

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: Broadcast Media Ownership Public Hearing, University of Southern California, Los Angeles, California

I am pleased that the FCC is holding its first media ownership hearing in Los Angeles – the home of one of the most diverse populations in the United States and the world’s capital of entertainment, artistic talent and creativity. I believe the people, businesses, and creative organizations in Los Angeles are uniquely suited to provide the Commission an important perspective about the consequences of media consolidation and our media ownership rules. Their views should well inform the Commission’s deliberations.

While there may be some disagreement over whether the FCC has always upheld its obligation to manage the public airwaves in the interest of all Americans, there should be no disagreement that our media ownership proceeding is, fundamentally, about one thing: our democracy. And central to our American democracy is the “uninhibited marketplace of ideas,” where everyone is able to exchange and share music, news, information and entertainment programming over the public airwaves. As the Supreme Court has observed, “it is the right of the public to receive suitable access to social, political, esthetic, moral and other ideas and experiences.”¹ That right is enshrined in the First Amendment to the U.S. Constitution.

The FCC is not only precluded from abridging the rights of Americans to receive and exchange ideas, we are also obligated to have structural and behavioral rules in place that facilitate the exercise of those rights. As an FCC Commissioner, I know of no better way to assess whether the broadcast industry is meeting the American people’s needs and expectations than to go out and listen to people in local communities throughout this country.

The FCC’s media ownership proceeding is not about alternative platforms and competition from cable, satellite, or online content providers. In the 2004-2005 seasons, broadcasters – not cable, satellite or Internet programmers – had the top 255 highest rated programs on television. And all but a handful of the top 500 programs were on broadcast television. In radio, the two satellite radio companies have a total of about 11 million subscribers, while over 200 million people listen to terrestrial radio on a weekly basis.

Broadcast radio and television continue to have a powerful influence over our culture, political system, and the ideas that inform our public discourse. Study after study has shown that broadcasting is still the dominant source of not just local news and information, but also entertainment programming. The broadcast industry still produces, disseminates, and ultimately controls the news, information, and entertainment programs that most inform the discourse, debate, and the free exchange of ideas that is essential to our participatory democracy.

¹ *Red Lion Broadcasting Co. v. F.C.C.*, 395 U.S. 367, 390; 89 S.Ct 1794, 1807 (1969).

Media ownership is about the power to control the public's airwaves that the American people have entrusted the Commission with the solemn obligation to license broadcasters to serve in the public interest. The Congress has thus charged the Commission with the authority to regulate the broadcast industry in order to foster diversity and localism, and to prevent undue concentrations of power.

Over the years, the FCC has embraced a reckless deregulatory policy to eliminate, relax and sometimes simply ignore the obligations that broadcasters have to the American public. As a result, there has been a wave of consolidation, which has led to unprecedented levels of concentration in radio and television ownership and program production. Correspondingly, there has been a decrease of general public access to the airwaves.

So while fewer and fewer companies gain more control over the means of distributing ideas, fewer small businesses, fewer members of the creative community, and fewer African Americans, Latinos, Asians, and Native Americans can use the public airwaves to contribute to our national experience. Women make up over half of the U.S. population, but yet they own less than 5 percent of all television stations. Racial and ethnic minorities make up over 30 percent of the population, but yet they own less than 3.3 percent of all television stations. African Americans own 1.3 percent; Latino Americans own 1.1 percent, and Asians and American Indians only own 0.44 and 0.37 percent, respectively, of all television stations.

Despite these abysmal minority and women ownership numbers, the Commission didn't even acknowledge the disappointing state of minority ownership in its 2003 media ownership decision. To make matters worse, it repealed the only policy specifically aimed at fostering minority ownership. Luckily, the federal courts, the Congress and you – the American people – rejected the FCC's attempt to relax the media ownership rules intended to protect your interest in the public airwaves

Consolidation in the media industry has not only exacerbated many of the barriers that have long prevented minorities from gaining equitable access to capital, advertising, and employment opportunities, it has also limited the vibrancy of ideas, opinions, experiences and the creative arts. Imagine having never experienced an episode of "Star Trek (which just celebrated its 40th anniversary last month). Or not having had the opportunity to watch "All in the Family," "The Cosby Show," "Roseanne," or "That 70s Show." Unfortunately, the FCC repealed the rules that helped make these shows possible. The Financial Interest and Syndication Rules, and the Primetime Access Rule, for example, promoted diversity and fair competition in entertainment programming by limiting the market power of the major networks and giving independent programming a chance to get good, fun, and yet compelling shows on broadcast television.

Since the FCC has repealed these rules, the number of independent sources that provide primetime programming to the major broadcast networks has decreased from twenty-three in the early 1990s to only two today. There is no justification for this. The lack of primetime programming from independent sources limits the creative and economic contributions of our diverse and talented artists. We should increase access for everyone to participate and benefit from an industry that's one sixth of the U.S. economy.

Beyond the impact on our national economy, media concentration has devastating consequences to our democracy, which requires the vibrant and free exchange of ideas, the constructive dialogue between divergent groups, and the analysis of political and controversial issues. Today, instead of directors, producers, writers and actors being free to share their creative talents, they're being forced to integrate and promote products to improve the networks' bottom-line for Wall Street. As director, producer and actor Gene Reynolds recently said: "We used to worry about the storyline and the content and the characters, now we're supposed to worry about how you put Coca-Cola in there."²

When you look at today's broadcast media landscape, we see local newscasts that are dominated with sensationalism and crime stories, little useful information, and even less government and election information. Both local TV and national media are cutting news staff, requiring fewer writers, reporters, and producers to do more with less. As a result, news quality has suffered. The "if it bleeds, it leads" approach to news reporting might be good for ratings, but it's the lifeblood of our democracy that bleeds when the positive aspects of our communities are not covered, when in depth coverage of local and national elections disappear, and when real investigative journalism is replaced with video news releases. One study found that community public affairs programming accounted for less than 1/2 of 1 percent of local TV programming nationwide, compared to 14.4 percent for paid programming like infomercials for ab-crunchers. So whether or not these infomercials are giving us tight abs, there's no doubt we're getting a flabby democracy in the process.

Today is the first step towards tightening our democracy. I look forward to the testimony of the witnesses and the public comments. Thank you for participating in this democratic exercise today.

² *The Caucus Journal*, The Caucus for Television Producers, Writers & Directors, Winter 2006, at 25.