

Delivering Media Content in a New Technological Environment: An Exploration of Implications for Television Policy

by

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Recommendations and Conclusion

The shift to server-based distribution for media content is already well underway. In the process it is eliminating bandwidth as a constraint on the supply of content, spawning content suppliers whose incentives are to continually add rather than exclude content from diverse sources, and rendering anachronistic traditional policies aimed at compelling owners of local distribution facilities to supply regulator-favored content. Therefore, concerns that certain types of content may be undersupplied relative to their benefits to the public should be addressed in new ways. Subsidies paid to producers of undersupplied types of content would be the most direct approach, but incentives to produce policy-favored content might also increase through strategies that stimulate demand. Developing services that make it easier for consumers to find undersupplied types of content is one possibility. Policymakers might also consider advertising, a strategy long employed by commercial television services to promote their own programs. Advertising programs with positive spillover benefits could serve the dual purposes of increasing awareness of these programs and educating the public as to the benefits of watching them.

Finally, although there is no indication yet that this might be happening, because cable operators and telephone companies are also by far the biggest ISPs in most local markets, regulators should be sensitive to the possibility that they will limit the quality of the broadband Internet connections they offer subscribers to diminish the threat of internet-delivered content to their own local television services.

* I want to thank Pyeongseon Oh for assistance with the research that informed the argument presented in this chapter.