



October 2006

Opening Ownership Confab Convened

Hey, Rube!!! The big top's up, the clowns are dressed, the sideshow's ready – and the crowd's getting ugly. This can mean only one thing: the FCC is on the road again.

A raucous crowd numbering in the hundreds packed into a crowded conference room at the University of Southern California on October 3 to participate in the first of six planned meetings on the state of media ownership. Attendees likened the atmosphere to that of a major sporting event – panelists were roundly booed, given rousing ovations and chanted at vociferously throughout the day.

The media ownership meetings are being held against the backdrop of the Commission's latest review of its media ownership rules. As you are no doubt already aware (unless you happened to have been in an extended coma, or possibly living in a cave), in 2003 the Commission voted 3-2 to loosen restrictions on cross-ownership between newspapers and broadcast stations and restrictions on the number of radio/television stations a company may own in a single market. It also increased the national audience cap for television station owners. A majority of those new rules were then trashed by the United States Court of Appeals for the Third Circuit in 2004. The court shipped the whole matter back to the Commission for further consideration. And there it has sat, without that mandated further consideration, until the FCC re-opened the matter with a further Notice a couple of months ago.

Back in 2003, then-Chairman Powell held just one public hearing, and was criticized for failing to account for public sentiment prior to the Commission's decision. Current Chairman Kevin Martin took notice and is planning six events (including the recent LA gig) at various locations across the country. All five FCC Commissioners were in Los Angeles.

The hearing was also heavily attended by entertainment industry employees – including actors, directors and writers – many of whom may be looking for the return of some form of program regulation (*e.g.*, syn-fin) which might benefit their corner(s) of the industry. They reportedly gave their boisterous support to Commissioners Adelstein and Copps and other panelists advocating stronger protection against consolidation. The Commissioners told the crowd that increased media consolidation is responsible for the

lack of diversity and localism in broadcasting.

“My question is whether [creative content producers] can get access to the public airwaves,” Copps said. “And I want to emphasize those last two words – *public airwaves*. They belong to you and me and every person in this country, not to any corporation or conglomerate.”

Chairman Martin stated that while he is conscious of the need to further competition, diversity and localism, the current rules “may no longer reflect the current marketplace.” He said a rule for cross-ownership should be developed that “reflects current market characteristics, including the struggling nature of today’s newspaper industry, and recognizes how ownership rules impact the ability of newspapers and broadcasters to serve their local communities.”

Commissioner Tate echoed the sentiments of the Chairman, saying that we need to examine alternative media citizens are using to obtain their news and information, such as blogs, vlogs, and podcasts.

The Democratic Commissioners disputed the contention that there has been a significant shift in how Americans receive their information. Adelstein stated that in the 2004-05 seasons, the 255 highest rated programs were on broadcast television. He also highlighted the massive disparity between satellite radio subscribers (11 million) and those listening to terrestrial radio each week (more than 200 million).

The LA event illustrated the heated debate which will stretch deep into 2007. We may all get a preview of the direction the FCC may take later this year, in the context of one individual station’s cross-ownership situation. In LA, the Tribune Co. owns the Los Angeles Times and KTLA(TV), having taken advantage of the relaxed media ownership rules by purchasing Times Mirror, the former owner of the Times. Tribune is hoping that the Commission will eliminate the current ban on a single entity owning a newspaper and TV station in the same market. KTLA’s license expires on December 1; if the cross-ownership ban is not eliminated by then, Tribune might be required to divest the newspaper as a condition of getting its license renewed.

Tribune has requested a waiver. The waiver has been met with considerable opposition. As an example of the arguments being advanced by opponents of the waiver, we give you comments by Rev. Jesse Jackson, who attended the LA hearing: “[Tribune] operates out of Chicago and not L.A., and there is something about that that is inherently undemocratic.”

While the Commission is under no obligation to act on the waiver request within any

particular time frame, it's clear that any action it might take on the request will be viewed as an indication of the FCC's thinking on the broader issue of cross-ownership.

There has been some speculation that public comments in the media ownership proceeding could top the one million mark. The deadline for filing initial comments was extended until October 23, and reply comments are due December 21. The date/location of the next five ownership hearings has not been announced.