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Political Prognostications: Who's the Broadcaster's Candidate?

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As the 2008 Presidential race (not to mention the 2008 political advertising season) kicks into high gear, broadcasters may wonder how the candidates stand on issues relating to the broadcasting industry. Conventional wisdom is that Republicans favor deregulation and Democrats favor regulation. As a heavily-regulated industry, then, one would expect that broadcasters would have an easier time of things under a Republican administration than a Democratic one. That simple narrative, however, does not seem to be holding true anymore.

Over the past few years, the FCC pushed more regulatory burdens on broadcasters – a peristaltic wave that culminated in, among other things, “localism” proposals that threaten to re-regulate broadcasters at a level not seen in several decades. And all that occurred under a supposedly “deregulatory” Republican administration. Moreover, as the former Chairman of the Senate Commerce Committee, Republican Presidential candidate John McCain has been sharply critical of the broadcasting industry in the past. Thus, broad party labels may not provide a useful, or accurate, basis for predicting future regulatory policies.

Democratic Presidential candidate Barack Obama has made technology policy a substantial part of his platform and has directly addressed the regulation of broadcasters on a number of occasions. In particular, Obama has come out strongly for curbing increased media consolidation and for expanding opportunities for minority and small business ownership of media outlets. Obama also has spoken directly on the subject of broadcast licensing, favoring shorter license renewal periods with greater public input.

McCain has not been as outspoken on media consolidation. As Chairman of the Commerce Committee, McCain supported many, although not necessarily all, of the media and telecommunications mergers of the late 1990s and early 2000s notwithstanding his opposition to the largely deregulatory Telecommunications Act of 1996. More recently, through various aides and advisors, McCain has expressed support for basing broadcast ownership analysis on all available media sources, including the

Internet – a shift that could potentially loosen local ownership restrictions. (That approach could also undermine, if not eviscerate, the “scarcity” rationale which for decades has provided a justification for any content-based regulation of broadcasting.) On the subject of diversity in the media, McCain has favored the return of the diversity sale tax credit rather than more direct means of increasing minority media ownership.

Media consolidation, then, is probably where the candidates have the greatest differences. On other issues involving broadcasters, however, the two adversaries have taken somewhat similar positions. On the subject of localism regulation, Obama has gone on record as supporting “new rules promoting greater coverage of local issues and greater responsiveness of broadcasters to the communities they operate in.” McCain’s campaign also has stated that greater “clarity” is needed on the subject of broadcast localism, suggesting that the FCC’s localism push will not end regardless of who is elected. Both candidates have been supportive of expanding LPFM service. The Obama platform favors free political air time on radio and television, which McCain also favors. Both Senators voted to increase the maximum fines on indecent broadcasts and have called for rigorous enforcement of indecency rules. (Then again, we have yet to find a pro-indecency candidate.)

The more interesting point for broadcasters, and the media industry in general, is that both candidates actually know what the letters “FCC” stand for and can probably name more than one FCC Commissioner. This is a distinct difference from Presidential campaigns of the past. While clearly very important to the media industry, communications regulation is often considered something of a backwater in the larger picture of Washington, DC – big issues like defense, health care, taxes, and free trade tend to be the focus of the Washington Post and the Wall Street Journal.

By contrast, Obama has clearly focused on media and technology as part of his platform and has expressed very specific ideas about how the FCC should operate during an Obama administration. Meanwhile, McCain has spent years with direct oversight over FCC policy and is very familiar with the industry and its issues. No matter who gets elected, the FCC and the broadcast industry may be in for a more engaged and involved administration than we have seen in a very long time. Whether or not that will be a good thing for broadcasters remains to be seen.