More Media Disinformation? FCC Proposes Greater Media Consolidation

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On October 17, FCC chairman Kevin Martin proposed lifting the 1975 media cross-ownership rule that forbids a company from owning a newspaper and television or radio station in the same city even though giant conglomerates like Rupert Murdock's News Corp. and the (Chicago) Tribune Company already do. On November 13, he expanded on his earlier plan claiming changes will only allow cross ownership "in the largest markets where there exists competition and numerous voices."

That's not how Free Press.net's policy director, Ben Scott, sees it in his statement on the same day saying: "Chairman Martin's lofty rhetoric talks about saving American newspapers and ensuring a diversity of voices. But the devil is in the details. His new rules appear to be corporate welfare for the (media giants) in the biggest cities (and) most worrying….the proposed rules appear to contain a giant loophole that could open the back door to runaway media consolidation in nearly every market (in) another massive giveaway to Big Media."

If the ban is ended, that's what will happen, and the trend author and journalist Ben Bagdikian documented since 1983 will continue unimpeded. He did it in six editions of his landmark book, "The Media Monopoly," plus his newest 2004 update titled, "The New Media Monopoly."

Since 1983, the number of corporations owning most newspapers, magazines, book publishers, recorded music, movie studios, television and radio stations have shrunk from 50 to five "global-dimension firms, operating with many of the characteristics of a cartel" – Time-Warner, Disney, News Corp., Viacom and Bertelsmann AG based in Germany. Also large and dominant are companies like cable giant Comcast and corporate behemoth GE with its NBC television and radio operations.

When The Telecommunications Act of 1996 passed, its supporters claimed it would increase competition, lower prices, improve service, and according to Vice-President Al Gore be an "early Christmas present for the consumer." Point of fact – it wasn't passed for the consumer or to discipline the market. It had many anti-consumer provisions in it that included giving media and telecom giants the right to consolidate further through mergers and acquisitions.

Limits on TV station ownership were raised to let broadcast giants own twice as many local stations as before. For radio, it was even sweeter with all national limits on station ownership removed, and on the local level one company henceforth could own up to eight stations in a major market. In smaller ones, two companies could own them all. The bill also consigned new digital television broadcast spectrum space to current TV station owners only and let cable companies increase their local monopoly positions. The clear winners from this bill were the media and telecom giants. As always, consumers lost out, and FCC chairman Martin wants to make it worse by his October 17 proposal to end the cross-ownership ban.

Further consolidation means less diversity when there's already precious little. That's anathema to a healthy democracy that depends on the free marketplace of ideas that's greatly eroded since the 1980s. In 2003, the Michael Powell-run FCC tried to weaken it further through a number of proposed changes Congress blocked in the wake of strong public opposition to them. That even aroused former CNN owner Ted Turner to say a further rule relaxation would "stifle debate (and) inhibit new ideas." The Media Access Project (MAP) also won a Third Circuit Court June, 2004 decision in the Prometheus Radio Project v. FCC case that ruled for diversity and democracy over greater media consolidation and ordered the FCC to reconsider its ill-advised ownership rules changes Powell's FCC proposed that included:

— ending the cross-ownership ban under consideration now that prohibits a company from owning a newspaper and TV or radio station in the same city;

— eliminating the previous ban on radio/TV cross-ownership and replacing both types with a single set of cross-media limits;

— a concocted "diversity index" to determine cross-media limits. It was based on assigning varying weights to the various media to determine if markets retained enough diversity. It would only consider ownership limits if by its formula there wasn't enough. It was pure deception because in major markets like New York the FCC gave equal or greater weighting to a community college radio station than the New York Times and local ABC affiliates;

— cross-ownership limits only in smaller markets. In ones with eight or more TV stations, proposed rules changes would have no cross-ownership newspaper, TV and radio station restrictions;

— a company would be able to own two TV and six radio stations in the same market if at least 20 "independently owned media voices" remained after a merger. If only 10 remained, ownership would be limited to two TV and four radio stations;

— redefining National Market Share to mean the total number of households company TV stations reach and raising the allowable ownership ceiling from 35% to 45%. A 39% compromise was reached to allow News Corp. and Viacom to keep all their stations that already exceeded the allowable limit.

In spite of mass public opposition today, FCC Chairman Martin wants to end limits on media ownership in a plan to take effect in weeks or sooner if not stopped. He's been allowing public comments on the proposal since mid-November with a Republican three to two majority FCC vote planned for December 18. His move is the latest effort to end 1940s restrictions the New York Times said (in February, 2002) were "rooted in the fears of the European experience at the time that the television industry in the United States could come to be dominated by a few powerful interests." Ownership limits were gradually eased thereafter, and mergers and acquisitions followed.

By the mid-1980s, no network was allowed to control local media that reached over a fourth of the nation's households, nor could it own more than 12 stations. The Telecommunications

Act of 1996 raised the limit to 35% that made possible almost 200 TV station mergers and acquisitions that followed.

It was no different for the three giant radio broadcasters. They were able to acquire the great majority of the 2000 stations bought between 1996 and 2000, after which Clear Channel Communications bought AMFM Radio to become the nation's largest radio broadcaster with over 900 stations (plus its 19 TV stations) that combined with its international holdings makes it the largest one in the world.

Regulatory easing had a devastating effect on local diversity according to Free Press.net Research Director S. Derek Turner. In testimony before the Senate Commerce Committee on October 23 he said: "Congress must send a message to the FCC to stop its rush toward more consolidation. Ownership rules exist for a reason: to increase diversity and localism, which in turn produces more diverse speech, more choice for listeners, and more owners who are responsive to their local communities."

Free Press, the Consumer Federation of America and Consumers Union voiced their opposition to proposed changes by filing thousands of pages of comments October 22 against the FCC plan. Their research shows ownership limits enhance local news quantity and quality. It refutes FCC's "inconsistent, incompetent and incoherent" opposite claims case and fraudulent press release in mid-November that its proposal was just a "minor loosening of the (cross-ownership) ban....in (only) the very largest markets and subject to certain criteria and limitations." Left out of its comment was the fine print Free Press exposed below on November 26 in 10 facts:

(1) "Martin's proposal (hides) corporate welfare for Big Media (that will) unleash a buying spree in the top 20 (media) markets."

(2) "Loopholes (through waivers) open the door to cross-ownership" anywhere.

(3) "Loopholes allow newspapers to own TV stations of any size (and) top-rated stations to (buy) major newspapers."

(4) "FCC history shows weak standards won't protect the public (and) the FCC hasn't denied any temporary waiver request in years."

(5) "Cross-ownership doesn't create more local news" as dominant companies crowd out competition.

(6) "Cross-ownership won't solve newspapers' financial woes" that are greatly exaggerated.

(7) "The Internet is an opportunity, not a death sentence," and media consolidation won't help traditional media's financial problems.

(8) "Martin's plan would harm minority media owners" by making them takeover targets.

(9) "A broken and corrupt process creates bad policies" that are characterized by FCC's secrecy and rush to change media ownership rules for the media barons it supports.

(10) "The public doesn't want more media consolidation" expressed by 99% of comments to FCC opposing letting media giants "swallow up more local media."

The Prometheus Radio Project (dedicated to a “free, diverse, and democratic media”) also expressed its concern about Chairman Martin’s plan to weaken rules to allow “unchecked corporate power in media” and the inadequate timeline he set for public comments. Prometheus also wants scheduled proceedings delayed until the Localism Task Force (established in 2003 to strengthen broadcasting localism) integrates the results of its work into FCC’s ownership proposals. It stresses that corporations don’t own the airwaves. They belong to the public and “setting a reasonable set of limitations on ownership (won’t burden) those (given) the privilege (to) broadcast signals for the public benefit.” Prometheus wants FCC to retain current ownership rules and devote its efforts to establish more low power radio licenses, preserve net neutrality, expand cable access, better use unlicensed spectrum and promote diversity and localism.

The Senate Commerce Committee is now examining Martin’s proposal, and Senator Byron Dorgan predicted it would be greeted by “a firestorm of protest” as in 2003. Other senators voicing concern include Republican Trent Lott and Democrat presidential candidate Barack Obama who called “the proposed timeline and process….irresponsible” and added “the Commission has failed to further the goals of diversity in the media and promote localism, and as a result, it is in no position to justify allowing for increased consolidation of the market.” Dorgan and Lott began work on a bipartisan bill to prevent FCC from instituting new media consolidation rules. Dorgan predicted on October 24 he’s “confident any plan to allow additional concentration of media ownership will be rejected” by Congress.

He and Lott also said they’d seek support in Congress for a “resolution of disapproval” to overturn the FCC rule if it’s passed. It’s a rare move that was only once before used in 2003 when the Powell-led FCC tried to change the rules. To take effect, it would have to pass both Houses by two-thirds margins because George Bush is certain to veto it. Presidential vetos are rarely overridden, but that pattern may not hold up this time.

Support is building in Congress to stop gutting media ownership rules. On October 24, over 40 House members sent a letter to Chairman Martin to “resolve significant shortcomings in (FCC’s) plan regarding accountability, transparency, and scientific integrity” in its current proposal. Of particular concern were a lack of public hearings, the dismal state of female and minority media ownership, and FCC’s tainted research to make its case for changing the rules. Senators Nelson and Snowe also were critical. They called media consolidation “a critical issue (that) requires a completely transparent process” and urged Martin to complete his proceedings on localism and minority ownership before addressing rules changes. Senate Commerce Committee Chairman Inouye agrees and intends to hold hearings on media consolidation, diversity and ownership to address these vital issues.

New developments on November 8 came from a Senate Commerce Committee hearing at which Senators Dorgan and Lott said they’d introduce legislation to quash the FCC’s rush to gut current rules. The bipartisan bill with many co-sponsors is called the “Media Ownership Act of 2007.” The Senate Commerce Committee unanimously passed it on December 4, and it now goes before the full Senate. If it becomes law, it will require the FCC to publish any proposed rule changes in the Federal Register 90 days prior to a vote, give the public 60 days to comment and another 30 days for reply comments. If the FCC fails to do this, the bill voids any changes it approves. It also directs the FCC to conduct a separate proceeding on localism and create an independent minority and female ownership task force ahead of any efforts to change the rules.

This development, growing public opposition and calls for the FCC to complete its longrunning study of how broadcasters serve local communities should have delayed the December 18 vote Chairman Martin wants. Instead, it's now on the agenda to be ruled on according to a December 12 FCC release that puts the agency on a collision course with key lawmakers in Congress who want more time to study the issue and greater public input. Martin is also defying A Media and Democracy Coalition poll released October 31 that showed 70% of respondents opposed media consolidation, and 57% said owning a newspaper and TV station in the same market should be illegal.

Then there's the StopBigMedia.com Coalition. It's made up of grassroots "groups across the spectrum that agree to a set of principles and have banded together to stop the FCC from allowing a handful of giant corporations to dominate America's media system." It's principles state:

— democracy depends on a "free and vibrant media full of diverse, local and competing voices;"

— media ownership consolidation "has dangerously reduced the number of (media) voices (that) seek to minimize competition" and promote profits over the public interest;

— Congress and the FCC must ensure that our media system is "an uninhibited marketplace of ideas in which truth will prevail."

We have a long way to go to achieve these goals, but the StopBigMedia.com Coalition is committed to doing it. Its bottom line: "If we want better media, we need better media policies" that are made by Congress and FCC. But they won't come out of this FCC that's totally beholden to the media giants.

It shows in its practices and reports of its biased research, false claims, and a long history of ignoring the public interest. That has growing numbers on Capitol Hill saying FCC failed to make a case for further consolidation. It now remains to be seen if Congress and the courts will back the public interest the way they did in 2003.

Not if the Wall Street Journal's editorial page view prevails as it weighed in on this issue prominently on October 25. It accused Senators Dorgan and Lott of "shilling for local broadcasters who don't want the competition," when, in fact, that's exactly what they want. It also attacked the "political left's ideological paranoia (over) corporate media ownership" saying it has "no such objection to the left's operational control of National Public Radio or PBS" when, in fact, both broadcasters are corporate America tools and never met a US-led war they didn't love and support.

All the Journal can do is shill for the media giants and note how it's "long favored letting the free market determine the size of a company." It further cites media concentration as a fait accompli new technologies will allow to continue. By Journal logic (and the Martin FCC): "This has led not to monopolies but to a media landscape that is more diverse than ever (with) more news and entertainment options." Media theorist Neil Postman had a different view. He once called Americans the most over-entertained, under-informed people in the world and wrote about it in books like "Amusing Ourselves to Death." Further media consolidation guarantees much more of the same with the public, as always, the loser.

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