

Star Tribune (Minneapolis, MN)

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FCC loosens the rules on co-ownership of newspapers and broadcast outlets; The move still excludes "cross-ownership" of the top four TV stations in each market, so it's unlikely the Twin Cities will see any changes.

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Overturing a 32-year-old ban, the Federal Communications Commission (FCC) voted Tuesday to let broadcasters buy newspapers - and vice versa - in the nation's 20 largest media markets, including the Twin Cities.

Even so, it will be difficult for Minnesota's major players to take advantage of the looser rules, which continue to exclude "cross-ownership" of the top four TV stations in each market.

That would seem to eliminate two companies with deep pockets and long histories in the news business: KARE, Channel 11, owned by Gannett, which also operates the country's largest newspaper chain, and KSTP, Channel 9, whose corporate parent Fox is owned by media mogul Rupert Murdoch.

Conversely, the two local newspapers could buy one of the five smaller TV stations or other broadcast properties in the Twin Cities.

However, Star Tribune publisher and chairman Chris Harte said that Avista Capital Partners, the private equity firm that bought the paper in March, has had no such discussions. Dean Singleton, chief executive of the St. Paul Pioneer Press' parent company, MediaNews Group, could not be reached for comment.

"It's unlikely, if not impossible, for [Tuesday's change] to make a dent in our market in the short term," said **John Rash**, media analyst for Minneapolis-based ad agency **Campbell mithun**.

The move also faces potential challenges in Congress and the courts. FCC Chairman Kevin Martin pushed the vote through despite intense pressure from House and Senate members to delay it. However, the White House pledged to turn back any congressional move to undo the vote.

At Tuesday's meeting, Martin described the issue as "the most contentious and divisive" to come before the commission. He and the FCC's two other Republican members voted in favor of the proposal, while the two Democrats voted against it.

Martin said his proposal represented "a relatively minor loosening" of the cross-ownership rule. "Newspapers are struggling," he said while arguing that his proposal "strikes a balance" between the realities of the changing media marketplace and the preservation of diversity and competition in broadcasting.

University of Minnesota Prof. Michael Stamm, who is writing a history of cross-ownership, said he could see how it would be advantageous for a paper to buy a small radio or TV station to promote itself. He also noted that a major broadcaster might be tempted to buy a paper to "enhance its prestige," citing Murdoch's recent purchase of the Wall Street Journal.

Still, he worries about the long-range implications of the FCC action. "People who should know about these things don't know about the ultimate impact," said Stamm. "Part of the rhetoric sounds good, but we have very little diversity in mass media markets and it's a cause for concern."

The Associated Press contributed to this report. njustin@startribune.com - 612-673-7431

TWIN CITIES TV STATIONS

- KTCA-TV, Ch. 2 (PBS)
- WCCO-TV, Ch. 4 (CBS)
- KSTP-TV, Ch. 5 (ABC)
- KMSP-TV, Ch. 9 (Fox)
- KARE-TV, Ch. 11 (NBC)
- KTCI-TV, Ch. 17 (PBS)
- WUCW-TV, Ch. 23 (CW)
- WFTC-TV, Ch. 29
- KSTC-TV, Ch. 45

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