

Media Ownership 2 (Greenway Ballroom B)

Chair: Amit Schejter - Penn State

Lisa Barr - Western Illinois University - Media Indifference: Deadlier than Silence? Coverage of the FCC Hearings in Chicago, 2007

In Fall, 2007, media reform groups sounded the alarm that the FCC was holding public hearings prior to a proposed (and actual) relaxing yet again of media ownership rules. In response, the Illinois Broadcasters Association blanketed the media with messages promoting further deregulation. In the former synagogue, now renamed Dr. King's Workshop, an annex of the Rainbow Coalition complex on Chicago's Southside, a day-long hearing was held. Speakers included a wide array of media activists in the sanctuary area below a balcony area which the IBA used to host a posh reception for its members and executives.

This paper will explore how well the national and regional news media cover this big hearing. Specifically, did the news media content reflect the view of the Illinois Broadcasters Association, or groups such as Freepress.org and community broadcasters opposed to the changes proposed?

Papers sampled will include: The Chicago Tribune and the Sun Times, the New York Times, the Wall Street Journal, Mother Jones, and the Nation. Items searched for in a limited content analysis will emanate from things media reform activists have mentioned repeatedly. The findings of the mainstream and alternative media sampled will be compared with what was available at that hearing as compiled by the FCC and posted on line in transcript form.

In this manner, this paper will document what the various media focused upon in its stories about the pending regulation change. A limited analysis will follow the finding's analysis based upon the ownership interests of the outlets whose content on this hearing will be analyzed.

In other words, this paper seeks to answer two main questions:

What issues did the news coverage ignore regarding the pending further deregulation? Do any of these potentially significant silences mesh at all with the business interests of the particular media outlet?

Amit Schejter, Jon Obar - Penn State - Tell it not in Harrisburg, publish it not in the streets of Tampa: Framing, media ownership, and the public interest

Between 2006-2007 the FCC was scheduled to conduct eight public hearings across the United States as part of its Further Notice of Proposed Rulemaking procedure, brought about by the court's annulment of the media ownership rules enacted by the FCC in 2003. These hearings – the first of their kind in scope and quantity - drew the attention of the broadcasters, the public interest groups and the public. In this study, the news reports of the hearings broadcast by the big four network affiliates (ABC, CBS, Fox and NBC) in Harrisburg, Pennsylvania and Tampa, Florida, between February and April 2007 are critiqued using framing analysis. The researchers attended the hearings and studied 40.5 hours of televised coverage (72 newscasts), and transcripts of 18 additional newscasts, from both markets, broadcast right before, during and immediately after the hearings, revealing 22 segments in which the hearings were either foreseen in advance or described in retrospect. Two frames emerged from the analysis: a first-level agenda setting frame that claimed that the hearings were “unimportant” and a second-level agenda setting frame that suggested that “media consolidation is not a problem.” These findings imply, that maintaining broadcasters independent of the networks serves the diversity of viewpoints in a market, in particular with regard to issues in which the broadcasters have an invested interest

Matt Crain - University of Illinois - The rise of private equity media ownership in the United States

The last decade has been marked by an increase in the involvement of private equity capital within the United States media sector. Specifically, private equity firms have ramped up acquisitions of publicly traded media companies via complex financial maneuvers called leveraged buyouts. The goal of the leveraged buyout strategy is to employ debt financing to assume control of undervalued firms, restructure them to maximize efficiency, and then exit the investments by selling the streamlined properties at high profit margins.

This study examines the logic, scope, and significance of private equity takeovers in the media sector. The structure and operations of private equity firms are discussed with a focus on leveraged buyouts, public-to-private acquisitions, and short-term exit strategies. Secondly, an overview of recent private equity activity in various media industries is provided. The final section addresses public interest concerns raised by private equity media ownership relating to inflated acquisition prices and over-leveraging, qualitative changes to media firms resulting from profit maximization

strategies, and regulatory issues stemming from lack of transparency in ownership.

Steve Anderson - Simon Fraser University - The Synergistic Membrane

Leaders of the online “citizen media” movement like Markos Zuniga and Dan Gilmore, point to advancements in media technologies and higher levels of citizen participation as the chief impetus needed to democratize communications. Proponents of this point of view focus on the fact that “modern communications give anyone who cares the tools to learn more—far more—about people and organizations”, rather than the underlying economic relations and patterns of ownership (Gillmor, 2004 p. 62). We must be careful not to uncritically celebrate new media, as “technological fixes for political problems have such a dismal history that great caution is warranted before relaxing into that potential as if it were a sure thing” (Downing, 2001, p. 199). As James Curran notes, “new technology has not fundamentally changed the underlying economic factors that enable large media organizations to maintain their market dominance” (Curran 2003, p. 227). One key fact that those who blindly celebrate online media miss is that the Internet is also effectively used by corporations to amplify their voices, with most of the popular websites are owned by large corporations (Klinenberg, 2007).

Many of the most powerful online media websites are owned by some of the largest media corporations. Fox Interactive Media recently spent \$580 million to acquire MySpace.com (Delaney, 2006, cited in Compton and Comor, 2007). Google, a large and evermore powerful media corporation, owns one of the most popular blog platforms: BlogSpot.com. Google also recently purchased Youtube, the most popular online video site on the Internet, for U.S.\$1.65 billion in stock (Delaney, 2006, cited in Compton and Comor, 2007). Yahoo, Microsoft, and AOL Time Warner own other popular platforms.

The new media conglomerates strategically compete with one another for traffic growth and retention, and thus, profits. Unlike their traditional media counterparts, online media companies (although increasingly integrated with traditional media) may not control the access to the medium directly, as that would be the job of ISP’s (Internet Service Providers), however, they do control powerful ‘transmission nodes’. Online media owners are not the gatekeepers to the medium, but they do have significant control over the flow of the web users. Google, News Corp, and other holders of major web properties may not be part of a limited selection of channels, as cyberspace is essentially endless, but the Internet does seem to function

as if they do. The brand loyalty they demand, and the significant upstart costs needed to develop anything on par with the sophisticated constellation of services they offer, creates an extreme barrier to entry.

The drive towards ever-increasing exploitation of web users is leading to the development of a “synergistic membrane”, where online media behemoths develop vast bonded constellations of online spaces and tools creating semi-permeable membranes that restrict traffic to the greater cyberspace. As new media conglomerates fortify their media empires, reducing cyberspace permeability, it is important we come to grips with this new media milieu, and develop effective insurrections.