
III. Corporate Profiles

Who's who in the media cartel

The brief profiles that follow illustrate the point that has been made throughout this report: that an increasingly British-dominated, highly centralized group of powerful individuals and multinational companies dominates the American news media. The rate of consolidation of power is escalating—and,

if not stopped, will escalate even more rapidly, as the result of the federal government's capitulation to the "deregulation" frenzy. Deregulation spells cartelization, and a growing tyranny of censorship and manipulation of how you think and what you know.

For purposes of clarity, we have grouped the corporate profiles into two categories: those companies under direct British control, and those controlled by British-allied, American entities.

Clearly, there are genuine differences of policy, among these media giants. There have also been substantial policy differences between the Clinton administration and the British interests, which have periodically exploded into the media. Media control and manipulation, as we have shown, does not mean that a monolithic "Big Brother" serves up one, and only one distorted version of reality. The media cabal defines the boundary conditions of the "news," and, therefore, shapes

New communications bill furthers cartelization

On Feb. 1, 1996, the U.S. Congress passed the comprehensive Telecommunications Reform Act of 1996, which, at a stroke of a pen, eliminated most federal safeguards against the concentration of the media in the hands of a few British-dominated conglomerates. The bill, the product of several years of backroom maneuvering, had the overwhelming support of both party leaderships in Congress, as well as of the White House (it had been a pet project of Vice President Al Gore). When it was signed by President Clinton, the legislation struck down or emasculated critical regulatory powers of the Federal Communications Commission (FCC), effectively deregulating the industry.

While there was some recognition among mostly smaller media outlets of the dangers inherent in the bill, such opposition was, for the most part, muted; the most vocal opposition centered upon likely higher costs to the consumer, as a result of the consolidation process.

Among its most invidious features, relevant to the topics under consideration in this report, are the following:

- Current federal limits that prevent any one company or network from owning TV stations that reach more than 25% of the U.S. population, would be lifted to 35%. A group of network affiliates (local TV stations) had lobbied hard against the bill, warning that they would lose their autonomy from the networks, with the loss of much local

broadcasting; they apparently succeeded in eliminating the provision in the House version that would have raised this particular limit to 50% after one year.

- The federal limit on no one entity owning more than 20 AM plus 20 FM radio stations has been eliminated entirely. Caps are placed on four levels of local markets; for example, in a market with 45 or more radio stations, no one entity may own more than 8. However, the FCC is instructed to provide exceptions to these local caps, if there is an increase in the number of stations operating in that area.

- Current federal limits that prevent one entity from owning all the major newspapers, TV stations, and cable TV providers, in the same city or locality, or at the same time, would be greatly relaxed.

- The seven Regional Bell Operating Companies (RBOCs), formerly all subsidiaries of AT&T, will be allowed to offer long-distance service, provided that they can demonstrate that they have opened their local phone market to a level of competition to be determined by the FCC, within six months of the bill becoming law. Cable TV providers, for example, will be allowed to offer local phone service. The RBOCs will also be allowed to begin manufacturing telecommunications equipment, which they are currently banned from doing under the judicial provisions of the AT&T 1984 breakup.

- The RBOCs will also be allowed to offer cable TV and other services.

Predictably, the legislation has triggered a new wave of mergers, acquisitions, and takeovers, the most notable being the merger of the vast Time Warner empire with Ted Turner's Turner Communications.—*L. Wolfe*