



VIEWPOINT

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Hollywood Wrong on Media Consolidation

By: Marc Kilmer

Summary

The FCC is considering new media ownership rules. At a recent hearing, members of the Hollywood artistic community failed to understand how new technology makes rules restricting ownership outdated.

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If there was ever an issue where misleading information ruled the public debate, it is the issue of media consolidation. Whether or not companies should be able to own a variety of media outlets has sparked heated comments from a variety of sources. Now, the denizens of that fantasy land otherwise known as Hollywood have joined the debate. Unfortunately, their script on this issue is certainly not based on a true story.

Two years ago, the Federal Communications Commission (FCC) issued regulations that loosened the restrictions on how many media outlets—television and radio stations and newspapers—a single company may own. This prompted howls of protests and courts struck down many of the new rules. So the FCC is trying again, but this time it is seeking more public input with hearings around the country. In early October, it held a hearing in Hollywood.

As is well known, quite a few entertainers feel the need to give their opinion on public policy matters, regardless of their expertise in this area. This time could have been different. In terms of issues that affect the media, entertainers may actually have some knowledge that may be useful. However, if they did, it was not in display at this hearing.

Complaining that media consolidation was producing a homogenous entertainment and news landscape, the participants at the hearing showed very little awareness of how much their industry has changed over the last three decades. By focusing their attention only on declining independent production on network television, they completely ignored the plethora of alternatives that have arisen to make networks almost irrelevant.

Eighty-five percent of Ohio homes have cable or satellite television service. So while independent production on network television may have declined, it has found a new home in the growing number of cable television channels that are available to the vast majority of people in this country. Furthermore, independent voices are more available than ever on the Internet, through DVD, and on the radio.

Proponents of strict rules on media ownership tend to focus on traditional media such as network television and newspapers in order to illustrate their point that consolidation leads to a reduction in diversity. That is misleading, however. Network television stations do not only compete



Less regulation means more media choices and more freedom for artists.

Source: Corbis

against other network television stations. They also compete against the variety of cable television stations. If you do not like the network news on ABC or CBS, then you can turn to MSNBC, Fox News, CNBC, or CNN. Similarly, if you do not like what your local newspaper prints, you can turn to an almost endless variety of news sources on the Internet.

Media ownership rules involve the government in decisions that should best be made by consumers and the owners of media companies. In fact, allowing consolidation can be good for consumers because it provides an avenue for continued existence for companies that may not be able to survive on their own.

The media landscape has changed radically since media ownership rules were first put into place. We now have much more diversity in our media choices than ever before. It is a mistake for Hollywood to support outdated regulations that have only stood in the way of media diversity. Freedom—not the government—is the artists' best friend.

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**Attention
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