

FCC Deregulation Is a Threat To U.S. National Security

by Edward Spannaus

On the day before the Federal Communications Commission (FCC) voted for further deregulation of the nation's broadcast and print media, Democratic Presidential pre-candidate Lyndon LaRouche warned that this deregulation scheme must be stopped, on the grounds that it is a threat to U.S. national security. LaRouche pointed out that when police can't get access to local radio for an emergency announcement, because all the stations are operated by computer from thousands of miles away, this constitutes a national security threat. LaRouche also said that when major portions of the U.S. news media are controlled by foreign powers—such as that represented by the British Commonwealth's Rupert Murdoch, or the British-Canadian Hollinger Corp.'s Conrad Black—this also endangers our national security, and he said that such foreign ownership of vital news media outlets should be limited.

At the FCC's June 2 hearing, Commissioner Michael Copps said that he was dissenting from the majority ruling, because it "empowers America's new Media Elite with unacceptable levels of influence over the media on which our society and our democracy so heavily depend."

"At issue," Copps said, "is whether a few corporations will be ceded gatekeeper control over the civil dialogue of our country; content control over our music, entertainment, and information; and veto power over the majority of what we and our families watch, hear, and read."

Former FCC Chairman Reed Hundt (1993-97), told *Salon* magazine that the pending deregulation of the news media is the fulfillment of what Newt Gingrich and Congressional Republicans tried to do in 1995-96, but which was partially blocked, when President Bill Clinton forced a compromise. Hundt said that the big winners will be "the conservative movement that owns the FCC, the courts, Congress, the White House." Later, Hundt offered, "If Dwight Eisenhower were alive today, he'd be warning us about the dangers of the military-industrial-media complex."

The danger of just that, was clear in the period leading up to, and during, the Iraq War. Among television networks, there was no bigger cheerleader for war than Murdoch's Fox News, where, for example, a news program—not a talk-show—labelled France as part of the "axis of weasels." Fox was usually the first to breathlessly report the latest "discovery" of a weapons of mass destruction site, only to have every

such report quickly discredited.

Clear Channel Communications, which has used deregulation to acquire a whopping 1,238 radio stations across the country, is host to many of the country's most raving right-wing radio talk-shows, including Rush Limbaugh, Matt Drudge (who also appears on Fox), Dr. Laura Schlesinger, and others. (Nevertheless, many conservative, grass-roots organizations are strongly opposed to further media consolidation, for their own reasons.) After the country and western band, Dixie Chicks, criticized President Bush and the Iraq War, the center of attacks on them was Clear Channel radio, where it was a major talk-show topic, and where their recordings were banned.

The Best FCC Money Can Buy

The largest media conglomerates, which anticipate becoming even bigger as a result of the FCC ruling, have invested millions in lavishing travel and entertainment on the FCC commissioners and staff. According to a study by the Center for Public Integrity, FCC officials have taken more than 2,500 trips costing \$2.8 million, over the past eight years, mostly paid for by telecommunications and broadcast companies that the agency regulates. "This shows us just how close, how incestuous, the industry and its regulating agency are," said Charles Lewis, the Center's executive director.

According to the Center's report: "FCC commissioners and agency staffers attended hundreds of conventions, conferences and other events in locations all over the world, including Paris, Hong Kong, and Rio de Janeiro." The report continued, "The top destination was Las Vegas, with 330 trips." Second was New Orleans (173), and after that New York (102). Other destinations included San Francisco, Palm Springs, California, Buenos Aires, and Beijing.

Moreover, since September 2002, FCC officials and representatives of the nation's top broadcasters—including chief executives—held 71 closed-door meetings to discuss the easing of media ownership restrictions. Rupert Murdoch of News Corp., and Mel Karmazin of Viacom, "virtually dashed from one FCC office to another for a series of private meetings with commissioners and top staff in late January and early February, as the agency was crafting the controversial proposals." Representatives of consumer groups, on the other hand, met only five times with FCC officials.

On the face of it, the largesse showered on the FCC attained its intended result. Over 700,000 e-mails and other messages poured into the FCC, and virtually all (99.99%, according to some), opposed further deregulation. The two Democratic commissioners, who held public hearings around the country, stated that not a single member of the public had spoken in favor of further media concentration. "Judging from our public record, public opposition is nearly unanimous, from ultra-conservatives to ultra-liberals, and virtually everyone in between," Commissioner Jonathan Adelstein said. "The American people appear united in believing that media concentration has gone too far already and should go no further."

Yet, the Republican majority on the Commission went ahead and approved further deregulation.

An Orgy of Mergers and Acquisitions

In his dissent, Commissioner Adelstein said that the FCC plan "threatens to degrade civil discourse and the quality of our society's intellectual, cultural and political life." It will "simply make it easier for existing media giants to gobble up more outlets and fortify their already massive market power."

And at a June 4 hearing of the Senate Commerce Committee, Adelstein gave his forecast of the likely outcome: "As media conglomerates go on buying sprees after this decision, they will accumulate huge debts that will force them to chase the bottom line ahead of all else. Their growth will likely fuel even more sensationalism, more crassness, more violence, and even less serious coverage of the news and local events."

Adelstein pointed out that the Commission "can't make these decisions according to popular opinion," but that its mandate is to do what is in the public interest.

At the same hearing, Sen. Ron Wyden (D-Ore.) said the FCC's decision "rings the dinner bell for the big media conglomerates who are salivating to make a meal out of the nation's many small media outlets. And I think the question now is whether this Congress is going to stand up for the public interest." Sen. Byron Dorgan (D-N.D.) commented, "My colleague calls it a dinner bell. But it will be an orgy of mergers, acquisitions."

Sen. Fritz Hollings (D-S.C.) described the current situation as follows: "Five media conglomerates control 75% of prime-time viewers, and it is projected that they will soon reach 85%. Ninety percent of the top 50 channels are owned either by the major television networks or by cable operators. And the top 20 Internet news sites are owned by the existing television or newspaper companies." A similar picture was presented by Commissioner Michael Copps, who pointed to the effects of the 1996 Telecommunications Act, as a result of which "we have 34% fewer radio station owners than we had in 1996." He also pointed to the fact that the top cable channels are owned by the same giants that control the broadcast TV networks, and that the top 20 Internet news sources are controlled by media giants. Copps also identified wide-

spread cutbacks in local news-rooms, after national conglomerates take over.

The major effects are likely to be felt in small-town markets, where there will be enormous pressure on independent newspapers and radio stations to sell out to national organizations. As Commissioner Adelstein said, these "local voices are going to get squeezed out, and they are going to get replaced by national media conglomerates, that are going to pump in the programming through the same type of homogenized, lowest common denominator programming to stations all over the country, and we are going to lose that old-time broadcaster . . . with that sense of commitment to the community."

Congressmen Respond

There are already moves in Congress under way, to reverse the FCC's ruling.

Shortly after the FCC made its ruling on June 2, three U.S. Senators held a press conference to announce that they will move to have Congress reverse it. "The FCC's decision today is not the final word," said Senator Dorgan. "I have not ever seen a Federal regulatory agency cave in quite so completely or quickly, as the FCC has done on the issue of broadcast ownership."

"What they have done as a result of their decision this morning is to say that in this country, in the large markets, it will be possible for the same company to own the newspaper, three television stations, the cable company and eight radio stations in the same market," Dorgan said. "And they think that somehow advances the public interest? Not on your life. This advances the interests of some very large, well-financed corporations who have gotten their way at the FCC today, and who are celebrating as a result of the FCC's decision."

Also speaking were Fritz Hollings and Senate Majority Leader Trent Lott (R-Miss.). Lott stressed that this is not a partisan issue, despite the fact that the vote on the Commission broke down on party lines, and added that "probably most of the Republicans in the Congress would not agree with this decision."

The Senators explained that two possible courses of action in the Congress are to attach a rider to the appropriations bill, and to pass a "resolution of disapproval" (also called a legislative veto). At the Senate Commerce Committee hearing, Maine's Olympia Snowe (R) and a number of Democratic Senators called for Congressional intervention to block the FCC's decision. Other Republican Senators who spoke against the FCC's ruling were Kay Bailey Hutchison (Tex.), and even, to an extent, John McCain (Ariz.).

In the House, although there is intense anger over the FCC's ruling, it is expected that the chairman of the House Commerce Committee, Billy Tauzin (R-La.) and Majority Leader Tom DeLay (R-Tex.) will attempt to block any corresponding move in that chamber.