



Future of Music Coalition on **Media Ownership**

FMC FACT SHEET

The Federal Communications Commission, Congress and the courts routinely examine media ownership rules. These debates set policies that govern traditional media, while establishing a regulatory framework that will dictate the future of broadcasting and related industries.

A Few Not-So-Hypothetical Scenarios

Imagine that a single company owns a local daily paper, two local TV stations, the cable system, the alternative weekly, the primary portal for the internet, and up to eight radio stations in your town. That company is based on the other side of the country, and answers to its advertisers and stockholders. How are they accountable to the needs of your community?

A profitable commercial all-classical radio station in Philadelphia is bought and sold four times in the span of two years during a flurry of buyouts and mergers between media companies. Each time it is bought and sold, the price of the station inflates, and the owners want to make their money back. In an attempt to raise its market share and increase ad revenue, the various station owners switch formats from classical music to modern adult contemporary, to urban oldies. Five years later, the format has changed two more times. Where do the classical music fans go?

FCC on Media Ownership

At the FCC, the media ownership proceedings made famous in 2003 and 2007 are once again underway.

During this biennial rulemaking, the debate continues about whether to relax or eliminate longstanding rules preventing media consolidation at both the local and national levels regarding TV, radio, newspapers and cable.

Currently these rules:

- prohibit ownership of newspapers and TV stations in the same community without a waiver. In 2007, these cross-ownership rules changed and as a result, these waivers are granted more liberally in the top 20 markets.
- prohibits a single entity from owning two TV stations if the combination involves any of the top 4 stations in that market and limits ownership of two TV stations to instances in which there are at least 8 competing stations in the market after the combination
- limits the number of radio stations of the same service (AM or FM) that a single entity may own in a given market
- limit the number of local broadcast stations that any one broadcaster can own to systems serving 39 percent of the TV-viewing households in the U.S.
- limits the number of radio and television stations that a single party can own in a particular market
- prevent mergers of the “top four” broadcast networks (ABC, CBS, Fox, and NBC).



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FMC is particularly concerned with any effort to further relax the limits on how many radio stations a company can own in a specific market. Elements of the broadcast industry have been pushing to raise the cap from 8 in the largest market to as many as 12.

More info:

[FCC ownership rules page](#)

<http://www.fcc.gov/ownership/rules.html>

Why the Rule Changes?

The original rationale for these rules was to guarantee a multiplicity of voices and prevent concentrations of power. The argument for removing them now is that many of these rules are out of date and need to be reexamined in an environment where consumers have access to a multitude of information sources — newspapers, cable, TV, radio and the internet. Coincidentally, big media companies argue that the rules artificially constrict their ability to expand and serve their consumer base, and have thus damaged their capacity to compete in the free marketplace. They claim the internet poses a particular threat as a new source of competition which has eaten into their advertising revenue and peeled away customers.

A Summary of Media Ownership Proceedings: 2002-2011

- Fall 2002: FCC Chairman Powell announces intention to wrap all separate media ownership proceedings (broadcast, cable, network, cross-ownership) into one “mega proceeding”
- Winter 2003: FCC holds official public hearing in Richmond, VA. Commissioners Capps and Adelstein begin series of “unofficial” hearings across the country.
- Spring 2003: Hundreds of organizations — from the NRA and Parents Television Council to Move On and National Organization for Women — and millions of citizens file comments in the media ownership proceedings, with 97 percent of citizen commenters opposed to further media deregulation.
- June 2, 2003: On a party-line 3-2 vote, the FCC adopts a wide-ranging plan that facilitates additional consolidation of television ownership, eliminates critical newspaper-broadcast cross-ownership rules and relaxes other important restrictions. Only radio is taken off the table.
- Summer-Fall 2003: Senate expresses outrage over FCC plan and eventually votes 55-40 to veto the rulemaking, the first time the Senate has wholly rejected a FCC decision.
- June 2004: The Third Circuit Court of Appeals rejects FCC rulemaking. Finding fault with the FCC’s method of determining ownership limits, the Court of Appeals orders the FCC to rewrite the media ownership rules or find better justification for its rules.
- November 2007: Chairman Martin [proposes a deregulation initiative](#) that allows a newspaper to own a TV station or a radio station in the same local market, so long as that local market is one of the largest markets and complies with certain criteria. <http://www.benton.org/node/8053>
- December 2007: The Senate Commerce Committee passes a bill to block the FCC’s December 18th vote on relaxing cross-ownership rules but the FCC later votes to loosen the newspaper-broadcast cross-ownership ban.
- May 2008: The Senate votes to invalidate the FCC’s December decision to lift the newspaper-broadcast cross-ownership ban.



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- March 2008: Media reform groups, some of whom want stricter regulations, and broadcasters, some of whom want looser regulations or fewer rules, file suits against the FCC's media consolidation rules, which were announced on December 18th.
- April 2009: The Third Circuit Court of Appeals reaffirms a 2008 decision to delay ruling on challenges to former Chairman Martin's loosened newspaper-broadcast cross-ownership rules.
- June 2009: Julius Genachowski is sworn in as FCC Chairman.
- August 2009: Mignon Clyburn is sworn in as a member of the FCC. The FCC is now headed by three Democrats and two Republicans.
- March 2010: The Third Circuit Court allows former Chairman Martin's rules to take effect. The "cross-ownership" ban has been relaxed.
- May 2010: On the 25th, the FCC issues a notice of inquiry on its media ownership rules; FMC [files comments](http://futureofmusic.org/filing/fmc-2010-media-ownership-review-comments) (<http://futureofmusic.org/filing/fmc-2010-media-ownership-review-comments>)
- July 2010: The FCC files a brief with the Third Circuit Court of Appeals defending the FCC's authority to change media ownership rules.
- January 2011: The world waits for the FCC to deliver its report and Notice of Proposed Rulemaking regarding media ownership

Stakeholders in This Process

Media Companies: owners of radio stations, cable and telephone companies, internet providers, TV stations and newspapers.

The Federal Communications Commission is the agency charged with being the public's caretaker of the public spectrum, which includes radio, TV, satellites, cable, wi-fi, and telephones. They run the media ownership proceedings.

Each Congressional representative is responsible to the districts which elect them.

Media Reform Movement: Artists, writers, consumer groups, religious organizations and elected officials who are concerned that FCC and Congressional actions will alter the media landscape in a manner that limits public and entrepreneurial access to these resources. Many of these groups and individuals have filed comments, written letters and participated in unofficial FCC hearings all across the country.

The public – this is you.

What You Can Do

Decisions regarding the use of the public spectrum have, for many years, rolled through Congress and the FCC without much public debate. But as technology has transformed the way people communicate, the landscape has changed dramatically. Over the past decade, there has been an unprecedented amount of attention on media ownership issues.

The FCC should hear from musicians about the potential impact that the lifting of these rules might have on your livelihood, your access to news and information, and your community.



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Get educated, and reach out. Submit a comment online at the FCC. Participate in a public hearing and tell your stories about how your life or business or art has been affected by the dramatic changes in media ownership.

Resources

FMC's comprehensive 2006 report [False Premises, False Promises: A Quantitative History of Ownership Consolidation in the Radio Industry](#)

<http://futureofmusic.org/article/research/false-premises-false-promises>

[The FCC Media Ownership page](#) lists the current media ownership rules that are revisited every four years

<http://www.fcc.gov/cgb/consumerfacts/reviewrules.html>

[Free Press](#)

<http://www.freepress.net>

[Media Access Project](#)

<http://www.mediaaccess.org>

Updated 1.6.11



Future of Music Coalition
Education, Research and Advocacy for Musicians

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