

## CHAPTER 1

### INTRODUCTION

#### Purpose and Scope

This dissertation undertakes a critical cultural policy analysis of the 1996 Telecommunications Act and subsequent federal government policies, initiatives and mandates affecting the U.S. commercial radio industry. The purpose of this project is to assess the consequences of historic telecommunications reform on the creation and availability of radio programming. The primary research questions steering this project are:

1. How has the Telecommunications Act of 1996 changed the ownership structure of commercial radio broadcasting?
2. How has the post-1996 ownership structure influenced radio programming and, in particular, the distribution of music?
3. What policy initiatives does this research suggest that may influence communication policy in the future?
4. How can cultural policy studies research inform the creation of telecommunications policy in the United States in general?

To investigate these questions a nexus of data sources are employed, which are categorized as follows: policy, financial and programming. Documents regarding policy include the text of the 1996 Telecommunications Act, Congressional hearings about radio consolidation, Federal Communications Commission (FCC) statements, reports and initiatives concerning radio broadcasting since 1996, Department of Justice antitrust investigations of radio broadcasting business practices, and statements from the National

Association of Broadcasters responding to policy initiatives. Financial data about the radio industry is gathered primarily from the BIA Media Access database, an investor tool used to track the financial activity of radio and television properties. Supplemental financial information comes from corporate publications such as annual reports, SEC filings and shareholder statements, as well as trade press coverage (*Broadcasting & Cable, Radio and Records*, and *Billboard* magazines). For programming data this dissertation relies principally on Arbitron ratings data and radio station playlists as gathered and archived by *Radio and Records* magazine and Broadcast Data Systems (BDS).

The central analysis of these data sources spans six years, from January 1995 to December 2000, with relevant events prior to and post this time frame included for specific commentary. This six year period provides sufficient time before implementation of the 1996 Telecommunications Act to establish the shape of industry practices and programming during moderate regulation, and ample time after the act to assess the effects of deregulation.

### Why Radio?

For the past ten years the attention of lawmakers, the press and industry has been on the future of new media technologies such as digital television, wireless communication, and webcasting. In light of this attention it may seem antiquated to focus on analog broadcast radio to address questions of telecommunications policy and culture. However, for several reasons outlined below, radio provides a rich case study of the effects of regulatory reform on a popular medium, which may then be applied to nascent technologies.

In terms of ubiquity, radio is the most widely available of the daily major news and entertainment outlets (television, newspaper and the Internet). Broadcast radio reaches nearly 95% of the U.S. population over the age of twelve (Arbitron, 2002, p. 3). With 13,511 stations in the United States, even the smallest radio markets have several licensed stations available. For example, in Casper, Wyoming, the smallest radio market in the country, there are three AM and seventeen FM stations operating.<sup>1</sup> Twenty potential news and music outlets in one geographical area is more than the average number of daily newspapers and broadcast television stations available in most small to midsize markets. Homes with cable television have access to more channels, but as a subscription-based, nationwide medium, cable only reaches 67% of U.S. households (U.S. Census Bureau, 2000, p. 568).

Not only is broadcast radio widely available, it continues to be a popular medium. According to Arbitron, Americans spend 20.5 hours per week listening to radio (Arbitron, 2002, p. 3). In 1998 the U.S. Census Bureau reported an average of 5.6 radio sets per household, with more than 550 million receivers nationwide (U.S. Census Bureau, 2000, p. 567). Second only to television viewing, more people in the U.S. listen to the radio at least once a week, 84%, than read a newspaper, 79%, or browse the Internet, 45% (p. 567).

Financially radio is among the fastest-growing segments of advertising-based media. Only the Internet has seen more advertising growth in the past five years than radio, which increased revenue an average of 7.8% a year from 1996 to 2001. In 2001,

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<sup>1</sup> Radio markets are based on regional population. At the time the radio markets were defined for 2002, the population of the Casper, WY market was 56,100.

radio broadcasting generated \$17.9 billion in ad revenue and is expected to reach \$24.1 billion by 2006 (Veronis, Suhler & Associates, 2002).

Finally, radio needs a cultural policy analysis because of the unprecedented structural change radio experienced immediately following the Telecommunications Act. While the cable and telephone industries were slow to consolidate after the deregulation of cross-ownership rules, radio corporations and cash-heavy investors leapt into action when nationwide ownership caps were lifted. Media brokers and broadcast station owners described 1996 as the “busiest and most lucrative” year ever (“Radio/TV Ownership,” 1997). The Federal Communications Commission reports that in the first year of the act, 2066 radio stations changed owners, about 20% of the total number of commercial radio stations in the country. Whereas, from March 1995 to February 1996, twelve months prior to the act, only 988 stations changed owners (FCC, 1998, p. 2). According to broadcasting analysts at Veronis, Suhler & Associates, radio mergers in 1996 totaled \$13.4 billion, compared to \$1.5 billion the year before (“Radio Mergers,” 1997). By the end of 1997, the commercial radio industry was 80% consolidated.

This rapid consolidation prompted several federal agencies to study the economic impact of ownership changes. In 1998 the U.S. Department of Justice challenged six attempted mergers by large group radio companies (McConnell, 1998, p. 19). That same year the FCC investigated the concentration of advertising revenue in radio markets with large group owners (Teinowitz, 1998, p. 41). In 2002 radio continued to attract federal attention as Senator Russell Feingold introduced a bill to address accusations by musicians of anti-competitive business practices committed by radio station and concert promotion companies. This attention paid by legislators and federal agencies to the radio

industry reflects the importance of the medium to understanding the economic influence of deregulation. This dissertation continues the investigation of radio, and offers a specifically cultural analysis of regulatory reform.

### A Brief History of Broadcast Regulation

The history of broadcast regulation in the United States spans nearly 100 years. It begins at the turn of the century during the early days of radio. What developed between 1900 and 1934 regarding radio broadcasting has largely shaped broadcast regulation today. As many scholars have outlined (Douglas, 1987; McChesney, 1993; Smulyan, 1994; and Streeter, 1996), policy principles that are often taken for granted today were formed and fought over during this critical period in media history.

Prior to 1912, radio broadcasting was largely unregulated. Radio enthusiasts purchased components and assemble transmitters as well as receivers to experiment with an emerging form of communication. It is estimated that amateurs accounted for the vast majority of early broadcasters (Douglas, 1987, p. 207). Many broadcast historians (Aitken, 1985; Kahn, 1984; Head and Sterling, 1990; and Sterling and Kittross, 1990) write the first decade of radio as a triumphant story of regulators bringing order to chaos. The best of federal legislation, corporate cooperation and public support shines in policy decisions crafted to make radio a valuable national resource. However, Streeter (1996) counters this history, claiming that the early “chaos” over radio was not about frequency interference and amateur radio pranks, as much as it was about two conflicting visions of what kind of order should be brought to radio (p. 75). The conflict occurred between private individuals (radio amateurs) and the military, particularly the U.S. Navy. The first group saw radio as an open arena for social and technological experimentation, and was

interested in maintaining the decentralized character of broadcasting. The second group saw radio as a strategic tool for naval communications, and was interested in maximizing security and restraint over broadcasting (p. 75). Interestingly, corporate entities, such as the Marconi Company, supported some form of government oversight advocated by the navy in order to create centralized control that would favor bureaucratic organizations over private individuals. Public safety during transatlantic travel was the primary justification for government control. Indeed, the 1912 Radio Act was passed less than six months after the *Titanic* sank, losing more than half of its passengers because the nearest ship had turned its wireless telegraph off.

The 1912 Radio Act established three key principles that continue to govern broadcasting regulation: Government allocation of the broadcast spectrum, regulatory enforcement by government agencies not the courts, and allocation preference to bureaucratic institutions (like the military and corporate entities) not private individuals (Streeter, 1996, p. 78). The dominance of these principles over alternative views of broadcasting, Streeter argues, is an example of corporate liberalism in practice: a particular “expression of values and hopes” which is not solely guided by “impersonal economic and technological forces” (p. 6), but organized around “a faith in expertise and a functionalist social vision” articulated as “a matter of neutral, technological necessity in service of the social system” (p. 79). In other words, the corporate sector in cooperation with the public (government) sector would best serve the liberal values of individual freedom, market economy and the rule of law. As a result, the interests of amateur broadcasters, small business and nonprofit entities were marginalized.

During World War I, the navy banned amateurs from the radio altogether and ceased all patent disputes in order to encourage the development of radio technology toward the war effort. At this time there were over 500 stations broadcasting. After the war, when spectrum allocation would resume, conflict between the navy and corporate leaders forced the government to legitimate its decisions regarding the balance between private and public control of radio. Between 1922 and 1925 Secretary of Commerce Herbert Hoover presided over four radio conferences to resolve public/private sector conflicts. These meetings were not convened to rework the fundamental principles established in 1912; that framework was not up for discussion. The meetings were “legitimatory” with “representatives of large corporations, the professional engineering community, the government, and the military” well represented, while amateurs were allowed one representative (Streeter, 1996, p. 89). Discussions surrounding these conferences led to the introduction of more than fifty bills in Congress and largely shaped 1927 Radio Act.

The broad purpose of the 1927 Radio Act was to codify practices already in place since 1912 and to legitimate the Federal Radio Commission (FRC), the government agency established to enforce broadcast regulation. In order to do so, the act had to justify the FRC’s power and, in particular, the agency’s seemingly arbitrary authority to award or deny radio licenses. Streeter claims this dual purpose was accomplished by continuing to uphold the corporate liberalism values of expertise and bureaucratic control while also articulating “the public interest” as the FRC’s standard for decision making.

As Streeter writes,

A political and legal rhetoric was also refined to legitimate these activities, the rhetoric of broadcasting in the public interest, where the public interest was associated with an orderly, managed, corporate capitalism that worked hand in hand with a modest and cooperative government agency for the good of all (p. 95).

Thus the “public interest, convenience and necessity,” a phrase that was written into the 1927 law and remains a tenet of broadcast regulation today, developed as a way of legitimating the FRC’s denial of licenses to technically qualified entities while appearing to transcend politics. The details of what would constitute the “public interest, convenience and necessity” were never formalized, and purposefully so. Streeter characterizes this vagueness as a political maneuver in that it “allowed different groups with different interests to read it as consistent with their own point of view, and thus it obscured political differences at the same time that it helped generate broad political support” (p. 97). Touted as another triumph of public and private sector cooperation, the 1927 act established broadcast regulation in a “trusteeship” model. As a limited public resource, the broadcast spectrum is allocated by the government to acceptable broadcasters who are awarded fixed-term, renewable licenses to use a portion of the spectrum under the scrutiny of a public interest standard.

In the late 1920s, as the industry consolidated into broadcast networks and radio advertising became commonplace, the broad political support generated in 1927 began to fracture. Noncorporate interests attempted to articulate the public interest mandate as a challenge to corporate-controlled, commercial broadcasting. A vocal and organized movement emerged to reform the 1927 Radio Act in order to create a nonprofit

broadcasting system and protect noncorporate broadcasters. A significant portion of radio stations in the mid-1920s were operated by nonprofit organizations, such as religious groups, civic organizations, labor unions, and colleges and universities (McChesney, 1993, p. 14). According to a 1926 AT&T survey, less than 5% of U.S. radio stations were commercial-based (p. 15). However, once the fiscal value of a commercial-based system was clear to station owners, radio advertising between 1927 and 1934 boomed. In 1930 radio advertising reached \$100 million, with 80% of advertising revenue concentrated in 20% of the 1,400 licensed stations (p. 30). Meanwhile, the number of new licenses issued for educational stations dropped between 1927 and 1933, and many educational institutions lost their licenses (Smulyan, 1994, p. 130).

In response to the growth of commercial radio, reform discourse prior to 1934 centered on issues of public access and commercial-free programming. Educational, civic and religious organizations were interested in steering broadcasting toward a nonprofit system. They argued that corporate-controlled broadcasting would bias programming against controversial issues and public affairs, and focus only on content that would sell advertisers' products (McChesney, 1996, p. 102). The underlying concept driving the commercial-free programming argument was the notion, established in 1927, that the public owns the airwaves and that license holders must broadcast in the public interest.

Despite the 1927 public interest mandate, in 1934 a powerful, corporate radio lobby, politically active and growing since the 1912 legislation, was able to defeat the broadcast reformers and convince the public and legislators that corporate-controlled, commercial broadcasting was not incongruous with serving the public interest. They argued that commercial broadcasting did not hinder the democratic potential of the new

communication technology as civic and educational organizations had claimed. In fact, Streeter (1996) writes, “advertising...was justified on the grounds that it served the needs of the system, and thus the public interest” (p. 101). Radio broadcasting was facing a financial crisis as the cost of programming increased. Advertising offered a solution that did not require close government oversight or the allocation of public funds.

Although a nonprofit broadcasting system was not established in the 1934 Communications Act and “public interest” continued to be loosely defined, regulators recognized a potential threat in corporate-controlled broadcasting if the airwaves were in the hands of too few organizations. The memory of monopolies from the early 1900s influenced broadcast legislation so that two sections of the act specifically denied licenses to antitrust violators. In 1938 the FCC (renamed in 1934 from the FRC) investigated the broadcast network system for anticompetitive practices. The result was a 1941 report that led the FCC to call for the divestiture of the National Broadcast Corporation (NBC), the largest radio network at the time, and the restriction of one network-owned station per market (the duopoly rule). NBC unsuccessfully sued the FCC, and the 1943 landmark Supreme Court decision upheld the FCC’s power to regulate for competition, although the result did little to change the underlying corporate structure of broadcasting (Streeter, 1996, p. 170). In 1945 the FCC did reserve stations on the new FM radio band between 88 and 92 megahertz for educational, nonprofit use.

By the time television entered the scene in the 1950s, broadcast regulation was entrenched and the relationship between the FCC, broadcasters and the public was well-established. Unsurprisingly the leading radio networks (ABC, NBC and CBS) also came to dominate television and the preceding radio rules dictated licensure. Regulatory

adjustments were made during the onset of television, namely the “rule of sevens” which restricted any one company from owning more than seven AM, seven FM and seven TV stations nationwide. The concept of ownership caps was formulated on the notion that programming in the public interest required a multiplicity of voices and, since the broadcast spectrum was a scarce resource, the number of voices had to be managed by the FCC. Legislators feared that monopoly, or near-monopoly control over broadcasting would stifle viewpoint diversity and squelch competition.

Additional attempts to regulate diversity of viewpoint were endorsed by the FCC in the 60s and 70s. Significantly, the 1949 Fairness Doctrine which required broadcast stations to cover controversial issues in a balanced and fair manner was legally challenged and upheld in the 1969 Supreme Court *Red Lion Broadcasting Co. v. FCC* case.<sup>2</sup> In the 1960s, the FCC and the courts added minority ownership and employment practices to the evolving concept of diversity. Equal opportunity rules were applied to license reviews, although at first the FCC did not explicitly state that minority ownership would ensure diversity of content. However in 1973, the Court of Appeals for the District of Columbia stated that “minority ownership is likely to increase diversity of content” (Mason et al., 2001, p. 39). With this legal foundation, the FCC created ruling procedures and license transfer policies that favored minority applications.

In the 1980s, Regan-era deregulation prevailed in major policy debates including communications reform. Reflecting the political environment of the time, the FCC

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<sup>2</sup> The Fairness Doctrine was repealed in 1985 when the Republican-led FCC issued a report asserting that the doctrine no longer promoted fairness but had a ‘chilling effect’. That is, broadcasters chose to censor controversial stories altogether instead of risk accusations of unbalanced coverage and the loss of valuable airtime revenue.

recognized that over fifty years of regulation did “nothing to promote competition” (FCC quoted in Streeter, 1996, p. 173). Claiming that the proliferation of broadcast channels and the onset of cable television increased the number media outlets and thus content diversity, regulators relaxed national ownership caps in 1984 to allow a single company to own 12 AM, 12 FM and 12 TV stations nationwide. Local restrictions remained to ensure viewpoint diversity on regional media channels, but a significant shift had occurred in the trustee model of public/private sector cooperation. As describe above, government regulation during the early history of broadcasting was seen as a necessary tool to encourage competition and manage corporate power. Regulation during the 1980s was articulated as, at worst, an obstacle to competition and, at best, pointless (p. 173).

In the late ‘80s and early ‘90s, telecommunications and broadcast industries again pressured Congress to enact legislation that responded to emerging new technologies, specifically wireless communication and the Internet. Prior to 1996, communications regulation had not undergone major reform since the 1934 Communications Act. In terms of radio, ownership caps had increased to 20 AM and 20 FM stations in 1992, but broadcasters were looking to alleviate that restriction entirely.

Spearheaded by Vice President Al Gore, a long-time advocate of new technologies as a senator, the Clinton Administration proposed legislation to eliminate cross-ownership restrictions between telephone and cable companies, completely lift national ownership caps on radio and television broadcasters, and further open telecommunications services to private investment. The bill moved through the U.S. House Subcommittee on Telecommunications and Finance and the U.S. Senate Committee on Commerce, Science, and Transportation with little to no public comment.

Hearings and back-room committee meetings were largely attended by industry spokespeople, the National Association of Broadcasters (NAB) and National Cable Television Association (NCTA); representatives from long-distance and local telephone companies; and information technology service providers, AOL and Microsoft. The public discourse about the bill that did circulate was confined to questions of competition and technological progress, not public service or a reconsideration of the corporate-control model. The corporate liberalism principles of the early history of broadcast regulation continued to shape contemporary reform, but with a significantly reduced role for government.

#### Telecommunications Reform as Cultural Policy

When the 1996 Telecommunications Act was signed by President Clinton on February 8th, it was heralded as landmark, pro-consumer legislation and largely covered by the news media as an economic policy initiative (Gardner & Huntemann, 1994). The most wide-sweeping update to the sixty-two-year old Communications Act of 1934, the 1996 law was crafted to respond to the changing field of media and communications technology. Several years later, consumer advocates, members of the FCC, telecommunications industry executives, government officials and even legislators who presided over drafting and approving the act, largely agreed that the act failed in its stated purpose; that is, cultivating competition in an era of emerging communications technology.

On the third anniversary of the act, the Consumer Union and the Consumer Federation of America issued a study charting rate changes for cable, and local and long distance telephone service. According to the report, cable rates rose 21 percent, four

times faster than inflation (Consumer Federal of America and Consumers Union, 1999, p. 7). Instead of sparking competition within and among telephone and cable companies, the cross-ownership deregulation policies of the act initiated a rash of mergers and asset swapping. Market competition was largely avoided in favor of a handful of companies controlling regional monopolies. Concerning the cost of services for consumers, the act did the opposite of what was sold to the public - increased competition did not usher in more choice and lower costs for consumers.

That the act failed this purpose was unsurprising to many policy analysts. While the act was in draft stage, communications policy scholar Robert McChesney (1996) remarked that the act, which was largely written by telecommunications companies, would set a precedent for the corporate control of new communication technologies:

The effect of (the act) is to assure that the market, and not public policy, will direct the course of both the Internet and the information highway. It is, in effect, a preemptive strike by corporate America to assure that there will be little public intervention in the communication system in coming years, and that government will exclusively serve the needs of the private sector (p. 104).

Indeed, criticism during and after the act was passed largely focused on the economic influence of the change in ownership structures, particularly the elimination of cross-ownership restrictions between local and long distance telephone carriers, and what this change would do for industry growth. The exception to this economic attention came in the twelve months following passage of the act when an initiative attached to the bill, the Communications Decency Act (CDA), was challenged in court by a coalition of civil liberty, privacy, consumer rights and industry organizations. CDA attempted to make a

broad range of sexual content illegal to post on the Internet. During the ensuing debate, the merits and potential harm that access to specific content (in this case, pornographic material) may facilitate and the government's role in determining the appropriateness of content were central to court room, press and public discussions about the influence of government policy on culture. This discourse asked not only an economic question (Will consumers have access?), but also a cultural one (What will they have access to?). Once the Supreme Court ruled that the CDA was unconstitutional, attention to the cultural implications of the Telecommunications Act disappeared, while discussions regarding rate changes and cross-ownership continued.

Though the CDA is often understood as a cultural issue and the Telecommunications Act as an economic one, both legislative measures are cultural policies in that both outline “a series of rationales for particular types of conduct” – the conduct of broadcasters and the telecommunication industries - which govern how people may express themselves through these industries (Lewis and Miller, 2003, p. 1). The key to understanding how the CDA was cast versus the Telecommunications Act is in the distinction between direct and indirect policy. As policy scholar Paul DiMaggio outlines (1983), direct cultural policies are “government programs [that] directly create, mandate, or forbid the production or distribution of materials embodying specified values or ideas” (p. 242). The CDA, with its explicit prohibition of “any comment, request, suggestion, proposal, image, or other communication which is obscene, lewd, lascivious, filthy, or indecent” (Telecommunications Act, 1996, p. 78) was created to control the dissemination of certain sexual content via a telecommunications service such as the

Internet. Similar to obscenity laws that prohibit child pornography, the CDA represented a direct intervention by the federal government on the availability of cultural materials.

In contrast to the CDA, the deregulation policies of the Telecommunications Act “work[ed] indirectly by affecting the market for cultural products” (DiMaggio. 1983, p. 242). Lifted national ownership caps for radio broadcasting did not, for example, mandate or prohibit particular musicians from airplay. However, as this dissertation argues, the new rules changed the economic structure and business practices of radio, which in turn has influenced programming decisions. In other words, although the act was not fashioned as form of cultural policy per say, the effect of the economic goals (competition) has had a significant effect on cultural production and distribution in the United States.

DiMaggio (1983) also contends the absence of regulation, or non-regulation, is a common characteristic of indirect cultural policies (p. 244). What perhaps marks a historic difference between the 1996 Telecommunications Act and its predecessors the 1927 Radio Act and the 1934 Communications Act, is the number of regulations the recent act removes as opposed to the boundaries to ownership established decades before. As primarily an act of deregulation, the 1996 law can be seen from DiMaggio’s perspective as a form of indirect cultural policy that dramatically changed the telecommunications landscape at the end of the twentieth century.

In the aftermath of such landmark legislation, what then explains the near absence of cultural policy discussions throughout the drafting and approval of the act, or the absence of cultural policy discussions in general? DiMaggio (1983) suggests that the lack of any specific cultural policy discourse in the United States is the result of a national

ethos committed to principles of democracy and freedom of speech and expression (p. 246). These principles equate regulation with state censorship and dictate a laissez-faire approach to the legislation of business and industry. For example, contemporary communications policy measures are often accused of infringing the right to freedom of speech. This is a common response from television and radio broadcast owners to attempts by government and advocacy organizations to require a minimum amount of airtime for candidate-centered or issue-centered programming during general election years. Commercial broadcasters claim that requirements on what they may or may not do with airtime are a form of state censorship, and the burden to prove otherwise falls on the government. As a result, regulators are reluctant to even suggest airtime recommendations. As will be discussed in greater detail below, freedom of speech concerns have so shaped policy debates that attempts to regulate content often rely on proxy measures that focus on structural restrictions as opposed to specific content prescriptions in order to avoid the appearance of First Amendment violations.

The principles of democracy and freedom of speech and expression have not always hindered cultural policy discourse in the United States. As discussed above, it was upon these principles that government regulation and oversight of the communication industries was originally enacted and cultural policy was directly discussed. The critical shift in policy from the early 1900s to the current era is evident in the articulation of democracy and freedom of speech and expression through the logic of the marketplace and managed, corporate capitalism, which has largely replaced the idea of civic responsibility and government involvement in the preservation of those principles. In this market-friendly and regulation-hostile environment, DiMaggio (1983) argues, federal and

state agencies whose activities indirectly influence cultural production deny that influence, and focus on the technical and economic aspects of regulation without considering the cultural consequences (p. 247). As Streeter (1996) outlines in his comprehensive critique of a century of commercial broadcast regulation, policies for technologies like radio “involved foremost issues of science and technology, not formal problems of law like private property or political problems of justice and democracy” (p. 92). This approach to regulation, which took hold in the 1920s, established the terms of debate and have thus shaped the form and purpose of the policies enacted.

When an agency does attend to the cultural facets of regulation, the rest of the policy-making community often responds with hostile criticism. For example, when former FCC chairman William Kennard crusaded for the legalization of low-power radio licenses (LPFM) as a remedy for the delocalization of radio programming, his colleagues at the FCC, members of Congress and the established commercial radio industry responded with vitriolic attacks and a counter-campaign to dissuade support for LPFM legislation. Congressman Billy Tauzin, then-chair of the House Commerce Committee’s communications subcommittee, which oversees funding for the FCC, threatened Kennard with congressional action for his effort and proclaimed the FCC “an agency out of control” (“Top Legislator Blasts U.S. FCC,” 1999).

Responses such as those lobbed at Kennard’s LPFM strategy police the boundaries of acceptable and unacceptable regulatory action and, along with the policy-making community’s denial of any direct or indirect influence on culture, are dangerous and wasteful. Dangerous, DiMaggio (1983) contends, because the negative effects of policy initiatives “cannot be amended if they are poorly understood”; and wasteful because

without thoughtful consideration and comparative analyses of problems facing a variety of policy arenas, potential alternative solutions are unavailable to decision makers (p. 248). Indeed, the financial consequences of the 1996 Telecommunications Act are only now being assessed as telecommunication giants like AOL Time Warner face economic crises spawned, in part, by conglomeration enabled by the act. Discussions of potential solutions to current telecommunication industry problems would benefit from a critical policy analysis of the cultural as well as fiscal activities of these companies and the regulatory environment within which they operate. As this dissertation argues, these factors are inextricably linked.

### Critical Cultural Policy Studies

Critical cultural policy studies – the body of work within which this dissertation hopes to contribute – is an emerging field, particularly within the area of cultural studies. Theoretically, critical cultural policy studies builds on the Gramscian notion of hegemony (how power is established and maintained by the ruling-class) enlightened by Foucault’s analysis of discourse (how forms of knowledge are generated, circulated and act as an organizing force of social relations) in order to understand how policies shape the values celebrated and behaviors encouraged by the culture<sup>3</sup> (Bennett, 1992). Cultural is articulated through policy in many forms. As defined by DiMaggio (1983) above, cultural policies may be direct and intended, such as the creation and funding of organizations mandated to support cultural production like the National Endowment for the Arts or the Corporation for Public Broadcasting. Others may be indirect and unintended such as unemployment compensation, which may grant unemployed musicians the time and

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<sup>3</sup> Here culture is broadly defined as the system of meanings by which social subjects live

financial means to make and perform music (Savage, 1992). As Stuart Cunningham (2003) describes, the terrain that constitutes cultural policy is wide: “Cultural policy embraces that broad field of public processes involved in formulating, implementing, and contesting governmental intervention in, and support of, cultural activity” (p. 14).

It is important to add that the policies under interrogation are not always or necessarily located in the state. Foucault’s notion of governmentality, which is a central concept of cultural policy studies developed by Bennett (1992) and in practice here, encompasses diverse and decentralized forms of regulation which operate to categorize and “police” the conduct of societies. Bennett writes,

Foucault has identified his concerns as being with the ways in which we are governed, and govern ourselves, by means of the production and circulation of specific regimes of truth – regimes which organize the relations between knowledge and action in specific ways in different fields of social regulation (p. 32).

The fields to which Bennett most often refers are education and museums, but social regulation operates through many domains such as medicine, religion, advertising, the criminal justice system, economic markets, and so forth.

The importance of studying the various fields of social regulation is to bring into the light the forces that orient cultures in specific directions and shape individuals into proper citizens. Good citizenship, as Foucault observed, makes people governable and, perhaps more importantly, teaches individuals how to govern themselves. Thus, the

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in and understand their world and themselves.

seemingly “common sense” characteristic of many cultural policies often goes unexamined.

This notion of citizenship, introduced to cultural studies by several theorists including Bennett (1992), Cunningham (2003) and Miller (1993), gives cultural policy studies its critical turn. That is, the purpose of closely investigating policy is to suggest ways in which to change or reform forces of social regulation in order to imagine alternative visions of citizenship and advance progressive democratic politics. What the recommended policies will look like is, of course, a source of continued debate and criticism (see Morris, 1996 and McGuigan, 1996). But the usefulness of bringing policy analysis to cultural studies is to ground cultural studies in “real world” politics and to, at the least, add additional voices to policy debates.

In their introduction to a collection of critical cultural policies studies, Lewis and Miller (2003) outline the project of this field of study:

A critical approach to cultural policy is therefore a reformist project that necessitates both an understanding of the ways in which cultural policies have traditionally been deployed, and a disciplined imagining of alternatives. It also relies on making connections with progressive social and cultural movements as well as technical bureaucracies. A critical approach to cultural policy...involves both theoretical excavations and practical alternatives. It requires us to understand not only how cultural policies have worked but how different policies might produce different outcomes (p. 2).

It is around this call for academic study and pragmatic recommendations that this dissertation is organized.