

# FINANCIAL TIMES

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## Media mergers are damaging American democracy

Americans have always been crazy for news. When Alexis de Tocqueville toured the nation's back roads nearly two centuries ago, he marvelled at the "astounding circulation of letters and newspapers among these savage woods". De Tocqueville chalked this up to our uniquely local politics. Under a centralised government, a handful of national newspapers might have been enough. But America "offered the utmost national freedom combined with local freedom of every kind".

Today, the US is richer and more powerful than when de Tocqueville visited. But do we still have media capable of keeping democracy strong? Not by a long shot. Newspaper competition has died in most cities and towns. Radio, television and the internet have replaced them - but these are primarily national, not local, and geared towards selling products through entertainment. In the last off-year elections, more than half of local newscasts contained no campaign coverage at all.

Why - and how - has this happened? A leading culprit is the staggering consolidation among communications companies in recent years. A handful of conglomerates now controls nearly all the mainstream media. An even smaller group of network providers controls internet access. These two trends are not typically thought to be related. But both are attempts at stifling competition by seizing control of content and distribution.

It is pretty easy to see how media consolidation smothers local news. It is a lot cheaper to develop a single slate of national content and ship it off to "local" television and radio outlets. But local news and community events are democracy's lifeblood. Economists have documented, for example, that when stations provide Spanish-language local news, voter turnout among Spanish speakers increases significantly.

Even worse is the trend of cross-ownership, where the local television

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station also buys up radio stations and the local newspaper. This gives one company far too much influence in a community. It also removes any incentive for one part of a media empire to compete for customers by outdoing the others.

The dangers of internet consolidation may be less obvious but are equally troubling. Today, the internet is a ray of hope for those of us who care about the ideals de Tocqueville described. Just look at the new crop of political blogs having such an impact on both sides of the aisle. The tragedy is that, in a consolidated world, a handful of broadband barons is poised to destroy what is so precious about the internet. The danger arises because one or two companies (telephone and cable) provide the "last mile" internet connection to virtually all American homes.

These companies are already talking about extracting fees from anyone who wants to reach their millions of customers. That translates into an internet dominated by the big companies that can afford to pay. Already, virtually all of the top 20 internet news sites are owned by the usual suspects. When independent voices and innovators have to pay large sums just to get through to you and me, the problem is only going to get worse. It might be clever business strategy, but it would be terrible for our democracy.

The really scary part is that matters could get much worse. Today, the Federal Communications Commission will begin a wholesale revision of the nation's media ownership rules. These limit how many television stations, radio stations and newspapers one company can own in a single market. Three years ago, against my objections, the FCC tried radically to loosen its rules. Thankfully, a federal court sent these ill-advised rules back to us. Now we have a second chance to get them right. But it will take concerted citizen action to check big media's hunger for still more consolidation.

As for the internet, we desperately need so-called net neutrality rules. These would prohibit broadband providers from giving preferential treatment to information and data based upon its source. The creators of the open internet never envisaged it being littered with gates and toll-booths. Anyone expecting the internet to reverse media consolidation should understand that it is heading down the very same road.

The fight against consolidation is not liberal versus conservative or red state versus blue. It is a grassroots, all-American campaign to preserve the very democracy that de Tocqueville saw in America. Every citizen is a stakeholder in the outcome and every citizen should be part of the decision-making.

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