US cross media rules in shake up

Media cross ownership rules in the US may have accomplished precisely the opposite of what they were intended to do according to US media law expert Professor John Soloski from the Univeristy of Iowa.

In Australia as the inaugural Australian Press Council fellow, Professor Soloski told a Sydney briefing on July 11 that if cross ownership had been allowed in the US, more large city newspapers may still be alive, ensuring a greater diversity of voices.

Citing the case of Rupert Murdoch having to sell his Boston TV station to buy the ailing *Boston Herald*, Soloski questioned the need for such a compromise.

'Why shouldn't Murdoch have been allowed to own a second rank newspaper and a third rank television station in Boston? Together, the newspaper and the television station would not have controlled a significant share of the market. They would have faced stiff competition from the numerous other television stations in the Boston market. And the *Boston Globe* would not have been financially or journalistically threatened by Murdoch's owning both a television station and a newspaper.'

Barring media cross ownership had not increased diversity in the US, Siloski said. Rather, it had cost numerous large cities a second or third daily newspaper. Most of the US's 1,556 daily newspapers were monopolies with fewer than 25 cities having more than one newspaper and more than 60 per cent of daily newspaper circulation controlled by large chains.

Besides being ineffectual, the 20-year-old rules limiting newspaper-broadcasting cross ownership were an anachronism, he said.

'They are no longer relevant today. The number of television stations in the United States increased by 30 per cent since the mid-1980s, so that today most cities have two or three independent televsion stations in addition to the three network-affiliated stations. There are more media voices available to US citizens today than at any other time in history.'

Quick to assure his audience that he is a severe critic of concentrated media ownership, Professor Soloski said he had become aware however, that the idea of tightly regulating ownership to increase diversity was 'too romantic and impracticable in today's media world.'

The media had gone from being owned by families to being owned by large, publicly-traded corporations, he said.

'Today, the real owners of media companies are not the Rupert Murdochs or Ted Turners. The real owners of the media are rarely seen on television or in the newspaper. The real owners of the media are large institutional investors.'

Professor Soloski said media companies were now under enormous pressure to keep these investors happy by providing solid returns on the investment.

'We have not yet even begun to examine how this change in ownership impacts on the media.'

Another hitch in the current US rules related to the regulation of cable TV. Because large broadcast companies are prevented from owning cable systems, a few large companies, such as TCI and Time-Warner, not only own the cable systems but also the cable channels.

As a result, cable TV is one of the most concentrated media in terms of ownership in the US.

With the greater competition from cable, it became clear that regulations prohibiting networks from owning the programming they aired were seriously hurting the networks.

Meanwhile, cable companies were able to operate virtually free of regulations limiting ownership, pricing and programming, allowing them to expand quickly.

Now, the US Congress is attempting to pass legislation which addresses the telecommunications age.

Both the Senate and the House of Represenatatives are due to vote on bills which will have far-reaching implications for media and telecommunications regulation. The Senate bill will:

- eliminate limits on the number of radio stations a company can own;
- eliminate any cap on the number of television stations a company can own, but will not allow any company to own TV stations with a reach of more than 35 per cent of the national audience;
- allow local phone companies to provide cable TV services;
- allow cable companies and long-distance telephone companies to provide local telephone services;
- allow local telephone companies to provide long distance services.

The House of Representatives bill would go even further to deregulate the media, allowing a company to own both a TV station and a newspaper in the same market as well as more than one TV station in a market.

'Whether or not the US gets a new telecommunications Act won't stop the changes that are occurring in the media industries,' Professor Soloski concluded. 'We need to recognise that the days when feisty journalists owned our newspapers are long gone.' ❑