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## FCC Not Ready for Consolidation Rules

**Impending Election May Forestall Any Major Changes**

By **Ira Teinowitz**

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As the Federal Communications Commission gets ready to close a round of hearings on loosening media-ownership restrictions, doubts are growing that FCC Chairman Kevin J. Martin will unveil major rule changes.

Mr. Martin last week said that speculation on what the FCC might propose on media ownership is premature. His statement hardly reflected a chairman set on driving an aggressive agenda to let media companies buy more outlets.

"We are still waiting to see what all the studies end up coming back with, and what the feedback from the hearings is and where the commissioners are," he said.

The broadcast industry's Washington liaisons praise Mr. Martin's open approach to the media-ownership debate. A corresponding lack of openness by his predecessor doomed a proposal by Mr. Martin's predecessor that would have made it easier for companies to consolidate ownership of more media outlets.

The shift in political control to the Democratic party that took place on Capitol Hill in the last election, plus the impending presidential election, make it unlikely the FCC will rush to take on a big new battle it could lose in the courts, Congress or the White House, broadcast industry executives and political analysts said.

Some media companies assail limits on how many assets they can own, saying the changing nature of the business requires them to consolidate to remain profitable. Opponents of greater concentration of ownership say it limits the viewpoints projected across public airwaves.

"When the appropriators changed party, the steam ran out of this," said one broadcast industry executive, who declined to be identified.

The most viable proposals probably will involve the cross-ownership rule that prevents newspapers and broadcasters in a market from buying each other, the executive said.

FCC watchers credit Mr. Martin with undertaking an extensive attempt to avoid the pitfalls of predecessor Michael Powell. The FCC has held four of the six planned ownership hearings around the country; it has yet to hold the first of two hearings on the more narrow issue of the effects of local ownership of media assets. No date is set for the next media-ownership hearing; the first hearing on issues of local content is set for June 28 in Portland, Maine.

Mr. Powell held a single public hearing, a shortcoming an appellate court seized on in 2003 to overturn his media-ownership proposal, saying the agency didn't get enough public comment or justify its rulemaking.

"It is slow-motion. It is taking too long, but I'm not sure there was a lot of choice," said James Gattuso, senior fellow in regulatory policy at the conservative Heritage Foundation. "The FCC got burned last time very badly."

He said with Democrats now in charge of Congress, the change in the political environment is likely removing some of the pressure to act.

"There has got to be a recognition that any significant reform is going to face political opposition that is stronger than the last time around because of the changed Congress."

Lawrence J. Spiwak, president of the Phoenix Center, a Washington group that does media public-policy research, said rewriting media rules is always difficult, and the complexity and the political impact have grown.

"I give the chairman a lot of credit. Holding a lot of field hearings takes a lot of political courage," Mr. Spiwak said. "It's an election year and Democrats and MoveOn.org have made [fighting] media ownership [changes] an essential plank in their agenda and part of the religion."

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