

The Great Digital Giveaway

IN ONE OF THE SINGLE BIGGEST GIVEAWAYS in U.S. corporate welfare history, the Federal Communications Commission (FCC) on April 7 donated broadcast licenses for digital television to existing broadcasters.

The broadcasters' capture of the public airwaves — a vital public resource — by the broadcasters makes a mockery of democracy. Even more worrisome is the uses to which the public resource will and will not be put, and the foreclosed opportunities to use the airwaves to advance rather than retard democracy.

The size of the broadcasters' take is staggering. The broadcasters will pay nothing for the exclusive right to use the public airwaves, even though the FCC itself estimated the value of the digital licenses to be worth \$20 billion to \$70 billion. Others believe the value is even higher.

The giveaway was mandated, in part, by the 1996 Telecommunications Act, which prohibited the FCC from auctioning off the airwaves. The Telecommunications Act also required the FCC, if it decided to allocate the licenses, to give them only to incumbent broadcasters.

The licenses will permit the broadcasters to air programs through digital signals, which offer higher picture quality than currently used analog broadcasting. Broadcasters in the largest cities will be required to air digital programs beginning in the next two-and-a-half years. For the next few years, all broadcasters will continue to air analog versions of their programs.

The new licenses are for the equivalent of five or six television channels. The broadcasters will be able to use the extra channels to air multiple simultaneous programs or, more likely, for other purposes, potentially including data transfer, subscription video, interactive materials, audio signals and other not-yet-developed innovations.

The original theory behind granting the broadcasters such wide spectrum space was to permit them to air high-definition television (HDTV). Few broadcasters are now expected to air HDTV. Instead, the extra spectrum channel space is a super-windfall — a giveaway on top of the giveaway of the digital television broadcasting right.

There is no conceivable reason why the incumbent broadcasters should have been given exclusive rights to use the airwaves. Other possible television broadcasters should have been given the right to bid for portions of the digital spectrum, and so should have other potential users, such as data transmission companies.

These competing business interests were completely trumped by the power of the National Association of Broadcasters (NAB), however. The broadcasters are huge political donors, donating about \$3 million in the 1995-1996 elec-

tion cycle. They have close ties to key political figures, notably Senate Majority Leader Trent Lott, R-Mississippi; NAB head Eddic Fritts is Lott's college friend. Lott took good care of his buddy, threatening the FCC in no uncertain terms if it failed to promptly oversee the transfer of the licenses to the broadcasters. Above all, the broadcasters are able to leverage their control over the most important media into influence over politicians; a member of Congress who bucks the industry knows she may suffer from slanted news coverage in the next election.

This is the quintessential perversion of democracy: the broadcasters pay nothing to the public for the right to air programming over the public airwaves; then they use the influence they gain over politicians from their use of public resources to extort still greater subsidies.

Lost in the giveaway was the opportunity to set aside portions of the broadcast spectrum for public access and public interest programming. New channels could have been created to give citizen groups the ability to air their own programs — for union members, college students, environmentalists, church groups. In other words, rather than being used for broadcaster profiteering and the airing of more mindless fluff, the public airwaves could be used to enhance civic life and deepen democracy.

It may be possible to recover this priceless opportunity. The FCC left open ended what the broadcasters' public interest obligations will be on their new channels. The Clinton administration is forming an advisory commission to consider this question. The commission is expected to limit itself to modest proposals such as the airing of a certain amount of educational programming. If it acts boldly, it may recommend that the broadcasters be required to offer free advertising time to political candidates.

These proposals, while worthy, are far too timid. As part of their public interest obligations, the broadcasters should be required to allocate a substantial portion of their new spectrum space and time to public access programming, and to fund quality public access programming. Specially chartered, democratically governed citizen television networks could develop programming, or moderately funded programming opportunities could be allocated to qualifying civic organizations. If necessary, citizen groups could raise funds by leasing some portion of their spectrum space to broadcasters or other commercial users.

A broad left-right coalition of citizen organizations could unite behind such a proposal, which would help democratize control of the telecommunications media — and consequently help democratize the polity — and loosen the corporate grip on U.S. culture. ■