

**Statement of
FCC Commissioner Jonathan S. Adelstein**

**Before the
Senate Committee on Commerce, Science, and Transportation
Hearing on FCC Oversight
June 4, 2003**

Mr. Chairman, Senator Hollings, and Members of the Committee, thank you for this opportunity to testify.

I'm convinced the FCC can benefit from this careful review by Congress of our recent decision to allow further media concentration. We need your help. This issue goes to the heart of our democracy, so we desperately need input from elected officials like yourselves.

I'm afraid democracy was not well served by Monday's decision. Allowing fewer media outlets to control what Americans see, hear and read can only give our people less information to make up their own minds about the issues they face.

As media conglomerates go on buying sprees, they'll 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.

The American people instinctively grasp this. Commissioner Copps and I reached out to Americans at field hearings across the country. We heard a loud, unanimous chorus that media concentration has gone too far already.

I've rarely seen an issue on which such strong opinion is so one-sided. It's hit a raw nerve. Three-quarters of a million people contacted the FCC – and 99.9% of them oppose further media consolidation.

Of course, the FCC can't make these decisions according to popular opinion. But our statutory mandate is to do what's in the public's interest. We shouldn't assume that the people are wrong about what's in their own interest unless we have overwhelming evidence to prove it. Here, plenty of evidence shows the people are right.

People and organizations from every political stripe, from liberal to conservative, Republican to Democrat, and virtually everyone in between, have opposed media consolidation.

This shouldn't be seen as a partisan issue simply because the Commission's vote broke down along party lines.

My own Dad, for example, is a Republican – and an elected state representative in South Dakota. He's concerned that if media giants swallow up locally owned outlets in rural states like

ours, citizens will see less coverage of local concerns, including the key issues facing state governments.

His concerns highlight a real threat to our democracy. One national study found that the combined TV coverage of all campaigns in 2000 was about seventy-four seconds per night – and that includes local, state and federal elections. As you know all too well, people heard a lot more from paid political ads, many of them negative – which only depresses turnout. Could the media help explain why half of Americans don't vote? Can anyone seriously argue that this will get better if we allow media giants to fortify their already massive market power?

The FCC's order assumes that somehow the cost savings that come from mergers will always get channeled into better news and programming. But it requires no steps to ensure that really happens.

The majority made a leap of faith that fixed rules based on oftentimes arbitrary numbers are the be-all and end-all of what's in the public interest.

For example, the Order assumes that every time a newspaper buys a TV station in communities where 97 percent of Americans live, it's in their interest. In some cases, those mergers may actually bring some news left to a struggling TV station. But is that true in every case? In many areas, such a deal eliminates an important voice serving a community. The Order makes no effort to sort that out, or to require any public interest commitments whatsoever.

The Order also allows one TV station to swallow another in most communities in the country – potentially 95 percent of the population – again with no requirement for the broadcaster to do anything new to serve the public.

And it assumes that networks should be able to own stations reaching 45 percent of the population – 90 percent if you count the UHF discount – with no justification as to how this will help diversity or localism.

We're about to create new media moguls who make Citizen Kane look like a piker.

In larger markets like San Francisco, one owner can combine the cable system, three television stations, eight radio stations, the dominant newspaper, the leading Internet provider, some cable networks, and magazines -- and studios that produce most of the programming goes out over those outlets.

In smaller markets, say the town of Great Falls, Montana with a population of 56,000, one entity could own the cable company, the dominant TV station, the dominant newspaper, and multiple radio stations. Is this really good for democracy?

It's true that Congress and the Courts forced a massive review. But they did not force massive deregulation. We could have required a market-by-market, case-by-case approach that ensures each merger actually serves the public interest. By failing to do so, the Order went

further than necessary in eliminating most of the last safeguards the FCC had in place to protect the public. The public interest standard, if not dead, is mortally wounded.

I'd be happy to answer any questions you might have.