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REMARKS AT NEW AMERICA FOUNDATION
A CONVERSATION ON THE FUTURE OF THE MEDIA:
IS THE PUBLIC INTEREST BARGAIN DYING?
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Thank you—it’s always refreshing and even fun to come over to this ever-flowing fount of new ideas and it’s a very special honor to be in the company of two such distinguished masters of the journalistic arts as Steve Coll and Ted Koppel. The best part of the job I’ve had for the past ten years is getting to know folks like you two—not that there are any folks really “like” you two—who know their way around journalism and whose love and pride for it is so passionate. Thank you for convening this session today.

The catalyst for this event is the Staff Report and accompanying recommendations issued by the FCC last week, most recently entitled “The Information Needs of Communities.” It was a long time coming and expectations were high. If the intent of the Staff Report was to provide an in-depth snapshot of the media landscape, then it was mostly a success. But the snapshot clearly revealed cracks and chasms running through the landscape by documenting, in particular, shortfalls in the production of local accountability journalism. I am not here to quibble with many of the Report’s findings, although I do wish it had focused a little attention on what proactively reform-minded FCCs, like the ones we had back in the 1940s, can do when they put their minds—and a majority vote—to it. The big question coming out of this expansive Report is: what do we do about it? And it is here that I find myself not just underwhelmed but sorely disappointed by the timidity of the recommendations, given the breadth of the immediate problems the Report itself tees up. Some have made the point in the last week that this is a politically charged environment with an election coming and it would be best to move gingerly and speak softly around such topics. As both historian and long-time public servant, I hearken back to a different approach, founded in the belief that educating and informing our citizens is the surest pathway to preserving and extending our democratic experiment.

There are two schools of thought on what role government should play in providing the infrastructure to inform our citizens. One school would say let’s leave this important task up to the free market and deregulate the entities that serve this purpose. This school has been in charge of the classroom for most of the past 30 years. We have been through an ongoing orgy of private sector consolidation with a few mega-media companies buying up small, independent broadcast stations and newspapers and then downsizing—and often shuttering—newsrooms and firing journalists in order to pay the huge debts these merger transactions always entail. The private sector found a willing accomplice in an FCC that was only too happy to bless it all and encourage even more, almost never saying “No” to whatever merger the financial wizards could conjure up. To make things even worse, successive iterations of FCCs vanquished from the books most of the public interest rules and guidelines that could have imposed some discipline on broadcasting run rampant.

Additionally, and not to be deflected by a third-rail issue, the advocates of the hands-off approach begin and end their argument with the First Amendment which, according to them, grants a monopoly privilege to those who can afford to make use of the airwaves. Once upon a time long ago, I taught the history of the First Amendment and it turns out it's a little more complex than those who believe its mere mention must silence all debate. I find it instructive that our Founding Fathers, *who wrote the Amendment*, went on in very short order to build post roads and subsidize the delivery of newspapers on the clearly-stated premise that their fledgling experiment in self-government depended rather significantly upon a well-informed citizenry that could cast its votes based on the best facts available. They saw this as perfectly legitimate public policy. To repeat, these were the same Founders who gave us the First Amendment in the first place. Maybe those whose sole recourse is to shout "First Amendment" to shut off all discussion should study their Washington, Madison and Jefferson a little more thoroughly. By the way, it was a continuation of this same theory that led government in the century just past to license the airwaves to those who pledged to serve the public interest. And it is the same theory that is to this day still regnant Supreme Court doctrine: "It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail." We could argue this all day and that's not the purpose of this session, but neither do advocates of media reform need to cower in the corner when the Do-Nothings try to shout us down.

The second school maintains that there is a role for government in general and the Federal Communications Commission in particular: that role is to ensure that the public's spectrum is put to the public purpose of informing democracy's dialogue. Under this theory, a license to broadcast is a privilege, not a God-given right, and the privilege of keeping that license depends upon the caliber of trusteeship a station delivers.

Let's tackle the facts. Right now, and it's no surprise to this group I'm sure, somewhere around 90%-plus of the news and information journalism Americans rely on originates in traditional journalism—newspapers and broadcasting. There may be lots of channels and avenues out there to distribute what is produced, but what is produced is much less than it used to be. Everywhere around us are telling signs that the news and information journalism we relied on for so long is failing us today. Perhaps a quarter of the journalistic work force is walking the street in search of a job rather than working the beat in search of a story. Investigative journalism is an endangered species. In a society where watchdog journalism is absolutely essential, more than two dozen states don't have a single reporter accredited to Capitol Hill. How's that for holding the powerful accountable? At the state level, legions of lobbyists outnumber professional journalists by orders of magnitude. And, Steve Waldman's Report tells us, more than one-third of our commercial broadcasters offer little to no news to their communities of license. As America's news and information sources keep shrinking, hundreds of stories that could inform our citizens go untold, indeed undiscovered.

"Ah, but wait," some say, "all this is talk of yesteryear. The Digital Age is here, everything has changed, and a little patience will inevitably be rewarded with new and better media." I yield to no one in believing that the Digital Age holds amazing promise

for expanding the scope of our democratic discourse. The Staff Report recognizes this and the present Commission has focused tremendous and commendable energy on both broadband deployment and adoption. But let's recognize up-front that building a new town-square paved with broadband bricks and stacked with good news and information is not going to happen on auto-pilot. Don't fall for that one. If all goes well, the Internet will one day open wide avenues to enhance the in-depth journalism the country needs. If all goes well, we will find platforms where diverse voices don't just talk, but where they actually have a shot at being heard. There is a lot of commendable experimentation going on to devise innovative models for Internet journalism. I hope these experiments propagate and multiply. As of June 15, 2011, however, what we have gained in support for news and journalism on the Internet does not match what we have lost in the traditional practice of those crafts. Simply put, the Internet cannot fulfill its democratic potential without sustainable journalism.

Today the first five studies examining the FCC's rules for the Congressionally-mandated Quadrennial Review were released. One of the studies entitled "Less of the Same: The Lack of Local News on the Internet" was written by Matthew Hindman, author of the book "The Myth of Digital Democracy." If you haven't read it, you should. The study underscores a point illustrated in Steve Waldman's Staff Report: that news online has not yet plugged the gaps left behind by the erosion of traditional journalism. Consider this: Only 16 of the top 100 markets have an unaffiliated Internet news source that reaches even a one-percent audience threshold. Yes, I said *one per cent!* Or this: Local news online is less than one-half of one per cent of page views. Hindman's conclusion appears to be that there are far too few online news sites at this point to say they have added much to media diversity.

There is data showing that minorities are adopting wireless broadband at a quicker pace than their counterparts, but is there content geared toward these audiences? The Hindman study shows that markets that have either heavily African-American or Hispanic populations have fewer Internet-only news sites. If the majority of hyperlocal sites are taking hold in affluent areas that can support advertising, have we really dealt with diversity and competition concerns—or have we just moved media injustice onto a new field?

There are many other questions. Here is one: are we leaving behind the gatekeepers of the past only to recreate them anew online? We can't just put our fate in the hands of new technology and trust that all will be well. Technology can do good things—and not-so-good. It depends upon how it is used and how it is guided. In his remarkable book *The Master Switch*, Tim Wu makes the telling point that the technical properties of a communications system have less to do with determining freedom of expression than does the industry structure surrounding it. And if the industry structure that wreaked so much havoc on our traditional media is now migrating to new media—and there are signs that it is—think about how woefully that undermines the opportunity-creating dynamism of the Internet to nourish our small "d" democratic dialogue.

As you will have concluded by now, I don't believe the FCC's just-released Staff Report, for all its many merits of analysis and some good suggestions, too, responds to the urgency of the crisis. Too often, the recommendations don't track the analysis. I believe that many Americans are ready for a bolder approach. People want action. They get more and more consolidation. People want action. They witness instead the weakening little-by-little of the rules meant to serve the public interest. People want action. But what has been said through these cautious recommendations is that the same media market that has turned news into infotainment, closed bureaus for a bigger dividend check, canned journalists for bigger CEO salaries and given up on doing real news—that media market is mostly vibrant and there is no overall crisis in news or information.

So instead of bold Commission action, the Staff Report tinkers around the edges by urging philanthropies to mend their ways and do a better job of supporting media innovation; by asking Congress to pass new tax incentives; and by suggesting the federal government distribute more of its advertising through local media. Good ideas all—but not on the same level as the threat. The Harry Truman poster on my office wall says “The buck stops here.” The FCC has passed the buck for too long.

For itself, the Commission relies almost exclusively on online disclosure as the remedy for our media ills. I'm all for disclosure and, in fact, voted for the Enhanced Disclosure proceeding that was approved by the Commission back in 2007 and has since been hung up in some strange never-never land between the Commission and the Office of Management and Budget. Let's free it, fine-tune it, implement it and get on with the job, I say. But the recommendation seems to be to start over, cut significantly down on the information that would go online, use information from just a sample week rather than over the course of time, and then wait for this “transparency” to cure all ills. For those who have been toiling away for decades working to make the media more reflective of this diverse country there is little consolation in more transparency absent some increased leverage so they have a shot at succeeding with an actual complaint.

Let's keep in mind that disclosure is a means to an end—not an end in itself. If disclosure brings to public light actions that require redress, where is the redress to be found? Some will doubt whether it is to be found in a Commission that has for most of 30 years sworn off public interest rules and guidelines and now seems ready to declare the whole idea a relic of history. Why would consumers even bother to plumb the Internet looking at public files if there is so little confidence their effort will be rewarded with remedial action? Over the years some hearty souls have gone through the paper files, amassed their evidence, and petitioned the Commission to deny relicensing, all to no effect. What is the benefit of moving that hapless process online?

Instead of playing taps for public interest obligations policy, the Commission would be better advised to give it a try. We shouldn't thrust aside that which has seldom had an occasion to be implemented. Why dismiss, for just one example, a real relicensing process as a failure when we haven't even attempted to use it for more than a generation? When we had public interest guidelines on the books, they did encourage

broadcaster restraint and they did encourage more real news and information. I've talked to a lot of the old hands who were practicing broadcast journalists during and right after the great Ed Murrow generation, and just about unanimously they cite the statute and the potential for the FCC to take action as encouraging resource-intensive journalism. That was before the days of newsroom operations being seen as profit centers. The Staff Report itself reminds us that Bill Paley told his news operation that he had Jack Benny to make money so they should go out and gather news and not worry about where the funds were coming from—he would take care of that.

I have no illusion that the FCC can magically take us back to that approach, but I also have no doubt that we could stop the slide and travel some ways back toward news for the sake of news by implementing our statutory mandate to maintain a serious licensing and re-licensing process. There are other suggestions, I know, like imposing spectrum fees on broadcasters and giving the money to non-commercial media. I don't oppose that approach, although I like my idea better. But in any event, 40 years in this town tell me it would have been more practical to secure three votes at the Commission to exercise current authority than it is to wait for Congress to give the FCC additional authority in this precarious environment.

I am not here to suggest there is any silver bullet for the multi-pronged information infrastructure challenges that confront our country. But those who have a role to play should play it. FCC Public Interest oversight can affect broadcasting—from whence so much of our news comes—and even have some spill-over effects on some of the newspapers that are cross-owned. (Maybe there can be silver linings behind dark clouds!) The Commission should move quickly to complete—not cancel—its evidence-heavy Localism proceeding, finalize the Disclosure item, and implement many of the diversity proposals suggested to us by our own Diversity Advisory Committee over the past several years. The FCC should also hold full Commission hearings around the country—I suggested a minimum of three in the next three months to our Chairman—to hear directly from the American people what they think about the news and information they are receiving. This would also help jump-start a national dialogue on the future of our media. It's a discussion that I believe, based on my conversations with tens of thousand of citizens, the American people are willing, and indeed are eager, to hold. Remember back in 2003, when a previous Commission moved to gut our media ownership rules and some were saying no one out there really cared and three million people wrote in opposing the action? Those rules were put on hold. Who says citizen action can't work, even in these times when so few interests wield such outrageous power? Going beyond the FCC, the Administration could put together both inter-agency and public-private sector partnerships to discuss and develop creative ideas for our news and information needs. These are issues, after all, that were discussed in the last election.

We need to feel the urgency. Knowing that our news and information system is not, right now, supplying the depth and breadth of information a functioning democracy requires for informed decision-making, we must push hard for action. We need to be really engaged on this. If the sound of the trumpet be uncertain, who will respond to the call to battle, the Bible enjoins us. This is no time to be timid. There is no need to be

deflected or defensive or scared off by those whose vested interests, economic and political, argue against any and all public interest oversight.

This country confronts huge challenges, towering uncertainty about the revival of our economy, where new jobs will come from, how will we prosper in a hyper-competitive global arena, how to support the education our kids and grandkids need to thrive in these difficult times, how to open the doors of opportunity to so many Americans who have been left behind. We have so much to do to preserve our strength, our prosperity, our land of opportunity. But if we don't have the information and the news about what's going on in the neighborhood and the town and the nation and the world around us, our decisions will suffer and our future won't match our past, let alone improve upon it. We'll put ourselves, as individuals and families and a nation, on history's sidelines.

That is what is at stake here. That is why I feel so strongly about these issues. And that is why I intend to keep pushing, pushing, pushing in the months and, if need be, the years, ahead. Let's work together to keep the public interest bargain alive.

Thank you.