News Corp.'s bid for Newsday has Congress looking to block more media consolidation

Senate Commerce Committee approves a rare 'resolution of disapproval' that would invalidate FCC rules that make it easier for companies to own newspapers and TV stations in nation's biggest markets.

By Jim Puzzanghera, Los Angeles Times Staff Writer

WASHINGTON -- Congress took the first step this morning toward invalidating new rules making it easier for companies to own newspapers and TV stations in the same city, with the leading backer of the legislation saying News Corp.'s preliminary agreement to buy another New York newspaper highlighted concerns about increased media consolidation.

The Senate Commerce Committee unanimously approved a rare "resolution of disapproval" that would invalidate the Federal Communications Commission's controversial vote in December to ease a ban on cross-ownership of newspapers and broadcast stations in the nation's top 20 markets.

Large newspaper companies, including Tribune Co., owner of the Los Angeles Times and KTLA-TV Channel 5, pushed for the changes, saying the struggling industry needed more ability to consolidate with other media outlets in local markets. Tribune has FCC waivers for newspaper and broadcast combinations in Los Angeles and four other markets.

News Corp.'s pursuit of Newsday, a Tribune newspaper based in the New York City suburb of Melville, has heightened concern about the issue. News Corp. already owns two TV stations, the New York Post and the Wall Street Journal in the New York City market. Because of those properties, Murdoch would need a special waiver from the FCC to buy Newsday. Some media consolidation opponents argue the new rules could make it easier to get such approval.

"I'm concerned about the proposed purchase of Newsday," said Sen. Byron Dorgan (D-N.D.), who sponsored the resolution. "It's another example of concentration that I think is unhealthy."

Dorgan has lined up 25 senators behind his bill, including both Democratic...
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Dorgan has lined up 25 senators behind his bill, including both Democratic presidential candidates, Hillary Rodham Clinton of New York and Barack Obama of Illinois. The Bush administration has threatened a veto, but Dorgan could try to attach the resolution to a spending bill to make it harder for the White House to block.

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