



Media & *Democracy*

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Chairman Walden, Ranking Member Eshoo, and distinguished members of the Subcommittee: Thank you for inviting me to be a part of these important discussions concerning the future of broadcast ownership. Founded in 1970, Common Cause advocates on behalf of inclusive, responsive governance at the federal, state, and local level. Because an informed citizenry is essential to effective self-governance, we support communications policies that connect the entire community, and facilitate robust civic discourse. Former FCC Commissioner Michael Copps leads our work, and sends his warmest regards.

Waves of mergers and consolidation – too often with the blessing of the Federal Communications Commission – have eroded the quality and quantity of local communications media, to the detriment of our electorate. On behalf of Common Cause's more than 400,000 members and supporters I urge this Committee to foster policies that promote the timeless values of localism and diversity.

In recognition of the special compact at the heart of broadcasting – exclusive license in exchange for public interest obligations – Congress wisely empowered the

FCC to prevent local broadcast monopolies. Indeed, a diversity of voices enlivens the marketplace of ideas on which democracy depends. Competition for newsgathering resources means more newsroom jobs and rival newscrews hustle to get the scoop. More local journalists means more sunlight, the best disinfectant for corruption and graft. In other words, localism increases employment and enhances the quality and quantity of news. A win, win, win.

The inverse is also true: consolidation wreaks havoc on journalism. The record is grim. The FCC has for many years blessed merger after merger, formally entrenching local information monopolies. At times, the agency has granted waivers to its own concentration rules. To be clear, this has been a bipartisan problem, that has facilitated an arms race between Big Cable and Big Broadcast at the expense of audiences everywhere.

Meanwhile, the agency regularly looked the other way as media monopolists found and exploited loopholes to effect “covert consolidation” through Shared Services and joint sales agreements. The consequences have been staggering. Diverse and female ownership took a nose dive – is it any surprise that minorities and women still struggle with backwards caricature portrayals in the media when they control so little of it? Clearly ownership matters.

There is scant evidence these arrangements promote the public interest and reams of data that they harm it. Researchers at the University of Delaware found that SSAs resulted in duplicated content in every market they studied. They found stations sharing anchors, graphics, video, and scripts. In some markets, such as Honolulu, broadcasters simply simulcast the same content on multiple channels.

Thankfully, the FCC more recently did a good job of recognizing that sophisticated, nested ownership structures which facilitate financial shell games violate the public interest. In March of 2014, Common Cause cheered as the agency took an important first step back to media diversity. It brought more parity between radio and television broadcasters by making joint sales agreements attributable in ownership calculations. Its order afforded TV broadcasters a window to unwind their JSAs, a timeframe which Congress has subsequently extended.

Within months of the FCC's action, the agency reported 10 new minority/female ownership arrangements, the first meaningful gains in minority and female ownership in years, thanks to the JSA reform. This represented a great first step, but should be viewed as only the beginning of pro-diversity reforms. As the Leadership Conference on Civil and Human Rights has noted, the FCC's own ownership data paint a dire picture: female and minority ownership is still in the single digits.

Broadcasters frequently defend these tricks of the trade as essential to keeping the lights on. They often paint a grim picture that but for these financial arrangements, broadcasts would go dark. Those protestations notwithstanding, we are hard pressed to find evidence of JSAs and SSAs that keep the books balanced during tough economic times. On the contrary, the bevy of recently announced mergers illustrates that broadcast business is booming, thanks to record ad sales – the bulk of which come from political advertising.

Let's dispel any misunderstandings: we want to see broadcast flourish, and would never advocate broadcasters go dark. And indeed all FCC rules are subject to a waiver process, so any broadcaster is free to make the case that its JSA advances the public interest, and deserves a waiver.

Presently this chamber is considering legislative vehicles to eliminate this reform. We call on you to halt them forthwith. Whether through standalone legislation or via appropriations rider, reversing the FCC's JSA reform would be a staggering step backwards and foreclose future pro-local, pro-diversity policies.

There are things the FCC could be doing better – we have long urged the agency to do a better job of collecting ownership data with Form 323. The reporting tool itself is cumbersome, and the agency has been known to grant extension after extension, meaning the underlying quality of the data is questionable. Multiple parties have suggested granular improvements to the form to make it more useful. The FCC should take these recommendations under serious advisement. It is worth noting that the courts twice rejected previous attempts to relax cross-ownership rules citing the insufficient record on ownership and how proposed changes would impact historically disadvantaged groups.

I close with this observation. The present moment is one of opportunity; will the FCC – with your oversight – approve another slew of broadcast consolidations? Or will it go down a different path: one of diverse voices and an informed electorate, the path of local and diverse ownership? Earlier this year the Commission prepared to reject the Comcast/Time Warner Cable merger as inimical to the public interest. In so doing it struck a blow for choice and local communities. Let's hope that it seizes the opportunities before it – first by putting the brakes on further consolidation, then by building on its JSA reform to rein in SSA abuses.