Monopoly or Democracy?

By Ted Turner

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On Monday the Federal Communications Commission (FCC) is expected to adopt dramatic rule changes that will extend the market dominance of the five media corporations that control most of what Americans read, see and hear. I am a major shareholder in the largest of those five corporations, yet -- speaking only for myself, and not for AOL Time Warner -- I oppose these rules. They will stifle debate, inhibit new ideas and shut out smaller businesses trying to compete. If these rules had been in place in 1970, it would have been virtually impossible for me to start Turner Broadcasting or, 10 years later, to launch CNN.

The FCC will vote on several proposals, including raising the cap on how many TV stations can be owned by one corporation and allowing single corporations to own TV stations and newspapers in the same market.

If a young media entrepreneur were trying to get started today under these proposed rules, he or she wouldn't be able to buy a UHF station, as I did. They're all bought up. But even if someone did manage to buy a TV station, that wouldn't be enough. To compete, you have to have good programming and good distribution. Today both are owned by conglomerates that keep the best for themselves and leave the worst for you -- if they sell anything to you at all. It's hard to compete when your suppliers are owned by your competitors. We bought MGM, and we later sold Turner Broadcasting to Time Warner, because we had little choice. The big were getting bigger. The small were disappearing. We had to gain access to programming to survive.

Many other independent media companies were swallowed up for the same reason -- because they didn't have everything they needed under their own roof, and their competitors did. The climate after Monday's expected FCC decision will encourage even more consolidation and be even more inhospitable to smaller businesses.

Why should the country care? When you lose small businesses, you lose big ideas. People who own their own businesses are their own bosses. They are independent thinkers. They know they can't compete by imitating the big guys; they have to innovate. So they are less obsessed with earnings than they are with ideas. They're willing to take risks. When, on my initiative, Turner Communications (now Turner Broadcasting) bought its first TV station, which at the time was losing $50,000 a month, my board strongly objected. When TBS bought its second station, which was in even worse shape than the first, our accountant quit in protest.

Large media corporations are far more profit-focused and risk-averse. They sometimes confuse short-term profits and long-term value. They kill local programming because it's expensive, and they push national programming because it's cheap -- even if it runs counter to local interests and community values. For a corporation to launch a new idea, you have to get the backing of executives who are obsessed with quarterly earnings and afraid of being fired for an idea that fails. They often prefer to sit on the sidelines waiting to buy the businesses or imitate the models of the risk-takers who succeed. (Two large media corporations turned down my invitation to invest in the launch of CNN.)
That's an understandable approach for a corporation -- but for a society, it's like overfishing the oceans. When the smaller businesses are gone, where will the new ideas come from? Nor does this trend bode well for new ideas in our democracy -- ideas that come only from diverse news and vigorous reporting. Under the new rules, there will be more consolidation and more news sharing. That means laying off reporters or, in other words, downsizing the workforce that helps us see our problems and makes us think about solutions. Even more troubling are the warning signs that large media corporations -- with massive market power -- could abuse that power by slanting news coverage in ways that serve their political or financial interests. There is always the danger that news organizations can push positive stories to gain friends in government, or unleash negative stories on artists, activists or politicians who cross them, or tell their audiences only the news that confirms entrenched views. But the danger is greater when there are no competitors to air the side of the story the corporation wants to ignore.

Naturally, corporations say they would never suppress speech. That may be true. But it's not their intentions that matter. It's their capabilities. The new FCC rules would give them more power to cut important ideas out of the public debate, and it's precisely that power that the rules should prevent. Some news organizations have tried to marginalize opponents of the war in Iraq, dismissing them as a fringe element. Pope John Paul II also opposed the war in Iraq. How narrow-minded have we made our public discussion if the opinion of the pope is considered outside the bounds of legitimate debate?

Our democracy needs a broader dialogue. As Justice Hugo Black wrote in a 1945 opinion: "The First Amendment rests on the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public." Safeguarding the welfare of the public cannot be the first concern of large publicly traded media companies. Their job is to seek profits. But if the government writes the rules in a certain way, companies will seek profits in a way that serves the public interest.

If, on Monday, the FCC decides to go the other way, that should not be the end of it. Powerful public groups across the political spectrum oppose these new rules and are angry about their lack of input in the process. People who can't make their voices heard in one arena often find ways to make them heard in others. Congress has the power to amend the rule changes. Members from both parties oppose the new rules. This isn't over.

The writer is founder of CNN and chairman of Turner Enterprises Inc.

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