northstar network

FCC To Issue Order On Media Ownership

May 11, 2003
By The NorthStar News Staff

Ruling Will Significantly Alter Media Landscape

On June 2 the Federal Communications Commission (FCC) is set to issue new rules pertaining to media ownership. The FCC's action will have a profound effect on the political landscape, accelerating the already limited perspective that is offered on network and cable television news and public affairs programming. The ruling will significantly alter the media landscape, creating opportunities for further corporate consolidation at the expense of expanding the diversity of voices heard on the airwaves and read in print. The agency, under the leadership of Chairman Michael Powell, son of the Secretary of State, is expected to issue an order favorable to large media companies that have taken control of a larger share of markets in recent years: mostly due to Powell's laissez faire approach to regulation.

Telecom Act of 1996 Opens Pandora's Box

The forthcoming ruling by the FCC has its roots in historic legislation passed under the Clinton administration. The Telecommunications Act of 1996 was a dramatic overhaul of the nation's communications laws, abandoning decades of government regulation for "deregulation". The legislation was a behemoth undertaking, even by Capitol Hill standards, for it set in motion a chain of events that affected the nation's telephone companies, cable system providers, gas and electric utilities, and the growing trend of electronic commerce over the Internet. Despite the significance of the Act, it was passed and signed into law by President Clinton, with little, if any, reaction from the Black community.

The most immediate impact of the Telecom Act has been on the delivery of telephone service, mandating competition in local markets and allowing the Regional Bell Operating Companies (RBOC's), the so-called *"Baby Bells"*, entry into the long distance markets. This provision of the Act was considered the logical progression of telephone deregulation spurred by the court ordered break-up of AT&T in the 1980's. While the legislation put in place a tedious process vesting authority to enforce deregulation in state regulatory agencies, the result, after years of contentious legal battles, is more choices for consumers in the states that have taken the lead in implementing the Act. Today, many telephone consumers have an ala carte menu of telephone companies and services from which to choose; a dramatic difference from the days when *"Ma Bell"* controlled the long distance market and her offspring monopolized local service in their respective regions.

Despite the positive consequences of telephone deregulation, there were some clear signs that should have served as a warning of what would occur in the media. Little by little the telephone companies began to prey upon each other, devouring competitors and taking control of greater shares of the market. Within years of the passage of the Telecom Act the telephone industry began to eerily resemble its former monopoly. Perhaps no better example is the behemoth that is now called Verizon. Formerly New York Telephone, Verizon quickly consumed New Jersey Bell and Chesapeake & Potomac (C & P) Telephone, and now controls the eastern corridor from New York down to Virginia. Verizon was not alone in its expansionist agenda, the other "Baby Bells" followed suit, all with the goal of establishing an impenetrable presence in the market. Complicating matters is that any competitors to seek to enter the local market, must access the networks of the Baby Bells in order to reach consumers. The so-called "last mile" of telephone cable, from the pole to the home, is controlled by the RBOC's. To a great degree they have succeeded. So while consumers may have more choice in terms of service, who they can purchase service from remains fairly limited.

First Telephone, Then Television: More is Less

One of the great promises of the Telecom Act was that consumers would gain the benefit of the digital spectrum, hundreds of television channels and high-speed "Broadband" Internet access. This public promise obscured the more nefarious aspect of the Act: giving media companies permission to enter heretofore restricted markets and taking a more benign view on mergers and acquisitions of competing interests.

The Telecom Act of 1996 allows big media players to accumulate as many television stations as their dollars can purchase so long as they do not reach more than 35 percent of the nation's households. This "ownership cap" is one of the key considerations before the FCC. Few expect that the cap will be discarded; the more likely scenario has the FCC raising the cap. Three years after the passage of the Act, the FCC took a further step toward allowing massive media consolidation when it relaxed the rule governing common ownership of two television stations in the same media market. The only stipulation was that one of the stations could not be among the top four in the market. There are presently about seventy-five of these duopolies; one of the most visible is in the New York market where the News Corporation, controlled by Rupert Murdoch, owns both WYNY *"Fox 5"* and WWOR *"UPN 9"*.

Perhaps the most controversial rule being considered by the FCC deals with "cross-ownership", regulations that forbid a single company to own a newspaper and television station in the same community. There are some communities that presently have cross-ownership of media, all existing before the FCC promulgated regulations or having received a special exemption. The News Corporation is one of those exemptions, now controlling the New York Post newspaper along with two television stations in the nation's largest media market.

Further consolidation has taken place in the cable industry, with most consumers having a single choice from which to receive cable service. And because telephone companies have lagged in providing high-speed Internet access, the cable companies are also dominating the Broadband market. The growth of Comcast Corporation, with its acquisition of AT&T's Broadband division, and the marriage of AOL and Time Warner, a "new media" and "old media" combo, are vivid examples of how cable companies have "bulked up" in this post- regulation era with both companies gaining access to 40 percent of U.S. cable households. Two companies, EchoStar and DirecTV, recently purchased by Rupert Murdoch, control the entire satellite television industry.

Silencing the Black Community: Lost Voices in the New Media Environment

As the FCC considers new rules, the attention of the Black community should be focused on the activity of the large companies that control the television universe. If these companies are allowed to acquire multiple local television stations in the same market, and then swallow up newspapers serving the same area, editorial content and news will be homogenized and bleached.

The most significant development in the last few years has been the concentration of television ownership, particularly in this era of cable news networks. Three corporate giants – AOL Time Warner, General Electric, and the News Corporation – control all of the cable news networks, including CNN, CNN Headline News, CNNfn, MSNBC, CNBC, and the Fox News Channel. Given the influence of these "narrowcast" channels on public opinion and public policy, the lack of a constant Black perspective in cable news has dire consequences for the larger community.

Throughout the late 1990's conservatives have successfully used cable news networks, similar to the manner in which they used talk radio, to advance their agenda. By appealing to the most base instincts of their constituents, right-wing "talking heads" and "policy wonks" have laid claim to the airwaves, often time espousing a perspective that is nakedly racist, sexist, and homophobic. The manner in which news has dissolved into infotainment on cable television has blurred the line between informed opinion and Hollywood inspired theatrics posing as serious discourse.

The most obvious culprit has been the Fox News Channel, the 24-hour cable news outlet that embraces its conservative lineage. Almost tongue-in-cheek, Fox's mantra is "We Report, You Decide." The network has been so effective in pillaring the "liberal left" that it is now in a constant battle with CNN for ratings dominance. It's *"O'Reilly Factor"* is consistently the most watched political talk show, most nights taking positions that are thinly veiled attacks on Blacks, and other minorities, but cast in populist rhetoric by its skilled host, Bill O'Reilly. FOX led the charge against former President Bill Clinton during the impeachment saga, becoming *"All Monica, All The Time"* as it gave conservatives a platform to wage war against the Democrat. Throughout the Iraq War, the network resembled state run television, rarely wavering off-script and mimicking the rhetoric of the Bush White House. One of the most revealing images of the war was a New York Times photo of a Pentagon press conference with the Fox News Channel on a television monitor in the briefing room.

While this bodes well for the News Corporation, it is bad news for Blacks, particularly at a time when the *right* is exercising control over the federal government. Making matters worse is the capitulation of MSNBC. The NBC-Microsoft joint venture, lagging in third place in the cable news ratings, has decided to become a poor facsimile of Fox. Having hired, and then fired, talk show legend Phil Donahue, MSNBC took a hard right turn and hired controversial right-wing mouthpiece Michael Savage, former Congressman Joe Scarborough - an *"O'Reilly wannabe"*, and former Republican congressional honcho Dick Armey.

As the FCC prepares to further relax media ownership rules, the hostility toward Blacks increases on the airwaves. A real threat to free speech for Blacks may surface if the FCC eliminates the remaining media ownership restrictions as expected. The right to speak may be compromised by the ability to be heard. If viewpoints consistent with the majority of Blacks are kept off the airwaves by a tightly controlled media industry, it would tantamount to silencing the Black community. The real danger would be that the public would be exposed to a one-dimensional view of our society, taken by decision makers in the public arena as the prevailing attitude of the nation. And resulting in public policy contrary to the interests of Blacks.

The prospect of facing single ownership of newspapers, television, and radio in key urban markets is daunting. What has transpired in the New York market could be replicated in Chicago, Detroit, Washington DC, Atlanta or any region with large Black populations. It may require significant pressure on media companies to reverse or arrest this trend. Though these corporate behemoths may seem impenetrable, many of their advertisers understand the impact of Black consumers' dollars on their bottom line. Should news coverage become so biased in a stripped down regulatory environment, Blacks may be forced to become aggressive in holding ownership accountable.