

**Public Affairs and Private Employment:  
Some Unintended Consequences of the 1996 Telecommunications Act**

by

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**Conclusions and Recommendations**

Virtually any basic microeconomics text will observe that sometimes markets fail. And sometimes laws that purport to deregulate markets and stimulate competition can have deleterious effects as well as positive ones. So it has been with the Telecommunications Act of 1996.

In this case, the promise of employment growth was greatly oversold. Lawmakers failed to consider the pace of technological change, and the forces they set in motion were soon overtaken by events. Newly freed businesses behaved in their own self-interest, which was not exactly what all lawmakers had envisioned, and created a situation where there is still much innovation but there is also arguably more centralized control of content than before.

Phenomena such as the rise of a contingent workforce, the increase in outsourcing, and upgrading of jobs' skill requirements, and even the reduction in job-based social welfare protections (notably pensions and health insurance) are not confined to the telecommunications industry. Therefore, little could effectively be done to address them through telecommunications-focused legislation or policy. What lawmakers and policy-makers should recognize, though, is that everything they do with regard to regulating or deregulating the telecommunications field will have employment consequences; care needs to be taken to avoid making these consequences unnecessarily painful.

As for the free flow of information and the best interests of local communities, however, concrete steps can be taken to halt the march toward national uniformity and what some have called a totalitarian approach to information. The first step would be to create some mechanism to require radio, broadcast television, and cable, to provide a certain minimum of locally focused public service announcements to give the Third Sector access to the public airwaves. Because the term "Fairness Doctrine" generates such strong and stereotyped reactions, the approach will need greater focus and a new name. Perhaps "Nonprofit Access Mechanism" or some variant would be more precise and less inflammatory. The key is to provide a way to bring the local interests and local problem-solving organizations back to visibility in their communities.

Digital broadcasters could also be encouraged to use their multi-channel capacity to offer airtime to local groups.<sup>1</sup> In addition, Former FCC Chair Kennard has recommended that stations should be required to make their public service logs accessible to the community, with personnel "trained to respond to the public's request for access."<sup>2</sup>

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<sup>1</sup> Kennard, P. 8.

<sup>2</sup> *Ibid.* p. 13.

Taken together, these recommendations would impose no particular hardship on any broadcaster but they would work to combat the national homogenization and local subordination of broadcast programming, regardless of how the competitive entities reconfigure themselves.