Opening Statement of Michael K. Powell Chairman Federal Communications Commission

Public Hearing on Media Ownership Columbia University

January 16, 2003 (as prepared for delivery)

Good morning. Let me begin by thanking Professor Jane Ginsburg and Columbia University School of Law for hosting today's event. I have been involved in a number of field hearings over the years and I know how truly challenging it is to organize a program like this. Unfortunately, due to a prior engagement, I will not be able to stay for the entire hearing. However, Ken Ferree, Media Bureau Chief and Paul Gallant, head of our Ownership Task Force, will be here and will certainly brief me on the day's events.

I am looking forward to today's proceedings. I am particularly pleased to see that the first panel will squarely address legal issues. When I talk about broadcast ownership issues, particularly outside the beltway, I can see eyes literally glazing over when I say the words "legal framework." So I admire your fortitude in devoting an entire panel to this topic.

Having said that -- and at the risk of immediate eye-glazing -- let me briefly explain why the "legal issue" is essential to understanding how the FCC will craft broadcast ownership policy.

For better or worse, the FCC has hundreds of rules and regulations currently on its books. Each day, when my colleagues and I come to work in the morning, we have plenty to do. Thankfully, one thing we <u>don't</u> have to do is re-justify every rule on the books. Each existing rule is presumed to be as valid today as it was yesterday.

The broadcast ownership rules are fundamentally different. Every two years, the Commission is required by law to review these limits on ownership. And the statute requires the FCC to presume each rule is no longer needed unless we prove otherwise. Unless we can re-justify each broadcast ownership rule under current market conditions, the rule goes away.

Under this standard of review, courts have become far more skeptical of FCC rationales for imposing limits on media ownership. In the last two years, four of our ownership rules were challenged in court, and each time the rule was overturned. The court told us, in no uncertain terms, that the legal standard for reviewing the broadcast ownership rules is a rigorous one. Either we produce evidence that a rule is still necessary, or it must be eliminated.

Having told you how tall our task is, let me now tell you this: <u>We will have</u> broadcast ownership rules at the end of this proceeding.

We are working hard to make sure that the broadcast ownership rules are not completely swept away by the hand of the court. The public interest is about promoting diversity, localism, and competition. We can achieve these goals – and the courts will agree with us - if we do it the right way.

The right way is by building rules that are based on empirical evidence. That is why the FCC has been engaged in an unprecedented fact-gathering effort. We created a Media Ownership Task Force and commissioned 12 empirical studies examining the current state of the media marketplace, including how consumers use the media and how media ownership affects diversity, localism and competition.

If you care about the FCC's broadcast ownership policies, you should care about these facts. I would invite everyone to look at the studies' results on the Commission's web site at <u>www.fcc.gov/ownership</u>.

The stakes are high. That is why we are here today - to exchange ideas about how best to achieve the policy goals we share. But talk, as they say, is cheap.

While I am anxious to hear what today's panelists have to say, I urge all of you to become engaged in this debate and offer more than sound bites. It is not enough to say, "This is a problem" or "This is what I think." Give us something we can actually use to defend ownership rules. Help us understand this area, and work with us develop ownership policies that truly serve the American public.

There is still time to file comments and I urge all of you to do so. I commend those of you who have already filed in this proceeding. I am told the quality and rigor of the record we have received so far is outstanding.

We will use this record to build a solid, legally defensible broadcast ownership framework. No longer will our ownership rules be based on personal bias or anecdotes about the media market. Our rules will preserve and enhance diversity, localism, and competition. And they will do so based on the media environment Americans experience every day – digital, vibrant, and evolving.

Again, Professor Ginsburg, thank you for holding this hearing and for inviting me to join you. I look forward to the program.

- FCC -