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Rethinking Philly

by Ron Orol

Proliferation of local Internet outlets gives Martin new leverage to push for media deregulation.

When former Federal Communications Commission Chairman Michael Powell in 2003 approved looser limits on media mergers, the agency's two Democrats put up their fists and vowed to fight them.

Powell argued that the Internet had created nearly infinite opportunity to air viewpoints locked out of mainstream media. As a consequence, further concentration of media ownership could be permitted without endangering Americans' access to diverging opinions on public affairs and news about their communities.

But Democrats Jonathan Adelstein and Michael Copps were not persuaded. They countered that the Internet was not a true replacement for local broadcast and newspaper news because, for the most part, the vast majority of visited Web sites were nothing more than versions of the same print publications, broadcast outlets or cable networks that had dominated public discourse for generations. "The major Web news sites are controlled by the same media giants who control radio, TV, newspapers and cable," Adelstein said in 2003.

A federal appeals court echoed those sentiments when it rejected Powell's rules in 2004, ordering the agency to start over, this time without putting much weight on the Internet's value as a distinct media outlet. "There is a critical distinction between Websites that are independent sources of local news and websites of local newspapers and broadcast stations that merely republish the information already being reported," wrote a majority of the U.S. Court of Appeals in Philadelphia. "The latter don't present an independent viewpoint and thus should not be considered as contributing to diversity to the local market."

Two years later, the FCC finally is getting around to rewriting those ownership rules. Chairman Kevin Martin, like Powell, generally favors relaxing the restrictions on how much one company can own and wants particularly to lift a prohibition on a company's ownership of both a daily newspaper and a television station in the same market.

Despite the admonitions of his Democratic colleagues and the court, Martin is expected to cite the proliferation of local Internet sites to justify lifting the newspaper/broadcast cross-ownership ban. He will argue that there are more places

people can go to get their news and information than there were when Powell implemented his rules three years ago.

Adam Thierer, director of the Progress and Freedom Foundation's Center for Digital Media Freedom in Washington, thinks Martin can make a much stronger case today than his predecessor was able to. The number of little voices having a meaningful impact on their local communities has increased sufficiently to justify repeal of FCC media merger restraints for the biggest media companies, he says. Community blogs, listservs and other Web sites such as Craigslist, Wikipedia and Yahoo! are providing new competition to old media outlets and newspapers, and they have changed forever the way people get their local information, Thierer says.

He points out that his wife belongs to a DC Mom's online mailing list that allows her to communicate with others to find doctors, pediatricians, schools and other local needs. "That kind of information would not have been available even 10 years ago," Thierer says.

Thierer notes that in the past three years new local community papers have emerged, along with their own local Internet content, as the costs of print papers has come down. For example, Luxembourg-based Metro International SA in 2004 launched a free daily paper in New York, followed by similar dailies in Boston and Philadelphia. Even consolidation opponents concede that local blogs and information sites have emerged in metropolitan areas around the country, particularly during the past three years.

Dan Gillmor, director of the nonprofit Center for Citizen Media, says the unifying theme behind most of these sites is content produced by citizens in their communities -- no editors or journalists are hired.

Backfence Inc., for example, has new local Internet sites in several cities, including Bethesda, Md., Palo Alto, Calif., and Arlington, Va. The content on its Backfence.com sites is "hyper-local," says company CEO Susan DeFife, who launched the community publication in 2004. She adds that citizens provide a level of coverage of events like Little League baseball games that larger community media organizations are not covering. "The cost to those media organizations to go as local as we do is prohibitive," DeFife says.

Other community Web publications include: H2Otown.com, a community online news service set up in Watertown, Mass.; Coastsider.com for San Mateo, Calif.; and Brattleboro, Vt.-based brattleboro.com.

But Gillmor points out that it would be premature to say that these Web sites are a substitute for the traditional journalism on TV and in newspapers.

"It's an addition, and an important one, but don't equate it to local news on television," Gillmor says. "The mass market is still watching television and reading newspapers."

Others agree. Community blogs and other Internet content sites often rely on newspaper and TV reporting for their source material, says Harold Feld, director of Washington-based public interest law firm Media Access Project. Feld, and MAP president Andrew Schwartzman successfully challenged the FCC's media ownership deregulation in 2004 on behalf of Prometheus Radio Project, a nonprofit

consumer-interest organization based in Philadelphia.

"They [community Internet sites] may have a different perspective, but it's unlikely they will report on what is going on in a local community council," Feld says. "Clearly, they are not a substitute for investigative news outlets."

Jeffrey Chester, director of the Center for Digital Democracy in Washington, points out that in coming up with media ownership rules, the FCC must consider whether local Internet sites provide not only a wide range of information, but also an investigative watch-dog function, in addition to analysis and opinion.

"Do they acquire the facts and provide the public information they need to make informed decisions?" Chester asks. The answer, he says, is that online citizen journalism has great potential, but it is not yet comparable to the function of a local newspaper and the special role it plays in society.

But Thierer says the argument that local Internet sites do not provide sufficient investigative journalism to count as significant media voices is a judgment call regarding content quality that the government should not be permitted to make.

"If you debate the quality of journalism, we'll get into a pissing match about whose investigative journalism was the best," Thierer says. Besides, "if you look around today, there is more investigative journalism than at any time before."

Chester points out that there have always been diverse points of view, but that does not mean that all voices are equal. "Bloggers and online reporters do play an important role, but it's hard to tell whether they will survive and be meaningful competitors to traditional newspapers and broadcasters," Chester says.

Whether these online citizen journalism sites succeed -- and whether they will be sufficient competition to mainstream organizations to allow for media consolidation -- depends in part on how the Internet evolves. Consumer groups and Internet advocates are pushing for regulators and legislators in Washington to prevent owners of Internet infrastructure from giving preferential treatment to some content providers by charging additional fees to Internet content companies seeking premium trafficking speeds. Gillmor, for example, says that he would be OK with the FCC loosening limits on media mergers if the agency prohibits network owners from charging additional fees for Internet content.

On the other hand, "if they give the phone and cable companies the right to pick winners of what gets distributed online, they'll need even stricter anti-consolidation rules for what is being broadcast and what people read in newspapers," Gillmor says.

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