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Politics

Payments to the Powerful

Which Media Companies are Getting What From Whom for How Much?

by Sheila Kaplan

Kaplan is a Washington writer and documentary filmmaker who specializes in the influence of money on politics.

Time was, all a congressman had to do to get a free trip to Las Vegas =96 or almost anywhere else =96 was to pick up the phone. A special interest group would respond obediently, sending first-class tickets or a private jet to whisk the lawmaker away for some R & R on a golf course or in a casino, escorted by an amiable lobbyist or two.

In recent years, bad publicity and tighter ethics laws have made such perks harder to come by. But media companies have maintained tradition, continuing to play host to trips from Las Vegas to Budapest, supplementing such adventures with campaign contributions to political candidates and their parties. Unsurprisingly, recipients of those contributions are often energetic advocates of their benefactors' agendas.

As the 1998 off-year elections approach, the troubling impact of money on politics is right at the top of our national debate. Media companies are quick to report on flaws in our system of financing politicians' campaigns, but slow to cover their own role in perpetuating it. Where are major media corporations putting their political contributions, and to what purpose? And how effectively? Which media companies are expecting what from which legislators in return for how much?

Besides writing big checks, Big Media =96 broadcast networks, TV stations= , cable companies, print publishers, and trade organizations =96 buy their way into this ballpark through a variety of methods. They sponsor fundraisers for friendly lawmakers, host receptions at political conventions, form alliances with other powerful trade groups, and hire Washington's best-connected lobbyists, often those fresh out of Congress or the administration.

Former Senate majority leaders Bob Dole and George Mitchell, for example, work for the lobbying firm of Verner, Liipfert, Bernhard, McPherson and Hand, which represents NBC and other media companies. The Newspaper Association of America, CBS Inc., and the National Association of Broadcasters (NAB) retain Anthony Podesta, a major Democratic fundraiser and strategist whose brother, John, is Bill Clinton's deputy chief of staff. Time Warner's in-house lobbyist, Timothy Boggs, is close enough to Vice President Al Gore to rate an invitation to a White House coffee. And while TV and print journalists are busy tracking the influence-peddling exploits of leading lobbyist Thomas H. "Tommy" Boggs (no relation to Timothy), he's working as a hired gun for groups like the Magazine Publishers of America, the National Cable Television Association, and Black Entertainment Television.

In short, media companies play the game much like every other special interest group that stalks Capitol Hill =96 except, of course, it's their ball. Every lawmaker's district has a hometown newspaper or television station that endorses candidates, writes editorials, covers legislative debates, and otherwise influences political campaigns. Thus, those local media occupy a special place in the hearts of legislators.

Media lobbyists enjoy another advantage: they can morph between being representatives of big business and posing as guardians of the First Amendment when that argument is more useful. And media companies are increasingly diverse: NBC is a child of General Electric, Disney owns ABC, and Time Warner's empire includes cable, films, music, magazine and book publishing. All of which adds muscle to a company's Washington office =96 albeit with internal debate over which division's priorities take precedence.

Media-company pleaders are "omni-present. They're up here all the time," says Mark Buse, longtime aide to Arizona Republican John McCain, chairman of the Senate Committee on Commerce, Science and Transportation, which oversees communications issues.

An analysis of campaign contributions between January 1995 and June 1998, by cjr and the Center for Responsive Politics, which monitors campaign finance, shows that media companies, excluding telecommunications firms, paid more than \$30.9 million to federal candidates and the political party committees. Says one prominent media lobbyist: "In the past, the broadcasters and publishers contributed less because they had this concern about the purity of journalism and all that kind of crap." But, he acknowledges, those days are over. Media companies may be queasy about donating money to politicians whom the networks and print journalists are covering. But the fear of competition =96 from cable versus broadcast to new media versus everybody =96 is such that they do it anyway.

In the House of Representatives for the period from January 1995 to June 1998, media money went to these legislators having oversight of media matters:

=95Virginia Republican Thomas Bliley Jr., chairman of the House Commerce Committee, which regulates communications, received \$81,229. =95Michigan Democrat John Dingell, former Commerce Committee chairman and now

ranking Democrat, took in \$118,300. =95Louisiana Republican W.J. "Billy" Tauzin who chairs the Telecommunications subcommittee =96 and whose daughter works as a special events coordinator in the NAB's lobbying division =96 received \$64,869(Tauzins Daughter Works for the NAB,Plus Senator Lott is Old College Friend of Ed Fritz of the NAB,Room Mates ). =95Ed Markey of Massachusetts, the Telecommunications subcommittee's ranking Democrat, got \$106,800. =95And Howard Coble, Republican of North Carolina, never garnered much media money until he became chairman of the subcommittee on intellectual property, which oversees the new copyright treaty that media companies have pushed for. In his new gatekeeper status, he hauled in a respectable \$39,011 in 1997-98 alone.

In the Senate, media companies in the twenty-four months covering 1995-1996 poured \$311,928 into the reelection effort of South Dakota Republican Larry Pressler, then the chairman of the Committee on Commerce, Science and Transportation. Under broadcaster pressure, Pressler obligingly reversed his position on making the television industry pay for additional channels allotted them for the transition to digital broadcast services. Despite that war chest from friendly media chieftains, Pressler narrowly lost the race.

In the Senate, since the start of 1995:

=95Ernest Hollings of South Carolina, ranking Democrat on the Commerce committee, is the media money champ, having collected \$250,341. =95New York Republican Al D'Amato, whose state is home to many media firms, has received \$239,852. =95John Kerry, Democrat of Massachusetts, a Communications subcommittee member, got \$227,400. =95Ron Wyden, Democrat of Oregon, who has regularly voted to support broadcasters' interests, got \$179,934 in media company cash. It helped move him from the House to the Senate.

General Electric's Political Action Committee outspent all media companies in the forty-two months from 1995 till mid-1998, donating \$988,850 to federal candidates. Other PACs:

=95The National Cable Television Association =96 \$818,638 =95The NAB =96 \$718,812 =95Time Warner =96 \$468,000 =95Westinghouse =96 \$338,055 =95Disney =96 \$283,474

Political Action Committees can give federal candidates only \$10,000 each per election cycle. Individuals are permitted to donate only \$2,000. But no limits currently exist on contributions to political parties.

Between 1995 and mid-1998, for example, General Electric gave \$389,634

to the parties; Time Warner \$904,250; and Disney topped the list with \$1,722,500. These "soft money" donations are the heart of the debate over campaign finance reform. In early August, after months of heated debate, the House passed a bill sponsored by Connecticut Republican Christopher Shays and Massachusetts Democrat Martin T. Meehan that would outlaw soft money, but the measure faces strong opposition in the Senate.

Contributors of soft money join what are euphemistically called "donor programs." Such insider status secures invitations to special events: the GOP's ski trips with lawmakers to Vail, weekend retreats with administration officials in Boca Raton and Palm Beach, and a host of other privileges, from the Commerce Department's overseas tours to the infamous White House coffees and sleepovers in the Lincoln bedroom.

So, what do media companies want in exchange for their campaign contributions? The same as any corporate donor: protection for their bottom line. The record shows their money has been well spent. From the government giveaway of up to \$70 billion worth of broadcast spectrum space, to protection of lucrative tobacco ads in newspapers and magazines, to fending off competition for ad dollars from the postal service's foray into direct mail, to dodging free airtime for political candidates, to avoiding taxes on Internet services =96 the media lobbies have enjoyed enviable success.

Broadcasters' biggest victory =96 and a huge defeat for taxpayers =96 was the government's decision in April 1997 to award an additional channel, free of charge, to every television station to smooth the transition from analog to digital transmission. Bob Dole called it "the largest corporate giveaway" in many years.

Reed Hundt, former chairman of the Federal Communications Commission, bristles at another achievement of the broadcast lobby: preservation of the so-called must-carry rules, which require cable operators to transmit the broadcasts of local TV stations. No other business enjoys a comparable privilege, says Hundt. "Nobody tells The New York Times they have to print a hundred thousand copies of the Daily News. It's extraordinary."

The cable industry, for its part, is busily attempting to fight off additional rate regulation. Deregulation of cable under the Telecommunications Act of 1996 prompted record campaign finance contributions by a grateful industry. It also spurred cable company mergers that have reduced competition and contributed to rate hikes. Cable rates rose 7.3 percent between July 1997 and July 1998 =96 while inflation was just 1.7 percent. This summer, leaders of the House Telecommunications committee proposed legislation that would impede cable rate increases after March 1999 =96 the date for rate deregulation under the current law.

"We have nothing remotely close to a competitive cable marketplace today," says Markey. "Yet unless Congress acts, the regulation of cable monopolies will end early next year and there will be no competitive check on price gouging in most of our communities."

No media issue has a larger hypocrisy ingredient than the debate over free airtime for office seekers. Broadcasters won that argument in

milliseconds. When the two major campaign finance reform bills =96 McCain-Feingold in the Senate, and Shays-Meehan in the House =96 were introduced in 1997, each required broadcasters to provide free or reduced-fee airtime to federal candidates. (The TV Bureau of Advertising says candidates and parties spent \$400 million to buy TV time in 1996, up 34 percent from 1992.)

"Those were among the first provisions to fall out," says Paul Taylor, director of the Alliance for Better Campaigns, a think tank that supports free airtime for candidates. Actually, they were pushed. From the moment President Clinton favorably mentioned free airtime in a speech, broadcast lobbyists swarmed over Capitol Hill. With Congress firm in its resistance, Clinton ordered the FCC to begin rule-making on the issue. But this too has been stalled.

Even Arizona Republican Senator McCain, a fervent campaign reform advocate, opposed the FCC taking up the question. Also out in front, blocking for the broadcasters: Tauzin and assistant senate majority leader Don Nickles of Oklahoma. Taylor, a former Washington Post reporter, wasn't surprised. "Most of the pressure [from broadcasters] is unspoken but it's there," he says. Taylor's attempt to get individual stations to commit to free airtime voluntarily has won little support. NAB spokesman John Earnhardt puts it this way: "We don't think the government should tell us what to do." (The NAB's Earnhardt here tells the Federal Government The Hell With You Keep Quiet or You Get No Money )

This year, the Newspaper Association of America and the Magazine Publishers of America dodged a cannonball: the reduction or elimination of tobacco advertising in print media. The current session of Congress has been nerve-wracking for those groups. The tobacco bill that would have restricted advertising was passed by the Senate Commerce Committee but never brought to a vote. Similar legislation pending in the House has scant chance of passage. Publishers fear loss of lucrative ad revenues, and broadcasters, which long ago lost tobacco advertising, fear establishing a precedent that might extend to alcohol and other products.

The publishers also beat back the postal service's attempt to get into the direct mail advertising business. Earlier this year, mail carriers launched a test project in Milwaukee in which advertisers were offered cheap rates and guaranteed overnight delivery for printed advertising inserts =96 some cheaper than those ubiquitous Sunday and Wednesday newspaper ads. Publishers worry about losing part of the \$13 to \$15 billion per year in revenue for their advertising inserts to the postal service, which they view as a taxpayer-subsidized competitor.

"We believe first-class stamp payers are underwriting that wonderful third-class mail that you don't ask for," says John Sturm, president of the Newspaper Association of America. He is glad that Congressman John McHugh, Republican of New York, and Steven LaTourette, Ohio Republican, kept the postal service's plan from expanding beyond the Milwaukee experiment.

Another expected win for media folk this year: the Internet Freedom Act, sponsored by California Republican congressman Christopher Cox and Oregon Democratic Senator Ron Wyden. The Media Tax Group, a coalition of

newspaper publishers, networks, cable companies, and internet providers, made this a key issue for 1998, retaining as lobbyists the law firm of Nixon Hargrave Devans & Doyle. The House approved it in June with no dissenting votes, and Senate approval is expected to follow. The bill protects Internet services from direct price regulation by the FCC, and from discriminatory taxes on electronic commerce.

Media companies did sustain a few small setbacks in the last few years. Broadcasters, for example, initially bad-mouthed the V-chip and its rating system, but most are grudgingly cooperating.

Meanwhile, the conveyor belt of money flowing from Big Media to political bigwigs rolls onward undiminished. The process shapes our information environment in large ways and small, and no significant reform is in sight.

Resignation is the attitude of some lawmakers who've taken aim against the windmills of the media gods. "My record with the broadcasters," says Senator McCain, "is unblemished by victory." (McCain Here Is Proud Of The Fact He Is Against The Peoples Civil Rights Etc.)

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