

FCC will review rules limiting ownership of media outlets

Process expected to ease restrictions on industry mergers

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WASHINGTON — Federal regulators will take a new look at rules limiting ownership of newspapers and television and radio stations, with an eye toward loosening restrictions.

The Federal Communications Commission is scheduled to begin a rule-making process tomorrow that is widely expected to produce new reg-

ulations that will make it easier for large media companies to merge.

"The clear direction of this is deregulation," said Blair Levin, a former FCC official and now an analyst with Legg Mason. Levin said the agency will have to address whether eased regulations may limit media diversity.

"What would people say if their cable companies, one newspaper in their town, half of the radio stations and 40 percent of the TV stations were all owned by the same company?" he said. "Where do the new lines get drawn?"

The FCC said in June that it would use this week's meeting to begin official reviews of two rules — one con-

cerning the number of television and radio stations a company can own in one market, and another preventing any of the four major television networks from merging with each other.

The agency also will examine two rules that were rejected by an appeals court this year and returned to the government. Those rules involved limits on the national reach of companies that own multiple television stations and on companies that want to own two television stations in the same market.

The FCC already is looking at a restriction that prohibits one company from owning a broadcast station and a newspaper in the same market, as well as a rule that limits radio station

ownership.

The agency wants to combine its work on the various rules to make them more consistent and able to survive legal challenges. The FCC has said its study and any potential changes to the rules are expected to be completed by spring 2003.

FCC Chairman Michael Powell has expressed skepticism about broad ownership limits and concerns that many of the agency's rules are based on hunches rather than facts. Powell's comments have led to speculation the rules will be relaxed or repealed, leading to a wave of media mergers.