



NEWS

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FCC INITIATES PROCEEDING TO REVIEW NEWSPAPER-BROADCAST CROSS-OWNERSHIP RULE

WASHINGTON –, The FCC today initiated a proceeding arising from its commitment in the FCC’s June 2000 Biennial Review Report to review its rule barring common ownership of a broadcast station and daily newspaper in the same market, and to consider whether or to what extent the rule should be revised.

In a Notice of Proposed Rulemaking (NPRM) unanimously approved today, the Commission posed a series of wide ranging questions to collect empirical data which will establish the foundation upon which the Commission will then analyze the rule. The NPRM takes note of the significant changes in the number and kinds of media outlets since the rule was adopted twenty five years ago, and asked for comment on the relevance of these changes. The Commission said it would examine the newspaper/broadcast cross ownership policies in the context of these changes in the local media marketplace.

Further comment is sought on how the changes in the local media marketplace impact the Commission’s long standing goals of diversity and competition, and whether or not these changes should impact the newspaper/broadcast cross ownership rule and waiver policies.

The NPRM noted specifically that there are approximately forty grandfathered newspaper/broadcast combinations in existence today, and the FCC has granted 4 permanent waivers of the cross-ownership rule since 1975. It urged commenters to provide specific information about the effects these combinations have had in these markets and detail the public interest benefits or harms these combinations have produced. The Commission said this information could provide concrete data on how the marketplace may be affected by changes to the newspaper/broadcast cross-ownership rule.

The Commission voted to consider revisions to this rule, and to initiate an NPRM proceeding, when it adopted the June 2000 Biennial Review Report on broadcast ownership rules. Section 202(h) of the Telecommunications Act of 1996 specifically directs the FCC to review its broadcast ownership rules every two years, to determine whether any of these rules “are necessary in the public interest as the result of competition, and to repeal or modify any regulation it determines to be no longer in the public interest.”

The NPRM asked for comments on a wide variety of options including retention of the rule in its current form, modifying geographic coverage areas, modifying media covered by the rule, applying a market concentration or market voice count test, and eliminating the rule completely.

Additional questions the Commission asked for comment on include:

- * whether the rule continues to be necessary to protect a diversity of viewpoints;
- * what impact new media outlets, including the Internet, have on the sources consumers use for local news and information;
- * what effect media ownership diversity has on viewpoint diversity in a market, and whether commercial incentives would be sufficient to protect the public's access to a variety of viewpoints from commonly owned media;
- * what impact the rule has on advertising in a market, and whether advertising in one medium is a substitute for advertising on another medium in a market;
- * whether the relevant geographic market should be changed or kept the same for purposes of applying the newspaper/broadcast cross-ownership rule;
- * what public benefits accrue from efficiencies and synergies of joint operation of a broadcast station and a newspaper, and whether there is a difference in efficiencies between combining a newspaper and radio station as compared to combining a newspaper and TV station;
- * what impact the U.S. Court of Appeals, D.C. Circuit, decision in the Time Warner case striking down two cable television ownership rules has on analysis of this rule;
- * whether the Commission should add a "market concentration" standard under which combinations between newspapers and broadcast stations might be permitted so long as their combined or individual market shares do not exceed a certain level;
- * whether the FCC should add a "voice count" standard, such as the one applied in the radio/TV cross-ownership rule, to permit combinations so long as a certain number of independently-owned media "voices" would remain in the market post-merger;
- * whether the FCC should adopt a structural separations approach which would permit broadcast/newspaper combinations subject to certain distinct management and reporting structures to preserve editorial independence between the commonly-owned media;

The Commission also asked whether, in view of the change of license terms from 3 to 8 years, it should modify its current policy that allows a broadcast station licensee to retain a newspaper it subsequently acquires in its community until the station's next license renewal date.

Action by the Commission September 13, 2001, by Notice of Proposed Rulemaking (FCC No. 01-262). Chairman Powell, Commissioners Abernathy, Copps, and Martin, with Commissioner Copps issuing a separate statement.

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MM Docket No. 01-235
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**SEPARATE STATEMENT
OF COMMISSIONER MICHAEL J. COPPS
ON NEWSPAPER/BROADCAST NPRM**

The role of the news media in providing Americans with critical information is of the utmost importance to our society. Therefore, I welcome the Commission's intention to take a thorough look at the issue of the cross-ownership of newspapers and broadcast stations in local communities.

Broadcast stations and newspapers make up the center of the local marketplace of ideas, a function critical to a democratic society. As competing purveyors of ideas, they have the potential to present diverse viewpoints on issues important to their communities. As the *Red Lion* Court stated "it is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance monopolization of that market."¹ In commencing our examination of the Newspaper/Broadcast cross ownership rules today, we must keep in mind the importance to the public interest of preserving diversity in the local marketplace of ideas.

In commencing this proceeding today, we solicit information from all stakeholders. Whether supporting the retention of the Newspaper/Broadcast cross-ownership prohibition or the relaxation or elimination of these rules, it is important that interested parties provide data to the Commission that will help us make an informed decision about the future of these rules. As the Commission considers the effect of our rules on industry, we cannot be left with a paucity of hard information about these industries. I have discussed with Chairman Powell the importance of collecting and compiling databases of information about the communications industries implicated by our rules. I think the Chairman, my colleagues and I all want the best possible data and analysis to base our judgments on. Having better information doesn't mean we will all agree on every issue at the end of the day; but it does mean that we will have to base our judgments on a corpus of facts reflecting the actual operation of the marketplace rather than on our various theoretical impressions.

I hope no stakeholders will say, "Let somebody else respond to this notice, I'm too busy with other things." Everyone is going to be living with the consequences of this rule-making exercise, probably for a long time, and I've always believed in the old adage that "decisions made without you are decisions against you."

I look forward to reviewing the information compiled in response to this NPRM. As always, I will review the record thoroughly, without prejudgment. If I am to support any changes to these rules – or any other rule – I expect to know with as much precision as possible how those proposed changes serve the public interest, convenience and necessity.

¹ *Red Lion Broadcasting Company v. Federal Communications Commission*, 395 U.S. 367, 390, 89 S.Ct. 1794, 1806 (1969).