

# Mayday, mayday

Global media giants are lobbying for the most sinister privatisation of all: the airwaves

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Question: what is the single most valuable piece of property worth owning at the dawn of the information age? Answer: the radio frequencies - the electromagnetic spectrum - over which an increasing amount of communication and commercial activity will be broadcast in the era of wireless communications. Our PCs, palm pilots, wireless internet, cellular phones, pagers, radios and television all rely on the radio frequencies of the spectrum to send and receive messages, pictures, audio, data, etc.

Most of us never give the spectrum a passing thought. We regard it, more or less, like the oxygen we breathe, as a free good. In reality, the spectrum is treated as a 'commons' and is controlled and administered by governments who, in turn, license the various radio frequencies to commercial and other institutions for broadcast. In other words, in every country the electromagnetic system is owned by the government on behalf of the people.

But now powerful commercial media are seeking to gain total control over the airwaves. Imagine a world in which a handful of global media conglomerates like Vivendi, Sony, BskyB, Disney, and News Corporation own literally all the airwaves all over the planet and trade them back and forth as 'private electronic real estate'. A strategy is beginning to unfold in Washington DC to make that happen.

On February 7, 37 leading US economists signed a joint letter asking the federal communications commission (FCC) to allow broadcasters to lease spectrum they currently license from the government in secondary markets. The letter, which went virtually unnoticed by the general public, is the opening salvo in a radical plan to wrest control of the entire spectrum from governments around the world, and make the radio frequencies a private preserve of global media giants. If they succeed, the nation state will have lost one of its last remaining vestiges of real power - the ability to regulate access to broadcast communications within its own geographic borders.

This story starts several years ago, when the Progress and Freedom Foundation, a conservative thinktank in Washington with close ties to Newt Gingrich, former Speaker of the House of Representatives, published *The Telecom Revolution: An American Opportunity*. The report's authors called for the conversion of the electromagnetic spectrum to private property. Under the plan, broadcasters holding existing licences would be granted title to the spectrum they currently used and would be able to use, develop, sell and trade it as they saw fit. Remaining unused parts of the spectrum would

subsequently be sold off to commercial enterprises and be reconstituted as private electronic real estate, while the FCC would be abolished.

The study argued that government control of the radio frequencies led to inefficiencies, and that if the spectrum were converted into private electronic real estate that could be exchanged in the marketplace, the invisible hand of supply and demand would dictate the most innovative uses of those frequencies. Congressional hearings were subsequently conducted on the proposal, quickening interest in the plan.

Still, the notion of selling off the US airwaves to private commercial interests seemed a bit too ambitious, even for the most experienced Washington corporate lobbyists. Then, less than one month after George Bush assumed the presidency, the letter from the 37 economists turned up on the FCC's doorstep.

The new thinking: first, secure a partial privatisation plan, allowing commercial licensees to sell and lease their leased spectrum in secondary markets. Once done, the commercial foundation would be laid for a final conversion from government licensing of the spectrum to a future sell-off to the private sector. Other nations would be encouraged to follow suit and sell off their spectrums to global media companies. If some balked at the idea of relinquishing control over their airwaves, international trade sanctions could be imposed to force compliance.

In the industrial age, exchanging property in markets was the sine qua non of commerce. The role of national governments was to protect property and markets. But in the new commercial world being born, having access to the flow of information in telecommunications networks becomes at least as important as exchanging property in markets.

If the radio frequencies of the planet were owned and controlled by global media corporations, how would the billions who live on earth guarantee their most basic right to communicate with one another? In an era where more and more of our daily communications take place in cyberspace, access to the airwaves becomes critical. Of course, those who can pay will be connected. But what about the 62% of people who have never made a telephone call, and the 40% who have no electricity? How will they ever secure access to cyberspace in a world where the admission fee is controlled by a few global media giants?

If the flow of human communications is controlled by global media companies, how do we ensure that social and cultural points of view and political expressions that may differ from those of the companies who own the frequencies will be allowed to flow over the spectrum? We might face the prospect of a new form of repression as global media companies tighten their grip on the airwaves.

Equally ominous, when companies like AOL-Time Warner, Disney and Vivendi Universal own the channels of communication as well as much of the 'content' that flows through them, will the rich cultural diversity that has traditionally been created and

nurtured in civil society dry up? Will we be left with only a few global media companies as the ultimate arbiters of human culture?

How do we prevent these companies from exerting undue influence over commercial life itself, because of their control over the channels of communications through which business is conducted? And finally, in the new era, when everyone is connected with everyone else in commercial information and telecommunications networks, how do we prevent corporate owners of the radio frequencies from exploiting the data on people's lives that flows through cyberspace? What safeguards will people have over their own privacy when every aspect of their life story is accessible as data bits travelling over corporate-owned and controlled communications channels?

At the dawn of the global media age more than 20 years ago, an American government official made the prescient remark that 'trade doesn't follow the flag anymore, it follows the communication systems'. When our very right to communicate with one another is no longer assured or secured by government but controlled by global media conglomerates, can basic freedoms and real democracy continue to exist?

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