Chinese Nationalist Party (KMT) caucus whip Wu Yu-sheng, front right, holds up a sign that says “against” while Democratic Progressive Party (DPP) legislators hold up signs that say the KMT is cheating the people during a legislative session in which the DPP proposed amendments to media laws.
Photo: CNA

Amendments designed to prevent media monopolization and investors from interfering in the editorial content of broadcasting corporations were put on hold yesterday after the government made a last-minute U-turn late on Thursday night, with Chinese Nationalist Party (KMT) lawmakers backtracking from their previously declared support for the amendments and voting them down.

At the plenary session yesterday, the third-last day before the legislature goes into recess on Tuesday, the Democratic Progressive Party (DPP) and Taiwan Solidarity Union pressed for the amendments to clear the legislature.

The motion was voted down 59 to 44. The KMT caucus later proposed that the amendments be referred to cross-party negotiation, which means the bills could be held up for at least a month before they could be put to the vote for a second and third reading.

Had the amendments to the Radio and Television Act (□□□□□), the Satellite Broadcasting Act (□□□□□□□) and the Cable Television Act (□□□□□) passed the legislature yesterday, they could have hindered the acquisition of Hong Kong-based Next Media’s four outlets in Taiwan by a controversial consortium.

The offer made by the consortium, which includes pro-China Want Want China Times Group

(□□□□□□) chairman Tsai Eng-meng (□□□), to Next Media Group (□□□□□) owner Jimmy Lai (□□□) has aroused much debate about growing Chinese influence on Taiwanese media and concentration of media ownership in the hands of conglomerates.

In view of the growing concern over media monopolization, the DPP drafted the amendments to establish a regulatory framework for media acquisitions and to restrict cross-sector media monopolies, with the aim of ensuring editorial independence, media professionalism and social responsibility.

At one point, President Ma Ying-jeou's (□□□) administration appeared to support the DPP's amendments when they were rushed through the legislature's Transportation Committee on Wednesday without any revisions or objections from anyone who was present, including National Communications Commission (NCC) Chairperson Howard Shyr (□□□).

After the amendments were sent out of the committee, the KMT caucus issued a press release saying the party would like to see the amendments clear the floor yesterday.

However, things changed late on Thursday night.

The NCC called a press conference and severely criticized the DPP's proposed amendments. At about the same time, KMT headquarters issued a statement expressing similar views.

Executive Yuan spokesperson Cheng Li-wun (□□□) said yesterday that Premier Sean Chen shared Shyr's view that the government would prefer to spend more time drafting a well-thought-out anti-monopolization media law rather than support the DPP's amendments, which "could have wide repercussions on the broadcasting industry."

At the legislature yesterday, several KMT lawmakers accused KMT caucus whip Wu Yu-sheng (□□□) of "impetuous" leadership because they said the KMT should have blocked the DPP's amendments at the committee meeting.

Wu said it was his strategy to send the DPP's amendments out of the committee first and then block the amendments on the floor, to highlight what he said were problems with the DPP's amendments.

Wu said the DPP had acted rashly on the amendments just to heat up its protest tomorrow.

"The biggest joke was that the DPP removed an article restricting investments made by political parties, politicians and the military from their amendments," he said.

DPP caucus whip Tsai Chi-chang (□□□) said the removal of the article was a result of "carelessness."

"At the beginning of the session today, we told the KMT that we had a revised amendment ready that added the article in and the amendments could be passed today, but the KMT still insisted on sending the amendments to negotiation," Tsai said.

Tsai said that pressure from conglomerates investing in broadcasting corporations forced the KMT administration to make its turnabout on the amendments.

Dismissing the criticism, KMT headquarters yesterday said the KMT caucus had misunderstood the party's policy on the issue.

Ma, who doubles as KMT chairman, and KMT top officials met on Tuesday to discuss the party's stance on the DPP's proposed amendments and instructed the KMT caucus to go over the details of the acts and explain the party's stance before deciding whether to support the proposal, KMT spokesman Yin Wei (□□) said.

Yin said the government supported the fight against media monopolization, but opposed any hasty amendments to acts that would make the laws too biased and difficult to enforce.

Additional reporting by Mo Yan-chih

Main contents of the Democratic Progressive Party-proposed amendments to the Radio and Television Act (□□□□□), the Satellite Broadcasting Act (□□□□□□□) and the Cable Television Act (□□□□□) against media monopolization:

1. Bans on investments in media by the financial sector

Owners and executives of financial holding companies, banks and insurance companies as well as owners and executives of entities subsidized by financial firms would be banned from investing directly or indirectly in terrestrial television stations, cable television network systems and satellite broadcasting companies.

The shares held by spouses or close relatives of said people in a single media organization would not exceed 1 percent of the issued shares.

Some examples of its potential impact:

Want Want China Times Group chairman Tsai Eng-meng (□□□) and his family, who have a controlling stake in WaterLand Financial Holdings (□□□□) and Union Insurance Co (□□□□□□□□□), and Chinatrust Charity Foundation chairman (□□□□□□) Jeffrey Koo Jr (□□□) could be banned from investing in the Hong Kong-based Next Media’s four outlets in Taiwan. Meanwhile, Fubon Financial Holding Chairman Daniel Tsai (□□□) could be forced to dispose of his shares in multiple systems operator Kbro Co (□□) and be banned from operating the Momo TV shopping channel and MoMo Kids TV.

2. Media monopolization

Shareholders who own over 10 percent of shares in a national newspaper company, a terrestrial television broadcasting station or an affiliated firm of said enterprises would not be allowed to engage in the management of a cable television network system. Shares held by said people directly or indirectly in a cable television network system would not exceed 10 percent.

Some examples of its potential impact:

Want Want China Times Group chairman Tsai Eng-meng (□□□), who also owns Chinese-language newspaper China Times and China Television Co (CTV, □□), would not be allowed to purchase cable TV operator China Network Systems (CNS, □□□□) unless he sells the newspaper and CTV.

3. Cross-sector media integration

The number of channels used by a cable television system operator and its affiliated enterprises would not be allowed to exceed 10 percent of usable channels. The number of channels in a cable system used by a channel provider and its affiliated firms is also capped at 10 percent of its usable channels.

The current cap is set at 25 percent.

4. Independent outside director

Terrestrial television stations, cable television network systems and satellite broadcasting companies would all have at least one independent director recommended by their employees or labor union on their management board.

5. Media independence

The management of satellite broadcasting companies would be required to sign an editorial agreement, create an internal control mechanism and establish a self-disciplinary mechanism to uphold the media organization's editorial independence.

6. Public media

Satellite broadcasting companies would need to submit a mandatory public offering for the purchase of their shares to the public. Direct and indirect investments within a satellite broadcasting company made by foreign-invested enterprises would not be allowed to exceed 60 percent of its issued shares. Satellite broadcasting companies would be banned from taking out loans in excess of 30 percent of its capital from financial institutions.

7. Media acquisitions

The government's regulatory agencies would be able to deny proposed media acquisitions for reasons related to media independence, national security, public interest, freedom of expression and the public's right to access to diverse information.

Information compiled by Staff reporter Shih Hsiu-chuan

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