

Bush administration would relax rules

By DOUG HALONEN

As Texas Gov. George W. Bush's presidential onslaught was in a holding pattern, circling the White House last week, newspaper industry lobbyists in Washington could hardly contain their glee because the GOP presidential candidate has all but promised to ax a rule that bars daily newspapers from buying broadcast stations in their markets.

"He made clear that rule would come under intense scrutiny," said John Sturm, president and CEO of the Newspaper Association of America, on remarks Mr. Bush made in a satellite TV speech to the group's convention last May.

"We're looking forward to renewing our request [that the Federal Communications Commission kill the regulation]."

The Clinton administration FCC,

by contrast, ducked newspaper industry requests to loosen the restrictions for eight years, even though the agency relaxed local ownership restrictions that permitted radio and TV stations to combine.

At least some media industry representatives cried foul.

"[A Bush victory] means newspaper-broadcast ownership will be dealt with in a meaningful fashion," said Shaun Sheehan, vice president, Washington, at the Tribune Co. "Under Clinton, they put it on a back shelf and pretended it didn't exist."

The newspaper industry campaign is likely to get a major assist if conventional wisdom prevails and GOP FCC Commissioner Michael Powell is named FCC chairman.

Mr. Powell dissented from an FCC decision last summer that said the newspaper/broadcast cross-ownership rule should be kept on

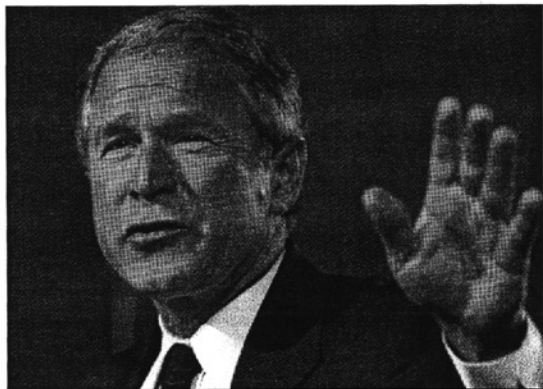
the books because it continued to serve the public interest.

"This rule raises significant First Amendment concerns and as a result requires rigorous analysis in support of its continuing validity," Mr. Powell said.

Sources said AT&T and the broadcast TV networks are also expected to lobby hard for easing rules that limit how many cable systems and TV stations they can own.

But sources also said it's hard to predict victory for those campaigns because both face significant industry opposition.

One well-placed cable industry source, for instance, said the vast majority of cable companies support the cap that now bars systems from reaching more than 30 percent of the nation's subscribers because that ensures that systems will be available for purchase at fire-



If Texas Gov. George W. Bush becomes the next president, rules barring newspapers from buying TV stations in their markets could be lifted.

sale prices.

Network affiliates and the National Association of Broadcasters are also lobbying to keep in place a rule that bars broadcasters from reaching more than 35 percent of the nation's TV homes with their stations, on grounds that the regulation is needed to limit network power.

At least some lobbyists are making clear they believe all the deregulation

will have to be dealt with as a single package, with all the players being treated alike.

"The political imperatives suggest that cable, newspaper and broadcast caps will all have to be looked at together," said Bob Okun, NBC vice president, Washington.

But other sources believe the newspaper industry can make a case for unilateral deregulation. #