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Quello says takeovers hurt public

By George Weeks
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CEDAR, Mich. — The Federal Communication Commission's emphasis on deregulation has produced "almost anarchy," said FCC Commissioner James H. Quello.



James Quello

Quello, a former broadcast executive with radio station WJR in Detroit and an FCC commissioner for more than 11 years, said there is "too much deregulation" and "the only guys who benefit are lawyers."

ASKED LATER to elaborate, Quello said the broadcast industry does not have the stability it needs because there is "too much confusion."

He said the FCC's essentially neutral position on takeover attempts in

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the industry has furthered the interests of a "bunch of fast-buck artists."

The FCC voted 3-1 with one abstention to, in effect, expedite hostile acquisitions, said Quello, who cast the negative vote.

This was done by "short-cutting" the requirement that there be a finding that the takeover is in the public interest.

"Michigan got hit hard" by ownership turmoil, Quello said. He cited recent sales of ABC's Detroit

WXYZ-TV, and stations of the Storer Broadcasting Co., as well as hostile attempts to purchase the Evening News Association (ENA).

ENA OWNS The Detroit News, WWJ-AM and WJOI-FM in Detroit, and several out-of-state media properties.

How, Quello was asked, is the public interest adversely affected by hostile takeover attempts?

Owners, he replied, "need stability and long-range planning in order to provide maximum service to the public."

"The public is not served when they have to go into a huge internal debt to save the company (from) either a power grab or a money grab."

ALTHOUGH THE WXYZ-TV sale was friendly, FCC approval "is not automatic," Quello said, adding that the FCC decision likely will not come before the end of October.

He said there has to be a "strong burden of proof" that the sale will not leave the new owners with properties with excessive concentration in one market because of with overlapping coverages.

Scripps-Howard Broadcasting Co. reached agreement in July with ABC to purchase WXYZ-TV.

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