TV or not TV?

Eli Noam MAY 13 2008

TV used to be simple: a few broadcast channels, government-licensed and tightly regulated. Depending on the country, they had to be politically balanced, protective of children, restricted in their advertising, limited in their ownership by foreigners, supportive of national culture, etc. Later, cable and satellites added numerous channels, and were integrated into this system.

Today, we are entering the next stage, where TV programmes are delivered over the internet and wireless networks to computer and mobile phones. TV is moving from the single screen of the TV set to three screens. As millions of users are getting their entertainment over the internet and mobile phones, media companies are rapidly moving to provide programmes, both traditional in style and new ones. This is not just a matter of new pipes, but of a totally different arrangement, in which viewers access huge libraries of old and new programmes, each person at a time of their choice. With the internet being interactive, new styles and genres of content will emerge that cannot be duplicated by the traditional one-way broadcast medium. And the question faced by governments around the world is whether the old rules that applied to traditional TV should also apply to the new forms of TV.

If TV platforms are treated differently, the same programme shown on different platforms would be treated differently. This most likely would disadvantage existing broadcasters, who have therefore been pushing for a '"harmonisation" of rules. In South Korea, for example, internet TV providers were required to obtain government licences, though no actual company was able to obtain such a licence.

On the other hand, if the broadcast rules are extended to the new screens, as Brussels is now aiming to do for "linear" TV, it would likely slow down innovation in platforms, competitors and styles of expression. .

There is, of course, a third option, to refrain entirely from special regulation of TV, in the same way that we do not regulate magazines or music distribution beyond some general rules against indecency, libel and fraud. Why not do away with most of TV-specific laws, except strictly technical ones?

This does not mean abandoning the goals behind the original TV laws. TV regulation exists because the various societies are concerned about certain issues, such as morals, racism, national identity, political control, etc. these concerns are reflected in respective national media policies, and they will not go away because the programmes are transmitted over a different platform. Internet enthusiasts have long taken comfort in the belief that one could not control the internet. That might be true for total oversight, but the Chinese government has proven that partial control can go a long way.

How would such a system look like? One needs to think of TV as consisting of two major components, content and conduit, and to treat these parts quite differently. The content aspects should be treated like those of all other media, which means almost total freedom, with the general media rules applied to TV, such as those of libel, tobacco advertising, etc.

This does not mean laisser faire. Where societal goals exist for the creation of particular content types, they would be achieved not through regulatory restrictions, quotas, and mandates, but instead through financial support for the production and distribution of meritorious programmes. The funding for such content would go beyond the existing public broadcasters, to a variety of internet-orientated programme providers and publishers. It might come from a trust fund created by the spectrum payments raised by government auctions, or from other public funds.

The treatment of TV content then becomes much like that of film: mostly free from restrictions; maybe with some identification of the content; and with some public funding mechanisms for the creation of content that is deemed worthy and under-supplied by the market.

But this is not quite the end of the story. There is also the underlying infrastructure, over which all media content must travel. For internet and mobile networks one cannot expect a wide-open environment, because the economies of scale of such networks are large and growing, in contrast to content; and one cannot expect more than two or three such infrastructures, mostly telecom and cable TV based, and even fewer in many countries without cable TV, or in rural areas. This creates potential gatekeeping powers by the infrastructure providers. The way to deal with that is to protect some of the traditional ways in which content could access networks, namely common carriage requirements that ensured access where market power exists. There are ways to do so while keeping regulatory intervention low.

Based on historical experience, the infrastructure providers would also likely to be the taxing tool to pay for the extension of the infrastructure to high cost or low-income areas and customers. The existing universal service mechanism is not likely to disappear; to the contrary, there will be high political support for its extension to high-capacity internet, especially as it becomes a platform for all kinds of mass media. These subsidies could, however, be much more targeted than in the past. Both internet and mobile wireless make this possible.

Thus, TV regulation will be substituted by a two-tier system. The film model for content; and the telecom model for the underlying distribution conduit. At the end of this process, TV-specific regulation would have largely disappeared, even as its goals have not, and are achieved in other ways.

How to proceed is quite important. If the medium is indeed the message and if these messages influence people, then today's media policy will govern tomorrow's economy, politics, and culture.

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