BELO

February 18, 2011

Donald S. Clark, Secretary
Federal Trade Commission
Office of the Secretary, Room H-113 (Annex W)
600 Pennsylvania Ave., N.W.
Washington, DC 20580

Dear Secretary Clark:

Belo Corp. ("Belo") respectfully submits the following comments in response to the Preliminary Federal Trade Commission ("FTC" or "Commission") Staff Report, "Protecting Consumer Privacy in an Era of Rapid Change: A Proposed Framework for Business and Policymakers" (the "Report"). Because Belo, as a broadcaster regulated by the Federal Communications Commission ("FCC"), does not regularly appear before the FTC, we thank the Commission for this opportunity. As the FTC develops a privacy framework, Belo urges the Commission to explore fully the potential impacts on Internet innovation and online offerings.

With its beginnings tracing back to a Texas newspaper company founded in 1842, Belo has successfully grown to be one of the nation's largest pure-play, publicly-traded television companies that owns and operates 20 television stations in 10 states, their associated Web sites and other online channels. Belo's successes are tied to its ability to serve local communities of viewers, and the company's future success depends on serving local online users. Our business model will increasingly rely on delivering personalized news and other content produced using the highest standards of journalism and delivered across traditional and emerging media platforms.

Because Belo stations are part of local communities, our culture and our business interests impel us to respect individuals' privacy interests. An information security breach, an aggressive use of invasive tracking, or even a simple failure to meet individuals' privacy expectations could seriously damage our reputation in the communities where we operate, with consequences for our bottom line. Thus, for Belo, self-regulation on information privacy and security matters imposes a meaningful constraint that we take very seriously.

After reading the Commission's Report, Belo foresees challenges associated with the proposed framework:

1. The proposed "Do Not Track" feature in web browsers poses a serious risk to revenue streams from online advertising. Such revenue supports Belo's existing and planned free and affordable offerings of local and personalized news and services. Accordingly, "Do Not Track" could diminish Belo's ability to conduct its core business and civic functions - providing relevant local news and information to all individuals across broadcast, online and mobile channels.

   "Do No Track" would also impair Belo's ability to understand and serve its online and mobile audiences, as data used to analyze user preferences is derived from "cookie-based" platforms. A variety of service providers help Belo understand its audience's size and consumption habits and deliver critical input into the formulation of Belo's content production strategy. Without this data, Belo's ability to produce content that local audiences want and need would be compromised. Examples of such content include weather alerts, political news, and traffic reports, as well as other local news and information that serve local communities.

   "Do Not Track" could also impair Belo's ability to price online advertisements fairly. Recently, advertising agencies and publishers that place ads with Belo adopted, through certain service providers, more sophisticated methods for measuring online audiences. These improved methods depend on cookie-based tracking. Greater accuracy in valuing access to online audiences gives advertisers more confidence in placing online ads, which benefits companies like Belo that depend on advertising. Degrading the ability of cookies to measure audiences would reverse this effect, representing an additional, independent threat to online advertising revenues.

2. The Federal Communications Commission ("FCC") holds - and has long held - that broadcasters, like Belo, are a key source of local news and information content for residents of the communities they serve. Indeed, unlike many sources of information, broadcasters are "on the ground" in local communities and, as public trustees, must provide programming that addresses the issues and concerns of local residents.[1] Hampering the online revenue streams of broadcasters will harm this objective - both by reducing funding for the production of news and other content and by making it difficult for broadcasters to develop and maintain meaningful Internet-based sources of local news and information.

In summary, Belo is concerned that the proposed framework introduced in the Report would effectively impose unnecessary regulation that would compromise local broadcasters' ability to serve the public interest through production and delivery of local

[1] The concept of localism, which derives from Title III of the Communications Act, has been a cornerstone of the FCC's regulation of broadcast stations for decades. *See, e.g.*, *In the Matter of Broadcast Localism*, Notice of Inquiry, 19 FCC Rcd. 12425, 12425-26 (citing *Deregulation of Radio*, 84 F.C.C.2d 968, 994 (1981) ("The concept of localism was part and parcel of broadcast regulation virtually from its inception.")). The FCC has consistently interpreted "localism" to require licensees to provide content that is responsive to the interests and needs of the communities they serve. *See id.* at 12425.

news and information across all media channels. Belo strongly supports industry self-regulation to protect consumer privacy, which will preserve the flexibility and the revenues needed for companies to continue to deliver innovative, useful online products to consumers.

Sincerely,

Joe D Weir
General Manager, Interactive Operations