



# Who *is in* control?

A PRIMER FOR THE  
ROUNDTABLE DISCUSSION  
ON GLOBAL MEDIA –  
THREATS TO FREE EXPRESSION

FEB. 20, 2006

International Federation of Journalists



No part of this publication may be reproduced in any form without the written permission of the publisher. The contents of this publication are copyrighted and the rights to use of contributions rests with the authors themselves.

This publication was produced by the International Federation of Journalists with support from the Network Media Programme of the Open Society Foundation.

Publisher: Aidan White, IFJ General Secretary  
Design: Ruth Harland • Mosaik • [info@mosaik.co.uk](mailto:info@mosaik.co.uk)  
Managing Editor – Rachel Cohen

Printed by Druk. Hoeilaart, Belgium

Published in Belgium by the International Federation of Journalists  
© 2005 International Federation of Journalists

International Press Centre • Residence Palace, Block C  
155 rue de la Loi • B - 1040 Brussels • Belgium

Introduction ..... 4

How to lose your concentration..... 5

A Short History of US (De)Regulation..... 9

UK watchdog: the Campaign for Press and Broadcasting Freedom ..... 11

Slovenia’s Peace Institute monitors media..... 13

Media lick the hand that feeds them  
Does Wal-Mart’s money buy more than ads?..... 15

Sinclair and the public airwaves  
A history of abuse..... 20

Slovenian NGOs fighting uphill battle to save public broadcasting..... 22

Concentration fighters/Watchdogs ..... 24

By all accounts, these days of global media and the Internet should herald a golden age for free speech, but pluralism, the lifeblood of free expression, is under more pressure than ever.

The problem of ownership concentration, which has seen the growth of enormously powerful media corporations, many of them with global reach, has been well-articulated by leading US writers such as Robert McChesney and Ben Bagdikian. Today, fewer than ten corporations, most of them based in the United States, exercise enormous power and political influence. In the process, people's access to alternative voices and other opinions is severely restricted.

Even the promise of Internet pluralism comes under pressure when the corporate giants of cyberspace – Google, Yahoo and Microsoft for example – begin to trim their commitment to free expression in order to gain access to China's vast information market.

At the same time, where public interest values do exist, for instance in the public broadcasting sector, they are being squeezed by pressure from corporate lobbyists and politicians who believe that a solely market-driven media system will deliver what people need and want.

But is that true? The evidence is that the market does not have all the answers and is too easily subject to political or commercial pressure. So what can be done to put free expression and pluralism back on the media agenda? This short pamphlet outlines some of the concerns and also points to some of the answers – not least being the need to build coalitions between media people and civil society groups to defend free expression rights.

As public interest groups in many countries push for media reform to liberate the press from government control, it is important to keep these issues in mind. Exchanging strict government regulation for corporate control is not true press freedom. By supporting local and global campaigns to defend media plurality, we can ensure that diverse voices can reach the public.

Other thoughts and ideas, such as how we can use instruments like the Television Without Frontiers Directive in Europe or the UNESCO convention on cultural rights, will be discussed at the IFEX meeting. Please join us to take this important discussion forward.

## US PUBLIC INTEREST GROUPS AND TRADE UNIONS STARTED FIGHTING MEDIA DEREGULATION IN 2003 AND, SO FAR, THEY'RE WINNING

BY RACHEL COHEN  
INTERNATIONAL FEDERATION OF JOURNALISTS

The United States has the dubious distinction of being at the forefront of the global deregulation movement. At home and abroad corporate lobbyists have had immense success rolling back rules and laws that were drafted to protect ownership diversity and consumer power.

But they have not had it all their own way. In 2003, US civil society groups scored a major victory when Congress and the courts barred further deregulation of the newspaper and TV broadcasting industry, which would have increased media ownership concentration.

The changes adopted by the Federal Communications Commission (FCC) — the government body charged with regulating interstate and international communications by radio, television, wire, satellite and cable — allowed more media cross ownership in metropolitan centres and appeared to signal a victory for big media, which has invested around a billion dollars over the years in lobbying for political support.<sup>1</sup>

However, the FCC failed to take account of the power of public opinion and the possibility of a consumer revolt. The commission's decision to adopt rules without allowing any public consultation sparked outrage across the political spectrum.

The opposition to deregulation brought together people who had likely never been on the same side of an issue before, including gun-rights groups, women's groups, anti-indecency groups and trade unions.

Andrew Schwartzman, the lead lawyer in the public campaign and head of the Media Access Project, a public-interest law firm that represents civil society groups on FCC-related issues, credits the success of the anti-deregulation campaign to the fact that it cut across traditional political and activist lines, with a big boost

---

1. See the Center for Public Integrity report on media lobbying "Networks of Influence" ([www.publicintegrity.org](http://www.publicintegrity.org)).

coming from “very substantial labor union support,” particularly from US journalist union The Newspaper Guild-CWA (TNG-CWA).

“Our members are the first to experience the negative effects of media consolidation on news coverage and journalism,” said Linda Foley, TNG-CWA President and Vice President of the International Federation of Journalists. “We have spent the last three decades battling the effects of media consolidation from ‘inside’ the news industry. We now are joined with our allies on the ‘outside’ trying to prevent further concentration of media ownership to make sure we have some semblance of good journalism and public discourse left in US communities.”

### **FCC RULE CHANGE MAKES WAVES**

In 2003, when the FCC decided to relax its rules, allowing TV broadcasters and newspaper owners to scoop up more of their competitors in a particular market and to extend their reach in both mediums, it sparked a public blow-up of enormous proportions.

The outcry was not just among media watchdog groups and concerned liberals but also among conservative groups, religious groups and ordinary citizens who were worried that further deregulation could lead to less viewer choice, more politicisation of news, more commercials, more explicit and violent shows or all of the above.

These groups united in a strong political campaign to fight the decision, culminating in a massive petition drive, where the collected signatures of over half a million people convinced Congress to intervene. In January of 2004, Congress rolled back major parts of the legislation and a federal judge granted an injunction to stop any of the changes from taking effect. A group of broadcasters launched a legal appeal but the Supreme Court refused to hear it, keeping the ban in place. The FCC is set to reexamine the rules this year.

“The FCC has yet to begin the process of overhauling the ownership rules,” Schwartzman said. “The stay from the court remains in place and thus far it is a victory for our side though we have a big challenge ahead of us.”

While the effects of further deregulation on broadcasters and newspapers are still hypothetical, the consequences of ownership consolidation in the radio sector are crystal clear.

Clear Channel, the largest US radio-station owner, controls almost 1200 US radio stations, or about four times as many as its closest competitor<sup>2</sup>. With that market power, Clear Channel has set about systematically destroying its smaller competitors and then automating its own stations, giving them the appearance of local programming while in reality it records the programmes ahead of time from a central location. This model has been followed by TV broadcasters and newspaper owners.

Already, the environment for new programme-makers is getting more difficult, Schwartzman says. The station owners increasingly create their own programmes, which conform to their own ideologies and viewpoints. If they do accept outside programming, it is likely to reflect the same political and social point of view.

"NGOs in general have a huge stake in making sure that there are multiple sources of news and information (including cultural diversity) in their mass media," he says. This is essential to a healthy democratic process. This is not going to happen without some active effort to protect against excessive concentration."

### FCC TO TRY AGAIN

This time around the FCC will again try to set the parameters for deregulation but under the scrutiny of an even more discerning public.

Schwartzman is hopeful about the new regulations.

"We contemplate a much broader range of public input this time and a more modest effort to deregulate," he says. "The general view of the public is, if anything, we should be going in the other direction with no additional deregulation. Diversity of ownership promotes diversity of content and that is an understandable goal for the public and a very effective means of organising public opinion."

While past public campaigns used traditional media, he said the nature of the campaign was such that most media companies would not want to broadcast or print stories about it.

"The Internet affords a means of communication and organising on this effort precisely because traditional outlets for mass communications are controlled by one of the players in the debate," he said. "The lesson here is that the Internet

---

2. See *Journalism.org report The State of the News Media 2005*, [www.journalism.org](http://www.journalism.org)

made a huge difference. In similar exercises before we didn't have the means for reaching people."

The lessons learned in the American campaign against increased ownership concentration can be applied in other parts of the world, Schwartzman says.

And while many countries are struggling under authoritarian governments who exercise too much control over media, total deregulation can bring with it corporate control, which could be almost as dangerous.

"Having a multiplicity of owners increases the diversity of content and viewpoints that are available and this, in turn, invigorates the democratic process," he says.

"A few large vertically integrated entities inhibit creativity and innovation. Often new interesting ideas come from independent sources and if they can't break into the distribution chain, society is the worse for it."

## A SHORT HISTORY OF US (DE)REGULATION\*

**1934**

The FCC is established by the Communications Act to regulate interstate and international communications by radio, television, wire, satellite and cable.

**1941**

The FCC adopts rules to preserve diversity on the airwaves.

**1940s-1970s**

FCC adopts rules that restrict the number of local radio stations one company can own, limit the national audience reach for one broadcaster, restrict companies from owning multiple TV stations in a local market and ban the ownership of both a newspaper and a television station in the same market.

**1980s-1990s**

Starting with the Reagan Administration, deregulation of media becomes the standard, stripping away the protections of the preceding decades. For example, the number of television stations any single entity could own grows from seven in **1981** to 12 in **1985**. In **1987**, a Washington DC Circuit Court eliminates the fairness doctrine, which held that radio and TV license holders were public trustees charged with taking reasonable steps to present multiple and opposing viewpoints and with performing public service reporting on key community issues.

**1996**

Telecommunications Act eliminates the 40-station ownership cap on radio stations. Radio station ownership contracts sharply. Industry giant Clear Channel eventually grows to almost four times the size of its closest competitor.

## 2003

FCC votes 3-2 to overturn most of the few remaining ownership restrictions. The rules would lift a ban on the cross-ownership of newspapers and broadcasters in local markets and allow for further concentration of broadcast ownership in local markets. The new rules would allow one company to own three TV stations, eight radio stations and the monopoly newspaper in a single market. The FCC also includes a provision to allow one company to own stations reaching 45% of US homes but, after much public outcry, Congress subsequently votes to reduce that cap to 39%.

Americans are outraged and join with public interest groups to fight back against the FCC's deregulatory proposals. The massive public protest prompts Congress to bar the implementation of the changes.

## 2004

In late June, a federal appeals court rejects the rule changes and orders the FCC to rewrite them.

*\*Information from HearUsNow.org ([www.hearusnow.org](http://www.hearusnow.org)), a project of the Consumer's Union (<http://www.consumersunion.org/>), except for information about Clear Channel, which is from the Journalism.org report *The State of the News Media 2005* ([www.journalism.org](http://www.journalism.org)).*

## THE CAMPAIGN FOR PRESS AND BROADCASTING FREEDOM

**THE CPBF IS AN INDEPENDENT PRESSURE GROUP CAMPAIGNING FOR DEMOCRATIC AND FREE MEDIA IN THE UNITED KINGDOM ([HTTP://WWW.CPBF.ORG.UK/](http://www.cpbf.org.uk/)).**

*BY GRANVILLE WILLIAMS  
EDITOR OF CPBF'S NEWSPAPER FREE PRESS*

Established in 1979, the Campaign for Press and Broadcasting Freedom (CPBF) is a membership-based organisation that includes individuals, most national trade unions, local trade union branches, educational institutions and community organisations in its ranks. All UK media unions are CPBF members and actively support the group's activities.

Each year at our annual general meeting, a National Council is charged with developing the CPBF's work over the following year. The aims of the Campaign for Press Freedom were modified when the organisation included Broadcasting in its title in 1983. In 2004 we again updated the aims to include new technological and other developments.

The impact of global media groups meant that beginning in the early 1990s the CPBF started to focus on media policy debates in Europe and around the world. Globalisation has made it more urgent for us to give time and priority to working at the national, European and international level.

**Our activity focuses on the following areas:**

### **I. PUBLICATIONS**

- Free Press is published six times a year and goes to all members and is distributed at conferences and other media events.
- Pamphlets: recent publications include a Media Manifesto, published for the most recent UK General Election in 2005, and Keeping Broadcasting Public: the BBC and the 2006 Charter Review.
- CPBF members write books or contribute chapters to books on media issues.

- Our website contains material from the CPBF and other organisations which we think are doing important work on media issues.
- The regulatory body Ofcom initiates numerous consultations on policy initiatives: recently, and most notably, a three-part review of public service broadcasting, which we responded to and also made our response public.

## II. POLICY AREAS

These areas vary depending on current media controversies or policy developments.

- Our main priority at present is the defence of public service broadcasting and the BBC Charter Review. We have organised conferences, responded to government consultations and produced two pamphlets which have been distributed widely. We are also planning another conference, in association with media unions and the Trades Union Congress (TUC), in the spring after the government's White Paper on the BBC is published.
- Another issue which we have worked on consistently over the years is the impact of media concentration on the range and quality of journalism. Projects in the UK and Europe to document and analyse the developments in media ownership and their consequences have been part of this activity.
- We have also been active on freedom of information issues and challenging attempts to censor or suppress information by government or security services.
- Since 1979 we have been fighting for the right of reply to factual inaccuracies in UK newspapers and the reform of the ineffective Press Complaints Commission, a self-regulatory body which is funded by the newspaper industry.

**THE PEACE INSTITUTE IS A PRIVATE NON-PROFIT ORGANISATION, WHOSE GOAL IS TO INTEGRATE RESEARCH AND ACTIVISM, ACADEMIC WORK AND ACTIVE INTERVENTION, POLICY ENGAGEMENT AND ADVOCACY TO INFLUENCE THE DEVELOPMENT OF DEMOCRATIC POLITICS IN SLOVENIA ([HTTP://MEDIAWATCH.MIROVNI-INSTITUT.SI](http://mediawatch.mirovni-institut.si)).**

*By BRANKICA PETKOVIC,  
PEACE INSTITUTE PROGRAMME DIRECTOR*

We work through various forms of activities: monitoring; publishing of research results and policy papers; organising public forums; and reaching our public via conferences, lectures and workshops, media and the Internet. The Peace Institute focuses mainly on: Politics, Media, Cultural Policy, Gender, Human Rights and Minorities.

In the media field, Peace Institute activities are based on the awareness that people's communication rights are endangered by media ownership concentration and a lack of public service media; that citizens and minority groups face problems with access to the media and media (mis)representations; and that there is a lack of effective regulatory and self-regulatory instruments on the national and European level, which would foster media diversity and pluralism and media accountability.

The Peace Institute's work in the media field tries to contribute to public awareness about media issues and also change media policy and practices to increase content diversity, ownership plurality, accountability and access for minority groups and all Slovenian citizens. Our work includes activities to increase people's critical and active responses to the media.

Since 1998, we have been developing the Media Watch project in Slovenia, which publishes brochures and books and hosts round table discussions and policy conferences. In 2003 and 2004, the Peace Institute, through the South East European Network for Professionalisation of the Media, developed a research and advocacy project on media ownership, its regulation and its impact on media pluralism and independence in 18 countries of Southeast and Central Europe. The project findings were published in a book ([http://www.mirovni-institut.si/media\\_ownership](http://www.mirovni-institut.si/media_ownership)). After launching the report in June 2004, a regional conference was organised, the reports were translated and currently, they are being used for public awareness and advocacy purposes in their respective countries. Following the project on media ownership in 18 South Eastern and

Central Eastern European countries, a programme director of the Peace Institute was selected to speak on behalf of European NGOs on media pluralism at the 7th European Ministerial Conference on Mass Media Policy, held in March 2005. In 2005, the Peace Institute was among the key NGOs in Slovenia providing critical assessments of the new law on public service broadcasting and draft amendments to the mass media law.

In 2006, the Peace Institute will work intensively on monitoring and advocating media pluralism and the empowerment of citizens and minority groups in the media in Slovenia through its project Media for Citizens, which is supported by the European Commission. At the same time, we are exchanging ideas and developing partnerships with similar organisations from other regions to establish a global coalition aimed at research, advocacy and campaigning for media diversity and public interest in the media.

**IN THE UNITED STATES, MEDIA OWNERSHIP CONCENTRATION HAS GONE HAND IN HAND WITH THE CORPORATISATION OF NEWS. HERE ARE TWO EXAMPLES OF HOW THAT HAS HURT THE AMERICAN PUBLIC.**

**MEDIA LICK THE HAND THAT FEEDS THEM**  
**DOES WAL-MART'S MONEY BUY MORE THAN ADS?**

**EXTRA! NOVEMBER/DECEMBER 2005**

*By PETER HART AND JANINE JACKSON*

In January 2005, readers across the country all saw the same thing in their morning paper: an ad for Wal-Mart. That in itself is no surprise—Wal-Mart is, after all, the largest corporation in the world—but this particular ad, which ran in more than a hundred papers, was different: it consisted of a rebuttal of arguments lodged by the retail behemoth's critics.

Subject to condemnation for business practices ranging from low pay and stingy healthcare benefits to exporting jobs and destroying small businesses, Wal-Mart is also the subject of litigation, including a class action discrimination suit representing 1.6 million current and former female workers who accuse the company of systematic underpayment and lack of promotion.

The ad blitz was something of a two-fer for Wal-Mart, since many outlets thought it interesting enough to report as actual news, including USA Today (1/13/05), which ran two stories on it.

It was just part of a PR offensive that included big-money charitable donations (dutifully reported) and an April invitation to reporters to its Bentonville, Ark. headquarters for a "media day." The session was described as a "feisty response to critics" (New York Times, 4/6/05) and a chance for Wal-Mart to "defend" itself and "dispel myths" (Atlanta Journal-Constitution, 4/6/05). Journalists were reportedly enjoined "to clear their minds of previous articles about the company and 'start with a clean slate'" (AP, 4/6/05).

But the media image of a beleaguered corporation at last responding to a "horde of critics" (Minneapolis Star Tribune, 4/6/05) raises at least one question: Just how tough has media scrutiny of Wal-Mart really been? "You've heard the firestorm of criticism about the company, about wages, benefits, union-busting, about locking employees in, about making them work overtime without paying them for it," ABC's Charlie Gibson said in introducing a Good Morning America

interview with CEO Lee Scott (1/13/05). But how much have most people really heard about these issues?

There has without question been some hard-hitting investigative reporting on Wal-Mart's controversial business practices, including a 2003 Los Angeles Times series (11/23–25/03) that nabbed a Pulitzer Prize, and a probing report on PBS's Frontline (11/16/04).

More typical, however, are accounts like Time's "Wal-Mart Nation" (6/27/05). Focusing on Wal-Mart's Chinese enterprises, the article has an undeniably cheerleading theme: Wal-Mart is staging a "revolution" in China, in part by "spreading a management style that many of its young Chinese employees find liberating."

Time introduced "quintessential Wal-Mart guy" Joe Hatfield ("I was blessed to work for Sam Walton") and followed his tour through a Shenzhen Wal-Mart, where, he enthused, "We're bringing people a great shopping experience!" "Chinese customers," Time added helpfully, "seem to agree."

As in many articles, what criticisms were included Time allowed Wal-Mart to trump. What about complaints that the industry giant's use of cheap overseas labor undercuts US workers? Time left unchallenged Hatfield's response that "if you stop stuff from [abroad] coming into the US, it would mean \$180 blue jeans. Is that what Americans want?" Time didn't point out that it's easy to find US-made jeans for less than \$30.

But the magazine did step in when a spokesperson from Sweatshop Watch noted that Wal-Mart's policies make it "both a beneficiary and a driver of the race to the bottom in the global economy." The article followed the statement with its own rebuttal: "But that may be less true than it was 20 years ago." Many of Wal-Mart's suppliers are operating in countries like Taiwan and Hong Kong, Time explained, and had long ago left US workers. So Wal-Mart "may indeed be eliminating factory jobs, but in South Korea, not South Carolina." It's unclear how this undermined the point that Wal-Mart drives the economic race to the bottom; it seems more an argument that it's been largely successful.

For those worried about sweatshop conditions, Time offered comfort: "Wal-Mart says it's trying to export its American-style standards and ethics to China's manufacturing sector too." Time presents the company matter-of-factly as "forcing suppliers to stick to ethical standards" (despite Chinese resistance), and claimed that "even those critical of Wal-Mart concede" that those standards are improving conditions.

In fact, the critic quoted underscored that such rules only work when enforced, a point on which the company, facing lawsuits on behalf of contractors' employees from Nicaragua to Swaziland, is frequently criticized, and which more skeptical reporting has illustrated. A hidden-camera investigation by NBC's Dateline (6/17/05), for example, found that corporate "codes of conduct" were not necessarily meaningful guides to life inside a factory in Bangladesh.

Press accounts have frankly celebrated Wal-Mart's reputed toughness on suppliers in the US as well. A May 8, 2005 New York Times piece presents a company executive demonstrating how she might call a supplier on the carpet: "Hello. . . . Where are the bananas? We're supposed to have 3 percent in this trail mix." "Quality control," reported the Times, "is rigorous."

Such admiration-tinged anecdotes would sit strangely side by side with, for example, the company's official contention that executives "knew nothing about" the hundreds of illegal immigrants being used to clean stores in 21 states, and that in any event it was contractors, not Wal-Mart, that were responsible for the janitors' treatment (New York Times 3/19/05). The same presumably went for the child laborers Wal-Mart settled lawsuits about in Connecticut, New Hampshire and Arkansas.

In the last year or two, Wal-Mart has become a more prominent advertiser on news programs, occasionally to the dismay of news consumers. Some NPR listeners, for example, weren't pleased with Wal-Mart's new role as a frequently mentioned "underwriter" of NPR programming. Ombudsman Jeffrey Dvorkin dismissed the complaints in an online column (6/23/04): "NPR is a mature and robust news organization. It would take more than a few Wal-Mart underwriting messages to corrupt its journalistic integrity."

This stance raises an obvious question: If we needn't worry about the effects of corporate money on news values, what's the point of public radio? In any case, NPR's post-underwriting coverage of the retail behemoth does little to quell concerns.

Take Tavis Smiley's NPR program (cited in *The Nation*, 3/28/05), which featured a one-on-one interview with Wal-Mart CEO Lee Scott just before local voters weighed in on a proposed Wal-Mart site in Inglewood, Calif., a largely African-American suburb of L.A. (The company lost.) Smiley, whose programs are supported by Wal-Mart, gave Scott an easy time, marveling that employees at Wal-Mart's Arkansas headquarters call him by his first name, and pitching softball questions like: "Of all the criticisms that are leveled at Wal-Mart these days, which

ones do you find most troubling? Which one do you really say, 'You know what? This kind of allegation we will not tolerate'?"

Smiley was open about his approach in a September 5, 2005 Time magazine article about Wal-Mart efforts to "court" the African-American community. Claiming his relationship with Scott and Wal-Mart allows him to raise issues "in private," the host said he doesn't begrudge more adversarial approaches. "You need a good inside game and a good outside game," Smiley explained.

NPR overall would seem to share that attitude. A review of a year's worth of the network's Wal-Mart coverage by Eesha Williams in the Massachusetts Valley Advocate (8/18/05) failed to turn up any "hard-hitting investigative journalism." Williams singled out a puff piece All Things Considered (8/9/05) ran regarding a supposedly eco-friendly store Wal-Mart opened in Texas. Williams pointed out that NPR failed to quote any environmental experts on the overall impact of a company "well-known for building its mammoth stores and parking lots on prime farmland in a location customers have to drive to even when there is vacant retail space in a walkable downtown."

Wal-Mart's role as a premium advertiser is even more apparent on ABC News programming. The company's ads air regularly on ABC's World News Tonight, and Wal-Mart sponsors the program's "Person of the Week" segment, as well as the "Only in America" series on ABC's Good Morning America. (The company also entered into an exclusive perfume marketing deal with an ABC soap opera.)

It's only natural to wonder whether such close commercial ties affect ABC's coverage of Wal-Mart. Some ABC reports have noted rather mundane Wal-Mart-related developments, like a Virginia store's "singles night" mentioned on Good Morning America (7/14/05).

Of greater concern is coverage of more serious issues, as when Wal-Mart went to court in early August to defend itself in the class-action sex discrimination lawsuit. On World News Tonight (8/7/05), ABC ran a segment that included a quote from plaintiff Chris Kwapnoski—before going to three sources to criticize the case, starting with Wal-Mart CEO Lee Scott. Steve Bokot from the US Chamber of Commerce echoed Scott, calling the suit "fundamentally unfair."

ABC reporter Geoff Morrell also reported that "economists say [the lawsuit] could have a chilling effect on big retailers, forcing them to raise prices and implement stricter policies for promotion." To back up that point, the broadcast went to Tim Kane of the right-wing Heritage Foundation: "It will make the management risk-averse: that adds cost to you and me." No other economists were quoted.

About a month later (9/20/05), ABC displayed more Wal-Mart cheerleading. In an echo of Time's piece three months earlier, World News Tonight showed viewers "how Wal-Mart is changing the way the Chinese shop."

Correspondent Bill Weir called attention to singing Wal-Mart workers and the "brightly-lit aisles" where "China's exploding middle class is discovering the novelty of free samples and a wide selection of everything." A customer praised the store ("It's big, it's clean . . . and you feel good here") and Wal-Mart's Joe Hatfield praised his customers ("Talk about price conscious").

The only other source in the report was Jim McGregor, identified as the author of One Billion Customers but not as senior director of Stonebridge International, "a global business strategy firm that helps US and multinational companies . . . seize business opportunities worldwide." McGregor enthused about the new efficiency Wal-Mart has brought to the Chinese economy, saying that Wal-Mart's suppliers had to "clean up their act to compete."

ABC's Weir also praised Wal-Mart for that efficiency:

While Wal-Mart has changed the way people shop, they're also changing the way suppliers think. . . . Many manufacturers were shocked to learn that if they want their products on these shelves, it's not who you know, it's what you know about keeping costs down.

Of course, the wage-and-hour complaints, the lawsuits, the outrage over the memo in which Wal-Mart's execs suggest discouraging "less healthy people" from applying for jobs—all center precisely on the unacceptability of what Wal-Mart, as the world's most powerful retailer, does to "keep costs down." Corporate media's uncritical embrace of concepts like "efficiency" poorly prepares them to grapple with such concerns.

Without behind-the-scenes knowledge, it's impossible to say whether or how much Wal-Mart's ad money actually affects coverage at any given outlet. But if the company did hope to buy friendly coverage, it ought to feel it has so far gotten its money's worth. There is a growing groundswell of critical concern about the company, but activists are leading the way, with most media, so far, trailing well behind.

*Extra! is Fairness and Accuracy in Reporting's (FAIR) bimonthly magazine of media criticism. FAIR ([www.fair.org](http://www.fair.org)) is a US media watch group that offers criticism of media bias and censorship.*

## SINCLAIR AND THE PUBLIC AIRWAVES

### A HISTORY OF ABUSE\*

BY SINCLAIR WATCH  
([WWW.SINCLAIRWATCH.ORG](http://WWW.SINCLAIRWATCH.ORG))

PUBLISHED OCT. 11, 2004

On Saturday, October 9, 2004, the *Los Angeles Times* reported that Sinclair Broadcast Group, the largest owner of local television stations in the United States, would be ordering its nationwide affiliates to preempt regular prime-time programming between October 21-24 to air "Stolen Honor: Wounds that Never Heal." The film features "former POWs accusing [presidential candidate John] Kerry...of worsening their ordeal by prolonging the war." This highly unusual move is an obvious, brazen attempt to sway the opinions of voters in favor of George W. Bush at the time most likely to affect the vote.

To those who have been watching Sinclair, this move comes as no surprise. It is simply the latest in a long line of maneuvers undertaken by a company that has used its privileged, free access to the public airwaves to further its own agenda.\*\*

Sinclair owns, operates and programs (as of this writing) 62 TV stations in 39 markets, including 14 in key political swing states. These stations include affiliates of all of the major broadcast networks (ABC, NBC, CBS, Fox, WB and UPN). By the company's estimates, Sinclair's TV stations reach 24% of US television households—although the true number may in fact be much higher.

Sinclair Broadcast Group's worst excesses include:

- *Replacement of local news coverage with prerecorded, 'centralized' programming.* Entire segments of 'local' news are actually produced at Sinclair's "News Central" in suburban Maryland and then rebroadcast at local affiliates across the country. The practice, designed as a cost-cutting measure, has resulted in the loss of local voices across the country, less resources for genuine local reporting, and staff cuts.
- *Use of privileged access to the public airwaves to promote its own agenda.* Sinclair has a record of using its access to scarce public airwaves to support Republican viewpoints at the cost of serving the public interest. Sinclair's near-exclusive support for the GOP has

coincided with consistent Republican leadership support for media regulatory policies that would bolster Sinclair's bottom line, largely by allowing the purchase of additional local television stations in markets which Sinclair has approached (or surpassed) present ownership limits.

- *Engaging in ethically and legally questionable practices in order to expand market holdings.* Sinclair's drive to expand its media empire is enabled by the maintenance of an outdated regulatory loophole, the "UHF Discount", which is no longer sound policy. Additionally, Sinclair maintains a suspicious relationship with another company, Cunningham Broadcast, which enables Sinclair to control the programming of more stations than is presently permissible in several markets.

Sinclair Broadcast Group is in the business of informing the American electorate and makes its profits using public property—the public airwaves. These airwaves are granted, free of charge, with the understanding that the caretaker of these airwaves will serve the public interest. Yet despite an unbridled appetite for corporate expansion, and a single-minded pursuit of a profit-driven agenda, Sinclair has demonstrated little to no regard for the public interest and even less concern for the information needs of the citizenry. Meanwhile, the company's practices have raised both legal and ethical questions with regulators as well as public interest groups.

*\*\*NOTE: Sinclair's plan to air the anti-Kerry documentary days before the 2004 presidential election met with massive public and shareholder opposition.*

*Thousands of citizens protested what they saw as an abuse of the public airwaves. Financial analysts projected that the controversy would hurt Sinclair's lobbying efforts to lift media ownership caps and the company's stock price fell to 52-week lows. In the face of this pressure, Sinclair reversed course and instead of airing 'Stolen Honor,' it ran a one-hour news program entitled "A POW story: Politics, Pressure, and the Media." While that program was still arguably anti-Kerry, it presented both sides of the story. The report from Sinclair Watch was published before the programming change was made.*

*\*Excerpts from a report prepared as part of the Sinclair Watch project, an effort of Free Press (www.freepress.net). The report was published in October, 2004. The full report can be found at [http://www.sinclairwatch.org/sinclair\\_report.pdf](http://www.sinclairwatch.org/sinclair_report.pdf).*

## SLOVENIAN NGOs FIGHTING UPHILL BATTLE

### TO SAVE PUBLIC BROADCASTING

*By THE PEACE INSTITUTE*

In April 2005, the four-month-old conservative government in Slovenia published the first draft of a new law regulating public service broadcasting on a web site. The draft had been prepared without consultation with independent experts, the public or representatives of the public broadcaster, RTV Slovenia. The provisions of the draft law would introduce state control over public service broadcasting, politicise it and weaken its financial stability and independence.

The Ministry announced that the law would be adopted through a rapid procedure in the Parliament but, after strong protests from the journalists associations, the Peace Institute and other NGOs and experts, the process was amended.

The Peace Institute, the Slovene Association of Journalists and other NGOs and individuals requested proper public discussion of the draft law and tried to persuade the government (and the Parliament) to improve the law provisions to save public service broadcasting. They also tried to raise public awareness of the controversial law. The Association of Journalists compiled and sent all members of Parliament possible alternative models for regulating public service broadcasting in a way that would preserve its independence. The Peace Institute submitted a number of possible amendments to the Parliament.

Both organisations launched campaigns to garner support from international organisations and experts. The Peace Institute sent regular email updates to international supporters and collected written comments on the draft law from some of the experts to use in its advocacy campaign to improve the draft law. The Institute also organised a round table discussion with representatives of the government, the Parliament, RTV Slovenia and experts from Slovenia and abroad. Following the round table, two European experts met with the Slovenian Minister of Culture. The Association of Journalists arranged for Aidan White to meet the President and personally press the case against the law.

Before the referendum the Council of Europe said the law needed to be reviewed and amended in order to comply with its standards, but the government coalition ignored this.

The referendum united most of the Slovenian media in opposition. The Initiative for Public Service Broadcasting was launched and signed by seven prominent intellectuals. Later through a web site an additional 1,235 individuals, mostly prominent academics, journalists, writers and human rights activists also signed the initiative. RTV Slovenia took a "neutral" position, claiming its duty was to respect the rules on referendum campaigns.

Despite all efforts, the law was adopted without significant improvements in July 2005.

At the request of the parliamentary opposition, the referendum on the law was scheduled for 25 September 2005. The government coalition's proposal won with just 51 percent of the votes in favor of the changes. Turnout for the referendum was 30 percent of eligible voters in Slovenia. The 49 percent of the voters who were against the law supported arguments advocated by the two opposition parties - the Liberal Democrats and Social Democrats - and the Association of Journalists, the Peace Institute, the Association of Writers - PEN, the Association of Communication Scientists, media and journalism studies professors at the University of Ljubljana, Rector of the University of Ljubljana and the former President.

The implementation of the new law is now being monitored by the group of researchers, journalists and activists within the Peace Institute. Its monitoring reports will be used for public awareness and further campaigns to preserve public service broadcasting in Slovenia.

**Campaign for Press and Broadcasting Freedom -UK**

[HTTP://WWW.CPBF.ORG.UK/](http://www.cpb.org.uk/)

Watchdog group highlights bias in media coverage and attacks on public broadcasting. Publishes articles and does its own investigating. It also sponsors some action campaigns.

**Campaign for Press and Broadcasting Freedom- Canada**

[HTTP://WWW.PRESSCAMPAIGN.ORG/](http://www.presscampaign.org/)

Group promotes media ownership diversity and unbiased reporting.

**The Center for Public Integrity – US**

[HTTP://WWW.PUBLICINTEGRITY.ORG](http://www.publicintegrity.org)

Founded in 1989 by Charles Lewis, the Center is a nonprofit, nonpartisan, tax-exempt organisation that conducts investigative research and reporting on public policy issues in the United States and around the world. Through its analyses, “the Center hopes to serve as an honest broker of information – and to inspire a better-informed citizenry to demand a higher level of accountability from its government and elected leaders.”

**Etats généraux pour le pluralisme -- FRANCE**

[HTTP://WWW.ETATS-GENERAUX-MEDIAS.ORG/](http://www.etats-generaux-medias.org/)

In October 2005, French NGOs, civil society groups and unions launched a campaign and an online petition calling for «Etats generaux» (public debate) to reform media, in particular to defend media pluralism and to strengthen media ownership regulations. So far the petition has been signed by several hundred organisations and politicians and by nearly 3000 individuals.

**Free Press Media Reform -- US**

[HTTP://WWW.FREEPRESS.NET/](http://www.freepress.net/)

It calls itself a non-partisan group that tries to encourage the public to be more active in debates about media coverage and competitive (not concentrated) ownership structure. They reprint articles on media stories and send out action alerts to a group of subscribers and give information about local and national campaigns. Founder is Robert McChesney.

### ***FAIR (Fairness and Accuracy in Reporting) -- US***

[HTTP://WWW.FAIR.ORG](http://www.fair.org)

FAIR was founded in 1986 by US journalist Jeff Cohen. The group publishes media critiques on its website. It also has a magazine and a radio show. The group describes itself as progressive and is very active in combating increased media concentration, the proliferation of right-wing views and government spin in news coverage and what it considers lapses in journalistic integrity.

### ***HearUsNow.org -- US***

[HTTP://WWW.HEARUSNOW.ORG](http://www.hearushnow.org)

A project launched by the Consumers Union to promote "a fair and just marketplace by empowering consumers to fight for better and more affordable telephone, cable and Internet services or equipment." By focusing on major media, technology and communications issues and emphasising local stories, it tries to explain increasingly complex issues and the connections between these issues, underscore what's at stake, and offer ways to make improvements.

### ***Media Access Project --US***

[HTTP://WWW.MEDIAACCESS.ORG/](http://www.mediaaccess.org/)

Media Access Project is a thirty year old non-profit tax exempt public interest telecommunications law firm. It "promotes the public's First Amendment right to hear and be heard on the electronic media of today and tomorrow." It was one of the leaders in the campaign against FCC deregulation of print and TV ownership in the US in 2003. Andrew Schwartzman is the lead lawyer in that case and the MAP President and CEO.

### ***Media Watch Global -- INTERNATIONAL***

[HTTP://WWW.MWGLOBAL.ORG/](http://www.mwglobal.org/)

Global media group that includes participants from France, Brazil, Italy and Venezuela.

### ***MediaChannel -- US***

[HTTP://WWW.MEDIACHANNEL.ORG](http://www.mediachannel.org)

Web site founded by Danny Schechter that focuses on media issues. It reprints articles and commentary and also prints articles based on original reporting. It criticizes coverage and examines media concentration issues.

### **MoveOn.org – US**

[HTTP://WWW.MOVEON.ORG/](http://www.moveon.org/)

US progressive political group focuses on a number of government and corporate issues. It was involved in the US campaign against FCC deregulation in 2003. The massive email network mobilises people on political issues and does community outreach and organising for protests and voter campaigns.

### **Observatoire Français des Médias – FRANCE**

[HTTP://WWW.OBSERVATOIRE-MEDIAS.INFO/](http://www.observatoire-medias.info/)

Media Watch France was created on September 24, 2003 and “has the aim of protecting the public from diverse mass-media abuses.” The OFM is part of the Media Watch Network that is linked to other countries own projects, which were formed at the Porto Alegre Social Forum in Brazil in January 2002.

### **Observatório Brasileiro de Mídia -- BRAZIL**

[HTTP://WWW.OBSERVATORIODEMIDIA.ORG.BR](http://www.observatoriodemidia.org.br)

Brazilian media watchdog group related to **Observatoire Français des Médias** in France and **Media Watch Global**.

### **Peace Institute -- SLOVENIA**

[HTTP://MEDIAWATCH.MIROVNI-INSTITUT.SI](http://mediawatch.mirovni-institut.si)

[HTTP://WWW.MIROVNI-INSTITUT.SI/MEDIA\\_OWNERSHIP](http://www.mirovni-institut.si/media_ownership)

The Peace Institute is a private non-profit organisation, whose goal is to integrate research and activism, academic work and active intervention, policy engagement and advocacy to influence the development of democratic politics.



International Federation of Journalists

Who is in control?

International Federation of Journalists  
IPC-Residence Palace, Bloc C  
Rue de la Loi 155  
B-1040 Brussels  
BELGIUM  
Telephone: 32-2-235 22 00  
Telefax: 32-2-235 22 19  
E-Mail: [ifj@ifj.org](mailto:ifj@ifj.org)  
Website: [www.ifj.org](http://www.ifj.org)

