

'Competition' could have heavy cost

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I've waited on the phone 40 minutes for billing assistance and tried repeatedly and unsuccessfully to use features on digital cable that, at one time, worked.

Yes, I am a voice in that growing chorus -- the one cursing the cable giant, Comcast. Now that AT&T is offering an alternative and promising competitive rates, my instinct is to open my arms and give this iconic American company a big Mid-South hug. Then I remember what I would be welcoming into my home.

It was just over 20 years ago that the FCC launched an anti-trust suit against AT&T to fight its monopolistic grip on telephone services and rates. In response, AT&T broke into smaller companies to avoid prosecution. Today, I can call Western Europe for 3 cents a minute. Thank you, Uncle Sam.

The late 1980s marked the end of an era in government oversight; a time when federal regulatory agencies closely monitored everything from airlines to telephone companies to media organizations. Social responsibility theory had been woven into public policy, and the prevailing wisdom was that a private company providing services utilizing public space (the sky, the airwaves and land) bore a special responsibility to the citizenry.

But the Reagan administration ushered in a new era in public policy -- one of increasing deregulation and laissez faire government. This approach lightened regulation to spur competition. The Clinton administration furthered the decline in government oversight of media with the 1996 Telecommunications Act.

The Telecommunications Act is why AT&T is knocking on my door again, but as a much different company. Deregulation allowed telephone companies into the cable business. AT&T can bring digital cable into my home through existing phone lines. Although the service is similar, programming streams through telephone, not cable lines; that difference, the company claims, is why it should not have to play by the same rules as cable.

Cable companies have traditionally entered into franchise agreements with municipalities. The company agrees to spend millions laying and maintaining cable lines. In exchange, the municipality collects a hefty fee from the company and agrees to work with it exclusively.

This is a monopoly on a local level, but one that does have benefits. Local governments claim the franchise fee offsets property taxes. Additionally, the company is required to offer the public an opportunity to show programming on cable channels.

Comcast, just as Time Warner did before it, provides a TV studio, staff and several PEG (Public, Educational and Government) channels. The University of Memphis is just one institution that benefits from this agreement. Each week broadcast journalism students deliver a campus-produced newscast to thousands of homes. We pay nothing for this valuable television time.

That's nice, you say, but as a paying subscriber, I want choice. Me too, but I worry that the benefits, in this case, are short-term and the long-term loss is significant. If AT&T wants to profit from the Mid-South market, then we should gain the same fees and amenities received from Comcast. Not less.

If AT&T is allowed to bypass municipal franchise agreements, likely, its digital offerings will not include a student-produced newscast. Shows like this do not register on ratings meters and these PEG channels, by law, cannot generate advertising dollars. If a for-profit organization is not required to show this type of programming, it will undoubtedly disappear.

You may never want to watch a local high school football game or city council meeting on a PEG channel, but many people do. And isn't it good to know not every television program must show profit? Additionally, since both cable and phone lines use public space, it seems only fair that the companies profiting should give back to the community.

The stated intent of deregulation was to provide citizens with more choices and, therefore, cheaper rates. Ironically, the result is that large companies, because of generous ownership caps, merged with other large companies; the open marketplace is getting smaller as the size of these media conglomerations grows, and the number of competitors shrinks.

Media scholar Ben Bagdikian exposed this marketplace power grab in his book "The Media Monopoly." When published in 1983, 50 corporations owned most of the television, newspapers, radio outlets and movie studios in America.

Today, just five mega corporations own a majority of the media. Given the current climate, Comcast could eventually merge with AT&T. The competitors could become business partners.

In a sense, it has already happened. In 2002 Comcast, then the country's third largest cable provider, bought AT&T's cable and broadband units. The merger made Comcast the largest cable provider in the nation. Now, AT&T is essentially competing with itself to get back into the business it once owned. Confusing? That's how these conglomerates want it to be.

Competition in the market is a good thing. It's the economic foundation of our country. But media conglomerates only offer the public the illusion of more choice and competitive pricing.

AT&T could bring needed change to the media landscape in the Mid-South. But if it is allowed to avoid fees and cut public access to channels and production facilities, we are giving away precious resources in a gamble that may never pay.

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