CITIZENS INUNDATED

How big-money politics and broadcast media are poisoning democratic discourse and undermining U.S. elections ... and what we can do about it

By Timothy Karr

January 2012

freepress
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Setting the Stage

There's a drama playing out across American TV screens in 2012. But not the sort you might expect. There are villains and heroes, yes, high finance and political intrigue, too. There may even be a happy ending, but we'll have to wait until the turbulent season finale to find out.

The actual plot, though, is not unfolding on the small screen but off, in corporate boardrooms and corridors of political power, far from public view or scrutiny. It's the story of what American television viewers are not being shown in an election year.

Viewers are receiving an unhealthy serving of political ads, to be sure. So much so that one viewer in Iowa says she had to go on a television fast during the state's presidential caucus to stop the gusher of political misinformation that flowed across the airwaves and into her home every time she turned on her set.

It's a stream of influence that's making many people sick, involving attack ads that will air hundreds of thousands of times before viewers become voters in November. But viewers are not receiving enough of the antidote: the kind of news and information that would allow Americans to make informed choices come Election Day 2012.

The real story is about the threat that commercial broadcast media pose to Americans' most important act in a democracy: voting. It will end badly if we allow media to undermine the foundation that holds our election system upright.

Broadcast television is our most influential communications medium. According to a Pew Research Center survey, 78 percent of American viewers report getting their news from local TV on a typical day — more than the number that rely on newspapers, radio or the Internet.[1] As such TV has been extremely popular with those seeking to manipulate public opinion.

Where viewers go so goes the money to influence their votes. The broadcast industry analysts at SNL Kagan report that local television station advertising revenue started "going gangbusters in 2010" thanks to a new influx of political dollars.[2] 2012 promises to be even more lucrative for broadcasters as wealthy individuals and corporations pony up billions for ad buys across the country.

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And while television broadcasters play a leading role in this drama they are only one part of a well-heeled cast of characters who are using their financial might to control U.S. elections.

These characters include billionaires and corporations whose bottom line is often dependent on electing the right politicians and passing the right policies. Their political power has grown thanks to the Supreme Court's 2010 *Citizens United* decision, which lifted restrictions on corporate political spending. This ruling opened the floodgates to a new era of big-money politics, giving the wealthiest one percent even more power to pick and choose our nation's leaders. The cast also includes politicians and regulators who are

1 Katie Purcell, "Understanding the Participatory News Consumer," Project on Excellence in Journalism, at 3 (2010). http://www.pewinternet.org/Reports/2010/Online-News.aspx.

2 Justin Nielson, "TV Station Revenue Growth Outlook Upbeat for 2010," SNL Kagan, Aug. 19, 2010

all too eager to accept corporate contributions and fulfill the wishes of powerful corporate lobbyists at the expense of the public interest.

But the story may have its heroes, too: people working together with champions in Washington to reform elections and the media so that they actually foster broader participation in our democracy.

A determined and well-organized public, willing to speak out locally and pressure federal regulators to do the right thing, is the only hope we have to restore any health to an ailing election system. This work begins on many fronts, including campaign finance reform and voting rights advocacy. But addressing the role and complicity of the media is intrinsic to achieving any of the changes our democracy needs to get well.

In this paper Free Press looks not just to diagnose the problems with election media but also to help Americans forge a path toward stronger democracy — an ideal that requires a media system that engages people more fully in self-governance. At the paper's conclusion we make a set of policy recommendations that are vital to this recovery.

In 2012 we have a historic opportunity to advance reforms that will nurture a media of, by and for the people. What we accomplish by year's end will help determine whether the future of our democracy brightens or dims, and whether our media system becomes an agent of civic engagement or alienation.

Act One: The Supreme Court and Super PACs

If you flip on a local television station this year and watch for an hour or so, you're likely to see at least one: a political ad slinging mud at a candidate for public office.

If you live in any of the key "battleground states," you're likely to see as many as 12 political ads an hour. And they're only going to increase in volume and frequency as Election Day 2012 nears.

What you're much less likely to see is news coverage that explains who these ads' sponsors *really* are, what interests they represent and whether they are telling the truth.[3] The Federal Election Commission requires political advertisers advocating in a federal election to disclose in any ad the name of the group that is responsible for the content of the message. But they're not required to reveal much more.[4]

Lax disclosure rules explain the clogging of our airwaves with political ads from benevolent-sounding front groups like Concerned Taxpayers of America, Restore Our Future, Make Us Great Again, Priorities USA Action and Citizens for a Responsible Government. The names might sound righteous and patriotic at the end of a 30-second spot, but they don't let viewers in on the whole story.

In many cases the names are designed to mislead. Ads from Concerned Taxpayers of America call for a grassroots revolt against "stifling government bureaucracy." What viewers of these ads don't know is that the group's populist front is merely the creation of two deep-pocketed corporate spenders — a Maryland concrete company and a New York hedge-fund manager.[5]

And Concerned Taxpayers of America is not unique. So far the FEC has identified nearly 300 "Super PACs" that have risen in the wake of the Supreme Court's *Citizens United* decision to influence elections in 2012.[6] By Election Day these groups will have funneled hundreds of millions of dollars into slick commercials intended to influence — and frequently misinform — the American public.[7]

Super PACs or "independent groups" run the gamut from American Crossroads — Karl Rove's high-profile effort to seat corporate-friendly Republicans in Congress and the Oval Office — to the Committee for Truth in Politics,[8] a shadowy group that spent approximately $7 million in ads to oppose Wall Street reforms in 2010 (but maintains that no one has a right to know who its members or contributors are).[9]

Formula for Success

The Super PACs owe their existence to *Citizens United,* which demolished long-established campaign finance limits and essentially allows unchecked spending by corporations, unions and other special interests on political ads that support or oppose candidates.

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3 Peter Overby and Andrea Seabrook, "'Nonpolitical' Groups Target Democrats in Ad Blitz," NPR, Oct. 14, 2010.
4 The Federal Election Commission, "Special Notices on Political Ads and Solicitations," October 2006. http://www.fec.gov/pages/brochures/notices.shtml
5 Dan Eggen, "Concerned Taxpayers of America Supported by Only Two Donors," *Washington Post*, Oct. 16, 2010.
6 Federal Election Commission, "Independent Expenditure-Only Committees." http://www.fec.gov/press/press2011/ieoc_alpha.shtml
7 Center for Responsive Politics, "Outside Spending." http://www.opensecrets.org/outsidespending/index.php?cycle=2010&chart=N. CRP reports that "outside groups" spent $489,289,288 during the 2010 election cycle to run ads, make phone calls, distribute literature and engage in other activities to sway the electorate about candidates and issues.
8 FactCheck.org, "Committee for Truth in Politics," Sept. 9, 2010.
9 Will Evans, "What They Don't Want You To Know," NPR, Nov. 7, 2008.

The ruling's impact was felt almost immediately. *Citizens United* unleashed a deluge of political advertising during the 2010 midterm election. Kantar Media's Campaign Media Analysis Group estimates that candidates, political parties and independent groups will spend up to $3.3 billion to buy TV ads during the 2012 election season. That's a 57 percent increase over the estimated $2.1 billion that was spent on local ads during the 2008 presidential race.

The reason so much money is being spent on so many ads is that it's a proven formula for success. The candidate who spent more on a campaign for a congressional seat in 2008 won the race more than nine out of 10 times, according to the Center for Responsive Politics.[10] And spending on negative ads is particularly effective. Look no further than the barrage of attack ads against Republican presidential hopeful Newt Gingrich, which coincided with a steep decline in public support for the candidate in Iowa. A Dec. 3 *Des Moines Register* poll of likely caucus attendees had Gingrich in first place with 25 percent.[11] A month later, following a statewide barrage of on-air attacks funded by a pro-Mitt Romney Super PAC, Gingrich finished the Jan. 3 caucus in fourth place, with 13.3 percent of the vote.

In the wake of Gingrich's defeats in Iowa and New Hampshire, a pro-Gingrich Super PAC invested nearly $2 million in the South Carolina primary to even the score.[12] And so on.

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It's no exaggeration to say that election money is all about the media. And the funds are not limited to spending by Super PACs. Campaigns spend, too. For every dollar contributed to support Barack Obama's 2008 presidential run, his campaign spent nearly 60 cents on media, according to the Center for Responsive Politics.[13]

And while there's some reporting on where money to influence elections originates, far fewer people follow the billions of dollars spent by campaigns and Super PACs to the trail's end: the bank accounts of a handful of large media corporations that control local broadcast television across America with a daily viewing audience that numbers in the hundreds of millions. The media industry even has a term for this, "the Quadrennial Effect," which accounts for the surge in revenues every four years as national elections take center stage.[14]

In 2012, the lion's share of that massive ad buy — up to 85 percent — is projected to flow to local television stations.[15] Among the biggest beneficiaries are Belo Corp., CBS Corp., E.W. Scripps, Gannett Co., Inc., Media General, News Corp. and Sinclair Broadcast Group, which all own stations in states where elections will be hotly contested.

"If you happen to operate a television station in a presidential battleground state that also has a key U.S. Senate race," writes Bill Wheatley, a former executive vice-president of NBC News, "it will be like winning the lottery."[16]

10 Dave Levinthal, "Bad News for Incumbents, Self-Financing Candidates in Most Expensive Midterm Election in U.S. History," Open Secrets blog, Nov. 4, 2010.
11 Jennifer Jacobs, "Iowa Poll: Newt Gingrich Leads Three-Candidate Race in Iowa," *Des Moines Register*, Dec. 3, 2011.
12 Paul Steinhauser and Peter Hamby, "Super PACs Out-Spend Campaigns in S.C. Ad War Blitz," CNN, Jan. 21, 2012.
13 Center for Responsive Politics, "Barack Obama: Expenditures Breakdown." http://www.opensecrets.org/pres08/expend.php?cycle=2008&cid=N00009638
14 Stuart Elliot and Amy Chozick, "Quadrennial Effect Could Make '12 a Very Good Year," *New York Times*, Dec. 5, 2011.
15 Kantar Media estimate quoted by Paul Thomasch and Lisa Richwine, "TV Broadcasters Enjoy Spoils of Political Wars," *Reuters*, Jan. 7, 2012.
16 Bill Wheatley, "What Should TV Stations Do with All That Negative Ad Money?" Nieman Watchdog, Dec. 18, 2011.

Act Two: Broadcasters and the FCC

Behind the façades erected by mysterious "independent groups" lies an even larger problem. The rules requiring disclosure during election years have been manipulated to ensure that corporate broadcasters get rich from political ads — to the tune of more than $3 billion this year — without having to fully account for the sources of this money. It's a system that serves viewers and voters very poorly, and powerful media companies want to keep it that way.

The *Citizens United* ruling forbade restrictions on political advertising funded by corporate donations, but it did not rule that these expenditures should be secret. In his majority opinion Supreme Court Justice Anthony Kennedy wrote: "Prompt disclosures of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable … This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages."[17]

But the same broadcasters that profit handsomely from airing these ads have been reluctant to make data about them more broadly accessible.[18] They are federally mandated to "fully and fairly disclose the true identity of the person or persons, or corporation, committee, association or other unincorporated group" paying for political commercials.[19] Stations are also required to maintain publicly available "political files" that contain information on candidate requests for airtime, rates charged, and airtime given away for free.[20] They must also maintain lists of the chief executive officers or members of the executive committee of any entity that pays for "political matter or any broadcast matter involving the discussion of a controversial issue of public importance."[21]

Much of this information exists by law for public view, but it's often stuffed into dusty file cabinets found in station storerooms. Any viewer who chooses to inspect a political file must take time off from work to visit a station whose files are available only during business hours. And once she arrives getting past reception can be a chore.

When *New York Times* reporter Meredith Hoffman attempted to inspect a public file at an Emmis Communications-owned radio station in December, she was met by "a receptionist [who] looked puzzled at the mention of a public file." Rather than gaining access, Hoffman was asked to leave a message, which never received a response. The receptionist at a separate radio station chided her for trying to enter without an appointment, and the person at the door of the local NBC television affiliate responded the same way, telling Hoffman, "We can't let you in without knowing what company you're with."[22]

Broadcasters openly oppose any changes that would force them to disclose this information in a more open and accessible manner. In a comment filed to the Federal Communications Commission in December 2011, the National Association of Broadcasters urged the agency to drop any proposal that

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17 Opinion of U.S. Supreme Court Justice Anthony Kennedy re: *Citizens United* v. *Federal Election Commission*, Jan. 21, 2010.

18 Looking at data generated by the National Association of Broadcasters, the FCC found that an average local TV station in 2009 with average net revenues would have had a cash-flow margin of nearly 23 percent. Additionally, 2010 was a banner year for local TV station revenues as political ad spending skyrocketed. Federal Communications Commission, *The Information Needs of Communities*, television section, July 2011.

19 FCC, "Statutes and Rules on Candidate Appearances & Advertising." http://transition.fcc.gov/mb/policy/political/candrule.htm

20 47 C.F.R. § 73.1943 (requirement as applied to broadcasting); 47 C.F.R. § 76.1701 (requirement as applied to cablecasting)

21 47 C.F.R. §73.1212(e) (requirement as applied to broadcasting); 47 C.F.R. § 73.1615(d) (requirement as applied to cablecasting). We recognize that requiring all of a third-party group's executives and board members to be disclosed during the course of a political ad disclaimer would likely make the advertising unduly long, and could even overwhelm viewers with so much information at once that they simply ignore the disclaimer. Accordingly, we do not propose to require disclosure of a third-party group's executive composition in political advertisements themselves.

22 Meredith Hoffman, "At TV and Radio Outlets, Little-Known Trove of Kudos and Complaints," *New York Times*, Dec. 4, 2011.

would require broadcasters to post their political files online to make it easier for the public to ferret out this information.[23] The NAB argued that requiring broadcasters to move files online would place an unnecessary burden on local stations.

Some at the NAB are so brazen as to suggest that broadcasters owe nothing to the public. When asked if viewers were entitled to better disclosure from stations that use the public's airwaves, NAB legal counsel Jack Goodman said, "I have to say that the assumptions in that question are highly debatable. The whole question of whether the airwaves belong to the public is one that has been debated for 80 years, and the assumption that there is one answer is not at all clear."[24] Goodman's notion runs counter to decades of firmly established broadcast policy as well as legal and administrative precedent.

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Another group of broadcasters warned the FCC against any effort "to stimulate such examinations" of a station's "public information file" by their viewers. The group objected to the FCC suggestion that stations make on-air announcements about the accessibility of these files. "Such announcements," the group wrote in a filing, "may arouse the public's interest in examining the public file."[25]

But accountability is exactly the point. Congress has directed the FCC to adopt regulations mandating that political advertisements disclose the groups behind them. And in response the FCC recognized that "listeners are entitled to know by whom they are being persuaded."[26] Most viewers are familiar with the resulting disclaimers — "such-and-such is responsible for the content of this advertising" — that are tagged at the end of these ads.

Both Congress and the Commission have long embraced the principle of disclosure. But it's clear from the maneuverings of groups like Concerned Taxpayers of America and the Committee for Political Truth that the current FCC rules fail to provide viewers with any meaningful view of the special interests hiding behind a name.

Down the News Hole

Even as these stations are getting rich on Super PAC spending, they are cutting newsroom staff and doing little of the sort of reporting on government and politics that could help cut through the misinformation in attack ads. As media consolidation has swept the country, tens of thousands of local journalists have lost their jobs, according to a recent FCC estimate.[27]

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23 Comments of the National Association of Broadcasters in the matter of "Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations," Dec. 22, 2011. http://fjallfoss.fcc.gov/ecfs/document/view?id=7021751608

24 "The Onerous Task of Disclosing Political Ad Buys Online," *On the Media*, Jan. 7, 2012.

25 Comments of four commercial and noncommercial educational (NCE) television licensees in the matter of "Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations," Dec. 22, 2011. http://fjallfoss.fcc.gov/ecfs/document/view?id=7021751552

26 FCC, *Applicability of Sponsorship Identification Rules*, 40 FCC 141 (1963).

27 FCC, *The Information Needs of Communities*, page 7. http://www.fcc.gov/info-needs-communities

This crisis in local journalism translates to dwindling coverage of local candidates and election-year issues. Despite the continuing influence of local TV newsrooms, a 2011 FCC study found that many TV stations are providing very little news or none at all. The report finds that 33 percent of commercial TV stations air little to no local news whatsoever.[28]

For those that do air news, the picture remains dim. A USC Annenberg School/University of Wisconsin survey of local TV news coverage in 2004 found that only 8 percent of the 4,333 broadcasts in the month before the national election included stories that even mentioned local races.[29] A University of Wisconsin study conducted during the 2006 midterm elections revealed that Midwestern viewers of local news received two and a half times more information about local elections from political advertisements than they did from local TV newscasts. In the run-up to those elections, local TV stations aired 4 minutes and 24 seconds of paid political ads during the typical 30-minute newscast. On average these stations provided only 1 minute and 43 seconds of actual election news coverage during the newscast.[30]

And local broadcast news has been on a downward spiral since then: Nearly two-thirds of local TV news directors reported staff cuts in 2009 as bosses slashed their reporting budgets, according to an RTDNA/Hofstra annual survey.[31] A 2010 Annenberg School report showed that in the average 30-minute local news broadcast, less than 30 seconds is devoted to hard local government news.[32] "If it bleeds it leads," then-FCC Commissioner Michael Copps lamented at the time. "But if it's democracy's lifeblood, let it hemorrhage."[33]

Bad media policy is the direct root of this problem. Decades of FCC deregulation on media ownership created a rush to consolidate. Mergers were soon followed by the liquidation of newsroom staff as "synergy" became corporate code for "layoffs."[34] You could measure the impact of consolidation by reading the headlines in various journalism trade publications. News of firings and "early retirements" became so routine that many stopped paying attention.

The result of these cuts in staff and civic programming is already unfolding on small screens across the country as broadcasters neglect to use their newfound election-year revenue to beef up news operations and provide in-depth coverage of candidates and their issues.[35] This means that even though a substantial majority of Americans rely on local TV news for political information, they will likely "learn" far more about candidates and issues from watching the noxious ads that dominate television viewing during commercial breaks.

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28 Ibid, page 10.

29 "Local News Coverage of the 2004 Campaigns: An Analysis of Nightly Broadcasts in 11 Markets," USC Annenberg School for Communication and Journalism and the University of Wisconsin, Feb. 15, 2005.

30 University of Wisconsin NewsLab Midwest News Index, *An Analysis of Local Television News Coverage of Elections and Government in Illinois, Michigan, Minnesota, Ohio and Wisconsin*, at 4, November 2006.

31 "RTDNA/Hofstra Survey Finds TV Doing More With Less, Optimism on Staffing," RTNDA, April 14, 2010. This cost- and staff-cutting trend is further confirmed by the Pew's "State of the News Media 2011" report, which found TV stations' median full-time staff dropping from 32 in 2006 to 29 in 2009.

32 Martin Kaplan and Matthew Hale, "Local TV News in the Los Angeles Media Market: Are the Stations Serving the Public Interest?" USC Annenberg School for Communication & Journalism, 4–6.

33 Then-FCC Commissioner Michael J. Copps, "Getting Media Right: A Call to Action," transcript of a speech delivered at Columbia University Graduate School of Journalism, Dec. 2, 2010.

34 Timothy Karr, "Media General in Tampa: 'Convergence' Equals Layoffs," StopBigMedia.com, April 11, 2007.

35 This is documented extensively in the FCC's own 2011 study *The Information Needs of Communities*, a 400-page report that surveys the crisis in local coverage and accountability reporting, which it defines as investigative reporting about government and other powerful institutions. http://www.fcc.gov/info-needs-communities

FCC: Fully Captured Commission

The need for policies that mandate reasonable disclosure could not be more urgent. In an election year, audiences must be able to better evaluate not only the political message itself, but also the motives and interests of the messenger. The agency that's tasked with defending the interests of viewers in these matters hasn't always proven itself up to the job.

In fairness, the regulators at the FCC's sprawling Washington headquarters in recent decades have had to contend with a formidable force: the National Association of Broadcasters. The trade group, which lobbies on behalf of the nation's television and radio stations, has channeled the full might of its national network to outflank the public and get nearly everything it wants from Washington. It chalked up an unbroken string of triumphs through the 1990s and early 2000s, stopping repeated efforts to establish an FCC rule requiring television and radio stations to provide free airtime to political candidates before elections.[36] It has swatted away several attempts to shorten the term of a broadcast license and strengthen the public interest obligations contained therein. (TV stations now simply mail in a postcard every eight years for the agency's rubberstamp, a process that former Commissioner Copps calls a "slam dunk" for broadcasters.)[37]

The NAB also exerts intense pressure through Congress, which exercises budgetary oversight of the agency. In the two decades since the United States began keeping public records, the NAB has contributed more than $9.3 million to federal candidates and PACs, and paid a whopping $114.8 million to lobbyists.[38]

The NAB has succeeded in pushing government action that maximizes industry profits while minimizing the obligation to better serve people. That's a grotesque accomplishment, given that this is a business that owes its very existence to a license with government (and in theory, the American people) that gives broadcasters access to a great public asset: our airwaves.

The broadcast-licensing system is built on a basic social contract between broadcasters and viewers: In return for their exclusive use of a slice of spectrum, broadcasters must operate each station in the public interest. Congress tasks the FCC with enforcing this pact so that stations, in the words of the Communications Act, "serve the public interest, convenience and necessity."[39]

Maintaining and disclosing the public file is a part of this obligation. But whenever people have petitioned the FCC to punish any broadcast station that has not fulfilled the terms of its contract with viewers, the FCC rarely takes the public's side. The numbers tell a dismal tale: Over the FCC's more than 75 years in existence, it has granted well over 100,000 broadcast license renewals while denying only four.[40]

The watchdog admits to its own failures here. The FCC's oversight system "operates almost on auto-pilot to the benefit of current license holders," writes Steve Waldman, the lead author of the 2011 FCC study *The Information Needs of Communities.*[41] He attributes the dearth of FCC action against stations to commissioners who "no doubt feared denying licenses would trigger contentious battles with broadcasters."[42]

36 Neil Hickey, "Television's Big Stick," *Columbia Journalism Review (*reprinted by Alternet.org), Oct. 28, 2002.
37 Michael J. Copps, "Getting Media Right: A Call to Action," transcript of a speech delivered at Columbia University Graduate School of Journalism, Dec. 2, 2010.
38 Sunlight Foundation , "National Association of Broadcasters," Influence Explorer. http://influenceexplorer.com/organization/national-assn-of-broadcasters/ba4ec2f815014e6e88d74dadc358879e
39 47. U.S.C. 302(a).
40 FCC, *The Information Needs of Communities*, page 25. http://www.fcc.gov/info-needs-communities
41 Ibid, page 293.
42 Ibid, page 288.

Act Three: Viewers, Voters and the One Percent

The unshackling of corporate influence over elections; the lack of meaningful disclosure by the creators and broadcasters of political ads; the failure of television news reporting to separate political truth from fiction; the capture of the federal watchdog … these are the forces that are battering our democracy in 2012.

It's a combination of blows that authors Robert W. McChesney and John Nichols call the "money and media election complex," in which wealthy donors, giant corporations, lobbyists, consultants, politicians, regulators and corporate media align their interests against a public seeking to inform itself and more fully engage in democracy.[43] "The complex has tremendous gravitational power," McChesney and Nichols write, "which increases the degree of difficulty for those wishing to participate in elections in a manner not conducive to wealthy funders, corporate media or preservation of the status quo."[44]

So much for the idea that our news and information systems should foster the public exchange of ideas that is the lifeblood of civic society. Instead we have before us a political system that's fueled by wealthy contributors — and media that are among the most significant financial beneficiaries.

It wasn't meant to be this way. Benjamin Franklin, Thomas Jefferson, James Madison and George Washington understood that one of government's primary roles is to ensure that all people have access to news and information. And this duty didn't begin and end with their ratification of the First Amendment. The founding fathers used other strategies — including subsidizing postal rates for printed media and laying the foundation for public libraries — to guarantee that, in the words of Madison, people could "arm themselves with the power knowledge gives." [45]

While the means of media have changed radically over the centuries, Madison's worthy goal has not. Giving broadcasters free use of public spectrum in exchange for programming that serves the greater good is a social contract crafted in the spirit of decisions made at the nation's founding. The concern then was about the role played by pamphleteers and newspapers. Today that focus falls squarely on broadcasters.

There's a reason for this, and it's a cause for concern for anyone who cares about the future health of our democracy.

Money does determine winners and losers in U.S. politics. But that spending power is limited to the top one percent. In a November 2011 *New York Times* editorial, Harvard Law School Professor Lawrence Lessig reported that less than one percent of Americans give more than $200 to a political campaign, and that fewer than .05 percent give the maximum to any congressional candidate.[46] "Campaigns financed by the one percent," Lessig concludes, "will never earn the confidence of the 99 percent, or appear to any of us as anything other than corrupt."

Indeed, the more money one has to give, the more power and influence one can exert over elections and public policy. But viewers and voters remain largely in the dark about the extent to which this corruption permeates every corner of our democracy. It's a confidence scheme that leaves many none the wiser.

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43 Robert W. McChesney and John Nichols are co-founders of Free Press and members of its board of directors.

44 To learn more read McChesney and Nichols' Nov. 10, 2010 article in the *Nation*, "The Money and Media Election Complex." http://www.thenation.com/article/156391/money-media-election-complex

45 James Madison, letter to W. T. Barry, Aug. 4, 1822. For more information on the history of postal subsidies, read Richard B. Kielbowicz' *News in the Mail: The Press, Post Office and Public Information, 1700-1860s.* New York: Greenwood Press, 1989.

46 Lawrence Lessig, "More Money Can Beat Big Money," *New York Times*, Nov. 16, 2011.

Broadcasters give scant coverage to local candidates and their issues during an election year. Imagine then how little screen time they devote to stories about the "money-and-media election complex." Good luck finding a local newscast of a story on the ways in which corporate media financially benefit from political ads. And in 2012 broadcasters appear even more reluctant to expose the tracks of a political money trail that leads unerringly from the pockets of wealthy corporations and individuals to the bank accounts of their parent companies.

RECOMMENDATIONS

Communications policy may be fuzzy when viewed from 30,000 feet, but at the ground level the consequences of bad rules and regulations come into sharp focus. The FCC failure to provide adequate oversight has encouraged reckless broadcast industry execs to think of their television stations as profit-making machines with no obligation to disclose to viewers the money and special interests that make them tick. And the lack of local reporters holding candidates to account — a situation stemming from newsroom cutbacks spurred by runaway media consolidation — in many ways explains the rise of a class of politicians who spend more time wooing wealthy corporations and contributors in Washington than attending to the needs of voters back home.

This has created a dependency between those who control political power (and need access to the airwaves to keep it) and those who control the airwaves (and need access to political power to keep it). This cycle has gotten so bad that instead of nurturing and extending democracy and free speech, broadcasting today threatens to distort it.

Media reformers seek a return of the public's "informed consent" to media policymaking so that the resulting system improves political participation and discourse and increases voter turnout. Broadcast transparency is a key element of this shift, but so are efforts to return working journalists to local political beats and limit the damaging effects of media consolidation. This media reform effort must be an intrinsic part of the broader popular democratic movement. But it must also be targeted to specific media policy changes to be made right now.

Free Press recommends the following:

- **Make Political Ad Spending Information Fully Available Online**
  All FCC-licensed broadcast stations should fully disclose their "public inspection files" online. This disclosure should include a political file that contains a full accounting of political ad spending. The political file disclosure should include but not be limited to the names of all groups that purchase political advertising time, the names of the top executives at each of these organizations, and the full cost involved. It should also contain a list of the top four financial contributors (be they person or persons, or corporation, committee, association or other unincorporated group) supporting each of these groups. These public inspection files should be available to everyone in a format that is machine-readable and searchable.

- **Expose the Money Behind Front Groups in the Body of the Ads**
  One of the principal problems of the current disclaimer rules is that the true funders of political ads can hide behind front groups with misleading names. To promote increased transparency the Commission should require a stand-alone disclaimer in the body of the ads that names the top four contributors to the organization or entity sponsoring the advertisement, provided that each of those entities contributed more than $10,000 to the organization purchasing the ad in the four quarters prior to its airing. An effective on-air disclaimer ought to provide voters with enough information

to be useful but not so much that such information becomes overwhelming. Limiting disclosure to the top few contributors allows the public to identify the primary entities that wish to influence their votes. This is essential since major contributors shape an organization's policy positions and messaging.

- **Get Serious about Strategies to Foster Local Political Journalism**
  We need more creative responses to the challenges facing journalism, with the goal of supporting the sort of public service journalism that will help revive the democratic role of the press in America. These responses should combine smart strategies across government and the nonprofit and for-profit sectors. There is no single solution. Addressing the crisis in journalism will undoubtedly require a menu of options, including changes in the tax code that would clear the way for more nonprofit journalism. Other options include expanding policies like the successful minority media tax credit — which would encourage the sale of news organizations to people of color, women and other underrepresented groups based in the community, and establishing national policies like anti-SLAPP legislation that protect journalists against frivolous lawsuits meant to stop their reporting and silence their investigations. Existing federal funding of public media can also be restructured and enhanced with an increased emphasis on support for noncommercial journalism that is devoted to civic affairs. New funding could also go to existing public broadcasting stations that are looking to deepen their ties to the community and expand political coverage. [47]

- **Strengthen Limits to Consolidated Broadcast Ownership**
  Broadcast media's relentless drive to consolidate has gutted the ranks of journalists and cut newsroom budgets to the bone. As the FCC reviews its ownership rules in 2012, it has an opportunity to slow runaway consolidation and hold broadcasters to their end of the public-interest bargain. The Commission must not consider any rules that would further concentrate media ownership. In particular, it must curtail the trend of cross-ownership that allows one company to own several broadcast stations and a major daily newspaper in a single market. We can't let the same corporate giants that have decimated local journalism swallow up the already dwindling number of independent media owners. The FCC must address the issue of ownership diversity by creating incentives for women and people of color to create and sustain broadcast businesses. The FCC must also end the proliferation of secret deals that combine local newsroom operations as an end-run around the agency's media ownership rules. Some broadcasters now control two, three or even four stations in a given market, giving a handful of companies extraordinary influence over local debates, election issues and news. In 2012 the agency must close the legal loopholes and rein in these so-called shared services agreements. Otherwise broadcasters will continue to undermine competition, cut journalism jobs and limit coverage of candidates and political issues.

The problems facing our media and our democracy cannot be separated. The failures in broadcasting have undercut the First Amendment goal of creating, in the words of the Supreme Court, an "informed public capable of conducting its own affairs."[48] True participatory democracy will have no chance at survival if we fail to insist on serious changes now.

47 For a detailed look at possible remedies to the present crisis in journalism, read Free Press' Nov. 6, 2009 filing to the Federal Trade Commission. http://www.freepress.net/files/FTC_Journalism_Filing.pdf

48 *Red Lion Broadcasting Co.* v. *FCC*, 395 U.S. 367, 392 (1969).