Obama administration to allow further US media consolidation

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Five years ago, widespread public outcry halted a plan by the Bush administration to allow corporations to own multiple media outlets in a single market. Now, the Obama administration is quietly planning to pass the same changes and permit even greater media consolidation.

Reports surfaced last week in industry newspapers that US Federal Communications Commission (FCC) head Julius Genachowski would be proposing changes to relax regulations for companies that owned newspapers and television stations in the same market, and would eliminate the current ban on cross-ownership of either radio and TV stations or radio stations and newspapers.

The new rules are being introduced under the guise of helping the Tribune Company, which currently has a waiver from the FCC allowing it to own both the *Chicago Tribune* and WGN television network, to emerge from bankruptcy. The five members of the FCC, three Democrats—including Chairman Genachowski—and two Republicans, are not required to hold public meetings or solicit any input on the changes, and there are no such meetings currently planned.

Josh Stearns speculates on *FreePress.net* that the rules are being changed to accommodate the purchase of the Tribune or the Los Angeles Times by Rupert Murdoch, who already owns several news stations in the Chicago and LA markets.

American media is already highly concentrated among small number of corporations, but under the current rules ownership is, hypothetically, restricted by type of media. Thus, at its height, Clear Channel Communications owned over 1,200 radio stations nationwide and is permitted to own up to eight stations in a single market. Clear Channel was compelled to sell off its local broadcast TV stations to avoid regulatory conflicts.

Loosening the cross-ownership rules could unleash a wave of mergers and acquisitions within the media industry, as companies seek to control newspapers, television stations, and radio stations. These combined enterprises would likely consolidate their news departments, reducing the already severely limited options for most people to get information about their communities.

The prospect of cross-ownership of newspapers with radio or TV is particularly troublesome, since all but the largest cities are served by only one newspaper. The owner of both the single local newspaper and an associated TV station would have undue influence in setting the agenda of news coverage and investigative reporting across media.

Former FCC Chairman Kevin Martin advanced similar plans in 2007, but a bill co-sponsored by then-Senator Obama blocked the changes, building his reputation as a pro-regulation liberal. With President Obama now safely reelected, his administration is fast-tracking the same rules in an effort to “streamline and modernize” ownership regulation. In the last few days, some Senate Democrats have complained to Chairman Genachowski, but have limited their objections to calls for greater public debate of the changes, rather than opposing media consolidation itself.

A number of civil rights groups, including the National Organization of Women, the Rainbow PUSH Coalition, and Asian and Hispanic interest groups, voiced their opposition to the proposed changes at a press conference on November 28. Predictably, they focused on issues of identity politics, especially the relatively small number of minority-owned newspapers and stations. The argument that media would automatically be improved by having more African-American or female CEOs leading for-profit media companies sidesteps the central question of whether those companies cover issues that affect the local population. At no point does the identity politics lobby concern itself with the democratic issue of a free and independent press, only the superficial characteristics of the multi-millionaires who are to oversee news production.

The advocacy group Free Press has built its campaign against the rules changes by stoking fears among its liberal supporters that right-wing media mogul Rupert Murdoch would be able to further expand his media empire. Murdoch’s FOX News cable station and local broadcast stations are seen as advancing Republican candidates and causes, but there is little substantive difference between the coverage by his networks and others on critical issues affecting the working class population, such as US military operations, austerity, and the so-called “fiscal cliff”

According to the *Radio & Television Business Report*, the industry expects that the FCC proposal will see little serious opposition like that which it encountered under the Bush administration. In part, this has been attributed to the ongoing decline in the print newspaper industry and sell-offs across the local television industry.

In October, the FCC passed a little publicized order changing a requirement of cable companies to allow free access to local channels. The FCC previously required cable providers to follow a “must-carry” rule, providing access to local broadcast stations. This has prevented cable companies from encrypting the local channels. The new rule (FCC 12-126) allows digital-only carriers to encrypt everything. Industry news site *ecommercetimes.com* states that the new rule cuts the cost of “truck-rolls… improves security and stops theft of certain non-must-carry channels.” Companies can simply activate services remotely with fewer staff.