

## FCC COMMISH HAS REPUBLICAN MAJORITY; NOW WHAT?

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WASHINGTON For the first time in 14 months, FCC chairman Kevin Martin has a Republican majority on the commission. Media congloms like Comcast, Time Warner and CBS Corp. are anxious to see what he does with it.

A handful of major questions --- from the split up of Adelphia Communications to media ownership restrictions to digital television provisions --- have been on hold since the resignation of Michael Powell in January 2005. A 2-2 Republican-Democrat split on the commission created a stalemate that was only recently broken with the confirmation of Robert McDowell to fill the vacant fifth seat. The new 3-2 Republican majority is expected to speed up the consideration of such things as Time Warner and Comcast's proposal to split the assets of Adelphia.

But less certain is how quickly any changes will be made to the long-gestating matter of media ownership. A federal appeals court blocked FCC's relaxed rules that were approved in 2003, and ever since efforts to take the issue up again have languished. Martin has added the issue to a list of possible agenda items for the FCC's next open meeting, skedded for June 15.

Martin has insisted the limits are outdated and wants to ease them. Theoretically, he can proceed as he sees fit to secure a winning vote among commissioners, given that the fifth commissioner establishes a GOP majority, to go with Republican control of Congress, the White House and the courts.

Practicality, however, dictates that he pay close attention to concerns of Congress, and right now, that GOP majority doesn't guarantee much of anything --- especially with the hotly contested midterm elections looming ahead in November.

"A lot of Republicans had problems with the 2003 rule changes," says Andrew Jay Schwartzman, president of watchdog group Media Access Project. "Kevin Martin is extremely savvy and adroit and he's very adept at not repeating Michael Powell's mistakes."

Congress has already lodged objections to proceeding: Sens. Trent Lott (R-Miss.) and Byron Dorgan (D-N.D.) recently sent a letter urging Martin not to take up media ownership before addressing broadcast localism and diversity.

Exhibiting indifference toward Congress, Powell provoked attempts to legislate against FCC changes instituted in 2003. By contrast, Martin is seen as being more politically astute and unlikely to turn a deaf ear to discouraging words from Capitol Hill. As a result, experts predict that the ownership matter won't be resolved before the elections.

"It's very rare for Congress to overturn the FCC, but if you go too far, there's always that possibility," says Blair Levin, managing director of Stifel Nicolaus & Co and a former senior FCC official.

Trying to satisfy a Congress in an election year regarding a sensitive, complicated issue all but ensures a slow pace. Whether Martin raises ownership at this month's meeting or later, then, he will only be opening --- or rather, re-opening --- a long, laborious process of information gathering and public comment regarding any proposed rule changes.

So even with a full commission, says another FCC official, "It won't happen this year."

Martin also has suggested that the FCC take up the idea of revising its "must carry" rules. Current rules require cable operators to carry a local broadcaster's channel. When the industry transitions to digital television in 2009, many broadcasters will have multiple channels and Martin favors a proposal that would require that the cable operators provide all of them to their customers.