

PUBLIC SERVICE, PRIVATE MEDIA: THE POLITICAL ECONOMY OF THE
CABLE-SATELLITE PUBLIC AFFAIRS NETWORK (C-SPAN)

by

GLENN MICHAEL MORRIS

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Confirmation of Approval and Acceptance of Dissertation prepared by:

Glenn Morris

Title:

"Public Service, Private Media: The Political Economy of the Cable-Satellite Public Affairs Network (C-SPAN)."

This dissertation has been accepted and approved in partial fulfillment of the requirements for the degree in the Department of Journalism and Communication by:

Janet Wasko, Chairperson, Journalism and Communication
Carl Bybee, Member, Journalism and Communication
Gabriela Martinez, Member, Journalism and Communication
John Foster, Outside Member, Sociology

and Richard Linton, Vice President for Research and Graduate Studies/Dean of the Graduate School for the University of Oregon.

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Original approval signatures are on file with the Graduate School and the University of Oregon Libraries.

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other fee-based services. This study argues that these material benefits are the motivation for the cable industry's support, not public service.

It also is argued that C-SPAN can only be comprehensively understood through its relationship to the capitalist political economy of the U.S. To contextualize this relationship, the study provides a history of Congressional television, the cable industry, and satellite technology. These circumstances reveal that the network was less an act of individual cable executives' selfless altruism than a product of political pressures, economic realities, and technological breakthroughs.

The study also discusses the implications of a private public affairs network. C-SPAN is a perfect case study of what has been labeled "neoliberalism," or the form of global capitalism based on privatizing social services and regulating industry using rules favorable to the needs of capital, not civil, society. At a social level, the network enables the accumulation of wealth for a select few, enabling these private interests to gain social power. The study concludes that C-SPAN may serve the public, but it is not a public service.

CURRICULUM VITAE

NAME OF AUTHOR: Glenn Michael Morris

PLACE OF BIRTH: Eugene, OR

DATE OF BIRTH: July 29, 1974

GRADUATE AND UNDERGRADUATE SCHOOLS ATTENDED:

University of Oregon, Eugene Oregon
Montana State University, Bozeman Montana

DEGREES AWARDED:

Doctor of Philosophy in Communication & Society, June 2010,
University of Oregon.
Master of Science in Communication and Society, June 2005,
University of Oregon.
Bachelor of Arts in Motion Picture Video Production, May 1997,
Montana State University.

AREAS OF SPECIAL INTEREST:

Political Economy of Communication

PROFESSIONAL EXPERIENCE:

Graduate Teaching Fellow, University of Oregon, seven years.
Video Producer, Legislative Administration Committee, five years.
Photographer, KEZI-TV, one year.

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CHAPTER I

INTRODUCTION

It's often been said that C-SPAN is the crown jewel of cable programming and I want to agree with that. It's singularly the most important public and political relations project in cable television¹

~Jim Keller, interviewer for the Cable Center's Oral History Project

In April 2006 an event occurred that revealed some of the deep seated political and economic realities about the structure of the U.S. media and mass communication systems. For two days one of the most popular video clips on YouTube, with 2.7 millions views, was produced by the Cable-Satellite Public Affairs Network (C-SPAN).² Best known for its unedited coverage of Congressional hearings and floors sessions, C-SPAN is not synonymous with popular culture “hits.” This particular clip featured the cable television comedian Stephen Colbert delivering the traditional Presidential “roast” at the annual White House Correspondents’ Association dinner. President Bush attended the dinner and C-SPAN televised the event. Going beyond good natured “ribbing,” Colbert’s

1. Jim Keller, interviewing Brian Lamb, September 26, 1998, transcript, The Hauser Oral and Video History Collection, The Cable Center, Denver Co., <http://www.cablecenter.org/education/library/oralHistoryDetails.cfm?id=132>

2. Tech Biz, Media, “C-SPAN Asks Sites to Pull Colbert,” *Wired*, May 6, 2006, np, <http://www.wired.com/techbiz/media/news/2006/05/70849>

jokes displayed an obvious disdain for President Bush. From the reactions of the President, the master of ceremonies and audience members Colbert pushed boundaries. Word quickly spread of Colbert's speech and viewers immediately posted the Colbert clip to YouTube—the nation's leading video sharing website.

Within days of appearing on YouTube, C-SPAN's legal department sent the video sharing site a cease-and-desist letter, demanding the video be removed under conditions of the Digital Millennium Copyright Act of 1998. YouTube complied and all variations of the clip were removed. However, there were widespread reactions, with accusations of censorship, even conspiracy. It seems clear, though, that C-SPAN was less interested in protecting President Bush than in maintaining its control over the video. As the *New York Times* put it, "this was a business decision, not a political one."³ Since YouTube's inception, commercial television networks have taken legal action against YouTube for posting copyrighted material. But none of these cases prompted the public outrage that followed after C-SPAN's actions.

One claim was that C-SPAN was protecting its copyright because it planned to sell DVD's of the event. However, even a casual familiarity with C-SPAN's business structure debunks this assertion. C-SPAN is a registered non-profit corporation and less than 5% of its revenue comes from sales of merchandise (DVD's, branded items such as mugs and

3. Noam Cohen, "A Comedians Riff on Bush Creates an E-Spat," *New York Times*, May 6, 2006, C6.

T-shirts, etc.).⁴ Not only are video sales a rather small portion of C-SPAN's revenue, the network is legally prohibited from making a profit.

Further weakening the sales explanation, C-SPAN replayed the entire dinner over its cable television network several times and made the streamed video available, without cost, on the C-SPAN website. Since American media content is overwhelming subsidized by corporate advertising, it might be assumed that C-SPAN was directing viewers to its website as an attempt to increase traffic for its sponsors' ads. However, C-SPAN's three cable channels, terrestrial radio station, and website do not carry advertising.

Additionally, once C-SPAN realized the video's popularity, it negotiated an agreement for Google Video to concurrently carry the video—on the condition Google stream the entire dinner, not just the Colbert clip, and provide links to C-SPAN's website. It was obvious the network was less concerned about making money from the video than it was in letting viewers know who owned the clip. As C-SPAN's legal counsel, Bruce Collins stated

C-SPAN's video coverage of public affairs events is copyrighted in the same way Fox News or CNN video coverage is. Neither the popularity of an event, nor the fact that it involves public affairs subject matter, makes the video coverage of it public domain material.⁵

4. C-SPAN, IRS Form 990, 2008, available from <http://www2.guidestar.org/>

5. Bruce D. Collins, "The Colbert Factor Reaction to C-SPAN: Video of Stephen Colbert Reveals the 'Truthiness' About Copyrights," *Inside Counsel*, July 1, 2001, <http://www.insidecounsel.com/Issues/2006/July%202006/Pages/The-Colbert-Factor.aspx#>

Copyrighting a telecast of a private, invitation only, dinner was one thing, but the following year in another incident, C-SPAN enforced its copyright over television coverage of public meetings. In February 2007, C-SPAN requested that House Speaker Nancy Pelosi remove a clip of herself testifying before the House Science and Technology Committee from her official blog, “The Gavel.” Pelosi’s office had taken the clip directly from C-SPAN’s telecast. Although the meeting itself was public, C-SPAN’s video of the meeting was privately owned. C-SPAN used its own equipment and crew to shoot the video and because of this, the network, not the public, held the exclusive rights to the video. Pelosi’s office had not sought, nor was given, permission to use the footage. Again, C-SPAN’s counsel stressed the difference between public and private organizations:

What I think a lot of people don’t understand—C-SPAN is a business, just like CNN is. If we don’t have a revenue stream, we wouldn’t have six crews ready to cover Congressional hearings.⁶

Actually C-SPAN is *not* like CNN, which is a private, commercial, for-profit cable news network that is owned by Turner Broadcasting System, Inc., which is a subsidiary of the giant Time Warner media empire. C-SPAN is an independent, 501(c)3 corporation. Time Warner’s annual revenue approached \$47 billion in 2008.⁷ C-SPAN’s revenue is about 1/1000 of 1% of that—or \$58 million. Though fewer people were affected (judging by

6. Noam Choen, “MEDIA; Which Videos are Protected? Lawmakers Get a Lesson,” New York Times, February 26, 2007, <http://query.nytimes.com/gst/fullpage.html?res=9D0CE7D6113EF935A15751C0A9619C8B63>

7. Time Warner Inc., 10-K, February 20, 2009, 135, <http://ir.timewarner.com/phoenix.zhtml?c=70972&p=irol-sec>

the lack of public outcry) by C-SPAN enforcing its copyright on Pelosi, the network quickly amended its copyright policy. Shortly after C-SPAN's action against Pelosi was made public, the network amended its copyright policy to "permit [...] non-commercial use of its video coverage of federal government-sponsored events so long as C-SPAN is identified during the use as the source of the video."⁸ C-SPAN spokespersons stated the network had been considering this action since the Colbert controversy. However, the network did not take action until a social player with political power to impact the network became involved. Apparently, public outcry from general viewers was not enough to get the network to reassess its policies on video ownership. C-SPAN's president, Robert Kennedy, said "an open approach is the most consistent with our mission."⁹ What, then, is C-SPAN's mission?

The mission statement of C-SPAN begins, not with the goals of the network, but by stating "C-SPAN is a public service created by the American cable television industry."¹⁰ It is here that the political economic value of C-SPAN is revealed. Although C-SPAN does not include commercial advertising it does have sponsors. Anyone who has watched C-SPAN will understand that letting know who provides C-SPAN is quite important to the network. A visitor to the network's website who clicks on the "Company Page" link will encounter this video:

8. C-SPAN, "C-SPAN Copyright Policy," National Cable Satellite Corporation, <http://www.c-span.org/about/copyright.asp>

9. Kasie Hunt, "C-SPAN Alters Copyright Over Pelosi Flap," *USA Today*, March 7, 2007, <http://sfgate.com/cgi-bin/article.cgi?=/n/a/2007/03/07/national/w170806S96.DTL>

10. C-SPAN, "The C-SPAN Mission," National Cable Satellite Corporation, <http://www.c-span.org/about/company/index.asp>

Narrator: *C-SPAN, created in 1979 by the TV cable industry...but with no commercials, how is C-SPAN funded?*

(Cut to montage of people interviewed on the street)

Man 1: *From Donations?*

Man 2: *More than likely, advertisers.*

Woman 1: *It's government funded.*

Woman 2: *I dunno...maybe it's just...funding...*

Man 3: *The government.*

Woman 3: *I think its a consortium of cable companies.*

(Title: "How is C-SPAN Funded?" fade to full screen "C-SPAN")

Narrator: *That's right, for nearly 30 years America's cable companies have been providing C-SPAN programming to you, commercially free, as a public service.¹¹*

The cable industry provides C-SPAN.

The Colbert and Pelosi incidents also revealed C-SPAN's mission. If the network is a "public service," why was C-SPAN upset by the public using it through wider distribution outlets? What did C-SPAN have to lose? A better question is: in a capitalist media and mass communication system, what does C-SPAN gain and for whom?

According to C-SPAN's Director of Affiliate Relations, Peter Kiley, "Everything we put out we tag with a 'public service provided by the cable industry.'"¹² Letting the public know who provides the network is part of C-SPAN's austere text-only logo: *C-SPAN: Created by Cable. Offered as Public Service.* In virtually every public

11. C-SPAN, "About Us," <http://cspan.org/about/index.asp?code=About>

12. Peter Kiley, (VP Affiliate Relations, C-SPAN) interview with the author, February 23, 2006.

appearance C-SPAN founder and CEO, Brian Lamb, draws attention to the fact the cable industry provided, and continues to provide, C-SPAN's funding. "And so with every member of the press I've ever talked to, I've tried to get them to say what I'm saying now—That the industry deserves credit for its commitment to C-SPAN."¹³ Lamb's resolute devotion to this creed is unwavering. For creating such a vital public service President Bush awarded Lamb in 2007 the highest civilian honor a President can bestow: The Presidential Medal of Freedom. Lamb accepted, not for himself but "...on behalf of the cable television industry who created C-SPAN as a public service almost 30 years ago for the American people."¹⁴

Overview of the Study

Advocates for C-SPAN bypass issues relating to ownership, preferring to highlight the network as a public service. The central goal of this study is to shift the way the network is perceived. The network a group of philanthropic cable executives created in the mid-seventies has become the premier public affairs network on U.S. television. This study moves beyond the trope of philanthropy and private dedication to public service to investigate the social conditions under which this national resource was created and the current role it plays in a market-based media system.

13. Brian Lamb, interviewed by Jim Keller, September 26, 1998, transcript, The Hauser Oral and Video History Collection, The Cable Center, Denver Co., <http://www.cablecenter.org/education/library/oralHistoryDetails.cfm?id=132>

14. Job Well Done, *Cablefax*, October 30, 2007, np.

In a market-based media system corporations actively seek ways to promote their products and services. C-SPAN offers the cable industry a unique opportunity to promote itself. This assessment is widely acknowledged and is not new. In 1997, Pat Aufderheide wrote that C-SPAN was “...a charitable gesture of an industry in perennial need of an image transplant. Cable operators dreamed it up as a legislator-friendly service in 1979.”¹⁵ In 2005 journalist Peter Meredith began a flattering profile of Lamb by stating “C-SPAN, entirely funded by the cable television industry, began as a public relations venture by a heavily regulated business eager to stay on the good side of Congress.”¹⁶ The cable industry is not only concerned with federal regulation, as cable systems are franchised in communities by local municipalities. In 1984 Timothy Hollins found that local cable operators “...offer [C-SPAN] in order to demonstrate cable’s value to the local politicians who award franchises.”¹⁷ By the early-to-late 80’s, Hollins observed that “services supported entirely by a per-subscriber fee are as much a consequence of the politics of franchising (e.g., C-SPAN) [...] as of economic logic and consumer demand.”¹⁸ Meanwhile, Robert McChesney, analyzing public policy and public service cable programming, argued that “C-SPAN has provided an invaluable nonprofit and noncommercial service on cable television, through it is not the result of public policy so

15. Pat Aufderheide, “C-SPAN Fights for Respect.” *Columbia Journalism Review*, July/August 1997, 14.

16. Peter Meredith, “Playing it Straight,” *US News & World Report*, October 31, 2005, 82.

17. Timothy Hollins, *Beyond Broadcasting: Into the Cable Age*, (London: Published for the Broadcasting Research Unit by BFI Publishing, 1984), 152.

18. *Ibid.*, 172.

much as a PR gesture by the cable industry to fend off regulation in the public interest.”¹⁹

And the two leading C-SPAN scholars in the U.S., Stephen Frantzich and John Sullivan, have concluded “cable operators are proud of C-SPAN and use its success to promote their own brand of private entrepreneurship.”²⁰

Lamb has continually refuted this conclusion, most often ignoring C-SPAN’s social context and concentrating on the individuals who are the network’s sponsors who provided the seed money required to start the network. Although he as stated that “It had nothing to do with cable industry PR,”²¹ he also admits “...there were people in the industry who thought it might be good PR, at a time when cable TV was a new product.”²²

As a structural analysis of C-SPAN, this study will not focus on the personal motivations behind C-SPAN’s creation. Rather, it concentrates on historical material circumstances and how philanthropy can be institutionalized to assist corporate goals of accumulating capital. Most of the original C-SPAN patrons have died or retired from corporate life; at some point personal generosity was replaced by industry-wide corporate policy. Current leaders in the industry readily admit the “charity” of providing public

19. Robert McChesney, *The Problem of the Media: U.S. Communication Politics in the 21st Century*, (New York: Monthly Review Press, 2004), 242.

20. Stephen E. Frantzich and John Sullivan, *The C-SPAN Revolution*, (Norman OK: University of Oklahoma Press, 1996), 322.

21. Brian Lamb, interviewed by Jim Keller, September 26, 1998, transcript, The Hauser Oral and Video History Collection, The Cable Center, Denver Co., <http://www.cablecenter.org/education/library/oralHistoryDetails.cfm?id=132>

22. T.R. Reid, “C-SPAN Gauged 25 Years After Start; Network Has Given Public Wider Access to Congress,” *Washington Post*, March 19, 2004, A21.

affairs content endures because it is congruous with the business goals of the large cable corporations and advances those goals. In a cable trade magazine, Steve Effros, the president of the industry's leading trade (i.e., lobbying) organization, the National Cable Telecommunications (NCTA), pleads with local cable system operators to continue to carry C-SPAN not only because "it has materially changed our democracy for the better," but because "The fact that cable has created C-SPAN has not been missed by our regulators, legislators and jurists. In the long run we will all do well by fully supporting, and being proud of it."²³ In another trade publication, a Time-Warner Cable executive stresses "It's a given that a strong public affairs department can help a company curry favor with regulators and keep politicians out of its business affairs. What's less obvious are the bottom-line benefits."²⁴ With such explicit strategies, it is easy to see how this non-profit public affairs network serves the needs of capital. Amongst themselves, cable industry leaders recognize and acknowledge that C-SPAN is more than a public service.

Research Questions

This study is going look in depth at the cable industry's sponsorship of nation's premier public affairs network. The study's primary goal is to answer the following research questions: *Why does the cable industry provide C-SPAN? and What does it mean for U.S. society to have C-SPAN privately controlled?*

²³ Steve Effros, Think About That for a Minute, "Doing Well by Doing Good," *Cablefax*, March 18, 2004, np.

²⁴ John P. Ourand, "Making Money by Doing Good," *Cablefax*, February 21, 2005, np.

Why Does the Cable Industry Provide C-SPAN: C-SPAN has a ready answer to this question that is included within the network's motto: "Created by Cable. Offered as a Public Service." Why does the cable industry provide C-SPAN? The cable industry provides C-SPAN "as a public service." From a casual inspection of what has been written and said about the network it is apparent the public service explanation is widely accepted. C-SPAN provides the public a vital service and it is offered by the cable industry. At this point discussion typically turns towards the positive effects of C-SPAN's programming on U.S. society. What is lacking is any elucidation on *why* the industry offers such a public service. Just how shaky the the public service premise is becomes clear when the research question is altered to read, *why does the cable industry provide a public service like C-SPAN?* The favored explanation of the network and its industry sponsors is now hopelessly tautological. The industry provides public service because it is a public service? A more useful track to follow is to learn what the cable industry gets out of serving the public. At the level of the individual executives who provided the initial seed money, fostering a personal sense of service to the public is a reasonable motivation, but this explanation fails to move our understanding of the network beyond the superficial.

At a deeper, social, level individual's magnanimity is far from a complete explanation. Focusing on public spirited charity fails to discern that the network is part of larger social structure. This study places the network within a context of market and social relationships in order to better understand the structural reasons why a private, for-

profit industry might provide such a public service. In answering this question it is vital to understand the historical conditions under which C-SPAN was created. Journalists, scholars and the general public have demonstrated a tendency to highlight Brian Lamb's role in the founding of C-SPAN. Lamb is seen, literally, as the "founding father" of C-SPAN and without Lamb's dedication and perseverance the network would not exist. Under such an explanation the citizens of the U.S. owe a debt of gratitude to one man, Lamb. However, Lamb himself is quick to divert all credit. According to Brian Lamb, in the mid-to-late-seventies a handful of philanthropic minded cable executives made the decision to forgo profit in order to offer a service to the American public. It is an empirical fact individuals provided the seed money to begin C-SPAN. In interviews these men express immense pride in the fact they established such a network. However, this biographical explanation abstracts these individuals from the larger contexts of the industry they were a part of. These men were all owners or executives of the largest cable systems, making them representative of an industry. C-SPAN did not accept donations from charitable organizations or other private donors. The network did not seek federal grants available to nonprofits. All the money and equipment needed was provided exclusively by representatives of the cable industry. Because C-SPAN was clearly an industry initiative the study seeks to analyze the cable industry as a whole, not just a few select charitable men. The study will re-contextualize C-SPAN's founding within the historical processes occurring during the late 1960's and 1970's and in doing so

reestablishes the historical specificity of the network's evolution. The history of C-SPAN is not the biography of Lamb but the political economic realities of the cable industry.

If C-SPAN's ready explanation of why it exists is accepted without question it becomes a myth based on ideology rather than careful analysis. This study proposes the public service explanation *is* a myth. A myth based on incomplete facts which are carefully screened to highlight sets of values that ultimately serve the industry. By critically researching the network, the industry, and the society both are a part of, the study will reveal what the industry's guiding values might be and how C-SPAN is able to support them. By examining the needs of the industry the study will be able to comprehensively answer the question: why does the cable industry provide C-SPAN?

What Does It Mean for U.S. Society to Have C-SPAN Privately Controlled: Through answering the first question, *why the cable industry provides C-SPAN*, this study seeks to uncover the cable industry's motivations for providing C-SPAN. Revealing the context of C-SPAN's social production, the study places the network within the U.S. media and mass communications system. Once seen as a part of the U.S. communications system the study turns its attention to discussing the impact of ownership on democratic communications. The U.S. media system is dominated by the capitalist marketplace. The second question moves from explaining how C-SPAN functions in a capital marketplace to reveal what the implications of this are for citizens. In seeking to answer the study's second question, *what does it mean for C-SPAN to be privately controlled*, the study

examines whether there is any conflict between a citizen's right to be informed and a private company's right to exclusive ownership of that information. The Colbert and Pelosi examples at the beginning of this chapter demonstrate private ownership has a tangible effect on the information available to U.S. citizens. By asking this second question the study analyzes whether these effects are detrimental to the citizens of the U.S.

The first question answers what the industry gains by offering C-SPAN. The second question answers what do citizens of the U.S. give up by not controlling C-SPAN? In the discourse around C-SPAN citizens are frequently presented as "viewers." By addressing the public ownership of media, the second research question re-frames debate to return viewers to being citizens within a democratic society. Citizens of a democratic state have very different rights than do the customers within a marketplace. So much of the discussion around C-SPAN revolves around what the content provides citizens without ever asking what the structure of the network's ownership means for citizens. By questioning the ownership structure of C-SPAN the study seeks to bring communication studies back to recognizing the irreducibility of physical infrastructure. What does it mean that the citizens of the U.S. are completely dependent upon a privately owned and controlled system of communications infrastructure?

How the Study Is Organized

To reveal the ways the political economic concerns of the industry are placed before the public service aspects of the network, this study examines both the historical contexts of Congress and cable television, as well as looking directly at C-SPAN and its actions. The following chapter provides the theoretical foundation of this study—critical political economy. The third provides an overview of C-SPAN as an organization, including a brief history, what services the network provides, and how it differs from other cable networks. Chapter IV presents the history of Congressional television, demonstrating that C-SPAN followed an existing movement rather than creating one. This chapter reveals how, at the beginning of the neoliberal period in the U.S., private control of television distribution of a public service was seen as an ideal solution to many problems. Chapter V continues the historical context of C-SPAN's creation by laying out the early history of cable television, starting with the "Blue Sky" period. During this time cable was not just a way to receive clearer television signals, but was considered a revolutionary force with the potential of altering society for the better. Chapter VI continues the history of cable into the period when social ideals gave way to economic necessity. Once cable was seen as a big business, competitors began using legislation as a way to inhibit the technology. During this time cable needed every powerful friend it could find and was looking for ways to promote itself. After establishing context, Chapter VII returns directly to C-SPAN and discusses the network's direct involvement with the three most important pieces of legislation for cable: The Cable Communications

Policy Act of 1984, Cable Television Consumer Protection and Competition Act of 1992, and The Telecommunications Act of 1996. By investigating these acts, the study demonstrates C-SPAN's ability to influence federal regulators and lawmakers, as well as providing a political lever for the industry to combat the power of entrenched competitors (e.g., the broadcast industry). Chapter VIII looks at more economic uses of C-SPAN and how it has been used to promote the cable industry to consumers and local politicians who control franchise agreements. Additionally, this chapter emphasizes the role that C-SPAN plays in selling subscriptions to fee-based services. Finally, Chapter IX summarizes the study's findings, and considers implications of having private ownership of public affairs outlet in the U.S. in private hands.

Significance of the Study

C-SPAN marked its thirtieth year on television in 2009. C-SPAN is the only full-time public affairs channel. It is the only place on television where a viewer is able to watch uninterrupted meetings of Congress. C-SPAN is also the only private non-profit network on U.S. television. Any one of these factors alone would warrant an extended research project. Given C-SPAN incorporates all three, it is surprising how little research is conducted on the network. The existing scholarly studies tend to come from outside of the communications field and many studies on C-SPAN analysis the effects of the network rather than the network itself. There are no critical studies of the network. No studies have undertaken a sustained social analysis of the network in terms of its place

within the capital political economy of the U.S. media and mass communication system. Because it is a private network conducting a public service, C-SPAN is an ideal case study for the process of economic liberalism. Celebrating the product of private industry's initiative to voluntarily provide a public service without question obscures a complex set of social dynamics. Scholars looking at the network presume C-SPAN's existence and move onto other matters, leaving our understanding of the U.S. media system incomplete. In many ways, scholarship on C-SPAN mimics popular opinion of the network—that it is a neutral window on the process of federal legislation. C-SPAN is frequently referred to as the “network of record” as if it was simply a tool and not the product of social conditions. Neither the public nor scholars notice C-SPAN's intensive marketing efforts to gain attention for itself and the cable industry. The result is popular opinion and scholarship normalizes the structure of private media system. No one questions the fact the only way to access live coverage of Congress is to pay a substantial monthly fee for either cable television or broadband Internet connection. An underlying significance to the study is the way it reveals how a private C-SPAN gains a private industry power at the expense of citizens.

CHAPTER II

THEORETICAL FRAMEWORK

It's the engine here in this country: money, money, money, money. For those of you who deplore it, you can't get away from it. This is a free country, money is the engine, it works. We have fit into this thing with a bunch of philanthropic people who have given of their time and effort and made th[is] thing happen....²⁵

*~Brian Lamb, founder and CEO of the
Cable-Satellite Public Affairs Network (C-SPAN)*

This chapter begins by acknowledging that the central theoretical concept guiding analysis is political economy. A discussion of what political economic theory is, and what types of issues it is concerned with, follows. The study then demonstrates why, given the research questions being asked by this study, political economic theory is the most appropriate theory to use. Once the logical relationship between the study's questions and political economy is established the study lays out the bodies of literature that affect the topic. Firstly, literature around the cable industry is explored so that the reader may understand the industry C-SPAN is sponsored by. After literature about the

25. Brian Lamb, "Debunking the Myths" (speech, at the National Press Club, Washington D.C., January 6, 1997), available from <http://www.c-span.org/about/company/debunk.asp?code=DEBUNK2>

industry is sketched out the study moves on to describe what has been written about C-SPAN itself. Finally, literature surrounding the concept of corporate charity, or Corporate Social Responsibility (CSR), is presented so the reader can begin to see C-SPAN in terms of a preexisting movement among private corporations to offer public service as a public relations/marketing strategy. After the literature section the study discusses the methods used to answer the questions posed by this study. The primary method is document analysis and this section elaborates on why this method is suited to answering the questions posed. The chapter ends by acknowledging some of the limitations encountered through pursuing this topic in the manner prescribed in this chapter.

Theories of Political Economy

As the title of this study indicates, this work is a political economic analysis of C-SPAN. The following section briefly gives an overview of political economy and then explains how the field of communication studies has integrated political economy. Before elaborating on political economic theory, it is helpful to define a related, if antithetically so, theoretical perspective: conventional economics. From a standard college-level economics textbook, a widely accepted definition is

Economics is the study of how the goods and services we want get produced, and how they are distributed among us.

Economics is also the study of how we can make the system of production and distribution work better.²⁶

Opposed to this perspective is critical political economy. The (political) economist Robert Heilbroner feels economics definition lacks, and political economy retains, a key concept. For Heilbroner

Political economy, unlike conventional economics, does not believe that the economic scene can be understood without explicit awareness that considerations and structures of class interest precede and underlie the social arrangement to which economics directs its inquires....²⁷

Class is the conceptual cornerstone of political economic theory. A class-based society, by definition, is a society based on inequity. Inequities are important to acknowledge because they indicate how the current social system of production is set up to benefit some members of society more than others. Heilbroner asserts studies that exclude the concept of class produce “...models that are mere shadow play, not representations of a real historical drama.”²⁸ The removal of class from the analysis of social production was first recognized, and critiqued, by Karl Marx. What this study refers to as “political economic theory” is based on Marx’s social analysis. In Marxist analysis, class is important insofar it reveals the essence of social relations behind the appearance (form) these relationships take on. For Marx the appearance of a thing existed in simultaneous tension and equilibrium with its essence. A good produced in a capitalist society is a

26. George Leland Bach, *Economics: an Introduction To Analysis and Policy*, 7th ed., (Englewood Cliffs, N.J.: Prentice-Hall, 1971), 2.

27. *Ibid.*, 2.

28. Robert Heilbroner, preface to *Economics as a Social Science: Readings in Political Economy*, 2nd ed. or *Economics, Political or Otherwise*, ed. George Argyous and Frank Stilwell, (Annadale, N.S.W., Australia: Pluto Press Australia, 2003), iii.

commodity and Marx systematically revealed the ways the production of commodities hide a complex web of social relationships based on power. Economics (the form of political economic analysis critiqued by Marx) chose to ignore the social relationships inherent to the production of the commodity and focus on the appearance of the process, the commodity. This severing the dialectical relationship between the appearance and the essence allowed Economics to drop the “political” from political economy. Any theoretical framework predicated upon the appearance of things is best described as an ideology. For Marx, the most effective way to bypass ideology was to analysis the social production of the material goods and physical services required to support society. Modes of social production are historically specific and Marx analyzed capitalist social relations because that was the dominant form of social production. Capitalism remains the dominant form of social production in not only the U.S. but the world. Since the time of Marx, capitalism has adapted and incorporated historical changes. Two of the most important modern products of social relations are mass communication systems and the media organizations that utilize these systems.

Communication studies is broken into many different subfields and perspectives. One of these subfields is media economics. Like the social discipline of Economics from which it is derived, media economics has developed into a branch of study dedicated to material social relationships lacking any acknowledgement of social inequities. “Media Economics is a term employed to refer to the business operations and financial actives of

firms producing and selling output into the various media industries.”²⁹ Unsurprisingly, media scholars interested in critically understanding how media industries contribute to social power distribution have embraced political economy and developed their own branch, political economy of communication.

Despite the prominent role mass communication systems and media play within our modern society, political economy of communication scholars “have sought to decenter the media” by conceptually placing it “within a wider social totality.”³⁰ The point of political economy of communications is not to understand “the media” but to understand society. Because it seeks to explain how disparities in access and changes to content reveal the values and practices of a larger social order; the political economic approach to communication studies maintain a class component.³¹ Just as Heilbroner chides his larger discipline, Economics, for removing class, British political economic communication scholar Peter Golding laments the fact media scholars have largely foregone issues of poverty or inequity in favor of embracing the concept of classless “information societies” created by global media and communication systems. Golding states “The conglomerate capitalist control over cultural and communication industries represents and expresses the triumph of private profit over collective need, corporate

29. James Owers, Rod Carveth, and Alison Alexander, “An Introduction to Media Economics Theory,” in *Media Economics: Theory and Practice, 2nd ed.* (eds.) Alison Alexander, James Owers, and Rod Carveth, (Mahwah, NJ: Lawrence Erlbaum Associates, Publishers, 1998), 2.

30. Vincent Mosco, *The Political Economy of Communication: Rethinking and Renewal*, (London: Sage Publications, 1996), 71.

31. *Ibid.*, 75.

strategy over democratic direction.”³² As Robert McChesney states, the political economy of communication “Addresses the nature of the relationship between media and communication systems on the one hand and the broader social structure of power. In other words, it examines how media and communication systems and content reinforce, challenge or influence existing class social relations.”³³

Ownership, or control, of mass communication systems and media outlets is the central concern for political economy of communications. Political economic communication scholars equate ownership to control because “the individuals and groups who own the basic means of mass communication—the printing press, radio stations, and so on—have the final say over how these facilities are used.”³⁴ Under such a situation the political economic communication scholars fear the views of the owning class are more likely to receive notice and distribution. This ideological domination has the real potential to facilitate class inequities.³⁵

Political economic communication scholars recognize that patterns of ownership were not the product of some kind of natural law of human evolution, they reflect the historical circumstances under which they arose. In what is recognized as the inaugural political economic communications study in the U.S., *Mass Communications and*

32. Peter Golding, forward to *Who Owns the Media?: Global Trends and Local Resistances*, ed. Pradip N. Thomas and Zaharom Nain (London: Zed Books, 2004), vii.

33. Robert McChesney, “Political Economy of Communication and the Future of the Field,” *Media, Culture and Society*, 22 (2000): 110.

34. Graham Murdock, *Media Organizations: Patterns of Ownership and Control*, (London: Open University Press, 1977), 95-6.

35. Ralph Negrine, *Politics and the Mass Media in Britain*, (London: Routledge, 1989), 73.

American Empire, Herbert Schiller wrote “the market economy provided the institutional climate in which the contours of American broadcaster gained their early character as their more durable features.”³⁶ The economic (material) conditions provided “the climate” for a privately owned and controlled communications system in the U.S. but they did not inexorably determine.³⁷ Political economic of communication scholars draw attention to the ways alternative ownership models were presented, and are still possible, while recognizing these models are in conflict with a larger social order interested in protecting its interests. Returning to Schiller,

Communications, which could be a vigorous mechanism of social change, have become instead, a major obstacle to national reconstruction. They have been seized by the commanding interests in the market economy, to promote narrow national and international objectives while simultaneously making alternative paths seem either undesirable or prevent their existence from being known.³⁸

Once a system of social production becomes dominant it tends to become normalized and is seen as invisible. From this process certain assumptions about a society’s system of communications take on the air of fact. Political economic of communication scholar Janet Wasko highlights another important characteristic of the subfield stating “One of the contributions of critical political economy in communication studies has been to challenge some of the myths and assumptions associated with the development of media

36. Herbert I Schiller, *Mass Communications and American Empire*, 2nd ed., updated, (Critical Studies in Communication and in the Cultural Industries, Boulder, CO: Westview Press, 1992), 20.

37. Nicholas Garnham, “Political Economy and Cultural Studies: Reconciliation or Divorce?” *Critical Studies in Mass Communications*, 12, no. 1, (March 1995): 62.

38. Schiller, 73.

and communication systems.”³⁹ Wasko’s point is key to understanding the project of political economy of communications. This critical subfield of communications studies uses empirical facts about the structure of media and communication systems to challenge commonly held beliefs that are based on the surface appearance.

Like the political economic thought developed by Marx, underpinning all political economy of communications theory is a praxis based on social justice.⁴⁰ Political economic studies of communications all share a desire to reduce social inequity through directed action informed by careful analysis. Critical political economy of communication theory is scholarship for social justice not, in the colloquially pejorative sense, an academic exercise. Political economic studies often prescribe real actions that can be undertaken to return social power back to the majority. The goal of the theory is to change society by changing the media and communication systems.

In summary

a primary concern of political economists is with the allocation of resources (material concerns) within capitalist societies. Through studies of ownership and control, political economists document and analyze relations of power, a class system, and other structural inequalities. Critical political economists analyze contradictions and suggest strategies for resistance and intervention.⁴¹

39. Janet Wasko, “Challenging Disney Myths,” in *Journal of Communication Quarterly*, 25 no. 3 (July 2001): 237.

40. Vincent Mosco, *The Political Economy of Communication: Rethinking and Renewal*, (London: Sage Publications, 1996). 47.

41. Janet Wasko, “The Political Economy of Communications,” in John Downing, *The SAGE Handbook of Media Studies*, (Thousand Oaks, CA: Sage Publications, 2004), 309.

Political Economic Theory and C-SPAN

This section discusses why political economic theory most appropriate framework to answer the study's research questions: *Why does the industry provide C-SPAN* and *What does it mean for U.S. society to have C-SPAN privately controlled?*

Because it deals with the cable *industry* the first question requires a structural analysis to answer. The goal is not to abstract the network apart from the larger U.S. media and communications system but to integrate it. Political economy excels at mapping out the ways a particular organization is part of larger structures. Political economy, because it is primarily concerned with the production and distribution of media products and services, excels at analyzing the ownership of media organizations. By focusing on C-SPAN as an organization, rather than on the products of the network, this study incorporates ownership into the analysis. As has been established in Chapter I, ownership of C-SPAN is key feature the industry seeks to promote. Political economy's debate over ownership and control brings the sponsorship of the cable industry to the forefront.

The cable industry's explanation of why it sponsors C-SPAN—to offer a public service—has the air of a myth about it. As a theoretical framework, political economy is ideally suited to test the myth against empirical realities. The goal is not to disprove the industry's explanation more than it is to provide a wider context in which it is possible to discern whom this explanation benefits the most. Political economy is a critical research theory because it is based on questioning social phenomena. The study moves beyond

the surface appearance of C-SPAN and investigates the hidden social relationships behind the production and distribution of federal public affairs television. The study is interested in questioning the industry's explanation and political economy is well suited to provide evidence that challenges the status quo.

This study is not only interested in researching the current motivations of the industry's support of C-SPAN but seeks to understand the historical path of the industry's sponsorship. Political economy, being founded on the historical specificity of social phenomenon, is an fitting way to disclose what kinds of social circumstances influenced the industry to offer such a public service. The industry that originally brought C-SPAN to life is considerably different than the current cable industry that supports the network. Despite the technological, political, and economic changes the industry's support for C-SPAN has remained. The unwavering dedication to public service is one interpretation for this, but a historical look at the practice allows the study to see whether cable as an industry has other, more tangible, needs throughout the decades. By critically examining the political and economic conditions affecting the cable industry in the 1970's the study invites a political economic approach.

The final way political economy is revealed to be the most appropriate body of theory to utilize the goals of this study is through the theory's integration of moral praxis. The study is predicated on a deeply held concern about the private ownership of media and mass communication systems in the U.S. This concern is reflected in the second research question, *what does it mean for U.S. society to have C-SPAN privately*

controlled? Political economy investigates the issue of control because control of social production leads to social power. Economics is concerned with the production and distribution of goods and services. Political economy is concerned with how the production and distribution of goods and services contributes to the accumulation of wealth. C-SPAN is nonprofit organization but is available exclusively through a subscription to a privately run, fee-based, telecommunications service. Political economy allows the study to fully explore the ramifications of this.

Literature

In this section the study outlines three important bodies of literature that affects our understanding of C-SPAN.

Cable Industry: While little has been written about C-SPAN there are numerous studies of the cable industry. Some of to these works feature themes consistent with political economic theory—how cable television involves political, economic, social, and cultural factors. For instance, Megan Mullen notes that when she studied the rise of cable programming, “A complementary goal [was] to develop a theory that uses historical developments in economics, policy, and technology to explain formal attributes of cable programming.”⁴² While studies of cable television may take different theoretical tacks to explain cable’s evolution, there is broad agreement on the most important historical

⁴² Megan Mullen, *The Rise of Cable Programming in the United States: Revolution or Evolution?*, (Austin, TX: University of Texas Press, 2003), ix.

moments in cable's evolution. One of the commonly acknowledged historical watermarks for cable was the period C-SPAN came into existence, or the mid 1970's. In a general survey on cable television, Ralph Negrine says cable's transformation in the mid 1970's, was the result of changes in two areas: "Firstly, the means to deliver more, and different, services were developed and proved to be, in the main, profitable. Secondly, decisions were taken which permitted both cable's physical expansion and its fuller exploitation"⁴³ Another cable scholar, Patrick Parsons concurs, going so far as to describe cable in the mid 1970's as a "phoenix" rising on the "...fortunes of the cable industry brought about by both the relaxation of federal control and the harnessing of the satellite."⁴⁴ Writing the year C-SPAN was incorporated, Paul W. Macvoy—who edited the Ford Administration Papers on Regulatory Reform for the cable industry—wrote "A majority of voting Americans would agree that in the past twenty years, the level and intensity of government involvement in our national life has increased, is increasing, and ought to be diminished. The Carter administration, after all, was elected on a platform that included firm promises to cut back on wasteful and intrusive federal actions."⁴⁵ Unsurprisingly, the papers advocated for deregulation of the cable industry. Authors recognized the stakes for cable-friendly regulations were high: "Broadcasting, and television broadcasting in

43. Ralph M. Negrine, *Cable Television and the Future of Broadcasting*, (New York: St. Martin's Press, 1985), 2.

44. Patrick R. Parsons, *Blue Skies: A history of Cable Television*, (Philadelphia, PA: Temple University Press, 2008), 342.

45. Paul W. MacAvoy, *Deregulation of Cable Television*, (Ford Administration Papers on Regulatory Reform; Studies in Government Regulation, Washington D.C.: American Enterprise Institute for Public Policy Research, 1977), 95.

particular, is widely regarded by both elected and non-elected politicians, as the most powerful of the celebrated Washington lobbies. Some evidence to the contrary notwithstanding, few politicians are willing gratuitously to assault the television establishment and thus, conceivably, jeopardize the most important of individual objectives—reelection, reappointment, or future employment by the industry.”⁴⁶

Some Scholars understood taking on broadcasters meant addressing the social issue of media ownership. Etzioni argued “The way cable television will be owned has many consequences, not just for those who will use CATV [community antenna television: the original name for cable]. CATV is potentially a major corrective to other media, especially over-the-air TV and telephones, which are governed by three networks or one giant corporation.”⁴⁷ Vernone Sparkes agreed, saying “In the early days of cable TV, the Federal government was aware that the existing communications industries perceived a threat in this new technology, and might seek to retard or even destroy it.”⁴⁸

Cable technology depended on satellites, and C-SPAN’s birth was the direct result of satellite technology. C-SPAN, after all, stands for Cable-*Satellite* Public Affairs

46. MacAvoy, 96.

47. Amitai Etzioni, preface to *Economic and Legal Foundations of Cable Television*, by Leonard Ross, (Sage Research Papers in the Social Sciences; Policy Research Series, Beverly Hills; London: Sage Publications, 1974), 6.

48. Verone Sparkes, “Cable Television in the United States: A Story of Continuing Growth and Change,” in *Cable Television and the Future of Broadcasting*, ed. Ralph M. Negrine, (New York: St. Martin’s Press, 1985), 33

Network. As James W. Roman states in his *Cable Television Sourcebook*, “For the cable television industry the satellite has become the harbinger of success and profitability.”⁴⁹

While all these studies examine political economic relationships (e.g., economic studies analyze policy, cultural programming studies look at economic realities, and political studies address issues of ideology), there are few political economic studies that use class as a central framework to understand how political economic relationships fit together nor do they fundamentally challenge the presumptions of capitalism.

C-SPAN Studies: It may be surprising that studies specific to C-SPAN do not address these larger issues. Some C-SPAN studies focus on the network’s non-gavel-to-gavel programming. For instance, Kurpius and Mendelson looked at how callers brought new political ideas to C-SPAN’s call-in show Washington Journal, effectively expanding the topics up for discussion.⁵⁰ The authors concluded that Washington Journal provides its viewers with a “deliberative forum” for civic discourse where the audience shapes the content. Riggs studied “well-educated, upper middle-class retirees” in nursing homes and the ways they used C-SPAN to engage in national public affairs through discussions of content featured on C-SPAN.⁵¹ In some cases, C-SPAN is the focus of discourse analysis.

49. James W. Roman, *Cablemania: The Cable Television Sourcebook*, (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1983), 55.

50. David D. Kurpius and Andrew Mendelson, “A Case Study of Deliberative Democracy on Television: Civic Dialogue on C-SPAN Call In Shows,” *Journalism & Mass Communication Quarterly*, 3 (2002): 587-601.

51. Karen E. Riggs, “Television Use in a Retirement Community,” *Journal of Communication*, 1 (1996): 144-156.

For instance Muir and Mangus, in “Talk about Sexual Harassment: Women’s Stories on a Woman’s Story” analyzed “women’s responses during C-SPAN TV call-in program” about the Anita Hill hearings.

Scholars who focus on the gavel-to-gavel legislative coverage have studied the effect of C-SPAN on voting patterns by studying qualitative and quantitative changes in legislative sessions. Crain and Goff undertook an extensive statistical analysis of both federal (C-SPAN) and state televised legislatures in order to draw correlations between gavel-to-gavel coverage and voting patterns of citizens and legislators alike.⁵² Mixon studied two aspects of C-SPAN’s gavel-to-gavel coverage: 1) how C-SPAN has qualitatively changed legislative floors sessions (e.g., legislators began to “grandstand”) and 2) how the televised sessions constitute a form of free political advertising.⁵³ Mixon, an economist, was able to calculate the approximate cost of this “advertising,” at anywhere from \$16 million to \$393 million, as well as observing that sessions have become longer.

Without a doubt, Stephen Frantzich and John Sullivan are the most cited C-SPAN scholars.⁵⁴ Frantzich, a political scientist at the U.S. Naval Academy, and Sullivan, an English professor at University of Virginia, wrote *The C-SPAN Revolution*—the only book-length treatment dedicated to the network’s history, operations and plans. The book

52. Mark W. Crain and Brian L. Goff, *Televised Legislatures: Political Information Technology and Public Choice*, (Boston: Kluwer Academic Publishers, 1998).

53. Franklin G. Mixon, Jr., (2002). “Does Legislative Television Alter the Relationship Between Voters and Politicians?” *Rationality and Society*, 1 (2002): 109-128.

54. Stephen Frantzich and John Sullivan, *The C-SPAN Revolution*, (Norman, OK: University of Oklahoma Press, 1996).

is written as a quasi-ethnographic study, heavily reliant upon first-person observation and information gained from interviews with most of the network's founding benefactors and (then) current managers. In a book review shortly after publication, Muir stated that *The C-SPAN Revolution* "far surpasses anything else that has been written about C-SPAN."⁵⁵ Her statement remains true over ten years later. The authors' thesis is C-SPAN was a "revolution" in the way public affairs were covered on TV. Frantzich has since published a biography of Brian Lamb but information relating the network is repeated from Frantzich's earlier work.⁵⁶ The authors' dedication and passion for the network is apparent, earning them unprecedented access. The book is rich in empirical details and yields many critical insights—much the same way the business press is an important tool for critical research. Like business research, the authors do not question the status quo of social arrangements.

Corporate Social Responsibility: In providing C-SPAN cable corporations are exhibiting what has been identified as "Corporate Social Responsibility" (CSR). First identified in the late 1960's, CSR has yielded a large body of literature and has recently seen a scholarly resurgence among administrative studies around the turn of the century⁵⁷.

55. Janette Kenner Muir, review of *The C-SPAN Revolution*, by Stephen Frantzich and John Sullivan, *Quarterly Journal of Speech*, 3 (1998): 390-391.

56. Stephen Frantzich, *Founding Father: How C-SPAN's Brian Lamb Changed Politics in America*. (Lanham, Md.: Rowman & Littlefield, 2008)

57. David Vogel, *The Market for Virtue: the Potential and limits of Corporate Social Responsibility*, (Washington D.C.: Brookings Institute, 2005), ix.

Economists, political scientists, legal, marketing and business scholars have all contributed to CSR literature.

At the most basic level, CSR is the practice of a firm “sacrificing profits in the social interest.”⁵⁸ CSR presupposes the actions undertaken are voluntary, not legally compulsory. Corporations who provide a commercial-free, public affairs cable channel, without any government compulsion to do so, could be considered CSR. CSR centers on the question “whether corporate decision makers should be concerned with issues other than profitability.”⁵⁹

The most infamous rebuttal of CSR came, not from political economists, but from one of the biggest advocates for capitalism, Milton Friedman. In 1970 Friedman published a brief polemic titled “The Social Responsibility of Business is to Increase its Profits,” stating

there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.⁶⁰

Friedman was unable to quell the spread of CSR and in the mid-nineteen nineties a new term appeared, “the triple bottom line,”⁶¹ indicating: *business profits, environmental*

58. Forest L. Reinhardt, Robert N. Stavins and Richard H. K. Vietor, abstract for “Corporate Social Responsibility Through an Economic Lens,” *Review of Environmental Economics and Policy*, 2 (2008): 219.

59. Lois A. Mohr, Deborah J. Webb and Katherine E. Harris, “Do Consumers Expect Companies to be Socially Responsible? The Impact of Corporate Social Responsibility on Buying Behavior,” *The Journal of Consumer Affairs*, 1 (2001): 46.

60. *Ibid.*, 126.

61. Wayne Norman and Chris MacDonald, “Getting to the Bottom of ‘Triple Bottom Line,’” *Business Ethics Quarterly*, 2 (2004): 243.

health, and general social welfare. According to John Elkington’s “Cannibals with Forks” (considered one of the first studies of the triple bottom line movement) the revival of CSR was triggered by the mainstreaming of environmentalism, the second “green wave” that occurred in the 1990’s.⁶² CSR and “the triple bottom line” movements are part and parcel of the same concept—“compassionate capitalism.” In a book with the same name, entrepreneur Marc Benioff insists corporations are “doing good and doing well.”⁶³ By this thesis, corporations will lose money if they do not consider green and socially conscious programs. These programs “need to be consciously, visibly and systematically integrated into the nuts and bolts of investing—asset allocation, stock selection and portfolio construction.”⁶⁴

The conservative London-based *Economist* took up the battle against CSR where Friedman left off, dedicating an issue to debunking the concept.⁶⁵ The editors expressed the same argument as Friedman: “...the selfish pursuit of profit serves a social purpose. And this is putting it mildly. The standard of living people in the West enjoy today is due to little else but the selfish pursuit of profit.”⁶⁶ The editors sum the movement up by

62. John Elkington, *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, (The Conscientious Commerce Series, Gabriola Island, Vancouver B.C.: New Society Publishers), 43.

63. Marc Benioff and Karen Southwick, *Compassionate Capitalism: How Corporations Can Make Doing Good an Integral Part of Doing Well* (Franklin Lakes, N.J.: Career Press, Inc., 2004), 25.

64. Kiernan, 15.

65. “The Good Company: A Skeptical Look at Corporate Social Responsibility,” *The Economist*, January 22, 2005.

66. Leaders, “The Good Company,” *The Economist*, January 22, 2005, 11.

asking “Is CSR, then, mostly for show?” Their answer is “yes: for most companies, CSR does not go very deep.”⁶⁷ While popular with socially active corporate CEOs, such as Whole Foods founder John Mackey, most business and economic scholars dismiss the concept en bloc. One economic think tank white paper states that “The bulk of the available evidence suggests that most firms view socially responsible actions in the same way that they view more traditional business activities, such as advertising and R&D. Instead of altruistically sacrificing profits, they engage in a more limited—but more profitable—set of socially beneficial activities that contributes to their financial goals.”⁶⁸

Under such a system, the only true acid test of sincerity behind corporate giving is whether “the organization would pursue the [CSR project] even if no one ever knew about it.”⁶⁹ Since there are no firms that actively seek to hide their attempts at CSR it is easy to understand how the concept is a useful tool for public relations more than shifting the dominant forms of social relations.

Methods

Document analysis was the primary method used in this study. John Scott has two categories of documentary evidence for social scientific purposes: documents as

67. “The Good Company,” 4.

68. Forest L. Reinhardt, Robert N. Stavins and Richard H. K. Vietor, “Corporate Social Responsibility Through an Economic Lens,” *National Bureau of Economic Research*, working paper # 13989, May 2008, 24, <http://www.nber.org/papers/w13989>

69. Michael E. Porter and Mark R. Kramer, “The Competitive Advantage of Corporate Philanthropy,” in *Harvard Business Review on Corporate Responsibility*, (The Harvard business review paperback series, Boston: Harvard Business School Pub, 2003), 54.

resources and documents as topics.⁷⁰ When acting as a resource, documents allow the researcher to “Compile a comprehensive set of data” to “construct descriptive statements about the things to which they refer: the researcher is interested in what they denote about the world.”⁷¹ The study utilized this type of document analysis to denote the ways C-SPAN is part of a larger political economic structure. Through trade publications, Congressional documents, and press reports, the study demonstrates the ways the network operates within a larger context, one guided by a cohesive set of values. When used as topics, documents “are regarded as social products and are treated as the objects of sociological analysis.”⁷² At times the documents themselves, were examined in light of audiences and possible motives for the production of the document (e.g., a C-SPAN self-promotional web video). The study utilizes a wide variety of documents from a number of categories including:

1. Government documents. A variety of government documents were analyzed. For instance, as early as 1944, Congress considered the idea of broadcasting its proceedings to the public. C-SPAN’s offer to distribute the signal to the public filled a gap in the Congressional plan, which made no provisions for distribution. Congressional hearings, reports and floor debates were examined to determine the reasons why Congress proposed television coverage and what importance

70. John Scott, *A Matter of Record: Documentary Sources in Social Research*, (Cambridge, UK: Polity Press, 1990), 36.

71. Ibid..

72. Ibid..

legislators placed on public control of the broadcasts. Other documents included testimony by C-SPAN executives before congressional hearings.

2. Sources originating from C-SPAN. As with any political economic analysis, it is important to examine documents created by the organization being studied. Not only is this vital to cross check empirical data, but to learn how an organization presents and interprets facts. From its inception C-SPAN has attempted to draw attention to its funding source and C-SPAN's documents provided insights about these efforts. C-SPAN's website provides a bounty of information about the network—particularly the pages designed for use by cable affiliates who carry the network. C-SPAN's press releases indicate what messages it deems important enough for public distribution. Internal marketing/promotion guidelines were also explored. In addition, C-SPAN has published a book, *"America's Town Hall,"* collecting essays from C-SPAN viewers who wax eloquent about the value of the network. This book encapsulates the way C-SPAN is viewed by those who watch it, but more importantly, C-SPAN's public mission. C-SPAN has also commissioned studies of its audiences and makes these reports available.
3. Cable industry trade associations: a) National Cable & Telecommunications Association (NCTA). NCTA is the main lobbying organization for the cable industry and regularly creates documents featuring statistics and highlighting accomplishments of the industry. NCTA representatives are frequent witnesses at Congressional hearings on cable and telecommunication regulations, and provided

written testimony and white papers explaining their policy positions. These documents provide an understanding of the major issues the industry faces and the solutions it proposes. b) The Association of Cable Communicators (ACC). The ACC was specifically designed to assist the public relations professionals in the cable industry. The organization's work suggests that public affairs content on cable is a product that is marketed like any other. These documents, in the form of papers, event and seminar agendas and reports, assisted in analyzing public service as a means rather than an end.

4. Popular press. Journalistic sources such as editorials and news articles about C-SPAN, helped contextualize C-SPAN within the larger U.S. media system. C-SPAN's founder Brian Lamb insists his network is a type of journalism, but do journalists respect the network.
5. Trade publications. Publications such as Broadcast & Cable, Cablefax, Multichannel News and Variety offer trade/industry perspectives about the cable and television industry. These sources rely on the frank assessment of industry insiders—people whose interests and concerns about cable may differ from the general public. As with the business press (e.g., Wall Street Journal, Fortune, Business Week), trade journals present stories from the perspective of producers not consumers (i.e., citizens.) These sources are a way to develop perceptions about C-SPAN *from the perspective of media producers.*

As Thomas Lindlof and Bryan Taylor have described, documentary analysis in communications research is best used along other methods.⁷³ To “build up a fully rounded analysis” of C-SPAN, documents were used in conjunction with interviews under the conceptual framework of political economic theory. The combination of multiple methods and a guiding theoretical approach allowed the study, the words of Fortner and Christians to “triangulate” meaning.⁷⁴

In 1994, the cable industry established The Cable Center in Denver to celebrate cable’s contribution to society. One of the institution’s main research contributions has been to establish an oral history archive of cable pioneers. This archive has been heavily utilized in this study as a source of information about the industry’s most influential and powerful men and women, about their views on cable’s values and how C-SPAN represents these values. Because of the popularity of his network, Brian Lamb is frequently interviewed in the media and these interviews have revealed Lamb’s vision for the network. The richest source of information about C-SPAN’s inner-workings and institutional values came from a personal interview with Peter Kiley, the VP of Affiliate Relations at C-SPAN.

73. Thomas R. Lindlof and Bryan C. Taylor, *Qualitative Communication Research Methods, 2nd ed.*, (Thousand Oaks, CA: Sage Publications, 2002), 117.

74. Robert S. Fortner and Clifford G. Christians, “Separating Wheat from Chaff in Qualitative Studies,” in *Mass Communication Research and Theory*, (ed.’s) Guido H. Stempel, III, David H. Weaver and G. Cleveland Wilhoit, (Boston: Pearson Education, Inc., 2003), 354.

Limitations

Labor relations is a standard area for political economic studies to analyze. C-SPAN is a non-unionized workplace and has actively fought off efforts of the National Association of Broadcast Employees and Technicians-Communications Workers of America (NABET-CWA). As recently as 2006 workers within C-SPAN sought representation. Utilizing an interview with Mark Peach, NABET-CWA president during the 2006 campaign, the study was able to learn the network engenders a culture of sacrifice for the larger good of public service. Despite this culture of sacrifice, a group of workers sought to hold a vote on unionizing. At that point, the network actively sought to destroy the attempt by making threats to workers and hiring a professional union-busting firms to conduct an anti-union campaign. A sustained labor-based analysis of C-SPAN would allow the study to demonstrate ways the network absorbs and facilitates the economic values of the capitalist market. Unfortunately, there was not room in the study, or time to further research this aspect of the company.

The regulation of mass communication systems is an immense topic with its own subfield—policy studies. While television/telecommunication policies are integral to analyzing the historical evolution and continued survival of C-SPAN, this study is not a policy study. Policy studies focus on an industry as the irreducible unit of analysis and in doing so would de-center C-SPAN. The study sought to understand a specific network in the industry. A thorough policy study of the cable industry would add to the context of

C-SPAN, but this task was beyond the resources of this study. In addition, such an effort would be duplicating existing studies.

This study founded on the idea that there is value in televising and streaming the federal lawmaking process live, unedited, and without narration to the citizens of the U.S. For these reasons the study will not explore the other sources of public affairs content. Once the full spectrum of C-SPAN's programming is examined it is possible to discern a potential effect of corporate sponsorship on the editorial decisions of producers. A report undertaken by the media watchdog group, Fairness and Accuracy in Reporting (FAIR), referred to again in Chapter III, indicates the non-gavel-to-gavel programming of C-SPAN favors a Republican bias. An equivalent content analysis of C-SPAN's gavel-to-gavel government programming would prove useful but far beyond the scope of this study. Of C-SPAN's gavel-to-gavel programming, however, FAIR writes, "Since 1979, C-SPAN has provided an invaluable service to viewers with its no-frills coverage of congressional hearings, press briefings, demonstrations, book readings and other political events." For all of these reasons, this study is limited to analyzing C-SPAN's gavel-to-gavel programming.

The study also does not investigate C-SPAN's audience. C-SPAN has undertaken research into its audience but to develop an independent data set is beyond the scope of this study. Focusing on audience shifts the study from an institutional analysis and would open up issues of individual use. It would be beneficial to learn who uses C-SPAN and for what purposes to answer other questions but in a political economic sense it is more

useful to learn to whom the network is targeted and for what purpose. Because the study concentrated on the network as a media organization within a profit-based industry there was less need to know who is watching the programming and more need to know how certain audiences serve the political economy.

The study is limited by the amount of financial information on C-SPAN that is publicly available. Because the network is private non-profit, it is not required to publish an annual financial reports or submit SEC filings. The network's IRS 990 form is available, but does little to shed light on its internal operations. Likewise, cable MSO's do not mention C-SPAN in their tax filings, SEC documents or annual reports, so there is no way to track how C-SPAN's affiliate fees are accounted for.

There have been no critical studies of the political economy of C-SPAN and thus this study intends to fill this gap. By focusing on Congressional television offered by C-SPAN, the study seeks to answer the basic questions: *why does the industry provide the network?* and *what does it mean for U.S. society for a private organization to offer a public service such as C-SPAN?*

Conclusion

This chapter begun by outlining the basic tenets of political economic and political economy of communication theory. The theory is founded on praxis and guided by moral assessments of social equity. Communication political economy has taken up this framework and strives to apply the theory to the media and mass communication

systems. Owing to the continued growing global disparity of wealth accumulation coupled to the importance of mediated communications within societies, political economy of communication is as vital as it ever was. Next, the study described the ways political economy assisted in answering the guiding research questions. The study is a structural analysis and the theory surpasses other framework in its ability to address issues of ownership and control. Following this the study explained what literature illuminates C-SPAN: writings about the cable industry, studies on the network itself, and the curious scholarship around the business concept of CSR. The preferred method used by the study was document analysis, with interviews. The various document sources were then listed. Finally, the limits of the study were acknowledged.

CHAPTER III

PROFILE OF C-SPAN

*C-SPAN has once again provided a public service that promotes our democracy and digital citizenship.*⁷⁵

*~National Cable & Telecommunications Association
President & CEO Kyle McSlarrow*

The Cable-Satellite Public Affairs Network (C-SPAN) is a “cable satellite & radio network producing coverage of both houses of the US Congress and other significant governmental and public affairs events.”⁷⁶ For any television viewer wanting to watch Congress, there is only one place to turn: C-SPAN. Available on cable, satellite, radio, and the web, C-SPAN is the nation’s premier public affairs network. Begun in 1979 with a single channel showing a government-produced feed from the House of Representative’s floor sessions, C-SPAN now includes three cable/satellite networks, one radio station (available on XM satellite radio) and one the most video-rich websites of

75. NCTA, “Statement of NCTA President & CEO Kyle McSlarrow Regarding the Launch of the C-SPAN Video Library,” March 17, 2010, <http://www.ncta.com/ReleaseType/Statement/cspanvideolibrary.aspx>

76. C-SPAN, IRS Form 990, 2008. Available from <http://www2.guidestar.org/>

any cable network. With 98.6 million subscribers, C-SPAN is among the 25 largest cable networks in the U.S.—larger than Fox News.⁷⁷ C-SPAN is carried by 7,000 of the 7,677 cable systems across the country.⁷⁸

A Brief History of C-SPAN

Brian Lamb, an ex-Nixon administration aide, began to pitch the idea of an all-public affairs network to cable executives as early as 1976 while he was a reporter for the cable trade magazine Cablevision. At the beginning Lamb intended a “Meet the Press” type of channel with long-form interviews with policymakers. Lamb had no plans to televise live Congressional meetings and even if he wanted to, Lamb would not have been able to; despite years of committee hearings on the subject, Congress prohibited cameras to record its deliberations.⁷⁹

Lamb initially had trouble garnering support for his network. Although Robert Rosencrans, a substantial figure in the development of cable programming, was the first to support Lamb with a check for \$25,000. He told Lamb “The industry doesn’t want it, I can’t raise the money, they don’t care.”⁸⁰ Then in 1977 an event occurred that would shape the future of C-SPAN: the House Representatives began a limited test to televise its

77. K.C. Neel, “Extended Reach: Cable Networks Close in on 100M Subscriber Milestone,” *Multichannel News*, July 6, 2009, 6.

78. National Cable and Telecommunications Association, “Directory of Cable Networks; C-SPAN,” NCTA, <http://www.ncta.com/OrganizationType/CableNetwork/1426.aspx>

79. Brian Lamb, “Debunking the Myths” (speech, at the National Press Club, Washington D.C., January 6, 1997).

80. *Ibid.*.

floor sessions. The signal was available on a closed-circuit system only within buildings on the Capitol mall, not to the general public or the media. After prolonged political wrangling, the House Speaker approved permanent cameras in the chambers and, most importantly, gave his tacit approval for future public dissemination of the signal. The Speaker's only provision: cameras were to be controlled by employees of the House. The Senate continued to ban television cameras.

Lamb quickly realized if he could secure permission to tap into the House signal, he would have an abundant source of low-cost programming. He quickly switched his concept from an interview-based network to a gavel-to-gavel government video network. Lamb pitched his idea to Speaker "Tip" O'Neil, who gave his permission for Lamb to carry the House signal over a cable channel. Once Lamb was able to secure content that cost virtually nothing, he was able to find financial backers. More importantly than the initial funds to launch the network, cable systems began to sign up for the service, ensuring its viability. In other words, cable companies provided the funds, equipment and satellite transponder time to get the network running. In late 1978, Lamb incorporated the nonprofit National Cable Satellite Corporation, C-SPAN's holding company. By the time the House began its first public telecast on March 19, 1979, Lamb and his influential industry benefactors had found 200 cable systems willing to carry the government's live signal to a potential audience of three and a half million subscribers.

In 1981 C-SPAN was able to secure permission to televise House committee hearings. The following year the network was cablecasting 24 hours a day, seven days a

week. The Senate voted to televise its floor sessions in 1986 and Lamb launched his second network, C-SPAN 2, to feature Senate events. By 1990 C-SPAN potentially reached 50 million subscribers. In 1995 C-SPAN transformed its call-in show into the immensely popular three hour “Washington Journal.” Another C-SPAN non-legislative staple, its book shows, began in 1996. The next year the network bought a radio station in the D.C. area and started utilizing streamed video and audio on its website. In 2001 the network added its third channel, C-SPAN 3, which features educational programs about U.S. history.

C-SPAN’s Unique Characteristics

C-SPAN is considered the premier cable network, an example of the good things that cable television can provide. It is cable’s “crown jewel” because it stands out among all other cable networks. Three attributes set the network apart from other cable and satellite television networks:

- C-SPAN’s dedication to public affairs programming.
- C-SPAN’s staid production style used to cover these events.
- C-SPAN’s unique ownership structure.

These three components of C-SPAN’s operation will be discussed at length below. This study is a political economy, and the network will be analyzed using the theories and terms of political economy. The first two components of the network, content and style, establish the use-value of the network. The use-value is the qualitative utility of a good or service as determined by its users. Without a use-value a good or service would, quite

literally, be worthless. The public affairs programming and the gavel-to-gavel video production style used to cover these events provide the users of C-SPAN a service that is useful. The study presumes there is immense value in presenting U.S. society with the type of programming C-SPAN is known for. Because of this, and the fact C-SPAN is the only network offering this type of service, it offers an unparalleled social good. Most studies and analysis of C-SPAN reside at this level—the utility of the network’s products and services. Whether its a media effects scholar, a Washington D.C. insider, or a citizen living in a rural area, all expound on the way C-SPAN is used. The utility of C-SPAN is an important component to analyze because it establishes the network’s particular service is socially needed. The last component of C-SPAN—its ownership—represents the exchange-value of the network. This aspect of the network has been under-considered by scholars and the public alike. The exchange-value of the network is tied to how C-SPAN, as a unique organization, is able to perpetuate its existence in our society.

Exchange-value is a quantitative measure of a good, representing the socially necessary time it took to produce the good. Because all products represent a certain amount of abstracted labor, people are able to trade dissimilar products. When C-SPAN is analyzed, its price is mentioned (how much money it took to produce the network) but not its exchange-value. Exchange-value is a political economic concept incorporating concepts beyond monetary ones; it places a good in a context of material social relationships. No good meant for social consumption is produced outside of the larger system of social relationships. In the U.S., and most of the world, the social system—or political economy

—producing social goods and services is capitalism. No one has yet studied C-SPAN from a structural level and examined the ways it enforces the social power in the U.S. let alone how it contributes to capitalism's continued survival. While some scholars have looked at how C-SPAN's products foster democracy, their studies inevitably reinforce the *existing* capitalist order by focusing on the use of products rather than the larger system these goods were produced under. Many have taken a look at the product and not the structure of the entity that produced the good. Abstracted from the productive process it took to create the service inequities in social power are flattened and history ignored. For this reason the study will engage in an extended political economic history of not only the network, but how Congress opened its doors to television cameras, the development of cable television as a social and economic force, technological development of geo-synchronous telecommunication satellites, and major regulatory legislation affecting cable television. Through the historical context the reader will be able to comprehend the ways in which C-SPAN was the product of historical circumstances more than a revolutionary force onto itself as the premiere C-SPAN scholars, Stephen Frantzich and John Sullivan, have proposed⁸¹. Ignoring the political economic conditions surrounding C-SPAN's founding and continued existence, the cable industry is able to propagate a myth; offering C-SPAN is a form of charity from which the industry gets nothing, except satisfaction of doing the right thing. The heart of this study is dedicated to understanding

81. Stephen Frantzich and John Sullivan, *The C-SPAN Revolution*, (Norman, OK: University of Oklahoma Press, 1996)

and refuting this myth. Before this can happen it will be helpful to reveal the three unique aspects of the network so the reader has some concept of the network and its services.

Content: The “PA” in “C-SPAN” stands for public affairs. C-SPAN does not feature comedies, sports, game shows, news reports or children’s programming. All three of its networks offer only public affairs programming—something no other privately held television network can claim. This factor alone creates a justifiable use for the network.

The term “public affairs programming” is generally understood, but difficult to define. One FCC study examining public affairs programming tautologically defines it as any programming that “could be categorized objectively as public affairs programming.”⁸² It is most often defined by what it is not. Public affairs programming is not entertainment (popular or elite),⁸³ nor is it news.⁸⁴ The overall concept is closely tied to the central principle guiding the Communication Act of 1934—public interest. The 1934 act created the Federal Communications Commission giving it the right to “prescribe such rules and regulations as may be necessary in the public interest to carry

82. Thomas C. Spavins et al., “The Measurement of Local Television News and Public Affairs Programs,” *Federal Communications Commission*; Media Bureau Staff Research Paper, Media Ownership Working Group, September 2002, 5, <http://www.fcc.gov/ownership/materials/already-released/measurement090002.pdf>

83. The Federal Communications Commission Media Bureau, “The Public and Broadcasting: How to Get the Most Service for Your Local Station,” FCC, July 2008, np http://www.fcc.gov/mb/audio/decdoc/public_and_broadcasting.html

84. Steven S. Wildman, “Indexing Diversity” in *Media Diversity and Localism: Meaning and Metrics*, ed. Philip M. Napoli (Mahwah, NJ.: Lawrence Erlbaum Associates, 2007), 164.

out the provisions of this Act.”⁸⁵ Whether the FCC was evaluating a new technology or granting a broadcaster a license to use the publicly owned electromagnetic spectrum, the ultimate criterion was the same: will the action be in the “public interest?” The terms have legal power—if viewers determine a broadcast station is not serving the public (i.e., no longer operating for the public’s interests) they can petition the FCC not to renew the station’s license. A television station can serve the public by acting as a place where issues and ideas about current social and cultural events are discussed and debated.

C-SPAN has become synonymous with public service programming. For instance, in Megan Mullen’s *Rise of Cable Programming* C-SPAN is mentioned in every instance discussion of public service. Newton Minnow, who labeled television “a vast wasteland” in 1966 when serving as FCC chairman and is still a strong advocate of television programming public interest, recently singled out C-SPAN as the *only* effort television has made towards public service; “We still—with the exception of *C-SPAN* [...]—do not use this great medium as we might.”⁸⁶

C-SPAN serves the public by televising federal meetings and debates as well as other gatherings where national issues are discussed and debated. But the network does not limit its coverage to government sponsored events. Among its three channels, typical program schedules might include: viewer call-in show discussing the day’s political events with an expert guest, a White House daily briefing, a federal agency or

85. The Communications of 1934, June 19, 1934, ch. 652, title II, § 201, 48 Stat. 1070.

86. The Communicators, “Newton Minnow,” July 16, 2008, C-SPAN, <http://www.c-span.org/search.aspx?For=newton%20minow>

department press conference, House and Senate committees and floor sessions, a lecture from Washington D.C. think tank experts, an interview show with leaders in mass communication (e.g., communication corporation CEO's, media watchdogs, federal regulators, etc.), and documentaries or interviews about U.S. history.⁸⁷ While each one of these programs would fit the most stringent definition of public affairs, the majority of C-SPAN's content features Congress. This is hardly surprising, given the network is located in Washington D.C. and started by retransmitting television coverage of the House of Representatives. The network acknowledges that the core sources of its programming are federal "political" events, explaining that C-SPAN "Cover[s] Washington like no other."⁸⁸ But again, the most recognizable form of C-SPAN's political coverage is its Congressional programming. C-SPAN's Director of New Media points out "Our gavel-to-gavel Senate and House floor coverage is perhaps the most widely recognized aspect of our coverage."⁸⁹ C-SPAN scholar Stephen Frantzich, states the "...coverage of the House and Senate sessions, no matter how mundane or tedious, serve as the backbone of C-SPAN coverage and remain inviolate no matter what else is happening in the world."⁹⁰ According to Brian Lamb, providing legislative coverage is the network's "core

87. C-SPAN, "Schedule," March 1, 2010. <http://www.c-spanvideo.org/schedule>

88. C-SPAN, "Marking 30 Years: Covering Washington Like No Other," <http://www.c-span.org/30Years/default.aspx>

89. Peter J. Brown, "Getting Your Assets in Gear," *Broadcasting and Cable*, November 6, 2000, 50.

90. Stephen E. Frantzich and John Sullivan, *The C-SPAN Revolution*, (Norman, OK: University of Oklahoma 1996), 77.

programming commitment.”⁹¹ Indeed, company’s official mission statement states the network’s goal is “To provide C-SPAN’s audience access to the live gavel-to-gavel proceedings of the U.S. House of Representatives and the U.S. Senate, and to other forums where public policy is discussed, debated and decided.”⁹² Although C-SPAN produces historical, educational, cultural programming, they are not specifically mentioned in the mission statement and can be considered “value-added” content on top of the Congressional meetings and sessions. For these reasons, and because of its inherent value to democracy, this study focuses on C-SPAN’s Congressional programming.

Who watches C-SPAN’s programming is another issue. C-SPAN viewers are often labeled “political junkies.”⁹³ “People who understand the ins and outs of politics in general are fascinated by C-SPAN. People who don’t, find it boring.”⁹⁴ According to a survey by C-SPAN to mark its 30th anniversary, over 90% of its viewers vote, 35% have contributed to political campaign, 32% have written an elected official and 22% have actually talked to their elected official.⁹⁵ C-SPAN is a public affairs network dedicated

91. Frank J. Priol, “After Many Million Pages, ‘Booknotes’ Ends its Run,” *New York Times*, December 4, 2004, B7.

92. C-SPAN Company Page, “Mission Statement,” C-SPAN, <http://www.c-span.org/about/company/index.asp>

93. Blaine Harden, “Feasting on C-SPAN; Diet of Public Affairs puts Political Junkies in side Beltway,” *Washington Post*, May 9, 1996, A01.

94. Pam Brock, “C-SPAN Gets Real Madison Style,” *Montpelier Magazine*, Spring 2002, np, <http://www.jmu.edu/montpelier/issues/spring02/main/cspan.html>

95. C-SPAN News Release, “C-SPAN at 30: Who’s Watching,” C-SPAN, March 18, 2009, <http://www.c-span.org/30Years/media-release.aspx#30years>

to covering national politics. How the network chooses to do this is the second reason why the network stands out from other television networks.

Production Style: A cursory look at C-SPAN reveals that the network is different, not merely because of the public affairs content, but in the way the network looks and sounds.

The overwhelming majority of C-SPAN's content is shot live or live-to-tape (where an event is recorded live and is played back later without editing). When C-SPAN covers a public affairs event live, it televises the entire meeting from beginning to end without interruption. This is called gavel-to-gavel coverage, a term related to the network's focus on government. Coverage begins the moment a chairman or woman bangs a physical gavel to open a meeting and ends when the chair adjourns the meeting with another gavel bang. C-SPAN does not cut back to a studio where an anchor or pundit explains what you have heard and seen—analysis is left to the viewer. The choice of this staid visual style is more than superficial. According to its mission statement, C-SPAN has consciously chosen “To employ production values that accurately convey the business of government rather than distract from it”⁹⁶

Some have found C-SPAN less than exciting, as Brock observes: “Alfred Hitchcock said that film is really life with the boring parts left out. C-SPAN leaves all the

96. C-SPAN website. Company Page. Mission. <http://www.c-span.org/about/company/index.asp>

boring parts in.”⁹⁷ However, C-SPAN’s unedited gavel-to-gavel coverage represents a radical departure from previous forms of public affairs television.

For viewers [...] C-SPAN was an electronic marvel, since it allowed the politically minded to see their government in action, rather than watching abbreviated news reports on the three network evening news shows.⁹⁸

Information that was once the sole province of journalists to distill and impart is now available, unfiltered, to anyone who cares enough to subject himself to it.⁹⁹

Indeed, whether its viewers count themselves Democratic, Republican or independent, whether they consider themselves liberal, conservative or somewhere in between, almost all agree that C-SPAN is a national treasure.¹⁰⁰

C-SPAN does not add musical soundtracks or narrators and does not edit the coverage in any way. In comparison, during the 2004 presidential coverage, the average length of a candidate’s sound bite on the mainstream media channels was under eight seconds.¹⁰¹ In 2008, C-SPAN provided 4,190 hours of presidential campaign coverage and without editing.¹⁰²

97. Brock, np.

98. Dusty Saunders, “CSPAN Celebrates 25 Years,” *The Rocky Mountain News*, March 17, 2004, 2D.

99. Ruth Marcus, “Confessions of a CSPAN Junkie,” *The Washington Post*, March 18, 2004, A31.

100. Editorial, “25 Years Later; Innovative CSPAN is a National Treasure,” *The San Diego Union-Tribune*, April 3, 2004, B8.

101. Erik P. Bucy and Maria Elizabeth Grabe, “Taking Television Seriously: A Sound and Image Bite Analysis of Presidential Campaign Coverage, 1992–2004,” *Journal of Communication* 57 (2007): 664.

102. C-SPAN webpage; Marking 30 Years: Covering Washington Like No other, “30 Facts about C-SPAN,” <http://www.c-span.org/30Years/default.aspx>

While other networks may feature public affairs programs, their coverage style is quite different, including shouting pundits, selective editing, overwrought graphics, and bombastic music. Without the gavel-to-gavel style of coverage, C-SPAN would be unable to claim to be “unbiased.”¹⁰³ and “the political network of record.”¹⁰⁴ C-SPAN’s broadcasts can be considered a record of events in ways mainstream journalism cannot as C-SPAN’s cameras are more akin to the aesthetic of surveillance than what we consider professional television production. While it may not make for exciting television, (for some viewers) it offers “a window on the legislative process”¹⁰⁵ and provides an experience as close to being at the event as a mass mediated electronic communication method allows.

Ownership and Funding: Both of these aspects of C-SPAN—an all-federal public affairs programming lineup and unedited, live, gavel-to-gavel production style—demonstrate that the network is exceptional and warrants further study. Another unique characteristic is its ownership and funding, which is the focus of this study.

103. C-SPAN Press Release. “C-SPAN Statement Regarding Colbert Video.” nd, <http://www.c-span.org/special/colbert.asp>

104. C-SPAN Press Release. “C-SPAN Takes Lead in Making Video of Congressional Hearings, White House and Other Federal Events More Widely Available to the Online Community,” March 7, 2007, <http://www.c-span.org/about/press/release.asp?code=video>

105. Catherine J. Hosley, “C-SPAN Used as Window on the Legislative Process,” *Chronicle of Higher Education*, December 16, 1987, A14.

Ownership: C-SPAN is owned by the National Cable Satellite Corporation—a registered 501(c)3 nonprofit organization, incorporated November 14, 1978, in the District of Columbia.¹⁰⁶ The network is considered a “cable industry cooperative”¹⁰⁷ because it is owned and operated by those who use its services—the cable industry. C-SPAN’s governing board and executive committee are composed of officers from large and small (mostly large) cable system owning corporations (also known as Multiple Service Operations—MSOs). The directors are a “who’s who” of the cable industry. Between C-SPAN’s board of directors and its executive committee, the network has representatives from nine out of the ten largest cable companies. C-SPAN’s executive committee includes the presidents of the three largest cable corporations: Comcast, Time-Warner and Cox. The board also includes a representative from the National Cable Television Cooperative, Inc. (NCTC)—a nonprofit cooperative that “negotiates master agreements with programming networks [and equipment manufacturers] on behalf of participating member companies” in order to secure better rates. The NCTC board contains many of the same members as C-SPAN’s board.

Many of the C-SPAN board members are ex-cable executives who have gone into advising or consulting work. For instance, Kelvin Westbrook, a prominent black entrepreneur, worked for large communications corporations (including Charter Cable

106. Department of Consumer and Regulatory Affairs; Corporations Division, District of Columbia, <http://mblr.dc.gov/corp/lookup/status.asp?id=110889>

107. Television and Cable Online Factbook 2010, “C-SPAN,” <http://www.warren-news.com/factbook.htm>

and SBC) before starting his own cable company in St. Louis.¹⁰⁸ Another board member, Amos Hostetter, has played a key role in the history of cable television. In the 1960s he and a partner started a small cable company, Continental Cablevision, which was sold to US West in 1996 for \$11 billion. Hostetter is now the 158th richest person in the U.S.¹⁰⁹ He was an early supporter of C-SPAN and was the leading figure behind another cable industry public service with wider public relations overtones; *Cable in the Classroom*.

C-SPAN's board represents the often conflicting range of companies and services within the cable industry and includes members from both American Cable Association (ACA) and National Cable & Telecommunications Association (NCTA). With slightly over 1,000 independent cable system owners, ACA represents the smaller cable operators who provide service to 7 million subscribers in the nation's minor markets and rural areas.¹¹⁰ NCTA, on the other hand, represents the nation's largest cable operators—often called multiple system operators (MSO)—and represents 90% of the cable households in the U.S. (approximately 94 million subscribers). NCTA also includes 200 cable program networks and even cable equipment manufacturers.¹¹¹

108. Alvin A. Reid, "Entrepreneur of the Year: Kelvin Westbrook," *The S. Louis American*, September 28, 2005.
http://www.stlamerican.com/articles/2005/10/03/business/local_business/localbusiness01.txt

109. Forbes, "America's Richest List," http://www.forbes.com/lists/2007/54/richlist07_Amos-Hostetter-Jr_TVQX.html

110. American Cable Association, "About Us," http://www.americancable.org/about_us/aca_history_0

111. National Cable Telecommunications Association, "About Us," <http://www.ncta.com/About/About/AboutNCTA.aspx>

However, C-SPAN is a service to the entire cable industry and is not the property of any single provider or company. It has to represent the needs and voices of the many divergent and competing corporations that make up the industry. Because it is a cable network, however, C-SPAN does not have other cable network representatives on its board. This would clearly present a potential for conflicts of interest.

Board members receive no direct compensation for serving. As Brian Lamb explains: “They get nothing to serve on the board. They’re all members of the cable television industry. They gave their time. They fly to wherever we’re having our meetings on their nickel, not on ours. All their expenses are paid by their own companies. And they get absolutely nothing out of it except some satisfaction that they’re giving something back for their country.”¹¹² This is an interesting point and should be considered unusual, since half of corporate directors earn over \$100,000 for serving on a company’s board.¹¹³ Many board members receive bonuses for chairing committees and often given additional compensation in the form of stock options. C-SPAN’s directors are not paid or even compensated for their expenses. But this does not mean there is no value in serving on the board. As corporate power structure research has demonstrated, serving on boards of other corporations is one of the major ways power elites manage to secure and strengthen

112. Brian Lamb, “Debunking the Myths” (speech, at the National Press Club, Washington D.C., January 6, 1997), available from <http://www.c-span.org/about/company/debunk.asp?code=DEBUNK2>

113. Josh Funk, “Corporate Board Pay Soars as Directors’ Tasks Grow,” *New York Times*, May 5, 2008, available from <http://www.nytimes.com/2008/05/05/business/worldbusiness/05iht-board.4.12575884.html>

power.¹¹⁴ C-SPAN's directors are presidents and CEOs of the largest cable communication corporations representing the will of the cable industry. They are not a random selection of civic minded people.

The point here is that C-SPAN is a private, not public, cooperative. Not only do the directors come exclusively from the ranks of the cable industry's elites, the network also limits public involvement or financial support of the network. C-SPAN does not solicit or accept donations from general viewers and there are no public "members" of the cooperative. With ownership (even partial) comes influence and the most obvious way for this is manifested in media organizations is through editorial control over programming. This is illustrated by looking more carefully at C-SPAN's programming.

At least one study has focused on C-SPAN's political bias. In 2005, the media watchdog group, Fairness and Accuracy In Reporting (FAIR), conducted a study using the daily call-in show "Washington Journal." FAIR determined that C-SPAN favored studio guests and callers expressing right-of-center attitudes.¹¹⁵

But another kind of influence is also possible. C-SPAN has limited resources and time slots available and cannot possibly air every legislative hearing. By selecting what committees are featured, editorial control can be exerted. For instance, what would C-SPAN's programmers do if a legislative hearing was coming that featured anti-cable

114. See: Val Burris, "Interlocking Directorates and Political Cohesion among Corporate Elites," *American Journal of Sociology* 111 (2005): 245-83. & William G. Domhoff, *Who Rules America: Power, Politics, and Social Change* (Boston: McGraw-Hill, 2005).

115. Steve Rendell, "Failing at its 'No.1 Goal:' Lack of Balance at C-SPAN's Washington Journal," *Extra!* November/December 2004, np, <http://www.fair.org/index.php?page=2764>

bills. It might be possible that the industry would be motivated to get its side of the argument out to as wide an audience as possible during such hearings. And yet, in 2004 C-SPAN telecast a speech by a Canadian cable executive denouncing “à la carte” programming options for subscribers. À la carte, where subscribers pay and receive only the channels they want, is adamantly opposed by C-SPAN and the cable industry. The issue is supported by consumer groups, who presented their case before a House committee. C-SPAN did not cover the hearings.¹¹⁶

Beyond the potential for editorial control over programming, it is possible to argue that: the industry is far less interested in using C-SPAN to control information than in using the network to promote the industry. C-SPAN’s *raison d’être* is to act as a form of industry promotion. If C-SPAN was publicly owned, or legally mandated, the cable industry would be unable to claim credit for it and would lose a political lever in Washington. C-SPAN is the only U.S. cable network to feature this unique form of ownership.

Funding: C-SPAN carries no advertising and does not accept program underwriting. How then, is C-SPAN funded? As the promotional video from C-SPAN’s website (described in Chapter I) explained it: “America’s cable companies have been providing C-SPAN.”¹¹⁷

116. Kent Gibbons, *Through the Wire*, *Multichannel News*, July 19, 2004, 6.

117. C-SPAN, “About Us,” <http://cspan.org/about/index.asp?code=About>

While the video makes it clear that C-SPAN is funded by America's cable companies, this is not the whole story. At another location on C-SPAN's website, it is further explained "Its operating funds are derived from monthly fees paid by affiliated cable TV systems and other distributors of C-SPAN programming."¹¹⁸

According to C-SPAN's IRS 990 form, the company's total revenue was \$58.1 million in 2008. Total expenses were 93% of total revenue (\$54 million). Of the total revenue, \$55 million came directly from "programming fees." Which are referred to as affiliate or franchise fees, with minimal revenues from videos and merchandise. An affiliate fee is a standard industry practice where a local cable operator pays the owner of a cable network a per-capita fee based on the number of subscribers in the system for the right to carry the programming. In 2008, the entire cable industry paid \$3 billion in affiliate fees to network programmers.¹¹⁹ C-SPAN represents slightly over one half of one percent of that total. If a local cable system wants to carry C-SPAN programming, it directly pays C-SPAN 5¢ per subscriber in its system.¹²⁰ In this way C-SPAN is funded like any other basic cable network.

Other cable channels without advertising are "premium" channels (e.g., HBO). Subscribers pay an additional fee to receive the channel. C-SPAN is not a premium channel but a basic cable channel; often included as part of the lowest tier of

118. C-SPAN, Information for Viewers; Frequently Asked Questions, "How is C-SPAN Funded?" http://www.c-span.org/about/viewer_info/faq.asp?code=ABOUT#funded

119. NCTA, "Industry Data," <http://www.ncta.com/Statistics.aspx>

120. John Higgins, "Man on a Mission: C-SPAN's Kennedy Sees a Multiplatform Future for Public-Affairs," *Broadcasting & Cable*, March 27, 2006, 24.

programming packages that cable operators offer to customers. For the monthly fee, a cable operator receives the rights to carry C-SPAN, C-SPAN 2 and C-SPAN 3. Thus, C-SPAN's \$58.1 million budget, which is already far below the industry standard for a cable network, funds *three* separate networks. C-SPAN's 5¢ affiliate fee is the lowest in the cable industry for a national cable network. As a comparison, ESPN's affiliate fees are the highest in the industry at \$3.25 per subscriber.¹²¹ In order for a cable company to carry C-SPAN 2 or C-SPAN 3, however, it must agree to carry C-SPAN. Because it does not need to garner profits or attract large audiences in the hopes of attaining advertising dollars, C-SPAN has maintained its fee schedule for over fourteen years. It is able to do this because of low production and labor costs.

C-SPAN uses non-union staff and has actively fought several attempts of C-SPAN workers to unionize by hiring union-busting consultants.¹²² While the company will not allow its workers to unionize, the disparity between executive and general workers is one of the lowest in the industry—to such a degree one might assume C-SPAN executives chose C-SPAN for non-monetary reasons. Executives' salaries are *at least 75%* below the

121. Andy Fixmer, "Iger's ESPN Sports Contracts Squeeze Profit at Disney (Update2)," Bloomberg.com, September 6, 2007, <http://www.iht.com/articles/2007/09/06/bloomberg/bxespn.php>

122. Mark Peach, (President, 2002-2006, of NABET-CWA Local 31) interview with author, June 2009.

industry standard¹²³ (e.g., Lamb's salary is \$332,090¹²⁴ compared to David M. Zaslav, CEO of the cable programming giant, Discovery Communications, who earned a \$2,000,000 salary and \$15,480,000 in total compensation¹²⁵). C-SPAN distinguishes itself among other corporate entities by the fact it has two chief operating officers: Susan Swain and Robert Kennedy. Kennedy handles the business, finance, and technology operations, while Swain oversees the programming and marketing.¹²⁶ Unlike other for-profit corporations where co-COO's might cause competition and backbiting, the arrangement has worked quite well for the past fifteen years. Not only does C-SPAN keep labor costs low, the nature of gavel-to-gavel coverage means production costs are kept to a minimum.

With only the most basic effects, no scripts and limited cameras/lighting, an hour of C-SPAN programming costs around \$2,300 to produce, compared to \$20,000 for a live studio cooking show or \$2 million for a major network drama program.¹²⁷ Except for a few hosts of its studio shows, the network does not have expensive "talent" costs. By

123. John Higgins, "Man on a Mission: C-SPAN's Kennedy Sees a Multiplatform Future for Public-Affairs," *Broadcasting & Cable*, March 27, 2006, 24.

124. C-SPAN, IRS Form 990, 2008. Available from <http://www2.guidestar.org/>

125. Scott DeCarlo and Brian Zaja, ed., Special Report, "CEO Compensation; #86 David Zaslav," April 22, 2009, available from http://www.forbes.com/lists/2009/12/best-boss-09_David-M-Zaslav_D9HF.html

126. David Hatch, "Two Heads are Better than One: Swain and Kennedy Find the Right Balance at C-SPAN," *Broadcasting and Cable*, May 3, 2004, 70.

127. Higgins, 24.

relying on public meetings, C-SPAN avoids costly licensing fees charged for private entertainment or sporting events.

Generally then, because affiliate fees are a standard revenue source across the cable industry, C-SPAN's ownership structure is more unique than its funding mechanism. Despite the fact affiliate fees are a fee-for-service payment there is a clear attempt to promote the industry's support of C-SPAN as voluntary contribution. For instance, on its twentieth anniversary, C-SPAN purchased a full page advertisement in the *New York Times*, with the headline the ad "Cable's gift to America."¹²⁸ The text then explained how "20 years ago America's cable companies decided to provide gavel-to-gavel coverage of Congress as a public service, at no cost to the taxpayer." The ad doesn't use the term "donation," but uses "gift" instead. Gifts, in the pecuniary sense, are free. The ad alludes to this definition with the "at no expense to the taxpayer" line. While the thrust of the advertisement is the industry foots the bill, the actual "donation" might be considered the opportunity cost of tying up a channel (or three) for noncommercial programming.¹²⁹ The channel space dedicated to C-SPAN networks could be used for a commercial network, allowing the system to sell local advertising or receive money based on product sales (e.g., home shopping networks or pay-per-view programming). More on this to follow.

128. C-SPAN advertisement, "Cable's Gift to America," *New York Times*, January 11, 1999, A6.

129. Peter Kiley, (C-SPAN Director of Affiliate Relations), interview with the author, February 26, 2006.

Despite the claim that C-SPAN is non-profit and a “public service,” the network is still part of a commodification process. In other words, the network is *purchased and sold* as part of an overall cable package. C-SPAN is only available to viewers through a fee-based service (cable television, satellite television, high speed Internet connection). C-SPAN is bundled with other cable channels and *the entire package* is sold to subscribers as a programming “tier” for a national average price of \$71 per month.¹³⁰

The “opportunity cost” of not being able to reap the revenue of another home shopping network or popular sports channel is an economic matter with political economic ramifications. It is a straw man argument, put up to prevent the public from recognizing larger political economic realities (i.e., the industry gains social power through capitalizing on a public service). Economic cost-benefit analyses deal with intangible future or current alternative outcomes and frequently under-value the current choice. It may be true a cable system could make more money by offering another network but we are lead to believe there is no *economic* benefit to offering C-SPAN, e.g., C-SPAN is a “gift.” In an economic, not anthropological, sense, the giver of a “gift” is not remunerated. The exchange value of voluntary public service is satisfaction, and if this is the actual reward, it outweighs any monetary opportunity cost. In fact, if there *wasn't* an opportunity cost to public service it would not be a donation. Public service freely given is ignoring monetary opportunity costs in favor of emotional rewards. If a

130. Todd Spangler, “Study: Average Cable TV Bill Is \$71 Per Month,” *Multichannel News*, April 16, 2009, np, http://www.multichannel.com/article/196364-Study_Average_Cable_TV_Bill_Is_71_Per_Month.php & NCTA, “Key Policy Issues; à la carte,” <http://www.ncta.com/IssueBriefs/ALaCarte.aspx>

giver gives up nothing, the “donation” would not have any costs to the giver and because he or she was not giving up anything, would not have any value. In this way, only by the industry saying it is giving up potential revenue can offering C-SPAN be considered a public service donation.

By examining the economic costs and benefits, the entire premise of sacrifice is based on an incomplete picture. C-SPAN is presented as a cost to the cable industry. It is the public, not the cable industry that receives the benefit—quality public affairs programming. Only by *obscuring* the political economic benefits—political leverage, marketable programming, and testing ground for new services—behind a veil of charity is the industry able to present the network as a sacrifice. The industry hides the true social relationships behind the network’s operation within a capitalist media system.

Ultimately, whether or not the industry donates C-SPAN is an economic question but it is an important one to consider because it helps shed new light on the cable industry’s inferences that C-SPAN represents a kind of charity. By giving the *impression* that C-SPAN is donated, it is able to present its motivations as “public service” rather than profit. The goal of this study is not to disprove the motivations of cable operators or to put a price tag on the donation of each MSO carrying C-SPAN, but to suggest that other, more important, considerations are at play when we consider the network as part of a larger capitalist political economy. For this reason, a historical analysis is vital. Only through understanding the material social conditions under which the network was formed, and continues to thrive, are we able to comprehend how it has been expedient to

serve the public with this type of network, and how technological and market realities made the “charity” of C-SPAN affordable.

Conclusion

This chapter has discussed how three characteristics—public affairs-only programming, unedited gavel-to-gavel production style, and an industry-based cooperative ownership structure—combine to make C-SPAN unique.

While more discussion of C-SPAN’s exceptional nature is possible, this study has focused on uncovering and analyzing the political economic benefits of this network. By critically examining the description of C-SPAN that is offered by the network and its industry owners, it is possible to place the network in its actual social context. The network’s founding is an excellent example. As is so often the case with historical accounts, history becomes biography. Lamb has publicly singled out eleven individuals by name and explained that “We wouldn’t be where we are if they hadn’t been involved and looked back at their own industry and said to their own people, ‘Do this.’”¹³¹ It is true that these individuals had a key role in the birth and continued success of C-SPAN, but given the change in the cable industry from small independent “mom and pop” outfits run by entrepreneurs to the managerial capitalism of large multinational corporations, individual dedication has been transformed into corporate policy.

131. Brian Lamb, “Debunking the Myths” (speech, at the National Press Club, Washington D.C., January 6, 1997), available from <http://www.c-span.org/about/company/debunk.asp?code=DEBUNK2>

C-SPAN began at the same historical moment that the cable industry was developing into a powerful interest group. While several cable pioneers donated time and money to the fledgling network, it indeed appears that C-SPAN was the product of Lamb's personal fervor for such a channel. While Lamb praises his industry sponsors, who "haven't hiccuped" with their support during the recession, he still recognizes larger economic forces. "There's just not a great deal of appreciation right now for nonprofits."¹³²

The creation myth surrounding C-SPAN is that the industry leaders stood up, made a pledge to provide C-SPAN and have stood by this pledge ever since. Lamb explains "They are cable television executives who have been slammed by Congress saying, 'They're nothing but greedy people--all they care about is money.' But they did create an institution that truly belongs to the public."¹³³ As discussed in this chapter, C-SPAN is hardly owned by the public and represents a "public service" that has been turned into a commodity that also serves the cable industry in various ways.

The wider context of social, political, economic and technological developments of the late 1970's allows us to understand how this "public service" not only possible, but became profitable. The next chapter explores the history of Congressional television so that C-SPAN's creation is not conflated with the efforts and motives of elected officials.

132. Paul Bedard, "Even at 67, C-SPAN Boss Brian Lamb Isn't Slowing Down," Washington Whispers Blog; US News and World Report, comment posted April 11, 2009. <http://www.usnews.com/blogs/washington-whispers/2009/04/11/even-at-67-c-span-boss-brian-lamb-isnt-slowng-down.html>

133. Brian Lamb, interviewed by Thomas Hazlett, "Changing Channels," *Reason*, March, 1996, 40.

C-SPAN was made possible because of an already existing movement to open Congress to cameras. Through exploring the process of Congressional television it is possible to discern the ways in which the controlling interests of a capitalist media system are not questioned in any sustained way, and that legislators' desire to televise their actions was the result of political needs that had little to do with democracy. In short, C-SPAN took advantage of historical circumstances favorable to a market-based solution, it did not create any sort of social movement.

CHAPTER IV

CONGRESSIONAL TELEVISION

None of us know who owns ABC, CBS, or NBC, who makes the decision, or where the money comes from. We do not know those things, and as long as we do not know those things, we should not give it up to the networks. Let us give it to the people.¹³⁴

~U.S. Representative Ronald V. Dellums

On March 19, 1979 the House of Representatives convened to debate such routine matters as the creation of a committee to study committee jurisdictions and the impact of shipping U.S. lottery tickets overseas.¹³⁵ The debates were far from monumental but the floor session made history nevertheless—for the first time the U.S. House of Representatives televised a regular floor session live to the American public. This date also marked the maiden cablecast of the C-SPAN network. Thirty years later, it is often assumed that C-SPAN “opened up” Congress to cameras. Viewers watched Congress on

134. *Legislative Branch Appropriations Bill*, HR 1293, 95th Cong., 2nd sess., *Congressional Record* 124 (June 14, 1978): H 17665.

135. Stephen Frantzich and John Sullivan, *The C-SPAN Revolution*, (Norman, OK: University of Oklahoma Press, 1996), 38.

C-SPAN, but the live telecast was produced by government employees using government equipment and was available to any media outlet that wanted to take the feed. So, C-SPAN did not open up Congress, Congress opened up itself.

The New York Times article describing the event, published the day after the telecast, failed to mention C-SPAN by name, reporting that the signal was carried “by some cable systems.”¹³⁶ C-SPAN was not the only television outlet utilizing the feed. A handful of PBS stations chose to take the event live, displacing Sesame Street, and the major broadcast networks aired edited portions during the evening news. C-SPAN, however, was the only network to continue transmitting the floors sessions live and unedited. The emergence of the C-SPAN network was such a radical departure from all other forms of public affairs coverage up to that point it is easy to conflate C-SPAN’s coverage with Congressional television. In other words, the network overshadows the historical significance of Congress opening itself up to cameras.

Historical Overview: Congress and Television the 1930’s – 1970’s

Commercial television broadcasting in the U.S. debuted at the 1939 World’s Fair. At the time RCA was looking for a way to use its broadcasting company, NBC, to promote its new line of television receivers.¹³⁷ The World’s Fair offered both an

136. B. Drummond Ayres, Jr., “First TV Broadcast of House Session Isn’t High Theater.” *New York Times*, March 20, 1979. A1.

137. Office of Managing Director, “History of Communications; Historical Periods in Television Technology; Golden Age, 1930’s through 1950’s,” Federal Communications Commission, <http://www.fcc.gov/omd/history/tv/1930-1959.html>

appropriately large venue to showcase the new technology and a singular event for the maiden transmission—the Fair’s opening speech by President Franklin Delano Roosevelt.

FDR, however, was not the first government official to appear on television. Three months earlier, four U.S. Congressmen and Congresswoman were interviewed on camera in front of the Federal Department of Agriculture building.¹³⁸ The signal was received at the National Press Club, where reporters and select guests watched. The FDR speech is frequently cited in histories of television, the Representatives’ interview has been forgotten. The 1939 telecasts set precedents for future federal political television coverage by showing from the very beginning of television that there was an interest in televising political figures, but it would be presidents, not Congress, dominating television coverage.

Most viewers take the gavel-to-gavel coverage offered by C-SPAN for granted. However, before C-SPAN could exist, Congress would have to open its deliberations to television cameras and microphones, something not inevitable with the invention of electronic mass communications. In 1944, five years after television was introduced to the world, Sen. Claude Pepper proposed a resolution permanently opening Congress to sound and image broadcasts.¹³⁹ The resolution died. In 1947 the House of Representatives did allow television cameras to broadcast the opening ceremonies of the 80th Congress. This broadcast marked the premier of Congressional television, but after

138. Office of the Clerk, “House History; Electronic Technology in the House of Representatives,” U.S. House of Representatives, http://clerk.house.gov/art_history/house_history/technology/tv.html

139. *Ibid.*.

the ceremonial portion of the floor session ended, the broadcast ended. House members had previously ruled that cameras would not be allowed to cover routine business. Three days later, the cameras were brought back to cover Truman's State of the Union Address. For the next 32 years, television cameras were only allowed to broadcast special joint sessions of Congress and visiting dignitaries speaking on the floor.

Over the next three decades, Congressional committees received far more television coverage than the floor sessions. The Senate was the first body to televise its committee hearings. In 1948, the Senate Armed Services Committee allowed television cameras in its hearings on universal military training.¹⁴⁰ Television was still a new technology in the late 1940's and few Americans owned sets. Thus, the telecast received little or no public notice. Three months later the House undertook an investigation of the communist infiltration of the U.S. government and entertainment industries. The House Committee on Un-American Activities (HUAC) marked the first sustained live broadcast of Congress. Again, given limited saturation of television set ownership in 1948, there was modest viewer interest. But this situation didn't not last long.

By the early 1950's television set ownership ownership was up and in 1951 the Senate began its televised investigations into organized crime to a large and eager audience. The Special Senate Committee to Investigate Organized Crime in Interstate Commerce (Kevauver Commision) gained so much notoriety that its chairman, Sen. Estes Kevauver, was given a "special achievement" award at the 1952 Emmys for "arousing the

140. Ronald Garay, *Congressional television: A Legislative History*, (Westport, CT: Greenwood Press, 1984), 36.

conscience of the American people to the fact that we have organized crime.”¹⁴¹ The Kevauver commission was popular and traveled around the nation to hold its hearings, but they were never broadcast coast-to-coast. The broadcast reach was limited to the geographic areas wherever the commission convened (e.g., New Orleans, Detroit, St. Louis, Los Angeles, New York, etc.). Three years later, Kevauver’s impact on Congressional television would pale in comparison to the events put on by a junior senator from Wisconsin—Joseph McCarthy.

The 1954 Army-McCarthy hearings were the first live coast-to-coast television broadcast of a congressional event. Though these hearings were a historical milestone in television history, only one network, ABC, chose to broadcast the hearings live and gavel-to-gavel. Then, as now, programming decisions were made with commercial considerations in mind. Hearings occurred during the afternoon when popular soap operas were scheduled. So the other networks were loathe to sacrifice advertising revenue by offering live and uninterrupted coverage of the hearings. With its news division in last place ABC’s president, Robert E. Kintner, decided the network had little to lose by broadcasting the entire hearings.¹⁴² NBC and CBS offered edited highlights during the evening newscasts and replayed larger chunks around midnight. This hearing not only demonstrated how television could build, and consequentially destroy, the career of a public figure it defined a generation.

141. “Senator Kevauver Cited for TV Inquiry.” *New York Times*, February 20, 1952, 37.

142. Thomas Doherty, “The Army-McCarthy Hearings,” in *The Encyclopedia of Television*, ed. Horace Newcomb, Cary O’Dell and Noelle Watson, (Chicago: Fitzroy Dearborn Publishers, 1997), 85-87.

By the mid-1950's, television was both culturally and socially ubiquitous in the U.S. Despite, or perhaps because of, the popularity of the McCarthy hearings Congress actively limited television access to the legislative process. The Senate allowed cameras in committee hearings only with consent of the committee members and banned them from the Senate floor altogether. In 1952 Speaker of the House Sam Rayburn expressly barred cameras from televising House Committees and regular floors sessions.¹⁴³ Despite efforts to permanently televise Congress beginning as early as 1944, television coverage for the next thirty five years would be piecemeal. No formal rule forbid Congress from allowing television coverage but tradition and fear kept out cameras and microphones. Decorum became the priority for legislators who wanted to avoid turning committees and floor debates into the circuses of the previous special investigatory hearings. Television was a new technology and Congress was an old institution. As one pivotal congressional report put it: "Innovation by Congress in mass communications at the institutional level is rare and hard to find."¹⁴⁴ Before Congress could be televised, elected officials would have to radically rethink the way they conducted business within the US political system. As it would turn out, television rode the coattails of a larger institutional reorganization campaign following the Second World War.

143. Garay, 52.

144. Joint Committee on Congressional Operations, *Congress and Mass Communications: An Institutional Perspective*, a study conducted by The Congressional Research Organization, 93rd Cong., 2nd sess., 1974, Committee Print, 24.

Legislative Reorganization Movements

After the World War II members of Congress “[...] shared concerns about the increasing size and expanding power of the executive branch that had come with the New Deal programs of the 1930’s and then World War II.”¹⁴⁵ In addition to losing power to the president, Congress had to answer to a multitude of critics who felt that Congress was not a modern organization. “The critics saw a tradition-bound institution incapable of governing in the second half of the 20th century.”¹⁴⁶ The first attempt to deal with both of these issues was the Legislative Reorganization Act of 1946. This act was “The most far-reaching organizational restructuring since the First Congress.”¹⁴⁷ The act streamlined the legislative process and cleared away arcane procedural restrictions. The act also, for the first time in the history of Congress, made provisions for hiring permanent professional and clerical staff for every committee, greatly increasing productivity and access to expert knowledge. By far, the act’s most important contribution was the restructuring of the committee system. It reduced the number of standing committees and attempted to routinize committee subject areas between the two houses. The number of committee assignments for each members was reduced in the hope that committee members would become experts in the subject of the committee. The net result of the act was to give more

145. Steven S. Smith, Jason M. Roberts and Ryan J. Vander Wielen, *The American Congress*, 5th ed., (New York: Cambridge University Press, 2007), 49.

146. Joint Committee on the Organization of Congress, House, *Organization of the Congress*, 103rd Cong., 1st sess., December 17, 1993, Committee Print H. Rpt. 103-413, np, available from <http://www.rules.house.gov/archives/jcoc2.htm>

147. Ibid..

autonomy to the committees. While the act made no provisions for broadcasting Congress, it set a precedent for modernizing Congress.

By the middle of the 1960's, it was clear times had changed yet again. Not only had technology brought the U.S. into the computer age, social unrest bred popular distrust of Congress. A resolution to create a committee to look at another massive reorganization of Congress was submitted in 1965. The omnibus bill would eventually take five and half years to pass, becoming the Legislative Reorganization Act of 1970. With its passage, Congress made efforts, yet again, to combat voter cynicism and bring the institution into the modern age. Modernization provisions included highly technical components, such as restructuring of committees and how the Federal budget went through the Congressional approval process. The act also made smaller, more tangible, changes such as installation of an electronic push-button voting system in the House chambers. But what the bill is generally known for are the efforts to battle public cynicism, as it "opened to the public eye more of the operations of Congress and the positions of its Members."¹⁴⁸

While the 1946 act restructured committees, the 1970 act opened them up to public scrutiny. Committee chairs no longer had discretion in declaring their committees closed to the general public, while committee members' roll call and amendment votes were made public.¹⁴⁹ After the act was eventually signed into law by Richard Nixon, the

148. Major Congressional Action, "First Congressional Reform Bill Enacted Since 1946," *Congressional Quarterly Almanac*, (Washington, D.C.: Congressional Quarterly News Features, 1970), 447.

149. *Ibid.*.

New York Times singled out these open committee provisions as “important.”¹⁵⁰ In an age of electronic mass media, the efforts to open Congress could not avoid the issue of media access. During public hearings on the act, Sam Archibald, of the Freedom of Information Center at the University of Missouri School of Journalism, testified that “the proposal before this subcommittee to increase public access to congressional information may not be the greatest step since the first amendment toward the people’s right to know, but it certainly moves in the same direction.”¹⁵¹ Archibald’s testimony was about one particular aspect of the broad reform resolution—allowing television cameras in House committee meetings. During hearings John Lynch, the network news director for ABC, commented how the Senate’s allowance of cameras while the House denied coverage, had resulted in “a disproportionate share of the public attention on that body of the Congress.”¹⁵² The news director was trying to convince the committee members to open House committees. It is important to recognize his rhetorical strategy involved playing on the representatives’ sense of insecurity over senators having more power over public opinion—just as both reorganization acts were attempts to address power inequities between Congress and the executive branch. When questioned by a committee member about why the media televised a particular Senate committee, Roger Mudd, Chairman of the Executive Committee of Radio and TV Correspondents’ Galleries, pointed out that

150. “Defense Measure Signed by President,” *New York Times*, October 27, 1970, 30.

151. House Committee on Rules, *Legislative Reorganization Act of 1970*, 91st Cong., 1st sess., October 30, 1969, 45.

152. *Legislative Reorganization Act of 1970*, 63.

the Senate's use of television coverage was strategic, telling the committee "You understand that the [Senate] Foreign Relations Committee embarked in that period on a, what they regarded as an educational campaign and asked for live television. They were using the media."¹⁵³ The act, when passed, officially opened House committee hearings—contingent upon majority vote among the committee members—to television cameras. This move revoked the two decade old ruling of Speaker Rayburn and placed the House on par with practices within the Senate.

More important than making television coverage of committees possible was the concept of tying an "open congress" to a "televised congress." The Legislative Reorganization Act of 1970 marks the inception of sustained, and coordinated, efforts to make television broadcasts of Congress a *permanent* feature of a more open institution. As has been summarized above, opening Congress to television cameras was an enduring issue for three decades. Without the backing of leadership and the majority of members, these early attempts ultimately failed. The early debate managed to keep the topic from disappearing until the right historical circumstances occurred. In the early 1970's opening Congress to cameras fit the historical moment when secrecy within institutions was increasingly intolerable to citizens. The Reorganization Act was *proposed* the same year that the sweeping Freedom of Information Act (FOIA) began to gain political support (1965). President Johnson grudgingly signed the FOIA bill only a year later, but Congress would not mandate committees be publicly open for four more years. The 1970

153. *Legislative Reorganization Act of 1970*, 84.

act represents a turning point in the way Congress perceived its role in an open and democratic society.

It is vital to understand that Congressional members' desire to have a publicly open institution was balanced against the institution's need to compete for social power with other institutions. While it would be unwise to doubt any single member's capacity for heartfelt popular egalitarianism, we must contextualize this sentiment with the historic conditions of the day. Congressional reorganization efforts were a reaction to technological changes, social unrest, and increasing presidential power that made legislative transparency not only possible but desirable. Using television to open Congress did not gain traction until there were corresponding social circumstances making this particular democratic action beneficial to the institution. Thus, televising Congress represented an intersection between Congress's institutional need for power and an individual members' longing for a more democratic institution. Once the issue was officially undertaken by a committee, this relationship would prove to hold contradictions that would determine the form of Congressional television.

It's Official: Form a Committee

In 1972 Representative Jack Brooks, acting as vice-chair of the Joint Committee on Congressional Operations, ordered the nonpartisan Congressional Research Service to "prepare a study of congressional capacity for utilizing the communications media more

effectively in communicating to the American people.”¹⁵⁴ The purpose of the study, titled “Congress and Mass Communications: An Institutional Perspective,” was to:

- (1) Describe the existing imbalance between Executive and Legislative Branch communications capacities,
- (2) Identify and analyze some of the consequences of this imbalance; and
- (3) Suggest and evaluate various ways that Congress might more effectively communicate the meaning of its constitutional role and daily activities to the American people.¹⁵⁵

As the title states, the report was from an institutional perspective—how Congress, not US society, could benefit by improving its use of mass communication. The point of increasing Congressional use of mass media, as far as Congressmen and women were concerned, was to remedy the imbalance between Congress and the President.

Constitutionally, Congress, the President and the Supreme Court are considered coequals, but the study found that by putting “...its resources to more effective use in the exercise of presidential and executive power duties,” the executive branch was able to gain social power beyond the other two branches of the government.¹⁵⁶ The study doesn’t to offer specific examples of the social damage caused by this “dangerous” imbalance, but in the historical context of the late 60’s and early 70’s, examples of unchecked executive power were readily available.

154. Joint Committee on Congressional Operations, *Congress and Mass Communications: An Institutional Perspective*, a study conducted by The Congressional Research Organization, 93rd Cong., 2nd sess., 1974, Committee Print, iv.

155. *Congress and Mass Communications: An Institutional Perspective*, 5.

156. *Ibid.*, 12.

On February 7, 1973 the Senate unanimously voted to form a committee to investigate the political scandal called Watergate. The first Watergate hearing was held May 17, 1973. The committee was open to cameras and gavel-to-gavel coverage was available to television viewers meeting from the beginning to the end. All three networks dedicated live coverage the first five days. On the sixth day, the networks worked out a pool rotation, with each commercial network responsible for broadcasting live, gavel-to-gavel coverage once every three days. PBS taped the hearings and replayed them at night. For once, the legislature was able to harness the power of the media against the executive branch. Ironically, however, the legislative branch gained positive media attention because of the President.

Four months after Nixon resigned, the Joint Committee on Congressional Operations reconvened its “Congress and Mass Communications” hearings to address the issues brought up in the CRS study. These hearings would produce the legislative debate that eventually opened the House chambers to television. The committee had started its work well before Watergate, but its final interim report, was published after Watergate. The committee noted “Popular cynicism about and alienation from democratic institutions and processes were persistent and disturbing factors long before the national consciousness began to be preoccupied with the Watergate revelations.”¹⁵⁷ While

157. Joint Committee on Congressional Operations, *Broadcasting House and Senate Proceedings*, interim report of the Committee on Congress and Mass Communications with separate views, 93rd Cong., 2nd sess., 1974, Committee Print 93-1458, 49.

Watergate was seldom mentioned during committee hearings, the point that Congress had “fallen to yet another new low in public confidence,” was mentioned frequently.¹⁵⁸

Congress Seeks Public Relations Makeover

In 1973 the Senate Subcommittee on Intergovernmental Relations commissioned the prominent pollster Louis Harris to produce a “comprehensive study on the attitudes and expectations of Americans toward their government.”¹⁵⁹ The Harris poll revealed that the American public knew very little about the operations of Congress, and what the public knew about Congress, it did not like. Elected officials were distressed that Americans lacked basic knowledge of government structure. Senator Edmund Muskie, who chaired the Intergovernmental Relations subcommittee that commissioned the poll, found the public knowledge about Congress “uniformly discouraging.”¹⁶⁰ Rather than condemn the quality of primary and secondary education civics instruction, Congress became self reflexive; seeing the issue as one of failed public relations. In its simplest form, the Harris study, and subsequent Gallup polls, revealed Congress had reached a historical nadir in public confidence by late 1974. Part of the solution members proposed to this problem was to reassess the way Congress used and interacted with mass media.

With the Harris study, the work begun by the Joint Committee on Congressional Operations became increasingly pertinent. The time was ripe for reassessing Congress

158. *Congress and Mass Communications: An Institutional Perspective*, 45.

159. *Ibid.*, 12.

160. *Ibid.*.

and television. Committee Chairman Senator Metcalf laid out the three questions the committee would seek answers to:

- 1) How can the institutional role and activities of Congress be more fully and accurately covered in the news media?
- 2) How can spokesmen for Congress gain direct access more readily to the broadcast media to present congressional points of view?
- 3) What additional facilities, staff, and other supporting services, if any, are required to provide Congress with more adequate institutional capability in the area of mass communications?¹⁶¹

Metcalf was careful to differentiate between improving public opinion and controlling public opinion, stating that the committee “is not interested in managing the news, Madison Avenue image making, or in packaging the Congress for a hard-sell campaign through the media.”¹⁶² He wanted the committee to consider ways to avoid replicating the current situation with a “Congress that talks only to itself.”¹⁶³ Another representative testifying before the committee urged the members to ask themselves “How do we make our job more comprehensive, how do we get a better flow into us and a better flow out of us?”¹⁶⁴ The question was not *whether* to open Congress to the media but *how* to open Congress to the media. Television was an obvious solution and the Joint Committee considered broadcasting floor debates. Floor sessions were a good choice logistically and symbolically. While the lion’s share of public legislative work is done in committees, the

161. Joint Committee on Congressional Operations, *Congress and Mass Communications*, hearings to assess public knowledge of and satisfaction with Congress and to consider various methods for providing full and accurate news coverage of the institutional role and activities of Congress, 93rd Cong. 2nd sess., February 20, 1974, 2-3.

162. *Congress and Mass Communications*, hearings, 2.

163. *Ibid.*, 1.

164. *Ibid.*, 165.

floor sessions offered advantages for television product. There was only one floor session a day, while there may be dozens of committees simultaneously meeting in rooms spread across the Capitol. In addition, floor sessions made sense because they are the clearinghouse of legislation. Every bill passed by Congress is debated on the floor. Floor sessions occurred at a set time every day and presented the best (i.e., most formal) face of Congress. The biggest dilemma that the committee faced was balancing the increased transparency provided by broadcasting floor sessions against the need of the institution to manage the message going out. Broadcasters wanted full access to floor sessions. This included the right to use their own equipment, to shoot whatever they choose and to use as little or as much of the coverage as needed.

Legendary TV journalist Fred Friendly testified before the committee, offering warnings about the reality of TV news: lifting the restrictions and allowing cameras into the chambers would not guarantee coverage nor would it improve viewers' understanding of Congress. Friendly spoke from a position of having intimate knowledge of network public affairs coverage and also of having the courage of his convictions—in 1966 he resigned as president of CBS News after the network chose to air reruns of *I Love Lucy* instead of broadcasting live Congressional hearings on the Viet Nam War. Friendly stated “The spectacle will always be in demand; what is required is the substance and content, the unspectacular and sometimes dull ebb and flow of parliamentary dialog by which free

men govern themselves. What you need is a plan of action, not just a removal of restrictions.”¹⁶⁵

This point was reinforced by the president of CBS, Arthur Taylor, who admitted that giving the networks unfettered access “will not not guarantee coverage of every congressional proceeding, or simultaneous coverage by all the networks, or any of the other guarantees that some may wish.”¹⁶⁶ Broadcasters continued to demand parity with print journalists, who, because their equipment was being limited to pad and pencil, were allowed to report from the chamber galleries.

The Congressional hearings revealed two positions: the Congressional members, public broadcasters and media experts/academics/critics who sought gavel-to-gavel coverage; and network broadcasters who favored ad hoc coverage facilitated by open access to the chambers. Each side had something the other side wanted—the networks wanted access, the members wanted coverage. It soon became clear that members of the committee were not convinced that opening the floor chambers to TV news crews would achieve the goal of improving the understanding of Congress.

In his testimony, media critic Ben Bagdikian simultaneously derided the members and journalists by pointing out that “Congress institutionally has failed in a number of critical issues, has lost the initiative to the Executive, and no policy of mass communications or news coverage can overcome that” but that “the main fault in this lies

165. *Congress and Mass Communications*, hearings, 332.

166. *Ibid.*, 88.

with the media, most of which, in terms of individual newspapers and broadcasting stations, accept this individual publicity from Members uncritically.”¹⁶⁷

Bagdikian’s solution was familiar to anyone who had read the CRS report: “The most immediate act Congress can take is to create a skilled, routine video recording of all its sessions.”¹⁶⁸ This recording would be live, unedited, and available to any one. This was the process used by the United Nations with its General Assembly meetings in New York. The UN contracted video production to an outside firm and the live unedited feed was available to any one willing to pay a subscription fee. Tapes were available for purchase as well. A similar to a process was already underway at the state level. The president of WJCT, Florida’s public broadcasting station, testified that people were “sick of one-way communication with documentaries giving a producer’s thoughts—of news on the hour, giving 5-minute capsules on such things as war, inflation, and energy—of editorials and 30-second analysis—of congressional action in the newspapers via Kiwanis and Rotary speeches.”¹⁶⁹ WJCT was one of the first television stations to air gavel-to-gavel coverage of a state legislature.

Gavel-to-gavel coverage was the preferred option of the committee going into the hearings and network broadcasters eventually confessed that if there was a government-produced feed available to them, they would make use of it. In the final committee

167. *Congress and Mass Communications*, hearings, 244-45.

168. *Ibid.*, 245.

169. *Ibid.*, 231.

report, a one year test of gavel-to-gavel broadcasts was recommended. The test signal would only be available to members via a closed circuit cable system in their capitol offices. At the end of 60 days, if the committee found that the test to be a success, network broadcasters would be allowed to tap the signal. It was suggested that PBS be contacted to see if they would be interested in consulting in the system's construction and running the test. Video tapes would be archived and made available to broadcasters and educational institutions. The 93rd Congress adjourned before any action was taken on the committee findings.

In retrospect, the 1974 Congress and Mass Communications hearings of the Joint Committee on Congressional Operations brought up many themes that related to the C-SPAN model. Senator Walter Mondale said if the goal was to create a public relations effort that he'd be against it and the public would see right through it. He felt that the public would "want to see the raw data, they want to see the raw truth, they want to see us in action, they want to see what happens behind those closed doors, and then they want to make up their own minds."¹⁷⁰ The closest thing to "raw data" of Congressional action would be gavel-to-gavel video. From the perspective of the committee, gavel-to-gavel video provided a workable solution to avoid the perception of government propaganda—if coverage was standardized, focusing on the person speaking, and only the person speaking, (no "reaction" or "color" shots of members in the chamber), it would offer a reasonable attempt at "objective" coverage.

170. *Congress and Mass Communications*, hearings, 38.

The networks were adamantly against gavel-to-gavel broadcasts for many reasons. Primarily, it was a first amendment issue—the press chaffed at the government requiring their coverage take a certain form. They felt that the “color” shots of members listening, or not listening, could convey the gist of the debate far better than a shot of a member giving a speech. Just as Congress should not restrict print journalists’ choice of adjectives, Congress should not determine a broadcaster’s choice of shots. By far the most compelling reason why broadcasters were against gavel-to-gavel broadcasts of Congress was having to give up valuable programming slots to Congressional coverage. Broadcasters made their money by selling advertising time. Would Congress like their debates sponsored by Chesterfield cigarettes? Even during the most dramatic hearings (e.g., Watergate, Viet Nam), networks chose to forgo gavel-to-gavel coverage because it cut into revenue producing programs. The CRS report held no illusions on this point, explaining that the chance of an average work-a-day floor session making it to air on the networks would be slim. The network heads promised the committee they would *not* air meetings gavel-to-gavel, and explained they were only interested in brief highlights.

Even public-minded PBS had no interest in airing gavel-to-gavel sessions on a regular basis. PBS president, Hartford Gunn testified about two of his major concerns regarding the issue of televising Congress: 1) the need to lift the restrictive rules preventing coverage by broadcasters and 2) the possibility of Congress enacting some compulsory coverage mandate. Gunn cautioned the members about the unintended results of mandatory coverage. “I, for one, would believe that such compulsory

broadcasting might contravene the freedom of the press. Compulsory broadcasting might produce a public backlash directed not only at the broadcasters but at Congress itself.”¹⁷¹ Gunn concluded his testimony not suggesting what PBS could do for Congress but what it could not do. Gunn admitted that he could not “promise any specific coverage for the future because our programming decisions are the collective judgments of 150 licencees who own and operate the 245 public television stations across the country....”¹⁷² Though PBS is a public (i.e., government subsidized) broadcaster, its structure was *designed* to prevent direct control of its content by the government. The government does not directly fund television, but provides funds through the Corporation for Public Broadcasting (CPB). President Johnson created that the CPB before creating a public broadcasting system in the U.S. The 1967 Public Broadcasting Act specifically states the CPB “will not be an agency or establishment of the U.S. Government.”¹⁷³ It was designed to operate autonomously—although the nine board members are appointed by the President and are subject to Senate approval. The CPB is largely a grant-issuing corporation that doles out money to producers to create programming for the network of Public Broadcasting Stations. In another layer of autonomy, PBS itself does not produce the programming but is a distribution network and administrator of the CPB funding. All programming seen on PBS is produced by local PBS stations, nonprofit organizations, or independent

171. *Congress and Mass Communications*, hearings, 184.

172. *Ibid.*, 184.

173. Public Broadcasting Corporation, “Public Broadcasting Act of 1967,” <http://www.cpb.org/aboutpb/act/>

producers. e.g., Sesame Street is produced by the Sesame Workshop, a nonprofit organization. Frontline is produced by WGBH in Boston. Even if the government wanted PBS to carry gavel-to-gavel telecasts of Congress, it could not legally do so. It is important to note that programming decisions are made at the local PBS station level. These stations are “public” in that they are not commercial and receive government support through subsidized programming, but they are not government stations.

The only other option if Congress wanted a channel would be to create a government network. Testifying before the committee, Senator Hebert Humphrey pointed out “...there ought to be a channel, whether it is UHF, or whether it is regular television, a channel for the Congress of the U.S., so the public can tune in anytime they want to, and see what is going on there, and we in our offices can tune it to see what is going on.”¹⁷⁴ Humphrey was referring to the fact many communities had low-power UHF television stations, or available UHF licenses, which could be utilized alongside the high-power VHF stations, which were mostly commercial stations affiliated with the networks and PBS. Not only would the government have to overcome propaganda criticisms, a network of government UHF stations would need to be linked by a national system of microwave transmission towers or leased telephone lines. Using these services (which were privately owned) would cost millions of dollars. With the initiative to televise Congress coming from the institution itself, not being driven by public demand, overcoming perceptions that Congress was attempting a public relations makeover at tax payers expense would

174. *Congress and Mass Communications*, hearings, 47.

make fiscal appropriations politically difficult. Such an undertaking at a time when public opinion of Congress was at an all time low was not prudent. However, fortunately for Congress, a new technology was beginning to gain ground.

Cable Television

After he denounced broadcast journalism, Fred Friendly was eager to suggest that using the broadcast networks was not the only solution. Friendly pointed out, “As the new phenomenon of CATV [cable] develops, it will have a massive need and capacity for relevant program material.”¹⁷⁵ Private cable stations in local communities were using the newly launched geosynchronous telecommunication satellites—a technology made possible by enormous government subsidies and direct NASA research. The most important aspect of using satellite/cable systems was that it would allow Congress to avoid the network “gatekeepers,” enable Congress to get its message out, and give local cable systems the choice whether or not to take the signal. Such a solution served the needs of Congress and the free market at the same time. Walter Baer, a research engineer with the Rand Corporation, reiterated Friendly’s comments, proposing that “Many cable systems today have the channel capacity available and if Congress were to make available the programming, I believe they would welcome this kind of programming available relative to the benefits of a more informed electorate.”¹⁷⁶ Baer did not deride the broadcast networks like Friendly, but advocated letting the free market decide if local

175. *Congress and Mass Communications*, hearings, 334.

176. *Ibid.*, 406.

systems were to pick up the proposed Congressional channel. However, this plan was in opposition to the FCC's current policy requiring cable systems to set aside a local channel for education, public access or government use.

Soon cable representatives had their day before Congress. Barry Zorthian, Vice President of Time Inc., and National Cable Television Association (NCTA) board member, reminded the committee that broadcasters had said their networks have neither the time nor capacity for Congressional television. Five years before C-SPAN would transmit its first cablecast, Zorthian said "CATV, with its vast channel capacity does not have such limitations. It is not ruled by the tyranny of the single channel. In many areas—including the yet unbuilt major urban centers—cable could have the ability to offer gavel-to-gavel attention, if warranted, to virtually any congressional activity, either in the two chambers of the Capitol or in any committee hearing rooms."¹⁷⁷ While Zorthian gushed over the *potential* of cable, when asked if cable systems *would* dedicate a channel to Congress, he became evasive: "I'd endorse that, Mr. Chairman, I think the industry as a whole would be very happy to be responsive"¹⁷⁸ The cable industry was eager to gain a leg up on the broadcasters, but at the same time did not want its hands bound by programming agreements until channel capacity and customer subscriptions were established. By bringing in cable television representative, the committee had switched the focus of the hearings from editorial control involved with producing the signal to telecommunications infrastructure—how the signal would be distributed.

¹⁷⁷. *Congress and Mass Communications*, hearings, 412.

¹⁷⁸. *Ibid.*, 419.

Ultimately the CRS study and the Congress and Mass Communications hearings of the Joint Committee on Congressional Operations undertook the yeoman's work of identifying potential technical and political problems in televising Congressional floor sessions. Anticipating the impeachment trial of Richard Nixon, the Senate and House voted, by overwhelming margins, to allow floor sessions to be televised when the impeachment procedures unfolded in 1974. The Senate installed cameras in its chambers in preparation. After Nixon resigned, the Senate cameras were used to broadcast the swearing in of Vice President Nelson Rockefeller. But the cameras were promptly removed after the ceremony. Cameras would not return to the Senate floor for twelve more years. The House did not install cameras for the trials but within five years would broadcast regular floor sessions.

The first phase of this process involved the the Joint Committee, whose work largely revolved around feasibility and desirability of televising Congress. The next phrase was the implementation of the proposals. It is at this stage that institutional politics dramatically surfaced, as the Speaker's early tacit approval of the concept turned to opposition. It took longer for cameras to come to the House floor because of the leadership, not the rank and file members. As the debate continued, the focus shifted from infrastructure back to editorial control and it became clear that there was a power struggle between the Democratic Speaker, the powerful Democratic Chairmen, and the Republican minority.

Congressional Power Struggles

The Ninety-fourth Congress opened with two resolutions calling for televising the House chamber: HR 110, submitted by Representative John Anderson, and a month later, HR 269 submitted by Representative Jack Brooks. Brooks was vice-chairman of the Joint Committee on Congressional Operations that had conducted the Congress and Mass Communications hearings during the previous session. The committee's chair, Senator Lee Metcalf, submitted an identical resolution in the Senate. Anderson's HR 110 authorized the House Speaker to conduct a test, while HR 269 was more substantial, calling for the House to accept the Joint Operations Committee's recommendations for a test of a UN-style gavel-to-gavel system. Brooks was dubious about turning the broadcast over to the commercial networks and favored a system controlled by the House. Within the House, Brooks proposed to give oversight responsibility for the broadcasts, not to the Speaker, but to his own Commission on Information and Facilities. HR 269 was sent to the House Rules Committee where two days of hearings were held, and then moved to a subcommittee created by the Speaker to specifically deal with the issue, and called the Ad Hoc Subcommittee on Broadcasting, chaired by B.F. Sisk.

Sisk's committee killed HR 269 and submitted a new proposal (HR 875) for House Television. HR 875 rejected a system operated and controlled by the House, favoring a network pool arrangement in which the House would contract out production to the four networks. Chairman Sisk stated, "The cost of an in-house operation is one of

the first things that I think caused us to move in the direction of a contract concept.”¹⁷⁹

Brooks rejected this claim, saying that HR 875 “elevates the commercial interests of the networks above the interests of the Congress itself and of public service institutions like the Library of Congress, depository libraries, and educational institutions.”¹⁸⁰ Brooks’ HR 269 had made provisions for supplying tapes to schools and to allow public archiving of the proceedings.

This was not the first time that a member expressed doubts about corporate broadcasters’ dedication to public service. Previously, Senator Herbert Humphrey expressed dismay that members were basing Congressional reform on the mantra of “efficiency.” Humphrey explained that efficiency is not an end, but a means to the real purpose of government, which he claimed was more about “justice,” “love,” “sharing,” “brotherhood” and “service.” He reminded the members of the Joint Committee on Congressional Operations that “...we are not a corporation, we are not a business. [...] The purpose of business is to make a profit, provide service, or a commodity to make a profit.”¹⁸¹ Whether or not those who wanted to keep the House telecasts in the hands of the government were motivated by the high public-minded ideals expressed by Humphrey, or were acting out of fear of losing control of the information reaching citizens, the issue of ownership was fundamental. Congressional members cared about who controlled the

179. The House Ad Hoc Subcommittee on Broadcasting of the Committee on Rules, *Television and Radio Coverage of the House*, hearings on H. Res. 875 and related H. Res. 269, 94th Cong. 1st sess., December 2, 1975, 11.

180. *Television and Radio Coverage of the House*, hearings, 1975, 9.

181. *Congress and Mass Communications*, hearings, 52.

signals. Brooks expressed concern that HR 875 “Grants to four networks a virtual monopoly over the sale and distribution of the coverage of House proceedings”¹⁸²

Anticipating incidents such as Colbert/Pelosi one mentioned previously, Brooks worried about who would own the telecasts. He wanted any tape or telecast of Congress to be public property. Interestingly, this particular problem would be dealt with in a subsequent amendment that made all ownership and rights to tapes and signal part of the public domain.

In February 1976, the Ad Hoc Subcommittee drafted a version of HR 875 that created a supervisory Broadcast Advisory Board within the House Rules Committee. House leadership (Speaker Carl Albert and Majority Leader Tip O’Neil) had previously offered no opposition to the idea of House television. However, they stepped in when it looked like the committee’s resolution would be accepted.¹⁸³ The Speaker believed the resolution “did not adequately protect the Speaker’s authority to control the House chamber and that it gave too much power to the television network”¹⁸⁴ The subcommittee learned its lesson, met with the House leadership, and negotiated a new version of the bill. The revised version of HR 875 specified that the Speaker would appoint members to an advisory oversight committee that would decide what form the broadcasts would

182. *Congress and Mass Communications*, hearings, 9.

183. Bruce E. Freed, Inside Congress, “House Leadership Opposes Broadcast Plan,” *Congressional Quarterly*, March 20, 1976, 623.

184. *Ibid.*.

take.¹⁸⁵ When the resolution went before the full Rules Committee, however, it was revised again. The newest version may have granted the committee authority to choose any form of broadcast, but it clearly gave preferential attention to the network pool option.

The push for government controlled broadcasts may have been prompted by an internal political battle, but proponents of public ownership emphasized important political economic concepts, namely that ownership equals control. Opponents of the pool plan attempted to frame the discussion in these terms: should such a resource be controlled by the market or a public institution? Meanwhile, proponents of a private network pool argued that a private contract would save taxpayer money.

When the revised HR 875 returned to the full Rules Committee, Ad Hoc Subcommittee Chairman Sisk argued that the House should reject government run broadcasts in order to avoid “...anything smacking in any way of censorship,”¹⁸⁶ Representative Richard Bolling agreed that censorship was a concern and needed to be avoided at all costs, “But the fact remains, however, that there is a difference between private ownership of equipment and the public ownership of equipment and the private control and the public control.”¹⁸⁷ So fearful of government produced video becoming propaganda, members were eager to have the private sector take over responsibility for broadcasting Congress, even after the industry made it clear that the market would not

185. House Committee on Rules, *Television and Radio Coverage of the House*, hearings to consider recommendations of Ad Hoc Subcomm. on Broadcasting regarding H. Res. 875, 94th Congress, 2nd Session. March 24, 1976, 10.

186. *Television and Radio Coverage of the House* hearings, 1976, 16.

187. *Ibid.*.

support gavel-to-gavel broadcasts, which was Congress members' preferred form of coverage.

In a last ditch effort, the Ad Hoc Subcommittee once more revised the resolution (now HR 1502), using language more in line with the speaker's wishes. However, House Rules chairman, Ray Madden refused to move the bill forward and it died in committee as the Ninety Fourth Congress adjourned. During the interim, the Architect of the Capitol and the House Commission on Information and Facilities conducted experiments with black and white security cameras.

The Ninety Fifth Congress began with the House electing a new speaker, Thomas "Tip" O'Neil. As House Majority Leader in the previous session, O'Neil had ordered the Ad Hoc Committee to kill HR 1502. This was prompted by political infighting among the majority party more than a formal attempt to prevent televised floor sessions. Speaker Albert and Majority Leader O'Neil had killed television efforts based on the committee's continued pursuit of a professional pool arrangement where the cameras would be controlled by the broadcast networks—something the House leadership did not want.

Two months into the 95th Congress, on March 2, 1977, O'Neil issued a press release announcing that the House would conduct a 90 day test of television coverage of floor proceedings. This move proved that leadership was not philosophically opposed to television cameras in the chambers, but wanted control, above all else. In the release, the Speaker made it clear that "...he felt it was most important the House maintain control of the evolution of this process to assure that any disturbance to the nature and character of

the House proceedings be minimized....”¹⁸⁸ The test would also form “...the basis for the eventual video coverage of the House for dissemination to the public.” The Speaker did not open up the press galleries to broadcasters’ cameras, believing the proposed system would eventually “...provide the quality of coverage that would meet existing commercial television standards.”¹⁸⁹

The test used the same three black and white cameras utilized in the interim experiments, upgrading the system by adding robotic pan and tilt mounts, a video generator (to allow split screen) and a character generator for adding text information. The equipment was installed and operated by the House staff. All equipment, except for the video generator, was borrowed from other House applications. Broadcasting magazine, lamented the House’s use of an “unsophisticated system that falls short of the quality that modern color cameras and monitors can provide,” yet admitted, “it is at least a start.”¹⁹⁰ The signal went to select offices via a closed-circuit system within the Rayburn House Office Building. In his announcement to the House floor, the Speaker made it quite clear that the signal was not to be transmitted beyond the building, and that he expected Representatives to honor this request and not smuggle out tapes to broadcasters.

188. House Select Committee on Congressional Operations, *Televising the House*, communication from The Chairman, Select Committee on Congressional Operations, to the Speaker of the House of Representatives, Transmitting the Report of the Select committee on the Conduct of the 90-Day test of Broadcast coverage of they daily floor proceedings of the House. Together with recommendations for the future of broadcast coverage, September 27, 1977. Committee Print 95-231, 33

189. *Televising the House*, Communication to the Speaker, 33.

190. Profile. “Heavyweight on the Hill: Sen. Ernst C. Hollings,” *Broadcasting*, March 28, 1977, 121.

On March 15, 1977, the Select Committee on Congressional Operations, chaired by Brooks in conjunction with the Architect of the Capitol, began the 90-day test. At this point, televising the House came down to a partisan issue of who would control the cameras. On one side were the Speaker and Jack Brooks, chairman of the Joint Committee on Government Operations, both Democrats. On the other side was John Anderson, a member of the House Rules Committee and a Republican. While the Speaker had the power to authorize television coverage, the House rules would have to be amended, a process that could only occur in Anderson's House Rules Committee. Anderson opposed a House-run system and proposed HR 404, authorizing the House Rules Committee, not the Joint Committee, to evaluate the 90-day test and decide whether the signal would be made available to the public. However, this move was moot—all House rules changes would have to go through the Rules Committee eventually but Anderson wanted his committee, not Brooks Joint Committee, to get the first shot.¹⁹¹ As indicated by the fate of Anderson's bills in the previous session, the Democratic leadership—who favored a House-run system—had the votes to implement the changes they preferred. Anderson was playing the partisan spoiler, or perhaps, hoping to launch a last ditch campaign for a commercial pool system.

After the 90-day period, the Select Committee on Congressional Operations evaluated the test, paying particular attention to the Speaker's wish to determine the

191. Inside Congress, "House Begins Closed Circuit TV Test," *Congressional Quarterly*, March 19, 1977, 13.

“suitability of a House television system for public broadcast purposes.”¹⁹² As one of its findings, the committee report states: “Television coverage of the House proceedings—complete, uninterrupted, unedited—is inevitable: a large majority of the general public desires it, and a substantial majority of Members of the House support it.” The last statement was accompanied by a formal survey of House members. It seemed the that time for television in the House had finally arrived. The only limit that the committee put on the footage from the floor was that it not be used for “commercial advertising or political purposes.” The committee recommended that the Speaker extend the 90-day test to the remainder of the first session of the 95th Congress (through December 1977), and that the House vote on a resolution to permanently televise the House beginning in the second session of the 95th Congress (January 1978). The final matter of who would control the cameras was clearly stipulated by one of the provisions of the proposed resolution. Although those members surveyed preferred oversight by a House committee, the Select Committee recommended that control of the coverage should be vested solely in the Speaker. While the committee recommended both live feeds and tapes be made available to any media outlet accredited by the House Radio-TV Gallery, there was no formal plan to ensure that the public would be able to view the coverage. The House would begin televising its floor proceedings, but distribution of the signal was to be handled however the networks saw fit. This catch-as-catch-can distribution plan made no

192. *Televising the House: Communication to the Speaker*, 1

mention of cable television. The House had what it wanted: a television signal controlled by the House. Getting the signal to the public was not a priority.

The Birth of C-SPAN

During this time period C-SPAN's future founder, Brian Lamb, had moved out of his job as the spokesperson for Nixon's controversial Office of Telecommunications Policy and was reporting for cable trade magazines. As the test wound up and the Select Committee made its recommendations, Lamb met with an Arlington, Virginia, cable system owner, John Evans, who was Lamb's first interviewee for the cable business trade magazine, CATV Weekly. The topic of Lamb's first article was "the importance of Arlington Cable was going to be to the regulatory process here in D.C."¹⁹³ The magazine editors recognized that having a vibrant cable system across the river from Washington, D.C. would be useful in demonstrating the value of cable television to legislators and regulators alike. Lamb had envisioned the need for an all-public affairs cable network, but his original concept was quite different than the C-SPAN we are familiar with. His proposed network was a place for long-form interviews and political analysis, but was also open to other forms of programming. Evans, like most other cable operators in the mid 1970's, was looking for ways to expand program offerings. Evans knew about the black and white House cameras and mused out loud about how he'd love to tap that signal

193. Brian Lamb, interviewed by Jim Keller, September 26, 1998, transcript, The Hauser Oral and Video History Collection, The Cable Center, Denver Co., <http://www.cablecenter.org/education/library/oralHistoryDetails.cfm?id=132>

and offer it on his system.¹⁹⁴ Since many legislators lived in Arlington, the House proceedings would have an audience eager to watch (assuming they subscribed to cable). By adding the House coverage, Evans could expand his subscriber base and more importantly, gain a higher profile among those who controlled his fate through regulations. Lamb and Evans realized that the House telecasts would also have an audience beyond the Washington D.C. area and began to make plans to raise money for wider distribution. Lamb revised his original concept to feature live gavel-to-gavel coverage of legislative debate, and Evans offered Lamb the use of his microwave transmitter and cable “head-end” to get the signal from the Capitol to a satellite uplink.

House 90 Day Test

While Lamb began working on securing cable operator’s support for the coverage, the Select Committee’s recommendations from the test were crafted into HR 821 and sent to the Rules Committee, who held two days of hearings. During these hearings, the committee watched tapes of the 90-day test and heard (again) from broadcasters. The committee then amended HR 821 to HR 866, which included all the components of the original resolution but added a clause that authorized the Rules Committee to conduct a study of alternative ways to control the television system. The committee stated that the amendment was for the Speaker’s benefit but, in reality, it was a transparent attempt to

194. Stephen E. Frantzich and John Sullivan, *The C-SPAN Revolution*, Norman OK: University of Oklahoma Press, 1996, 31.

force the issue of pool coverage one last time.¹⁹⁵ House leadership accepted the amendment because, unlike Jack Brooks' Government Operations committee, the Rules Committee (including several Democrats) was not overwhelmingly behind the concept of televising the House in any form. The Rules Committee chairman, James Delaney, was known to be "hostile" to the idea of House television.¹⁹⁶ Thus the "study alternatives" amendment was mere posturing—it was generally known that the committee would "bow to the wishes of the leadership."¹⁹⁷ Since the resolution still gave the Speaker ultimate power over the telecasts (including the form they would take), there was no harm for leadership to placate a small faction in the party.

Floor Debate

HR 866 was reported to the floor and debated October 27, 1977. Members recognized that "Television coverage of the House proceedings—complete, uninterrupted, unedited—is inevitable..."¹⁹⁸ and the debate centered on the "how rather than the why."¹⁹⁹

195. Ronald Garay, *Congressional television: A Legislative History*, (Contributions in political science, no. 111, Westport, Conn: Greenwood Press, 1984), 103.

196. Inside Congress, "Public Vote for Televising Set for Vote in Committee," *Congressional Quarterly*, October 22, 1977, 2281.

197. Ibid..

198. *Providing for Radio and Television Coverage of House Proceedings*, HR 866, 95th Cong., 1st sess., *Congressional Record* 123, (October 27, 1977): H 35428

199. Ibid., H 35432.

Television in the House was now assured, and hyperbolic rhetoric was kept surprisingly brief for such an historic action.

Nevertheless, the pro-pool Republicans gave it one last try. Anderson, whose ad hoc committee had favored pool coverage, stressed that the resolution up for debate “does not commit the House or the Speaker to one means of coverage or another....”²⁰⁰ The chairman of the House committee on Rules, Representative Sisk, however, made it clear to members that whatever their opinions on the *form* of coverage, HR 866

Directs the Speaker to develop a system of broadcasting and recording the daily proceedings of the House, to make that coverage available to the news media and the public, and to provide for storage of the recordings. It authorizes him to delegate those responsibilities. It requires coverage to be complete and unedited. And it prohibits the use of broadcast coverage for political purposes and for advertising purposes²⁰¹

Sisk was reminding members, that whether or not they favored a commercially controlled pool or a House-run system, *this was the resolution that would eventually bring television to the House*, and that killing the resolution would kill house television until the next session. Actually, HR 866 merely authorized the Speaker to develop a system, not to implement one, but the resolution was passed, 342 in favor and 44 opposed.

Cable Opens the Door, C-SPAN Steps In

Near the end of this debate, Representative Lionel Van Deerlin asked how the public—who had become a tertiary participant in this process—would actually get the

200. *Providing for Radio and Television Coverage of House Proceedings*, 35432.

201. *Ibid.*.

signal. “Gavel-to-gavel coverage of the House and Senate proceedings, [...] will be available at times and to an extent that no commercial station, certainly no network, could or would provide. It is not within their economic capacity”²⁰² Van Deerlin proposed that a new distribution technology, satellite transmission to cable would allow the House to take a step “toward restoring the Government of this land to its own people.”

Interestingly, there was a direct connection between Van Deerlin and Brian Lamb. When Lamb was a staffer for Nixon’s Office of Telecommunications Policy he worked with Van Deerlin, who was then vice-chairman of the House Communications Committee. After becoming chairman, Van Deerlin made it a priority to rewrite the Communications Act. Under Van Deerlin’s leadership, the Communications Act of 1976 started cable’s regulatory “thaw.” According to an interview with Lamb, he had visited Van Deerlin on the morning of October 27, 1977, to interview him for Cablevision magazine. When Lamb entered Van Deerlin’s office, the representative was watching the signal from the House floor test cameras..²⁰³ After the interview, Lamb floated the idea of cable television providing distribution of the House signal once a permanent telecast was established. Van Deerlin loved the idea and asked Lamb to write him a speech when HR 866 came up for debate. That afternoon Van Deerlin called Lamb from the House floor and informed him that the resolution had been moved up and was being debated at

202. *Providing for Radio and Television Coverage of House Proceedings*, 35433.

203. Brian Lamb, interviewed by Jim Keller.

that moment. According to Lamb, he fed Van Deerlin basic figures about the industry and the Representative developed an impromptu speech.

This was far from a coordinated lobbying effort by the cable industry to win the House telecasts because, at that point, Lamb was having trouble getting cable operators to buy into his network. Lamb later recalled, “There was a tremendous amount of rejection. People would pat you on the head, and say, ‘Nice little boy, keep it up, Brian.’”²⁰⁴ One early supporter of Lamb was Bob Rosencrans, owner of UA/Columbia CableVision, who was looking for programming to fill satellite space and liked Lamb’s idea for a meet-the-press style political events network. As previously mentioned, Rosencrans promised Lamb \$25,000 and allowed Lamb to use his name to solicit additional industry support. Also noted previously, Lamb was having difficulty selling his idea. Then, the House voted to allow television. Lamb went back to Rosencrans and pitched the idea of a gavel-to-gavel coverage of the House. Rosencrans loved the idea and so did many other industry leaders. It’s interesting to note that C-SPAN was a network started on speculation. Lamb pitched the idea of cable transmitting House signal to Van Deerlin and Van Deerlin pitched the idea of cable to the House of Representatives before cable industry executives even thought about the idea, let alone gave their approval. Once the House telecasts were obtainable, the cable industry warmed to the idea.

Meanwhile, after the debate, the House Speaker called Van Deerlin into his office and quizzed him about the cable distribution. Van Deerlin referred the Speaker to Lamb,

204. James Lardner, *Annals of the Media*, “The Anti-Network,” *The New Yorker*, March 14, 1994, 53.

who pushed to gain industry support before meeting with the O'Neil. One of his first steps was to meet with Bob Schmit and Tom Wheeler of the National Cable and Telecommunications Association (the industry's largest trade and lobbying organization). It was actually Schmit who arranged for Lamb to meet O'Neil. In a brief meeting with the Speaker, Lamb procured approval—through a handshake—for C-SPAN to take the House feed and disseminate it to cable systems via satellite. Though O'Neil was not excited about televising the House proceedings, he realized it was something "...he ought to get out in front of, and not get run overrun by, so he could in fact control it."²⁰⁵ He had been urged by his media advisor, Jerry Colbert, not to allow a network pool scenario where he lost control and would "surrender to a few network individuals in New York."²⁰⁶ Years later O'Neil would write "the results of our broadcasting experiment have exceeded my wildest hopes"²⁰⁷ But it was clear at the time that he little understood little about cable technology or the arrangement he was entering into.²⁰⁸ What he did understand was that cable allowed him to bypass the broadcasters who consistently "demeaned and humiliated" legislators in their Congressional coverage. If nothing else, C-SPAN was a chance for Congress to finally "spit in the eye of the network news people."²⁰⁹ It seemed

205. John Aloysius Farrell, *Tip O'Neil and the Democratic Century*, (Boston: Little, Brown and Company, 2001), 630.

206. *Ibid.*, 629

207. Tip O'Neil and William Novak, *Man of the House: The Life and Political Memoirs of Speaker Tip O'Neill*, (New York: Random House, 1987), 289.

208. Farrell, 630.

209. Lardner, 53.

that C-SPAN would deliver the best of all possible scenarios: the network was eager for the footage, would run the telecasts in their entirety, would cost the legislators nothing for distribution, and allowed Congress to do an end-run around the broadcast networks. When he originally publicly announced the 90-day test, O'Neil told reporters that public dissemination of the House television was "inevitable."²¹⁰ It is possible to say that C-SPAN made the inevitable, acceptable to most everyone.

House Rules Committee Study

Once HR 866 passed in October 1977, the House Rules Committee had until February 1978 to complete its study. While the Committee studied the options, Anderson and Sisk wrote editorials about their pool system proposal that appeared in the Washington Post and New York Times. Broadcasters remained "disdainful" of a House-run system that would only feature preset camera angles and attempted to influence the chairman of the Rules subcommittee charged with conducting the test. Chairman Long insinuated that a House controlled system was all but certain, and the Speaker had already authorized the Architect of the Capitol to lay cables and set up equipment for the system, even though cameras had yet to be purchased.²¹¹ The Speaker made no secret of his intentions, stating "I think it would be a terrible mistake to take

210. In Brief. "House of Representatives Launches Closed Circuit TV Broadcast," *Broadcasting*, March 21, 1977, 30.

211. Broadcast Journalism, "It looks like a fait accompli on House Cameras," *Broadcasting*, December 5, 1977, 51.

from the members of the Congress, from leadership and give to national broadcasting control of the House.”²¹²

When the final Rules committee report was issued, it was clear that the Speaker had been able to maintain his control. The report’s first recommendation was that “The House should operate its own broadcast coverage system following the example and building upon the experience of the Canadian Parliament.”²¹³

The report also recommended that the Speaker delegate responsibility for oversight and administration of the broadcast system to a committee. Van Deerlin and Lamb had obviously made an impression on the committee because the report’s final recommendation was that the Speaker “develop a plan for satellite transmission of House broadcast coverage.” The reasoning: “Since cable television has an abundance of channels, it would have the capacity to provide gavel-to-gavel coverage of congressional floor proceedings.” The report concluded by stating that cable television “presents an exciting possibility to distribute the proceedings” and recommended that the Speaker make cable satellite transmission “a high priority.” Broadcasters were not pleased with the report’s preference for a House-run system and were hopeful the House would vote for allowing network news cameras in the press galleries so they could shoot their own

212. Anne Cooper, Inside Congress, “No Sideline Shots: House Gets Set to Televisе Sessions With Its Own Hand on the Cameras.” *Congressional Quarterly*, December 17, 1977, 2605.

213. House Committee on Rules, report on “Broadcasting the Proceedings of the House,” 95th Cong., 2nd sess., February 15, 1978, Committee Print 95-881, 2.

footage.²¹⁴ While the Speaker had the authority to implement the system, he had publicly said he would allow the House members to vote on what system they desired.

On June 14, 1978 the House met into the evening to debate an appropriations bill, which included half a million dollars for new color mini-cameras to be installed in the chambers, replacing the black and white security cameras. Months earlier, during the holiday season, O'Neil appeared on "Meet the Press" and "Face the Nation," stating that he wanted a House-run system but would allow the members to vote on the issue. Representative Anderson pointed out that by asking for an appropriation to buy color cameras, the decision had already been made in favor of a House-run system. Any vote, he felt, would be moot. To prove his point, he offered an amendment whereby no funds in the act could be used to purchase color television equipment for the purpose of broadcasting the House, except "by the prior approval of the House and in accordance with the provisions of House Resolution 866."²¹⁵ Since the Appropriations Committee had already approved the Speaker's request and cameras had been purchased, Anderson's amendment was meant to make the political point that the Speaker had overstepped his authority. Anderson argued that by buying cameras the Speaker was violating HR 866 which allowed him to make a decision about broadcasting after the Rules committee offered its report on February 15, 1978. The Speaker had made arrangements to buy the cameras as early as November 1977. Because the Rules Committee report came out in

214. Editorial, "Better Way," *Broadcasting*, February 13, 1978, 130.

215. *Legislative Branch Appropriations Bill*, HR 1293, 17657.

favor of a House-run system, many members recognized that Anderson's efforts were "...a thinly disguised attempt to obtain through an appropriations bill what the gentleman has not been able to obtain for the past four years through his own committee..."²¹⁶ It was quite clear that the vote would be along partisan lines. The Republican preference for a pool system as it was embodied in Anderson's amendment was roundly defeated.

The Democrats then used Anderson's own technique against him and his party, immediately proposing an amendment wherein "No funds in this bill may be used to implement a system for televising and broadcasting the proceedings of the House pursuant to House Resolution 866, 95th Congress, under which the TV cameras in the Chamber are controlled and operated by persons not in the employ of the House."²¹⁷

The amendment was accepted 235 to 150.

Republicans had attempted to frame the debate in terms of the First Amendment and government censorship. In their minds limiting television journalists to a government controlled feed that only featured shots that the government wanted was the same as telling print journalists what words they could use to report on Congress. One self-described conservative member said he'd rather put his trust in the "left of center" commercial network reporters because "...competition, giving both sides is their life blood." It was a classic rephrasing of the marketplace of ideas concept begun with John Stuart Mill's liberalism and integrated into American jurisprudence by Oliver Wendell Holmes. Under the concept, false or misleading ideas will constantly be tested for

216. *Legislative Branch Appropriations Bill*, HR 1293, 17658.

217. *Ibid.*, 17661.

veracity against competing truths in a free and open forum for exchange. In such a system, censorship will never work unless one media source has a monopoly on the outlets of information. Republicans were positing that the government, by controlling the telecasts, would have a monopoly on the information and censorship would be uncontested.

Democrats argued that an in-house system represented the House living up to its responsibilities to make sure the public was informed. A commercial system of journalism, they argued, was more conducive to selling products than informing the public. One member succinctly told colleagues if they thought about the priorities of a commercial media “they will vote for the House to control the time, not the dog food and not the toothpaste.”²¹⁸

While there was plenty of concern about democratizing the production of the House telecasts, there was little debate about the distribution. Almost half a year earlier, in January, Lamb and O’Neil had reached an agreement allowing C-SPAN to carry the telecasts on cable. Al Gore, a committee member on Van Deerlin’s Communications Subcommittee, was the only one to bring up possible distribution of the signal, saying he was “familiar with the exciting new possibilities that cable television and direct satellite broadcasting offer.”²¹⁹ Broadcasting magazine labeled Gore’s comments as an outright “plug” for cable TV.²²⁰ Gore continued saying “...the important priority is to get the

218. *Legislative Branch Appropriations Bill*, HR 1293, 17660.

219. *Ibid*, 17662.

220. Top of the Week, “It’s Official: House Will Control Cameras,” *Broadcasting*, June 19, 1978, 34.

proceedings of this house on television...,” and at that point, cable was the only game in town.

Interestingly, while many representatives were concerned about private control of the cameras, they were not troubled by private control of cable television. C-SPAN was the ideal outlet, as far as the legislature was concerned. It was voluntarily asking for the signal, would transmit the entire sessions gavel-to-gavel without editing or commentary, was not charging for its services, and would reach a national audience. On top of it all, since it was non-commercial, there was no risk of editorial decisions being made by advertisers of dog food and toothpaste.

Legislators Promote Cable

In May 1978, the NCTA (Nation Cable Television Association) held its 27th annual convention in New Orleans, with Speaker O’Neil was providing opening remarks. The conference is a major venue for cable television equipment and programming sales, and one of the new services being offered was C-SPAN. By 1978 the network went from a fanciful idea to a viable programming service, promoted by the Speaker of the House. The price to cable operators interested was estimated to be one cent per subscriber. Even though the only programming Lamb had yet secured was the House live signal, there was already immense interest in the network as most of the of the top ten cable MSOs had signed up before the convention.²²¹

221. Special Report: NCTA Convention, “From House to House,” *Broadcasting*, May 8, 1978, 49.

In the remaining nine months before the House launched its first live telecast of regular floor sessions, the Speaker charged the Speaker's House Advisory Committee on Broadcasting to setup and test the new system. In what was most likely an attempt at extending an olive branch, the House invited the broadcast networks to consult about technical concerns. In what can only be described as an open grudge, the commercial networks unanimously declined to participate. One network head was frustrated that the House had been so "insensitive to the principle" of journalists' autonomy by voting for a House-run system.²²² Meanwhile, Washington D.C.'s PBS station, WETA, offered their engineering services. Since the station indirectly relied on Congressional funding. A move that might be viewed as politically expedient. The House also ended up contracting camera, lighting and sound design to outside consulting firms.

From this brief history of Congressional television, it is apparent that C-SPAN resulted from an existing movement to open Congress to television cameras. Congress did not enter into any sort of contract with C-SPAN to distribute its signal, but the House provided the televised floors sessions and the cable industry (through C-SPAN) was there to pick it up. This voluntary action by cable would form the cornerstone of the industry's concept of the network and the industry's future lobbying efforts. From the perspective of the cable industry, C-SPAN was the product of the market, not government interference.

222. Closed Circuit, "They Won't Play," *Broadcasting*, October 9, 1978, 9.

Conclusion

The creation myth surrounding C-SPAN highlights the efforts of the cable industry and diminishes efforts of Congress. As has been established, C-SPAN was specifically created to take advantage of the House television signals begun in 1979. It is an unavoidable fact that without C-SPAN, the general populace may not have had any sustained exposure to unedited footage of the House floor sessions. Broadcasters did not want to air lengthy segments and Congress was not interested in forming a government controlled system of television stations. Cable operators stepped in and relieved the House of the burden. C-SPAN was an ideal solution, because it was eager for the government-controlled footage, would not charge the to distribute the signal, and would show the entire sessions. It becomes clear, Congressmen and women, even if they held doubts about private control of distribution, were not going to look a gift horse in the mouth. From this position, the cable industry was able to present its self as providing a service, and would not take long in exploiting this fact.

The following chapter explores the cable industry during the late 1960's through the mid-1970's. The chapter reveals how cable television had been artificially restricted by federal regulations. These regulations were in place to promote broadcast television, and the broadcasters were not going to give up their powerful position without a fight. At the same time, technological advances enabled cable systems to offer telecommunication services beyond even what the telephone companies could manage. The concept of "information societies" and "wired nations" began with cable systems in the 1960's.

These capacities represented potential for social advancement. Soon, a social discourse around cable technology developed. These so called “Blue Sky” initiatives saw cable as an agent for social change and sought to maximize its potential. The chapter demonstrates how these potentials were mostly based on technology and end-uses, not on questioning models of communications infrastructure ownership. Many of the Blue Sky advocates presumed cable’s evolution through free market practices, and only a few would bother to question ownership of cable systems. Because cable had been retarded by regulations, the most common solution presented to allow cable to achieve its potential was to free it from its regulatory shackles. This position will be shown to be roundly supported by the cable industry and, eventually, would overtake any discussion of cable’s social potential. C-SPAN, with its public affairs content and private ownership structure, would become the only real effort the industry would make towards the Blue Sky ideals.

CHAPTER V

CABLE AS A SOCIAL MOVEMENT

An almost religious faith in cable television has sprung up in the United States. It has been taken up by organizations of blacks, of consumers and of educational broadcasters, by the Rand Corporation, the Ford Foundation, the American Civil Liberties Union, the electronics industry, the Americans for Democratic Action, the government of New York City and—a tentative convert—the Federal Communications Commission. The faith is religious in that it begins with something that was once despised—a crude makeshift way of bringing television to remote areas—and sees it transformed over the opposition of powerful enemies into the cure for the ills of modern urban American society. The intriguing thing about cable television is that this faith may be in no way misplaced.²²³

~Journalist Brenda Maddox describing cable's possibilities in 1972

Before analyzing an individual cable network, it is important to contextualize the network within the historical development of cable television. In the late 1960's and early 1970's, cable was not simply the hope of more channels; it was thought to be a technological messiah, ushering in revolutionary new forms of social relationships. Indeed, the hyperbolic discourse surrounding the Internet—from its wide-spread takeoff

²²³. Brenda Maddox, *Beyond Babel: New Directions in Communications*, (London: Andre Deutsch, 1972), 145.

in the late 1990's to its current "Web 2.0" phase—was predated by speeches made by cable advocates. Cable was the beginning of the "wired revolution" in communications, uniting land-based infrastructure with orbiting geosynchronous satellites and marked the true beginnings of the "information society." A 1973 Rand report, funded by a grant from the National Science Foundation, informed readers that it was important to pay attention to cable because "...cable television is no longer a modest technique for improving rural television reception. It is on the brink of turning into a genuine urban communication system, with profound implications for our entire society."²²⁴

Blue Skies: Cable in the Late 1960's

The Rand report came at the end of what has been labeled the "Blue Sky" period of cable. During this time the promise of cable's possibilities was taken up by "...a New Deal [style] coalition, made up of professional groups, corporations and their intellectual allies, and progressive political groups seeking ways to foster social change by working 'within the system.'"²²⁵ From about 1968 to 1972, a loosely organized, yet ideologically cohesive, discourse was taking place around the role of cable in society.²²⁶ The central tenant of the Blue Sky initiatives that was cable television represented new hope for

224. Steven R. Rivkin, *Cable Television: A Guide to Federal Regulation*, (Santa Monica, CA.: Rand Cable Television Series, R-1138-NSF, March 1973),

225. Thomas Streeter, "Blue Skies and Strange Bedfellows: the Discourse of Cable Television," in *The Revolution Wasn't Televised: Sixties Television and Social Conflict*, eds. Lynn Spigel and Michael Curtin, (New York: Routledge, 1997), 228.

226. Megan Mullen, *The Rise of Cable Programming in the United States: Revolution or Evolution?*, (Austin, TX: University of Texas Press, 2003), 86.

social change through technological and economic innovations. And something that far-reaching demanded deliberative analysis on how best to achieve its fullest impact.

In 1966, President Johnson appointed Nicholas Johnson (no relation) as FCC chairman. Johnson's priority was to make the commission more "business friendly,"²²⁷ but his new chairman proved keenly interested in the public's role in cable television. Soon after taking office, Chairman Johnson authored one of the first pieces associated with the Blue Sky initiatives—an article for *Saturday Review* magazine titled "CATV: Promise and Peril."²²⁸ Johnson began by stating the obvious: by the late 1960's television's power was only matched by its ubiquitousness. Unfortunately, two groups had been excluded from the television revolution: 1) those who lived in geographic areas that precluded over-the-air signals, and 2) those of certain "social and intellectual classes" whose tastes in programming were not economically viable for the mass-marketed networks. In both cases, Johnson saw cable television as the solution. For the geographic pariahs, pioneering community antennas solved the problem of reception. For the intellectual pariahs, modern cable television offered the best potential for realizing niche programming to serve the needs of individual communities and specific classes. The "promise" of cable television, as Johnson saw it, was a vast and diverse array of television channels to serve all viewers' needs, coupled with the potential for two-way communication.

227. Patrick R. Parsons, *Blue Skies: A History of Cable Television*, (Philadelphia: Temple University Press, 2008), 252.

228. Nicholas Johnson, "CATV: Promise and Peril," *Saturday Review*, November 11, 1967, 87.

The “peril” of cable television was the FCC itself, according to Johnson found the agency’s regulatory structure outdated and in need of overhaul. During a time when the “division of labor” between wired and broadcast technologies was evolving the FCC’s model of regulation, based on the Communications Act of 1934, was ill-equipped to deal with the issue. New policies were needed. Johnson argued that, if outside voices were not heard, (i.e., the general public), decisions about the shape of cable television would be formed by corporate interests. Johnson clearly understood the drawbacks of pitting social values against the economic needs of the communication industry.

It is unlikely, however, that the future of cable television will turn out to be as splendid as all this, either in terms of economic reward for the industry, or, more important, in terms of social gain for the public. Its fate is now being determined in a grim political and economic struggle with the giant interests whose prosperity and power it has challenged—the broadcast industry and the telephone companies. As this battle unfolds, only the CATV industry is there to speak for its own economic interests. Almost no one speaks for the public.²²⁹

Without public guidance, Johnson lets readers know it will be a “grim political and economic battle” between competing industrial corporations. All Blue Skies reports and articles share the common goal of bringing about the most social good from cable. The authors, however, diverge on the best way to achieve this goal. Johnson seemed to be asking for both assistance and patience from the public but offers little in the way of substantial policy positions or promises. He regularly criticized the agency’s attempts at regulating communications and acknowledged that the FCC’s long standing policies were in sympathy with broadcasters. The commission, Johnson wrote, has based its public

229. Johnson, 87.

interest around building up lower power (and quality) UHF broadcast television stations in communities and was having trouble integrating cable into this goal. The article was a public relations effort by a newly appointed chairman who was careful to ask more questions than to provide answers. Johnson was clearly trying to gain public support, while not scaring off business interests.

One Blue Sky proposal that did scare business was to classify cable as “common carriers.” Since cable systems are natural monopolies (like telephone service), some thought they should be regulated like these industries. Cable loathed the idea of being a common carrier because it would entail more regulations, price controls and having to deal with state public utility commissions. Telco’s were opposed to cable being seen as a common carrier because as a Telcommunications system, not television service, cable could offer voice and data services—something Telco’s had a monopoly on. As common carriers, the cable companies would be forced to lease their cable infrastructure (via channel space) to other entities who would supply the programming. Johnson was careful not to place his goals before the needs of the marketplace. He wrote that the FCC would regulate cable as a common carrier “*if*” the dominant Telco (AT&T) acquired a communications monopoly through acquisitions of cable companies. He did not, however, consider declaring cable as a common carrier through legislative fiat, but only as a corrective to unfair market practices of telephone corporations owning cable systems. By stating that the FCC, with its small budget and limited staff, would not be capable of governing such a large communication system, Johnson dodged the social issues around

what common carrier status really meant. Cable corporations would lose control of channel capacity, either in totality or select channels set aside for public leasing. In a capitalist communications marketplace, placing channel space under public control means the loss of private property rights. As a political appointee, we can understand why Johnson was not advocating complete socialization of cable systems and recognize his efforts in presenting discourse about the dangers of industry concentration. If nothing else, Johnson's piece served as a warning about what would happen to cable's potential if the industry influence led the debate. "If moves are not made very soon to channel the future growth of CATV along lines responsive to social needs, it will likely be too late. CATV will grow in whatever direction it pleases."²³⁰ Many would argue that cable has done exactly that. It may be encouraging to read about a government bureaucrat warning the public about the dangers of a private communication system but it is disheartening to hear about his agency's political impotence against the economic might of the industries it regulates.

Johnson's article was a sign of a social awakening to cable technology and more importantly, how to harness communication advancements for social good. This sentiment coincided with the spreading global protests against capitalist values occurring in the late 1960's. And while Johnson was not advocating an overthrow of capitalism, his hope was that "outside forces" beyond the communication industries themselves would enter the debate.

230. Johnson, 96.

One of those outside forces was the Alfred P. Sloan Foundation. Founded in 1934 by a General Motors Vice President, who believed that science, technology, and economic institutions' could change society. In 1970 the foundation, sensing a communications revolution on par with the printing press, commissioned a report called *On the Cable: The Television of Abundance*.²³¹ Typical of Blue Sky studies, the report was on cable's *potential* rather than its current state, which the commission accurately summarized as "not remarkably impressive." The analysis of possibilities of cable was a common theme in Blue Sky writings. At the heart of the Blue Sky discourse was the issue of how to facilitate the fastest and widest development of a technology. This was reflected in the commission's first recommendation: "it is in the public interest to encourage the growth of cable television."²³² As Johnson recognized in 1966, market forces were already working to control of cable's future, and the commission's report clearly favored a marketplace model. A close look at the report "...reveals a fairly conservative, private enterprise-minded approach to cable's development."²³³ The uses of cable television, according to the commission, would be determined "by entrepreneurs, public and private, who are willing to take the responsibility for risking money and career on the promotion of an idea."²³⁴ The public has been turned into "users of the system" who "*respond*" to the options provided by entrepreneurs. The report describes a market democracy where

231. Sloan Commission on Cable Communications. *On the Table: The television of Abundance; Report*, (New York: McGraw-Hill Book Co., 1971), 2.

232. *Ibid.*, 173.

233. Mullen 2003, 89.

234. *Ibid.*, 10.

citizens voted with their dollar. Furthermore, the commission concluded, “wherever it has proved possible we recommended deregulation” and “unless [a] clear case has been made we have consistently cast our vote in favor of the operation of the marketplace.”²³⁵ They further argued that, “Cable television must grow, if it is to grow at all, by its own efforts, and it is perhaps not too much to request that government take no extraordinary steps to hinder it.”²³⁶ The report, written seven years before the evolution of the neoliberal political movement, encapsulated what would become the major tenets of neoliberalism: privatization, liberalism, and re-regulation. By the time the political movement was underway, cable had been groomed as an ideal case study of neoliberal projects.

The commission did not favor elimination of all regulations, but argued that regulations should only be considered “where necessary.” There were many areas where the commission determined that regulatory “chaos” created the necessary conditions for government intervention. During cable’s growth, “the federal government has been rudderless, the municipalities inept, and the states inactive.”²³⁷ The report concurred with Johnson’s conclusion: the real flaw in cable regulatory practices up to that point was that cable had been governed by legislation predating cable technology—the Communications Act of 1934—which did not clarify the boundaries of the FCC’s authority or responsibilities. The report enumerated several recommendations for cable regulation,

235. Sloan Commission on Cable Communications, 6.

236. *Ibid.*, 48.

237. *Ibid.*, 152.

including revised copyright laws allowing cable to purchase programming, protections from cable for PBS, allocation of public access channels, defined minimum technical standards, nondiscriminatory access to leased channels, limitations on ownership to avoid concentration, and federal limits on the powers of states and municipalities to impose taxes.²³⁸ Above all, the report favored rapid growth of the medium. To this end, it concluded that common carrier status would be “unrealistic and an impediment to the desirable growth of cable.” In an argument that echoes Telcommunication corporations’ current arguments against net neutrality legislation, the Commissioners did not feel “investors would be willing to undertake the substantial capital expenditures of laying cable if they had no control over the use of the channels in the formative years and so were powerless to control the financial destiny of the system.”²³⁹ But the decision to make cable a common carrier was not completely abandoned. It was simply put off until there was ample programming was available and the infrastructure was well developed—a time when the industry would no doubt have the political economic power to resist such a move. By delaying the debate around common carrier status, the commission demonstrated its naiveté about capitalist communication systems. Driven by an ideological belief that the market is the most efficient force for technological innovation, it remained hopeful that the cable industry was not going to follow the path of all other forms of capitalist communication systems (e.g., telegraph, telephone, broadcast radio, television).

238. Sloan Commission on Cable Communications, 154-55.

239. *Ibid.*, 148.

The commission was not phased with broadcast television's programming at the time, but found a way to excuse the broadcasters. The commission argued that the technology limited the number of channels, so the commission reckoned, content had to appeal to the widest possible audience. The constant pressure to create non-offensive entertainment resulted in a constant middling of programming quality. While media critics might make much of the report's assessment that broadcast television "has been, in general, a vehicle for personal expression only when that expression is generally acceptable," the commissioners saw this as an unavoidable *byproduct* of technological limitations (i.e., limited bandwidth/channels). On the whole, the report would rather light a candle (cable) than curse the darkness of broadcast television: "None of this is intended, *per se*, to be critical of conventional television: it has performed as it has been obliged to perform, and on the whole done so with surprising efficiency and skill."²⁴⁰

Overall, the commissioners pinned their hopes on cable as a "television of abundance." The report also recognized the social value of cable television and feared that "vested interests" would take over the new medium. Ironically, the commission's fear of vested interests unduly influencing government regulations would be alleviated by deregulation and free market control of cable—allowing a different set of vested interests to determine the fate of cable.

Another Blue Skies proponent was not as eager to let the market determine cable's future. Ralph Lee Smith's well-known article, "The Wired Nation," appeared for The

240. Sloan Commission on Cable Communications, 43.

Nation magazine, serving as a primer on cable television for the public and government officials. Smith's biggest fear, like Johnson before him, was that the information being used to make decisions about cable television was coming from industries with vested interests. Unlike the Sloan Commission, Smith did not favor revisiting the issue of public control of cable *after* giving the market free reign to develop programming, and was a voracious proponent of common carrier status. Smith felt that attempts to regulate cable by the federal government had sublimated social values in favor of "...the short-range struggle for economic advantage."²⁴¹ Smith's solution was a separation of infrastructure system providers and programming. As common carriers, cable companies would be prohibited from deciding what programming would be offered on their systems. Smith pointed out that if cable companies offered programming, they would be hesitant to allow programs that directly competed with their own shows. Under common carrier status, access for new programmers would be guaranteed. The classification also would provide additional standards of performance while ensuring uniform technical standards. Smith felt that the two legal conditions for common carrier status—a natural and unavoidable monopoly and an essential service—were both applicable to cable. Interestingly a year before Smith published his piece, the cable industry (represented by NCTA) publicly claimed its service "was not a necessity."²⁴²

241. Ralph Lee Smith, "The Wired Nation," *The Nation*, May 18, 1970, 599.

242. Parsons, 296.

Smith, more than any other Blue Sky proponent, recognized that a free market and Blue Sky ideals were not compatible. “Americans are so accustomed to their system of broadcasting that it probably occurs to only a few that different arrangements exist in every other country in the world. And if they do notice the difference they assume, not doubt, our system is the result of clear national choice. Quite the opposite is the case.”²⁴³ Smith’s article, and later a book on the same topic, are best known for the prescient envisioning of an “electronic highway” that would connect the nation to a system of Telcommunications infrastructure, enabling users to communicate with each other, shop, do research and watch programming.

All of the Blue Sky reports favored regulation, which aimed to level the playing field against the entrenched broadcast interests. However, such regulation did not include provisions for public control. Most Blue Sky reports assumed that the market was the normative arbiter of technological innovation, and ignored the fact corporate driven media was increasingly becoming more concentrated. By 1975, the top 50 cable companies accounted for 72% of cable subscribers. More importantly, 30 of these 50 companies were subsidiaries of diversified corporations that thought “cable provided an outlet for cash flow” that could offer higher returns than they were currently receiving in their own oligopolistic marketplaces.²⁴⁴

243. Smith, 592.

244. Thomas R. Eisenmann, “The U.S. Cable Television Industry, 1948-1995: Managerial Capitalism in Eclipse,” *Business History Review* 74, no. 1 (Spring 2000): 10-11.

Blue Skies hyperbole was based on promoting two aspects of cable technology: 1) CATV's ability to expand programming options and 2) future two-way electronic communication. Programming had already been established, particularly with the inclusion of pay channels. However, the infrastructure needed to support an "electronic highway" on cable systems was considered too capital intensive for the commercial systems. Generally the cable industry executives generally found the Blue Sky discourse to be "pie in the sky." While they may have appreciated and exploited the publicity, they did not want to be tied down to any promises about service or, worse, public obligations. Cable television was a business first and foremost. To them, cable entrepreneurs corporations were looking for a good return on investment and not interested in social engineering.

Cable operators used blue Sky arguments "as a strategy in the small-market television battle with broadcasters, particularly as that struggle was carried out through the FCC. By describing their businesses, not as a mere ancillary community service, but as new technology, the cable operators could gain new leverage against their commercial opposition, the broadcasters."²⁴⁵ Ultimately, the model favored by the cable industry—limited regulations coupled with marketplace control of content—was adopted. However, there was one tangible response by the cable industry to the Blue Sky debate: C-SPAN. In here study of cable programming, Megan Mullen concludes that

245. Thomas Streeter, "The Cable Fable Revisited: Discourse, Policy, and the Making of Cable Television," *Critical Studies in Mass Communication* 4, no. 2 (June 1987): 174.

Agreeing to finance C-SPAN (and later C-SPAN 2) represented the only gesture the cable industry would make voluntarily toward fulfilling the public service goals of the various Blue Sky studies and articles.²⁴⁶

Satellites: Beyond the Blue Skies

The cable industry was made possible by another technology—geosynchronous communication satellites. Without orbiting communication satellites, a nationally connected cable television network was neither technically, nor economically, feasible. When registering the non-profit network in 1978, it should be noted Lamb that did not choose to name it the Cable Public Affairs Network (CPAN), but the *Cable-Satellite* Public Affairs Network (C-SPAN), acknowledging the pivotal role that satellites played in cable's development. The importance of satellite technology on cable television's development is hard to overestimate. Parsons states that “..the history of the industry and its technology can be distilled into two simple eras—the period before the satellite and the period after it. It is not too far a stretch to describe them as two completely separate industries.”²⁴⁷ Without satellites, the “television of abundance” would be limited to large cities, where large subscriber bases could justify locally produced specialty programming or distant programming using expensive terrestrial transmission methods.

Until communication satellites were launched, the only way for electronic information to be transmitted across the nation (and globe) was by land lines and microwave towers owned by companies like AT&T. Satellites would allow cable not only

246. Mullen 2003, 125.

247. Parsons, 320.

to bypass AT&T's lines, but to send programs from a single point and then broadcast them to any number of earth-based receivers, where they could then be distributed by cable to households.

But cable television was only one use for communication satellites, as they offered other important government and military uses.

In a special message to Congress, in 1967 President Johnson stated "No technological advance offers a greater opportunity for [achieving world peace] than the alliance of space exploration and communications."²⁴⁸ Satellites were presented as a technology that could unite the world through a core human activity—communication. But satellites had been part of a national strategy since Eisenhower. At the height of the Cold War, communication satellites were seen as a tool in the race to beat the Russians—both technologically (the Space Race) and imperially (to spread the US empire to developing nations).

In 1962, five years before Johnson spoke about satellite-sponsored world peace, Congress had passed the Satellite Communications Act, a cornerstone of Kennedy's administration. The act created a private corporation—the Communications Satellite Corporation (COMSAT)—to oversee all U.S. satellite communications. Still reeling from Sputnik, the U.S. Congress's main concern in the early 60's was to beat the Soviets in establishing a global communications system. Satellites represented the fastest and most cost effective way to expand global communication networks. Soon the

248. Lydon B. Johnson, "Special Message to the Congress on Communications Policy," August 14, 1967, accessed from: John T. Wolley and Peters Gerhard, *The American Presidency Project*, Santa Barbara, CA: University of California (hosted), <http://www.presidency.ucsb.edu/ws/?pid=28390>

international communications common carriers (AT&T, Western Union International, ITT and RCA) began to convince Congress that they were best positioned to get a satellite communication system running and that they who should have control of satellite communications for the US.²⁴⁹ The common carriers argued for a complete privatization of satellite services, and they had considerable backing in Congress and Kennedy's White House.²⁵⁰ Kennedy was following the same path as Eisenhower, who had made it clear that he preferred a private satellite option. His rationale was based on the fact that U.S. private enterprise had managed to build the world's premier communication system. For Eisenhower, there was no doubt that "the government should aggressively encourage private enterprise in the establishment and operation of satellite relays for revenue producing purposes."²⁵¹ A few congressmen and women would later express doubts, reminding other legislators that the reality of capitalism was monopoly, not competition, and allowing private market control would undoubtedly result in satellites being controlled by a single Telecommunications corporation—AT&T. The issue of satellite ownership opened "...an unbridgeable political gap between those who felt that satellites should be absorbed into the private Telecommunications industry and those who felt that satellites should be owned by a public corporation because they were an offshoot of the

249. Michael E. Kinsley, *Outer Space and Inner Sanctums: Government, Business, and Satellite Communication*, (New York: John Wiley & Sons, 1976), 4.

250. Herbert I. Schiller, *Mass Communications and American empire*, (Boston: Beacon Press, 1971), 129.

251. John W. Finney, "Eisenhower Sets New Space Policy," *New York Times*, December 31, 1960, A4.

space program, paid for by \$60 billion in taxpayers' money."²⁵² The gap, however, was bridged.

In the tradition of legislative compromise, COMSAT became a public-private corporation. Half of its stock was set aside for the common carriers, and half for the general public. The board would be composed of six representatives of the common carriers, six were to be elected by the general stockholders and three were to be appointed by the President on behalf of the public. It was quite clear that the compromise favored private interests. Senator Estes Kefauver, testifying before the Senate Commerce committee, presented his views of the arrangement:

It is in my opinion, Mr. Chairman, the biggest giveaway that we have had in the history of our Nation. All this stuff about taxpayers can get benefit by buying a share of stock is window dressing. We know that there won't be one-hundredth of 1 percent of the taxpayers who will be buying stock, and that they will not be buying stock in any event in proportion to the big investment by their tax money that they have made in research and development of this making possible the space communications satellite.²⁵³

Progressive, public-option senators (e.g., Wayne Morse, Ralph Yarborough, Russell Long, Estes Kefauver, Maurine Neuberger, Ernst Gruening, and Albert Gore) mounted a sustained attempt to kill the bill on the Senate floor using filibusters, but were ultimately outmaneuvered and resoundingly lost. Senator Yarborough asked "Mr. President, is this the council hall of the States, or has the Senate become the council hall of the

252. Brenda Maddox, *Beyond Babel: New Directions in Communications*, (London: Andre Deutsch, 1972), 83.

253. Senate Committee on Commerce, *Communications Satellite Legislation*, hearings to consider S. 2814, to provide for establishment, ownership, operation, and regulation of commercial communications satellite system, 87th Congress, 2nd sess., April 12, 1962, 273.

corporation?”²⁵⁴ The administration and Congress had little choice but to pursue a simplistic utilitarian-consequentialist policy that bypassed the very question of ownership. As it stood, it was hard to argue with the results; the U.S. would have a satellite communication system that worked. For President Kennedy, the ends—beating the Russians and gaining dominance in global satellite communications—justified any means.²⁵⁵ Unfortunately for the dozen senators who fought for public ownership, the creators of the Act had “determined that the communications giants role in satellite development was inevitable and desirable.”²⁵⁶ Kennedy’s assistant attorney general, Nicholas deB Katzenbach, had already stated to the US House Committee on Science and Astronautics that “We are talking about a system of achieving various ends, and not about the worth of an abstract concept. To put it bluntly, who ‘owns’ a satellite is far less important than the consequences which we attach to that concept of ‘ownership’ and the controls which accompany it.”²⁵⁷ The public testimony reveals that even the progressive, pro-public, Senators were less concerned about ownership than they were about the effect this act would have on AT&T’s market power. AT&T had circumvented federal regulations prohibiting it from owning communication satellites by paradoxically becoming the single largest controlling interest on COMSAT’s board. By putting

254. Michael E. Kinsley, *Outer Space and Inner Sanctums: Government, Business, and Satellite Communication*, (New York: Wiley, 1976), 11.

255. Brenda Maddox, *Beyond Babel: New Directions in Communications*, (New York: Simon and Schuster, 1972), 84.

256. Kinsley, 22.

257. House Committee on Science and Astronautics, *Communications Satellites, part 2*, 87th Congress, 1st sess., July 14, 17, August 1, 9, and 10, 1961, 719.

satellite's biggest competitor in charge of the new technology's fate, opponents to the act felt that Congress had appointed the fox to guard the hen house. It was felt that AT&T had little incentive to create an alternative to its land-based system of cables and microwave towers. Thus, cable television would have an uphill struggle to gain transmission time on communication satellites because its potential for Telecommunication applications represented competition to AT&T's terrestrial infrastructure.

In 1964 the US was instrumental in negotiating the creation of an international satellite organization—Intelsat—on the market-based model of COMSAT. Intelsat's creation was based on a set of interim agreements that were open for renegotiation in 1969. In the quote at the beginning of this section, President Johnson was speaking to Congress about world peace and satellites because he wanted the U.S. to enter into a *permanent* arrangement with Intelsat. The overall tone of his message was that the U.S. could take the lead in supporting "...a global system of commercial satellite communications which is available to all nations—large and that small, developed and developing--on a non-discriminatory basis." Johnson expressed concern small nations might become "orphans of this technological advance" and told Congress that his administration would consider financial assistance to emerging nations. Johnson's comment that "Some nations may feel that the U.S. has too large a voice in the consortium," alluded to an intent beyond benevolent technological patronage. As Herbert Schiller documented in his book *Mass Communications and American Empire*, U.S. satellite communications policy's "main concern is to win communications markets in the

well-to-do world as it exists today”²⁵⁸ not with giving developing nations a helping hand. Schiller summarized the U.S. efforts to bring in international (i.e. European) partners as an attempt to spread costs, while ensuring US control over a global communication policy and infrastructure.

The Marriage of Cable and Satellites

The movement to keep mass communication systems within the marketplace and not publicly controlled also spilled over into cable television. When Congress was debating COMSAT and Intelsat, Johnson commissioned a task force, chaired by the Undersecretary of the State, Eugene Rostow. The taskforce was charged “to make a comprehensive study of communications policy.”²⁵⁹ The primary subject was communication satellites, but the task force covered all forms of mass communications. At the same time that advocates and academics were touting the Blue Sky initiatives, the federal government saw cable television as the best way to utilize a global communication system that was the cornerstone of the U.S. global geo-political position. The President’s Task Force on Communications Policy released its study in 1968, concluding that

the most attractive near-term possibility for a domestic satellite system is a method for the distribution of television programs from point of origination to local outlet for rebroadcast at a lower cost than is the case for terrestrial distribution.²⁶⁰

258. Schiller, 185.

259. Eugene V. Rostow, *President’s Task Force on Communications Policy, Final Report*, (Washington D.C.: U.S. GPO, 1968), 460.

260. Rostow, 315.

In conjunction with this conclusion, the report sought ways to improve television program diversity through expanded channels. The answer was to distribute programming from communication satellites via cable systems. Known as the “Rostow Report,” the influential study created a stir by stating, “Although a number of methods can be imagined for expanding the number of [television] channels, the most promising is cable television.”²⁶¹ This promise, the report recognized, was in direct conflict with the interests of broadcast television networks. Since FCC regulations governing television were created before the invention of cable television, it is little wonder that the agency drafted rules favoring over-the-air television. For decades the FCC’s main goal was to encourage local broadcasting through promotion of low powered UHF stations. UHF was seen as a low-cost way to foster local programming in order to offer competition to the higher power VHF stations which were the major networks. The report succinctly stated “In pursuit of this important policy the FCC has sometimes found it necessary to impose restrictions on a rival mode.”²⁶² The report did not advocate complete deregulation of cable television, but did suggest that cable would best develop “without governmental assistance, promotion or other intervention.”²⁶³

Like the Sloan Report before it, the Rostow Report openly proposed a market solution, based on encouraging the “entrepreneurial spirit” to solve the problem of

261. Rostow, 316.

262. *Ibid.*, 302.

263. *Ibid.*, 323.

expanding television diversity. It did not completely, however, remove all public service obligations from cable television. Economically, the report found that cable systems, with their current channel capacity of twenty plus channels, could easily set aside channels for public service programming. Cable required a large initial outlay of capital (e.g., stringing cabling from “cable head end” to homes, launching a satellite, etc.) but operating costs of distribution were small. More importantly, the costs of distributing television signals over a satellite-cable system were inversely proportional to use. The more channels being offered, the more advertising could be sold. The taskforce also noted that advertising dollars were not the only source of revenue for cable television—the subscriptions that viewers paid cable providers could subsidize less popular type of programming. They pointed out that cable providers would want a diverse channel lineup because expanding channel options is what separated cable from over-the-air stations. The report noted that a customer may not pay for cable based on one specialty channel, but two or three might be enough to get her to sign up.

This section of the report marked a turning point in cable television. Cable television was now seen as a potential source of programming. Interestingly, the Rostow Report recognized how non-profit channel like C-SPAN could also benefit the cable operator’s bottom line. The report’s conclusions are worth quoting at length:

It is not necessary for the cable operator to sell time on every channel to advertisers, or even charge for the use of every channel, in order to defray his expenses and make a profit. On the contrary, he has a positive incentive to offer a varied programming mix, including items which would not attract a commercial sponsor, even if that required him to shoulder a portion of the programming costs. *Many individuals may only be*

persuaded to subscribe to the cable service if it provides programs of particular appeal which they would otherwise be denied, for some, a series of local college plays or a foreign film festival; for others, a continuous stock ticker; for yet others a college-level lecture series, or a channel dedicated entirely to the problems and talents of one of the particular subcommunities of the city—an ethnic, religious, or service group. Having an abundance of channels, the cable operator will be motivated to provide such programming. For the costs to him of a modest studio and simple camera equipment are moderate, while the additional options may attract additional subscribers to the cable [emphasis added].²⁶⁴

While the report did not specify a Congressional television network, it leaves space for such an endeavor. At the time the report came out (1968), the marriage of cable and satellite was seven years away and cable television’s programming—due to technical, economic, and (mainly) regulatory reasons—was sparse. Cable television did not look like it does today nor as the report envisioned it, but it is clear that the political economic circumstances paving the way for C-SPAN’s acceptance by the cable industry were in place ten years before the network was founded. While the Rostow Report may have provided the justification for a national public affairs network, it was from the policy-based perspective of the government. The cable industry, however, did not take long to capitalize on the concept and presented its own plan.

Cable Embraces “Public Service”

Flying in the face of the long standing perception that the policy positions of broadcasters and cable operators were incompatible and intractable, staff members from

264. Rostow, 321-22.

NAB and NCTA met during May 1969 and drafted tentative compromises over cable regulations. As one participant put it, “It got to the point where we decided there was no sense in continuing to holler at each other.”²⁶⁵ The overarching goal of the secret meetings was to establish a united legislative agenda which would simultaneously protect the copyrights of broadcaster programming, while allowing cable to expand more than it could under FCC rules. The agreement would require cable operators to pay copyright fees for material on broadcast television, and honor any “exclusivity” agreement that a broadcaster arranged with a programming provider (i.e., if a network signed an agreement with the baseball league to be sole outlet for a game cable operators could not retransmit it). Cable also would be prevented from interconnecting. It also would have to carry all local broadcast stations, but would be prevented from importing distant signals. All of these restrictions were trade offs to enable future cable systems to originate one channel of entertainment and one advertising-subsidized channel. (At the time, cable was prevented from originating entertainment programming and from offering advertising.) Existing cable systems would be grandfathered and allowed to continue their existing services. The agreement clearly favored broadcasters’ needs and even pro-broadcast FCC commissioner Kenneth Cox publicly chided the cable operators for giving up too much. Despite all of this, the compromise was roundly rejected by NAB’s board whose membership wanted absolute “economic protection against cable development.”²⁶⁶

265. *Broadcasting*, “Chance for Accord on Cable’s Future?,” June 2, 1969, 23.

266. *Broadcasting*, editorial, “Trouble on the Cable,” June 23, 1969, 142.

A week after NAB rejected the compromise, cable operators met for the annual NCTA convention. According to Broadcasting magazine, the meeting marked “the time when cable TV operators stopped thinking like faceless transfer agents for broadcast signals and started planning a future as full-fledged TV programmers.”²⁶⁷ It was a sea change in the way cable saw its future. NCTA president Fredrick Ford was fed up with being shut out of program origination and developed a plan to circumvent the regulatory restrictions. It was at the “CATV via Satellite” panel that Ford announced his innovative plan to perform an end-run around the broadcasters *and* achieve independent programming.

Far from seeing cable’s defeat, Ford explained how cable could benefit from the restrictive limitations proposed by the NAB. By preventing cable from originating *entertainment* programming, the NAB had opened up a programming niche for cable—non-entertainment programs. NCTA president Ford was excited about his plan for two reasons: 1) it circumvented the entertainment ban, allowing cable to become active programming producers and 2) it would “scor[e] vital public-service points with the FCC and Congress, among other influentials.”

The Rostow Report had earlier presented sound economic arguments why diverse programming would allow cable to subsidize less popular types of programming, which in turn, would draw in more subscribers who might not otherwise purchase fee television. Ford took this one step further. Not only would supplementing over-the-air programming

267. *Broadcasting*, Special Report, “Scratching the Itch to Originate,” June 30, 1969, 69.

with public affairs/service programming produced by cable increase direct revenue through selling cable subscribers, it would gain the cable industry valuable influence in Washington D.C.. It was as simple as it was tactical. Based on NAB's success up to that point, broadcasters had the political power to kill any efforts by cable to expand into entertainment programming. It would be considerably more difficult for the NAB to kill cable's efforts to start public service programming. Ford's proposed programming tier consisted of six public-service channels:

- Two channels given to PBS
- 24-hour weather channel with local reports
- Medical/health programming for public and hospital professionals
- Selected reruns of over-the-air "nonmass-entertainment" documentaries
- *Capitol Hill activities including live congressional hearings*²⁶⁸

Ford's proposal has yet to be mentioned in any research or writing on C-SPAN. Ford saw his plan as a way to appease regulators, gain public support and most importantly "the six channels, would, in the aggregate be of sufficient diversity and value that we believe the metropolitan television viewer would be prompted to buy the CATV service." A congressional channel was seen as the ideal platform to achieve both political and economic goals of the cable industry. Ford did more than pitch the idea, his staff had researched the technical and labor requirements, determining the channel would cost around \$2.2 million to operate each year.²⁶⁹

268. *Broadcasting*, Special Report, "Cable Opts for Networking Role," June 30, 1969, 71.

269. "Cable Opts for Networking Role," 72.

NCTA's director of engineering, G. Norman Penwell, pointed out that this type of programming would not only gain cable a foothold in the larger markets, it would appeal to niche audience interests. The latter effect was something the FCC had been trying to accomplish with UHF broadcast television for years and *ostensibly* the reason the agency was protecting broadcasters at the expense of cable. More of interest to cable operators, this type of public service programming "would be amazingly cheap to set up and produce."²⁷⁰ It was a win-win solution for cable. Cable would have six channels to promote to subscribers in the biggest television markets in the nation and it forced NAB into the uncomfortable position of having to oppose incontestably public-service minded television programming.

Ford presented his idea as the outgoing president of NCTA, so the campaign went nowhere for ten years. As discussed previously, C-SPAN—the network—began in 1977 when Brian Lamb met with a Virginia cable system operator who mentioned that he wanted to tap into the House of Representatives' trial television signal. However, the *idea* of a cable channel featuring live coverage of Congressional hearings began eight years previously, at the 1969 NCTA conference.

Conclusion

At the end of the 1960's and beginning of the 1970's, Blue Sky advocates had high hopes for cable's ability to instigate broad social changes. Cable was seen as

270. "Cable Opts for Networking Role," 71.

revolutionary new way to communicate because of its ability to transmit more electronic information than the older telephone networks. The capacity of coaxial cable was soon joined with geosynchronous communication satellites. Satellites, coupled with local cable systems, allowed the possibility of a national two-way system of electronic communication. Without satellites, cable would never have encouraged such sweeping claims. Satellites were developed using public funds and there was a hope this investment could be returned to the citizens. Blue Sky debates were judged using social values (e.g., democracy, education, etc.) but were never uncoupled from the free market. It was hoped that by freeing cable from the broadcaster-favored regulations, the industry could fulfill its wonderful potential. As the chapter revealed, this did not happen. Blue Sky ideals quickly ran up against the hard truths of a capitalist communication system, that cable providers were not interested in social values but in bottom lines. During this period cable companies became conglomerated, concentrated, corporations. Blue Sky's main downfall was in the fact it did not uncouple social values from cable from private infrastructure ownership.

C-SPAN is typically analyzed separately from the cable industry and seen as the personal passion of a handful of people dedicated to private enterprise providing a public service. By considering C-SPAN within the context of the development of cable, it is possible to more fully understand why and how C-SPAN came about. Previous research on C-SPAN fails to acknowledge conditions facilitating the acceptance of a C-SPAN type of network occurred during the time called "cable's freeze." It was a time when cable

was desperate to make any sort of inroad into the television market. These developments will be discussed in the next chapter. The chapter will offer C-SPAN could not only retain some of the older Blue Sky hopes but how it also proved that cable needed to shed the vestigial regulatory bonds broadcasters had placed upon it. In the latter part of the next chapter the beginnings of a “neo-netel” neoliberalism is identified and related to C-SPAN.

CHAPTER VI

CABLE'S FREEZE AND THAW

The leaders of the various [communications] trade associations—who rank among the most highly paid in Washington—could feel secure in taking a hard line to promote the unalloyed policy interests of their members. Their strategy was straightforward: use the legislative and regulatory process to preserve their own markets from competition and even to saddle others with new regulations while gaining new rights and new markets for themselves.²⁷¹

~Kirk Victor, Journalist

The Blue Sky and communication satellite policy debates, culminating in the Rostow Report, created an image of cable's glowing future. The report advocated for federal rules that assisted the expansion of cable television. In May 1969 the House of Representatives' Committee on Interstate and Foreign Commerce held a series of hearings on bills freeing cable to compete with broadcast television. Despite the apparent shift in social and legislative discourse in cable television's favor, the FCC continued to adopt rules that made cable operators feel as if the agency was "...out to

271. Kirk Victor, "Shifting Sands," *National Journal*, November 20, 1989, 2776.

emasculate CATV.”²⁷² And those feelings may have been justified. This chapter explores the cable industry’s regulatory experiences.

Cable’s Freeze: 1968 - 1972

In 1968, while publicly parroting the Blue Sky ideals of cable’s possibilities, the FCC was pressured by the broadcast industry to tighten its rules on cable. Any existing cable system in a top 100 television markets would be allowed to operate as they had been, but all new applications for franchises in large cities were denied wholesale. Those grandfathered systems in the large markets were severely handicapped. In an attempt to retain a sense of “localism,” the commission forced cable systems to carry the nearest independent broadcast station. The rule was designed to prevent “leapfrogging”—when a cable system opts to carry a popular larger station far from its community. Perhaps most restrictive of were the retransmission requirements. Under the new rules, the FCC required cable systems operating in one of the top 100 television markets not only to seek permission to carry a network station on its system, but to obtain permission for every program featured on the network. This would have been onerous enough but the FCC also required a cable system to seek permission from every party that had a property interest in a program, including the local station, the affiliated network, the distributor and the producer of the program.²⁷³ Logistically, it became impossible for a cable

272. House Committee on Interstate and Foreign Commerce, “Regulation of CATV, 1969,” 91st Congress, 1st sess., May 19-23, 1969, Committee Serial 91-91, 111.

273. Patrick R. Parsons, *Blue Skies: A History of Cable Television*, (Philadelphia: Temple University Press, 2008), 255

system in a large city to carry network programming. Between denying new applications for large city franchises and hamstringing existing systems through burdensome permission filings, cable's growth was effectively stymied.

It is clear, however, that while the commission tightened its control of cable as a community antenna system (retransmitting broadcast stations) it was moving towards viewing cable as a source of programming—something that the Blue Sky ideals had promoted. In 1968, against the wishes of the broadcasters, the FCC lifted its longstanding ban of advertising on local cable channels featuring original programming. But this gain for the cable industry was offset by another requirement. Cable systems over 3,500 subscribers were to create one channel of original programming and provide studio space and equipment for local programming.

Initially, this stipulation seems to give cable exactly what it wanted: the right to originate its own programming. However, cable operators were no longer small independent operations but large scale corporations controlling large and small systems around the nation, and they were not interested in creating amateur-produced local programming. They wanted professionally produced shows that could compete with broadcast shows, as well as be marketed to the rest of the country. The language of what “locally produced” meant also was loose and many operators showed old movies and television shows in syndication. Generally, then, these mandated channels were not the haven of locally produced community-specific programming that a Blue Sky advocate would have hoped for. The mandated stations proved to be economically unfeasible (not a

large enough market to support local advertisers), so they were often used more as a tool to obtain local franchise agreements than produce a profit. It became clear "...a 1960's style, locally produced, local origination program channel existed largely as a public service and public relations tool."²⁷⁴

Cable's ability to provide public service programming was key to the industry's relationship with Congress. Because the cable industry was economically struggling in the late 1960's, it would have to leverage all of its political power to fight the broadcasters. This meant forming strategic alliances with Congress, which in turn could shape FCC policy. Broadcasters had decades of lobbying experience and had insulated themselves against competition using legislation and broadcast-friendly FCC chairmen. Sol Schildhouse, who headed the FCC's CATV Taskforce during this time, lamented that no one in the agency was inclined to question the broadcasters obvious influence on public policy. No one asked "Is this a violation of the Constitution? Is this an encroachment on peoples' First Amendment rights? Nobody ever raised that. This was something the institution [FCC] had to do because it was urged on by the principle clients—the broadcast industry."²⁷⁵

The major networks not only had more money than the cable industry, they also controlled legislators' access to national television. As Robbins has observed,

274. Parson, 305.

275. Sol Schildhouse interviewed by E. Stratford Smith November 7, 1991, The Hauser Oral and Video History Collection, The Cable Center, Denver Co., <http://www.cablecenter.org/education/library/oralHistoryDetails.cfm?id=256>

“Broadcasting, and television broadcasting in particular, is widely regarded by both elected and non-elected politicians, as the most powerful of the celebrated Washington lobbies. Some evidence to the contrary notwithstanding, few politicians are willing gratuitously to assault the television establishment and thus, conceivably, jeopardize the most important of individual objectives—reelection, reappointment, or future employment by the industry.”²⁷⁶ If the cable industry was to tackle the broadcasters on their home field (Congress) it would have to distinguish itself from them. The best way to do this was to differentiate its programming from the overwhelmingly entertainment-driven fare on the networks. Public service programming offered the ideal way to show how cable was not only different, but more public-minded than broadcasters. Irving Kahn, president of Teleprompter Corporation, told committee members that the issue of program origination by cable was not about “...‘pay TV’ that will strangle other entertainment media. At stake, instead, is the opportunity to do an inestimable amount of good—through public service programming...”²⁷⁷ The message was clear: unless Congress reigned in the FCC it would be responsible for killing the potential to develop public service programming on television. Even at the height of the Blue Skies debates and with a system of domestic communication satellites imminent, the cable industry did

276. Kenneth Robbins, “Ford Administration Papers on Regulatory Reform. Studies in Government Regulation,” in *Deregulation of Cable Television*, ed. Paul W. MacAvoy (Washington D.C.: American Enterprise Institute for Public Policy Research, 1977), 95.

277. House Committee on Interstate and Foreign Commerce 1969, 43.

not have enough political power to stop a federal regulatory freeze period, and “cable growth had virtually ground to a halt in major cities.”²⁷⁸

Cable’s Thaw: 1972-1975

While the Blue Skies debates did not result in significant gains for the cable industry, they did draw attention to the FCC’s role in shaping cable’s future. For decades the commission was in an awkward position of having to regulate a technology not imagined by the legislation that outlined the FCC’s charge—the Communications Act of 1934. Initially, the FCC tried to shirk the responsibility of regulating cable but was pressured by the broadcast industry to step in.²⁷⁹ Because the FCC was positioned between one of the most powerful industry lobbies on one side and a new, and possibly society-altering technology on the other, the agency was neither able to kill cable television nor develop long-term policies for its growth. A Rand report determined, “Economic rivalries over cable’s future role impeded the resolution of policy issues; and doubts about the scope of FCC authority embroiled Congress, the Executive Branch, and the courts in the controversy.”²⁸⁰

278. Steven Rivkin, 1974. *Cable Television: A Guide to Federal Regulation*. Rand Publication: R-1138-NSF. (Rand Corporation: Santa Monica, CA, 1974), 1.

279. Stanley M. Bensen, “The Economics of the Cable Industry: ‘Consensus,’” *The Journal of Law and Economics* 17 no. 1, (1974): 39.

280. Steven R. Rivkin, *Cable Television: A Guide to Federal Regulation*. (Santa Monica, CA.: Rand Cable Television Series, R-1138-NSF, March 1973), 1.

Publicly the commission advocated expanding cable television and formed the CATV Task Force. The task force's head, Sol Schildhaus, encouraged cable's rise by lobbying the commission to grant waivers to applications of cable operators who were frozen out of a particular market. Behind the scenes, it was clear that the task force was meant to be a gesture not a substantive body. At one point, FCC commissioner Cox (a long time opponent of cable) came to Schildhaus and reminded him "You're supposed to look busy not be busy."²⁸¹ Despite open threats and veiled pressures, cable persisted. In 1971 a new tentative consensus agreement was drafted among the various parties and sent to Congress as a non-binding letter. But before any action was taken a new participant began to exert influence—Richard Nixon.

In 1970 President Richard Nixon made it clear that he intended the Executive branch to be active in national communications issues, releasing a memorandum outlining the White House's position on domestic communication satellite regulations. The memo

concluded government policy should encourage and facilitate the development of commercial domestic satellite communication systems to the extent that private enterprise finds them economically and operationally feasible, but that there is no reason to call for the immediate establishment of domestic satellite systems as matter of public policy nor to promote uneconomic systems or dictate ownership arrangements.²⁸²

In other words, the White House reinforced a market solution for U.S. communication systems. The next month Nixon formed the Office Telecommunication Policy (OTP),

281. Sol Schildhaus, np.

282. The White House, Announcement, "Communication Satellites for Domestic Telecommunications Service," *Weekly Compilation of Presidential Documents* 6, no. 4, January 23, 1970, 66.

appointing the memo's author, Clay T. Whitehead, as the first director. In a message to Congress, Nixon stated that he had created the office to advise the President about communication issues and coordinate federal government's use of communication systems for national security. In addition, "the new Office would enable the executive branch to speak with a clearer voice and to act as a more effective partner in discussions of communications policy with both the Congress and the Federal Communications Commission."²⁸³ Whitehead had a masters degree in electrical engineering and a Ph.D. in management from MIT and "was a technological innovator with a free-market approach to the newborn information revolution"²⁸⁴ Whitehead became notorious for being an eager foot soldier in Nixon's war on the media. Most infamously, in a speech to the Society of Professional Journalists' ethics foundation, Sigma Delta Chi, he accused the network news programs of "ideological plugola" and pandering to, and passing along, "elitist gossip" of Washington insiders. The phrases "were carefully chosen."²⁸⁵ Helping Whitehead craft the language was his aide—Brian Lamb, who had been working as a senator's press secretary and before that a reporter. According to Franzlich and Sullivan,

283. Richard Nixon, "Message to the Congress Transmitting Reorganization Plan 1 of 1970 To Establish an Office of Telecommunications Policy," February 9, 1970, accessed from: John T. Woolley and Peters Gerhard, *The American Presidency Project*, Santa Barbara, CA: University of California (hosted), <http://www.presidency.ucsb.edu/ws/index.php?pid=2735>

284. Dennis Hevesi, Obit., "Clay T. Whitehead, Guide of Policy That Helped Cable TV, Is Dead at 69," *New York Times*, July 31, 2008. <http://www.nytimes.com/2008/07/31/washington/31whitehead.html>

285. Fred C. Esplin, "Looking Back: Clay Whitehead's OTP," *Public Telecommunications Review* 3, no. 2, (March/April, 1975): 20.

it was during his job as OTP's spokesperson that C-SPAN's future founder "...refined his preference for the private enterprise basis of the media..."²⁸⁶

The OTP did not take long to develop a position on cable television. After the FCC brokered the tentative consensus agreement, the OTP intervened and offered its own plan for cable's controlled growth. Ironically, the OTP plan was more restrictive than the commission's. The White House threats, coming so close to Nixon's 1972 bid for a second term, were perceived by the cable industry as an effort to remind broadcasters they needed a friend in the White House.²⁸⁷

Although the OTP was a late comer to cable television regulation, it had the political power to issue the cable industry an ultimatum: sign on to this plan or be prepared for lengthy delays as new legislation is developed by Congress. By this point, all parties understood that without regulatory limitations, cable television could meet, and perhaps beat, broadcast television in a competitive market. It was federal regulations, not the will of the public nor any economic restrictions, that was holding cable back. The gambit fit within Nixon's well-known disdain for the media—particularly the networks.

The OTP's cable plan was eventually accepted and became the FCC's 1972 Cable Television Report and Order. While the new rules did not completely free cable, they allowed cable to import distant broadcast signals. The trade-off for import rights was a requirement to provide local cable access channels and make all other unused channels

286. Stephen E. Frantzich and John Sullivan, *The C-SPAN Revolution*, (Norman OK: University of Oklahoma Press, 1996), 28.

287. Christopher Lydon, "Cable TV Conferees See Wide Gains but a Delay," *New York Times*, July 12, 1971, A55.

available for lease. It was during this period that the industry began to shed its older CATV label and became known simply as cable television. Not surprisingly, the cable industry recognized the change long before it was recognized by others. Reflecting its new attitude, NCTA had changed its name from the National Community Television Association to the National Cable Television Association in 1967. After the 1972 Report and Order the FCC caught up, promoting its underutilized CATV task force to a permanent bureau dedicated solely to cable television. Cable was beginning to be treated as a peer to broadcast television. But, unfortunately for cable, its political gains were to be offset by economic woes.

Cable's Financial Crisis: 1972 – 1975

Capitalizing on the Blue Sky frenzy beginning in the late 1960's, cable operators and corporations were able to secure easy financing and had gone on spending sprees, purchasing franchise agreements in cities and laying cable. In many cases operators made promises to cities about services they were unable to keep. Before the 1972 rules, cities could charge cable operators as high of a franchise fee as they could get away with. Many municipalities reportedly treated the cable franchises like "open checking accounts" for city coffers.²⁸⁸ Cable operators put up with the exorbitant fees levied on them by franchising authorities because they fully anticipated plentiful profits. Investment banks,

288. Parsons, 310.

believing a potentially social altering product was on the horizon, fed this period of capitalization and allowed cable operators to over-spend.

Cable systems had very little to offer in the way of programming and were experiencing significant levels of “churn,” when a subscriber signs up only to promptly cancel the subscription. Because early cable did not feature diverse original programming, the only selling point was better picture quality than over-the-air broadcasts. This incentive only went so far; many consumers were not eager to pay for something they could receive free over-the-air using an antenna. Cable operators spent more time selling the idea of cable than subscriptions. Customer service problems plagued the industry as operators dedicated more funds to acquiring new franchises rather than producing a product (programming) or service. In the words of one cable executive, “...cable television bombed in the cities and we will be a long time recovering from it.”²⁸⁹

By 1975, the cable industry was averaging 3.1% pretax income on revenues and a debt-to-equity ratio of 2:1.²⁹⁰ From 1972 to 1973 the stock of cable’s largest company, Teleprompter, plummeted to 8% of its starting value, and its CEO, Irving Kahn, was arrested and sentenced for manipulating the company’s books.²⁹¹ By 1973, another cable giant, Tele-Communications Incorporated (TCI), was effectively bankrupt,²⁹² TCI’s

289. Les Brown, “Cable TV, Overextended, Is in Retreat in Cities,” *New York Times*, March 9, 1974, A61.

290. Thomas R. Eisenmann, “The U.S. Cable Television Industry, 1948-1995: Managerial Capitalism in Eclipse,” *Business History Review* 74 no. 1, (Spring 2000): 10.

291. *Ibid.*.

292. Mark Robichaux, *Cable Cowboy: John Malone and the Rise of the Modern Cable Business*, (Hoboken, NJ: John Wiley & Sons, Inc, 2002) 46.

president, John Malone, cut spending to the bone, laid off many workers and delayed capital investments. His greatest feat to stave off creditors was to orchestrate a byzantine financial scheme involving restructured classes of stock between TCI and a subsidiary in order to maintain voting control and take advantage of federal tax write-offs. The situation created tax-sheltered cash flows that were leveraged to secure loans which would then be turned back into the tax-sheltered cash flows. So precarious was this financialized house of cards, that an office joke was: if the company ever reported a profit, the accountants would be fired.²⁹³ However, these schemes only made it possible to pay the interest on TCI's loans. The heavy reliance on debt made the industry ripe for consolidation. Much of Malone's time was spent fending off hostile take over bids by larger media corporations. Cable television was no longer a mom and pop, entrepreneur-driven, concern; it was a business dominated by publicly traded corporations that did not want a 3% return on investment. In 1975 thirty of the fifty largest MSOs were subsidiaries of larger corporations.²⁹⁴ But it was clear that these companies could not continue by relying on accounting tricks (or outright fraud). Something had to change.

The Political Roots of Neoliberalism

In February, 1973, Whitehead appeared on William F. Buckley Jr.'s "Firing Line," where he explained "we'll begin to see cable growing more rapidly and there will be this

293. Robichaux, 39.

294. Eisenmann, 13.

opportunity for all manner of people to produce programming and make it available to the public.”²⁹⁵ While seemingly an advocate for cable television, cable operators were stung by Whitehead’s 1972 compromise requiring them to pay copyright fees to the owners of programming appearing on broadcast networks. More than an advocate for cable, however, C-SPAN’s founder’s boss was an advocate of “...good old free enterprise.”²⁹⁶ Early in the interview, Whitehead made his position clear, saying “no one wants, you know, a broadcasting system that is just an arm of the Federal Government. We’ve got to have a private enterprise system.” If this was not clear enough, Whitehead explained that he felt the government should take Milton Friedman’s advice and sell, not lease, broadcast licenses to the highest bidders, enabling them to become private property, preventing the government from intruding on commerce. This dedication to competitive capitalism meant Whitehead would seek to protect broadcasters’ copyright on their programming (and force cable to pay copyright fees) but that he also supported cable’s quest to produce its own programming in order to compete with broadcasters. If cable created its own programming, copyright protection would be applied to it as well. Whitehead realized that capitalist media could not exist without the state protecting private property rights. To deny broadcast programming these rights would be contrary to his belief in “free enterprise.” Likewise, Whitehead knew the networks “have been very upset at the threat

295. Clay T. Whitehead interviewed by William F. Buckley Jr. on *Firing Line*, broadcast February 18, 1973, “The White House and the Media,” program #S0081, 8, transcript available from The Hoover Institution at Stanford University, Firing Line Television Program Collection, <http://hoohila.stanford.edu/firingline/programView.php?programID=567>

296. *Ibid.*.

to their profitability that cable represents” and were able to secure regulatory protection from the FCC. During his interview with Buckley, Whitehead stressed that he wanted the chance for cable’s programming to compete with broadcasters. He begged when asked to elaborate, explaining he was about to submit his recommendations to to the President and needed to wait for the administration’s approval.

In 1974, the Cabinet Committee on Cable Communications, led by the OTP, issued its comprehensive recommendations for cable policy in its “Cable: Report to the President.” Whitehead clarified his preference for market-based solutions with dramatic flair, as the report projected its findings ten years ahead to 1984; which provided the committee with a literary opportunity:

Prediction is a perilous task in the rapidly changing communications field; and the chilling vision of "1984" can never be far from any group studying a new mass communications medium for an advanced technological society. We would rightly be held derelict in our duties if we took no steps to avoid the clear present and future dangers of government control of communications technology, which have been foreshadowed in the literary imagination.²⁹⁷

In other words, only free market model for cable television would avert the horrors of Orwell’s dystopia. The committee concluded cable “...should be given an opportunity to prove its worth to the American people in the marketplace of goods and services in the marketplace of ideas”²⁹⁸ In short, the OTP was arguing to deregulate cable television.

297. Cabinet Committee on Communications, “Cable. Report to the President,” (Washington, D.C.: GPO, 1974), 3-4.

298. *Ibid.*, 16.

The OTP was Lamb's introduction to cable television and it made an impression. Eighteen years later, after C-SPAN was well established, Lamb submitted testimony to House Subcommittee on Telecommunications and Finance stating, "I believe that 'free market' access to cable channels best serves the public interest. When cable was deregulated, C-SPAN's growth was in no way guaranteed. As you know, the federal government did not mandate the creation of C-SPAN, nor did our network get any special exemptions in a de-regulated cable environment. Cable operators were—and are—free to choose to add C-SPAN to their systems."²⁹⁹

By the mid 1970's, it was not only the OTP that sought market solutions to cable's future. As Nixon was forced out and Ford entered office, "various agencies of the government debated cable policy, but the new contours of the dispute seemed not to be over whether to deregulate cable but rather how best to do it."³⁰⁰ The trend to reshape federal regulations to favor business interests was not limited to the telecommunications industries. This was the era when the Civil Aeronautics Board deregulated the airlines and the Interstate Commerce Commission drastically reduced its oversight responsibilities over the trucking industry. The radicalism of the sixties, as exemplified by FCC commissioners with public advocacy sympathies, gave way to new commissioners, who "tore down, brick by regulatory brick" all the structures governing

299. House Committee on Energy and Commerce, "Cable Television Regulation," 102 Congress, 1st sess., March 20, June 18, 26, 27, 1991, Serial no. 102-86, 909.

300. Parson, 243.

cable television developed over the past decades.³⁰¹ Like Whitehead, the FCC chairman during this period, Richard E. Wiley, believed that cable operators were liable for copyright payments, but “ultimately felt the marketplace was a better forum than either the FCC or Congress in which to work out telecommunications issues.”³⁰² The genesis of a new “cable friendly” FCC occurred in 1974 when the Cable Bureau created the “Reregulation Task Force.” The name “was a calculated misnomer, designed by FCC Chairman Richard Wiley not to raise the hackles of Congressional and broadcast industry proponents of regulation.”³⁰³ The task force’s main charge was to reexamine the commission’s 1972 Rules and Report with the goal of integrating the ideals of deregulation to the cable industry.

By the mid seventies, the Presidency, the FCC, and Congress were all behind regulatory reform of cable. President Ford made deregulating cable one of the platforms of his office. It was apparent that broadcasters’ political strength was being tested by the resolve of both the executive and legislative branches. This regulatory rush to revisit government’s role in regulating industries would lay the groundwork for the rise of neoliberalism as a political philosophy. Because its evolution was artificially retarded by government interference, cable television was a perfect case study for free market advocates.

301. Parson, 243.

302. Ibid., 344.

303. Robert Britt Horwitz, *The Irony of Regulatory Reform: The Deregulation of American Telecommunications*, (New York: Oxford University Press, 1989), 256.

In 1975, staff for the House Subcommittee on Communications was charged with researching the regulation of cable television. Their report, *Cable Television: Promise Versus Regulatory Performance*, "...was clearly hostile to the protectionist nature of the 1972 rules."³⁰⁴ Though the FCC was turning a new leaf, the report lambasted the commission, stating its structure—with separate bureaus for broadcasting and cable industries—results in a "partisan clash of bureaus,"³⁰⁵ rendering policy decisions based on whichever industry is politically stronger. This, the authors felt, did not yield anything close to the public interest. To remain accountable to the public interest, the authors believed "Wherever feasible, matters should be left to experimentation and the marketplace; federal regulation should be resorted to only where clearly required in the public interest."³⁰⁶ The subsequent House Subcommittee on Communications hearings held over fifteen days in 1976, was dedicated to uncovering Congress's role in regulating cable television and whether the FCC needed to alter its practices regarding cable. The committee was chaired by Representative Lionel Van Deerling who later became Brian Lamb's biggest ally by suggesting, on the House floor, that the Congressional television signal could be transmitted to the public via cable.

Prior to the mid-seventies, it was not uncommon for cable operators/entrepreneurs to produce their own programming. This situation came out of system owners' desperate

304. Stanley M. Besen and Robert W. Crandall, "The Deregulation of Cable Television," *Law and Contemporary Problems* 44, no. 1, (Winter, 1981): 98.

305. House Committee on Interstate and Foreign Commerce, "Cable Television: Promise Versus Regulatory Performance," 94th Congress, 2nd sess., January 1976, IV.

306. *Cable Television: Promise Versus Regulatory Performance*, 77.

need to sell subscriptions when no one else was producing cable-only programming. The price that cable television would pay for the new freedom to compete with broadcast television would be a policy of “separation,” which specified that “in no event should the cable operator be engaged in programming or have any financial interest in entities using leased channels on its system.”³⁰⁷ In effect, the policy *philosophically* treated cable systems as common carriers but *legally* they were not classified as common carriers, allowing cable to restrict access and offer tiered rates to programming networks seeking distribution. It was another compromise. In preventing operators from producing programming federal regulators sought to curb the voice of any one corporation or individual, but by not making them common carriers cable companies would not be subject to state Public Utility Commissions. Cable franchise agreements in cities and rural areas would continue to be locally administered, but franchising fees would be federally capped, subscription rates could not be set and local authorities could not demand specific programming.

The only power that local municipalities had was to require the cable operator to set aside channel space for locally produced Public, Education, or Government (PEG) programming. This means that any cable subscription offering more than the “basic service tier” (e.g., local broadcast stations, the public, educational, and governmental channels required by the franchise agreement) would be controlled by the market, not public commissions. Cable operators, not commissions, would decide the proper market

307. Cable Television: Promise Versus Regulatory Performance, 91.

rate for channels and they could reject programmers at their discretion. The mid-seventies marked the eve of the coming neoliberal dawn and cable was able to situate itself to take advantage of the political changes.

The neoliberal shift towards deregulation was important because it freed cable television to take advantage of changing market and technological circumstances surrounding television in the US. First, consumer and regulator frustration with the limited offerings of the broadcast networks opened up space for cable's product. Secondly, allowing cable operators to utilize publicly-subsidized domestic communication satellites allowed cable operators to connect to a network of original programming. As early attempts at local origination of programming showed, there was not the economic incentive for cable operators to produce a wide variety of original programming. Cable in the seventies had become synonymous with reruns of "I Love Lucy" and old Hollywood movies. Satellites would quickly change this arrangement.

Open Skies

Though the OTP became known for its position on cable television, the office was created by Nixon, in large part, to promote the executive's long-standing preference for an "Open Skies" policy on domestic communications satellites. Shortly after the FCC issued its 1972 *Cable Television Report and Order*, the OTP was able to pressure the commission into implementing an Open Skies policy.³⁰⁸ Based on the OTP's wishes, the

308. Megan Mullen, *The Rise of Cable Programming in the United States: Revolution or Evolution?*, (Austin, TX: University of Texas Press, 2003), 91

FCC issued the 1972 *Second Report and Order*, which authorized *any* organization that could demonstrate “financial and technical qualifications to provide service” could establish a communications satellite system.³⁰⁹ Open Skies was rhetoric for a privatized satellite system. Access to satellite networks was “open” because the market, not the government, nor COMSAT, would decide who could develop a domestic communications satellite system. If you had the money, you could build a satellite, launch a satellite, and own and operate earth bound receiving stations.

Brian Lamb, who worked as OTP’s spokesman, pointed to the Open Skies policy as the *single* most important event to establish the cable industry.

They [Open Skies advocates] wanted to break down this concentration of power in the communications business; they wanted cable television to flower and to be able to expand, and they wanted satellites to be able to expand. So this was a critical period. And that decision...Tom Whitehead is almost single-handedly responsible, as an individual, for reversing the Federal Communications Commission policy that they were headed toward, of having a single entity control the satellite system. It became an open skies policy, and that’s why you have the flowering of all kinds of communications today.³¹⁰

Lamb described the cable perspective on Open Skies as preventing AT&T (the majority shareholder of COMSAT) from restricting entry to a potential telecommunications competitor (cable) by setting satellite fees above market rates. “AT&T executives recognized that their rarely discussed but universally known quest to control a domestic

309. *Broadcasting*, “‘Multiple-Entry’ is FCC’s Choice for Satellites,” June 19, 1972, 8.

310. Brian Lamb, interviewed by Jim Keller, September 26, 1998, transcript, The Hauser Oral and Video History Collection, The Cable Center, Denver Co., <http://www.cablecenter.org/education/library/oralHistoryDetails.cfm?id=132>

telesatellite monopoly by means of a state sanctioned arrangement [Comsat] was over.”³¹¹ While the 1972 ruling diminished the monopolistic power of AT&T, it did so at the price of public control. The domestic satellite system in the U.S., like the cable system, would be entirely controlled by private interests, accountable only to the marketplace. The long term effect of this arrangement would be to ensure that “those corporations that possessed the finances and programming infrastructures necessary to launch satellite networks in the late 1970’s were able to establish positions of incumbency and power for themselves.”³¹²

In 1974, Western Union launched the first domestic communications satellite—WESTAR I, followed months later by RCA’s RCA SATCOM F-1. In 1976 AT&T and COMSAT proved they were still in the game by launching COMSTAR. In all, these satellites had the capacity to provide up to 1,500 television channels.³¹³

The Rise of Satellite Cable Networks

C-SPAN was historic for televising Congress to the public and also for being one of the pioneering national satellite networks on cable television. A year after Western Union launched WESTSTAR I, the Home Box Office (HBO) network reached an

311. Edward A. Comor, *Communication, Commerce and Power: The Political Economy of America and the Direct Broadcast Satellite, 1960-2000*, (London: Macmillan Press, Ltd., 1998), 62.

312. Mullen 2003, 96.

313. David J. Whalen, “Communication Satellites: Making the Global Village Possible,” NASA History Division, Communication Satellites Short History, <http://history.nasa.gov/satcomhistory.html>

agreement to transmit television signals via satellite. In order to gain cable operator's interest in HBO, the network sought a suitably large event to demonstrate satellite transmission's capacity. It found one in the Muhammad Ali and Joe Frazier heavy weight championship. Held in the Philippines, the so-called "Thrilla in Manila" was transmitted over nine thousand miles through a cobbled system of satellites, land lines, and microwave relays to the Southeastern U.S. The trial run for cable-satellite was a huge success.³¹⁴ In addition to prominent one-off sporting events, HBO partnered with Hollywood studios to distribute major films, without commercial interruptions. Hollywood films had long been a staple of television, but up to this point, cable channels were only showing low-quality "B" movies or films old enough to be in the public domain. Broadcasters showed popular movies but interrupted them with advertising breaks. HBO guessed, correctly, subscribers would pay extra to watch movies without commercials. The following year, 1976, Ted Turner put his Atlanta, Georgia UHF station on the satellite service and was receiving orders from system operators. A year after that, 1977, Pat Robertson realized the potential for niche programming and started the Christian Broadcasting Network (CBN). In 1979 three networks were offered to cable operators: USA, ESPN and C-SPAN. The first 24-hour news network, CNN, began transmitting one year after C-SPAN's founding, in 1980. All these pioneer cable outlets are around today. HBO blazed the trail, Turner proved it profitable and USA/ESPN/C-SPAN proved satellites and cable distribution were the new trend in television.

314. FCC, Office of Manager Director, History, TV, "Wired, Zapped, and Beamed, 1960's through 1980's," <http://www.fcc.gov/omd/history/tv/1960-1989.html>

C-SPAN's birth occurred as operators were eagerly seeking specialty programming (e.g., sports, religious, premium movie, legislative). In one decade cable subscription rates nearly quadrupled, from 4.5 million in 1970 to 16 million in 1980.³¹⁵ In the short three year period when most of the pioneering stations were started, (1976-1979), cable operators' revenue jumped over 100%, while net income rose an astonishing 641%.³¹⁶ C-SPAN was not a sideline experiment in public service, it was one of the foundational national cable networks, one of only a handful of national networks available for cable operators to purchase in the late 70's. The network was part of the package that cable operators were selling to potential customers.

C-SPAN appeared only after the industry had experienced structural changes and "an increasing concentration of cable ownership during 1967-1973 began to transform the cable industry from a confederation of 'mom and pop' operations to one of increasingly large corporations which owned several cable systems."³¹⁷ With concentration came an increased need for national programming and with programming available, operators were able to sell subscriptions. The industry's economic success then "permitted a viable cable lobby to arise and enter into the regulatory fray."³¹⁸

315. *Television Factbook*, vol. 50, no. 1, (New York: Television Digest, Inc., 1982), 83-a.

316. *Ibid.*, 81-a

317. Horwitz, 252.

318. *Ibid.*, 253.

Conclusion

Beginning in the late 1960's, cable was seen as not only a better way to watch television, but as a way to improve U.S. society. As newer digital technologies expanded the capacity of coaxial cable systems, a variety of public-minded foundations, academics, activists and policy makers, engaged in debate about what this new communication system should accomplish. From these "Blue Sky" discourse came a diffuse set of social initiatives that advocated expanding cable. Cable's potential was not only limited by its technological capacities. As a communication system, cable was regulated by the FCC, and the commission was restricting the growth of cable to protect broadcast television. Broadcasters had years of political clout built up and used every thing at its disposal to freeze cable's development. What is interesting to note is that cable's "thaw" did not occur as a result of the Blue Sky debate but because of a larger political economic trends within the U.S. Under the leadership of Nixon's Office of Telecommunications Policy, the federal government solidified its preference for market solutions by presenting policies favoring competition and privatization. The largest example of this was the "Open Skies" policy that ensured the domestic communications satellite system, which was developed and launched using tax-payer money, would be privately run, for and by private interests. It should be noted, Brian Lamb, the founder and CEO of C-SPAN was the spokesman for the OTP and has often expressed that his preference for private market solutions to social issues was formed during his time at the office. Once the White House embraced competition, cable's regulatory thaw occurred. Freed from burdensome

restrictions and utilizing the newly privatized satellite system, cable was able to finally expand.

In the next chapter the study examines how the cable industry was able to harness this new political and economic power to its advantage. Within a few short years, the cable industry was able to score a major political victory in Congress with the passage of the The Cable Communications Policy Act of 1984. This act would re-regulate the industry, on its terms. Broadcasters, and the telecommunication industry, were not idle and pooled their lobbying efforts to fight a mutual competitor. With its monopoly on wired subscription television, the cable industry had increased prices and decreased the quality of service. Capitalizing on consumers' ill-will, the broadcasters and telco's were able to gain Congressional support for the Cable Television Consumer Protection and Competition Act of 1992, which again placed heavy restrictions on cable operators. With the rapid development of new communication technology it was apparent the original Communications Act of 1934 was in need of major modernizing amendments. This time *all* communication industries joined in the passage of the Telecommunications Act of 1996. The act gained support across industries because it represented a formal shift of federal communication policy from public interest towards favoring the investment opportunities of big business.

The chapter uses these acts as a way to demonstrate how C-SPAN was used by the cable industry to assist in its goals, and also, how the network itself, became a symbol of limited government interference in private business.

CHAPTER VII

THE CABLE INDUSTRY: THREE DEFINING LEGISLATIVE ACTS

The skeptics were waiting. They had often predicted that C-SPAN would only be around as long as the cable industry needed visibility in Washington; that once deregulation came, C-SPAN would go the way of news and public affairs programming on some deregulated radio stations. Instead, Mr. Chairman, C-SPAN grew dramatically. Today, C-SPAN is available in nearly 54 million homes—95% of the cable universe.

~Brian Lamb, written testimony to Congressional committee

It is impossible to separate C-SPAN's evolution from that of the cable industry itself. C-SPAN's birth occurred when the cable industry became a major player within the mass communications and media systems in the U.S. There is no denying C-SPAN owes its existence to the fact the industry secured the ability to utilize communication satellites for disseminating national television programming. What is less recognized are the ways C-SPAN benefited the industry. Within the first fifteen years of C-SPAN's founding, the cable industry went from up-and-coming competitor of broadcast television to full-fledged telecommunications powerhouse. Three legislative bills chart the political and economic maturation of the industry: The Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992 and the

Telecommunications Act of 1996. The following chapter briefly outlines those pivotal acts while offering evidence of C-SPAN's relationship to the social policy these acts represented.

The Cable Communications Policy Act of 1984

The industry did not take long to marshal its collective lobbying power and within five years of C-SPAN's founding saw a major regulatory victory. Under Regan's administration, a concerted effort was underway to strip the oversight capacities of government regulatory agencies. While deregulation was the de rigeur political policy position since Ford's administration,³¹⁹ reducing federal oversight was made socially popular by the rising trend of neoliberalism in the early-to-mid eighties. During this time the trucking, railroads, airlines and banking industries were deregulated through passage of omnibus laws designed to shift regulatory power from federal agencies to the marketplace. The only other piece of legislation remotely matching the scope and tenor these bills was The Cable Communication Policy act of 1984.³²⁰

Prior to the act's passage, Congress conducted several studies into cable deregulation. A 1981 Congressional report considered deregulation as a step in an industry's natural evolution.

319. Martha Derthick and Paul J. Quirk, *The Politics of Deregulation*, (Washington, D.C.: The Brookings Institution Press, 1985).

320. Robert Britt Horwitz, *The Irony of Regulatory Reform: The Deregulation of American Telecommunications*, (New York: Oxford University Press, 1989), 244.

Rules once imposed to guide cable in its early stages of development no longer are necessary due to demonstrated expertise on the part of the industry itself, and to increased understanding about, and familiarity with, the industry on the part of State and local officials as well as potential cable subscribers.³²¹

The report concluded “the Committee believes that the marketplace forces, rather than Government regulation, should prevail.”³²²

The act was a textbook example of federal regulation legislation as “re-regulation” (showing legislative preference for one industry or special interest group at the price of another) rather than actual “deregulation” (letting *laissez faire* reign free). From the perspective of the customer, however, the measure was a deregulatory act. Before the act, the subscription rates customers paid for cable were controlled by the state or local body that granted the cable operator its franchise license. The act removed government control of rates and subjected them to market control. As long as the cable company could demonstrate its system was subject to “effective competition” it could charge whatever it felt the market could bear. “Effective competition” could include a customer’s ability to receive a nearby broadcast television station.

As the industry shifted from local private ownership to Multiple System Operators (MSO’s), cable sought to routinize and centralize franchising procedures. On an administrative level, filing procedures varied widely across the country—even within states. The industry was able to impose a federally mandated uniform franchising

321. Senate Committee on Commerce, Science, and Transportation, “Telecommunications Competition and Deregulation Act of 1981,” 97th Congress, 1st sess., July 27, 1981, Report 97-170, 57.

322. *Ibid.*, 58.

procedure. More important, however, was the federal imposition of franchise caps. Prior to the act many municipalities looked to cable franchising fees (essentially a tax), not as a way to have the oversight agency remain self-sufficient, but as another source of revenue for city or county coffers. Thomas Wheeler, NCTA President, testified in one case a city used cable franchise fees not for maintenance of the regulatory commission but for a stainless steel column and reflecting pool for city hall.³²³ The act capped franchise fees to 5% of a cable operator's *local* gross revenue.

The act also protected the cable industry from the theoretical cornerstone of the marketplace—competition. In a blatant example of re-regulation, the act outlawed cable's biggest competitor, the phone company, from entering into the business of transmitting television signals.

The price Congress demanded for these giveaways was small. Owing to a minority group of "liberals" the act mandated cable become subject to equal employment opportunities. More dear to the cable industry was the act's stipulation that franchising authorities had the legal right to demand public, educational and governmental (PEG) channels be part of a franchise agreement. PEG channels are channels set aside for locally produced public affairs/educational content. While local authorities could not demand cable companies carry a specific *network* (e.g., C-SPAN) they could require the operator to give up several channel slots for locally produced public affairs content. The requirement was not without precedent; many MSO's provided PEG channels as a way to

323. Senate Committee on Commerce, Science, and Transportation, "Cable Telecommunications Act of 1983," 98th Congress, 1st sess., February 16, 17, 1983.

gain bargaining leverage. The requirement simply mandated what was a widespread voluntary practice of the time.

The 1984 act sought to redress years of FCC favor towards broadcasters and protect cable from the predatory practices of local franchising authorities. In short, cable television was now a political economic player at the table. The irony of 1984 act is the cable industry spent two decades bemoaning the monopoly of broadcasters over television markets only to secure a monopoly for itself within the pay television market. A 1996 Brookings Institute study on cable regulation found cable would later use its monopoly to raise rates and ignore customer complaints. The study concluded, largely due to the 1984 act, cable "...is widely considered a monopoly that has exploited consumers and is thus a worthy candidate for government regulation."³²⁴ What this ignores is that cable had regulations—regulations that suited the cable industry. While C-SPAN was not active in lobbying for the act, there was a legislative issue occurring as the act passed its way through Congress that C-SPAN was very much involved with.

As Congress debated the merits of deregulating cable television the Senate considered televising its floor proceedings. This fact brought C-SPAN into direct contact with the legislative process. Beginning in 1981, the Senate examined Senate Resolution 20; establishing television and radio coverage of proceeding in the senate chamber. The concerns of televising the Senate were identical to those expressed by House representatives two years earlier: members would grand stand, decorum would be

324. Robert W. Crandall and Harold Furchtgott-Roth, *Cable TV: Regulation or Competition?* (Washington D.C.: Brookings Institution Press, 1996), 84.

affected, speeches would lengthen, the cost would be too high, etc..³²⁵ The reasons to televise the floor were redux debates the House had six years earlier: to increase transparency, facilitate democracy, bypass unfriendly press and match the executive's growing media power. In fact, the only new concern added by senators was the fear by not televising its floor sessions the Senate "becomes a lesser body"³²⁶ when compared to the House which did televise its floor proceedings.

In 1979 the House made its floor session telecasts available to any outlet that wanted it, but only C-SPAN chose to transmit the signal on a daily basis. As House floor sessions were the mainstay of its programming, it was natural that C-SPAN, represented by its various board members, would take an active role in urging the Senate to open its floor deliberations to cameras. At committee hearings, it was obvious board members spoke not only as C-SPAN officers/supporters but as officers of cable corporations.

In hearing testimony from C-SPAN board members, Senator Charles McC. Mathias pointed out if the Senate approved television coverage C-SPAN might suffer from an embarrassment of riches.³²⁷ With only one channel and both chambers' floor sessions meeting simultaneously in the morning, the network would be forced to chose one chamber for live coverage and one for playback. John Saeman, chairman of C-SPAN's board, responded that if the Senate approved television cameras, it would be

325. Senate committee on Rules and Administration, "Television and Radio Coverage of Proceeding in the Senate Chamber," 97th Congress, 1st sess., April 8, 9; May 5, 1981.

326. Television and Radio Coverage of Proceeding in the Senate Chamber, 183.

327. Ibid., 248.

his board's "desire to go to a full channel of coverage."³²⁸ The following excerpt from a 1998 interview with Saeman demonstrates how critical the early eighties was for cable television and how C-SPAN was perceived as a way to influence a successful conclusion to regulation woes with passage of the act

Saeman: You felt good about it [C-SPAN], because it was contributing to the cable industry in such a positive way as against its cost, given what the industry was going through and the regulatory environment, harassment on all kinds of issues—copyright, retransmission, and all of the rest of it, to have something like that, that befriended us to the House of Representatives.

Interviewer: Couldn't have a better lobbying effort.

Saeman: And it was so inexpensive and everybody [cable operators] could participate in it.³²⁹

C-SPAN's original industry supporter, and first chairman, Robert Rosencrans, did not miss the opportunity to shill for his industry's commitment to public affairs programming, saying "Much of our industry has been well publicized recently, and principally in the areas of movies and sports. Not as much publicity has occurred relative to the public efforts that we have been making, and making, I think, successfully."³³⁰

Senate resolution 20 went nowhere and was replaced by Senate resolution 66. In 1983 (the same year cable's deregulation was being finalized) C-SPAN's chairman made sure Senators knew the network "was the world's only 24-hour public affairs network,"

328. *Ibid.*, 249.

329. John Saeman interviewed by Jim Keller, October 01, 1998, transcript, The Hauser Oral and Video History Collection, The Cable Center, Denver Co., <http://www.cablecenter.org/education/library/oralHistoryDetails.cfm?id=255>

330. Television and Radio Coverage of Proceeding in the Senate Chamber, 204.

and that it was “a creature of the cable television industry.”³³¹ More importantly, the Senators needed to know, “With the inauguration of the C-SPAN programming four years ago, the cable television industry’s promise of enlightened and diversified programming has now become a reality.”³³² After describing how his cable company, Comtel, served 155,000 customers, C-SPAN board member Jack Frazee stated “We are committed to C-SPAN, and we have translated that commitment into action by adapting its systems to offer wide subscriber exposure to the C-SPAN network and its quality programming.”³³³ He is speaking as both a representative of a cable corporation as well as C-SPAN board member; it is impossible to abstract the two roles for C-SPAN is the cable industry. Kentucky Senator Wendall Ford pointed out cable was not a broadcast technology, where you could listen or watch for free. Nor was C-SPAN controlled by the public.

We really do not have television here. We have C-SPAN—unless we change the rules—and C-SPAN is limited to cable, and cable is limited to what they want to do. Now, in certain areas in my State, you buy cable, and you get 13 channels That is the first expense. Then you buy HBO. That is the second expense. And the third expense would be another level which would take you to 43 channels. So it begins to get quite expensive. And that third section is where C-SPAN is. So you are talking about \$30 to \$35 per month to get C-SPAN in my area. So really, when you get down to it, I am not sure as to what number of homes in which you find cable you will find C-SPAN, and they do not have to carry it.³³⁴

331. Senate Committee on Rules and Administration, “To Establish Regulations to Implement Television and Radio Coverage of Proceedings of the Senate,” 98th Congress, 1st sess., April 14, 15, 1983, 53.

332. *Ibid.*.

333. To Establish Regulations to Implement Television and Radio Coverage of Proceedings of the Senate, 60.

334. *Ibid.*, 88.

Senator Ford's comments came the day after C-SPAN's board members testified. In a letter following up on questions from the committee, C-SPAN's John Frazee began by making sure the committee knew C-SPAN had leased additional satellite transponder space and planned on creating a second channel exclusively for the Senate. Later in the letter, Frazee seamlessly slipped from C-SPAN advocate to cable industry representative by directly addressing Senator Ford's concerns. Frazee explained in Kentucky his company served 40,000 customers in 25 communities and in these communities C-SPAN was part of the \$8.65 per month basic service package. Lest Senators missed the point: "I would like to point out additionally, Senator, that the majority of these systems are 12 channel systems, which points out my company's commitment to public affairs programming of this type."³³⁵ What Frazee failed to mention was by 1983, almost 80% of cable systems had over 12 channels; in fact, over 50% of systems had 30 or more channels.³³⁶ Frazee concluded his letter by writing more and more cable MSO's were moving C-SPAN to the basic tier of service everyday. This news was dual edged; cable's commitment to C-SPAN was growing but C-SPAN could not be seen on many systems across the nation. Senator Ford's original fears were not baseless.

The issue of C-SPAN's absence from many systems was something the industry—as represented by C-SPAN board members—was keenly aware of. As part of its additional material, C-SPAN submitted to the committee an editorial from the *Nashville*

335. To Establish Regulations to Implement Television and Radio Coverage of Proceedings of the Senate, 70.

336. *Television & Cable Factbook*, vol. 50, no. 1, (New York: Television Digest Inc., 1983), 1726.

Banner. The *Banner*'s editorial board was joining with Representative Al Gore in urging cable systems across Tennessee "to reconsider making C-SPAN available to their subscribers."³³⁷ According to Gore, only 14 of 97 cable systems across Tennessee carried C-SPAN. At first glance, C-SPAN's inclusion of an editorial that prods, and somewhat chides, its supporting industry seems an odd choice. Once larger political economic trends and influences are considered the editorial fits quite nicely with the industry's overall needs. Firstly, the editorial demonstrates C-SPAN had the active support of a Congressman. Al Gore was not supporting publicly controlled Congressional television in the abstract, he was endorsing a specific, privately held, network. Gore's comments were addressed to the Tennessee Cable Television Association's convention. This reveals the second political economic fact—the decision to carry C-SPAN was priority for the larger MSO corporations more than smaller, independent, cable operators and even individual general managers of the large MSOs. Writing twenty years later, a cable trade publication comments, "That's the enigma of C-SPAN: lots of powerful support at the top, and tepid support from some GMs with an eye to the bottom line."³³⁸ In 1983, the year of the committee hearing, C-SPAN had 16 million subscribers over 1,200 cable systems. Compared to other pioneering satellite channels, it is apparent C-SPAN's subscribers were concentrated across fewer (i.e., larger) systems. For example, another pioneer satellite-cable network, The Christian Broadcasting Network (CBN) had 30%

337. "House Proceedings and Cable TV," Editorial, *The Nashville Banner*, November 8, 1982.

338. John P. Ourand, "C-SPAN Proves the Value of a Nickel," *CableWorld*, March 8, 2004, 16.

more subscribers (23 million) but was on over 3 times as many systems (4,000). The USA network had 21 million subscribers on 4,000 systems.³³⁹ This “phenomena” is easily explained by examining the reality of the cable industry structure. General managers of specific systems were under pressure to make their operations as efficient (i.e., profitable) as possible. The easiest way to increase profits would be to dump a network that costs the operator and prohibits him or her from selling any local advertising. The *owners* of the large cable MSOs understood the political economic necessity of a network such as C-SPAN and made long-term commitments to the network. By including the Gore article into the committee’s record, the industry let Senators know it was making Congress a priority in its programming decisions *at the same moment* the Senate needed a partner to disseminate its televised proceedings to the public. In doing so, the industry displayed its desire to work with Congress to expand Congressional television. If the cable industry was not a an eager partner, it would make little sense for it to promote the noncommercial network. On a more empirical level, the editorial pointed out *all* of Tennessee’s cable systems had “many” blank channels, putting even more pressure on local cable operators to utilize those channels for public good. By the early 80’s C-SPAN was clearly part of the industry’s overall strategy to achieve favorable relationship with Congress.

C-SPAN’s private ownership drew only the most limited, and mild, consternation from senators. Praise for private achievements of business was the norm. Around the time Congress was deregulating various American industries, private ownership of

339. *Television & Cable Factbook*, Vol. 52, no. 1, (New York: Television Digest Inc.), 197-99.

C-SPAN could be used as evidence the larger philosophical preference for market-based solutions was yielding results. In terms of C-SPAN the lines between private and public were becoming quite blurred.

By 1983 C-SPAN had been televising Congress for four years and the network was becoming synonymous with television coverage of Congress. A *New York Times* journalist, John Corry, demonstrates this phenomenon when he mistakingly referred to the House of Representative's floor chamber cameras as C-SPAN's cameras.³⁴⁰ The cameras were, as they had been since being installed in 1979, property of the House, run by House employees. In the long run it mattered little. Congress wanted its televised deliberations to reach as many viewers as possible at the same moment private sector solutions were being favored to public options. C-SPAN fulfilled both roles.

Cable Television Consumer Protection and Competition Act of 1992

With the 1984 Act the cable industry had scored a major political and economic victory over broadcasters and the telco's. The cable industry did not have long to wait before its new found legislative protections were challenged. Beginning in 1989, NAB began to actively lobby Congress to re-regulate the cable industry.³⁴¹ Broadcasters found a receptive audience in Congress, where it was recognized "Competition among distributors of cable services did not increase, and, in many communities, the rates for

340. John Corry, "TV:Cable Ventures inside Congress," *New York Times*, March 14, 1983.

341. Mary Lu Carnevale, "Broadcasters Seek Cable Reregulation In New Legislation," *The Wall Street Journal*, April 12, 1989.

cable services far outpaced inflation.”³⁴² Broadcasters, who put up token resistance to the 1984 act, saw their opportunity to strike back. The final result would be the Cable Television Consumer Protection and Competition Act of 1992.

The omnibus act had three major aspects to it: 1) reinstatement of rate regulations at the municipal level, 2) limits on horizontal ownership and 3) provisions to force cable operators to carry local broadcast stations free of charge. The last stipulation, known as “must carry” was the most controversial for C-SPAN. “Must carry” required cable systems to carry all the local broadcast networks. Must carry had been part of the FCC’s regulatory practices since 1965 and was even part of the deregulatory 1984 act. Cable had long challenged the rule and in 1985 was able to secure a court ruling striking down the practice as unconstitutional. NAB never let the idea die and insisted, through deciding whether or not a particular broadcast station appears on a system, “Cable systems have their thumbs on the scales of competition within a local video market.”³⁴³ Cable responds that must carry creates a preference for broadcast stations and cable programming “would be mandated a second class citizen in terms of carriage.”³⁴⁴ As is the case with all industry regulation, must carry was defended and attacked in terms of its effect on fair market practices. Both sides simultaneously stated they wanted only the opportunity to compete on a level playing field.

342. FCC, General Cable Television Industry and Regulation, “Fact Sheet: Cable Television, Information Bulletin,” June 2000. <http://www.fcc.gov/mb/facts/csgen.html>

343. Senate Committee on Commerce, Science, and Transportation, “Must Carry,” 101st Congress, 1st sess., October 25, 1989, 41.

344. *Ibid.*, 131.

During debate of the 1984 act, C-SPAN was used as an example of what results from unfettered free enterprise. For the 1992 act, C-SPAN was used as an example of what happens when the government interferes with cable's marketplace. C-SPAN went from the product of deregulatory free market practices to the direct victim of government interference. The final bill stipulated every cable system with 12 or more channels must dedicate one third of those channels to local broadcast stations (if there were that many stations). Systems with less than 12 channels had to reserve at least three channels for local broadcast stations. Lamb had largely stayed away from lobbying during the 1984 Act but the 1992 Act would negatively affect his network. Testifying before a House committee in 1991, Brian Lamb states his case plainly:

If Congress imposes artificial requirements for carriage, cable operators once again have to make hard decision about which satellite services they can include on their system's remaining channels. And economic necessity will force some cable operators to drop non-revenue producing public affairs programming like C-SPAN and C-SPAN 2 in favor of mandated local broadcast channels.³⁴⁵

Lamb was correct; C-SPAN was dropped by cable system general managers in favor of commercially viable cable networks. After C-SPAN began to be dropped from local systems around the nation, angry subscribers contacted the FCC, who simply replied "the decision to carry C-SPAN on a given system rests with the local cable company."³⁴⁶

345. House Committee on Energy and Commerce, "Cable Television Regulation," 102nd Congress, 1st sess., March 20, June 18 and 27, 1991, Serial No. 102-86, 906.

346. Bob Dart, "C-SPAN dropped in 95 cities pulls plug on Congress," *The Baltimore Sun*, September 7, 1994. http://articles.baltimoresun.com/1994-09-07/features/1994250155_1_c-span-cable-operators-cable-systems

According to the Lamb, nine months after the act went into effect, C-SPAN and C-SPAN 2 were dropped from over 4 million households.³⁴⁷ Given figures Lamb provided the committee, this constituted at least a 7.5% decrease in the number of households the network reached. There are two problems with Lamb's claims about the act leading to a massive hemorrhage of subscribers to the C-SPAN networks.

Firstly, using the Television and Cable Factbook, the cumulative loss of subscribers—if it actually occurred—was temporary. The Factbook is considered the “Bible” for information about the television industry and relies on networks and operators self-submitting data to it. The 1994 edition of the Factbook listed the combined number of subscribers to C-SPAN and C-SPAN 2—as of June 1, 1993—as 87 million. This number represents the “pre-act” subscriber levels and provides a baseline (the act would not take effect until 1994). Unfortunately, the 1995 edition—which would have used figures from 1994—replicates the June 1, 1993 data. C-SPAN did not provide the Factbook with 1994 figures. C-SPAN did update subscriber numbers for the 1996 Factbook, allowing a glimpse at a firmly “post-act” year. As of May 1, 1995, the C-SPAN networks had 102.5 Million subscribers—a 17.5% *increase* from the “pre-act” 1993. Given the Factbook's data, *if* C-SPAN experienced a loss of subscribers during the 1994 year, it was temporary and easily made up for in the following year, 1995.

The second problematic assumption within Lamb's comments is based on his notion of “economic necessity.” Believing economic decisions are not “political” (i.e.,

³⁴⁷ Elizabeth Kolbert, “Some Cable Systems Are Cutting C-SPAN for Other Channels,” *New York Times*, June 20, 1994, A1.

the product of human deliberation) is a prerequisite to being a free market thinker and fundamental to the success of using C-SPAN as a symbol of capitalism's superiority. The market provided C-SPAN and, if left fettered, the market would continue to provide C-SPAN. The "market" only began to remove C-SPAN after "political" actions fettered its normal functioning. According to Lamb, must carry forced cable operators to drop existing cable networks in favor of mandated carriage of broadcast networks. As Lamb and the industry had been stating from the network's beginnings, carriage of C-SPAN was a voluntary decision made by local general managers. The decision to drop the network, however, was framed not as voluntary choice to keep a revenue-producing network in favor of the non-commercial C-SPAN; it was presented as inevitable result of regulations. Even after the network was dropped from many systems "it ha[d] one of the largest potential audiences in cable television."³⁴⁸ If economics *demand*ed operators drop the networks, why was C-SPAN not completely scrapped from all systems? Only 7.5% of cable subscribers receiving the C-SPAN networks lost them. Economically speaking, the larger MSO's would be in a better position to absorb the loss either because they had larger revenue streams or because their systems had the spare channel space to accommodate must-carry networks and C-SPAN. This explanation undermines the premise the industry's support of C-SPAN is based on public service; or that the industry's public service has a price. In speaking of C-SPAN, one pioneering cable executive pointed out, "Cable has also undertaken national public service initiatives that

348. Kolbert.

have no parallel in broadcasting.”³⁴⁹ The industry provides it because it is the right thing to do but more than that, the industry began to insist that C-SPAN was a prime example of value.

The industry, it must be noted, was not in the habit of directly equating must-carry to losing C-SPAN. It was understandable for Lamb to directly criticize the act; his network was losing subscribers. The industry as a whole had to be careful using C-SPAN’s loss on a few systems as a stick to beat Congress. It made more sense to use C-SPAN’s presence on most systems as a carrot. During this time period, NCTA’s president Decker Anstrom broke his lobbying strategy into internal and the external components. Internally, Anstrom attempted to get cable CEO’s to scale back the rapidly rising subscription fees. Rising cable rates was the fuel giving cable’s competitors the populist political leverage re-regulate the industry. History has shown Anstrom was not successful at this tactic. Having to live with cable companies’ addiction to rising rates, Anstrom developed a plan to deal with this unfortunate reality. Externally (i.e., with Congress) he let legislators know “prices reflected the increased value the consumers were getting.”³⁵⁰ Yes, cable might be expensive but it was worth it. Continually growing subscriber rates attested to this fact. Under such a strategy, C-SPAN represented value for the subscriber’s dollar. The industry could not simultaneously argue value-for-the-money

349. Cable Television Regulation, 930.

350. Decker Anstrom interviewed by Tom Southwick, September 29, 2000, transcript, The Hauser Oral and Video History Collection, The Cable Center, Denver Co., <http://www.cablecenter.org/education/library/oralHistoryDetails.cfm?id=51>

and explain why overtly valuable services such as C-SPAN were dropped for such things as the Home Shopping Network or another pay-per-view movie or sports channel.

Was the decision to remove C-SPAN from a small portion of subscribers made for economic reasons? A Wall Street Journal writer thought not, believing some operators bumped C-SPAN “To dramatize their unhappiness....”³⁵¹ The overwhelming majority of cable systems carried C-SPAN, enabling the industry to rightly say it continued its dedication to public service. The few rogue systems dropping C-SPAN could be used as a worst case scenario of what might happen systemically if unfavorable regulation was heaped upon the industry. Additionally, if a legislator asked if the act had affected the favored child, C-SPAN, industry representatives could honestly answer “yes;” even though the network was quickly restored on most every system it was dropped from and continued to gain an absolute number of subscribers from new systems adding the networks.

While C-SPAN was centrally concerned with must carry, the industry as a whole was concerned with restrictions to its rate structure. Must carry was a sidebar issue the broadcasters were able to attach to the larger goal of the act: cable rate re-regulation. By the early 90’s, the cable industry had become a text-book case study in what happens when a corporation gains a monopoly in a local market: prices rose as service quality dropped. With the 1992 act, Legislators were “trying to respond to the continuing and just complaints of millions of American families who have been repeatedly stunned by

351. Paul M.Barrett, “Cable Television Asks High Court for Freedom of Speech, *The Wall Street Journal*, January 11, 1994, B1.

unfair rate increases, poor services, and virtually nonexistent competition.”³⁵² Legislators recognized because of the regulatory protections Congress had given the industry in 1984 “we have the worst of both worlds: Cable is an unregulated monopoly.”³⁵³ By this time the cable industry was on par with broadcasters in terms of political economic lobbying power but its perceived arrogance and greed caused the worm to turn. Sensing the social tide was firmly against cable television, legislators drifted towards appeasing aggrieved cable customers, allowing the broadcasters and teleco’s to leverage their already considerable power.

The Telecommunications Act of 1996

After sixty two years, the central law governing all mass communication systems and media regulation—the Communications of 1934—was comprehensively amended. The original act was written well before the advent of the Internet, and just prior to television. There was a legitimate need to overhaul and update communication law to reflect current technological realities. This technical need, however, provided the opportunity for an capitalist ideological coup de grâce. The 1996 act shifted protection of the “public interest” from the government to the market. New Deal “liberalism” of government regulatory control of communications was replaced with the “neoliberalism” of limited government regulation of capitalist industries. Privately controlled, for profit,

352. *Cable Television Consumer Protection Act*, S.12, 102nd Congress, 2nd sess., *Congressional Record* 138 (January 27, 1992): S 421.

353. *Ibid.*, S 413.

media and communication corporations would be the arbiter of public interest and in doing so, would shape the concept to fit their needs.

Public interest was based on perceiving the public as consumers within a national media/communications marketplace, not as citizens of a democracy. This consumer-centric intent was spelled out in the the final versions of the House and Senate bills. The second-to-last version of the enrolled bill had this synopsis

To promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies..³⁵⁴

The final version altered the synopsis to highlight the underlying goal of the Act:

...to provide for a pro-competitive prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies..³⁵⁵

Nowhere is there mention of enhancing democracy through expanding the diversity of voices gaining access to the nation's mass medium outlets. The metrics for the 1996 act were predicated on market, not social, values—low price, high quality goods and services and fast implementation of new technologies. Above all, the act placed market competition as the keystone policy. Even by these standards the act failed. “Instead of the predicted nirvana of a free and open market with numerous options for consumers and

354. United States Congress, *As Enrolled, S.652*, 104th Congress, 2nd sess., February 5, 1996 (version 5).

355. United States Congress, *As Enrolled, S.652*, 104th Congress, 2nd sess., February 16, 1996, (version 6).

flourishing technology, we have concentration and little marketplace choice.”³⁵⁶ Under capitalism, we would expect the largest winners to be the smallest group—the capitalists. This is exactly what happened. “It has come to pass that all communications companies, not just telephone companies (“telcos”) but all, including cable and wireless firms, have returned to shareholders about three times their money from 1995 to the present.”³⁵⁷ The act accomplished these ends by endorsing “concentration, conglomeration, and vertical integration.”³⁵⁸ Neoliberal ideology thrives on promoting “competition,” but the reality of neoliberal markets an *elimination* of competition through inter/intra-industry concentration. The act demonstrates capitalism is not based on competition but on concentration.

This is why competing industries buried the hatchet and came together to lobby for its passage. “While these special interests disagreed among themselves, they all wanted Congress to rewrite the rules to allow them more flexibility to get into each other’s businesses, and they wanted less regulation.”³⁵⁹ As one Capitol Hill insider

356. Gene Kimmelman, Mark Cooper, and Magda Herrera, “The Failure of Competition Under the Telecommunications Act of 1996,” *Federal Communications Law Journal* 58, no. 3 (June 2006): 512.

357. Reed Hundt, “Ten Years Under the Telecommunications Act of 1996,” *Federal Communications Law Journal* 58, no.3 (June 2006): 400.

358. Patricia Aufderheide, *Communication Policy and the Public Interest: The Telecommunications Act of 1996*, (New York: Guildford Press, 1999), 62.

359. Common Cause Education Fund, Special Report, *The Fallout From the Telecommunications Act of 1996: Unintended Consequences and Lessons Learned*, May 9, 2005, 7, available from <http://www.commoncause.org/site/apps/nlnet/content2.aspx?c=dkLNK1MQIwG&b=4923423&ct=842539>

ruefully noted, “These guys don’t believe in competition, [...] We looked at the wrong guys to compete.”³⁶⁰

The act did not eliminate all the regulations chaffing the industry—must carry was retained—but there was more than enough in the act for it to be declared “...both in conception and execution, a qualified victory for major cable interests that had pushed for deregulation.”³⁶¹ The cable companies were able to win back an important victory: rate deregulation. These pale in comparison to two other victories: the right to enter the long-distance telephone service market and a loosening of cross-ownership restrictions. Despite telephone corporations vowing to fight it every step of the way, a cable spokesperson summed up the industry’s motivation to pursue this possibly litigious route: “the \$65 billion long-distance business ’is an awfully big carrot.”³⁶²

Five years after the act passed telephone corporations attempted to reopen debate. NCTA’s president indicated the cable industry was not interested in trying to renegotiate the act, stating “NCTA is very reluctant to open the Act [because] once you open the Act you never know what will happen.”³⁶³ On the whole cable was not interested in risking its substantial regulatory favors against minor losses. Must carry remained.

360. Amy Barrett, “Regulators Should Discipline Telecom Brats,” *Business Week*, June 30, 1997, 40.

361. Aufderheide, 70.

362. Christopher Stern, “Cable has Uphill Road to Telco Entry,” *Broadcasting & Cable*, February 19, 1996, 58.

363. Patrick Ross, “Remaking the Telecommunications Act,” *CNET News*, February 5, 2001, http://news.cnet.com/Remaking-the-Telecommunications-Act/2100-1033_3-252065.html

Considering the vast give-aways to the corporations represented by this act, it is easy to understand why cable was willing to let must carry fall to the wayside. The industry had much larger political economic goals: telephony and loosening cross-ownership restrictions.

Must carry brings out the dichotomous nature of the cable industry. The “cable industry” is actually composed of two separate industries: cable networks and the infrastructure owners. The networks provide programming to be distributed on cable systems. If a cable network is dropped from a system the network owners lose the a revenue gained from the affiliate fees the system operator pays it and is forced to lower its advertising rates based on a lower audience reach. The networks, not the infrastructure owners, were susceptible to economic injury from must carry. The system owners were making money carrying the must carry broadcast networks. In fact, just prior to the passage of the 1996 act—at the height of must carry’s influence—a *Business Week* article reported subscriber growth rates were steady increasing and advertising revenue was growing at “double digit” rates, making cable a good investment. Even hobbled by must carry and rate regulation (from the 1992 act) “the future looks brighter than it has for some time”³⁶⁴ for the cable MSOs. Must carry was a non-issue for the system operators because 1) large MSOs were already carrying the must carry broadcast networks and 2) the MSO’s *wanted* the must carry networks; they represented some of the

364. Michael Oreal, Ronald Grover, and Mark Lewyn, “Prime Time for Cable: More Customers, Cash—and Deregulation May be Coming,” *Business Week*, July 24, 1995, 74.

most desirable programming. This is why the cable networks (including C-SPAN), not the MSO's, took the lead in challenging must carry before the Supreme Court.³⁶⁵ Filed in 1992, it would take five years for the case to be decided, in 1997. Cable lost—must carry was deemed constitutional. The cable industry dichotomy determined the reaction: “Response to the Supreme Court’s decision fell along predictable lines. MSOs are less concerned than cable networks, saying that they already adhere to must-carry rules. Cable networks, on the other hand, lost their last regulatory recourse with the decision.”³⁶⁶ According to the *New York Times*, “even if the rules had been overturned, several cable executives said it would have made little difference in the lineup of channels now available to subscribers.”³⁶⁷ On the MSOs side, the ruling caused little more than a slight shrug.

The Telecommunications Act of 1996, concentrating on competition among quickly consolidating corporations and converging technologies, was not suited to highlighting the plight of cable networks. The act was an infrastructure and corporate restructuring act. This is why Lamb and C-SPAN were not active participants in the act’s passage. It would make little sense for Brian Lamb to advocate for easing cross-media ownership regulations or for the cable industry to enter long distance telephone service.

365. *Turner Broadcasting, Inc., et al. v. Federal Communications Commission, et al.*

366. NAB 97, *Where Things Stand: A Status Report on Major Telecommunications Issues, “Must Carry” Broadcast and Cable*. April 9, 1997, 41.

367. Mark Landler, “Either Way, Lineup is Mostly Set,” *New York Times*, April 1, 1997, D5.

Instead, Lamb took his fight against must carry to the Supreme Court, the FCC, the FTC, and the press.

Despite the MSOs general opposition to must carry and support of C-SPAN, Lamb was forced to "...tread[] very carefully on this issue due to its singular position in the industry."³⁶⁸ When must carry first passed, some cable systems broke existing contracts with C-SPAN to drop the network. Responding to this situation, Lamb said "Would you like to sue your own board members?"³⁶⁹ When C-SPAN was being cast aside by MSOs, Lamb openly voiced his frustration with his "sponsors," stating "To see C-SPAN treated this way by its own industry continues to be difficult to take."³⁷⁰ This sentiment would be replaced by a disdain for federal regulators, but not immediately.

Between the passage of the 1992 act and debate around the 1996 act Lamb sought to have more access to Congressional hearings and floor sessions. Specifically, Lamb wanted to install his own cameras in the floor chambers so he might use "cut away" shots of members reacting or listening to speeches (both chambers used fixed cameras shots showing whoever is speaking). In addition to the floor sessions, Lamb wanted access to conference committees, where the difference between the House and the Senate's desires are hashed out. Lamb had sent a letter to the leadership of both the Senate and House

368. Carol M. Morrissey, "A Contemporary Endangered Species: C-SPAN," *Law and Legal Resources for Legal Professionals*, March 24, 1997. <http://www.llrx.com/congress/032497.htm>

369. Elizabeth Kolbert, "Some Cable Systems Are Cutting C-SPAN for Other Channels," *New York Times*, June 20, 1994, A1.

370. Christopher Stern, "FX Factor: C-SPAN Minus 200,000 Subs; Cable Systems Drop Public Affairs Channels for New Fox Network; FCC Rules Cited," *Broadcasting and Cable*, May 9, 1994, 53.

asking for these things.³⁷¹ Lamb continued to protest must carry, but did so in the press rather than the halls of Congress. Attempting to protest a law that was already passed would not help him curry favor with the legislators. Within months of sending his letter, leadership (e.g., Senate Majority leader Bob Dole) responded to Lamb's requests for opening conference committees.³⁷²

Must carry was the largest of Lamb's concerns but it was not the only one. Because the cable corporations were concentrating both horizontally and vertically, the FCC was not the only regulatory body interested in cable. In 1995 Time-Warner bought Turner Broadcasting, Inc.. Turner produced the 24 hour cable news network CNN. The Federal Trade Commission was concerned Time-Warner would avoid competition by keeping other 24 news networks off its cable systems. The FTC required Time-Warner cable systems add a competing news network not owned by either Turner or Time-Warner. Yet again, Lamb saw this intrusion into the free market by the government as "a breathtakingly wrong-headed intrusion of the government into the news and information business"³⁷³ His fear was C-SPAN would be dumped by Time-Warner MSOs to add the additional news network. Because the ruling occurred while the Supreme Court was considering if the federal government could require cable systems to carry *types* of cable networks had not yet been made, Lamb used a First Amendment argument against the

371. "Lights, Camera, Congress!," editorial, *Wall Street Journal*, December, 21, 1994, A14.

372. Kim McAvoy, "Bob Dole Takes Action on Pledge for Better Access to Congress," *Broadcasting and Cable*, January 2, 1995, 50.

373. Rich Brown, "Lamb Slams FTC Plan," *Broadcasting and Cable*, December 2, 1996, 52.

FTC: “Boiled down to its essence, you have the government commanding a speaker to engage in a particular form of speech.”³⁷⁴ By making it about free speech, the cable networks neatly sidestep any question of self-interest. After the ruling Lamb admitted “It is the law of the land, no matter how I feel about it, and you have to abide by it and you have to understand it. In spite of what I may think, people who are a lot smarter than I am decided that I’m just wrong.” Now he was left with the facts: must carry caused cable systems to drop C-SPAN. Authoring an editorial in the political insider magazine, *Washington Monthly*, Lamb derided must carry legislation writing “With limited channel capacity, a number of cable companies were forced to drop channels to comply with the rule. Some chose to drop C-SPAN.”³⁷⁵ The piece’s title summarized the role Lamb cast the network in: “An Accidental Victim.” In another article, Lamb specifically quantifies the damage, stating C-SPAN had lost 119,790 subscribers over seven cable systems in 1997.³⁷⁶

As has been established above, the loss of subscribers was reported by the network itself and these figures appeared fluid. A year later, when digital technologies would open up more channel capacity Lamb wrote a letter to key lawmakers, urging them to discontinue must carry.³⁷⁷ The president of the NAB, Edward Fritts, was frustrated with

374. Brown, 52.

375. Brian Lamb, “An Accidental Victim,” editorial, *Washington Monthly*, March 1997, 20.

376. Paige Albiniak, “C-SPAN’s Loss is Fox News’s Gain,” *Broadcasting and Cable*, January 13, 1997, 128.

377. Brooks Boliek, “C-SPAN Can’t Bear Must Carry,” *The Hollywood Reporter*, May 29, 1998, 4.

Lamb's trope that must carry was harming C-SPAN and finally wrote Lamb a letter (which he carbon copied to the same key Congress members Lamb sent his letter to).³⁷⁸

As part of the must carry Supreme Court case, C-SPAN was asked to provide evidence must carry directly resulted in the network losing subscribers. In his letter, Fritts summarized the very evidence Lamb provided the justices, and wrote "...figures produced under oath show that"

- Cable operators continued to carry 99.8% of the programming they had before must carry was passed.
- Between October 1992 and March 1995, the number of systems carrying C-SPAN subscribers rose by 25%.
- Between September 1994 to March 1995, the number of cable systems carrying C-SPAN 2 rose by 45%
- From October 1992 to March 1995 the number of C-SPAN's subscribers rose 16% while C-SPAN 2 rose 52%.
- Out of 11,000 cable systems, C-SPAN's witness could only identify 8 systems that dropped C-SPAN, and 8 more that dropped C-SPAN 2. Among these 16 systems, the witness was unable to equivocally provide evidence that must carry caused the drop.

A cable trade magazine described Fritt's letter as "sarcastic and condescending" but stopped short of calling his conclusions false. In written testimony submitted to Congress about digital must carry, Lamb sidestepped the evasive figures, writing

this is not a numbers game. The [NAB] lawyers and the [NAB] lobbyists can try to minimize the damage to our public service efforts by citing overall carriage growth. [...] But in doing so they miss the fundamental point: there are thousands of real people who watch, vote, write, think and care about their country who continue to have less television access to their

378. Edward Fritts, *Letter to Brian Lamb*, May 29, 1998, available from: FCC CS Docket no. 98-120, "Carriage of the Transmissions of Digital Television Broadcast Stations. Amendment to Part 76 of the Commission's Rules," Reply Comments of the National Association of Broadcasters, Exhibit C, Letter to C-SPAN, received December 22, 1998.

government today than before the 1992 Act, no matter how many subscribers we may have gained since.³⁷⁹

Lamb's "big picture" is that it does not matter how many homes do not get C-SPAN because of must carry, the fact legislation takes his public affairs network off the cable systems is the problem. Although it is not about the figures, interestingly, in his verbal testimony the thousands of subscribers losing C-SPAN turned into millions and was even underscored by an ominous threat: C-SPAN and other lesser viewed channels "...will be gone, I guarantee you, in millions of homes. I can promise you that."³⁸⁰ Shortly after that Lamb offered an specific number, 10 million. Whether must carry actually affected the carriage of C-SPAN is a study onto itself. What is important to note is Lamb attempted to use the threat of a disappearing C-SPAN to as leverage against legislation the cable industry was opposed to. That is the true "big picture."

Lamb did not only vent his spleen before Congress. His frustration culminated in a speech to the National Press Club. "There are very good people out there running these cable systems today but they're under enormous pressure and under a very strained system. All the touting of the fabulous telecommunications act from both parties is yet to be realized." It is comments such as this, Lamb recognizes the pressures of a marketplace but he continued to steadfastly defend the system that was doing this to his network.

379. Senate Committee on Commerce, Science, "Transition to HDTV," 105th Congress, 2nd sess., July 8, 1998, 22.

380. *Ibid.*, 21.

Lamb's main task with his speech was to publicly debunk the myths surrounding C-SPAN. Lamb addressed federal regulations with myth number four: cable systems have to carry C-SPAN. Lamb said "we've taken more hits in the last few years than anybody in the business because of legislation that passed on Capitol Hill," but diplomatically added "I don't think anybody [Congress members] did this intentionally."³⁸¹ The loss of C-SPAN due to must carry or other federal actions was portrayed as an *unintentional consequence* of interfering with the free market. If anything, Lamb was sardonically amused by the fact Congress could be responsible for C-SPAN being cast aside because it was Congress that originally wanted an additional media outlet outside of the broadcast network newscasts to reach the citizens. "It's early, but wouldn't the irony be interesting if we're the ones that are getting kicked off all these systems. That the Congress passed the law that resulted in the loss of C-SPAN around the country."

As it turned out, Lamb was frustrated more with the *intentional* actions of the industry more than the unintentional consequences of legislation. "Myth number six: C-SPAN will always be around." This was perhaps the biggest myth Lamb wanted to debunk and he spent considerable time disabusing the audience of the notion the citizens of the U.S. had a right to have C-SPAN. "Don't ever think that anything is going to be around forever. There are no guarantees in this business." At this moment Lamb switched from critiquing government interference in the marketplace to the behavior of particular

381. Brian Lamb, "Debunking the Myths," Speech before the National Press Club, January 6, 1997, transcript from: <http://www.c-span.org/about/company/debunk.asp?code=DEBUNK2>

participants in the marketplace. “C-SPAN 2 just got bumped off 10 cable television systems in the U.S. for Fox News. And this all happened because Rupert Murdoch.”³⁸² Lamb was referring to the practice, pioneered by Murdoch during this period, of cable networks *paying* MSOs to carry their programming. Most cable channels incentivized MSOs to carry their network by lowering, or delaying collection of, the per-subscriber affiliate fee. In what amounted to a paradigm shift in cable network practices, Murdoch offered to *pay* MSOs \$10-11 per subscriber to carry Fox News.³⁸³ Murdoch would still be able to collect advertising revenue and, once Fox News was established with a large enough audience, start charging an affiliate fee. Lamb summarized the problem with this practice by pointing out C-SPAN could not compete with this: “We don’t make money for anybody. We don’t return a profit to anybody.”³⁸⁴ If this is true the industry provides C-SPAN for public service reasons—just as has been touted since C-SPAN’s inception. In another interview Lamb was asked whether C-SPAN was self-supporting. Lamb responded “Yes. And we operate just like every other cable television channel does; we get a percentage of the bill every month. [...] [W]e’ve been on our own for a long time.”³⁸⁵ Alone, just like every other participant in the market. This is born out by the fact cable systems and C-SPAN never explicitly state the network’s existence depends on

382. Lamb, “Debunking the Myths.”

383. Albiniak, 128.

384. Lamb, “Debunking the Myths.”

385. Brian Lamb interviewed by Don West and Sara Brown, “America’s Town Crier,” *Broadcasting and Cable*, July 21, 1997, 70.

“donations.” C-SPAN is “provided” to viewers.³⁸⁶ In a set of advertisements taken out in the political insider’s paper, *Roll Call*, C-SPAN accurately—if diffusely—states the network is “privately funded to serve the public by America’s television cable companies.” This is opposed to public funding by the government or public nonprofit. C-SPAN’s programming is distributed to MSOs for a fee; its IRS 990 form lists the networks’ revenue specifically coming from “fees for programming.”

On one hand Lamb demonstrates a level-headed assessment of the realities of having a nonprofit network within a for-profit industry in a capitalist society. On the other hand, Lamb paradoxically places his network above this political economic reality.

What’s been going on is that we’re trying to build a tradition. One, frankly, that can’t be taken away from the American people. And that tradition is that this will be a place that can’t be bought, can’t be merged, can’t be traded. It will be a place that, when any of us leaves here, will continue the mission of letting the American people see the political system as it is, without comment or analysis.³⁸⁷

Capital eschews tradition. Only through abstracting his network apart from the larger market practices is Lamb able to state his network is a “tradition.” As this chapter has demonstrated, it makes no sense to remove the network from the industry’s goals and values. C-SPAN is stronger, more secure, because the industry made considerable gains—some economic, some political. The three acts presented in this chapter demonstrated how C-SPAN’s existence is tied to the political economic goals of its sponsors. One fact remains, C-SPAN is still around and the industry still needs visibility in Washington D.C..

386. C-SPAN Advertisement, *New York Times*, January 11, 1999, A6.

387. Lamb, “America’s Town Crier.”

Conclusion

Because it was a product of the cable industry and because it featured Congress, there should be little surprise in the fact C-SPAN was intimately tied into the cable industry's lobbying efforts. At times, as this chapter revealed, C-SPAN was only indirectly involved (eg., the 1984 act). But the chapter also demonstrated how C-SPAN was not content to side on the sidelines and let the sponsoring industry speak for it when it came to must-carry. Lamb went from observer to political participant when anti-cable legislation came up that potentially affected his network. As the chapter found, claims must-carry would ruin C-SPAN were not well supported given the network came out of the period with substantially more subscribers than it had before must-carry. Every citizen has the right to advocated and lobby for a political cause and for Lamb, his cause is letting the free-market control the communication system in the U.S.

While this chapter looked at the political advantages of sponsoring C-SPAN, the next chapter the study examines the ways the network supports the economic needs of the cable industry. C-SPAN's board and executive committee are composed of all the major cable company CEOs and presidents. C-SPAN does not represent the cable industry, it is the cable industry. The next chapter clearly explains how the network is able to harness public service to the requirements of business. Through analyzing documents produced by C-SPAN and an interview with a C-SPAN manager, the next chapter reveals the ways in which the values of business are interwoven into its public service initiatives.

CHAPTER VIII

C-SPAN: MARKETING AN INDUSTRY, PROMOTING NEOLIBERALISM

*We are not the big revenue generating ad sales, rating-driven...I know where we fit in their mindset of their business plan. I know which business or policy objectives that their companies are pursuing that my company might be able to help them get.*³⁸⁸

~Peter Kiley, C-SPAN Vice-President for Affiliate Relations.

When the term “public affairs” is used in connection with C-SPAN the natural inclination is to think of the network’s outstanding programming options. So synonymous is the network with this type of programming, C-SPAN is know as “the cable industry’s public affairs channel.”³⁸⁹ Public affairs programming is central to the mission of C-SPAN and one of the three components setting it apart from all other national cable networks (the others: ownership structure and funding mechanism). When used in conjunction within the business needs of corporations public affairs has a different connotation: public relations.

388. Peter Kiley, Association of Cable Communicators; Resources, ACC Videos, “Career Connections,” http://www.cablecommunicators.org/resources_vid.php

389. David Zurawik, comment on “C-SPAN Turns 30 Today—and it’s Getting Younger,” Z on TV Blog; *Baltimore Sun*, comment posted March 19, 2009. http://weblogs.baltimoresun.com/entertainment/zontv/2009/03/cspan_turns_30_today_and_its_g.html

Marketing: The Other Public Affairs

Corporate public affairs is a type of public relations effort that

represents an organization's efforts to monitor and manage its business environment. It combines government relations, communications, issues management and corporate citizenship strategies to influence public policy, build a strong reputation and find common ground with stakeholders.³⁹⁰

In other words, public affairs is “Specifically the work of the lobbyist.”³⁹¹ This particular subset of public relations was developed in the mid nineteen fifties in reaction to historically specific threats to capitalism. “The birth of the public affairs movement can be related to two elements: (a) the growing power of organized labor, and (b) the record of the Eisenhower administration.”³⁹² The practice, and use of the term, begun with the establishment of the Public Affairs Council (PAC) in 1954. PAC (who provide the above definition of public affairs) was created to activate Eisenhower's desire the federal government become “a silent partner” to big business.³⁹³ Public affairs was meant to be a set of practices and a philosophy energizing corporate CEOs to step up their companies' efforts in Washington to counter the growing lobbying power of labor. “Public affairs,” as a public relations effort, was bound to the goals of private capital from the very beginning. As we shall see, this remains true today.

390. Public Affairs Council, FAQ, “What is Public Affairs?” <http://pac.org/faq>

391. Jonathan Groucutt, Peter Leadley and Patrick Forsyth, *Marketing: Essential Principles, New Realities*, (London: Kogan Page, 2004), 382.

392. Raymond L. Hoewing, “Dynamics and role of Public Affairs,” in *Lesly's Handbook of Public Relations and Communications*. 5th edition, ed. Philip Lesly, (Chicago: NTC/Contemporary Publishing, 1998), 62.

393. *Ibid.*

Broadly speaking, public affairs/public relations is undergoing a radical transformation. Not long ago PR professionals were spokespeople, those who spoke on behalf of the corporation. This is changing. With the faltering sales effort managers are embracing a more holistic approach to increasing sales. Advertising's effectiveness has plateaued—the victim of over-saturation and increasingly fragmented audiences. Marketing, once thought to be a management *function* is being transformed into an all-encompassing *philosophy* central to every aspect of a corporation.³⁹⁴ No longer is a marketer exclusively someone who develops and brings a product to market, it is anyone who can carry the corporate vision forward to the multiple constituencies (or in the parlance of corporations, “stakeholders”) while ensuring increased profits. Unfortunately for this new breed of cross-trained marketers, “Only in a few organizations do executives and peer managers view marketers accurately as generators of cash.”³⁹⁵ CEO's are not the only one's hesitant to label public affairs as a form of marketing—many PR practitioners saw the role of spokesperson more akin to an ethical ombudsman than a salesperson shilling the company's products. Two nationally known marketing strategists, sounding remarkably like critical political economic scholars, fervently warn PR professionals to admit what, ultimately, their job is about: “Too many PR professionals complain about the PR industry having ‘sold out’ to marketing. Sold out? How can you sell out to the most important function of a corporation, marketing? All other corporate functions exist

394. Groucutt, 8.

395. Roy A. Young, Allen M. Weiss and David W. Stewart, . *Marketing Champions: Practical Strategies for Improving Marketing's Power, Influence, and Business Impact*, (London: John Wiley & Sons, Inc., 2006), 16.

to serve the marketing function. Marketing doesn't exist to support manufacturing, for example. It's actually the reverse. Manufacturing exists to support marketing. It's brand building, you can always 'outsource' things like manufacturing and distribution.³⁹⁶ The idea seems counter intuitive—the physical act of production is secondary to the primary goal of sales—until we recall the priority given to commodities' values within a capitalist political economy.

Use-value matters little to exchange, and as we shall see, is socially constructed. Use-value does help marketing professionals cling to a sense of worth of the work they do. "We also believe that marketers have much to contribute to the welfare of society. At their best, marketing professionals generate profits for their firms by providing relevant products and service that meet real needs of human beings."³⁹⁷ This is a fundamental explanation of capitalism's social value—capitalism rose the absolute level of material wealth in the world. The problem with this simplistic notion (aside from ignoring the growing extremes in relative wealth levels), particularly when marketing is being considered, is it bypasses the fact use-value is not always inherent to a *commodity*. Utility can be manufactured. Is a good really useful to humans if the use-value was created by a marketer and then effectively sold to the consumer? How many goods does a human need? As Marx pointed out, while physical needs may be quite limited for humans, psychological need is limitless. This is fortunate for capitalist marketers. Marketers do

396. Al Ries and Laura Ries, *The Fall of Advertising and the Rise of PR*, (New York: Harpers Business, 2002), 278.

397. Young, x.

not sell goods, they convince us a commodity has a use we would be unable to discern on our own. From this ideological position, a good is not a good when it is created but when it is marketed. In any case, the actual act of production—under what social circumstances a good is created—is cast a tertiary role. In such a world, we are relegated to being consumers, not citizens, not even the workers who produce the goods.

A commodity is a commodity *because* it has an exchange-value; a good produced for no other purpose than to perpetuate the creation of capital. A commodity is not brought into this world to do good, it was made to create capital (the goal of the capitalist is not to consumer the goods his or her workers produce). It does not matter what a capitalist makes as long as it can be converted into more capital. While each profession represented by marketing may have slightly different ideologies to justify their self-worth, advertisers, public relations representatives, lobbyists, financial analysts, and managers must ultimately justify their existence to the corporation. Corporations are interested in exchange-value. For this reason there is a turf war among marketing employees forced to vie for credit of who increases an organization's bottom line the most. Even if a good has unique social uses, if it is not sold in quantities to ensure continued growth of capital, it will disappear. It is this context through which we need to analyze the cable industry's need for public affairs (both public service and PR) and how C-SPAN is able to fulfill these needs.

Marketing Cable

The professional organization of public affairs/PR professionals within the cable industry is The Association of Cable Communicators (ACC). The goal of ACC's members is "...to help achieve industry and corporate goals" of the cable companies.³⁹⁸ To this end, two ways the ACC determined it can accomplish this are: 1) to "Build a market environment for increased public acceptance and use of the industry's products and services, and 2) to "integrate social goals and their accomplishment with industry and company business goals."³⁹⁹ The first goal reinforces the idea that public affairs is no longer easily defined as lobbying but encompasses the broad concept of marketing where advertising, public relations, and lobbying all come together under the general catch-all term "image management." The second goal highlights the ideology that business goals and social goals are separate. This conflict gives public affair professionals a role—to marry society's values to business values. With the overall purpose of cable public affairs being "to help achieve industry and corporate goals" there can be little doubt which value is perceived to be the dominant "partner" in the marriage. The ACC as a professional organizations is primarily interested in garnering respect for its practitioners through professional development. The ACC Forum is the organization's annual convention where trends are identified and the skills needed to exploit these trends are learned.

398. Association of Cable Communicators; About Us, "Strategic Plan," http://www.cablecommunicators.org/aboutus_strategic.php

399. Ibid..

The theme of the ACC's 2004 Forum was "Communicating Cable's Values."⁴⁰⁰

From the titles of the panels and sessions, it is easy to see what those in public affairs see as their industry's main values. Sessions such as "Marketing is not the Big Bad Wolf – Selling Through Public Relations," "Understanding the Importance of Financial Communications," "Public-Private-Partnerships for Events, Projects and Special Events" indicate values acutely attuned to the needs of business. Amid these events was a luncheon keynote address featuring a familiar name.

On the third day, during the lunch break, Brian Lamb interviewed Time-Warner Cable CEO, Glenn Britt. The event was sponsored by Time-Warner Cable and billed as Lamb and Britt "go[ing] one-on-one about public affairs."⁴⁰¹ Despite the oddly confrontational tone to the title, the interview was a meeting of minds on how important public affairs were to a cable operator's bottom line. Which kind of public affairs became blurred. In the mind of business there is no difference between public service and the practice of building your company's image. As we shall see, if a public service failed to improve a company's image it may still qualify as a public service but it was not something to be labeled effective public affairs. Lamb began the interview asking why public affairs was important to the cable industry.

400. Association of Cable Communicators; Forum 2004 Program Outline, Forum, Forum Archives, Forum 2004, "2004 Program." http://www.cablecommunicators.org/forum_archives.php#a2004

401. Brian Lamb interviews Glenn Britt, Association of Cable Communicators; Resources, ACC Videos, Video Archives, "Career Connections," http://www.cablecommunicators.org/resources_vid.php

Britt answered that public affairs is a marketing tool, one to be used by the public affairs practitioners.

It's about marketing and it's very narrow minded to assume that marketing is limited to direct mail pieces and advertising. It's the way the company is presented. The things we do in the communities that, some of which are subject of the awards that are given here, are all a part of this image. They're good things to do first of all but if you look at our industry from a competitive standpoint we're local, we're part of communities, our employees work in the community's being part of the fabric [...].⁴⁰²

In summation, Britt matter-of-factly states “I think these things are good to do but it's dollars and cents, it makes sense.” This sentiment, as will be revealed further in this chapter, is duplicated by C-SPAN. Any capitalist endeavor—if it remains in existence—must support the creation and accumulation of capital. In the last instance if any activity does not assist in the accumulation of capital it cannot be called a capitalist project. From the perspective of a citizen an act of public service is inherently good if it has social/democratic utility but it is only good from the perspective of capital if it has an exchange value. According to the man in charge of the second largest cable corporation in the U.S., *how* a company is perceived in a community is perhaps the single most important way a company can increase its bottom line. Britt stressed the value cable public affairs practitioners lies in their ability to “talk to all of the other constituencies we have,” including: the press, politicians, regulators and wall street.⁴⁰³ Britt contrasted the work of public affairs to traditional “marketers,” (i.e., advertisers) who speak to only one audience: the consumers.

402. Brian Lamb interviews Glenn Britt.

403. Ibid..

It may seem odd to those who know Lamb only as the demure CEO of C-SPAN is acting as an expert in promotion. After all Lamb is the man who prohibits his on-screen hosts from introducing themselves to prevent C-SPAN from promoting personalities over programming. Before Lamb is canonized as saint of the objective, recall he began his political career as a spokesperson, first for Senator Peter Dominick of Colorado and then for Nixon's Telecommunications Communications Office. It was his job to ensure the image for a low-ranking senator and an extremely powerful, and controversial, executive office worked to advance the respective goals of each. Once he founded C-SPAN, Lamb spent the next thirty-plus years trying to get the public and politicians to recognize "This industry deserves a lot more credit for doing the right thing than they ever get in a society that's very cynical right now."⁴⁰⁴ The choice of interviewers was strategic and it points towards an aspect of C-SPAN not regularly addressed by the network, its supporters, or scholars; C-SPAN is designed to be used as promotional tool for the cable industry.

Though he resolutely refuses to acknowledge his network is *primarily* a public relations tool, Lamb knows cable operators and corporations value the public service he offers as a marketing tool—hence his high-profile presence at the convention. The best PR practitioners are the ones who believe in what they are saying and not the ones who simply "spin" news. Although C-SPAN's "public affairs" is the political and governmental programming, those who operate C-SPAN (recall the networks' board and executive committee are composed of the leading cable CEO's) understand how easily it

404. Brian Lamb interviewed by Don West and Sara Brown, "America's Town Crier: Brian Lamb of C-SPAN," *Broadcasting and Cable*, July 21, 1997, 70.

is converted into the other type of public affairs—public image. C-SPAN does not need to actively promote *itself* for its survival. The cable industry sponsorship secures stable funding and its non-profit status eliminates the profit motive. The network was not created to attract attention to itself, it is built to promote the cable industry. Perhaps no better example of this function is the 1998 “Cable’s Gift to America” ad campaign.

To celebrate its twentieth anniversary in 1999 C-SPAN spent \$2M (one half of its entire marketing budget) on a series of print and television ads. The ways these ads contribute to creating a myth surrounding C-SPAN’s existence was discussed in chapter three; now we will examine the intent behind the rhetoric. Full page ads were taken out in consumer publications but the major push was to get local MSO operators to use some of their “ad avail” slots during major cable programming to run ads celebrating C-SPAN.⁴⁰⁵ 1998 was an important year for the cable industry—broadcasters were attempting to bring the must-carry mandate into the digital era by proposing new legislation. Due to the efficient use of bandwidth, digital technology allowed broadcasters to broadcast multiple channels in the same bandwidth they broadcast one analog channel in. Broadcasters wanted these additional channels to be carried by cable MSOs under the provisions of “must-carry” just as the older single analog channels were. Despite the timing of the ads, and the fact Lamb’s long standing opposition to any form of must-carry legislation was well documented, Lamb insisted “the ad campaign has nothing to do with the impending

405. John M.Higgins, “C-SPAN Spending \$2M on Image Ads,” *Broadcasting & Cable*, December 21, 1998, np.

must-carry debate.”⁴⁰⁶ Industry reporters were less convinced, “Seeking to help MSOs build some political capital, C-SPAN is planning to celebrate its 20th anniversary with a \$2M image ad campaign touting its backing from cable operators.”⁴⁰⁷ The campaign was headed, not by C-SPAN, but by Comcast Chairman (and founder), Ralph Roberts. Roberts lamented “most viewers wouldn’t know that C-SPAN is a gift from the cable industry to the American people.”⁴⁰⁸ More importantly, the campaign would get the industry some credit in Congress. “The very Congress that throws rocks at us doesn’t give credit for [C-SPAN].”⁴⁰⁹ While Lamb deflected any connection between the ads and specific legislation, an unnamed spokesperson for C-SPAN was quoted as saying the campaign was to “remind viewers that nonprofit organization is creation of cable industry.”⁴¹⁰ During the same time period, Bill Daniels—regarded as the founding father of cable television⁴¹¹—wrote an editorial in a trade publication imploring cable executives and managers to consider the marketing value of the good deeds the industry undertakes. The prime example, unsurprisingly, was C-SPAN. “We have spent over \$300 million to create and fund C-SPAN and C-SPAN 2, and this effort should continue. However, it’s time we used networks such as these more to our advantage to build a positive reputation

406. Higgins.

407. Ibid..

408. Mass Media, *Communication Daily*, December 16, 1998, np.

409. Higgins.

410. Ibid..

411. “Cable Pioneer Bill Daniels Dies,” *Hollywood Reporter*, March 8, 2000, p.1.

for our industry cross promotions, more coverage of our wired schools and hospitals for distance learning—whatever it takes, we must be more diligent and forceful with our message that cable is doing the right thing.”⁴¹² Cable was doing the right thing by offering C-SPAN, as opposed to offering yet more light entertainment fare, but it means nothing if the fact is not known. Marketing C-SPAN was—and is—a key component to the industry’s ability to market itself. One thing about the campaign becomes clear, the industry is less interested in marketing the channel to the public than letting those in power know about the industry’s commitment to public service. While C-SPAN does not constitute the whole of cable’s dedication to public service, it is the “crown jewel” of cable’s public service efforts.

C-SPAN’s Marketing Department

The current melding of public relations, lobbying, advertising under the umbrella term “marketing” is clearly reflected in C-SPAN’s structure. C-SPAN does not have a public relations or public affairs department, it has a marketing department. The department’s work is divided among several areas, including: the C-SPAN bus, community relations, education relations and affiliate relations.⁴¹³ All four sections are interrelated and staff move between the areas. Aside from specialized reports or interviews in trade magazines, this aspect of the network has not been analyzed. The

412. Bill Daniels, “A Defining Moment,” *Broadcasting and Cable*, November 16, 1998, 3.

413. C-SPAN, Employment; “Internship Fall 2010,” <http://www.c-span.org/About/Employment.aspx> & College of Business, Current Students; “Internships,” Tennessee State University, www.cob.tnstate.edu/announcement-CSPAN%20interns.pdf

preference for studies and supporters of the network is to begin at the network's product, public affairs programming, then study the results of this programming on the audience, the politicians, the media systems as a whole and even US democracy. Critical political economy teaches us the best place to start a structural analysis is at the level of production.

If a cable network is to survive its programming has to be purchased. Cable MSOs purchase programming from network owners, assign them a channel, and then sell a package of channels to the consumers. Once an audience is established, the MSO can sell advertising slots ("ad avails") to local businesses. For cable networks, marketing programming to MSOs is referred to as "affiliate relations." When a cable system buys programming from a network it becomes an affiliate of the network. Networks provide content and do not own the infrastructure, they are dependent upon the cable MSOs to distribute the programming.⁴¹⁴ Cable networks must be responsive to the needs of the MSO's and "affiliate relations" departments and personnel are a standard feature among larger cable networks. Sometimes they are listed as "sales" or "distribution" but the departments all perform similar tasks. Those working in affiliate relations negotiate programming deals with MSOs, help roll out new products (i.e., channels or shows) and assist in all aspects of national marketing.⁴¹⁵ Affiliate relations is a business-to-business

414. Note: With the recent purchase of NBC-UA by Comcast this may no longer be the case. The Comcast/NBC-UA deal is a classic example of how media corporations are becoming vertically integrated, controlling both production and distribution of media goods.

415. Multichannel News website. "Jennifer Dangar." http://www.multichannel.com/ww/4115-Jennifer_Dangar.php

function as opposed to “public relations” which deals with marketing services directly to the public, although, as we shall see, the line is no longer as definitive as it might once have been. Like other national cable networks C-SPAN has an affiliate relations department.

The VP in charge of Affiliate Relations at C-SPAN is Peter Kiley. Indicating how intertwined business and public service goals are at C-SPAN, Kiley reports to both of C-SPAN’s COO’s—Kennedy for business items and Swain for public service endeavors.⁴¹⁶ Among his industry peers he is considered as one of the best public affairs practitioners in the business.⁴¹⁷ Like all the senior management at the network, Kiley has been with C-SPAN a long time—twenty five years. He has not rested on his laurels within the confines of C-SPAN and was recognized as a leader in the field by being elected as the ACC president from 2003 to 2005. Like all affiliate relations directors, Kiley attempts to increase subscription numbers for the network but unlike other network affiliate relations managers, Kiley has an additional, more pressing charge. Kiley boils his job down to a single task: “to ensure the MSO’s providing C-SPAN get credit for doing so.”⁴¹⁸ This is not like other national cable networks, who seek and monopolize attention for their network. A typical affiliate relations manager would want to build the brand of their networks to increase the asking price with MSOs. This is not C-SPAN’s

416. Peter Kiley, (VP Affiliate Relations, C-SPAN) interview with the author, February 23, 2006.

417. M.C. Antil, “M.C. Antil’s CableFolks: Peter Kiley,” *Cablefax*, August 28, 2007, np.

418. Peter Kiley, interview with author.

directive. “Sure, we wish we got more credit from affiliates for what we do, but that’s not our nature. We don’t spend \$55 million promoting ourselves. This is what we do. What other fully distributed network volunteers to go into a market—a tough market—to help an affiliate, then works 19-hour days, does its job and just moves on?”⁴¹⁹ When C-SPAN is abstracted apart from the cable industry, Kiley’s sentiment appears selfless; the network tirelessly puts the needs of the industry before its own needs. When the network is not considered as an autonomous public service but as a symbol for the cable industry itself, however, the act reveals different motivations.

The guiding policy of C-SPAN is public service but, according to Kiley, before any major action is undertaken by the network, managers first ask “If we do that, does it help policy or business objectives?”⁴²⁰ If an action has tremendous value as a public service but cannot be converted into capital the CEOs of the MSOs will “pat C-SPAN on the back but point out it does not meet their objectives.”⁴²¹ (Just as industry executives did to Lamb when he was trying to pitch C-SPAN as a “Meet-the-Press” style public affairs network.) The implication is clear—the *next* project had better meet business objectives. In 2008, during the Presidential campaign C-SPAN partnered with the Midwest cable giant, Mediaone, to produce regional programming about the elections. The event was “a home run and gave C-SPAN some nice content,” but more than that,

419. Peter Kiley, interview with M.C. Antil, “M.C. Antil’s CableFolks: Peter Kiley,” *Cablefax*, August 28, 2007, np.

420. Peter Kiley, interview with author.

421. *Ibid.*.

Kiley's team "used it as one more occasion to spread C-SPAN's cable message: 'C-SPAN was created by the cable industry. It's not a government channel. It is a public service and exists because your local cable company is a good corporate citizen.'"⁴²² Kiley and his staff preemptively screen services for compatibility with business objectives. It is Herman-Chomsky's Propaganda Model applied to media services instead of journalistic content. The values of capital are so ingrained by C-SPAN's staff very few, if any, services will be undertaken or expanded if they do not also contribute to the sponsoring corporations' bottom line. The use of the Internet is a perfect example.

C-SPAN has the largest, most accessible, archive of online video and audio of any national cable network. Most cable networks show edited snippets of popular shows—enough to pique interest but not enough to substitute for a cable subscription. These clips are often sponsored by advertisements and frequently available for a limited time. From the beginning of the Internet, C-SPAN pursued the exact opposite course, making as many clips available as possible and archiving a substantial number for later review. In 2010 the network completed a long-term project and made the staggering announcement it was making 23 years worth of videos (160,000 hours) available to the public—free of charge.⁴²³ The network posting all video it has produced since 1987 and because this represents such a wealth of information has created a user-friendly search engine to mine this vast resource. By adding buttons allowing user to embed the videos within

422. Peter Kiley, interview with M.C. Antil.

423. C-SPAN Press Release, "C-SPAN's Online Video Library Now Open to the Public," March 17, 2010, <http://www.c-span.org/About/Default.aspx>

individuals' MySpace and FaceBook webpages the network is not only enabling users to share the videos, it is encouraging it. As the New York Times put it, "No other cable network is likely to give away its precious archives on the Internet. [...] But C-Span is one of a kind, a creation of the cable industry that records every Congressional session, every White House press briefing and other acts of official Washington."⁴²⁴ And no other network *is* giving away its precious archives on the Internet. Notice how effective C-SPAN is at promoting the cable industry when the Times reporter, somewhat superfluously, includes the fact the network is "a creation of the cable industry." There is no doubt this act is incredibly valuable to researchers, journalists, elected officials and everyday citizens but is it selfless? The answer lies in public affairs marketing.

At first glance, the migration of C-SPAN from a cable channel to an online archive seems contrary to the goals of cable MSOs—who make money by offering television programming via cable subscriptions. Why would cable subscribers want cable television if they can receive the same content, free, on the web? This would be selfless. No longer is the cable MSO limited to providing television, it is a full service telecommunications company—capable of offering voice (phone), video (television), and data (the Internet). In short, even if a web user watches a C-SPAN clip online there is a good chance he or she is using cable high speed Internet access—and paying a market determined price for the privilege. Since the 70's cable has dominated the

⁴²⁴ Brian Selter, "C-Span Puts Full Archives on the Web," *New York Times*. March 15, 2010, <http://www.nytimes.com/2010/03/16/arts/television/16cspan.html>

subscription television market and it has increasingly worked to become the leading provider of voice and data service—something that is currently held by the older telco's. The largest cable corporation in the US, Comcast, considered 2009 a good year despite losing 623,000 cable subscriptions. It gained 1 million Internet subscribers and 1.1 million phone customers.⁴²⁵ The future of telecommunications services is “bundling” where you receive all of your mass media entertainment and communication needs from one company. The “cable” company no longer indicates a television company. C-SPAN was on the leading edge of this movement and any major disagreements about the practice were settled a decade before.

C-SPAN has been streaming video online since 1997 and is considered one of the pioneers of the technology.⁴²⁶ The decision to stream live video was not popular with local affiliates, who saw a threat to subscriptions. General managers from local MSOs began calling C-SPAN expressing their displeasure with the policy.⁴²⁷ From the outside it appears as C-SPAN was putting its public service mission before the economic needs of its sponsors. The real story is quite different. No major policy decision of a corporation (for-profit or non-profit) is made without consultation, and vote, by the board. Recall C-SPAN's board is a who's who of the cable industry's CEOs. To say C-SPAN embarked on an online video project is not fully correct; C-SPAN's board decided streamed web

425. Comcast Corp., “Form 10-K, Filed 02/23/10 for the Period Ending 12/31/09,” 5, <http://www.cmcsa.com/annuals.cfm>

426. Online, *Cablefax*, February 18, 1997, np.

427. Kiley, Peter. Interview with the author.

video would be a beneficial product for the network to undertake. It was beneficial, not because it was a good public service, but because it would help showcase the power of a broadband Internet connection. Having been allowed to offer data services under the Communications Act of 1996, the cable industry was seeking to make inroads as a consumer ISP. As Kiley put it, “The big boy providers had also been trying to get people away from dial up and this was another service offered to move people to broadband.”⁴²⁸ The local general managers called C-SPAN and were mad, but because their bosses—the corporation CEOs—made the decision, they could not be *too* mad. Once again, C-SPAN’s exchange-value was first perceived by those higher in the capitalist power structure. The managers saw loss but the owners saw long-term political economic value.

The dilemma/opportunities of the Internet is reflected in another technology—video-on-demand (VOD). VOD is the process where a cable television viewer, with her remote, selects the programming she wants to watch at that moment. Prior to VOD there was pay-per-view (PPV). PPV allowed a subscriber to order (over the phone) a movie, adult entertainment, or sporting event. These events were transmitted on channels normally scrambled; when the subscriber ordered the event the channel would be unscrambled for the duration of the PPV event. VOD is different because subscribers are able to watch non-live events immediately, not wait for a predetermined time slot. Additionally, technology allows networks to make hundred, if not thousands, of hours of programming available. In March 2010 cable companies teamed with Hollywood studios

428. Kiley, Peter. Interview with the author.

to undertake a \$30M advertising campaign highlighting the service⁴²⁹ One Hollywood executive stated "VOD in the home is a fantastic consumer proposition and it's a strong business with a good growth profile." VOD, while popular with Hollywood producers seeking additional venues of distribution and the MSOs who would act as the new venue, cable networks have not been eager to pick up the technology.

The issues with VOD are the same as streamed video: if viewers increasingly chose their programming for themselves, networks' (which are nothing more than a collection of programming located at one spot) brands are diminished. "One of a programmer's big fears is losing its brand a sea of VOD programming."⁴³⁰ Strong brands command high advertising rates based on the fact they are able to garner large audiences. If networks provide free VOD content a viewer is effectively allowed to create her own network—composed of programming from multiple networks. "Not surprisingly, the more powerful networks—those with strong ratings, unique programming or widespread brand identities—are more reluctant to provide content for free."⁴³¹ Equally unsurprisingly, the one network that thrives by subsuming its brand to the greater good of the MSOs—C-SPAN—was an early adopter of VOD.⁴³²

429. George Szalai, "Studios, Cable Companies Team for VOD," *Hollywood Reporter*, March 17, 2010, http://www.hollywoodreporter.com/hr/content_display/news/e3iff897d5a72be7303a614bf82f0965f8d

430. Matt Stump, Supplement; Special Report: Video-On-Demand, "Basic Nets Chew on VOD," *Multichannel News*, July 15, 2002, 1B.

431. *Ibid.*.

432. *Ibid.*.

Yet again, the hierarchal dichotomy of “the cable industry” becomes apparent. MSOs wanted VOD because it highlighted the capacities of a cable subscription. It was a service available on cable. The network owners did not want MSOs to provide the service. As infrastructure owners, the MSO CEO’s are not vested in particular networks; they do not care what programming viewers watch as long as people sign up to use cable. This is why the MSOs were not willing to forego the many gains the Telecommunications Act of 1996 represented in exchange for an elimination of must-carry; the MSO’s knew the must-carry channels were popular and would attract customers to cable. C-SPAN offered a perfect opportunity to test the capacities of digital cable and VOD because the network is non-commercial and has nothing to lose. By offering VOD via C-SPAN the MSOs introduce a new service to customers before the larger commercial networks might be willing to do. Once demand is demonstrated, the commercial networks could be pressured into offering it, using C-SPAN’s practical experience with the service as a case study to explore commercial applications. C-SPAN serves the MSOs, not other cable programmers. C-SPAN’s affiliate relations department is set up to assist MSOs in “marketing [their] system with C-SPAN.”⁴³³ When C-SPAN has joined with other cable networks for a cause (e.g., Must Carry, Digital Must Carry, ala Carte) is when the MSO’s were also supportive of the network’s position.

433. C-SPAN, Affiliate, “Market Your System,” <http://www.c-span.org/affiliates/members/marketcspan.asp>

All this is not to say that C-SPAN is not interested in its brand. C-SPAN is keenly interested in extending its brand across any number of venues.⁴³⁴ What must be remembered is that C-SPAN's brand is in service of the interests of the cable MSOs. As has already been discussed, C-SPAN will not engage in any policy or service unless it adheres the business goals of the sponsoring corporations. When C-SPAN distributes its programming over cable's competitors it is not doing so solely based on principles of public service, it is a political economic decision considering many factors.

In 2006 C-SPAN reached an agreement for AT&T to carry C-SPAN channels over AT&T's new "U-verse" digital video network. By distributing video via a terrestrial system of wires, telco's directly competed with cable companies. In keeping with its public service mission, Peter Kiley explained his network was pleased "to bring our informational programming to more Americans."⁴³⁵ From a public service standpoint the decision makes sense but from a business perspective, why would cable give away its "crown jewel" to competitors?

The 2006 deal with AT&T was not the first time C-SPAN offered its programming to a competitor of cable—in 1999 C-SPAN struck deals with Direct Broadcast Satellite providers (DBS), EchoStar and DirecTV.⁴³⁶ Several large for-profit

434. Kiley, Peter. Interview with the author.

435. AT&T, Press Release, "AT&T U-verse to Include C-SAPN," September 13, 2006, <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=22697&mapcode=consumer>

436. EchoStar (now part of Dish Network), Press Release, "EchoStar Communications Corporation to Offer Public Interest and Educational Channels," December 15, 1999, <http://dish.client.shareholder.com/releasedetail.cfm?ReleaseID=243930>

cable networks had also signed deals with DBS providers but their motivation is obvious—more revenue and larger audiences to sell to advertisers. C-SPAN’s decision to allow its programming on DBS is apparently contrary to the thesis presented by this study: C-SPAN exists to promote the cable industry. The decision seems to support the idea C-SPAN is, as its owners and executives say it is, primarily a public service. One important fact must be recalled—C-SPAN is selling its programming, like any other network. These alternative television distributors are *paying* for the privilege of running C-SPAN. C-SPAN is not giving away its programming. For C-SPAN to say it is “provided by cable” is no longer one hundred percent accurate. DBS and the telco’s are paying affiliate fees to the network and these fees go into the daily operations. In revisiting C-SPAN’s motto (*Created by Cable. Offered as a Public Service*) we recognize this truth; C-SPAN does not state the network is “funded” by cable but that it *was* “created.” With the additional revenue from DBS and the telco’s C-SPAN could expand its operations or use the money to subsidize the affiliate fees for the original cable industry sponsors. The latter is a reasonable assumption given Lamb once attributed the secret to his network’s success was its low costs, stating “if you keep costs down, you have a shot.”⁴³⁷ The good news for cable MSOs is that while they may not provide one hundred percent of the funds for C-SPAN they receive one hundred percent of the credit and in the public affairs marketing game that is the most important thing. The C-SPAN web video, explaining how C-SPAN is funded, stated “America’s cable companies have

437. Lisa Horowitz, “C-SPAN’s Lamb Says Web is News’ Future,” *TV Week*, November 20, 2008, http://www.tvweek.com/news/2008/11/cspans_lamb_says_web_is_news_f.php

been providing C-SPAN.”⁴³⁸ The number one goal of C-SPAN’s public affairs department is to ensure the *cable* industry revives the credit for C-SPAN. While C-SPAN is distributed on a number of competing networks, C-SPAN’s controlling body—the board and executive committee—is exclusively composed of CEOs and presidents from the cable industry. Competitors get the programming but have no voice, or ownership, of the credit for funding or distributing it.

Additional revenue for cable’s crown jewel and the ability of cable to monopolize the credit for providing C-SPAN is only one reason C-SPAN’s board allows the network to be carried by non-cable competitors. When C-SPAN restricted public access of its programming (e.g., Cobert and Spk. Pelosi) it received shift and cutting criticism from the public and elected officials. From a public relations “public affairs” perspective, the cable industry has *no other option* other than allowing non-cable television delivery systems access to C-SPAN. To deny DBS or telco’s television systems access to the nation’s premier public affairs programming network would be a brazen act of selfishness, a clear admission cable is *more* interested in the credit than public service. If cable did restrict access to C-SPAN it would be quite plausible Congress would step in (spurred on by aggrieved DBS/telco television subscribers and DBS/telcos lobbyists) and investigate why C-SPAN gave cable a monopoly on its programming. The goal of any network, commercial or non-commercial, is to expand its reach. This is true no matter if the network is interested in profit or altruism. Restricting distribution would not only act

438. C-SPAN, “About Us,” <http://cspan.org/about/index.asp?code=About>

against the tenets electronic democracy, it is against business. How could C-SPAN legitimately deny itself additional revenue? Even if there was a cost to C-SPAN (e.g., leasing additional satellite capacity) this could be built into the fee charged to new distributors. There would not no feasible way even the most ardent public affairs practitioner could spin C-SPAN's exclusion from increasingly popular distribution outlets. The choice was obvious; allow alternative outlets to pay for the programming and keep the credit. And those in the industry are eager to keep the credit. President of the National Cable Television Cooperative (a programming and equipment purchasing organization for MSOs) said "C-SPAN is the cable industry's gift to the Republic [...]. It wasn't started by the government, it wasn't started by some clown with a crazy idea about making money. It was founded and run today, still run, by the cable industry. We support C-SPAN through our monthly subscriber fees we pay to C-SPAN."⁴³⁹

In returning to the AT&T example we see another reality about the capitalist mass communications marketplace: today's competitor could be tomorrow's partner. Putting aside their differences in the hopes of reaping Federal stimulus money, AT&T and the largest cable MSOs banded together in 2010 to create the "Digital Adoption Coalition."⁴⁴⁰ As part of the \$787 billion American Recovery and Reinvestment Act of 2009, Congress set aside \$7.2 billion specifically for "broadband deployment projects" within

439. Mike Pandzik, interviewed by Liz Burke, August 11, 1999, transcript, The Hauser Oral and Video History Collection, The Cable Center, Denver Co., <http://www.cablecenter.org/education/library/oralHistoryDetails.cfm?id=155>

440. One Economy Corporation, Press Release, "Public and Private Sectors Form Groundbreaking Coalition to Support Broadband Adoption," nd, <http://www.one-economy.com/>

under-and-un-served populations in rural and poor communities.⁴⁴¹ The consortium, which also includes computer giants, Dell, Intel and Microsoft, asked for \$52.11 million “To improve broadband access, services, and technology in approximately 250,000 low-income households nationwide .”⁴⁴² It is very easy to make peace with a market rival when it allows your corporation access to a quarter of a million new customers. Especially when tax payers subsidize two-thirds of the cost. Before leaving the noncompetitive nature of capitalist corporations, it is important to recognize an empirical fact that sheds light on how “competing” capitalist corporations operate.

Until 2002, Comcast was a direct subsidiary of AT&T. In 1999 AT&T Broadband purchased the nation’s largest cable MSO: TCI. Two years later, in 2001, AT&T Broadband merged with the third largest MSO: Comcast. One year after that, AT&T spun off its broadband services into the Comcast Holdings Corporation.⁴⁴³ In the monopoly capital marketplace a competitor is not only a potential partner, it is a potential purchase. While Comcast is now financially separated from AT&T it is inappropriate to speak of the two corporations as unrelated.

441. Grant Gross, “White House Awards First Broadband Stimulus Grants,” *PC World*, December 17, 2009, http://www.pcworld.com/article/184977/white_house_awards_first_broadband_stimulus_grants.html

442. John Eggerton, “NCTA, Computer Companies, Telcos and Nonprofits Form Digital Adoption Coalition,” *Broadcasting and Cable*, March 23, 2010, http://www.broadcastingcable.com/article/450627-NCTA_Computer_Companies_Telcos_and_Nonprofits_Form_Digital_Adoption_Coalition.php

443. AT&T, Press Release, “AT&T Board Sets Broadband Spin Off Date, Declares 1 for 5 Reverse Stock Split And Names Five Members to Comcast Board,” November 14, 2002, <http://www.corp.att.com/news/2002/11/14-11068>

Public Affairs Are Local Affairs

Speaker of the House in 1977, “Tip” O’Neil allowed cameras into the chambers and approved Brian Lamb’s fledgling network to carry the signal outside of the halls of Congress to the American people. O’Neil’s widely recognized trademark philosophy/mantra was “all politics is local.”⁴⁴⁴ If we recall Time-Warner Cable’s CEO Glenn Britt’s comments to Brian Lamb at the ACC convention, the same can be said for the cable industry.

In 1997 Leo Hindrey was hired as the president of the nation’s largest cable MSO: TCI. The company was weathering rough times and Hindrey began his tenure by dramatically restructuring the company along regional, not technological, departments. His intent was to return cable to its roots as a local service provider in communities. Hindrey explained his decision by saying “This is still a local business and it should be run as a local business.”⁴⁴⁵ Up until this point, the study has abstracted the cable MSOs into national corporations with their primary interests being national business agendas and federal regulations. Because a cable system has to apply for a franchise within whatever local jurisdiction it operates, cable corporations are managed at the local level. Corporate headquarters may set subscriber, ad sales and profit quotas but it is up to the general manager to ensure the system operates smoothly within the political environment of the franchising authority. Peter Kiley’s job is to get the cable affiliates carrying

444. John Aloysius Farrell, *Tip O’Neil and the Democratic Century*, (Boston: Little, Brown and Company, 2001), 65.

445. Thomas P. Southwick, “Cable Television: The First 50 Years,” *Cable World*, December 7, 1998, 1.

C-SPAN credit for doing so. His job is easier at the federal level—where C-SPAN has a high profile—but difficult at the local level where officials don't fully grasp who offers the network to their community.⁴⁴⁶ As show in the preceding chapters, C-SPAN largely leaves the direct lobbying Congress up to the cable corporations and NCTA (although Brian Lamb is a known figure to committee chairs). Cable CEOs frequently point to C-SPAN as an example of what the industry does right if left unfettered. C-SPAN leaves it up to the industry to decide how to best portray C-SPAN's public service aspects to Congress. At the local level, however, C-SPAN becomes directly involved in crafting how local cable operators can market themselves using C-SPAN.

Many local councils and commissions are televised on a cable channel strikingly similar to C-SPAN. Instead of Congress, however, these cable channels provide gavel-to-gavel coverage of local government meetings and bodies. Typically the staff is composed of government workers or community volunteers. Unlike C-SPAN, these channels were not entirely voluntarily. These Public, Educational, Government (PEG) channels were negotiated when the cable system applied for a franchise to operate within the community. The federal government does not mandate PEG channels but gives the local authority the right to ask for them. The cable systems have long seen the loss of up to three channels as a price they are willing to pay for operating as a de facto monopoly in a community. Franchise authorities are federally prohibited from demanding cable systems offer particular programming. If all politics is local, the local elected officials are likely

446. Kiley, Peter. Interview with the author.

to focus on the mandated PEG channels rather than on if the operators voluntarily provide C-SPAN. Knowing local officials are a powerful influence on the operations of a cable system C-SPAN's affiliate relations department has developed promotional packages to help the cable system market itself locally.

In 1993 C-SPAN came up with a brilliant way to local cable systems market themselves within their communities using something as mundane as it turned out to be effective: a bus. So popular have these rolling promotional vehicles become, C-SPAN now operates two. The buses are mobile production studios that tour the nation, stopping in local communities for students, teachers, and citizens to experience the network first hand. C-SPAN states the bus visits "inform voters, empower teachers, enrich civics education."⁴⁴⁷ Often C-SPAN producers will shoot a short piece about local history or interview local students and educators about civics-related items. Especially in smaller communities a visit from the bus is considered quite an occasion and often makes the local news.⁴⁴⁸ *The Abilene Reporter* announced "C-SPAN fanatics will be happy to hear the C-SPAN Civics Bus will visit the Mockingbird Branch of the Abilene Public Library."⁴⁴⁹ The buses have their own homepage on the C-SPAN website. Under the general "About the Bus" link C-SPAN explains it "launched its Bus program as a way to bring the world of public affairs into schools and communities nationwide [...] to discuss

447. C-SPAN, Bus Homepage, "C-SPAN's Civics Bus," <http://www.c-span.org/schoolbus/index.asp>

448. Stephanie A. Walken, "C-SPAN Bus Rolls into Yuma," *Yuma Sun*, March 11, 2010, <http://www.yumasun.com/news/bus-56898-span-mcguire.html>

449. Education News, "C-SPAN bus cruising into Abilene," *Abilene Reporter*, April 2, 2010, <http://www.reporternews.com/news/2010/apr/02/atems-location-in-question/>

media, public affairs, and C-SPAN's programming and free educational resources."⁴⁵⁰

The bus homepage features other tabs: "For Teachers," "FAQ's," and "For Media." There is one link "For Affiliates" that sketches out another set of uses with different priorities.

From the perspective of eager young students and engaged teachers the bus offers a unique opportunity to analyze and experience media's role in civics. C-SPAN "fanatics" are given a chance to peek "behind the scenes" of their favorite network. From the perspective of affiliates, the bus is an opportunity, first and foremost, to achieve some quality public relations marketing. C-SPAN readily acknowledges this component and informs affiliates it sends the bus out "As a thank you to the cable industry for its continued support."⁴⁵¹ Yes, the network admits the bus is a way for it to highlight C-SPAN's "unique brand of public affairs programming," but "It is also our way of stressing your commitment to providing C-SPAN as a public service to your viewers."⁴⁵²

While C-SPAN bus visits have the ability to fulfill many uses for any groups, the actual "*Purpose of the Bus*" is only revealed to the affiliates. Two of the three purposes are obviously designed to meet the political economic needs of business before any educational or civic goals. According to C-SPAN, the purpose of the bus is to

- Emphasize to your community that cable created and funds C-SPAN as a public service.

450. C-SPAN, Bus Homepage; "About the Bus," <http://www.c-span.org/schoolbus/about.asp>

451. C-SPAN, Bus Homepage; For Affiliates, "System Visits," <http://www.c-span.org/schoolbus/cable.asp>

452. Ibid..

- Highlight your system's commitment to your community by hosting a reception for local VIPs, local officials and school board members that emphasizes cable's partnership with C-SPAN.
- Introduce students, teachers and Bus visitors to C-SPAN as an educational resource. Visitors learn about the importance of media literacy and civic engagement.⁴⁵³

The last purpose, to engage visitors in media literacy and civics, is the *utility* of the bus visits. The general manager needs to know the bus visit will have a legitimate (i.e., noncommercial) use to the visitors or the system will look like it was shamelessly promoting itself. Just as C-SPAN has to appear non-biased and non-sensational in its programming to ensure it is seen as public service, the bus visits have to have a real educational aspect to them. Notice the utility of the visits is the last purpose listed—general managers are responsible for the systems bottom line and will not engage in any activity they do not see as adding to the system's revenue. The system manager needs to know what's in it for him. Once the manager is assured the *real* reason the bus would be visiting, he or she will be open to what's in it for the public. Peter Kiley has stated the education aspects of C-SPAN's public affairs campaigns are "Good for youth... but...the real reason it is good is because it meets objectives of business."⁴⁵⁴ The educational component is hardly contradictory to the goals of business and C-SPAN bus visits are an all-inclusive package, costing the local system little-to-nothing out of pocket. The system may decide to offer promotional tie-ins with local businesses or associations but, at the

453. C-SPAN, Bus Homepage; For Affiliates, "Purpose of the Bus," <http://www.c-span.org/schoolbus/purpose.asp>

454. Kiley, Peter. Interview with the author.

most basic, only needs to provide a parking lot. While the bus stops at historic sites, museums, libraries, and national parks to shoot small “vignettes” its visits to communities are always in conjunction with a cable system sponsor.

Moving from the public C-SPAN Bus Homepage to the more specialized Affiliate Relations website exclusively set up for cable systems it becomes clear how the purposes above are operationalized. Affiliates interested in learning the ways C-SPAN facilitates their business needs can click on the “Market your system” link. The first way affiliates can market themselves with the network is the bus. C-SPAN’s affiliate relations department has prepared a form letter the affiliate may use to “invite your key publics, local government officials, and franchise authorities to tour the C-SPAN School Bus.”⁴⁵⁵ The letter informs these potential guests “As part of our ongoing commitment to education and public service, **(name of cable system)** is proud to sponsor a visit by the C-SPAN School Bus.” All the system has to do is fill in the blanks. C-SPAN has a list of ways the local system can maximize the bus’s visit. “Highlight your systems’ commitment to education and public service in your community by hosting a reception for local VIPs centered around the C-SPAN School Bus visit. Tie the Bus visit into a community-wide event such as a fair or parade and invite local officials and members of the community to tour the Bus.”⁴⁵⁶ Announcing the bus’s visit to Bakersfield, California, Bright House (the

455. C-SPAN, Market Your System with C-SPAN, “Sample Letters,” <http://www.c-span.org/affiliates/members/govofficialletter.asp>

456. C-SPAN, Market Your System with C-SPAN, How to host the C-SPAN School Bus, “Bus Visit Ideas,” <http://www.c-span.org/affiliates/members/busvisitideas.asp>

nation's seventh largest cable MSO) stated in a press release that "bringing the bus to visit our schools and civic groups gives us the opportunity to showcase the great educational resources cable television has to offer".⁴⁵⁷ The bus, as it turns out, fits perfectly with Bright House's standing commitment to the local community: "Public affairs, social responsibility, and community involvement continue to be major initiatives for Bright House Networks as an ongoing commitment to the families and communities Bright House Networks serves."⁴⁵⁸

C-SPAN suggests the system managers think of ways to tie in C-SPAN programming to local organizations, museums, or institutions. A perfect example is using C-SPAN's popular nonfiction book author interview program "Book TV" to partner with a local bookstore or library as a way "...to get free publicity."⁴⁵⁹ At first a program about books seems an odd fit for a network that specializes in Congressional meetings. Why would the cable industry be interested in a program that highlights the publishing industry? Time Warner Cable, the nation's second largest MSO, is part of Time Warner, which owns Time Inc., one of the largest publishing corporations in the U.S.

Using public service programming to promote cable systems to local regulators and subscribers is not limited to C-SPAN. C-SPAN pioneered the practice with "States of the Nation," a series of programs produced from key cable markets during the 1984

457. Bright House Networks, Press Release, "Bright House Brings C-SPAN Civics Bus to Bakersfield," February 2, 2010, <http://brighthouse.com/bakersfield/about/1592.htm>

458. Ibid..

459. C-SPAN, "Bus Visit Ideas."

presidential campaign⁴⁶⁰ but commercial networks and MSOs soon learned the value of public affairs efforts and began producing similar programming . Abstracting C-SPAN from the industry it is part of makes no sense. A brief NCTA white paper highlighting cable's contributions to public service programming begins by pointing out "While broadcasters are demanding that Congress force cable operators to carry many untried and untested channels, local cable systems have long filled the void of local programming by developing dozens of local, regional and state community, news and public affairs networks that offer a wide range of important programming."⁴⁶¹ Abstracting C-SPAN from the business goals of the industry it is part of also makes no sense. Promoting community involvement and educational value are built into the way cable public affairs practitioners market cable television: "The integration of community outreach and public affairs activities tied to business and policy objectives are vital components of our industry's efforts to ensure customers, policy makers, and Wall Street understand new products and service benefits."⁴⁶² This quote is from Peter Kiley when he was acting as the president of the cable public affairs practitioners association, ACC. At the 2004 NCTA convention, ACC sponsored a panel titled "Cable's Local Advantage: Public

460. ACC (formerly known as CTPAA), About Us; ACC History, "CTPAA Celebrates Twenty Years: From Phone Booths to Roundtables," 2005, 4, http://www.cablecommunicators.org/aboutus_history.php

461. NCTA, White paper, "Cable's Regional and Local Public Service Programming," March 22, 2006, <http://www.ncta.com/PublicationType/WhitePaper/595.aspx>

462. Cable Television Public Affairs Association (now known as Cable Communicators Association), Press Release, "CTPAA Sets Theme for Forum 2005 and Confirms Speakers," January 27, 2005, http://www.cablecommunicators.org/press_release.php?id=1&year=2005

Affairs and the Bottom Line,”⁴⁶³ chaired by Kiley. The panel, made up of public affair managers from major MSOs and networks,

explore[ed] how portraying the right image of a cable company with a local face can drive consumer decisions. [ACC] leaders will discuss how operator/programmer public affairs initiatives increase awareness, sales, and support for digital cable, interactive services, VoIP, and broadband deployment. Topics will include how ad sales teams create a "win-win" situation by tapping into local businesses wishing to have their names affiliated with community outreach programs and how marketing/public affairs partnerships can receive the biggest bang for the cable company's buck.⁴⁶⁴

Selling a Public Service to the Public Sector: Cable in the Classroom

Unlike many industries, cable is able to integrate its actual products and services directly into public service. A stunning example of this is Cable in the Classroom (CIC).

In 1989 the cable industry begun CIC and had the backing of 77% of the MSO industry.⁴⁶⁵ At the heart of the project was wiring schools for cable and providing educationally beneficial programming commercial free. The hardest thing CIC officials had to deal with early on was building trust; school administrators feared the no-cost aspect was simply a temporarily sales pitch.⁴⁶⁶ Over 81,000 public and private schools have been provided access to cable under the program. MSOs, such as Comcast, offer

463. ACC, Publications; CPR Facts, "CTPAA at the National Show," April 23, 2004, http://www.cablecommunicators.com/cprfacts_2004.php

464. Ibid..

465. Matt Stump, "Cable Ready to go Back to School," *Broadcasting and Cable*, September 3, 1990, 38

466. Ibid..

free installation of a set number of “drops” (typically meant to be installed in common areas such as library or media center) and provides the school free cable service.⁴⁶⁷ CIC should not be confused with Channel One—the controversial cable channel featuring current affairs and educational programming along with commercials. CIC is an initiative of the MSOs, in partnership with the national cable networks (who supply the programming, stripped of commercials). Channel One is a for-profit network that makes money by selling advertising slots. In return for the running the channel’s commercially sponsored reports in classrooms the Channel One pays the school’s cable bill. The non-profit CIC provides free broadband access and commercial-free programming. As would be expected, C-SPAN’s Congressional and historical programming is ideally suited to CIC and the network was a founding partner. That CIC is designed to promote the MSOs is apparent by the fact the website has a “How go get cable in your school” link, that when clicked informs you “To get your school connected or to learn more about what’s available for your school, talk to your local cable company—they want to hear from you!”⁴⁶⁸ Beneath its public service facade, CIC is a commercial venture. MSOs may provide free installation and cable service but there is an effort to “up sell” school administrators on purchasing business class communication packages for the school. The Cable and Telecommunications Association for Marketing (CTAM) warns industry insiders against such clumsy sales pitches and hungrily points out “With \$536 billion

467. Comcast, “Cable in the Classroom Application,” www.comcastnw.com/cic_application.pdf

468. Cable in the Classroom, “How to get Cable in Your School,” <http://www.ciconline.org/get-cable>

spent in 2004-05 on K-12 education, there's a huge opportunity for cable to gain market share"⁴⁶⁹ using CIC. CTAM states "Cable has a lot to learn. It has no problem impressing teachers with its commitment to education via Cable in the Classroom, through which it provides free copies of shows and materials to schools. But it still hasn't figured out how to gracefully add a business dimension to the relationship."⁴⁷⁰

Commodifying public resources is a key strategy of neoliberalism and public service is seen merely as gateway towards selling other, non-public service products and services. The network's marketing efforts, however, go far beyond promoting a specific industry, they contribute to the convention wisdom that it is acceptable to be beholden to private interests for access to public information.

C-SPAN: Model Public Service, Model for Global Neoliberalism

In the following section, three nations and their public affairs networks are examined. These examples clearly demonstrate C-SPAN represents more than the idea of gavel-to-gavel coverage of legislatures and political public affairs, it is a model of ownership. C-SPAN is considered a world leader in public affairs television and the experiences of Canada, Britain, and Australia indicate how deeply the market values of C-SPAN are ingrained with ideas of public service. Brian Lamb once stated "If you tried to start C-SPAN today, you couldn't. There wouldn't be room for it on cable systems; cable companies wouldn't want it and they wouldn't pay for it. When we came along, it

469. "CTAM, CIC Clarify Education Pitch," *Cable World*, July 17, 2006, np.

470. Ibid..

was all luck: Cable was new and they were looking for new ideas, and we had an idea that didn't cost much."⁴⁷¹ Aside from contradicting the concept C-SPAN is founded on deep-seated charity and not material interests, the following examples will display how Lamb is unable to discern the political economic forces at play behind his network. New "C-SPANs" have continued to be started around the world.

Canada: As mentioned, C-SPAN is globally renowned for its coverage style and programming. So much so "C-SPAN" has become shorthand for gavel-to-gavel public affairs productions. What is less known is the content C-SPAN made its mark with—live coverage of the House of Representatives floor sessions—was modeled on the Canadian Parliament television coverage offered by the Canadian Broadcasting Corporation (CBC). In 1979, when Congress was opening itself up to television cameras Canada had been broadcasting its parliament for two years. In 1977, Canada became the first nation to broadcast their parliamentary sessions on live television.⁴⁷² While C-SPAN may have become known for its style, this study proposes it has made its mark on societies through the funding and ownership model of private ownership. C-SPAN's global impact is in promoting neoliberalism through public affairs television.

471. Brian Lamb interviewed by the Inter-Parliamentary Union, at the *Conference on Broadcasting of Parliamentary Business Through Dedicated TV Channels and Public Broadcasting Systems*, Geneva, October 6, 2004. Transcript available from the conference publication: "The Challenge of Broadcasting Parliamentary Proceedings," www.ipu.org/pdf/publications/ebu_en.pdf

472. CPAC, About CPAC, History, http://www.cpac.ca/forms/index.asp?dsp=template&act=view3&template_id=173&lang=e

In the late 70s the Canadians decided television was a natural extension of public records and they envisioned the telecasts as an “electronic Hansard,” the name given to the daily printed record of the debates of parliament.⁴⁷³ The Canadians also felt this should be publicly owned. The televised record of parliament was produced by the Canadian Broadcasting Corporation (CBC) and distributed via broadcast and cable channels. In the mid-80’s the Canadian cable industry approached the CBC about the possibility of expanding the Parliament Channel to include general public affairs programming of the sort produced by C-SPAN. After reaching an agreement in 1988 both parties decided to create the Canadian Parliament Channel (CPaC). Since the broadcasts are public property, the House of Commons had to approve, and in 1990 parliament gives it approval—with the stipulation that the gavel-to-gavel parliamentary would continue to be the cornerstone of programming and that the channel not air commercials. In late 1990 and early 1991 the financial crisis that was affecting the world caught up with Canada and the federal government was looking at a \$670 million revenue shortfall.⁴⁷⁴ The CBC was asked to assume over \$100 million in cutbacks and dropped many services while cutting hundreds of employees.⁴⁷⁵ The Parliament Channel was one of the services dropped. The House of Commons voted to fund a pared-down version of

473. Robert Marleau and Camille Montpetit, eds. “*House of Commons Procedure and Practice*,” January 2000, ch. 24, *The Parliamentary Record, Broadcasting Services*, available from <http://www2.parl.gc.ca/MarleauMontpetit/DocumentViewer.aspx?Sec=Ch24&Seq=3&Lang=E>

474. Richard Mackie, “Ontario Puts Off Spending Decisions, Jobs will be Lost, Laughen Admits,” *Globe and Mail*, November 20, 1991.

475. Christopher Harris, “CBC Cutbacks TV Made Abruptly Alter Emphasis off Local Programming,” *Globe and Mail*, December 6, 1990.

the channel out of its own budget. The private cable industry, which earlier was set to partner with the CBC, soon took advantage of the federal crisis to gain sole ownership of the channel. In 1991 a consortium of 27 cable companies offered to take over the production and distribution of the channel “at no cost to taxpayers or cable subscribers.”⁴⁷⁶ This refrain will be familiar to any one paying attention to the way C-SPAN has promoted its services. A cash-strapped federal government had little option but to accept. The first chairman of the Canadian Parliament Channel (CPAC) was Noel R. Bambrough, an executive with one of Canada’s largest cable corporations Shaw Communications. The network is obviously modeled on C-SPAN and altruistic act of Canadian cable corporations needs to be historically contextualized like C-SPAN.

Like U.S. cable corporations, Canadian cable corporations had to deal with federal regulations. Since the 1970s the Canadian Radio-television and Telecommunications Commission (CRTC) had restricted the importation of foreign (i.e., U.S.) programming based on nationalistic cultural policies.⁴⁷⁷ The Canadian government specifically restricted the importation of many types of American programming if it directly competed with an Canadian equivalents. It was the Canadian version of “must-carry” and it interfered with the cable operators bottom line. Just as with C-SPAN, the offer to provide the nation’s premier public affairs network appears less selfless when placed in a context of a heavily regulated industry taking up a pet project of the government that

476. CPAC, About CPAC, History, http://www.cpac.ca/forms/index.asp?dsp=template&act=view3&template_id=173&lang=e

477. Marc Raboy, “Canada,” In *The Encyclopedia of Television*, ed. Horace Newcomb, Cary O’Dell and Noelle Watson, (Chicago: Fitzroy Dearborn Publishers, 1997), 282.

regulates it. The Canadian government's preference for national content gives the industry lobbying power while it simultaneously fulfilled the strict cultural policies at a relatively low cost. What could be more Canadian than a channel dedicated to Canadian politics? Being both a public and cultural service the industry can claim twice as much credit.

Mirroring the motto of C-SPAN, CPAC's motto is "Created by Cable for Canadians." If anything, CPAC's message is more direct in highlighting cable's role in the network; the word "cable" is in pink while the rest of the words are in black.⁴⁷⁸ What is not promoted is the government's role in CPAC. Canada, while it transferred ownership to private hands still retained state control over content. CPAC's license had to be approved by the CTRC. After seven years, in 1999, the original license was up for renewal. Unlike the U.S. government and C-SPAN, the Canadian government placed strict restrictions on CPAC. Many of the aspects about the network the consortium likes to brag about (e.g., commercial free, only public affairs related to parliament/federal policies, no fee to cable subscribers, etc.) were legally mandated in order for it to receive a license. The most glaring difference between Canada and the U.S. is CPAC's carriage on basic cable tiers is mandatory. The original CTRC ruling states CPAC's license depends on it being "made available to all distribution undertakings [...] throughout Canada."⁴⁷⁹ It is true that the government does not mandate the cable industry *provide* the

478. CPAC, http://www.cpac.ca/forms/index.asp?dsp=template&act=view3&template_id=46&lang=e

479. Canadian Radio-television and Telecommunications Commission, Decisions, Notices and Orders, "Public Notice CRTC 1992-6," January 17, 1992, <http://www.crtc.gc.ca/eng/archive/1992/PB92-6.htm>

network but that if it does, it must be available to all outlets. While the industry voluntarily provides the network, the shape of the network and its operations are determined by the government to meet public service requirements. Even though the government takes an active role in the network, the existence of it is still dependent on the cable industry's ability to find a use for it. Most importantly, the Canadian example provides a perfect case study for the privatization function of neoliberalism. The network started out publicly controlled and owned but a financial crisis enabled capitalist interests to take the financial burden off the hands of the indebted state. Even though the quality of the network has not diminished (given the industry's cash flow, the opposite is probably true) but what was once a public right has been transformed into private credit. Where citizens could once demand the coverage they are now left to be thankful for its existence. As with C-SPAN, the "largess" is strategic, and allows the industry to gain power at the expense of citizens and the state. The state may put a brake on neoliberalism by demanding content restrictions, but it is unable to prevent the cable corporations from materially benefiting from offering the the network. As with the U.S., Canada's public affairs network exists at the will of the marketplace.

Britain: Bound to tradition more than the commonwealth nations, Britain did not open its Parliament to regular television coverage until 1992. Despite a long history of state operated media, the British Parliamentary Channel was, from the beginning, a product of the private cable companies. Miranda Curtis, the General Manager of the Parliamentary

Channel is quite frank about the inspiration for this model “The development of the channel has always from the very beginning been very clearly modeled on C-SPAN in the U.S. Many of the companies that originally funded The Parliamentary Channel were UK subsidiaries of companies that funded C-SPAN in the early days. The evolution of the channel over time was simply limited by the growth of the subscriber and revenue base but in so far as we were able over the last six years we have absolutely followed the development model of C-SPAN to the “T”⁴⁸⁰ One company, NTL/Comcast UK, described the foundation of its support thusly: “While NTL is certainly a commercial, indeed highly entrepreneurial company, our support for TPC was based less on potential future commercial or profitable opportunities than on our belief that access to full coverage of the Parliamentary process is of benefit and interest to our customers. On this basis, it makes good business sense to fund the development of the channel.”⁴⁸¹ Here we see the echoes of NTL’s American parent company, Comcast. Not only is the network a public service, it is recognized as a channel that subscribers are interested in. It is a public service that meshes with business interests. The network’s daily operations were managed by Flextech Plc., a for-profit company that invests in cable programming. The network itself was designated a non-profit. “The service was not created by the cable

480. Select Committee on Broadcasting, Minutes of Evidence, Examination of witnesses (Questions 58 – 79), July 15, 1998, <http://www.publications.parliament.uk/pa/cm199798/cmselect/cmbroad/984/8071509.htm>

481. Select Committee on Broadcasting, Minutes of Evidence, Annex 2, “Memorandum submitted by NTL,” <http://www.publications.parliament.uk/pa/cm199798/cmselect/cmbroad/984/8071504.htm> July 15, 1998,

operators as a money making venture; hence its 'not for profit' status."⁴⁸² Shortly after its founding, a former Speaker of the House of Commons, Rt Hon Lord Weatherill, became the chairman of the network's board.

During the 1990s the Parliamentary Channel expanded its services and was well received by the public and government. However, by 1997 the channel was facing financial pressures. Like the American cable marketplace, the British cable corporations were merging, the market ever more concentrated. By the late 90's mergers had ensured the majority control over the Parliamentary Channel resided among three companies: Cable & Wireless Communications, NTL/Comcast UK, and General Cable and Telewest. In addition to affiliate fees, the channel was financed by a series of revolving loans. As one company summed it up "In the Autumn of 1997 the Parliamentary Channel members realised that continued commercial pressure, the advent of digital, and possible competition from other sources meant a strategic review of the aims and goals of the channel was needed."⁴⁸³ The for-profit corporations were reconsidering their public service investment and changes to the programming, along more commercially-friendly options, were explored. At a public hearing, one Member of Parliament commented to the channel's General Manager, Miranda Curtis,, "the integrity of the service that you undertook at the beginning and your commitment to that integrity was being undermined

482. Select Committee on Broadcasting, Minutes of Evidence, "Memorandum submitted by Telewest, General Cable and Cable & Wireless Communications," July 15, 1998, <http://www.parliament.the-stationery-office.co.uk/pa/cm199798/cmselect/cmbroad/984/8071502.htm>

483. Select Committee on Broadcasting, Minutes of Evidence, "Memorandum submitted by Telewest, General Cable and Cable & Wireless Communications," July 15, 1998, <http://www.parliament.the-stationery-office.co.uk/pa/cm199798/cmselect/cmbroad/984/8071502.htm>

by what you describe as cutbacks.”⁴⁸⁴ Curtis agreed and stated the companies proposed cutting gavel-to-gavel coverage, causing her to tender her resignation. Parliament was debating the next step. The founding of the Parliamentary Channel demonstrated how powerful the allure of the U.S. model of neoliberalism was while providing a case study in the pitfalls of relying on private interests to provide public services. Lamb himself repeatedly warns us his channel’s existence hangs by a thread. Unlike the privately held Parliamentary Channel, C-SPAN’s funding is completely self-sufficient. It has never operated at a loss. As laid out in a previous chapter, the cost to C-SPAN is not the production of the programming but in tying up channels. Britain’s channel was funded on an insecure model, ensuring the actual operating budget of the network was costing the companies real money. This was in addition to the opportunity cost of a channel assigned for public service. The sacrifice was too much for the companies. As it turned out, Altruism had a price and Parliament turned the channel over to the BBC in 1998, where it now resides—a public service controlled by the public.

Australia: In April of 2008 Australia’s Prime Minister, Tony Rudd, convened a national summit to develop a comprehensive “long term strategy for the nation’s future.”⁴⁸⁵ Ten areas were debated, number nine was “The future of Australian governance: renewed

484. Select Committee on Broadcasting, Minutes of Evidence, Examination of witnesses (Questions 58-79), July 15, 1998, <http://www.publications.parliament.uk/pa/cm199798/cmselect/cmbroad/984/8071509.htm>

485. Australian Government, Australia 2020, “About the Summit,” <http://www.australia2020.gov.au/about/index.cfm>

democracy, a more open government (including the role of the media), the structure of the Federation and the rights and responsibilities of citizens.”⁴⁸⁶ The summit mapped Australia’s future, and C-SPAN played a part in defining what the future could look like. In the final recommendations “An Australian version of ‘C-SPAN’—AuSpan—would make a big difference to the public policy debate. It was hoped that a public affairs digital network would be established by 2020.”⁴⁸⁷ As it turns out, the goal was six months away. In December of the same year Prime Minister Rudd announced the launch of “A-SPAN.”⁴⁸⁸ The Prime Minister pointed out “Australians returning from the U.S. have often asked a simple question – why don’t we have our own C-SPAN?” Rudd then mentioned the 2020 participants had envisioned “A program along the lines of C-SPAN in the U.S. or Canada could be established.”⁴⁸⁹ It is worth noting Rudd selects American and Canadian (both private networks) for attention and bypasses the now-public British Parliamentary Channel. The omission was intentional because A-SPAN, soon to be renamed A-PAC, was controlled by private cable companies. Far from hiding this fact, Rudd gushed, “It’s a superb initiative, it’s 100 per cent industry funded.”⁴⁹⁰

486. “About the Summit.”

487. Australia 2020 Summit Final Report, “More public policy debate,” (Commonwealth of Australia, May 2008), 324. http://www.australia2020.gov.au/final_report/index.cfm

488. Prime Minister of Australia, Tony Rudd, Press Release, “Launch of A-Span - Australian Public Affairs TV Parliament House, Canberra,” December 8, 2008, <http://www.pm.gov.au/node/5414>

489. Ibid..

490. Ibid..

A-PAC is jointly owned by Australia's largest satellite television company Foxtel, owned by Rupert Murdoch, and the largest cable company in Australia, Austar, a subsidiary of Liberty Global Inc. (the largest cable company in the world). The C-SPAN model is taken one step further (as Britain did originally) by contracting the production of the channel's programming to a private company: Murdoch's Sky News. In what by now is a standard line from the C-SPAN neoliberal script, Foxtel states A-PAC "will be fully-funded by the subscription television platforms on a not-for-profit basis. There will be no cost to Australian taxpayers."⁴⁹¹ What was not mentioned by Rudd or the sponsoring corporations is that the publicly controlled Australian Broadcasting Corporation (ABC) was planning to offer just such a channel. Three months earlier, on September 10, 2008, ABC managing director Mark Scott announced to the National Press Club his network's intention "to run a digital channel to broadcast uncut media conferences, parliamentary hearings and public addresses."⁴⁹² ABC was looking to make inroads in terrestrial digital broadcasting. A national public affairs network fit in with the practice of making information freely available to all Australians using over-the-air technologies. ABC planned on offering an extensive line up of public affairs and news programming in addition to the gavel-to-gavel coverage. It was noted that "such a service would certainly

491. Foxtel, Press Release, "A-SPAN –a New Public Affairs Channel for Australis from Subscription Television," December 8, 2008, <http://www.foxtel.com.au/about-foxtel/communications/a-span-australia-s-public-affairs-network-announces-program--1874.htm>

492. Emma Rodgers, "ABC Head Pushes for Digital 'Democracy' Channel," ABC News, September 10, 2008, <http://www.abc.net.au/news/stories/2008/09/10/2361002.htm>

be a threat to Sky News Australia, a 24-hour news channel that requires a subscription to access.”⁴⁹³ Rudd’s announcement, giving the government’s whole-hearted endorsement of a privately owned and operated public affairs channel “took the ABC completely by surprise.”⁴⁹⁴

Not only did the private interests want to provide the public service they actively sought to undercut the viable public alternative. Australia represents an evolution on the C-SPAN model. If Austar and Foxtel and were interested merely in public service, they could have dedicated a channel to an ABC-produced A-PAC on their respective systems. If they did this they would have to share the credit with ABC. Neoliberal private/public “partnerships” only work for capital if the private interests are the ones who end up with ultimate ownership (i.e., decide the existence of the service). There was no need to have the private Sky News produce the programming *unless* the private owners were interested in monopolizing the credit. Not only did the private corporations gain the right to use the channel as a lobbying tool, they neatly cut out a competitor from offering free news content similar to what they charged the viewer for. Capitalism is not competitive, it is the elimination of competition. A publicly owned and operated media outlet is more of a threat to the media corporations than another private channel, for the public outlet not only directly competes for market share, it points towards an alternative form of ownership and control—it is a threat to capital.

493. Amanda Meade, “ABC Push for Public Affairs Channel,” *The Australian*, December 11, 2008, np.

494. Amanda Meade, “Pay-TV and ABC Battle in Public Affairs Arena,” *The Australian*, December 15, 2008, np.

These three examples—all from an Anglo-Western perspective—indicate the flexibility of capitalist enterprises to adapt to the specific political economies of different nations with different historical contexts. In all cases the C-SPAN model of ownership and funding was seen as the most desirable starting point for offering a national public affairs network. C-SPAN has become a the criterion for other nations and its standard is predicated on consciously precluding public ownership.

Conclusion

As this chapter has demonstrated, C-SPAN is the leading “public affairs” network in both uses of term: public service and public relations. Public service is the utility and public relations is the exchange value of C-SPAN’s programming. Both work in symbolic relationship for the benefit of the sponsoring cable industry. In no way does C-SPAN’s commercially driven marketing campaign invalidate the utility of a live gavel-to-gavel network dedicated to Congress but it brings up questions to be fully discussed in the proceeding chapter.

C-SPAN’s public affairs marketing efforts are part of the larger context of the U.S. capitalist marketplace. Once the sales effort begun to dwindle, the favored child of corporations—advertising—fell out of favor and new methods of creating wants was sought. Suddenly a brand was not enough, a corporation needed social values. It is no coincidence “corporate social responsibility” is making a comeback the same historical moment the crisis of advertising unfolds. As audiences and markets fragment the only

mass group left is society and corporations must learn to operate on the social level. The cable industry, its roots physically located in communities, intrinsically understood this and has sought to incorporate public service campaigns in its operations.

C-SPAN has taken its charge to promote the industry to new heights and in doing so has fallen prey to the myth that it is in the first and last instance a public service. Beyond motivation a simple fact remains, in order to enjoy any of these networks a viewer has to pay a corporation for access to their private network. In return for the favor, the corporation “gives” you what is already yours—representative democracy.

Beyond marketing the cable industry, a private C-SPAN legitimizes what has already been normalized in the U.S.: private communications infrastructure and the commodification of public resources. The “C-SPAN model” of public affairs television binds a particular aesthetic (gavel-to-gavel) with a specific ownership structure (private industry). In doing so, not only is an industry bolstered, the larger capitalist system is promoted. In a world where capitalism is globalized, the “C-SPAN model” means an acceptance and promotion of private interests. As demonstrated by the three examples of Canada, Britain, and Australia, the C-SPAN model reflects the larger process whereby U.S. inspired neoliberalism is being integrated into other nations, despite the fact these nations had long histories of publicly owned media.

CHAPTER IX

CONCLUSION

We never asked Congress to ever mandate the carriage of this network. We have always been opposed to it.

It's a bit of a risk, I admit, just throwing yourself out there on the marketplace, and hoping that your industry will stay with you.⁴⁹⁵

~Brian Lamb

To offer public service as the exclusive explanation for why the cable industry provides C-SPAN demonstrates, in the words of John Kenneth Galbraith, the “innocent fraud” surrounding C-SPAN. In a brief essay, published towards the end of his life, Galbraith noted that “out of the pecuniary and political pressures and fashions of the time, economics and larger economic and political systems cultivate their own version of truth. This last has no necessary relation to reality.”⁴⁹⁶ While the cable industry claims that C-SPAN is a public service, it is important to look beyond what the cable industry

495. Brian Lamb interviewed by Harry A. Jessell in “C-SPAN: The Other Washington Monument,” *TVNewsCheck*, April 20, 2010. www.tvnewscheck.com/articles/2010/04/20/daily.5/

496. John Kenneth Galbraith, *The Economics of Innocent Fraud: Truth for Our Time*, (Boston: Houghton Mifflin, 2004), X.

says about the network, to what the industry *does* with the network. The reality of C-SPAN is that public serves the industry's business ends.

Findings

Why the Cable Industry Provides C-SPAN: From the perspective of the consumer wanting to watch Congress on pay-television, C-SPAN is a public service. From the perspective of capital, C-SPAN is a commodity that has special political economic opportunities attached to it. The ultimate end of all capitalist undertakings is the creation of capital. Therefore, the capitalist cable industry provides C-SPAN because it assists the industry in its quest to accumulate capital. The study has revealed five ways C-SPAN facilitates the creation of capital.

- C-SPAN provides the cable industry a distinctive lobbying tool in Congress
- C-SPAN allows the industry to curry favor with local franchising authorities
- C-SPAN offers the industry a low-risk venue to test new services and products
- C-SPAN is used to promote subscription-based communication systems
- C-SPAN exemplifies the apparent benefits of neoliberalism

Each of these findings are discussed below.

C-SPAN as Congressional Lobbying Tool: The study proposes that this is the foremost benefit for the cable industry and that all other political economic benefits created by providing C-SPAN are subservient to the lobbying needs of the cable MSOs. As has been demonstrated, the fortunes of the cable industry have been directly linked to its regulatory standing among federal regulators and lawmakers since its inception. The cable industry did not develop into a major communications industry until federal rules

allowed it to exploit technological advancements. In every major historical account of the cable industry, federal regulations are listed on par with technological innovations in terms of the impact on the industry's evolution. C-SPAN scholars, Frantzich and Sullivan, found, "Not far from many cable operator's minds was the assumption that by being good citizens and providing public exposure to those who would be writing the regulations, they could enhance their chances of affecting those regulations in a positive way."⁴⁹⁷ Peter Kiley, VP of Affiliate Relations for C-SPAN, has said that C-SPAN's biggest influence is not *with* the citizens who watch the network (as proponents of the network insist), but *on* the politicians featured in the network's programming. Regarding cable's efforts to promote its sponsorship among legislators, Kiley has said "Congress understand this, they know cable provides C-SPAN. Congress is good about giving 'props' to the cable industry."⁴⁹⁸ Except for the 1992 Act, where the broadcast industry was able to leverage the poor consumer performance of the cable industry to its benefit, Congress has consistently drafted laws favoring the needs of the cable industry.

C-SPAN's focus on Congress must be acknowledged and analyzed. Why was the first large-scale, and sustained, public service offered by cable directly connected to Washington D.C.? The cable industry could easily have created an educational network, on par with PBS's children's programming, but it chose to offer television coverage of Congressional meetings. It must also be noted the industry created a public service using

497. Stephen E. Frantzich and John Sullivan, *The C-SPAN Revolution*, (Norman OK: University of Oklahoma Press, 1996), 322.

498. Peter Kiley, Interview with the author.

a very specific form of Congressional television coverage—gavel-to-gavel. The industry did not support Lamb’s efforts to start a federal public affairs network *until* Lamb sought to feature Congressional meetings in a manner that Congress found acceptable. As was presented in Chapter III, the House of Representatives wanted control of the cameras and for its floor proceedings to be televised uncut. This was not only a way to open up Congress, it was a way for Congress to speak directly to its constituents, bypassing the handful of broadcast networks who had a monopoly on national television. In short, cable offered Congress members everything they wanted out of a television outlet. It would be difficult to use a public affairs network that critically examined the actions of Congress as a form of public relations, but C-SPAN’s coverage of Congress allows the participants to speak for themselves, for as long as they like.

In addition to providing Congress direct access to television viewers, the network demonstrates cable industry’s dedication to voluntary public service. Congress did not mandate that the industry create C-SPAN, but the industry offered its services, free of charge. As the discussion of Corporate Social Responsibility (CSR) demonstrates, corporate philanthropy can only be considered charity if undertaken without legal mandate. As presented in Chapter II, most authors on CSR recognize the practice of highly regulated corporations voluntarily engaging in pro-social activities for what it is—an attempt to circumvent stiffer regulatory requirements.

As digital technology allows telecommunication services to converge (e.g., telco’s offer television, cable companies offer phone service, and all offer Internet access),

federal regulation continues to play a central role in communication corporations' operations. Perhaps the most controversial example of this process is the debate over "Net Neutrality," where telecommunication infrastructure owners are pitted against Internet content providers (and citizen groups) over control of the Internet. Net Neutrality will be discussed further later in this chapter.

Frantzich and Sullivan have written that "In its specific battles over government regulation, there is no evidence that the cable industry simply prevails because of the public service it provides with C-SPAN." While it may be difficult to quantify the financial value that the cable industry gains as a direct result of C-SPAN, it is arguable that the cable industry has seen more large-scale legislative victories than defeats since C-SPAN has been offered. C-SPAN only boosts the cable industry's image in Congress. Thus to ignore the value of C-SPAN as a lobbying tool is to encourage an "innocent fraud" about the cable industry.

C-SPAN does not represent the only example of the cable industry's lobbying efforts, but as the industry's self-described "crown jewel," it is not surprising that it is one of the most notable examples of what private industry can achieve if left on its own. It is also important to note that, unlike other entertainment and journalism programming offered by cable television, C-SPAN's gavel-to-gavel coverage has no notable critics in either Congress or the general public.

C-SPAN as Lobbying Tool with Local Franchising Authorities: As noted in this study, influencing federal regulation is the paramount reason that the cable industry provides C-SPAN. However, not all government oversight of cable occurs at the national level and C-SPAN also is used to influence local officials.

If a cable MSO wants to operate in a community it must apply for a franchise. These negotiations typically result in lengthy legal documents that stipulate such things as: levels of customer service, the requirement of Public, Educational, Government (PEG) channels, definitions of service levels, and perhaps most importantly, what franchise fees will be levied on the cable operator. The agreements have renewal dates and contain clauses that allow the authority to revoke the franchise agreement if the cable operator is in flagrant violation of the terms. Because of this, local managers of cable systems must develop and maintain long-term relationships with the authorities.

Chapter VIII included a description of how C-SPAN dedicates much of its “affiliate relations” to helping local cable operators market themselves, not to potential subscribers, but to local officials. In this way the network distinguishes itself from other cable networks that help local systems promote programming so the operator is able to sign up new customers (and make the network more valuable to the system operator). In other words, C-SPAN forgoes self-promotion in favor of letting the local cable operator take credit for the public service. This may initially appear as selfless, but it is important to remember that C-SPAN is owned by the cable operators and is not an independent cable network. C-SPAN’s board is composed of cable MSO executives and it would only

make sense that the cable MSOs would want to promote their companies before any cable network.

Cable MSOs can't make a profit (or accumulate capital) if they are not allowed to operate. While the federal 1984 Act took much of the power away from local franchise authorities, cable companies still have to pay tribute to localities by fostering long-term relationships with city or county officials with whom they enter into legal agreements.

C-SPAN as Low-Risk Venue for New Products and Services: This study has found that C-SPAN was developed, and continues to exist, because it serves the political needs of the cable industry. But the network also provides important economic benefits for the sponsors. One of these economic benefits is that, as the sole owners of C-SPAN, cable MSOs are free to test new services and products before other networks might be willing to undertake them. The political benefits of C-SPAN for the industry were present from the beginning of the network's creation, but some of the economic benefits of the network have evolved with digital technology.

The study found that the best example of this was streamed Internet video. Commercial networks earn revenue through the affiliate fees they negotiate with cable MSOs. The more desirable the network, the higher the affiliate fee the network can extract from the infrastructure owner. Because of this, commercial cable networks strive to develop control over their content in the hopes of creating a strong brand. If viewers were able to obtain a cable network's programming for free (over the Internet), there

would be little reason to sign up for a cable subscription. If cable operators lost cable subscribers, they would be unwilling to pay high affiliate fees to cable networks. As a result, when streaming video was first introduced in the late 1990's, commercial networks were wary of offering the service. C-SPAN, however, eagerly embraced the technology, streaming entire events live. Again, on the surface, this appears as a selfless act that only confirms the cable industry's dedication to public service. What the study revealed was that the 1996 Act opened the telecommunications market of Internet service to cable companies and cable executives were anxious to move people off the telco dial-up connections to the newer, faster, cable broadband Internet. At the time, there was no better way to demonstrate the capacity of cable broadband Internet than by offering streamed video (which required more bandwidth than dial-up connections were capable of). Cable is no longer a television service, it is a full telecommunication system and it is willing to lose cable subscribers if it can make it up with increased phone or Internet subscriptions. This strengthens the MSOs bargaining position with cable television networks, who have to realize that MSOs can demand lower affiliate fees, or larger chunks of the advertising time slots, because they are now making an increasingly larger portion of their operating revenue from non-television sources.

By allowing the cable industry to display the power of cable broadband Internet, C-SPAN proved to be an ideal platform for the cable industry to integrate and implement the newest technological innovations. C-SPAN is not just a public service, it is a vehicle for industry change. C-SPAN allows the cable industry to simultaneously test cutting

edge products and services while promoting them. The goal of introducing new products and services was not an exercise in vanity; it was a way to increase revenue. The non-profit C-SPAN has valiantly proven its ability to offer services that will eventually be offered by for-profit networks. This will become increasingly important as the industry further concentrates, and the lines between telecommunications companies blurs.

As far back as 2004, C-SPAN was offered via the MobiTV cellular phone broadcast service. Commenting on the move, C-SPAN's COO, Robert Kennedy, said "Providing C-SPAN and C-SPAN2 to mobile phone users is an important step for us to make our services available across new technologies"⁴⁹⁹ What Kennedy did not mention was that the cable industry had been keenly aware that there was one telecommunications market it was excluded from: wireless communications. In 2005 the major cable MSOs teamed up to enter into a long-term partnership with cellular phone provider, Sprint.⁵⁰⁰ Wireless service was the last frontier for cable companies and the one area where the older telco's had a distinct advantage over cable. In 2008, the large cable MSOs, Comcast, Time-Warner, and Brighthouse Networks, invested heavily in Clearwire, a new wireless Internet provider. Using the microwave bandwidth utilized by cell phones, Clearwire allowed cable access to the wireless market, moving it one step closer to the cellular phone market. Given the concentrated nature of the U.S. communications

499. Business Wire, "MobiTV Brings Live C-SPAN and C-SPAN2 to Mobile Phones; Public Affairs News Networks Now," September 7, 2004, *All Business*, <http://www.allbusiness.com/media-telecommunications/telecommunications/5528742-1.html>

500. Dan Fromer, "Is Comcast Eyeing Sprint?" *Forbes.com*, November 10, 2006, http://www.forbes.com/2006/11/10/comcast-sprint-mobile-tech-intel-cx_df_1110comcast.html

market, there is little doubt that cable MSOs will seek to consolidate with the wireless providers not controlled by telcos.

Generally, then, C-SPAN has been able to assist the cable industry in implementing a wide range of new and profitable technologies.

C-SPAN Helps Sell Cable Subscriptions: With a single notable exception, the only way to access C-SPAN is through a subscription television, Internet, or cellular service. The exception is WCSP-90.1 FM, C-SPAN's terrestrial broadcast radio station. Serving the Washington D.C. area, WCSP's is likely more about politics than public service; C-SPAN has not purchased radio stations in areas where federal officials are not listening while driving their cars. Thus, if a viewer wants to watch C-SPAN on cable television, he or she would have to purchase a cable subscription.

Often overlooked in the discussion about C-SPAN-as-public service is the fact that C-SPAN has an avid, paying audience. Although the network does not subscribe to any ratings service to measure its market share (nor do the television rating services track C-SPAN's audience), it commissioned a study of its viewers in 2009. The study found that of the 604 cable viewers surveyed, 40% watched C-SPAN in the last six months and 20% watched the network once or twice a week.⁵⁰¹ Extrapolated to C-SPAN's total potential audience, this means that around 39 million Americans watch C-SPAN regularly. C-SPAN has an audience. It may not be as popular as other commercial

501. C-SPAN, Marking 30 Years, "Media Release," March 18, 2009, <http://www.c-span.org/30Years/media-release.aspx#30years>

networks, perhaps, but the study indicates there is a considerable audience for the network. And in the fragmented world of subscription television, a channel with 39 million regular viewers a week is worth pursuing.

Keeping this in mind, the legislative issue of “à la carte” subscriptions presnets an important consideration—a cable subscriber has to purchase an entire package of programming to receive C-SPAN. Whether or not a subscriber is interested in other cable networks, he or she is paying for these networks. So those subscribers who are paying \$70 mainly for C-SPAN, are helping subsidize commercial networks. With close to 100 million subscribers, C-SPAN is one of the largest networks on cable television. The overwhelming majority of systems that carry C-SPAN and C-SPAN 2 place them on the “basic” cable package. Like magazines, cable networks cater to special interests by offering sports channels, news channels, movie channels, etc. To appeal to the widest number of potential subscribers, it makes sense to offer the widest possible sampling of products on the basic package. There are dozens of sports, movie, and news channels, but there is no other network that comes close to the type of programming that C-SPAN offers. Because it is one-of-a-kind, C-SPAN broadens the offerings on the basic package.

C-SPAN as Exemplar of Neoliberalism: The last way that C-SPAN facilitates the creation of capital is through its ability to advance the beliefs and practices associated with neoliberalism. This is an over-arching benefit for capital, more than a direct administrative benefit for the cable industry, as it helps to cultivate a society that tolerates

privately owned and operated public services. Brian Lamb's pro-entrepreneur and free-market approach is not a secret, and he does not miss an opportunity to point out that C-SPAN succeeded because it was a private sector endeavor. It is difficult to imagine Lamb's boasting in a society that did not normalize capitalist social relations.

David Harvey has defined neoliberalism as "in the first instance a theory of political economic practices which proposes that human well-being can best be advanced by the maximization of entrepreneurial freedoms within an institutional framework characterized by private property rights, individual liberty, free markets and free trade."⁵⁰² This might provide a more appropriate mission statement for C-SPAN than its current focus on public service. It can be argued that C-SPAN not only promotes the industry, it promotes capitalism. Indeed, the process of commodification of Congress represented by C-SPAN, provides a noteworthy example of, neoliberal philosophy.

The C-SPAN model is more than a visual style of production and public affairs television; it is a paradigm of private ownership structure. This was clearly demonstrated in Chapter VII with the examples of parliamentary television coverage in Canada, Britain, and Australia. It did not matter that all of these countries had long standing histories of public media, the overall trend for these societies since the late seventies has been to privatize and commodify public resources. In these countries, neoliberalism prevailed making it easy for the C-SPAN model to be accepted.

502. David Harvey, *A Brief History of Neoliberalism*, (Oxford: Oxford University Press, 2007), 2.

What Is the Significance of a Privately Owned C-SPAN: This research question was answered by studying the potential social effects of allowing a public service to be handled by private interests. Three consequences of a private public affairs network are:

- Private interests control the content
- The existence of a public service relies on the will of the market
- A public resource is used for private gain

These issues recall the question of ownership, and ultimately, control of media products and mass communication systems.

Private Control of Content: In early 2010, the U.S. House of Representatives' video and photography production department, the House Recording Studio (HRS), purchased high-definition cameras and equipment. Using the gear, government employees of the HRS began to shoot television coverage of committee hearings and transmit the signal to members' offices via closed circuit television system.⁵⁰³ In addition, more and more legislative committees are streaming live video to the Internet where viewers can access it from the committees' official government webpages. In other words, C-SPAN is no longer the only organization providing television coverage of Congressional hearings. When asked about the HRS's efforts, Brian Lamb said, "If it's their cameras in the rooms, there is no guarantee that you're going to see it exactly as it happens. Now I don't want to go too far with that because on most days it won't be a big

503. John Merli, "HD in the (U.S.) House," *Government Video*, January 11, 2010. <http://www.governmentvideo.com/article/91032>

difference, but that is a hazard when you allow government people to put their hands on the delivery mechanism of information. They control it and they determine what you see. They do it all the time and it's always a threat to the American people seeing exactly what's going on.”⁵⁰⁴ For Lamb, it is dangerous to allow the government to control the delivery of information, but not for private interests to control it.

This assumption presumes that corporate sponsored media do not possess any ideological position, and will not be tempted to censor content like the government. The gavel-to-gavel style of production discourages selective censorship of portions of information from the whole of a meeting, so censorship largely becomes a matter of programming decisions. A more direct form of censorship is excluding a meeting from being covered. As discussed in Chapter III, C-SPAN’s exclusion of the à la carte committee activities demonstrated that private interests may present information contrary to their interests. In planning daily Congressional coverage, producers use their discretion about which committees are the most important for coverage. Herman and Chomsky argued in their propaganda model, what is “newsworthy” depends on the agenda of those in power. Agendas are internalized by producers, and become ingrained become the point of normalized “common sense.” And while producers may not consciously deny coverage to a committee, they may favor, one committee over another, based on the cable industry’s position or interests.

504. Brian Lamb interviewed by Harry A. Jessell.

Rather than state or market control, a better solution would be to create a public body to make such programming decisions. In other words, the dichotomy presented by Lamb—government vs. private control—is false. Citizens would be best served with direct public oversight of the coverage.

C-SPAN Exists at the Will of the Market: Editorial control of media content is a serious concern for critical media scholars. But it might be argued that a more serious issue is involved with C-SPAN's (i.e., public access to Congressional television) dependence on market forces.

Even though C-SPAN is privately controlled, it is promoted as a public resource. One exuberant cable trade magazine reporter goes so far as to equate the network to a fourth branch of government. This statement is flawed in many ways. Most importantly, C-SPAN's existence is ultimately determined by the market, not public consent like the actual branches of government. C-SPAN was created by the market (although it relied on subsidized satellites, government-produced video and re-regulation in favor of cable's interests), and is currently supported by the market. Its future depends on the market finding the service useful. Despite being a non-profit public service, C-SPAN is a commodity. This study has elaborated the ways that C-SPAN is used to suit the needs of capital and has shown how the public affairs network is, in the last instance, a commodity.

Ultimately the decision to carry or not to carry C-SPAN is a business decision not, a public decision. Thus Brian Lamb is *incorrect* when he says “C-SPAN belongs to the people.”⁵⁰⁵ And Lamb has contradicted this statement, for instance, when he spoke about the future of C-SPAN (discussed in Chapter VII). The cable industry may decide it no longer makes sense, or is possible, to provide such a service. This is not idle speculation, as popular commodities appear and disappear everyday. Britain is a prime example of market forces shifting to the point that private sponsors discontinued the service. The Parliamentary Channel started as a private enterprise, but within six years the sponsoring companies decided that the cost was too high compared to the political economic value they were receiving, and they relinquished it to public control via the BBC.

This study has been primarily interested in C-SPAN’s exchange value (its ability to be converted into capital), but C-SPAN’s use value must not be neglected. C-SPAN’s content is dramatically different than the content of other cable networks. From the position of social democracy, it would be difficult to argue that U.S. society “needs” ESPN or the Discovery channel in the same way it can use C-SPAN. Because it is unique, and because it is *directly* tied to a representative democratic process, C-SPAN is easier to consider a basic media service in a society that needs mass mediation of information to function. Therefore, it is possible to argue that television coverage of

505. Brian Lamb, interviewed by Ted Hearn, in “A Quarter-Century of Lamb and C-SPAN,” *Multichannel News*, March 14, 2004, http://www.multichannel.com/article/69123-A_Quarter_Century_of_Lamb_and_C_SPAN.php

Congress is exactly the type of content that should not be held to the whim of market forces.

Using the stick of fear (private public affairs is the only way to avoid inevitable government censorship) and the carrot of shifting the cost (by the industry picking up the tab, no tax dollars are spent), C-SPAN's sponsors have effectively promoted private ownership as the logical model. But they have downplayed the argument that this arrangement reduces democracy to a market relationship where citizens are turned into consumers with limited rights. C-SPAN places citizens in the role of consumers and consumers have little or no say in what commodities are produced. Consumers may band together and ask for a discontinued commodity to resume production, but they have no *rights* to a commodity.

Public Resource Used for Private Gain: The last ramification of allowing private interests to maintain the monopoly on Congressional television moves beyond the threat of censorship and the network's tenuous existence into the overarching realm of social power. This study suggests that by controlling C-SPAN, the cable industry is able to reap political and economic benefits, which it can potentially use to gain an advantage over competing industries. If competition is decreased the industry gains more social power. With its enhanced power, the cable industry seeks to influence regulations that are not only preferential to the needs of the cable industry, but are skewed towards market values, not social values. Chapter VII provided the example of the 1996 Telecommunications

Act, which shifted the federal communication regulations away from public interest and towards competition. Mass communication systems were treated as businesses vital to the economic well-being of the nation, not as systems of communication necessary to the functioning of a modern democratic society. This was not always the case. Chapter III outlined the Blue Sky debates, when cable television was considered a force for positive social change. Blue Sky proponents put the needs of society before the economic interests of the cable companies. But because the cable infrastructure was privately owned, the public could not force the operators to put Blue Sky proposals into action. While the communication industries engage in cutthroat competition, they agree that industry in general should be controlled by private interests and that the government's role should be to regulate business to facilitate the creation of profit and private capital. From the perspective of a particular industry, the goal of gaining political economic power is to beat out competing industries, and because of this, individual industries attempt to gain political favor for their specific industry. From the perspective of capital, however, industry rivalries melt away when there is a threat to private property and wealth distribution. From the perspective of the citizen (or consumer), it is clear that communication corporations actually avoid "head-to-head competition like the plague."⁵⁰⁶

In summary, the cable industry uses its market strength to secure power. With this power, it attempts to secure its economic priorities. C-SPAN may bring democracy to the

506. Consumer Federation of America and Consumers Union, "Lessons from 1996 Telecommunications Act: Deregulation Before Meaningful Competition Spells Consumer Disaster," February 2001, <http://www.consumersunion.org/telecom/lessondc201.htm>

living rooms of American citizens, but it is a democracy based on market liberalism, where the rights of corporations come before those of the people.

Conclusion

In Chapter I, this study directly addressed the issue of C-SPAN's ownership by examining two examples: users posting Colbert's roast of President Bush to Youtube and Speaker Pelosi posting Congressional committee footage shot by C-SPAN. After these events, many people were undoubtedly made aware, for the first time, that private interests held C-SPAN, and that it was not part of the government. After the network forced Youtube to remove the clips, C-SPAN faced widespread public criticism. Despite popular opinion against the network's decision to enforce its copyright, C-SPAN did not back down. C-SPAN would only amend its policies after its decision to enforce copyright affected one of the most powerful figures in the U.S. Congress, the Speaker of the House. These events indicate that C-SPAN's priorities are to place the political well-being of the sponsoring cable MSOs above the interests of the public. As a network that is entirely owned by cable MSOs, C-SPAN's political position is that of the cable industry. C-SPAN is indistinguishable from the cable infrastructure owners and the network's main political concern is to guarantee the sponsor's economic concerns are being met by federal regulators. However, this is not the justification that the network or its sponsors provide for C-SPAN's existence.

According to C-SPAN, the network exists because the cable industry wants to offer a public service. However, this explanation represents a myth, perhaps useful, but still obscuring material explanations that are revealed in a political economic analysis. Once the myth of philanthropy is washed away, (as discussed in Chapter II), the material history of cable is exposed as a history of attempts to influence federal regulation. Cable could not compete with broadcasters because of restrictive regulations, thus the cable industry needed to turn Congress into an ally (as demonstrated in Chapter III). During this period Congress was looking to open itself up to television cameras. Global capitalism entered the “neoliberal” stage, with widespread privatization of public services. These processes combined to influence C-SPAN’s creation as part of the private sector. It is also important to note that the cable industry did not offer such a public service until it was economically, politically, and technologically feasible. Thus, C-SPAN represents the historical intersection of these existing social trends rather than a single-minded public service project. A private C-SPAN was a obvious, but not inevitable, outcome.

Finally, it may be possible to argue that C-SPAN is a commodity. Whereas a public service offered by the state is the result of public policy debates, a public service offered by private interests is charity, unless the private interests are able to materially benefit from it, in which case it becomes a commodity. Thus, by this logic, C-SPAN can be considered a commodity. In addition, the cable MSOs have a de facto monopoly on Congressional television through their ownership of C-SPAN, and the cable in

infrastructure. While there may those who feel that the Internet bypasses the cable industry's monopoly, this neglects the network the network of privately owned telecommunications infrastructure that Congress must use to get its committee hearings and floors sessions to the public via streamed web video. In the recent legislative battle over Net Neutrality, the corporations that control the Internet's infrastructure have pledged to fight any efforts by the public to interfere with corporate rights to control these networks. If Net Neutrality laws are not passed and Internet service providers are not declared common carriers, corporations will be able to restrict access to the Internet. Furthermore, there will be nothing stopping the MSOs that offer cable broadband from giving preferential treatment to C-SPAN's streamed video rather than the government's web video. Ultimately, it might be argued that the Internet will not set us free as long as it is controlled by private interests.

C-SPAN is frequently described as a window on the legislative process. However, this study has presented the case that a better way to think about the network is as a window on the political economy of the mass communication system in the U.S., where systems of communication are privately controlled for private gain. In light of these findings, it is possible to suggest a more appropriate motto for C-SPAN. Currently, the network boasts: "C-SPAN: Created by Cable. Offered as a Public Service." A more suitable motto might be: "C-SPAN: Created by Cable. Presented as a Public Service to Legitimize the Private Ownership of Mass Communication."

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