

**STATEMENT OF
COMMISSIONER BRENDAN CARR**

Re: *2018 Quadrennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996* (MB Docket No. 18-349)

In this Quadrennial Review, we examine whether certain media ownership rules dating back to 1940 should be updated to reflect new technology and market conditions. So as I was reading through this Notice, I started to wonder: What was the FCC doing in the early 1940s? And I stumbled across a delightful book, *Commissioners of the FCC, 1927-1994*. If it’s not on your bookshelf already, maybe add it to your Christmas list or consider it as a stocking stuffer.

The Chairman of the FCC at the time was one James Lawrence Fly, who the book describes as a “lanky, six-feet, three-inch, begoggled Texan with sandy ‘moth-eaten’ hair.” I hope future historians are kinder and simply describe me as bald with a squirrel-eaten beard. “He was said to be arrogant, offensive, hot-tempered, unfair, even ruthless, and to . . . love a bang-up fight.” “Under Fly’s strong management and direction,” the book goes on, “the Commission established a commanding place for itself. According to some, his leadership was so strong that Fly was not merely the Chairman, he was the Commission.” The parallels are striking. The book even describes Fly’s fellow Commissioners as “being at swords’ point with each other.” No parallel there, of course.

Fly was preoccupied with what he viewed as the dangerous radio duopoly—NBC and CBS—and the specter of newspapers buying up broadcast networks. The result was a ban on long-term affiliation contracts with local stations and ownership of more than one station in a market. And, along the way, Fly approved the first commercial operation of a TV station, to less controversy or fanfare.

Today, you hear less concern about radio monopolists or newspaper titans swallowing up the rest of media. Things have changed. We call news and entertainment “content” because it’s no longer just TV or radio or magazines—content has been liberated from its medium. So Congress got it right in the Telecom Act of 1996 when it required the Commission to ask in these quadrennial reviews whether our rules should change to keep up with the times. After all, who in 1996 could have foreseen how online streaming would fundamentally disrupt the video and audio marketplace?

For instance, as today’s Communications Marketplace Report notes, Netflix this year will spend more than \$8 billion on content, a quarter of which is for original shows. Amazon will spend \$5 billion, Hulu: \$3 billion. Next year, Google is expected to earn \$48 billion in ad revenue, including in competition with broadcasters for local ad dollars. And Spotify and Pandora are increasingly competing for the ears of Americans whether we’re at home or on the go. The golden age of television—or the platinum age of content—is the direct result of choice. The gatekeepers of the past are no longer gatekeepers. Americans, using a broadband connection, can access any content, from any device, anywhere.

So I look forward to reviewing the record on how the Commission’s broadcast ownership rules impact competition in the video and audio marketplace. And I want to thank my colleagues as well for agreeing to add language that seeks additional comment on the relationship between the FCC’s market definition and the one used in reviews by the Department of Justice.

Finally, I want to thank the Media Bureau for its work on this item. It has my support.