

**REMARKS OF COMMISSIONER MICHAEL J. COPPS  
TO THE  
AMERICAN WOMEN IN RADIO & TELEVISION  
LEADERSHIP & BUSINESS CONFERENCE SUMMIT  
WASHINGTON, D.C.  
NOVEMBER 22, 2002**

Thank you for that kind introduction and for inviting me to this very festive way to end a very busy week. I am honored to address this Summit and to join you in paying tribute to your distinguished award recipients for their outstanding contributions to your industry and our country. And I am genuinely excited at having this opportunity to thank you personally for your ongoing input into our deliberations at the Commission, and to talk with you about a few issues that I think are “make or break” for all of us interested in the future of America’s media.

The primary goals of this fine organization -- to improve the quality of the electronic media; to promote the entry, development, and advancement of women in the electronic media and allied fields; to serve as a medium of communication and idea exchange; and to become involved in community concerns -- coincide with many of my own ideas about the media’s responsibility to serve the public interest. So, I’m banking on receiving more good input from the Summit on the challenges we – regulators and industry both – face in the near future.

Let me first say “Thank you” for your valuable help in moving the Commission toward action on new Equal Employment Opportunity rules, a process that we concluded

just a couple of weeks ago. I know I don't need to give my EEO speech here because *you* helped educate *me* on the realities of continuing discrimination toward women and minorities in our media industries. The rules the Commission adopted were not those that you or I might have written if either of us had authorship rights, and surely no one would describe them as trail-blazing landmarks on the long, steep road toward equal opportunity. They were the result of considerable discussion and negotiation, and all this give-and-take was conducted against the background of a daunting, and I thought altogether timid, court decision kicking our former EEO rules back to the Commission. Be that as it may, we now have new rules that will not only withstand court scrutiny -- although predictions about what some courts will do are always hazardous -- but rules that can -- if we really work at them -- move us toward some credible equal opportunity initiatives. I look upon these rules as initial steps, with the abiding hope that one day, some day, in the course of America's upward progress, we will be afforded the opportunity to be proactive again on civil rights, equal opportunity, and writing an end forever to discrimination in these industries and all across our country.

Meanwhile, you and I have the challenge to make the rules we have work as effectively as possible. I cannot over-emphasize the important role that must still be fulfilled by all the individuals and organizations like yours who assisted us in crafting these rules. Let me give you just one example. There was apprehension in the Commission that, under the limitations prescribed by the court, we could not require broadcasters to send job announcements to minority recruiters. That would be somehow too aggressive and intrusive. Instead recruiters will have to ask for these notices. That's

cumbersome, to be sure, but I believe you can work around it. I don't see anything constraining any individual or organization like AWRT from reaching out and contacting and urging specific recruitment agencies to ask for such notices from broadcasters. And we do say in the new rules that recruiters only have to ask once and then they are on the distribution list to stay and they will receive all subsequent job notices. So hopefully these agencies will be contacted now by organizations like yours, brought into the action, so we can begin opening up industry jobs to people who haven't had a shot at them lo! these many years. This may not be the easiest or most ideal way to get the job done, but it might just be workable and effective until such time as we can do better. So I hope at this Summit you are of a mind to follow through on the important first phases of implementing these new rules and making them work for yourselves and for so many young people out there who look hopefully toward jobs and careers in broadcasting.

What a year we have ahead of us at the Commission! All kinds of decisions in telecommunications involving competition between carriers, the future of universal service, how broadband will be classified, and how -- or even *if* -- its transmission will be regulated. Our critically important homeland security obligation to protect the nation's communications infrastructure and ensure its viability in the face of future terrorist attack must be a top Commission priority. There are all the questions and issues surrounding new spectrum technologies and how they will change our system of spectrum allocation. Important international conferences testing our ability to create a seamless architecture for global communications systems, like the World Radio Conference, are on next year's calendar. The list goes on.

This afternoon, I want to focus on an issue that is, for me, at the top of the pile when it comes to its potential impact on industry, consumers and the country. It is the issue of media industry consolidation. Earlier this year, Chairman Powell initiated a far-reaching review of whether to eliminate our media concentration rules. This was done in the context of the Congressionally-mandated biennial review of FCC ownership rules, and also as a result of yet more of those occasionally curious court decisions mandating further review of the rules. But a lot more is at stake here than just satisfying a requirement for periodic review of an industry or even satisfying the demands of a particular court. At stake in this proceeding is how the media industry is going to look in the next generation and beyond. At stake are core values of localism, diversity, competition, and maintaining the multiplicity of voices and choices that undergird our open marketplace of ideas. At stake are the media independence and openness that sustain American democracy by giving everyone the opportunity to be heard and to debate the issues. And at stake is the ability of Americans to enjoy the best, most creative and most diverse entertainment.

I'm frankly concerned about consolidation in the media, and particularly concerned that we are on the verge of dramatically altering our nation's media landscape without the kind of national dialogue, debate and careful analysis that these issues so clearly merit.

Why am I concerned? One reason is that our recent experiment with eliminating radio consolidation rules has arguably posed real problems. The 1990's brought new rules permitting increased consolidation in the radio industry, on the premise that radio broadcasters needed more flexibility in order to compete effectively. Undoubtedly efficiencies were created that allowed broadcast media companies to operate more profitably and on a scale unimaginable a few years ago. They may even have kept some stations in business, allowing them to remain on the air when they might otherwise have gone dark and denied service to a community. But the consolidation went far beyond what anyone expected at the time. Many stations are now part of conglomerates owning dozens, even hundreds and in one case more than one thousand, stations all across the country. More and more of their programming originates outside the station's studio, often hundreds or more miles removed from listeners and their communities. Today there are 30% fewer radio station owners than there were before the Commission abandoned the radio ownership limits in 1996.

This industry concentration raises profoundly serious questions. How far should such combinations be allowed to go? What is their impact on localism, diversity, and the availability of choices to consumers? Do they really serve the interests of the citizenry? Media watchers like the Media Access Project, Consumers Union, and Professor Robert McChesney of The University of Illinois argue that this concentration has led to far less coverage of news and public interest programming; that it has led to the homogenization of music that gets air play; and that radio serves now more to advertise the products of vertically-integrated conglomerates than to entertain Americans with the best and most

original programming. Radio listeners are already beginning to suspect there is a connection, because a recent survey by the Future of Music Coalition found that eight of every ten people supported action to prevent further consolidation.

Now the Commission will decide whether to visit upon the rest of broadcast media that which we have already visited upon radio and much, much more. Shall we eliminate, or substantially change, the rules that remain for the rest of the media world? These rules, among other things, limit a single corporation from dominating local TV markets; from merging a community's TV stations, radio stations, and newspapers into one voice; from merging two of the major TV networks; and from controlling more than 35% of all TV households in the nation. And we're going to do it quickly, oh so quickly.

How quickly? Well, Chairman Powell tells us that he will call the vote next spring. So we are charging ahead toward possible elimination of the rules. But we are doing so, I am totally convinced, without anything approaching an adequate body of evidence or the kind of analysis needed to support changing the rules. Simply put, we don't know the consequences of such action. Go back to that bottom line: localism, independence, competition, diversity, voices and choices. Nor do we seem very eager to go out and get the information we need. The Commission has refused to hold public hearings on the subject so that consumers throughout the country can help us understand the current realities of the media landscape and what results our actions may bring. Our own Media Bureau characterizes such hearings as "foot-stomping" exercises. Right now, most consumers don't even know that these momentous decisions are about to be made.

That's not right. It is the FCC's responsibility – it is our public interest *duty* -- to reach out and tell them and then to solicit and listen to their input. Let me be clear -- our failure to do this disservices the public interest. I have announced that I will hold such hearings on my own and I hope some, preferably all, of my colleagues will join me. But hearings we will have, because we really need to get this decision right.

In figuring out where we should be heading, it always helps to first understand where we are. What has consolidation meant in specific markets? Are there more or fewer real choices, is there more or less real diversity, now than six or 10 or 15 years ago? Has localism endured and prospered? Is the public interest being served? Answering such questions requires more than just personal impressions or ideologies about government regulation or deregulation. It demands detailed information on current realities in specific media markets. It demands independent, open-minded, and far-ranging economic and market structure surveys. It demands focused study of consumer consumption habits. And, as I have argued, in addition to the econometrics and models, we need the judgment and perception of Americans who live with this every day. I, for one, will be very reluctant to cast a vote in a matter of such importance as this, absent the detailed data and studied analysis that we need in order to make an informed decision and then to make certain our decision can withstand court scrutiny and, more importantly, the scrutiny of the American people.

The Commission has not even come close. The Chairman's Media Ownership Task Force released a number of studies that help to frame the debate, but they don't

broach all the issues they should; they were done, to be frank, pretty much on the cheap for a matter of such profound importance; and several outside groups believe the studies are flawed. All I will say is they are not enough. They don't provide all the answers; they don't even ask all the questions.

Incredibly, the Commission gave outside parties and researchers only 60 days to comment on its studies, conduct their own inquiries and draft comments on the many ramifications of media ownership. We pressed for more time, 30 extra days were reluctantly tacked on, but in my mind this did not constitute a suitable response. To make matters worse, the Commission held on to the underlying data for these studies for a number of weeks, making outside analysis impossible, even while the clock ticked away. Put it all together and we are still miles away from the kind of process a regulatory agency needs to have in place to do justice to a problem of this magnitude.

I am determined we will have a national dialogue on this issue. A balanced, everyone-invited conversation and debate on the future of America's media. At the Commission. In Congress. All across America. I want every stakeholder to be heard. And, in truth, *every* American is a stakeholder when the future of the media is at stake and our democracy is affected.

There's another player needed here if we are going to spark this national dialogue. It is... the media. It is also the *media's* responsibility to help bring this story to the public. This hasn't happened yet, either. Indeed, some very important media enterprises

have financial interests riding on the outcome of the ownership proceedings. The very institutions we rely on as a forum for this debate are some of the very institutions most affected by its outcome. You industry leaders in this audience can be players, through your programming and on your channels, in energizing the dialogue. I don't think this is just something that would be nice for the media to do. No, this is something the media has a direct and profound obligation to do. And they ignore their public interest responsibilities to the extent that they refuse to do so. The media have often come in and assured me that their news gathering operations are independent of their corporate interests. Here is an excellent opportunity to test that proposition. I hope they will.

I keep coming back to what is at stake. Suppose for a moment that the Commission votes to remove or significantly modify the concentration limits. And suppose -- just suppose -- it turns out to be a mistake. How would we ever put the genie back in the bottle? The answer is that we could not. That's why we need -- so urgently *need* -- a national dialogue on the issue.

In our broader analysis of these issues, let us keep in mind that the effects of media consolidation are not just economic. I have already mentioned localism, diversity, safeguarding the integrity of America's marketplace of ideas. I mentioned equal opportunity at the outset of my remarks. I know that AWRT has worked to promote ownership opportunities for women in communications, even as it supports effective and efficient equal employment opportunity rules for the industry as well. I think we need to look very closely at this ownership challenge in the context of growing consolidation. A

lot of evidence seems to document that consolidation is closing the doors to ownership and to executive positions in the industry.

This consolidation issue is connected to so many other things. Some of you know of my interest in the quality of programming and the indecency that our children, especially, are being subjected to every day and every evening. That's not a stand-alone issue either. Quite the contrary: these indecency issues also need to be reviewed in the broader context of media consolidation.

Is it just coincidence that the rising tide of indecency and profaneness on the airwaves is happening alongside the rising tide of media industry consolidation? Should we expect no ill effects when the bulk of a station's programming decisions are decided made by some mega-programmer or Madison Avenue advertiser or Wall Street stock handiapper hundreds or thousands of miles removed from the local community? What do you think will trump -- financial interests or the public interest? Of course indecent broadcasts can and do emanate from local broadcast stations, but the large national companies, essentially faceless in most of the local communities where they own stations, are arguably more apt to air shock programming or cater to the lowest common denominator that seems to determine so many programming decisions. We need to find this out, too -- before we vote on whether to scrap the caps. Our goal must be to understand *all* the potential effects of our actions before we set them irretrievably into motion. Diversity of viewpoint, ownership, equal opportunity, quality entertainment, public and community affairs -- all have long been and continue to be fundamental public

policy goals. These are not things we do at the fringes, divorced from our other ongoing work. They are, rather, at the heart of what we do. And how we decide on consolidation will have a direct and immediate impact on how we do going forward on all these things. Our challenge is not to do this quickly; our challenge is to do it right.

Let me spend a closing moment on one other issue confronting the media and communications industries, because I know this group has strong interest in it. This is the transition to digital television. We appear – industry and government both – to be getting, at long last, more serious about making the transition to digital TV actually happen. We *should* make it happen. DTV holds the promise of reinventing television by providing consumers new and valuable services and by offering media companies new and valuable business opportunities. High-definition programming, multicasting, and data casting will literally transform the way consumers’ utilize their receivers. The potentials are enormous and I believe the rewards, *for everyone*, will be enormous.

We still have to resolve some thorny issues, digital must-carry and the definitions of “primary video” and “program-related” among them. But, despite these still unresolved DTV transition issues, my sense is we’re moving faster now than we were a year ago. Still, something is missing. Amidst all the many conversations about tuners and boxes and antennas and signal replication and all the rest, there exists a great big digital gap: how is digital television going to serve the public interest and the needs of the American people? What obligations do broadcasters have as they deploy hundreds of

new channels over the next decade? How is DTV going to enhance the public interest and help the American people?

It's another great debate that we're not having. The issue has seemingly gotten lost, forgotten in all the discussions about the mechanics of the transition. But as we finally begin to make progress on the mechanics, it is time to call this issue forward and accord it the high priority it deserves to have, and must have, if DTV is to serve the interests of the American people.

I think we need to bring clarity and consensus to what is expected from those who will be doing the broadcasting. So let us accord this issue the high priority it deserves to have. Much of the ground work has already, in fact, been laid for us. Congress established the statutory framework for the transition to digital television in the 1996 Act, making it clear that public interest obligations would continue for broadcasters in the new digital world. And we started having a discussion, and a pretty good one at that, not long thereafter. But it got derailed. It began auspiciously when, in March 1997, President Clinton ordered the creation of an Advisory Committee on the Public Interest Obligations of Digital Television Broadcasters, a group comprised of commercial and non-commercial broadcasters, producers, academics, representative of public interest organizations and the advertising community. In December 1998, the Advisory Committee submitted its report. That report contained ten separate recommendations on public interest obligations that digital television broadcasters could assume. These included enhanced disclosure of broadcasters' public interest activities; a new voluntary

code of broadcaster conduct; improving education through the enhanced capabilities of digital TV; encouraging diversity; and developing a set of minimum public interest requirements for digital broadcasters, such as significantly more public service announcements.

The Commission issued a formal Notice of Inquiry in December 1999, followed by two Notices of Proposed Rulemaking the next year, seeking comment on two such ideas. One was putting broadcasters' public files on the Internet, and the other concerned broadcaster obligations under the Children's Television Act.

And there, my friends, the matter rests. The issue, for all intents and purposes, is dead. Well, it's time to bring it back to life. We should call up the two pending proceedings and complete them. And we should initiate a new proceeding to see what else needs to be done, drawing not just off the Advisory Committee Report, but off all the many developments and changes that have occurred since the Committee reported four years ago. I suspect there are lots of new ideas out there. And I am confident that some of these new ideas will come from AWRT. I hope you will consider this issue, too, at your Summit and in your upcoming deliberations.

I read a book review last week-end by my friend Reed Hundt, and he had an insight there that we should all take to heart. The information sector, of which you are part, he said, "...is not just any industry, but the part of our economy that makes democracy possible." What an incredible opportunity we each have, then. And what an

incredible challenge to maintain that engine of democracy in good working condition. I believe that each of you as individuals and as members of an influential and committed organization can make an indelible contribution toward that worthy end. I hope, and I believe, you will. I came here today to tell you how important I think your participation is. And to say how much I am looking forward to working with you as, together, we confront, and overcome, the many challenges we face.

Thank you very much.