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FCC Chief: End Big-Market Ownership Ban

By JOHN DUNBAR – 19 hours ago

WASHINGTON (AP) — The chairman of the Federal Communications Commission wants to eliminate a ban on radio and television broadcasters owning newspapers, but only in the nation's largest media markets.

FCC Chairman Kevin Martin opted to focus on the newspaper ban only and declined to act on other media ownership rules up for consideration. The proposal still requires a full vote of the commission.

"I think this is both a moderate and a fair proposal," Martin said in a conference call with reporters Tuesday afternoon. He said he is optimistic there will be a vote on Dec. 18.

Talk of lifting the cross-ownership ban has met with stiff resistance from public interest groups and commission Democrats as well as on Capitol Hill.

Martin opted not to pursue complete removal of the ban. Under his proposal, one entity would be permitted to own a newspaper and one radio station or television station, but only if it is in one of the 20 largest markets in the nation.

After the transaction, at least eight independently owned-and-operated media voices must remain in the market, and the television station may not be among the market's top four.

The companies would also have to show that the combined entity would increase the amount of local news in the market and that both outlets would continue to exercise independent news judgment.

Democratic Commissioner Michael Copps, who has fought liberalization of media rules since his appointment, said Martin's proposal is much more far-reaching than he is portraying.

"This is not, to my way of looking, a very modest proposal," Copps told The Associated Press Tuesday. "I think it could do considerable damage."

The top 20 markets, he said, represent "over 43 percent of U.S. households."

Martin cited a changing media marketplace for his decision to loosen the 32-year-old ban, noting that when it was created, cable television was in a nascent stage, and neither direct broadcast satellite television nor the Internet were in existence.

He justified the loosening of the rule by noting that stock prices of newspapers are dropping and they are losing revenue and circulation. He said at least 300 daily newspapers have stopped publishing over the past 30 years.

The last time the commission approved new rules on media ownership was in 2003. Most of that decision, which would have liberalized the ownership restrictions, was tossed out by a federal appeals court in Philadelphia.

Martin said his proposal effectively ends the commission's current media ownership proceeding, meaning there will be no loosening of rules on radio and television station ownership in local markets.

Gene Kimmelman, vice president for federal and international affairs for Consumers Union, the nonprofit publisher of Consumer Reports magazine, said he would prefer the rule be left alone. But he said the chairman's position has changed dramatically from four years ago when he was in favor of "obliterating" it altogether.

That he is focusing on the top 20 markets is an "enormous improvement," Kimmelman said.

Andrew Schwartzman, president of public interest law firm Media Access Project, said the proposed rule contains a provision that "vastly liberalizes the waiver process" which could result in cross-ownership in smaller markets, a charge Martin disputed.

Copps referred to the provision as a "loophole of major proportions."

Removal of the ban has been a top priority for Tribune Co., owner of the Los Angeles Times, the Chicago Tribune and 23 television stations. The Tribune Co. is currently the subject of an \$8.2 billion buyout that would take the company private.

Martin's proposal would provide relief in four of the five markets where Tribune owns broadcast stations and newspapers. But the company wants temporary waivers, saying a Dec. 18 vote is too late and may jeopardize financing for the deal.

Under Martin's proposal, the Tribune Co. would have to sell off assets in Hartford, Conn., a sub-top 20 market, where it owns the Hartford Courant and a number of television stations.

Martin would not speak specifically to the Tribune transaction, but said the commission has said previously that it will not grant temporary waivers during the ownership proceeding.

Copps, in a statement released with fellow Democratic Commissioner Jonathan Adelstein, accused Martin of holding the Tribune Co. "hostage" in order to "force a vote on media ownership before the end of the year."

"We are prepared to vote on the Tribune waiver requests within three working days after the Chairman circulates a draft decision," the statement reads.

Meanwhile, Sens. Byron Dorgan, D-N.D., and Trent Lott, R-Miss., have introduced legislation that would impose a 90-day delay on any FCC decision regarding media ownership rules. Dorgan released a statement objecting to the plan Tuesday.

Newspaper Association of America president John Sturm said Martin had not gone far enough. He noted "radical and irreversible market changes" since the rule was adopted "have extinguished any basis for this across-the-board ban."

Public comments on the chairman's proposal will be accepted until Dec. 11. The reference number is MB Docket No. 06-121.

On the Net:

- Public comment on the proposal may be submitted at: <http://www.fcc.gov/cgb/ecfs/>