

Court Won't Rule on Media Ownership Rules

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WASHINGTON -- Broadcast and newspaper groups suffered a setback Monday when the Supreme Court declined to hear their appeals to restore federal rules easing local media ownership limits.

Without comment, the justices let stand a lower court ruling that threw out the new Federal Communications Commission rules as unjustified. The agency will now take a new look at the subject, though no timetable was given.

The commission opted in January not to pursue its own appeal of the June 2004 decision by the 3rd U.S. Circuit Court of Appeals in Philadelphia. The FCC also urged the justices to turn away media groups' appeals.

The proposed changes would have allowed a single company to own TV stations and a newspaper in the same area, and to own more TV and radio stations in a single market.

Several private groups were pleased, since they had complained that the rules would encourage mergers and stifle diversity in news and entertainment.

"The quality of democratic self-governance depends on having a well-informed electorate exposed to a diversity of issues and ideas, especially at the local levels," said Andrew Jay Schwartzman, president and chief executive officer of Media Access Project. "We rely on over-the-air broadcasting and daily newspapers for the information we use in picking our mayors and city councils."

Schwartzman sued over the rules on behalf of consumer, religious and other organizations.

But media groups said the decades-old ownership limits are outdated and need to be changed to let newspapers and broadcasters compete in the rapidly expanding world of cable television, satellite broadcasting and Internet markets.

"Newspapers are the fundamental source for local news. A number of television broadcast stations have started eliminating local news for economic reasons. If newspapers were allowed a foothold in the local marketplace, we don't think that would be happening," said John Sturm, president and chief executive officer of the Newspaper Association of America.

The association was one of a few media groups that appealed to the high court to preserve the FCC's new ownership rules. Appeals also were filed by Tribune Co., the National Association of Broadcasters and Media General.

Justice Stephen G. Breyer, who owns shares in Gannett Co., did not participate in considering whether to hear the appeals.

In 2003, the Republican-dominated FCC voted 3-2 along party lines to ease ownership restrictions. The rules never took effect. The 3rd Circuit blocked them, writing that the FCC "has not sufficiently justified its particular chosen numerical limits for local television ownership, local radio ownership, or cross-ownership of media within local markets."

One of the two Democratic commissioners to vote against the rules, Jonathan Adelstein, said he's been hearing from consumers who are nervous about too much media consolidation.