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# The Portland Observer

## AOL, Time Warner merger worries nation

\$145 billion merger between AOL, and Time Warner sends stock prices skyrocketing

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Like most major media companies, Time Warner Inc. did not have a firm, publicly articulated Internet strategy. Until Monday. Now, thanks to its massive \$145 billion merger with America Online Inc., Time Warner has a committed, strong partner for its voyage into cyberspace. So far the other main conglomerates - Walt Disney Co., Viacom Inc., CBS Corp. and News Corp. - have been mainly going it alone or are still in the process of feeling their way in the online world. The AOL-Time Warner deal certainly raised a lot of questions about how the other big players will address the issues of the Internet and online distribution of media in the future. But it didn't supply clear answers for how they should proceed. Part of the reason, of course, was that AOL was a unique animal. Not only was it the largest Internet service provider in the nation, but it also had a clear brand image as a wholesome, easy-to-use entryway into the Internet.



America Online's chairman and chief executive, Steve Case, center, and Time Warner's chairman and chief executive, Gerald Levin, speaks to the media, Monday, Jan. 10, 2000, in New York. Time Warner, the world's largest media and entertainment company, is being acquired by America Online for about \$166 billion in stock in what would be the biggest corporate merger ever.

AOL also had top-caliber management and more credibility on Wall Street than many of its peers, making it a more viable marriage partner for a venerable institution like Time Warner. But another factor causing uncertainty for the big media companies is that there is still some disagreement over the necessity of a

media company owning its own distribution channels, especially in the rapidly evolving world of the Internet and online media. "I don't think anyone knows what the Internet is going to look like over time," said Merrill Lynch analyst Jessica Reif Cohen. "Traditional media companies will definitely

participate in the Internet, but it's uncertain whether they'll buy their way in or develop their own" operations. For Time Warner, the deal provides top online expertise, a customer base and a direction forward. The company has been rolling up its earlier Net project, Pathfinder, which proved to

be a flop, and in June named its chief financial officer Richard Bressler to head up a new Internet charge. Other media companies are still just getting their feet wet. Just one week prior to the AOL announcement, CBS took its first major step in forming an Internet strategy, forming an online division and naming an executive to

head it up. Until then, it had been taking piecemeal stakes in a variety of startup companies like CBS MarketWatch.com. CBS' merger partner, Viacom Inc., has also dabbled a bit in cyberspace with its MTV and Nickelodeon

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Merger raises concerns of giant monopolies

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The nation may get its news from more places than ever these days. But the blockbuster merger of Time Warner and America Online, as well as big media combinations expected in the future, are raising concerns about homogenized and diluted news. "What this merger invites is the possibility of a new era in American communications that sees the end of an independent press," said Tom Rosenstiel, director of the Project for Excellence in Journalism. Not everyone is as alarmed. Richard Epstein, a law professor at the University of Chicago, said the Internet still offers a worldwide venue for dissenting voices. He added the industry is still diverse enough to keep itself in check. "If there are just two newspapers in town, one will happily dump on the other," he said. The \$145 billion stock deal announced Monday allies AOL's 22 million online subscribers with a news and entertainment conglomerate that includes CNN, Time magazine, TBS, TNT, Fortune, Sports Illustrated and Entertainment Weekly. Scott Miller, communications director at Time Warner Inc., said the merger will enhance, not limit, the flow of information by creating new ways to communicate. He added the Internet makes it impossible for one group to stifle the news. "The Internet is the first limitless medium, and by its very nature, no single company or group can hope to control it," he said.

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## David Bragdon takes over position of the Metro Council

Voters put David Bragdon in head office of Metro Council

CONTRIBUTED STORY FOR THE PORTLAND OBSERVER

Councilor David Bragdon will take over as the new presiding officer of the Metro Council as the regional agency heads into a year filled with challenging issues and decisions. Voters put Bragdon, who is 40, on the Metro Council a year ago to represent District 7, which includes parts of

Southeast and Southwest Portland as well as Milwaukie. Bragdon pledges that he will use his term to move the agency forward to benefit and serve people throughout the region. Bragdon named Councilor Ed Washington as deputy presiding officer. Washington outlined three priorities for Metro in the coming year: land use planning that works with local jurisdictions' needs, a transportation financing plan that is reasonable and programs to help citizens get involved and to help them understand Metro. "For the past 21 years, Metro has spent much of its time and resources planning for the future," Bragdon

said. "Well, the future is here, and it is time that we moved from theory to reality. It is time that we turn promises into products." In the coming year, Metro plans to finish work related to the Urban Growth Boundary, which is the line that surrounds the region and divides urban areas from farm/forest areas Bragdon said he wants that work completed as quickly as possible. "We need to focus on the 236,000 acres inside the boundary - not the few hundred acres around the edge," he said. "Inside is where the overwhelming majority of our people live and work. We cannot continue to ignore their concerns and their needs to satisfy special interests who want

us to give priority to their concerns and their well-being." As Metro continues its work, Bragdon said he believes it is critical that the citizens feel involved and respected. "We know that Metro is a worldwide model for regional governance. But how are we doing at home? Do the people in Milwaukie and Gresham and Hillsboro and North Portland all feel a part of our regional community?" said Bragdon. "The answers to these questions are up to us. We must get our own financial house in order. We must continue to act responsibly. We must make changes where changes are needed." The Council also made some key

appointments to regional groups. Councilors Rod Park, Susan McLain, and Rod Monroe will serve on the Metro Policy Advisory Committee - a group made up of representatives from the 24 cities, 3 counties and the many special districts of the region. This group advises Metro on land-use issues. Councilor Jon Kvistad will chair the Joint Policy Advisory Committee on Transportation, and Councilors Rod Monroe and Susan McLain will serve with him on that committee. JPACT is a group of local elected officials who make recommendations about transportation planning and allocate millions of dollars in state and federal funds for transportation.



David Bragdon

### Weather

Through the weekend

Today		39°F/4°C
Snow and rain		32°F/0°C
Thursday		40°F/4°C
Snow and rain		35°F/1°C

Friday		43°F/6°C
A few showers		38°F/3°C
Saturday		43°F/6°C
Cloudy with rain		35°F/1°C
Sunday		41°F/4°C
Occasional Rain		31°F/0°C

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### This Week in History

- On Jan. 13, 1794, President Washington approved a measure adding two stars and two stripes to the American flag, following the admission of Vermont and Kentucky to the union. The number of stripes was later reduced to 13.
- On Jan. 14, 1900, Puccini's opera "Tosca" got a mixed reception at its world premiere in Rome.
- On Jan. 15, 1929, civil rights leader Martin Luther King Jr. was born in Atlanta.