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Federal Communications Commission
Office of the Secretary

FEDERAL COMMUNICATIONS COMMISSION

BROADCAST OWNERSHIP EN BANC

Richmond, Virginia

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Remarks by:

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2

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Good afternoon. I appreciate the invitation to comment at today's hearings. I believe local hearings such as this can serve a crucial role, not only in eliciting feedback on the experiences of different communities, but also in helping make the public aware of the extremely important issues the FCC addresses. I certainly hope the Commission will sponsor *more* official public hearings throughout the country in the coming weeks.

The media serve a unique role in democracies that value free and creative expression, independent thought, and diverse perspectives. In recognition of this unique public interest role, the "free press" is the only business explicitly protected in the U.S. Constitution. We cannot, therefore, treat the media like any other industry. Its products are not widgets or toasters; they are culture, information, ideas, and viewpoints. Consequently, we must be especially vigilant in protecting and preserving the public interest as it relates to this vitally important industry.

Unfortunately, relaxation or elimination of existing ownership regulations would move us in exactly the wrong direction. While increasing the profits of major media conglomerates, such changes would, in all likelihood:

- promote further concentration of media ownership, thereby undermining competition
- reduce the already limited diversity in commercial media content, and
- reduce the quality, and sometimes the quantity, of locally produced media content

None of these are good for our country or for our democracy.

We don't need to speculate about the likely impact of deregulation on ownership concentration. We need only look at past experience. The removal of the national cap on radio ownership in 1996 resulted in the dramatic concentration of ownership in that industry. In **six** years, the number of radio stations ***increased*** over **5%**, but the number of radio owners ***decreased*** by more than one-third.[1] **A** single corporation, Clear Channel Communications, went from owning 40 stations before the rule changes to owning over 1200 stations today—five times as many as its nearest competitor.

Here in Richmond, this translated into Clear Channel owning six local stations resulting in a loss of competition and the loss of local content in favor of homogenized national programming. For example, WRVA—a Richmond institution long known for its focus on local news and talk—was gutted after the Clear Channel takeover. Nearly every on-air personality was fired or resigned and public outcry tilled local newspaper columns. **As** one local columnist put it, "In its embrace of nationally syndicated personalities, to the exclusion of locals, Clear Channel has made it clear that it has no use for this community's talents, viewpoints and flavor."[2]

In short, the deregulation of radio ownership has been a disaster for Richmond and many other communities across the country. This experience should be a cautionary tale in considering any future rule changes.

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[1] Williams, George and Scott Roberts. 2002. "Radio Industry Review 2002: Trends in Ownership, Format, and Finance." Media Bureau, FCC.

[2] Williams, Michael Paul. 2001. "Richmond a Less Distinctive Place Without WRVA's Local Personalities." *Richmond Times-Dispatch*. April **18**, Your Section Richmond, p. H-3. (Accessed via Lexis-Nexis.)

There is other empirical evidence indicating that the public interest is not served by more concentrated ownership. For example:

- The elimination of the Financial Interest and Syndication rules have resulted in the broadcast networks owning nearly 80% of their prime-time programming — four times as much as they did when the rules were in place. This has clearly discouraged the development of programming from multiple, independent producers.

- The Project for Excellence in Journalism has recently released the most comprehensive study of its kind finding, among other things, that smaller TV station groups tend to produce higher quality newscasts than stations owned by larger companies, thus contradicting the claim that the deep-pockets of major conglomerates inevitably help news and public affairs. They present nuanced data and conclude that "regulatory changes that encourage heavy concentration of ownership in local television by a few large corporations will erode the quality of news Americans receive."[3]

Despite such evidence, the calls to ease regulations continue to come from the corporations who would profit from such changes. These calls are often justified on the grounds that technology has changed our media landscape and, therefore, has made ownership regulations obsolete. This claim is not new. Every time new media technology has been introduced— whether it is radio, television, cable, or the Internet — nthusiasts have told us that everything has changed. But in fact, in each case, the fundamental questions about new media technologies have remained the same, including: Who will own and control them? What purpose will they serve? Whose views and visions will be represented in the new medium?

Technological changes in the media industry have ***not*** reduced the importance of regulation in the public interest.

While the expansion of cable and the rise of the Internet have produced more outlets, not much has changed in terms of who owns and controls these outlets.
- Broadcast networks and cable providers control 90% of the most popular cable channels.
- The Internet's most popular web sites are also mostly owned by the same handful of media companies who dominate other parts of the industry.

Meanwhile, TV is still the public's primary source of news, and the number of TV station owners has ***declined*** by one-third, in the last **25** years.

New media **outlets** often do NOT mean new media ***content,*** either. Instead, broadcast TV programs are recycled for cable channels. Newspaper and cable news content is repackaged for the Internet, and so on.

Thus, despite changing technologies, what we still need are multiple, competing, diverse, and independent sources of information and entertainment — some of which, by the way, need to be non-commercial. Easing ownership regulations, however, will move us in the opposite direction.

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[1] Project for Excellence in Journalism. February, 2003. "Does Ownership Matter in Local Television News: A Five-Year Study of Ownership and Quality." Available at:
http://www.journalism.org/resources/research/reports/ownership/Ownership.pdf

Admittedly, we have a host of unanswered questions about the likely impact of individual rule changes. Clearly, more research needs to be done. However, these long-standing regulations are too important to alter in a "trial-and-error" approach to public policy. We have enough evidence now to serve as a warning. Less regulation will be a windfall for a few giant media corporations; it is likely to be a huge mistake for the rest of us.

It would be no exaggeration to adapt the well-known statement from Justice Louis Brandeis[4] for the issues that face us today: "We can have a democracy or **we** can have the concentration of media ownership in the hands of the few. We cannot have both."

Thank you.

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[4] Justice Brandeis' famous original dictum was, "We can have a democratic society or we can have the concentration of great wealth **in** the hands of the few. We cannot have both."