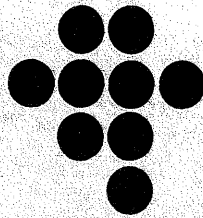


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NATIONAL MEDIA POLICYMAKING

Jeremy Tunstall,
City University of London
Jack Lyle,
Boston University

September 20, 1984

Ivan Shefrin, Rapporteur

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Massachusetts Institute of Technology
Communications Forum
Research Program on Communications Policy

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Speaker Profiles:

Jeremy Tunstall, a sociology professor at City University of London, spent the last twelve months in Washington, D.C. studying the U.S. communications policy process. His conclusions will help place the deregulatory trend in context for European colleagues, and contribute to a larger comparative study of national communications policy in the United States, France and Britain. Conducted jointly with Dr. Michael Palmer of the University of Rennes, the author of three books on French media and communications, the comparative study is funded by the British Economic and Social Research Council (formerly SSRC).

Professor Tunstall conducted over 70 interviews during his stay, including: Richard Aurelio, David Aylward, Les Brown, Richard Butler (ITU), Louis Frey, Edward Fritts, Henry Geller, Erwin Krasnow, William McGowan, Frank Magid, James Quello, Michael Reupke (Reuters), Henry Rivera, John Saeman, Chip Shooshan, Richard Simmons, Lionel Van Deerlin, Abbott Washburn, and Ward White.

He is the author of seven books, co-author of two, and editor of three. Two are about political journalists and specialized correspondents, and in 1977 he published *The Media Are American: Anglo-American Media in the World* (Columbia University Press), which traces the U.S. information export issue back to the late nineteenth century. With co-author David Walker, a London Times journalist, he wrote *Media Made in California: Hollywood Politics and the News* (New York, Oxford Press, 1981), the result of a year spent teaching at University of California, San Diego. He also co-authored a volume of research studies for the British Royal Commission on the Press (1974-1977); his latest book is *The Media in Britain* (Columbia University Press, 1983), which devotes several chapters to the fragmented state of Britain's international and domestic media policies.

Jack Lyle is chairman of Broadcasting and Film at Boston University's School of Public Communication. Lyle was one of Wilbur Schramm's first students at Stanford University, where they participated with the late Ithiel de Sola Pool in a joint study of educational television. After thirteen years on the journalism faculty at U.C.L.A., he went to Washington, D.C. as Director of Audience Research at the Corporation for Public Broadcasting. Jack Lyle came to Boston from Honolulu, where since 1975 he was director of the Communications Institute of the East-West Center, studying television in Asia and the Pacific Basin.

Seminar Notes:

Jeremy Tunstall's presentation was entitled "Liberty in Fragments: U.S. Communications Deregulation."

After spending twelve months in Washington, D.C., Professor

Tunstall came away with the impression that U.S. policymaking is fragmented in both the mass and telecommunicatins media. He felt that with government agencies constantly vetoing each other, communications policy is made "by default" in the judiciary, which focusses on anti-trust issues rather than freedom of speach per se. Deregulation is technology-driven in his perspective, the result of corporate needs for greater media sophistication and flexibility, as well as the all-important profit motive. The powerful, "elephantine" corporate lobby, "hyperactive immobility" on the part of Congress, and a "unusually timid" White House have made communications legislation difficult to pass, but easy to abort. The communications policy process is subordinate to money, dominated by lawyers, and generally inward-looking. "'See you in Court' is Washington's phrase for 'Have a nice day'," said Tunstall.

With regard to the FCC, Tunstall noted that Mark Fowler's pursuit of deregulation is "belligerent" and "needlessly ideological." The lottery approach to licensing reduces FCC workload, relieves Fowler of inquiring about content, and allows the Commission to consider larger policy issues which conflict with Congressional jurisdiction. Yet, while FCC policy making may be insular, the Commission members are in many ways more sophisticated than their foreign counterparts.

In the realm of international policy-making, the United States gives the impression of being "at best incomprehensible, at worst arrogant, willful and unreliable." Noting that the U.S. attempts to export policy as well as hardware and software, Tunstall views the planned departure from UNESCO and the probable decision to allow competition with INTELSAT as symbolic and ideological, rather than substantive; the more significant international policy body is the ITU, a functionalist organization which makes the really important decisions. Tunstall also said that a major driving force behind deregulatory efforts is the desire to allow U.S. companies to compete aggressively with Japan's more coordinated information industries.

Thus, the real concern here is satisfying corporate demand for profits, and allowing "The Market" to control public interests. "Advertisers and MSCs are the real market in cable television output; and despite all the personal computer and "reach out" hype, the computer and telecommunications markets are primarily driven by corporate demand." Tunstall cited a decline in universal service to back up his statement, noting the weakened position of daily newspapers and network news. He said that VCRs are currently the only completely consumer controlled media market.

The result of corporate influence in communications policy is the growing politicization of the policy process, which Tunstall said seems already complete to foreign observers. "The consequence of both political and commercial involvement is a lack of opinion which is both authoritative and even moderately non-partisan."

Public interest groups with comparatively lesser resources bear the brunt of politicization, and even these groups are dependent on media publicity. "For Common Cause, it's safer to attack the MX missile than to attack CBS," said Tunstall.

Another group that suffers from deregulatory policy is trade unions, with companies seeking cheap labor in either foreign or non-union markets. Tunstall cited the new common carriers and the cable companies as prime examples of this trend, and noted that most of the new deregulated media operate with the politically-supported philosophy of labor as an expendable resource.

Tunstall was not supportive of the assumption that domestic competition will allow the United States to succeed in the world market as well. He believes that the immediate trends since AT&T's divestiture show just the opposite, with the Regional Holding Companies buying heavily from Canada, Japan and Europe, and the "disasterous" experience of U.S. PBX manufacturers cited as evidence. VCR sales of 7 million sets come mostly from Japan; computer exports are falling in dollars, and as a proportion of the total U.S. output have halved during the past four years. While IBM seems to be an exception, notes Professor Tunstall, the "IBM compatible" phenomenon is causing severe problems for other U.S. computer makers abroad, who are "squeezed between two de facto subsidized forces -- IBM and the local government-favored computer enterprise." What is good for IBM may not be good overall for the United States electronics industry.

At one point during the seminar, M.I.T. professor Peter Lemieux asked whether the problem was not policy fragmentation, but an inherent dialectic between market capitalism on the one hand, and First Amendment considerations which keep government out of communications policy. Tunstall countered by agreeing that First Amendment considerations have played a significant role in policy making, but asked if President Reagan is reelected and appoints conservative Supreme Court members, then what will happen to freedom of speech?

Ultimately, Tunstall favors deregulatory policy, but questions the wisdom of having no policy at all. He concluded with a warning that deregulation will bring higher costs for consumers, industry shakeouts, and vertical integration of the marketplace.

"If GM and McDonnell-Douglas can go into the computer software and data transport industries, can Ford buy MCI? And if so, why cannot the ex-BOCs diversify? Judge Greene, don't go away!"

Jack Lyle's response to Professor Tunstall's presentation:

Lyle felt that Tunstall's general perception of U.S. policy making was accurate, but that many of his findings simply repeat history. The fragmentation of U.S. policy is not necessarily a result of deregulation, contended Lyle, but the natural product of Constitutional checks and balances. Lyle noted that the first

Radio Act (1912) mandated awarding frequency licenses upon application, on an unrestricted first-come, first-served basis. The growing chaos of frequency interference prompted President Hoover to impose some order through restrictions on broadcast operations, but Zenith challenged the constraints and won. The 1927 Radio Act finally did provide a legislative basis for Hoover's restrictions. Lyle's remarks emphasized the historically contradictory policy process in the United States.

Regarding international communications policy, Lyle agreed that foreign perceptions of the U.S. as confused and contradictory are somewhat justified. He cited his experience with the Pacific Telecommunications Council: at a Tokyo meeting, U.S. industry representatives shocked their Japanese counterparts by publicly arguing among themselves. The U.S. delegates, in turn, were shocked by the "consensus" statement which the Japanese had worked out in private. Lyle said he always found it "disconcerting to look at U.S. delegations" who are often unaware of broader worldwide concerns. Lyle said that the United States' large domestic market makes it difficult for Americans to think about the impact of its policies abroad, as well as the fact that the U.S. is now a minority in international telecommunications policy negotiation.

Lyle then responded to Tunstall's charges that corporate influence, policy politicization and deregulation were contributing to a decline in communications "universalism," and threatening diversity of content as information resources become concentrated in the hands of a few wealthy sources. He said that the problem may not be that of monopoly within markets -- because alternative media are developing within markets -- but a problem of the growing "universal" presence of chains like those of Rupert Murdoch, Dow Jones and The New York Times. In other words, corporate communications influence is no longer universal within a specific market (i.e. "vertical" integration), but rather has a worldwide, horizontal presence in many different markets.

Another change mentioned by Lyle was in television program content, and he cited concern in Hollywood that it is being squeezed out of international markets, despite worldwide criticism of "cultural imperialism" on the part of American media. In some Asian countries, Lyle said, the use of American program content has dropped sharply, and other imports - mostly Asian - are on the rise. He noted one interesting situation in Thailand, where the government maintains that a majority of the country's television sets are in Bangkok. Thai stations have long programmed on the basis of Bangkok audience preferences, which favors imports. Yet a recent independent commercial study indicated that Bangkok accounts for only one-third of the nation's sets, and that the majority "up-country" audience favors local, Thai programs to imports. Thus, the more educated Bangkok audience was not representative of overall demand. The contradictory surveys have turned Thailand's television policy "topsy-turvy" in Lyle's words. This and similar findings elsewhere indicate that fears of U.S. domination in the international communications market place

are somewhat exaggerated. However, he pointed out the significance of the growing availability of satellite distribution as a new element in global programming. Lyle suggested that a recent agreement between CBS and Central China Television (CCTV) in the People's Republic of China represented a new thrust of American programming in worldwide TV.