The FCC should modernize by reducing cross-ownership rules

BY KATIE MCAULIFFE, OPINION CONTRIBUTOR — 09/25/17 11:23 AM EDT

THE VIEWS EXPRESSED BY CONTRIBUTORS ARE THEIR OWN AND NOT THE VIEW OF THE HILL

http://thehill.com/opinion/technology/352244-the-fcc-should-modernize-by-reducing-cross-ownership-rules

The iPhone brought about an earth shattering change in the way we receive news, communicate and a host of other things. It is hard to find a person who would dispute that having a mobile computer in nearly everyone's pocket hasn't changed the way people act — for better or worse — in some way.

This change has been readily apparent in the way people get their news. Though newspapers were once the dominant news source, their print circulation has been on the decline since the late 1980s.

News used to come from a few privileged platforms: newspapers, radio, and broadcast television. Today, newspapers, television broadcasters, and radio stations compete with cable news, online only news sites, podcasts, blogs and social media. Literally anyone who wants it has a public platform that can reach worldwide.

No one can dispute that newspapers have taken an especially hard hit. The New York Daily News was sold to Tronc, the LA Times Parent Company for just $1 dollar earlier in September.

Local broadcast news stations are suffering as well. With more and more people using websites, YouTube, podcasts and other sources to stay informed and entertained, advertising revenue has dipped for both television and radio stations. Struggling, smaller news organizations with a common goal of providing local news would benefit from pooling their resources through joint agreements and cross-ownership of media organizations, but decades-old Federal Communications Commission rules prevent these from taking place.

In 1975 the FCC created a ban on the cross-ownership of newspaper and broadcast licenses out of a fear of a concentration of power in the media market. This ban still stands today.

After pushback decades later, some changes to other regulations were made, but there are still government controls in place that have limited cross-ownership of broadcast stations, joint sales agreements and other joint arrangements.

The old world FCC regulations are dragging down one of our most important sources of news, particularly investigative journalism. Outlets that have been allowed to pool resources have produced meaningful investigative coverage like when the Dayton Daily News and Dayton, Ohio CBS affiliate WHIO-TV worked together to expose mismanagement in the Department of Veterans Affairs. Though both news organizations are owned by Cox Media Group, the quality of the journalism did not decrease, it increased. Further regulatory reductions would support more of this high-quality reporting.

Given the competition coming from internet platforms, social media, and the 24-hour news cycle, most Americans have news in the palm of their hand throughout the day. Newspapers have traditionally supplied the in depth investigative coverage, and that style of reporting is far less common. The elimination of these rules would help buoy local news outlets at little-to-no competitive cost, providing Americans with another source for their daily news, rather than allowing the alarming trend of newspaper closings to continue unabated.

FCC regulations improperly limit their ability to combine forces and innovate.

Eliminating these rules would actually support the FCC's goals of promoting competition, localism, and diversity of voices. By pooling resources, these organizations could stay in business, and continue to compete with national news organizations that have steadily gained support as more and more small news establishments go under.

Organizations that have focused on higher-quality reporting like the investigative journalism of the Dayton Daily News/WHIO-TV Veteran's Affairs story have better-weathered the rapidly changing media market. By combining resources and preventing the duplication of overhead costs, these types of groups can do just that.

Further, even when a group owns multiple outlets in the same medium, the ownership has incentive to provide a diversity of programming and views, in order to not compete for viewership in the same niche market as their sister station or stations. Stations can even stratify the times they air news for this same reason, which would prevent duplicative programming and create positive externalities for better-informed local communities.

Even when news outlets merge together, there are market incentives against a single narrative produced by a concentration of media clout.

The competition for local advertising dollars is stiff. If we want newspapers and broadcasters to be able to compete and provide the high quality of local journalism and programing in the 21st century, we need to level the field by removing well-intentioned but old regulatory limits from the 20th century that are no longer relevant to 21st century challenges.

Katie McAuliffe is the executive director of Digital Liberty and federal affairs manager at Americans for Tax Reform.