APRIL 2, 2003

SCHAKOWSKY WARNS AGAINST GREATER MEDIA CONSOLIDATION

EVANSTON, IL - U.S. Representative Jan Schakowsky (D-IL) today warned: "Greater media ownership concentration limits the public's access to diverse viewpoints." Schakowsky continued in a statement in support of the Midwest Public Forum on Media Ownership held at Northwestern University, "A free and open media is central to our democracy."

Schakowsky, who is a member of the Energy and Commerce Committee, is adamantly opposed to any efforts to eliminate or weaken rules that would have major impact on television broadcast ownership concentrations. The Federal Communications Commission has announced that it will release a proposal on June 2nd that could possibly eliminate rules that:

. Bar NBC, ABC, CBS and FOX from merging with each other.
. The rule that limits one company from owning broadcast stations that reach more than 35% of households nationwide could disappear.
. Limit companies in the same market from owning two or more broadcast TV stations.
. Prohibit an entity from owning a local newspaper and television station in the same market.
. Cap the number of radio stations that an entity is allowed to own in a market at eight.
. Restrict a single entity from owning more than one television and radio station in the same market, unless it is proven that there is sufficient diversity in the market.

"Existing rules have been put in place to ensure that local communities have access to varying viewpoints on local issues. These rules must be maintained and should be strengthened, instead of weakened," said Schakowsky, adding that no changes should be made without ample comment and evaluation by the public and members of Congress.

The full text of Schakowsky's statement is below:

April 2, 2003
Representative Jan Schakowsky
Statement of Support for the Midwest Public Forum on Media Ownership
I am sorry that I cannot attend this important hearing in person because of Congressional activities in Washington, D.C., and I appreciate the opportunity to have my statement read into the record. I want to thank the Northwestern School of Law, the Media and Entertainment Law Society of Northwestern Law, Chicago Media Watch and all those who have worked to bring the Midwest Public Forum on Media Ownership to Chicago. I am glad that Commissioner Copps is in attendance, although I wish that

Chairman Powell and the other Commissioners were also here. It is important for the FCC's commissioners to hear firsthand from those affected by the decisions that the Commission will make about our media market.

The Supreme Court has maintained that the First Amendment is designed to achieve "the widest possible dissemination of information from diverse and antagonistic sources." Media ownership diversity is critical to ensuring that we protect the First Amendment. Over the years, the courts have supported the belief of Congress that independent ownership of media outlets results in more diverse media voices, greater competition, and more local content.

A free and open media is central to our democracy. It promotes civic discussion, encourages public participation in policy debates, and ensures representation of ideological, cultural and geographic diversity. I cannot overstate the importance of the FCC's review of media ownership rules in deciding whether the principles of the First Amendment will be embraced in every day reality, or only in theory. Clearly, this is the most important telecommunications issue of our time.

At this very moment, the FCC is contemplating stepping in to silence those voices and limit choice. The FCC has announced that it will release a proposal on June 2nd to possibly eliminate or weaken rules that would have major impact on television broadcast ownership concentrations. The rule that bars NBC, ABC, CBS and FOX from merging with each other and the rule that limits one company from owning broadcast stations that reach more than 35% of households nationwide could disappear.

The FCC is also examining rules that apply to local markets, including the rule that limits companies in the same market from owning two or more broadcast TV stations; the rule barring an entity from owning a local newspaper and television station in the same market; the rule capping the number of radio stations that an entity is allowed to own in a market at eight; and the rule restricting a single entity from owning more than one television and radio station in the same market, unless it is proven that there is sufficient diversity in the market.

I am adamantly opposed to the FCC relaxing existing rules to allow greater media concentration. Existing rules have been put in place to ensure that local communities have access to varying viewpoints on local issues. These rules must be maintained and should be strengthened, instead of weakened. Nothing at all should be done until the public and members of Congress have a chance to evaluate and comment on any specific proposals to change the current media ownership rules. In my view, that requires ample opportunity to consider and prepare comments, as well as a sufficient number of local hearings to allow all constituencies and all parts of the nation to voice their views.

Over the last few years, we have seen considerable ownership consolidation in the media; while at the same time we have seen important public interest protections eliminated. For the first fifty years of the 1934 Communications Act, people had a right

to petition the FCC if they found coverage to be one-sided. The "fairness doctrine" required broadcasters to cover issues of public importance and to do so fairly until, in 1987, under immense pressure from the media, it was eliminated. The loss of the fairness doctrine - a major blow to consumers -- was supposed to be alleviated by a blossoming of independent, local outlets that would expand diversity by increasing competition. In other words, consumers would no longer be able to use the fairness doctrine to ensure that their views were represented on a specific media outlet but would be able to present those views through competing media in the same market. Unfortunately, the public is now faced with increased concentration - not increased competition - and no longer has the fairness doctrine to fall back on.

In the last 25 years, the number of TV station owners has declined from 540 to 460 and the number of TV newsrooms has dropped by almost 15 percent. Three-quarters of cable channels are owned by only six corporate entities, four of which are major TV networks. Seventy percent of all markets have 4 or fewer sources of original TV news production. In 1975, there were 860 owners of daily newspapers. There are less than 300 today. My constituents and many constituents across the nation are frustrated that they are unable to hear different viewpoints and, increasingly, that they are unable to get their own viewpoints to others because of barriers to the visual and print media. I believe that there is significant argument for the FCC to recommend reinstatement of the fairness doctrine. At the very least, they should not allow even more ownership concentration that makes the loss of the fairness doctrine even more onerous.

Greater media ownership concentration limits the public's access to diverse viewpoints. Radio provides an example of what can happen when media ownership rules are abolished. In 1996, Congress eliminated the national ownership caps for radio. The result has been greater consolidation in the radio industry. In 1995, Clear Channel owned 1.3% of radio stations; today it owns 20.2%. In almost half of the largest markets, the three largest corporations control 80 percent of the radio audience. This has made it harder for diverse opinions to be heard. Just last month, Clear Channel refused to air an advertisement in which Congressman Danny Davis and I expressed our opposition to waging war in Iraq. Clear Channel refused to put the advertisement on the air. Fortunately, several independent stations did.

Clear Channel, which owns 1200 stations across the country, has refused to air songs by the Dixie Chicks who have spoken against war in Iraq, it has put out a recommended "do not play" list that includes John Lennon's "Imagine" and 150 other songs, it has actively worked to support pro war rallies, and it has refused to play paid ads that do not reflect its own views. This is what happens when a few companies control the airwaves. The owners' bias is reflected in what they choose to put on the air and listeners are limited in what they are able to hear.

Part of problem is that many entities that own media outlets are more focused on their bottom line than the public good and the public's right to hear and express diverse views. The founder and CEO and Clear Channel said in a recent Fortune Magazine article, "We're not in the business of providing news and information. We're not in the

business of providing well researched music. We're simply in the business of selling our consumers products." I appreciate Mr. Lowry's candor and I do not dispute his right to pursue profits. However, his statement clearly illustrates the problem. Greater media ownership concentration will hurt our democracy.

We must maintain media diversity and localism. We cannot allow information to be monopolized, rationed or censored because a free and open media is absolutely critical to the functions of a democratic society. The stakes are high and the threat to free speech is all too real.

The Chicago forum and others like it are a very important part of this process. Once again, I urge all the Commissioners to hold and attend more public forums across the country on any specific proposed changes to existing rules, as a major part of their decision-making process. Thank you for allowing me to have an opportunity to make a statement for today's hearing.