

The Covert Consolidation Crisis

Across the country hundreds of local TV stations are quietly signing over control of their newsrooms to their competition. In many communities just one company controls what stories are told and whose voices are represented on two, sometimes even three, stations.

This isn't good for local communities or our democracy. Fewer journalists are holding our leaders accountable and fewer viewpoints are being expressed on pressing local issues.

These deals run afoul of broadcasters' commitment to serve the public interest. And they're a clear attempt to circumvent the Federal Communications Commission's media ownership rules. "Covert consolidation" has all the hallmarks of traditional media consolidation, but so far the FCC has let these deals spread like wildfire across the nation. And due to the nature of covert consolidation, most viewers are unaware that one company is pulling the strings behind multiple news programs on multiple stations.

Now is the time to ensure the FCC addresses this troubling trend. This fall the FCC will be reviewing its media ownership rules, and we need to make covert consolidation a central focus of that review.

Free Press has documented 100 instances of covert consolidation affecting over 40 percent of the country's media markets.

Covert Consolidation is Widespread. Using fake shell companies and legal loopholes, stations give the false impression they are independently owned, but in fact all of their news operations are consolidated under one company. Covertly consolidated stations share studios, journalists, anchors, branding, websites, ad sales and more. Some broadcasters now control two, three or even four stations in one market, giving them extraordinary influence over local debates, issues and news.

Covert Consolidation Reduces Competition. When broadcasters control multiple stations in one market, they are less dependent on ratings to earn revenue. Stations end up squatting on valuable public spectrum that could be put in the hands of new local owners.

Covert Consolidation Harms Local News. Reduced competition gives stations less incentive to produce better local programming, or to "scoop" other stations to draw more viewers. Rather than competing, stations collude to cut costs and produce the same stories (sometimes the same newscast) for multiple stations. The result is not more news, but more of the same news.

Covert Consolidation Cuts Local Jobs. When TV stations consolidate their newsrooms, journalists, editors and crew members lose their jobs. Station owners boast about healthy profits while at the same time cutting hundreds of jobs nationwide. Reduced news staffs mean fewer reporters ferreting out corruption, holding local officials accountable or covering issues that matter to the community.

Covert Consolidation Hurts Women and Communities of Color. Markets with high levels of consolidation — covert or otherwise — have lower levels of minority- and women-owned broadcast stations. Less diversity in ownership means programming is less likely to reflect issues facing a range of communities.

CHANGE THE CHANNELS

The airwaves these companies use belong to the public, and it is the FCC's job to ensure that stations use these vital resources to serve the public interest. As the FCC begins its review of media ownership rules this fall, we need to ensure that the agency addresses covert consolidation. Visit [ChangetheChannels.org](https://www.changethechannels.org) to learn more and take action.