

**Testimony of Jack Fuller
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**United States Senate
Committee on Commerce, Science & Transportation**

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10:00 a.m.**

Good morning. My name is Jack Fuller and I am president of Tribune Publishing Company, the newspaper subsidiary of Tribune Company.

As a newspaperman, ordinarily I wouldn't be here on Capitol Hill asking for anything but information. But because of the ongoing revolution in the way Americans get their information, I am here to ask that you permit newspapers to compete freely with other media for a share of the fragmenting news audience, unhampered by legal restrictions on ownership of the means of communication.

The time has come for the elimination of the newspaper-broadcast cross-ownership rule. There are many reasons why—from the constitutional to the historical to the practical. Let me concentrate on the practical.

Since the cross-ownership rule was established nearly three decades ago, the news business has been transformed. In addition to newspapers, magazines, broadcast television and radio, now Americans can get news from a proliferation of national all-news cable operations such as CNN, Fox News, and MSNBC, as well as from local cable operations such as New York One News and Newschannel Eight here in Washington. On the Internet they can get news from a wide variety of sites from all over the country and all over the world. With a few keystrokes, they can search the Worldwide Web for news that interests them, from what you have said in the Senate

and the way you have cast your votes to information about their local schools and parks.

This profusion of sources of information is good for the country, but it is a challenge for newspapers, whose readership has been under pressure because of media fragmentation, and whose advertising revenue is being targeted by every new competitor—as well as by the old ones. This has put newspapers under financial stress. You have probably seen reports of the significant cutbacks most have had to make in this period of economic softness.

The cost of covering the news, however, is not declining. It is increasing. Covering the meetings and activities of hundreds of municipal government bodies, local school boards, and other public policy events is a huge and expensive undertaking. Building teams of journalists who are capable of understanding the complexity of public policy issues today and translating them for lay people is not easy or cheap. Not to mention the cost of serious, sophisticated, original coverage of the nation and the world, as Tribune newspapers are committed to providing.

In Chicago alone, the *Chicago Tribune* employs nearly 700 editorial staffers and hundreds of freelancers, most of them devoted to news of local interest. This compares to the 50 or 60 reporters and editorial staff typically employed by local television news stations in Chicago. In Los Angeles, the numbers are even higher—1,130 editorial staff at the *Los Angeles Times*. Even in the smaller markets, the size of our newsgathering operations is significant. In Newport News, Va., for example, the *Daily Press* employs 155 full-time editorial staff, three times the size of a broadcast news operation in one of the major metropolitan markets.

The question is whether in a fragmenting media environment we will be able to find the economic model to continue to support coverage at this level.

I believe we can, but it will mean spreading the cost of high quality journalism over more than one distribution channel. We will have to reach audiences in the many new ways that people now like to receive their news. And to do that, we will need to have the burden of the newspaper-broadcast cross-ownership rule lifted.

In an environment where people's choices for obtaining information have radically multiplied, there is no risk of one voice dominating the marketplace of ideas. Today in clamorous cities like Los Angeles, Chicago, and New York, it is frankly a challenge for any voice--no matter how booming--to get itself heard. So long as distribution channels continue to proliferate--and the explosion of bandwidth guarantees that they will--the public's demand for diversity of voices will always be satisfied.

The public interest will be served by freeing newspapers to compete in the new highly competitive news environment. Let firms own newspapers and broadcast television stations and people who get all their news from broadcasting today will hear new voices. Let the cross-ownership rule fall and you will see enriched newscasts. Here's an example of what is possible. It comes from Chicago, where Tribune's ownership of the Chicago Tribune and WGN television and radio is grandfathered under the cross-ownership rule.

Last year, more than 40 reporters, editors, and visual journalists from the *Chicago Tribune*, WGN-TV and CLTV, our 24-hour cable news channel, worked together on a series of stories entitled, "Gateway to Gridlock," about the effect

that air traffic snarls at O'Hare Airport were having on people's lives all over the country. Stories appeared in the newspaper, on television, on cable, and on the Internet. Each medium told the story in the way best suited to its audience. The result was wide dissemination of a thorough analysis of an important local and national issue. The public was the beneficiary, and the *Chicago Tribune* was honored with a Pulitzer Prize for the effort.

No broadcast, cable, or Internet news operation alone could have devoted the resources it took to research, write, edit, and package "Gateway to Gridlock."

So with cross-ownership, public access to high-quality local news increases. It does not decrease. And that is why neither your files nor the Federal Communications Commission's are filled with complaints from the communities where cross-ownership now exists.

In contrast, in South Florida, the ban on cross-ownership has actually impeded the introduction of new voices in broadcast news.

Just to put the situation in historical context, when the cross-ownership ban went into effect, there were seven over-the-air television stations in Miami. Cable was in its infancy and had made little impact there. The Internet information superhighway wasn't even a dirt road.

Today residents of Miami can watch 15 over-the-air television stations. They can choose from eight daily newspapers or listen to one of 67 radio stations. Cable delivers in excess of 75 channels, including CNN, Fox News Channel, C-SPAN, CNBC, and MSNBC.

Tribune owns the *Sun-Sentinel* in Ft. Lauderdale. In 1997 it acquired a group of stations that included a UHF channel ranked seventh in the Miami market. The station

programmed no local news when we bought it. To close the transaction, Tribune got a temporary waiver of the cross-ownership ban. But the waiver forbade Tribune from any newspaper-broadcast joint operations.

So instead of partnering with the *Sun-Sentinel* and providing broadcast viewers access to the work of 370 members of the newspaper editorial staff devoted to covering the local community, our television station has had to partner with the local NBC affiliate, airing that station's newscast.

And if that were not enough, CBS/Viacom owns two stations in the same market, and will program news on both in competition against the Tribune-owned station.

The combination of these two television stations is permitted by law, as is ownership of television by Internet companies, cable providers, telephone companies, wireless service providers. Anybody, it seems, can own a television station except aliens, drug dealers—and newspaper publishers.

A lot of serious people are asking today what is going to become of newspapers in the communications revolution. They worry about this because they realize that good newspapers are vital to the health of communities and to the health of the national public debate as well.

I am actually very confident of our ability to get through the revolution and still be able to provide the kind of high quality, comprehensive news reports that Americans need in order to make their sovereign decisions. But we have to be able to adapt to a new, highly competitive environment of the sort I described in South Florida, and we have to be able to deal with powerful organizations such as AT&T, which is the sole provider of cable services to virtually the

entire Chicago Tribune market area and which sells zoned advertising on 35 channels. In this kind of environment we have to be unencumbered by anachronistic government restrictions that are based only on the fact that we own printing presses.

Great newspapers can survive the information revolution, but not with a weight shackled to their ankles. The public interest and the Constitutional ideal of free expression demand that the shackle be removed.