

Move to revise communications regulations

FCC green light for US media monopolization

Joseph Kay
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On June 2, the Federal Communications Commission (FCC) is set to vote on a set of deregulatory measures that will be an enormous step toward even greater corporate media consolidation in the United States. The five-member board—chaired by Michael Powell, the son of Secretary of State Colin Powell—will almost certainly pass the proposals, which apply to ownership restrictions on television, radio and newspaper media.

Requests from the two Democratic commissioners for a delay in the final vote have been rejected. On May 15, Powell released a statement declaring that, while “there is precedent for granting such a request...it is not customary to do so over the strong objectives of a majority of commissioners”—that is, Powell and the two other Republicans on the commission. The Bush administration has indicated its support for going ahead with the vote.

The exact character of the proposed changes will not be released to the public before the June vote. But some details leaked to the press provide a glimpse of the far-reaching transformations under consideration.

The most controversial of the proposals concerns the ownership of television stations by the major networks. Currently, these networks—specifically CBS, NBC, ABC and Fox—are prohibited from owning television stations that combine to reach more than 35 percent of the nation’s population. Reports indicate that the commission will likely raise this cap to 45 percent, though there have also been suggestions of a 50 percent limit or an elimination of the regulation altogether.

Many stations that are not owned directly by one of the networks nevertheless have an affiliation with one, carrying solely its content in addition to some local programming. These affiliated networks are generally owned in small groups by other corporations, such as Cox or the Tribune Co. The Network Affiliated Station Alliance, which represents 600 such stations, has come out in strong opposition to the deregulatory measures, while the networks have naturally supported them strongly.

There are economic issues at stake. According to Mel Karmazin, president of Viacom, which owns CBS and 35 television stations, “Costs [for networks] are going up, audience is going down, competition is increasing. The only way to help is to relax the ownership rules,” and let networks buy up more stations. Stations can be lucrative, pulling in profit margins of 20 to 50 percent from advertisement and fees, much more than the earnings generated by the networks themselves.

The networks must also pay affiliated stations to carry their programming. As Neil Hickey noted in an article published in the March/April issue of the *Columbia Journalism Review*, “the underlying debate is less about principle than about whose financial

ox would be gored if the 35 percent cap were eliminated or eased. Affiliates (but not network-owned stations) collectively haul in tens of millions of dollars every year for renting their airtime to the networks...The more stations a network can own outright, the more it can improve its revenue stream, eliminate compensation, and obviate those pesky preemptions that undermine audience rating and advertising income.”

The last point refers to the fact that affiliated networks will occasionally preempt network programming to cover local events, such as political debates. This can cut into ratings and thus damage advertising revenue.

These economic interests largely explain the intense opposition to the proposed measures in Congress and within the commission itself. Many Democrats and some Republicans in the House have introduced legislation that would make the 35 percent limit permanent.

The affiliated stations and their political allies have also raised the banner of independence and diversity of opinions in the struggle against the networks. This is largely a fiction, as affiliated stations hardly represent a bastion of critical thought or oppositional opinions. Generally, the affiliates’ programming is indistinguishable from that of network-owned television stations.

It is not necessary to idealize the present state of television, however, to realize that raising the limits on station ownership will be another step in the consolidation of the monopoly exercised by a handful of corporate giants over television. It will undoubtedly lead to greater standardization and sterilization of programming content and the further proscription of dissenting political views. Networks that purchase local stations generally begin by eliminating locally produced shows and cutting staff, forcing cuts in investigative journalism and the coverage of local developments.

In this regard, the experience of radio, which has undergone a series of deregulatory steps over the past decade, is instructive. The Telecommunications Act of 1996, signed into law by Bill Clinton, introduced a measure that is in many similar to the lifting of the 35 percent television ownership cap. Clear Channel and other radio conglomerates have been able to grow at an unprecedented pace after the act removed the provision that limited the number of stations that one company could own to 28 nationwide. Clear Channel now owns over 1,200 stations in addition to other operations throughout the music production industry.

Television networks are currently allowed to own approximately the same number. CBS, which owns 35 stations, and Fox, which owns 33, have already surpassed the 35 percent limit. Raising the cap—which will no doubt be only one stage toward its complete elimination—will create the same ripe conditions for rapid network consolidation. Currently, the major networks are prohibited from buying each other

out, but this restriction has been questioned as well.

In addition to the television ownership cap, the FCC is reportedly considering further easing restrictions on the number of television stations a single company can own in one market. Currently, the limit is one in most markets, but two in some of the larger markets, if one of the two is not in the top four stations in the area. The FCC is expected to raise this limit to three.

Another regulation that will be reconsidered is the restriction on joint ownership of a newspaper and a television station in a single market. Lifting of the ban is supported by companies such as Gannett Co., Inc., which owns *USA Today*, and Tribune Co., which owns the *Chicago Tribune* as well as a number of television stations. In fact, Tribune is already in violation of the regulations, and will be forced to sell a number of its stations if these regulations are not lifted.

The Newspaper Association of America, which represents papers accounting for almost 90 percent of daily circulation, has come out in strong support for deregulation. In contrast, the Newspaper Guild, which represents journalists, is opposing the move, fearing a loss of jobs as reporting is consolidated.

Newspaper and network corporations want to dominate local markets in part so they can drive up advertising rates. This is exactly what has happened in radio over the past decade, with ad prices increasing by over 90 percent.

The FCC may also again raise the limits on radio ownership and joint TV-radio ownership in single markets. Clear Channel and other radio conglomerates, of course, support eliminating these restrictions.

The way that these measures are being pushed through is indicative of their anti-democratic character. The exact proposals are not being made public before the vote, and Powell has done everything in his power to quash public discussion on the issue. The FCC has published the results of a number of studies that purport to justify deregulation; however, it has refused requests by academics to review the research.

According to Michael Copps, one of the Democratic commissioners, “The chairman’s decision not to make these proposals public, nor even to grant a short delay in voting, runs roughshod over the requests of the American people and the precedents of this Commission. This rush to judgment means that we will not fully understand the impact of the specific proposals on our media landscape before we are forced to vote.”

The proposals are not being publicly aired largely because the public response is already known: overwhelming opposition. Of the 18,000 petitions received by the FCC in response to its request for public input, the vast majority are against the proposed measures. Consumer advocacy groups, artists and academics have voiced their strong opposition to deregulation.

The International Federation of Journalists—which represents over 500,000 journalists in more than 100 countries—has warned that the deregulation will signal a “new and dangerous shift of media power at the expense of pluralism and democracy...Democracy depends upon the capacity of many voices to be heard, and the FCC will stifle the expression of different opinions by bowing to industry pressure for change which has its roots in commercial advantage, not quality programming.”

There has been only one official public hearing, held in Richmond, Virginia, in February, and again the overwhelming sentiment was against deregulation. Powell has refused to attend a number of unofficial hearings hosted by his Democratic opponents on the FCC.

Powell and the media giants are hoping to sneak the deregulation through the back door, and they are largely succeeding. According to

a Pew Research Center poll, 72 percent of Americans have heard nothing about the upcoming vote.

These methods are entirely in accordance with the history of Powell, who has long sought to push through massive deregulation of media. In an interview with the *Washington Post* shortly after his appointment in January 2001, he declared, “The oppressor here is regulation.” All the telecommunications associations and major media corporations welcomed his appointment by the Bush administration to head the FCC.

As an FCC commissioner before becoming chair, Powell opposed limits or regulations on media mergers, including that of AOL/Time Warner. Colin Powell once served as a director for AOL. Throughout his tenure at the FCC, Powell has been a champion of so-called free market policies in the media, which really amounts to allowing a few companies free rein to dominate the entire industry. With Orwellian logic, he has defended deregulation on the basis of the First Amendment right of free speech. In fact, the FCC was originally established to prevent the domination of a few companies over the airways, precisely to guarantee the right to free speech. That is, the FCC is mandated to protect the First Amendment rights of the public, not media corporations.

Indeed, the further consolidation of corporate control of the media serves not only the interests of the media corporations themselves, but also the political interests of the Bush administration and the American ruling class as a whole. The media has been the most crucial instrument used to legitimize the war in Iraq and hide from the American people the true character of the war and the interests represented by the administration.

This stranglehold exercised over public information depends upon the control of the media by a handful of corporations. In the final analysis, the predatory interests of the American ruling class are incompatible with the existence of a free press, even to the limited extent that such freedom has existed in the past.



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