

explore ways to prevent the consolidation wave launched by the 1996 Telecommunications Act from swamping broadcast diversity, Powell said the delays were not acceptable. "I do not believe the public interest is served by inaction," he said.

Powell hasn't decided whether to stop "flagging" similar merger requests but promised that the FCC will review whether it has authority to conduct merger analysis beyond the specific local ownership limits set by Congress.

In 1996, lawmakers capped the number of stations an owner may control in a market according to a sliding scale based on the total number of local stations. In the largest markets, the number tops off at eight.

Of the nearly 200 so-called "red-flagged" deals that the FCC designated for public comment during the past three years, more than 80 were still pending before last week's *en masse* approval. Still in the pipeline are 10 radio transactions covering the sales of 24 stations.

Deals were flagged when they would have resulted in one company's controlling 50% of a market's ad revenue or two companies' controlling 70%.

Broadcast industry officials were thrilled to see Powell living up to his promise of deregulation. "There was no reason to hold up these license transfers other than the FCC's own internal reasons," said Gary Smithwick, a Washington attorney representing clients whose deals were among those approved last week.

The FCC's decision was "welcome news," said Eddie Fritts, president of the National Association of Broadcasters.

Reaction among the other three FCC commissioners varied widely. Republican Harold Furchtgott-Roth applauded an end to what he considered gross overreaching by regulators. Frustrated that the FCC imposed the policy without going through the standard rulemaking process, he called the flagging policy "government at its worst."

Commissioner Susan Ness agreed that the overdue decisions needed to be moved forward but stressed that the agency must quickly issue rules that would make it easi-

er to judge when mergers cause too much local concentration, especially in small and midsize markets. "Consumers in Charleston are just as entitled to robust markets as those who live on the Charles," she said.

Fellow Democrat Gloria Tristani said the agency approved too many of the deals and should have designated some for hearing before agency administrative law judges. Tristani also criticized Powell's decision to let the Mass Media Bureau approve the mergers without a vote of the commissioners.

With the bulk of the red-flagged deals resolved and the remainder to be completed in the next couple of weeks, the radio

industry now turns its attention to an ongoing rulemaking that could change the way the FCC measures local markets. The FCC proposal would replace a complex formula based on the number of stations in a market with overlapping signals and replace it with Arbitron's standard-market definition. Tristani and Ness have argued for years that the different measuring sticks used by the FCC often over-count the number of total stations in a market or under-count the number of stations one company owns.

Said Powell, "To the extent that the commission's existing rules ... have led to higher levels of ownership than Congress intended, we will fix that problem." ■

WCW on the ropes

The buyer of the wrestling operation is seeking a way out

By John M. Higgins

Looks like Jamie Kellner is going to have a little more to clean up at Turner Broadcasting than expected. The AOL Time Warner subsidiary's deal to sell its ailing World Championship Wrestling operation is in a choke hold, with buyer Fusient Media Ventures looking for a way out of the ring.

Fusient, which is controlled by Classic Sports Network founders—and sellers—Brian Bedol and Steve Greenberg and their partners, is finding the financial condition of the WCW circuit too much to bear. The WCW lost about \$80 million last year, and TBS was trying to dump the operation to tidy up before AOL closed on its takeover of Time Warner.

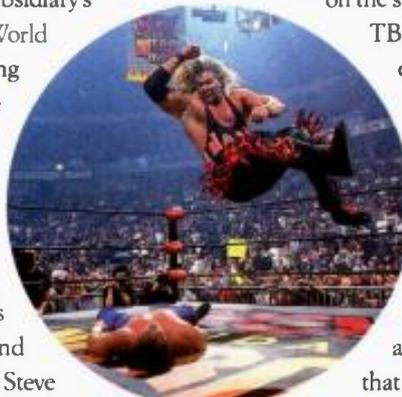
An industry executive said the deal might be revived, like a wrestler perking up after a folding-chair beating to win the match. World Wrestling Federation

Entertainment has expressed interest in the past and might be lured back.

But one thing is definite: The WCW is going off the air. Though not commenting on the status of the Fusient deal, a TBS spokesman acknowledged that TNT's *WCW Nitro* and TBS Superstation's *WCW Thunder* have been canceled and will no longer appear after March 26.

Although wrestling attracts the young viewers that so please newly appointed TBS CEO Kellner, previously chairman of WB Network, youth isn't everything. The spokesman said the programming "no longer matches the high-income demographic" TBS and TNT are targeting.

Translation: There's no guaranteed TV exposure for any buyer. But a buyer could cut a deal with another TV network, such as USA Network, which lost the WWF's top-rated shows to Viacom's TNN. ■



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