

Twenty Years of Media Consolidation Under the Telecommunications Act

by Michael Corcoran via jess - Truth-out *Friday, Feb 12 2016, 9:15am*

international / prose / post

Wall Street's sinister influence on the political process has, rightly, been a major topic during this presidential campaign. But, history has taught us that the role that the media industry plays in Washington poses a comparable threat to our democracy. Yet, this is a topic rarely discussed by the dominant media, or on the campaign trail.

But now is a good time to discuss our growing media crises. Twenty years ago this week, President Bill Clinton signed the Telecommunications Act of 1996. The act, signed into law on February 8, 1996, was "essentially bought and paid for by corporate media lobbies," as Fairness and Accuracy in Reporting (FAIR) described it, and radically "opened the floodgates on mergers."

The negative impact of the law cannot be overstated. The law, which was the first major reform of telecommunications policy since 1934, according to media scholar Robert McChesney, "is widely considered to be one of the three or four most important federal laws of this generation." The act dramatically reduced important Federal Communications Commission (FCC) regulations on cross ownership, and allowed giant corporations to buy up thousands of media outlets across the country, increasing their monopoly on the flow of information in the United States and around the world.

"Never have so many been held incommunicado by so few," said Eduardo Galeano, the Latin American journalist, in response to the act.

Twenty years later the devastating impact of the legislation is undeniable: About 90 percent of the country's major media companies are owned by six corporations. Bill Clinton's legacy in empowering the consolidation of corporate media is right up there with the North American Free Trade Agreement (NAFTA) and welfare reform, as being among the most tragic and destructive policies of his administration.

The Telecommunications Act of 1996 is not merely a regrettable part of history. It serves as a stern warning about what is at stake in the future. In a media world that is going through a massive transformation, media companies have dramatically increased efforts to wield influence in Washington, with a massive lobbying presence and a steady dose of campaign donations to politicians in both parties - with the goal of allowing more consolidation, and privatizing and commodifying the internet.

This issue has not been central in the 2016 presidential election. But it is deeply concerning that, of all the presidential candidates running in 2016, the Big Media lobby has chosen to back Hillary Clinton. Media industry giants have donated way more to her than any other candidate in the race, according to data from the Center for Responsive Politics. In light of this, we must be mindful of the media reform challenges we face in the present, as we try to prevent the type of damage to our democracy that was caused by the passing of this unfortunate law.

A Threat to Democracy: The Telecommunications Act and Media Consolidation

When President Bill Clinton signed the Telecommunications Act into law, he did so with great

fanfare. The bill, which was lobbied for in great numbers by the communications and media industry, was sadly a bipartisan misadventure - only 3 percent of Congress voted against the bill: five senators and 16 members of the House, including then-Rep. Bernie Sanders.

At the time, President Clinton touted the law as "truly revolutionary legislation ... that really embodies what we ought to be about as a country." House Speaker Newt Gingrich boasted of projected consumer savings and private job growth. Rep. John Dingell (D-Michigan) "thanked God" for the bill that would "make this country the best served, the best educated and the most successful country ... in all areas of communications."

Despite all of these glowing words, the consequences of the bill were disastrous. The act "fueled a consolidation so profound that even insiders are surprised by its magnitude," said one trade publication, according to Robert McChesney, in his book, *Rich Media, Poor Democracy: Communication Politics in Dubious Times*.

"Before the ink was even dry on the 1996 Act," wrote S. Derek Turner, research director of Free Press, in a 2009 report proposing a national broadband strategy, "the powerful media and telecommunications giants and their army of overpaid lobbyists went straight to work obstructing and undermining the competition the new law was intended to create."

Media consolidation was already an extremely pressing concern long before 1996. In 1983, Ben Bagdikian published his groundbreaking book, *The Media Monopoly*, which revealed that just 50 corporations owned 90 percent of the media. That number gradually dwindled over the coming 13 years and was accelerated by the Telecommunications Act. This has led us to the aforementioned crisis where more than 90 percent of the media is owned by just six companies: Viacom, News Corporation, Comcast, CBS, Time Warner and Disney.

Radio has seen an equally appalling consolidation, which has been horrendous for both news media and music. In 1995, before the Telecommunications Act was passed, companies were not allowed to own more than 40 radio stations. "Since passage of the 1996 Telecommunications Act, Clear Channel [now called iHeartMedia] has grown from 40 stations to 1,240 stations - 30 times more than congressional regulation previously allowed," according to a report from the Future of Music Coalition.

Local newspapers, too, have been stung by these deregulations. Gannett, for instance, owns more than 1,000 newspapers and 600 print periodicals. Layoffs have been the norm for the company, including at USA Today, the paper with the largest circulation in the country, where layoffs were described as a "total bloodbath" in the *American Journalism Review*.

Save the Internet: The Next Big Media Battle

There was a lot at stake when media companies lobbied for reform in 1996. There is just as much at stake today in the battle for a free and open press. Not only have big media companies continued to push for more consolidation and mergers, but they are also seeking to commodify and privatize the internet. This has become a major concern for advocates of "net neutrality," who want to "save the internet," and ensure it is protected as a public utility with equal access for everybody. An FCC ruling in February 2015 has protected the internet for now, but as Free Press warns, the internet is still "in danger."

"Net neutrality has made the internet an unrivaled space for free speech, civic participation, innovation and opportunity. Net neutrality prohibits online discrimination and gives any individual,

organization or company the same chance to share their ideas and find an audience," explains Free Press's website, Save the Internet. "Companies like Comcast and Verizon aren't used to losing in Washington, and they'll do everything they can to knock down the Title II protections the FCC approved on Feb. 26, 2015."

The organization is right to be concerned. One reason for the passage of the Telecommunications Act of 1996, as McChesney wrote in 1997, was the sheer power that the media and communications industry has in Washington. "Both the Democratic and Republican parties have strong ties to the large communication firms and industries, and the communication lobbies are among the most feared, respected and well-endowed of all that seek favors on Capitol Hill."

Today that power and influence has only increased. "From 2002-2008, the industry increased its spending on lobbying efforts every year," reports the Center for Responsive Politics. "The streak snapped when the Great Recession set in and most clients cut back on their DC efforts, and then reversed again in 2013. In 2014, cable and satellite providers spent nearly \$8.1 [million] on lobbying."

Big Media's Relationship With Hillary Clinton

What is most revealing when analyzing the donation patterns of these industries in the data from the Center for Responsive Politics - be it cable television, print and periodicals, radio or telecom services - is that Hillary Clinton is, by far, the largest recipient of donations of any candidate in the 2016 election in either party. In fact, of all the top industries that have donated to Clinton, the TV/movies/music category ranks behind only the securities and investments category. (This data is from reports filed on January 31, 2016, according to the Center for Responsive Politics.)

More troubling is that these filings come on the heels of a report from Politico that the Clinton Foundation has received donations, some of them very large, from most of all the major media companies directly: Viacom, News Corporation, Reuters, NBCUniversal, Newsmax, Time Warner, Mort Zuckerman (owner of US News & World Report and the New York Daily News), Comcast, AOL Huffington Post Media and Robert Allbritton (owner of Politico). George Stephanopoulos, one of ABC News' most visible journalist and a former staffer for President Clinton, has also been under scrutiny for not disclosing a \$75,000 donation to the foundation.

Of course, the Clinton Foundation is not a political campaign and does some philanthropic work. So while this all might be legal, it is extremely unsettling, especially in tandem with all the campaign donations Hillary Clinton has received from the major players in this industry.

In March 2015, for instance, a Comcast executive held a \$50,000 per plate fundraiser for Clinton's super PAC. "Comcast NBCUniversal operates in 39 states and has 130,000 employees across the country," said company spokeswoman Sena Fitzmaurice at the time. "It is important for our customers, our employees and our shareholders that we participate in the political process."

Of course, media companies don't just donate to Clinton, but also to members of Congress from both parties. Further, as the Center for Responsive Politics reports, the FCC is filled with "revolving-door" employees, who have been switching back and forth between government work and lobbying for Comcast.

Their aggressiveness in Washington makes them a dangerous enemy in the fight for free and democratic media. In this environment, it should come as no surprise that the position of FCC chairman is typically held by a former lobbyist for the cable industry, such as Tom Wheeler, the

current chairman, who was once president of the National Cable and Telecommunications Association, a major opponent of net neutrality.

And while it is good news that Clinton has come out in favor of net neutrality, it is a reasonable fear that she could change her views once elected, especially given her relationship with Big Media. It would not be the first time a president has changed a view after being elected, as we learned when Barack Obama embraced a mandate in health care, or when George H.W. Bush raised taxes, despite his infamous promise that he never would.

It is important to note that, whatever her relationship with the telecommunications industry, it is not fair to blame Hillary Clinton for the Telecommunications Act of 1996. As first lady, Clinton was not in charge of telecommunications policy and there doesn't appear to be evidence she played a role in constructing or fighting for the law in the White House. In fact, 20 years later, it is difficult to find any public statements from Hillary Clinton expressing her opinion about the law or its impacts. She did address a question at the 2012 YearlyKos convention about the Telecommunications Act. Her response, however, did little to clarify her views on the subject. She said:

You'll have to ask [then-Vice President] Al Gore. We've had a lot of media consolidation. We've had some good competition. We have a lot that we need to do to begin to create a more competitive framework. Al was very involved in designing and pushing that through - he is an expert; I am not ... We've got to take a hard look at this and I don't want to say something I may not really support. So I have to look at that proposal.

Clinton is now, however, deep into a presidential run and could well be responsible for appointing the head of the FCC. She owes it to voters to describe her views on the Telecommunications Act, and on media consolidation more broadly, in a way that goes beyond advising Americans to "go ask Al Gore."

Why Media Reform Matters

When McChesney observed that the communications lobby was "among the most feared, respected and well-endowed of all" groups in Washington, he also pointed out one of the great challenges about trying to fight Big Media.

"[The] only grounds for political independence in this case," he wrote about the debate over the Telecommunications Act, "would be if there were an informed and mobilized citizenry ready to do battle for alternative policies. But where would citizens get informed?"

In other words, how can we have a real debate about media issues, when we depend on that very media to provide a platform for this debate? It is no surprise, for instance, that the media largely ignored the impact of Citizens United after the Supreme Court decision helped media companies generate record profits due to a new mass of political ads. "Super PACs may be bad for America, but they're very good for CBS," said CBS president Les Moonves, in a rare moment of candor at an entertainment conference in 2012.

This catch-22 is indeed one of the great difficulties about fighting for a vibrant media and a healthy democracy. But it is a challenge advocates of free media must embrace. Supporting independent media is one important way to help bring light to issues the corporate media ignores.

Media reform is the issue that affects all other issues. As the impact of the Telecommunications Act of 1996 has shown, democracy suffers when almost all media in the nation is owned by massive

conglomerates. In this reality, no issue the left cares about - the environment, criminal legal reform or health care - will get a fair shake in the national debate.

Copyright applies.

Follow link below for additional embedded information:

<http://tinyurl.com/jofamm5>

Jungle Drum Prose/Poetry. <http://jungledrum.lingama.net/news/story-2110.html>