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Profile: Media Ownership Crusade

FCC's New Republican Tilt Invigorates John Sturm's Fight to Lift Limitations

[By Doug Halonen](#)

Nobody in Washington was more relieved than National Newspaper Association President and CEO John Sturm to hear late last month that the Senate had at long last confirmed the nomination of Republican Robert McDowell to the Federal Communications Commission.

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Mr. McDowell's appointment to the FCC, which gives the five-member agency a 3-2 Republican majority, finally gave Mr. Sturm, 59, hope in his career-long quest to eliminate an agency rule barring owners of daily newspapers from buying radio or TV stations in their markets. The FCC Democrats oppose deregulation.

"We're going to win because there is no basis for the rule," Mr. Sturm, the industry's designated hit man for the regulation, said in an interview last week.

The newspaper-broadcast cross-ownership regulation has long been a thorn in the side of major newspaper companies that want to consolidate the power they have over news and advertising in their communities.

Eliminating the rule would serve the bottom-line interests of newspaper companies by allowing them to share content with stations they buy while combining the advertising sales operations of the properties.

Getting rid of the rule could also drive up the value of stations in key markets where newspaper companies want to buy.

But according to watchdog group representatives, axing the regulation would undermine major media outlets' diversity of ownership, limiting the ability of consumers to receive varying points of view on key issues.

Opponents are vowing to fight industry efforts to deregulate.

"The FCC is going to look like a war zone," said Jeff Chester, executive director of the Center for Digital Democracy.

Auguring well for the industry is that FCC Chairman Kevin Martin, a Republican, agrees that the cross-ownership prohibition should be eliminated or relaxed. His deregulatory ambition has been stymied for more than a year due to the political deadlock on the issue between the FCC's two Republicans and two Democrats.

Mr. McDowell's addition to the FCC offers Mr. Martin his first Republican majority. In the wake of Mr. McDowell's Senate confirmation, agency officials said Mr. Martin plans to launch proceedings to relax the

agency media ownership rules as soon as next week.

When the high-stakes game at the agency officially begins, Mr. Sturm, a former lobbyist for CBS and NBC, said he believes the industry will be holding the winning hand.

A Different World

One key industry argument is that the media business, with the proliferation of new media outlets such as cable TV and the Internet, has become more competitive since the cross-ownership prohibition was put into place in 1975.

"The media world of today is so drastically different than it was in 1975 that it almost defies explanation why this rule can still survive," Mr. Sturm said.

Andrew Schwartzman, president of the Media Access Project, said there's no evidence that deregulation would benefit the public.

"They want to do it from a misguided view that they can cut costs and make money," Mr. Schwartzman said.

Mr. Sturm, who has been fighting the rule since he joined the NNA in 1992, got very close to victory in 2003.

That's when FCC Republicans during Michael Powell's chairmanship voted to substantially ease the cross-ownership prohibition's restrictions. The deregulation was wrapped in a package that also relaxed rules limiting the number of stations broadcasters could own in the one market.

But Mr. Sturm's endeavor was dealt a mighty blow the next year, when the Court of Appeals in Philadelphia threw out the FCC's entire deregulatory package.

The package-including the broadcast-newspaper cross-ownership prohibition-has been sitting at the FCC ever since. Until the FCC votes to change the rules again, the old prohibitions will remain in effect.

Hoping to throw a monkey wrench into the FCC's new proceedings, watchdog group representatives and key Democrats are expected to try to make deregulation an election issue.

"They're going to frame this as a Bush administration giveaway to big media," said the Center for Digital Democracy's Mr. Chester. "It's not going to help the GOP win elections."

Mr. Sturm said he doesn't understand why watchdog groups are raising such a fuss.

"Do they fear more local news on television? Do they fear more local news on radio?" he said. "These are the only effects of changing the rules."

Blair Levin, an analyst for Stifel Nicolaus, is betting that the FCC will vote for "some liberalization."

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