

# Congress of the United States

House of Representatives

Washington, D.C. 20515

July 16, 2001

## OPPOSE BROADCAST OWNERSHIP AMENDMENTS ON CJS APPROPRIATIONS

Dear Colleague:

When the House considers the Commerce-Justice-State appropriation bill this week, we understand that our colleague, Mr. Obey, may offer an amendment that would prevent the Federal Communications Commission (FCC) from modifying its media cross ownership and multiple ownership rules.

We urge you to oppose the Obey Amendment. Perhaps ironically, we differ on whether the FCC should modify these rules at this time. But we do agree on this: a broad brush prohibition like the one Mr. Obey proposes is unwise policy regardless of which side of the underlying issue you may be on.

**Reason 1: You should oppose this amendment if you believe the Commission's broadcast ownership rules should be examined and justified on an ongoing basis.** Many believe the rules should be evaluated to make sure they continue to serve the public interest in light of the dynamic changes in the media marketplace.

In fact, that is precisely what Congress directed the FCC to do. The Telecommunications Act of 1996 requires the FCC to review its broadcast ownership rules on a biennial basis to "determine whether any of such rules are necessary in the public interest as a result of competition." FCC Chairman Powell recently testified before our Committee that he considered this evaluation to be an obligation and that he is committed to undertaking a serious review of the regulatory standards - without presupposing the outcome - to respond to changes in the broadcast industry.

Indeed, many believe the broadcast rules should recognize the growth in the number and variety of media outlets in the media marketplace, as well as significant efficiencies and public service benefits that can be obtained from joint ownership.

**Reason 2: You should oppose this amendment even if you think that preserving these rules is critical to avoid further concentration of the television industry.** Tying the hands of the FCC in this manner could very well backfire.

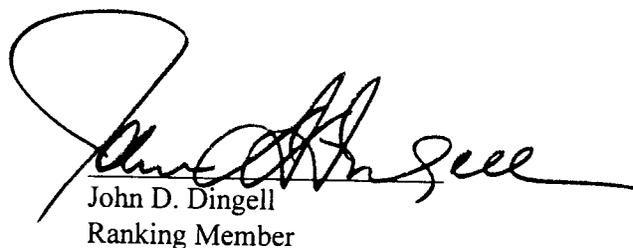
The reason is simple. Three of the television networks (Fox, NBC and CBS) have filed suit against the FCC challenging the rules that limit the number of stations any single entity can own. The case is pending in the U.S. Court of Appeals for the D.C. Circuit. The case has been fully briefed; oral arguments are scheduled for September 9, and a decision is likely before the end of the year.

Under the Obey Amendment, if the Court vacates the rules (an outcome many observers believe is likely) and remands the case to the Commission, the FCC will be unable to act pursuant to the Court's order. In the meantime, there would be no limit on the number of stations that a single company could own - not because that is necessarily the right policy outcome, but because the expert agency would be blocked from doing its job.

So, whichever side of the broadcast ownership issue you are on, there are many good reasons to preserve the FCC's flexibility in this area. We hope that you will join us in opposing the Obey Amendment.

Sincerely,

  
W.J. "Billy" Tauzin  
Chairman

  
John D. Dingell  
Ranking Member