

Statement by Chris Powell, Managing Editor
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To the Federal Communications Commission
Hearing on Broadcast Ownership Rules
Richmond, Va.
February 27, 2003

My name is Chris Powell and I'm the managing editor of the Journal Inquirer in Manchester, Conn., a daily newspaper serving 17 towns east and north of Hartford. I'm here with my newspaper's publisher, Elizabeth Ellis, and vice president for advertising, Bill Sybert, to protest Tribune Co.'s monopolization of the news media in Connecticut and to urge the Federal Communications Commission to enforce the cross-ownership rule against Tribune instead of repealing the rule.

Tribune already owned two of the six privately held television broadcast licenses in Connecticut three years ago when it bought the Times Mirror newspaper chain. Acquiring Times Mirror, Tribune became owner of Connecticut's largest daily newspaper, the Hartford Courant; two other Connecticut dailies, the Stamford Advocate and Greenwich Time; the four weekly newspapers of the Advocate chain in Hartford, Fairfield County, and New Haven in Connecticut and in Springfield, Mass.; and the Valu-Mail direct-mail advertising company in Hartford.

When Tribune acquired Times Mirror, news reporting said that a big part of the corporate plan was to obtain control of TV stations and newspapers in overlapping markets and to coordinate their operations, in deliberate violation of the cross-ownership rule but in anticipation of the rule's repeal. That is what has come to pass in Connecticut, where the Courant and Tribune's two TV stations now promote each other constantly and exchange features.

As Tribune now uses its grant of government monopoly on two channels on the public airwaves to give the Courant a big advantage over all other newspapers in Connecticut, the Courant has made exclusionary contracts with newspaper feature syndicates. That is, the Courant has made its purchase of certain newspaper features conditional on promises by the feature syndicates not to sell those features to my newspaper.

The worsening concentration of ownership in the news media in Connecticut doesn't end with Tribune Co. In the last few years the Journal Register newspaper chain has obtained not only the daily newspaper in New Haven but also the weekly newspapers in New Haven's suburbs. And the MediaNews Group newspaper chain has obtained not only the daily newspaper in Bridgeport but also the weekly newspapers in Bridgeport's suburbs. That is, in Connecticut, the so-called "alternative" press is now owned by the same big company downtown.

When it comes to concentration of ownership in the news media in Connecticut or elsewhere, will anything ever be too much?

Announcing today's hearing, the FCC press release dated Feb. 7 said: "The FCC's goal is to promote competition, diversity, and localism in the media."

I'd like to know how competition, diversity, and localism in the media are promoted by the FCC's giving two of Connecticut's six privately held TV broadcast licenses to an out-of-state conglomerate that already owns three

major newspapers, three weekly newspapers, and a direct-mail company in the state when as a practical matter no other newspaper company in Connecticut can have even one broadcast license.

Some people say the cross-ownership rule should be repealed because the Internet and cable television are providing plenty of competition in the news media. I don't know where these people live but they can't be living in Connecticut. The state and local news and advertising provided by the Internet and cable TV in Connecticut are negligible. News and advertising in Connecticut are 99 percent matters of TV and radio broadcasters and newspapers.

Indeed, if the Internet and cable TV were really providing so much competition in the media, the conglomerates would be happy to expand by enterprise that way instead of by acquisition of the existing traditional media properties, existing broadcasters and newspapers. But no -- Tribune and other big media companies are expanding through cross-ownership of existing properties because the big media companies consider cross-ownership to be their best opportunity for growth and gaining control of a market.

If concentration and control of markets were not their goal, the conglomerates would be happy to expand just by acquiring TV stations and newspapers in different areas instead of overlapping areas. Even now Tribune's cross-ownership problem in Connecticut could be solved by trading the Connecticut TV stations or Connecticut newspapers for TV stations or newspapers owned by other conglomerates in other states. Such trades have been arranged before by other media companies to solve cross-ownership problems.

But Tribune insists on cross-ownership because cross-ownership will produce greater profits by liquidating competition and news coverage. There is no public interest in that. The public interest is all the other way.

The awarding of broadcast licenses -- government grants of monopoly on the public airwaves -- can be conducted in only two ways: to diversify ownership of the media, or to concentrate ownership. (I have never understood why the commission allows anyone to hold more than one license.) The cross-ownership rule has been a small but clear affirmation that diversification is better than concentration; on a national basis it has been a guarantee of a little diversification, though only a tiny fraction of the diversification we could have. Repeal the cross-ownership rule and we are sure to get a lot of the concentration it was meant to prevent. That is precisely why the FCC is being asked to repeal the rule. Repeal the cross-ownership rule and by government decree and patronage Connecticut will be awarded to Tribune Co. We're a small state but we deserve better public policy than that.

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