



SEPTEMBER 4, 2006

Let Broadcasters Be Free

Broadcasters need help. The government must assure the future maintenance of television and radio's expensive but vital emergency, local-news and community services.

Some may consider my endorsement of the open marketplace and universal deregulatory approach as heresy coming from a former four-time confirmed Democratic FCC commissioner who enforced regulations and staunchly advocated affirmative action.

However, telecommunications in America have drastically changed in the past five years. I wonder if the general public and government officials appreciate how much they have advanced, necessitating a more practicable marketplace approach to regulation and legislation.

Foremost, the amazing influence of the Internet and its universal omnipresence must be fully considered. Second, the multichannel effect of the digital transition, especially for broadcasting, requires a revised regulatory outlook.

The convergence of the Internet

has already preempted the controversial media-crossownership issues. Today, all media are universally available on the Net.

We are in an era of programming super-abundance. The "scarcity" that used to justify government regulation of broadcasting no longer exists. It is difficult to justify why TV and radio programming should be singled out for detailed regulation.

There is no longer a practical FCC public-interest need for restricting the reach of TV and radio. Like newspapers, they are universally available to everyone on the Internet and even on third-generation cellphones.

I believe an open competitive marketplace would best serve the consumer and further energize industries for investments and for more communications advances at reduced cost to the public.

In fact, big is beneficial to consumers, not bad, offering wider selection at competitive lower

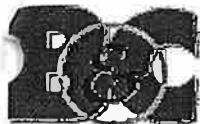
prices.

It may be nearing the time that Congress set a date certain to establish a telecommunications open marketplace and eliminate the barriers between TV, radio, newspaper, cable, satellite, DSL and phone services. Companies should be allowed to enter any field in open competition. Remember, it is entrepreneurial industry, not government regulation, that provides investments, jobs and innovative consumer-serving technical advances.

Admittedly, this proposal may be a few years ahead of itself, but the progressive benefits to consumers and industries, plus the need to effectively compete in the challenging, burgeoning, international marketplace, makes it a future imperative.

Quello was an FCC commissioner for 23½ years and is now a government-relations consultant. A full version of this essay appears on broadcastingcable.com.

AIRTIME
BY James H. Quello



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AIRTIME: Let Broadcasters Be Free

By James H. Quello -- Broadcasting & Cable, 9/5/2006 7:46:00 AM

Let Broadcasters Be Free:

A Timely Telecommunications Perspective

Broadcasters need help. In the surging competitive multichannel and computer-omnipresent world, the government must assure the future maintenance of television and radio's expensive but vital emergency, local news and community services.

The broadcasting emphasis is motivated by the need, in the surging competitive multichannel and computer-omnipresent world, for additional government consideration to assure future maintenance of television and radio's expensive but vital emergency, local news and community services.

My lifetime experience that bears on this venturesome proposal include 23½ years as an FCC Commissioner/Chairman, founder of the Michigan State University Quello Telecommunications Center for Management and Law, 32 months WWII overseas combat veteran (amphibious landings in Africa, Sicily, Italy, France and Germany) and 26 years as a former broadcaster.

Some may consider my newfound open marketplace and universal deregulatory approach as heresy coming from a former four time confirmed Democratic commissioner who enforced regulations and staunchly advocated affirmative action.

However, telecommunications in America have drastically changed the past five years. I wonder if the general public and government officials appreciate how much it has advanced thus necessitating a more practicable marketplace approach to government regulation and legislation.

Foremost, the amazing converging influence of the Internet and its universal omnipresence must be fully considered. Secondly, the multichannel effect of the digital transition, especially for broadcasting, also requires a revised regulatory outlook.

Particularly, the Internet is the super all-purpose communications device of today. Its vital importance is highlighted by its description as the ultimate microcosm of humanity. The convergence of the Internet has already pre-empted the controversial media cross ownership issues. Today all media is universally available on the net.

Internet usage is experiencing phenomenal growth. According to published reports, over 50 million people used the net last year with estimates of 100 million in another year. Published estimates also reported 18 billion dollars in Internet advertising last year - - - meaning that much less for TV, radio, newspaper, cable, satellite, DSL and other advertising forms. Also, practically all current students in grade school, high school or college are computer literate. More and more homes have computers they are becoming staples in every home.

With the Internet and the multichannel, multi-faceted communications world of today, we are now in an era of

programming super abundance. In this era, "scarcity" once used to justify government regulation of broadcasting no longer exists. In the new super abundant era it is difficult to justify why TV and radio programming the prime providers of essential emergency and local news-information services should be singled out for detailed government regulation. Particularly, with TV destined to eventually be viewed as a channel on a giant computer screen or by wireless in a competitive 500 plus channel universe.

With multichannel programming superabundance replacing "scarcity", the public interest government mandates imposed exclusively and discriminately against over-the-air broadcasting will become outdated relics of the bygone "scarce" era within 10 years or perhaps much sooner.

Also with the dynamic and still surging increases in competitive multichannel programming and with the increasing multitudes of transmission means along with the universal omnipresence of the Internet, there is no longer a practical FCC public interest need for restricting the reach of TV or radio. All are universally available to everyone on the Internet and even on third generation cell phones.

For example, radio today faces an overflow of multiple competitors that didn't even exist in 1996. That includes XM and Sirius satellite radio; iPods; Internet radio (30 million American listeners each week and growing); wireless phones (capable of downloading music and streaming satellite radio); podcasting (downloadable commercial free audio programming) cable and DBS subscription music services (50 channels of commercial free music) Wi-Max (expected to deliver internet radio to cars within 2 years).

In fact, today, with broadcasting, cable, satellite, DSL and the Internet there is much more overall diversified programming, more news, information, public affairs, educational and sports than ever since the enactment of the now outdated 1996 Communications Act. Every conceivable interest is now available to the public actually with a diverse programming overload. Now hundreds of diverse TV and radio programs plus publications are available to everyone on the Internet along with two way communications access.

In this current competitive era, I believe an open competitive marketplace would best serve the consumer and further energize industries for investments and for more communications advancements at reduced cost to the public.

Consumers can benefit from the multiple options and reduced prices in a large competitive open telecommunications marketplace, just like consumers today benefit from the economy of scale and lower prices of larger supermarkets over local and individually owned smaller grocery, drug or department stores. In fact big is beneficial to consumer not bad, offering wider selection at competitive lower prices.

Monopolies can be obviated by existing anti-trust laws. Also civil, criminal and all existing laws apply to everyone and to all industries. The need for another layer of laws specifically for broadcasters is outdated and discriminatory for this prime programmer of the all important emergency and local news-information. Proposals that the government mandate local TV programming are as preposterous as government mandating breathing for human beings. Localism is the very lifeblood of broadcasting making it an essential consumer priority over hundreds of other program offerings.

Also TV for years has been the most influential and pervasive of all news media. As such it is entitled to full First Amendment rights. If TV had existed in 1776, it would have been the prime beneficiary of the constitutional rights of free speech and all the implications of the freedom of the press.

My overall conclusive message: A constructive forward looking open market approach will further telecommunications advancements, encourage investments and generate essential innovative services in the marketplace and better serve consumers.

This is particularly true with the many larger conglomerates aggressively competing against one another for public acceptance in the super abundant multichannel, multi-faceted communications world of today and tomorrow.

It may be nearing the time that Congress set a date certain to establish a telecommunications open marketplace and eliminate the established barriers between TV, radio, newspaper, cable, satellite, DSL and phone services. Companies should be allowed to enter any field in open competition. Remember, it is entrepreneurial industry, not government regulation, that provides investments, jobs and innovative consumer-serving technical advancements.

Admittedly, this universal communications open market proposal may be a few years ahead of itself, but the progressive benefits to consumers and industries plus the need to effectively compete in the challenging, burgeoning, international marketplace makes it a future imperative.

In a few years communications in America will be well served if you hear formerly regulated communications companies shout "Free at last", Thank God we are free at last."

Quello was a FCC Commissioner 23½ years until 1997 and is founder of the Quello Telecommunication Center for Management and Law at Michigan State University. He is also an independent government relations consultant

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