

April, 2003

The Honorable Michael Powell  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Powell:

As Chairman of the Federal Communications Commission, you recently indicated a desire to move forward promptly with your agency's review of rules for owning American media. We recognize the amount of time and resources the Commission has devoted to this matter as well as the legal constraints under which you are operating. However, we strongly believe that the Commission should not move ahead with a final rule until it demonstrates how changes in media ownership limits will benefit the public interest and not jeopardize the democratic goals of diversity, competition, and localism.

Frankly, we are concerned that the Commission appears to be moving towards the loosening of these ownership limits, which could result in more mergers and consolidation among companies that are already extremely powerful. More mergers could place control of the airwaves, newspapers, and digital wires in homes into the hands of only a few media giants. The notion that a handful of corporations and their executives could wind up controlling much of the information, news, and cultural options available to Americans should be a chilling concept to most people. The burden is on the Commission to publicly show how this will not be the case.

The fact is that today television and newspapers are the major source of news and information for a majority of Americans. These media sources are the tools that enable citizens and residents of this nation to participate fully in our democratic society. Americans depend on media sources that can offer them diverse viewpoints and opinions as well as content relevant to them personally and to the communities in which they live. Over the years, the courts have reaffirmed the belief of Congress that independent ownership of media outlets helps ensure more diverse media voices, greater competition among owners, and the production of more local and specialized programming.

The current media landscape is already concentrated. Since 1996, increased consolidation among media outlets has resulted in fewer independent voices and less programming and news coverage devoted to local issues. This situation could be made worse if the Commission decides to lift or significantly loosen current media ownership limits. Today, five conglomerates dominate the television news media. These companies own television networks and affiliates, radio stations, cable systems, Internet service providers, and program production companies. Five of them control over two thirds of the programming that appears on primetime television. The top 25 television owners now own more than 44 percent of all broadcast stations, up from 24.6 percent in 1995.

The situation in the newspaper industry is also troubling. Currently, most metropolitan areas have only one newspaper owned by a chain headquartered elsewhere. Thirty years ago, most newspapers were independently and locally or regionally owned. Today, out of 1500 daily newspapers in the U.S., only 281 remain independent, and most are in small towns. The three largest publishers account for 25 percent of all daily newspaper circulation.

Perhaps nowhere is the impact of ownership concentration more evident than in radio. In 1996, before Congress relaxed radio ownership limits, the two largest companies owned 115 radio stations. Today, these two companies own 1,451 radio stations. The top twenty-five radio ownership groups control 24.9 percent of the nation's commercial stations, and take in 59 percent of all advertising revenues. This consolidation has affected everything from the play list of individual radio stations to the local news reports being offered. Greater consolidation in radio and other media outlets could further undermine every person's access to the independent, local media that provide them with news and information important to their lives and communities.

Revisions to media ownership rules also threaten the viability of small businesses. As fewer owners take over a greater number of media outlets, small businesses will find it increasingly difficult to afford to produce or distribute programming, and advertising rates for small businesses will increase significantly. Given the role that small businesses play in the health of our national economy, it is critical that the Commission demonstrate fully how these changes will impact small, independently-owned media outlets. Indeed, the Office of Advocacy of the Small Business Administration recently wrote that the Commission failed to take into account the impact rule changes would have on small businesses, and urged the Commission to analyze first the impact on America's small businesses and then allow small businesses to comment on the analysis.

Given all of the above concerns, we strongly believe that the FCC must justify publicly how any changes in media rules will promote diversity, competition, and localism before moving forward with a final rulemaking. We urge the Commission to afford the public an opportunity to comment on a specific set of proposed changes to its present rules before it promulgates a final set of rules. The current media ownership proceeding is among the most important the Commission has ever undertaken, and the American public and Congress deserve an opportunity to review and comment on your proposed changes before they go into effect.

Collectively, we represent millions of Americans who will be impacted by the FCC's decision. Therefore, we respectfully request the opportunity to meet with you on this very important issue prior to any decisions by the FCC. We look forward to your prompt response.

Sincerely,

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