



Why Public Interest Obligations Are Important for Broadcasters

Making TV More Valuable

The FCC determined while reviewing media ownership rules that all voices in the vast media world of TV, radio, newspapers, cable, satellite, and newspapers do not speak with the same volume. Broadcast TV is not just another voice in the crowd – it is dominant. Recognizing this role, public interest obligations are important to broadcasters both as good corporate citizens and good business.

Making Good Corporate Citizens

During the Reagan Administration, the then-chairman of the FCC declared that television “is just another appliance...a toaster with pictures.”¹ But if television

were a mere toaster, then perhaps our country’s most time-honored broadcast values of competition, diversity, localism, and democracy might all be toast.

Television is not just an appliance. Because of the speed and immediacy

of television, broadcasters perform a public forum function with immense power to influence public opinion and affect elections. TV is a window onto our world and a mirror of our society. It is our society’s primary source of infor-

mation. And local TV news is used even more than national news by citizens. What we see and hear helps inform what we think and believe. Research shows that television points out not only what issues people should think about, but also what to think about those issues – something no toaster has ever achieved.

The question today is how to create the opportunity for television to do better. America has the best broadcasting system in the world because of – not in spite of – the regulatory scheme established by our nation’s communications laws, which promote diversity of program and viewpoints.²

Making Good Business Sense

As broadcasters say, they are in the business of competing for the most eyeballs – the most viewers. Competition is growing for those eyeballs. The Internet, computers, Blackberrys, Gameboys, and a host of other gadgets are competing with the TV as the central device in a person’s life. So wouldn’t it make sense that broadcasters would want to reach the greatest number of viewers with content that is not peripheral but central to their lives? Ironically, that is what public interest obligations encourage broadcasters to achieve – reach a greater diversity of viewers and become more central in their lives. Broadcasting is a business, in fact a very profitable business. Quality news, information, and an informed public can be a cornerstone for a thriving economy – and a valuable broadcast business.

In return for serving the public, broadcasters enjoy a variety of government-ensured benefits including³:

- Free, exclusive use of a valuable but scarce public spectrum – including many billions of dollars worth of additional spectrum to convert to digital.

- Legal protection against anyone else who seeks to compete in their market or broadcast over their licensed frequencies.
- Federal preemption of local zoning and environmental regulations in order to make sure that stations’ transmission towers can be erected and send signals to viewers.
- Free carriage of programming on local cable systems for which other programmers pay millions.

These are rights that newspapers and cable operators don’t get. In exchange, broadcasters have special obligations that newspapers and cable operators don’t have, like serving the public interest.

As long-time commercial broadcaster James “Jim” F. Goodmon, President and CEO of Capitol Broadcasting, puts it, “The broadcast company is fulfilling a

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contract between itself as the user of a public asset and the public body that owns the asset. As with all contracts, both parties to the agreement need to know exactly the responsibilities that they have to each other. With minimum standards spelled out, there is no question. As a broadcaster, I would like to know what is expected of me in serving the public interest. Required minimum standards and a voluntary code provide the benefit of certainty to broadcasters. I like to know what the rules are.”⁴

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Rather than embracing their public obligations, too often broadcasters argue that they already serve the public interest. In fact one broadcaster-sponsored study found that in 2003 local

broadcasters contributed a supposed \$9.6 billion worth of community service – made up largely of public service announcements (\$7.3 billion) and station fundraisers for charitable causes (\$2.1 billion).⁵ While being a good corporate citizen by raising money for charities is certainly commendable, it is not the same as airing programming that meets the needs of local communities – the responsibility broadcasters accept when they receive their free licenses to use the public’s airwaves.

If broadcasting is continually seen as just a business like the toaster business, a short-sighted focus on narrow, profitable market segments may prevail. The result will be less and less programming that benefits the broadest segments of society. And TV could soon be seen as just a big box filled with yesterday’s technology.

When broadcasters embrace their roles as journalists and protectors and proponents of the public interest, we benefit far beyond what TV stations can recover in advertising – people are engaged as citizens; government power is checked; waste and fraud are exposed; and we can value our televisions as much as broadcasters value our well-being.