



fierce competition for the remaining vacant channels, and shortage of funds available for building and operation, the creation of new community media outlets has been an uphill battle. To add further disappointment, local public / education / government (PEG) cable television entities have been closing in the last few years, and journalists from local newspapers and broadcast media have been laid off in droves. Commercial radio continues to deliver insubstantial local news and public affairs, and local television news fails to provide enough dimension to key local issues such as voter education, community affairs, and local governmental matters. Journalism provides a key check and balance in our democracy. The future of media is dependent upon new paradigms of information flow that most likely requires changes in regulation, and new sources of funding for nonprofits to partake in media and newsgathering to offset current market failures.

### **Internet vs Traditional Media**

The internet has been revolutionizing the way people access information and news in the last decade. Some believe that communication via internet protocol (IP) will eventually take over all other forms of communication. However, looking back, radio was not completely replaced by broadcast television, and broadcast television was not replaced by cable television. All these services still exist, are still profitable, and continue to serve markets. As AM radio turns a century old, it is still profitable despite the introduction of home computing and electronic communication. While internet communications reduces the dominance of broadcasters' market share and subsequent profitability, this does not mean broadcasting will find obsolescence in the digital age. There are key properties of broadcast that differentiate it from internet technology, making it continually relevant in the public interest, and even in the interest of national security.

### **Community Media Opportunities in A Digital Age**

It was once thought that internet communications would offer new opportunities for entities that could not afford broadcast licenses. Web sites and audio streaming do afford alternative outlets for content distribution. These outlets work well for content such as

niche content (such as “spare auto parts for 60’s Pontiacs”, or “high school alumni website”), long tail content (“B movies”, “crocheting designs from the 60s”), novelty content (funny videos, cute pictures of cats, etc), and social networks (Face-book, My Adult Friend Finder, etc). But for regular, local communications purposes aimed at a large spectrum of citizens, the internet is unequal to owning a radio or television outlet. Concerning this Docket, our comment is concerned particularly with local “community access” communications—news, arts, public affairs, and entertainment at the city level performed by regular citizens and nonprofits who require regular access to mass communication outlets.

The Effect of Broadcast Media Ownership on Internet Communications: Broadcast and cable are distinctly different from the internet. Innate habits often determine how people consume media. In many cases, the method by which people “consume” communications service is by what is easily accessible and familiar to them. Not unlike a commuter driving down a freeway, turning off to eat at McDonalds, instead of searching through a downtown district to find a small mom and pop diner. Similarly, having a “mom and pop” website means very little if you do not have the marketing muscle to lure people to the site.

Cable, over-the-air television, and radio naturally funnel the “consumer” to specific channels because those systems have a finite amount of options from which to choose. Those systems allow a new user to discover and then revisit a media outlet quite easily by directing & limiting their attention to a range of choices. The end result is that the user develops a preference for certain channels by constant trial and exposure. This simple concept of “limited channels” is the cornerstone of broadcast and cable media consumption. Without it, broadcast media entities would not be able to reap the excessive profits they have experienced in the last decades—the scarcity of the resource funnels enough of an audience share to make advertising and underwriting methods employable. Because of this, even the worst rated radio station in a market can still receive viable advertisers. If there were more than a limited amount of channels, besides the difficulty of listing all the choices on a TV schedule, the odds of someone finding a

new favorite station by channel surfing would be slim. For example, despite the perception of many choices, when you turn on cable TV to find news the choices are still mostly limited to CNN, FOX, or MSNBC. Meanwhile, search for the word “news” on the internet, and two billion results are found. A news service located solely on the internet cannot garner enough marketing accounts from local businesses because the size of the local audience share is too small and intermittent. This leads us to several conclusions:

1. The scarcity of channels, which guarantees a large enough market share to generate income (even for the worst of stations), does not exist for web sites. Unless the website’s proprietors are wealthy, they cannot afford the marketing necessary to draw a large audience to their site. With the unequal audience share inherent in each medium, *broadcast* and *internet media*, in any one specific community, cannot be judged as equals themselves.
2. If advertising and underwriting techniques (due to the limited audience size) cannot be used to pay for a website’s operations, say a local news website, there is no income to pay employees to operate the site.
3. Large broadcasters, through the power of mass media ownership and scarcity, generate profits to run their organizations, but also to influence media rules to maintain scarcity. Why does this matter in a digital world without scarcity? Perhaps in the future licensees will use broadcast more as a non-stop commercial to funnel consumers to the web portals, rather than using broadcast channels as a public interest content outlet. As current trends show, this would mean the most frequented websites will most likely be the ones owned by traditional broadcast license owners. Current and future media ownership rules will then foretell who will have the dominant web pages. Commercial broadcasters may argue that more consolidation is needed in the age of internet competition; but this is a smoke screen. The consolidation will just encourage the “funneling” of consumers (via broadcasting) to select commercial websites. Under such a regime, community-driven internet media cannot hope to operate on a playing field level with corporate-controlled internet media that use their broadcast license to drive consumers to their websites.

Scale & Cost of Internet Communications: Another hurdle for internet communication (both corporate and community) is the cost of distribution related to the scale of operation. A community media operation is focused on distributing content relevant to locals in a certain area. Say this area includes 80,000 people in a four mile radius. Utilizing the internet, this local content can be distributed around the world. If the internet is chosen to distribute video or audio within a four mile radius, the cost will be the same whether you are distributing that content two miles or 3000 miles. Instead, the cost depends upon the number of users of that content. For that reason, the cost of internet distribution to thousands of local individuals could be cost prohibitive relative to other mediums. This is akin to a local newspaper utilizing FedEx to deliver each individual newspaper instead of a paperboy. Local broadcasting, in the form of LPTV or LPFM is *very efficient* at distribution of content. Rather than serving a thousand individuals via separate Internet Protocol streams (each stream adding incremental cost) a local broadcast can serve an infinite number of persons locally & simultaneously without incremental cost.

#### Broadcast Is an Appropriate Medium for Community Access Communications

Broadcast is therefore an appropriate medium for content that will appeal to a broad segment of the population in a specific locality: city council meetings, a local debate, local sports, local music and arts. Ironically, the entities that desire to provide such content are often locked out of the resource, or relegated to compete with meager public interest set-asides with faith-based broadcast networks. There are hundreds of “local stations” that broadcast the same canned national format coast to coast, but community access groups are expected to use the internet to distribute local content, because no broadcast channels are specifically set aside for them. In sum, “community access” must be defined and then favored by FCC policy in order for local community communications (both Broadcast and Internet) to flourish.

#### **Future of Communications**

As Wifi and Wimax become more prevalent, people that listen to the radio for music will turn to more specialized or more customized sources of audio via Internet streaming. Because of the loss of market share, radio stations will be pressured to further consolidate to provide additional efficiencies, in order for their shareholders to see the same profit margins. The problem with this scenario is that many stations already are just music jukeboxes and run as efficient as they can be. The result is that radio will continue to have less meaningful local content: playlists will become contracted out to national program providers.

Ideally, Common Frequency would like to see these entities exit the broadcast business and allow entities that desire to provide local content to find a way to do it. However, it is highly unlikely for a corporation to ditch a broadcast license. Instead, there is insatiable demand for broadcast channels from all types of entities.

Our main concern is that people who desire to utilize a broadcast station for local use will *always* be locked out of a finite resource in favor of people that work to hold larger & larger amounts of radio licenses in the name of efficiency. Local community members wanting to start radio and TV stations to showcase content specific to a locality will be pushed until the FCC implements strong policies regarding localism that favor those “community access” groups. In radio, the non-commercial education (NCE) band was originally designated to accommodate for this usage, but abuses by NCE licensees are more egregious in many cases than commercial licensees, due to lax regulation. Because NCE licensees are only required to have one main studio per licensee, public and religious broadcasters are able to build regional and national networks on channels below 92.1 FM. In many places, the entire band under 92.1 FM is just satellite-relayed programming. None of the channels are required to carry any secular educational or local programming. In fact, commercial television channels are required to adhere to more local studio and educational programming measures than NCE radio broadcasters.

## **Television**

Currently there is too large a barrier for non-profit “community access” groups to obtain television licenses. LPTV is a perfect service for community media since the capital cost of equipment is much lower than a full power station, and operational cost is within the realm of a community nonprofit. However, there are multiple problems concerning licensing. First, there are no LPTV channels pre-reserved for non-commercial/public access use. Community nonprofit must compete with commercial operators and speculators when a channel goes to auction. This itself weeds out the applicant wanting to focus strictly on the public interest regarding educational and local programming over one desiring to use a channel for commercial purposes, due to income differences. Second, television spectrum is scarce in urban markets: no more channels exist for community video services. Also, many current commercial licensees are not opting to use their secondary or tertiary video streams (or they simply use them to broadcast something a 24-hr/day weather channel)—a waste of bandwidth and no outlet for community access.

Expanding community access to LPTV would bring vital services such as broadcasts of city council meetings, community public affairs shows, and educational programming to local residents. Over-the-air television service is also capable of reaching lower-income demographics that cannot afford satellite, cable services, or broadband.

### **Non-Commercial Media**

There is large deficiency of non-commercial community access television and radio service across the US. Public Radio in the United States in most cases is mostly insulated from local community participation except for fund drives. NPR is a network of syndicated programming such as Morning Edition and All Things Considered for affiliate stations. Considering that newsgathering from for-profit newspapers and radio/TV appears to be a declining market, a new inclusive communications infrastructure needs to be drafted. Non-profit community television and radio outlets currently offer a model of what could be accomplished in all cities across the county. The FCC should promote and encourage regulation to benefit community access centers in each city across the country.

Centers where local citizens can train others to produce media and run content on local radio and television broadcast outlets. In order for this to happen, two key issues need to be addressed:

- 1) Non-commercial educational FM and TV channels need to be freed and designated for public access use. Frankly, there are few radio channels open in most areas around the US. A rulemaking should be opened on how to reserve at least one full power channel per metro and possibly multiple low power channels for “public access” usage. Reclaiming 87.9 FM for NCE use or allowing second or third adjacent waivers, in very limited cases, may work. Putting a cap or minimizing main studio waivers would also either free up channels, or even require current NCE broadcasters to create local studios and content. LPTV channels could be reserved for educational/public access use as well.
- 2) There is very little funding for building and operation of community media. Most “community access” NCE licensees operate on a shoestring budget and are facing further cuts. CPB funding is specifically tailored to larger professional NPR-type affiliates. Perhaps a “community access media fund” could be sustained from charging a “use fee” for companies profiting from commercial use of the public airwaves.

### Non-Profit Journalism

Market-derived, advertising-driven journalism is in decline. The non-profit sector, somewhat shielded from market variability, is a more stable sector to build infrastructure to sustain journalism in the future. Policy decisions must be made that will assist non-profits in generating money to employ journalists. Funding for local nonprofit media centers, and reporting of news by those centers, is an issue that deserves more attention.

### **National Security**

With the proliferation of broadband, internet communications are being integrated into all aspects of life. With the possibility of a “digital divide” between those that can afford

broadband and those that cannot, access to important information (emergency and educational services, job listings) may be out of reach for low income people. A concept akin to the “Federal Universal Service Fee” should be used to maintain a minimum level of internet accessibility for low income and limited access (rural) locations.

Common Frequency is additionally concerned that with such dependency on internet communications, the country at whole is susceptible to large-scale communications failures. In our view, a diversity of ownership among service providers and media entities is the best way to guard against such communications failures. Just as the Federal Government built the national highway system, a certain amount of secured web infrastructure should be federally owned to ensure the country it not susceptible to such a disaster. Furthermore, broadcast (AM, FM, TV, etc) continues to play a crucial role in national security. Despite the ubiquity of internet communications, enough diversity of ownership and independent broadcast facilities must be maintained to accommodate all manners of disasters. For example, if there is a local, regional, or national disaster, 60 regional (broadcast) transmitters, compared to two local internet providers, provides for greater communications redundancy. In addition, with broadcast, locals can still receive emergency information via commonplace battery-powered radios. The same cannot be said for the internet communications.

## **Conclusion**

The future of media demands a mix of communication protocols. Broadcast serves a different dimension of use compared to the internet, providing an efficient platform for local community access. In the name of national security, the FCC needs to enact policies that ensure a diversity of communication outlets, a diversity of communication platforms and diversity of owners. In order to utilize the full potential of our local airwaves, the FCC should investigate how to allow “community access” or “public access” nonprofits to have priority in reserved or dedicated radio and TV channels. Expansion of non-commercial “community access” local media centers should be a priority. A system that favors local educational institutions, public access centers, and

local content creation is key to a healthy media ecosystem. Since there are so few new channels to be licensed, the FCC should assess current media ownership, main studio waivers, local content requirements, and interference protections to discover viable underutilized channels for community communications. In addition, new funding for nonprofit newsgathering and “community access” organizations will determine the success of such a system.

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