KHNL & 2 *non-SSA* stations	11
Total	310

Note. There were 387 stories broadcast in the post-SSA period.

of free content offered by local newscasts and newspapers is unsustainable. Scripps will aggressively experiment with and create models that will take that ''high-value premium content and derive much more revenue from it than we do today'' (Malone, 2010). He continues that, ''we very much believe that local broadcast markets over time will consolidate'' (Malone, 2010). He is confident enough in that assessment that he makes the offer to media firms to take over their news stations' operations saying that, ''It is time to build brands and take market share, mind share, audience share under a local brand when we have the opportunity'' (Malone, 2010).

In large measure, the Shared Services Agreement between Raycom and MCG Capital created the very type of local brand that Boehne envisions. Hawaii News Now reflects that reality. The SSA managers have assiduously advanced the Hawaii News Now brand as the news leader in the market and the SSA has changed the face of local newscasts in the Honolulu DMA. That was its stated goal. The change in the structure of the market resulted in a change in how local news was delivered, as measured by the distribution of stories across the stations. The most significant change occurred with the introduction of simulcasts. Before the SSA there were no simulcasts of news in the market. Afterwards, news simulcasts were a regular part of the broadcast day. There is the point that any examination of the post-SSA broadcasts would be unduly affected by the simulcasts. But that begs the question. The managers of the SSA stations made the choice to create simulcasts as a direct result of the agreement. However, that decision reduced the scope of local news reporting in the market and, by extension, it changed the nature of the information that was presented to the public.

Local television stations are private firms and they have a fiduciary responsibility to provide a return on investment for their owners. However, they conduct their business using a public good—the electromagnetic spectrum. And that imposes public interest responsibilities on the stations as well. Their newscasts are the most profitable portions of their programming. Therefore, there has been the perennial balancing act between what information the stations believe will "sell" and what information the public needs for informed citizenship, although the types of information may not be mutually exclusive (Hamilton, 2004). This examination of the Honolulu television market was prompted by an interest in a particular approach to those fiduciary and public interest responsibilities. The SSA stations have maintained that the Shared Services Agreement strikes the proper balance, while critics, such as Media Council Hawaii, claim that the arrangement misses the mark. Supporters and critics of the shared services phenomenon may see different implications for these findings. That may be unavoidable. However, this research does provide a clear picture of the nature of the newscasts in Honolulu. It is a baseline of information that did not exist previously and, hopefully, it can serve as the reality check against which any claims for or against the role of the Shared Services Agreement can be measured.

Notes

[1]Source: Nielsen Media Research, Nielsen Station Index, estimates used for 2009-2010 television season. In 2010 there were 114.9 million TV households in the U.S.

[2]Rating is the percentage households of **all** TV households tuned to a station. Share is the percentage of television households with a **television in use** tuned to a specific station at a specific time.

[3]For the variable regarding the appearance of stories across stations, inter-coder agreement was 100 percent. That variable was fundamental to the research and it was relatively straightforward to verify. Either the story appeared on the broadcast or it did not.

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