

**HOPE AND HYPE v. REALITY:
THE ROLE OF THE COMMERCIAL INTERNET IN DEMOCRATIC DISCOURSE AND
PROSPECTS FOR INSTITUTIONAL CHANGE**

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ABSTRACT

Progressives hoped that the Internet would finally deliver on the promise of the electronic mass media to educate, motivate and mobilize the great body of citizens to participate in political discourse in a constructive way. Conservatives point to the Internet as a ubiquitous means of mass communications that competes directly with the commercial media and requires the elimination of public policies that limit the ownership of media outlets or impose public interest obligations on them. After two decades of presence in civil society the Internet has not lived up to its hope or hype. While it is certainly too soon to pronounce the Internet a failure in civic discourse, it is critically important to understand its limitations and their causes so that public policies can be identified to promote democratic discourse in the digital information age. This paper describes the reality of the Internet's role in democratic discourse in the context of the commercial mass media market that dominates the American political process. Its goal is to present a rigorous analytic framework to articulate a critique of past developments that is linked to the emerging activist agenda for change.

The paper uses Lessig's "modalities of regulation" to describe barriers to effective communications inherent in the technology, public policy decisions that have or threaten to restrict the flow of information and economic developments that limited the positive impact of the Internet on civic discourse. Part II reviews the critique of the influence of past electronic media on politics, which provides a road map to the "problems" that it is hoped the Internet can solve. The discussion of the Internet starts with a description of the ways in which Internet enthusiasts believed it could provide a solution. It then describes difficulties encountered in the development of the Internet as a new means of political expression. Part III reviews the empirical evidence on the actual use and impact of the Internet on the commercial mass media and democratic discourse. It covers traditional measures of economic structure (e.g., ownership) and political impact (e.g., patterns of use). Part IV describes the policies and practices being implemented and advocated by a new generation of Internet activists to ensure that the Internet plays a positive role in civic discourse. Three areas are discussed – the potential for peer-to-peer information production made possible by decentralized computing and Internet-based communications; the challenges of institutionalizing new forms of non-commodified information production, particularly as they may be aided by unlicensed spectrum; the movement for deliberative democracy as a new platform for participation and activism within the framework of representative democracy. The parallels between peer-to-peer information production and deliberative polling are noted as a source of strength in effectuating long-term institutional change.

I. INTRODUCTION

A. ASSESSING THE INITIAL IMPACT OF THE INTERNET

The debate over what influence the Internet will have on American democracy has raged for over 30 years. Early prognosticators hoped the Internet would make up for the failed efforts of television and other traditional media to provide an enhanced American consciousness, and in turn, an enhanced American political system. (Mosco, 1989: Ch. 2; Levy, 2001: 109; Levine, 2001: 3; Liberty, 1999: Ch. 8; Rheingold, 1994) They hoped that the Internet would finally deliver on the promise of the electronic mass media to educate, motivate and mobilize the great body of citizens to participate in political discourse in a constructive way.

Large media companies now claim the Internet has radically altered the media landscape by making an immense number of choices available to consumers and providing a ubiquitous means of mass communications that competes directly with the commercial media, which they claim should free them from public interest obligations. The hope and hype have taken on considerable significance because of rulemakings at the Federal Communications Commission which rely heavily on the emergence of the Internet as a justification for relaxing limits on the ownership of broadcast and cable outlets and eliminating other public interest obligations imposed on the electronic media. (FCC: 2003)

After three decades of existence and two decades of presence in civil society, the Internet has not lived up to its hope or hype. It has become more of an extension of two existing, 20th century technologies than a revolutionary 21st century technology. The Internet has become an extension of television, as huge media giants harness its ability to “push” their commercial messages on the public. The one-to-many function has been quickly exploited for its commercial value. The Internet has also become an extension of the telephone, a “pull” medium. “One-to-one” communication through e-mail, chat and instant messaging is the dominant use of the Internet in terms of time. These functions have been driven by commercial interests as well, as they bundle e-mail addresses and exploit the value of instant messaging as a “sticky feature” that attracts and holds customers.

The unique, many-to-many potential of the Internet lags behind, particularly as a political vehicle. While the Internet appears to have facilitated the rapid mobilization of small subsets of activists on the left and right, it has not dislodged the inertia of the politically inactive or altered the behavior of the passive majority.

It is certainly too soon to pronounce the Internet a failure in civic discourse. However, it is critically important to understand its limitations and their causes so that public policies can be identified that promote democratic discourse in the digital information age. Indeed, because the Internet is being cited as a justification to deregulate the commercial mass media, it is particularly important to debunk the myth that the Internet has significantly altered or diminished the influence of the powerful “push” broadcast media on politics.

At the same time, powerful technologies continually pressure existing institutions. The ultimate impact of the Internet as a force for institutional change may take decades to be felt. Because the Internet decentralizes decision making promoting experimentation and innovation, alternative models may be emerging that will ultimately transform political process from unexpected directions.

This paper presents a vigorous social critique of electronic media, both television and the Internet. It then presents traditional measures of participation and use to document the failure of the Internet to transform politics to date. Written from an activist point of view, the purpose of the critique is to become better informed about how to promote democratic change. In fact, disappointment with the initial impact of the Internet has led reformers to more conscious and focused efforts to use the Internet to build a new generation of democratic institutions. These are discussed in the final section of the paper.

B. CHANGING MODALITIES OF REGULATION IN SOCIAL TRANSFORMATION

In order to identify the critical elements in technology driven social change and analyze the role of communications technology in society, this paper adapts the paradigm articulated by Lawrence Lessig in *Code and Other Laws of Cyberspace*. Lessig identifies four “modalities of regulation” that affect the way a technology develops and functions – architecture, markets, law, and norms. We interpret these as specific instances of broad realms of social order – technology, economy, polity and civic institutions. Social order is created by human activity that is subject to the constraints that emerge in each of these four realms. Human activity becomes routinized and is regulated by the architecture of technology, the nature of transaction in the economy, power relationships embodied in law in the polity, and the normative basis of social relationships in civil society.

Lessig argues that the modalities of regulation can be organized in many different ways to achieve social order and that choice is or should be consciously exercised in establishing social order. The range of possibilities in each of the realms of social order is wide, as is the mix between them. The possibilities that will be identified in the following discussion include

- economy: commercialized/noncommercialized;
- technology: passive/(inter)active;
- civic institutions: inequality/equality;
- polity: elite/participatory.

Lessig’s central objective is to demonstrate that the architecture of technologies, which are frequently represented as “given,” is inevitably determined by choice. His concern is that the architecture of the Internet is being transformed without careful thought about how it should be constructed. Lessig (1999) argues that the opportunity of the Internet is being lost as result of the closure of access and enclosure of the intellectual commons. His political agenda is to pursue policies that preserve the inherently democratic and innovative nature of cyberspace.

II. THE CRITIQUE OF ELECTRONIC MASS MEDIA AND POLITICS

In order to appreciate the passion and hyperbole that surrounds what many had hoped would be a revolutionary new communications medium and the disappointment with the development of the Internet, it is useful to understand the nature of the complaint about television, the medium that thoroughly dominated mass communications when the Internet arrived on the scene.

A. TELEVISION

1. Commercialism

The criticism of the impact of television on the political process takes off from the problem of commercialism. (Bagdikian, Mchesney, 1999, 2000; Esslin) At first intended to pull people together and provide information to educate and enable citizens to more actively pursue their political and cultural interests, the profit potential of the burgeoning electronic media industry led to a takeover by advertisers and large bureaucratic and corporate institutions. As the entertainment quotient rose and the community-serving quotient declined, viewership was boosted and advertisers were able to “reach huge audiences regularly, and in receptive settings, with messages about products and, generally through those products, with messages about consumption as the centerpiece of the American Way of Life.” (Mosco: 43)

With media conglomerates clawing at consumers’ tastes by careful observation of their interests and ever more intensive targeting of marketing, they gained strength in controlling public attitudes and action. The electronic media “are mainly employed to measure and monitor information transactions and to package and repackage information products many times over,” (Mosco: 11) effectively dictating what is available to whom. (Meyer: 37-38; McManus, 1994)

As the most profitable products (information or otherwise) are made exponentially available since they are safe moneymakers, the set of genuine choices narrows. The result is to dull citizens’ hunger for new information and consciousness by force-feeding them what they already know how to digest. (Levy: 195) As this trend intensifies, life becomes a drone of repetition and regurgitation, devoid of outlets for expression and the will to consider, to express dissent and enact change. The television environment becomes a source of concern for some at a broad level because of “the amount of advertising constantly interrupting the visual flow... which for people growing up in such an environment must, over time, inevitably lead to a loss of the ability to concentrate.” (Esslin: viii) The power of commercialism is so great that it overwhelms the political function of the media.

It is assumed that mass media contribute in some way to the political life of citizens, furnishing them with a means of representing themselves and their interest, allowing them a space – a ‘public sphere’ – within which they can reflect on the conditions of

their lives and how these might be changed for the better. But can such an ideal coexist with commercialized media directed at consumers rather than citizens?¹

Media rules on capturing audience attention and thus eventually market shares dominate the business almost to the exclusion of all other principles, and are put into effect without any thought being given to the democratic or cultural standards of communication. (Meyer: 38)

2. Technology Influencing Social Processes

Many media critics across the political spectrum have argued that hyper commercialism combined with the expansion of media outlets deeply affects the news reporting process, particularly as it relates to politics. On the one hand, there are more television outlets needing to fill more space. (Kovach and Rosenstiel) On the other hand, they need to attract more viewers to be profitable. The media's schedule and perpetual news cycle become the driving force, emphasizing speed, simplicity and routinization. (Gans: 50; Kovach and Rosentsteil: 6) The news production process is transformed.

The problems stem largely from the very nature of commercially supplied news in a big country. News organizations are responsible for supplying an always-new product to large numbers of people, regularly and on time. As a result, news must be mass-produced, virtually requiring an industrial process that takes place on a kind of assembly line. (Gans: 49)

The tight schedules and competition for attention put their stamp on the newsgathering and reporting process. (Street: 36-52) Reporting becomes highly condensed and selective. (Graber: 113-114) Planned events and personalities are the easiest to cover. Short pieces require extreme simplification. Stories become stylized so they can be easily conveyed. Time pressures create a tendency to not only run quickly with a story but to uncritically pass through manufactured news. (Kovach and Rosentsteil: 21, 44) Entertainment and aesthetic value dictate the nature of the picture and getting good video images becomes a critical need. (Meyer: 32-35) Staging gives the news the predictability it needs, but results in typecasting and posing. (Meyer: 67; Graber: 112-114; Jones) Competition drives news to seek blockbuster scoops and to play the big story more intensely and longer, to hold the larger audiences that have been attracted. (Kovach and Rosentsteil: 7-8) The search to find and maintain the audience's attention drives the media towards exaggeration and emotionalism at the expense of analysis.

Four types of news are ideally suited to perform this function. Celebrity personalities become the centerpiece because of the easy point of focus on highly visible individuals. (Street: 47-49; Meyerowitz) Scandal attracts audiences. The personal travails of prominent figures in titillating scandals are grist for the media mill, attracting attention without threatening the audience. This news may not be happy, but it fills the preference for happy news because it involves someone else's troubles of no direct relevance to public policy or the public's welfare. The horse race and hoopla – the game – are another easy way to frame the news and to produce constant updating of who is ahead. (Street: 47; Graber: 111-112; Gitlin: 119-136) Who wins and who loses is much easier to portray than the complexity of what is at stake. Verbal duels (Meyer:

35; Kovach and Rosenstiel: Ch. 7; Street: 44) and loud, often one-sided, arguments find audiences more easily than reasoned, balanced debates. (Barker). Talk show pundits grab attention with extreme positions, usually negative attacks on targets that are not in the room to defend themselves.

Both journalism and politics suffer as a result of this process. Businesses and politicians recognize “the profit potential in marketable information and hence promote the development of technologies that enhance marketability.” (Mosco: 3) Pressure applied by corporate ownership has forced news and entertainment to submit to heavy profit-maximizing strategies that foster financial gain at the expense of the democratic ideal. These processes align for the personal benefit of a select few. As a result, “There has been an enormous increase in expenditure on public relations by both government and business... these powerful institutions subsidize the cost of gathering and processing the news in order to influence positively the way they are reported.” (Levine, Can: 124)

Politicians conform and cater to the demands of the media and they leverage their ability to manipulate their public image. Their interaction with the media becomes a form of extracted publicity and serves as photo-ops that place them in the most favorable theatrical light. Political entities submit to the media’s dictatorship over the depiction of parties and personalities, “in which both politics and the media recognize only images of themselves, thereby losing sight of the real world.” (Meyer: 133; Gans: 47-48) Journalism degenerates into a dance (Sparrow: 28-38) between reporters and political handlers in which the spinmeisters have the upper hand. Spinmeisters become gatekeepers who can punish or reward with access to politicians and who control the scheduling of events. They can stonewall some or give exclusives to others. As a result, “top-down news turns journalists into messengers of the very political, governmental, and other leaders who are... felt to be untrustworthy and unresponsive by significant numbers of poll respondents.” (Gans: 49) The media produces a blend of news and free advertising for the candidates (Meyer: 53; Dorner) As with all advertising, the point may be to give a misimpression rather than convey accurate information. Hence, journalistic values are marred. (Graber: 88) Dependence on well-connected sources and pressures to get a story out first short-circuit the application of traditional standards of reporting. Discourse degenerates into a stream of stage-managed, entertainment-oriented, and issueless politics. (Gans: 50-51)

3. Isolation from the Policy Process

Covering mainly “prestige institutions as an economical and effective way of gathering the news” (Curran: 150) severely hampers the public’s knowledge of the overall democratic landscape and widens the gap between elite and less visible groups in society, supporting the power structure while stigmatizing dissent as extreme and rare. (Curran: 138) The watchdog function is short-circuited by close relationships. (Curran: 150) This awards too much attention to too few political figures and views and sets the stage for politicians to manage their public identities through manipulation of the media’s tendencies. Parties and ordinary group affiliation recede, as individuals and lead institutions become the center of attention.

The fashion in which stories are selected and the time-frame within which these stories are developed, in accordance with mass media's pursuit of big headlines and profits, have undercut politicians' ability to realize legitimate political agendas. (Street: 57-58, 83, 90) Instead, parties and political players shape their decisions and actions within the framework of how the media will present them. (Gans: 83; Cook)

James Curran notes that "the media routinely report the news as discrete events, abstracted from their wider contexts," which promotes "a tacit view of the social order as natural, inevitable, outside of time – 'the way things are'." (Curran: 138) Without an ongoing dialogue of the conditions that enable the reported events to take place, the public cannot adequately formulate opinions; hence, they cannot act or mobilize in an educated manner. The critical element of responsibility, causality and connectedness between events is lost.

The policy creation process should rely on a political process to decipher what is in the best interest of the citizenry but media driven deliberations are not given sufficient time to develop as the media's need for decisive headlines encourages quick, extreme stances to be taken. "Abbreviating the time interval normally demanded by the political process down to what the media's production schedule permits means abridging the entire process by deleting the procedural components that qualify it as democratic," (Meyer: 106) and insisting that politicians rush to get their views to their constituents before they can be swayed in an opposing direction. These circumstances tend to "pin down inchoate opinions and moods into immutable prejudices," (Meyer: 104) which become fundamental obstacles to achieving a rational, common good. The rapid-fire sequence of simple, emotional snapshots staged to increase popularity replaces discourse as the basis of politics.

Public involvement in policy formation suffers not only because of the shift in focus fostered by the media, but also because of the short-time frame demanded by the media. The recognition of the news as being reported 'outside of time' highlights the troubling difference between the media's timeline and the timeline necessary for political agendas to be carried out. "The traditional model of a political party that reaches consensus via extended discussions with many centers of influence in civil society, that allows decisions and programs to mature gradually has become practically an anachronism." (Meyer: 24)

4. Demobilizing Citizens

Regardless of the circumstances surrounding the development of the media-run democracy and whether or not the politicians themselves are largely responsible for allowing its emergence, the politicians acquiesce in a Faustian bargain. "In exchange for their 'tactical' submission to the media rules, political actors gain a well-founded expectation that they will be invited to help shape the way the media portray them." (Meyer: 58) This clearly undermines the political process and changes the relative weight of parties and how they function to achieve goals. (Meyer: xi) Citizens are presented with an illusion of policy in election campaigns. (Meyer: 15)

Presidential elections, along with lower-level elections, have become candidate-oriented, delving into softer, more personal and moral appeals, and moving away from hard-line political

affiliation based on honest stances on issues. Public opinion about candidates rests often on meaningless probing (a 5 o'clock shadow, misspoken words during speeches, investigating candidates' pasts) and moral power play, leaving the issues of the election unattended. Issues are not given sufficient care by the candidates, who find it easier to speak vaguely and play the public opinion charade. This renders the party identity obsolete, a party identity which previously had encouraged participation by giving supporters a sense of unity that rested on a clear, issue-based platform that sought to achieve a common set of goals.

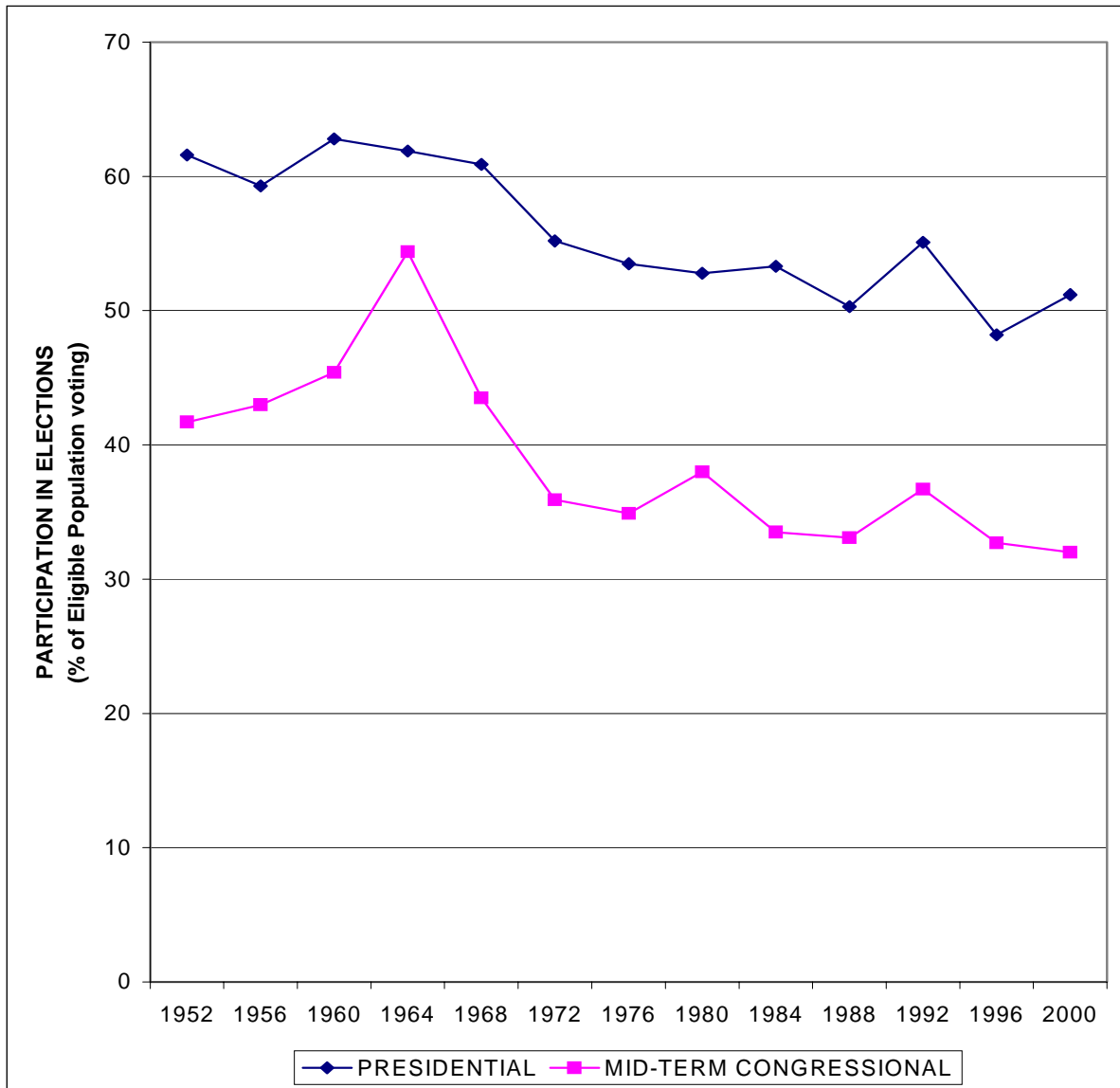
The structure of the campaign is such that the candidates with the most money and previously established party support are heavily favored considering the number of months the money must last. Most Americans do not feel as though they even need to pay attention as the party nomination is essentially made for them. Normally by Super Tuesday, the bulk of candidates vying for candidacy are broke and disheartened. Similarly, front-loading renders many states obsolete, further disenchanting voters as they watch the news and are made to feel as though their late-in-the-campaign votes are useless. Once the candidates are in place, more state neglect arises. Non-swing states are given almost no attention. Little money is spent bringing people out to the polls, making people feel like their vote counts. Ads run exponentially more in toss-up states; candidates visit and speak in those states at an alarming rate.

Another negative impact is the length of the American Presidential campaign. The need for attention in the celebrity environment extends campaigns, but a long campaign does not necessarily ensure an informed electorate. Meaningless events are littered throughout the nearly year-long struggle, too many for Americans to process but few grand enough for Americans to reach for, latch on to, and take something worthwhile away from. The debates have become slanderous and vague with more personality sparring than political discussion. Negative ad campaigns have become the norm, disgusting many Americans who would rather not choose between mudslingers. The negativity breeds distrust of the candidates since suspicion is constantly raised (whether unfounded or not). This is keeping people away from the voting booth.

The inevitable outcome of these processes is to dissuade citizens from participation in politics. The ultimate effect is to diminish their participation in voting (see Exhibit 1). There are certainly many reasons for the declining participation in elections, but Thomas Patterson and others argue that the media circus has played an important part. (Patterson; Crenson and Ginsberg). Parties were the pistons of voter turnout and issues were the sparkplugs. The narrowing loss of substance disserves the public above all in the electoral process. While the nature and number of issues faced by Americans today have grown, their primary political institutions – parties – have shrunk. Voters are forced to choose a candidate whom they least dislike, based on non-substantive grounds, which we can easily link to disenchantment and a rapid trickle-down effect of squashing voter turnout. This sheds light on how voter turnout could fall despite a rise in education, registration and civil rights; people are not excited about their representatives.

Patterson weaves together the central themes in the interrelated degeneration of journalism and politics to point to diminished turnout – negative attack strategies, reduction in

EXHIBIT-1: Electoral Turnout in the Television Age



Source: U.S. Bureau of the Census, *Statistical Abstract of the United States: 2002*, Table 395.

hard news and political coverage. In the end, “Americans have grown to dislike almost everything about modern campaigns ... too much money, too much theater, too much fighting, and too much deception... reasons not to participate.” (Patterson: 25)

B. THE CRITIQUE OF THE COMMERCIAL INTERNET

Internet optimists hoped for a hyper-connected populous, capable of reaching out to anybody and anything with a simple set of keystrokes. They predicted intensified participation in the democratic process as a new outlet emerged to access and spread information, one which

alleged to make it easier to be heard. (Wise: Ch. 2) The counter-culturalists who were largely responsible for the advent of the Internet hoped that “cheap computing power in the hands of citizens could be a powerful resource for democracy and a weapon against overbearing government and big business.” (Wise: 26) Cyberspace was a technological goldmine, replete with opportunity and excitement, and brimming with potentially positive results.

The idea of an information revolution was based on decentralization and empowerment; two concepts that counter-culturalists hoped would flourish by “reappropriating technological power on behalf of citizens.” (Levy: 106) True electronic democracy, it was hoped, would be created by “the possibilities for interactive and collective communication offered by cyberspace to encourage the expression and elaboration of urban problems by local citizens themselves.” (Levy: 166) If the architecture of the Internet was geared towards democracy, we might begin to conquer space by connecting citizens to each other “in ways that extend the developmental benefits of civic participation beyond those immediately present.” (Saco: 44)

An active, informed citizenry would spark self-organization and participation, two benchmarks of the activists’ dream. Democracy would benefit greatly if we were “encouraging the collective and continuous elaboration of problems and their cooperative, concrete resolutions by those affected.” (Levy: 176) Underlying this view with respect to information technology is the idea that,

the government serves as the manager of a commons, working on behalf of the society. No one has the right to alienate a part of the commons for private use. Any use of the information resource is subject to a public interest determination on the part of the trustee, acting on behalf of the entire society. (Mosco: 24)

This old-fashioned concept of democracy – technically, the airwaves have been defined in this fashion almost since the inception of electronic use of the spectrum – informs the shape of the Internet debate by re-establishing the roles to be played by government and society.

To date, the Internet’s ability to create a more vibrant forum for democratic discourse has been limited by a number of factors, some inherent in the technology, others the result of public policy. There is growing doubt and concern that the Internet can ever fundamentally enhance the quality of civic discourse in America. The answer to the question, “Can the Internet Rescue Democracy?” (Levine, 2002, Can) is not entirely encouraging, and it outlines numerous concerns about the ultimate ability of the Internet to transform politics.

The fact that the Internet can work as a commons hardly guarantees that American democracy will flourish. It is not clear that even a vibrant commons could serve the functions of political mobilization and socialization that ordinary people need before they can influence public policy. Nor will the Internet *necessarily* operate as a commons; in fact, the odds favor an increasingly privatized and commercialized cyberspace. Nevertheless, one of the most promising strategies for democratic renewal today is to try to keep the Internet a publicly accessible space in which citizens create and share free public goods.

Beyond the problem of creating (or preserving) a commons or public space for civic discourse in cyberspace,² traditional mass media problems that are quickly migrating to the Internet include “inequality, weakened social bonds, diminished public deliberation, rampant consumerism, and the impact of eroding privacy on freedom of association.” (Levine, 2001: 1)

1. Commercialism

By the late 1980s the Internet had emerged as the pre-eminent media alternative. (Liberty: Introduction) Governments in the nations with a leading role in developing the Internet and its related technologies were committed to free market economics, however, which led, willy-nilly to a resurgence of commercial interests on the Internet. (Mosco: Chs. 2, 4; Wise: 5) Symbolically, the network itself was handed over to Sprint, MCI, WorldCom, PSINet and GTE. (Wise: 126; Miller: Ch. 2) Shortly thereafter, the corporate dominance of the Internet was reinforced when a decision was made to allow the leading technology for delivering high-speed Internet services to consumers to be operated on a closed, proprietary basis. (Lessig: xx) The cable companies, which assert the right to choose which video services flow over their wires, were allowed to extend that business model to high-speed Internet services. (Cooper, 2002) They operate their advanced telecommunications networks on an exclusive basis, with one exception, where antitrust authorities compelled them to provide access to other commercial interests. The telephone companies have been allowed to follow the same path.

With commercialism as the guiding principle, the extremely powerful commercial thrust of the new media reinforces the central concern of media public policy. (Firestone and Schement: 45; Stempell and Hargrove; Gunther; American Civil Liberties Union v. Janet Reno) New technologies do not alter underlying economic relationships because the mass-market audience orientation of the business takes precedence. (Loudon; Le Duc; Street; Winston; Sine, et al.; Wicks and Kern; Motta and Polo; Lubunski; Chan-Olmsted and Park) Indeed, because the new media markets have moved quickly to vertical integration by dominant incumbents from the old media, the problems of raising capital and acquiring licenses that have afflicted the old media persist³ and the circumstances surrounding the production and delivery of information inhibit its utility to expand political participation and enhance social and cultural consciousness. (Jordan: Ch. 5) A prime concern is that “information is both a commodity and, within a society marked by the general tendency to commodification, information is a form of social control.” (Mosco: 26; Miller: Ch. 13)

Handed over to commercial interests, with dominant media and telecommunications firms in the lead, the Internet became the logical conclusion to the development of electronic media. After seventy years of titillating public tastes through advertising, electronic media could now provide instant e-commerce, to buy on the spot. In the case of digital products, it could deliver immediate consumption and instant gratification. The resulting e-commerce is an electronic “direct mail on steroids” pumped up by the ability of viewers to click through digitally inserted advertising for purchases. (Van Orden: 143; Kearney: Ch. 4) High-powered advertising is targeted at demographically compatible viewers identified by detailed information created by the

two-way network on viewing patterns and past purchases. (Menezes: 48) The Internet quickly focused on catering to consumer appetites, rather than enhancing the quality of citizenship.

2. Technology Influencing Social Processes

There are other limitations of the Internet as a political space driven by the nature of the technology. The Internet is impersonal, which keeps discussion and action online from achieving what discussion and action face-to-face have achieved in the past. (Levine, Building) It lacks the ability to give individuals and their ideas the necessary momentum to organize and accomplish their goals.

Online forums have not achieved a breakthrough in democratic deliberation, (Dahlberg) and online newspapers look like the physical world counterparts from which they are a spin off (Chyi and Lasora), but it is still early and the possibility for new forms of communications emerging cannot be discounted. (Foot and Schneider) Peter Levine notes that “people who participate in typical on-line activities sometimes initiate political discussions and organize political actions,” (Levine, 2002, Can: 125) but he cautions that “participants tend to be distributed across jurisdictions, which makes political organizing difficult.” (Levine, 2002, Can: 12)

In fact, critics argue that the time spent in political discussions online may be detrimental because it cuts into the amount of time individuals spend face-to-face, an arena that has proven functionality and promise. “When we communicate using a computer, we can withhold practically all information about ourselves...we can break off contact at will; we can adapt multiple personalities and identities; and we can shield ourselves from the consequences of what we say.” (Levine, 2001: 2) It becomes difficult to put faith in online relationships and the time spent promoting ideas. (Jordan: Chs. 3, 4) On the Internet “it is hard to imagine that people will develop strong bonds of trust and mutual obligation,” (Levine, the Internet: 2) both crucial to driving political organizations and communities. In face-to-face political discussions there is a better understanding of how the people involved will be affected, which informs their motivations and intentions.

Similarly, the ease of exit on the Internet undercuts its role as a political platform. “On the Internet, exit prevails over voice, since leaving any Internet-based group is easy but changing its prevailing norms is difficult.” (Levine, 2001: 8) In most respects the Internet is a highly selective tool where individuals seek out what they already know or are interested in proliferating. Attempting to change the “prevailing norms” of an online space is particularly difficult because the receivers one encounters will be different every time and the sender will never have any knowledge of its audience at any given moment. “The Web users are unlike visitors to a physical space, because they do ‘not have to hear a civil rights marcher, take a leaflet from the striking worker, or see the unwashed homeless person.’” (Levine, 2002, Can: 127) Online, people can cleanse their world of all interactions outside of those they explicitly choose, isolating themselves from other ideologies and avoiding “uncomfortable perspectives and stories that might shake their prejudices.” (Levine, 2002, Can: 123) Though self-segregation does exist in the physical world, its opposite also exists in abundance. On the Internet, “there is no common

space, mass audience or means of addressing people who don't seek out the speaker." (Levine, 2001; 8)

Researchers have discovered that "new Internet users began spending less time with family and friends [and] began attending fewer social events." (Levine, *The Internet*: 3) They have discovered increased depression and isolation. While being involved in discussion online makes an individual more socially active at any given moment, over time the social and political activity of our nation will decrease, weaken, and become atomized as a result of the Internet. "The search functions on the Internet make selection too easy and threaten to tip the balance toward hyper-specialization," (Levine, 2001: 7) furthering the digital divide and enabling "intellectual stratification as experts are able to talk only among themselves and ignore the rest of the public." (Levine, 2002, *Can*: 127)

The end point of this will be weak communities where mutual obligation to the consequences and decisions of groups will be non-existent. Volunteering locally has always resulted from the desire to have an impact in the local setting. On the Internet it is difficult to gauge the impact one will have since reliance on other online members and participants is risky and uncertain. Hence, the speed and "access" which promoters of the Internet cite as beneficial is "unlikely to raise the level of participation" (Levine, 2002, *Can*: 127) because the strong, motivating community ties have not subsisted and users are not convinced their work will yield results. Here, Levine writes, "the Internet may have just the opposite effect by insulating us from the kinds of people whom we could serve face-to-face." (Levine, 2002, *Can*: 123)

3. Isolation from the Policy Process

Hannah Arendt argues that "the public realm has been displaced by a mass society of atomized individuals."⁴ Underrepresented groups are therefore unable to build communities to achieve their goals and to reap the benefits of democracy. Furthered freedom for the large corporations perpetuates the digital divide between the information-rich and the information-poor. The least powerful "[c]itizens are denied the information they need by the few powerful media companies" (Levine, 2002, *Can*: 125) which "eliminates a human right and makes it a marketable commodity, a right for those who can afford it." (Mosco: 47; Miller: Chs. 1, 8; Liberty: Introduction)

The equality of the online environment is undercut by the centralized commercial control of its mechanisms of distribution as the gap between those whom the dominant media owners aim to please and those whom they choose to neglect widens. (Mosco: 38) Allowing the marketplace to dictate the nature and function of the Internet has already limited its potential. (Mosco: Ch. 3; Wise: Chs. 1, 5, 9; Miller: Chs. 4, 5, 6) Poorer populations do not share the resources of wealthy citizens to participate in the media that have been established. (Cooper, 2002, *Inequality*; Miller: Chs. 1, 8; Liberty: Introduction; Levy: Introduction;) Critical research has found time and again that "disadvantaged people are much less likely than privileged ones to use the Internet." (Levine, 2002, *Can*: 122)

The increased emphasis on financial transactions online has widened the digital divide and intensified the struggle to keep information and consciousness flowing adequately to the

underprivileged. (Mosco: 35) In a sense, online services are being “reserved for the wealthiest,” (Levy: x) and there is little policy enacted to keep the potentially positive effects of the Internet from disappearing completely.

The drive to sell more subscriptions and reach a highly targeted audience with advertising that caters to their individual tastes will be intense. (Morgan Stanley) Companies introducing technologies quickly identify the likely early adopters and innovators and orient their product distribution to maximize the penetration within that market segment. (Sakar; Martinez, Polo and Flavian) It should not be surprising that resource rich households make up the target market. There is a very strong base of support for the importance of income and education in the adoptions of high technology innovations like computers and telecommunications equipment. (Meeks and Sweaney; Savage, Madden and Simpson; Atkin, Jeffres and Neuendorf) The strong predictors of inclination to early adoption point directly to market segmentation strategies. (Fareena: 37)

The cost of services and the targeting of marketing points to a commercial model in which high-value, high-income consumers are the ones marketers seek to serve. Dramatic increases in the price of these advanced services highlight the traditional concerns about commercial interests targeting attractive markets. (Ploskina and Coffield; Braunstein; Ames; Spangler; Office of Technology Policy: 14).

Beyond the cost is a lack of education and skills necessary for disconnected citizens to utilize the access they hope to be granted. (Cooper: 2002, Inequality) While “the cost of computing power is decreasing...the standard equipment used on the Internet is growing more complicated every day.” (Levine, 2001: 2) This makes it even more difficult for those who have not experienced early incarnations of computer and online technologies to enter the Internet community, as there are virtually no programs or policies directed at aiding these individuals. “Nonparticipants will be left behind,” according to Pierre Levy, “and those who have yet to enter the positive cycle of change, including its comprehension and appropriation, will be excluded even more radically than before.” (Levy: 12) The populous will be segregated and the voices and interests of the ‘have-nots’ will be faintly represented. (Miller, Chs. 1, 2)

Not only is the education more demanding, but access to the resources and networks necessary to command the technology is restricted. (Cooper, 2002, Inequality) Hence, the undereducated cannot gain relevant knowledge, cannot make confident decisions about their own lives, and are crippled when it comes to affecting change in their community. Under these circumstances, “computers further the unequal distribution of power and undermine the very limited democracy that some now enjoy,” (Mosco: 71) as obstacles are added to what is already a treacherous pathway to being heard.

Fears of a widening gap between rich and poor are rising as people express concern about being left behind by the “information revolution,” with the ‘disconnected’ and ‘potentially connected’ groups expressing the greatest concern. (Cooper, 2002, Inequality) These are people whose needs must be addressed, who must be given the opportunity to connect and to contribute, but who are least able to gain command of the technology. “We browse the Web using patented

corporate products that have deliberate biases built into their design,” (Levine, 2002, Building: 16) biases that are slanted towards wealthy consumers and serve no purpose in the pursuit of a just and worthwhile Internet. While greater equality alone could not cure the Internet, it is a necessary step that would enable stronger communities to be built online, creating a new forum where all voices are able to gain representation.

4. Demobilizing Citizens

The communications goliaths and their media allies are now in the position to dictate what information is available and how rapidly technological change will come about, with relatively no resistance. (Miller, Ch. 11; Jordan: Ch. 4) This has allowed passive consumption of information products to extend to another generation of electronic media, replacing the active participation in democratic debate that was hoped for as a primary activity on the Internet. (Wise: 5)

With the mass media so closely connected to entrenched interests it becomes easy to serve a select few while alienating millions of other citizens. (Mosco, Ch. 2) By dominating the production and delivery of information, abusing the power of the technology and misrepresenting its function (Mosco: Ch. 2; Levine, 2001), and by attempting to pass the Internet’s community-building function off as beneficial when in fact it isolates and polarizes people and “limit[s] the control one has over the ideas one encounter,” (Mosco: 38) the dominant commercial interests make it difficult for citizens to identify what is best for themselves and for the nation as a whole.

Setting the precedent of consumption over democracy generates a marketplace where profit-maximization is not only glorified, but its debilitating effects are ignored. (Wise, Ch. 9; Jordan, Ch. 5) “The tendency to centralized control, monitoring and information control, and the tendency to treat the products of computer communications systems as marketable commodities” (Mosco: 78) create no impetus for nor impose any obligation on media owners to serve the public interest. At present, profit maximization overwhelms concern for the common good. (Cooper, 2002, Inequality; Mosco: Chs. 2, 4; Miller: Chs. 1, 2) A lack of competition disables both resistance and the prospect of advancement, and citizens are under-informed as well as misinformed. (Mosco: 108) Because of the commercial control of what is most visible and accessible, “almost no part of the Internet now qualifies as a ‘public space’ in which free speech would enjoy the strongest protection.” (Levine, Can: 135) The Internet has failed to enhance citizens’ ability “to define themselves and their place in everyday life.” (Levy: 107) Repeating the pattern of television, financial gain tramples citizen sovereignty. (Mosco: 115)

The economic relationships that have taken over the mass media have been exacerbated by the Internet, frustrating the hoped for increase in diversity, pluralism and opportunities for entry. (Wise: Ch.1; Mosco: Ch. 2) “The principal agents promoting the technology are global media conglomerates who are more interested in promoting pay-per-view entertainment than creating a democratic forum in cyberspace where their activities can be scrutinised.” (Wise: 8) This stacks the odds against small groups and individuals, as the bulk of users are directed through corporate portals, which are made attractive by glitzy visuals and distractions. Likewise, “some search engines are commercial ventures in which sites must pay for inclusion in their

database,” (Levine, Building: 17) further deprioritizing small organizations and individuals who could never match large, corporate offerings.

Under these conditions, citizens who try to operate their own sites for democratic purposes will become increasingly discouraged, since few visitors will be able to find their work and they will be legally barred from using the patented production techniques employed on commercial sites. Thus the Internet will begin to look like the next generation of cable television instead of a decentralized, participatory medium. Most non-profit sites will be as marginal as public-access television stations today. (Levine, 2002, Can: 135)

Allowing the technology to regulate itself, or more specifically, not stepping in to regulate the technology, has aggravated an already troubling media political process. (Levy: 191) We have long recognized that “these systems have the potential to isolate individuals from one another so much that market driven social atomization erodes the social community.” (Mosco: 38) As long as the official ideology supports unequal distribution of information and resources, the Internet will support these same impurities, distracting people from “social problems and collective-action remedies by giving them a false sense of political effectiveness.” (Saco: xv) Simply putting more information in people’s homes, especially lowest-common denominator information “is just a continuation of long-term trends that have brought data increasingly within everyone’s reach.” (Levine, Can: 124) “The lesson of media history is that, in an unregulated or lightly regulated regime, what gets transmitted is primarily what is profitable rather than what is in the public interest.” (Wise: 197) “The existence of a technical infrastructure in no way guarantees that only the most positive virtualities will be actualized. (Levy: 191) We know this because of the shopping mall quality the Internet has taken on.

The result is much more like evolution of the commercial mass media than revolution (Margolis and Resnick) and it has not fundamentally altered the political process. The information resource has permeated homes rather quickly and the governments in place throughout its history have done little to orient its uses toward promoting public spaces and public participation in political processes. Education levels rose steadily in the twentieth century “yet there was no payoff in political participation.” (Levine, 2002, Can: 124) The need for firm, fair direction and regulation has always been apparent and at present, is dire. (Miller, Chs. 4, 5, 6)

III. REALITY

A. MEDIA USAGE

The course of the twentieth century provided dramatic changes in communications – electronic mass media, first radio, then TV, finally the Internet. We should not be surprised to find that people use different media in different ways to meet different needs. The media rely on different senses and mental faculties to different degrees. People spend vastly different amounts of time in different media environments, consume services under different circumstances and pay for them in different ways. They have different content offered by different means and they differ widely in their impact and effect. The various media are based on different business models and

address different advertising markets. Television provides high impact announcement of news and events. Newspapers supply in-depth analysis of local news. Radio regurgitates wire stories in extremely short sound bits, primarily when people are driving to and from work. The Internet has not changed this pattern substantially.

Different media have different mixes of news and information. The traditional electronic mass media, radio and television, are used for both news and information in equal measures. In contrast, newspapers are predominantly a source of news and information and much less a source of entertainment. Four times as many people say they use newspapers for information as for entertainment. The Internet falls between the two extremes, just under twice as many people say they use it for information as entertainment.

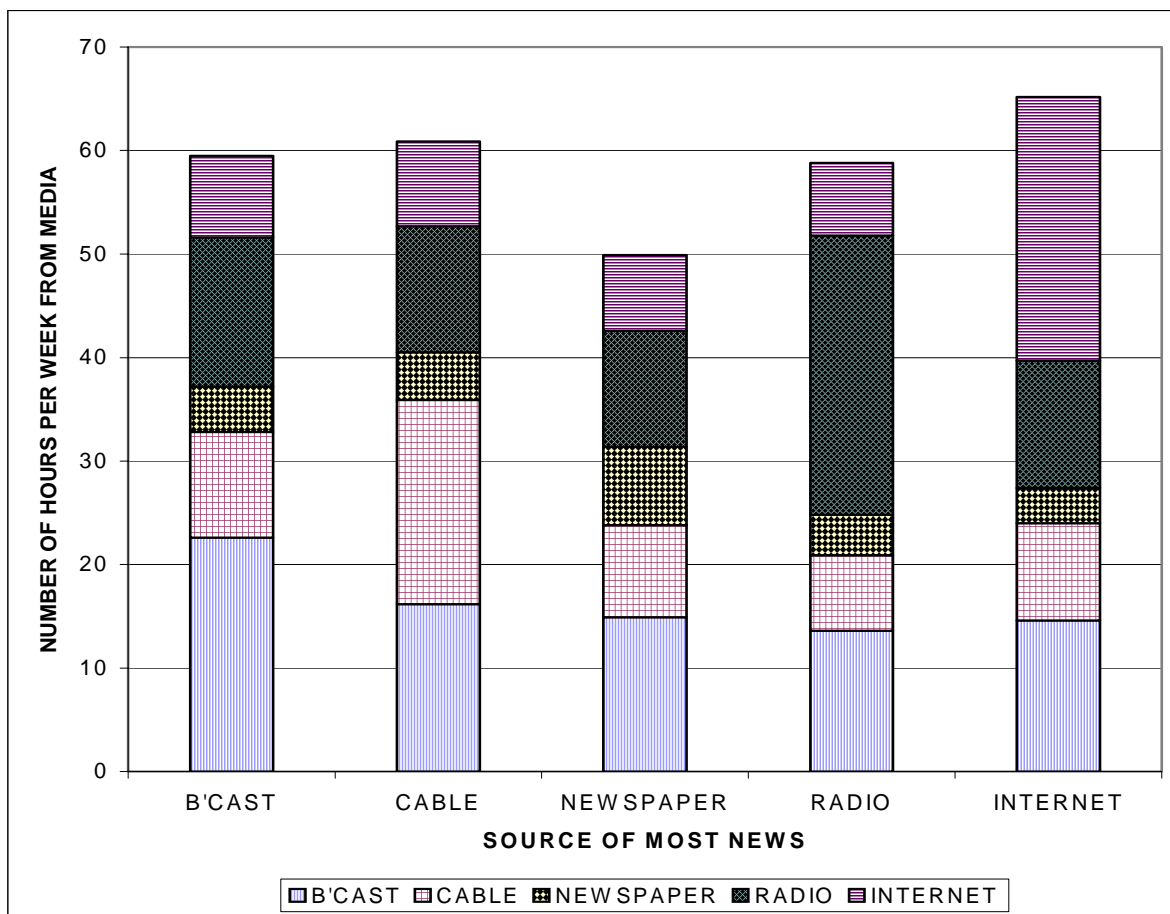
In the early 1980s, the Internet was just beginning its commercial phase, accounting for virtually no viewing time or advertising revenue. Twenty years later, it accounts for only about 5 percent of total viewer time and less than five percent of advertising dollars. It provides little if any local content. It appears to occupy a new media space.⁵ It provides a national, non-video product.⁶ It is a major means of personal communications, but does not provide independent voices or balance the immense power of traditional mass media to influence public opinion, particularly when public policy has allowed existing media owners to increasingly control the communications infrastructure underlying the Internet and to direct the flow of information on the Internet.

While the number of hours on-line has grown to around 10 per week, it is important to recognize the different activities that make up the total. Between one-quarter and one-third of that online time is spent in personal communications – e-mail, instant messaging and chat. . Another one-quarter of the time on line is spent in personal business activities – work and shopping – not typically associated with the mass media. Thus, half or less of the time online is spent in news and entertainment activities that can be seen to compete with the traditional mass media.

The order of magnitude of the difference in usage is striking. The average consumer spends between fifteen and twenty times as much time engaging in news, information and entertainment activities with the traditional mass media as the typical Internet user spends in similar activities online. In contrast, the average Internet user spends half as much time in these activities as the average consumer does in telephone conversations.

There is a small subset of the population that makes very intensive use of the Internet. Exhibit 2 shows respondents' total hours of use for each of the major media, categorized by the media that was the source of most of their news and information. One-sixteenth of the respondents cited the Internet as their primary source of news. They are the most intensive users of media, with a very large number of hours devoted to the Internet, compared to the remainder of the population. They are light users of TV. All of the groups who did not cite the Internet as their primary source of news had roughly the same amount of Internet use – between seven and eight hours per week. Similarly, there is relatively little variation across the groups in terms of newspaper usage.

EXHIBIT 2: Media Usage by Type of Media Used Most Often For News

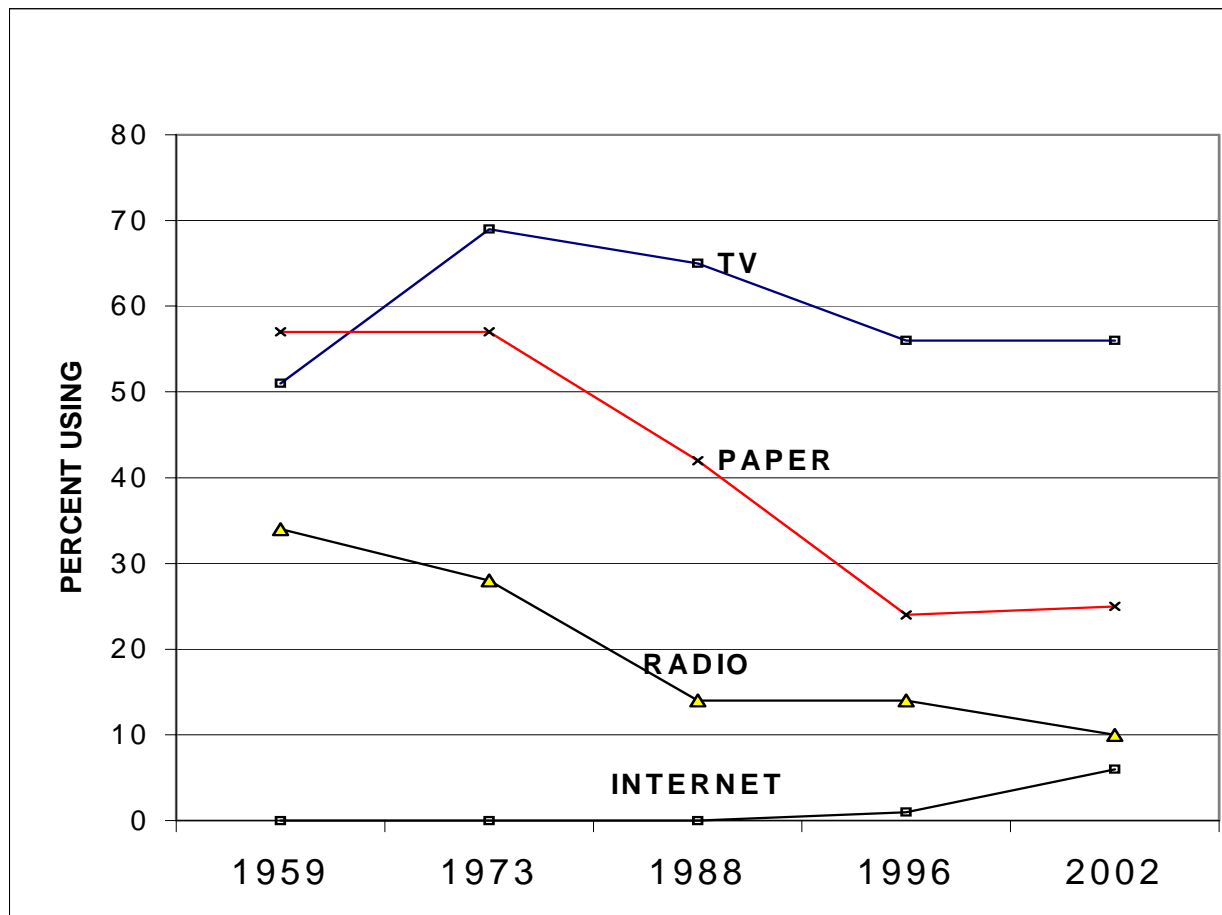


SOURCE: Federal Communications Commission, Study 8, *Consumer Survey on Media Usage*, prepared by Nielsen Media Research, September 2002, Question 7. Multiple responses allowed, percentage of total responses.

B. SOURCES OF NEWS AND INFORMATION

Claims that Americans are turning away from TV to the Internet for news are not supported by the evidence. (FCC, 2001: 8) Exhibit 3 suggests the relatively small role that the Internet plays as a source of news and information in comparison to the traditional mass media. TV is dominant with 56 percent of the respondents citing it as their primary source of news. Newspapers are second, with 23 percent. The Internet is a distant fourth with only six percent citing it. These percentages have been stable since 1996 when the Internet began its major penetration of American homes.

EXHIBIT 3: Respondents “Get Most News” from TV And Newspapers



Source: Roper, *America's Watching: 30th Anniversary 1959-1989*; Graber, Doris A., *Processing Politics: Learning from Television in the Internet Age* (Chicago: University of Chicago Press, 2001), p. 3; Nielsen, *Consumer Survey on Media Usage* (Federal Communications Commission, Media Ownership Working Group, September 2002).

Examining the sources of information that respondents turn to on the web reinforces this conclusion. The web sites of the main TV outlets and newspapers dominate as sources on the Internet. Even the six percent of respondents who say it is their primary source of news are more likely to say they use the web sites of major TV networks or newspapers than other sites. A survey conducted in mid-2000 sheds further light on this issue. It asked respondents whether they had ever heard of specific online news sources and whether the sources are believable. Respondents were much more familiar with the web sites of existing broadcast and newspaper firms and found them much more believable. The use of online media has not substantially changed individual news sources. A study by Arbitron (2003) found that almost half of all

Internet users visit the web sites of Newspapers and TV stations and about one quarter pay a monthly visit, a high rate of conversion.

Post-September 11 surveys reaffirm this pattern. (Roper Reports, 2002) TV is the primary source for breaking news – what is known in advertising as the announcement function. Radio plays a small role. TV’s dominant role persists in the follow-up function while radio drops off. Newspapers take on a larger role in the follow-up function. The Internet does not play such a role. We observe similar changes on a year-to-year basis. We would expect more interest in news and that is what we find. Newspapers and TV show the largest increase with the Internet slightly surpassing radio.

Perhaps the most decisive blow to the claim of an Internet revolution can be seen in responses to questions about where people turned for their main sources of campaign news in elections. (Norris) TV still overwhelmingly dominates, followed by newspapers, radio, and then the Internet (see Exhibit 4). The number of respondents who cite TV and newspapers is over 13 times that of the Internet. This parallels the finding that respondents spend about 15 times as much time gathering news and information on TV and in the newspapers as they do on the Internet. This is true of both local and national elections.

EXHIBIT 4: QUESTIONS ABOUT IMPORTANCE AND USE OF MEDIA SOURCES FOR LOCAL AND NATIONAL NEWS AND CURRENT AFFAIRS

QUESTION	WEIGHTS			
	TV	Papers	Radio	Internet
PEW QUESTIONS				
How have you been getting most of your ^{a/} news about the presidential election campaign?	60.5	25.5	9.7	4.8
How do you get most of your news about ^{b/} the election campaigns in you state and district?	55.5	27.8	10.9	5.9
FCC QUESTIONS				
What single source do you use most often ^{c/} for local or national news and current affairs?	58.8	24.4	10.5	6.2

^{a/} Pew Center for the People and the Press, *Sources for Campaign News, Fewer Turn to Broadcast TV and Papers* (Feb. 5, 2000), q. 13.

^{b/} Pew Center for the People and the Press, *Modest Increase in Internet Use for Campaign 2002* (Jan. 5, 2003), q. 17.

^{c/} Nielsen Media Research, *Consumer Survey On Media Usage* (Federal Communications Commission, Media Ownership Working Group Study No. 8, September 2002) question no. 10.

C. SUBSTITUTION

In a sense, the claim that the Internet has revolutionized mass communications must be, in one sense, a claim about substitution. The Internet must be displacing other means of disseminating and exchanging information. Econometric analysis of substitution does not support such a conclusion. The most detailed substitution analysis commissioned by the FCC involved usage data for markets and individuals. It focused on “the question of whether the changes in the availability or use of some media have brought about changes in the availability or consumers’ use of other media, or whether different media serve as substitutes for one another for information consumers.” (Waldfoegel: 3) It goes on to claim that “this study examines the extent of substitutability across media.” (Waldfoegel: 40)

The study introduces a concept of “behavioral neutrality” as a measure of complete substitution stating that “with complete substitution, the civic behavior affected by media consumption will also be unaffected by changes in availability of use of any particular medium.” (Waldfoegel: 40) The study cites a variety of evidence that shows that “behavioral neutrality fails.” (Waldfoegel: 40) In fact, the study never addresses the extent of substitution in a statistical sense. If there is any substitution, it is minuscule.

Although the study never analyzes the magnitude of substitutability, there are two indications that it is very small. First, cross-media substitution explains virtually none of the variation in media usage. For example, the demographic control variables that are utilized in the analysis explain 12.44 percent of the variance in the number of TV news half hours watched. Adding in the use of the four other media for news and information gathering increases the explained variance to 12.65 percent. In other words, media substitution accounts for less than one-quarter of one percent of the variance in TV media use. Moreover, part of that variance is explained by complementarities (positive relationships) not substitution. In no case did the media variables account for more than two percent of the variance in the target (dependent variable) media use.⁷

With little variance explained, we would not expect to find large effects. In economic terms, the cross elasticities of demand are minuscule. For example, in the Internet-TV relationship, for which the study finds the strongest evidence of substitution, we find an elasticity of .02. In other words, if the Internet usage were to double (increase by 100 percent) TV usage would decline by just 2 percent.

To examine the pattern of substitutability/complementarity with Nielsen survey data, we ran correlations and regression, testing substitutability in a number of subgroups of the population. Simple bivariate correlations and multiple regressions controlling for age and gender were estimated for the following groups of respondents: All Respondents, Internet Users, Non-Internet Users, TV (broadcast or cable) for most news, Not TV for most news, Broadcast for most news, Cable for most news, Newspaper for most news, Radio for most news, Internet for most news. Not one of the correlations or regression coefficients indicated substitutability. Every correlation and regression indicated complementarity and many were statistically significant.

Another possible approach to the complementarity/substitutability issue is to look at various groups according to their level of usage. Media junkies might use the media as complements; low volume users might use them as substitutes. To examine this possibility, the relationship between the uses of various media was examined in two subgroups. Because the distribution is slightly skewed (the mean is almost one-third higher than the median), we divided the population as follows:

- low use respondents, defined as the 50 percent of respondents whose total use of the media fell below the median, and
- high use respondents, defined as approximately one-third of the respondents whose use fell above the average.
- The median use is 45 hours per week; the average use is just under 57 hours per week.

This approach shows a hint of substitution, but just a hint (See Exhibit 5). The complementarities between the media are a lot stronger and larger for the more intensive media

EXHIBIT 5: COMPLEMENTARITY/SUBSTITUTABILITY IN HIGH AND LOW USAGE GROUPS

(Coefficients shown are significant at the .01 level or higher)

	Broadcast	Cable	Newspaper	Radio	Internet
LOW USE RESPONDENTS					
(Below the Median)					
Broadcast	-	-.12		-.12	-.10
Cable	-.18	-		-.13	
Newspaper			-		
Radio	-.18	-.13		-	
Internet	-.18				-
Adjust R ²					
All variables	.074	.051	.059	.057	.092
Demographics only	.027	.022	na	.025	.074
HIGH USE RESPONDENTS					
(Above the Mean)					
Broadcast	-	.18		-.12	
Cable	.20	-			
Newspaper	.40	.35	-	.39	.21
Radio	-.10	-		-	-.10
Internet			-	-.13	-
Adjust R ²					
All variables	.091	.070	.087	.038	.088
Demographics only	.019	.001	na	.017	.072

users than the substitution effects are among the less intensive users. In neither of the subgroups does substitution between the media explain more than five percent of the variance in usage. In all cases the size of the substitution effect is quite small.

D. CONCENTRATION OF THE SUPPLY SIDE

The failure of the Internet to revolutionize the mass media on the supply-side is similar to the demand-side picture presented above. The Internet is starting to look a lot like cable TV in its revenue model. AOL, still the leading Internet service provider, has engaged in bundling that is like cable's bundling, adding more and more features that glue in different segments of the market. AOL makes much more in subscription revenue than the entire Internet generates in advertising revenue.⁸ This is somewhat greater than the proportion of subscription to advertising on cable.⁹ After a five-year struggle to gain carriage on cable systems, AOL declared that its high-speed Internet offering would be just like HBO.

In this subscription model people pop on and off to meet their short, narrowcast needs, but are not glued to the tube and do not generate a great deal of advertising (or, for the moment, ancillary revenues). It is a personal productivity device particularly well-suited to information intensive users.¹⁰ For the vast majority, it is a shopping mall at the fingertips of subscribers, enhancing daily activities. Internet traffic is made up of a few hours of online time per week, spread over a dozen sessions with a minute or so at any given page. The leading advertisers on the Internet are a completely different group than one sees on television.¹¹

The Internet provides a most instructive lesson for market structure analysis, since, in theory, the number of Internet Service Providers is infinite, yet the market has become concentrated. Notwithstanding AOL's problems, it remains the leading firm for subscription.¹² Even more striking is the growth in the concentration of usage.

Because the number of potential online channels is infinite, some assume that market dominance is an impossibility on the Internet. This is faulty reasoning. Gauging consolidation online simply requires a different measuring stick than it does off-line.

Analysis of Media Metrix data over the past three years shows an incontrovertible trend toward online media consolidation.... Between March 1999 and March 2001, the total number of companies controlling 50 percent of user minutes online decreased by nearly two-thirds, from 11 to four. (Jupiter Research, 2001)

Using standard measures of market concentration (see Exhibit 6) – Herfindahl Index (HHI) and the Four Firm Concentration Ratio (CR4), we find that most aspects of the Internet use are moderately concentrated. Subscription search engines fall in a similar range. The HHI is at about the level of moderately concentrated (1100). The market share of the largest four firms (CR4), a frequently used measure of market concentration ratio, is 60 percent. This is quite high, considered a tight oligopoly.

EXHIBIT 6: MEASURES OF INTERNET CONCENTRATION

Measure	HHI	STATUS OF MARKET
Residential		
All Subscribers	2100	Highly Concentrated
High-Speed	1400	Moderately Concentrated
Viewing Time	1200	Moderately Concentrated
Search Engines	1100	Moderately Concentrated
Local High-Speed Facilities	5300	Highly Concentrated

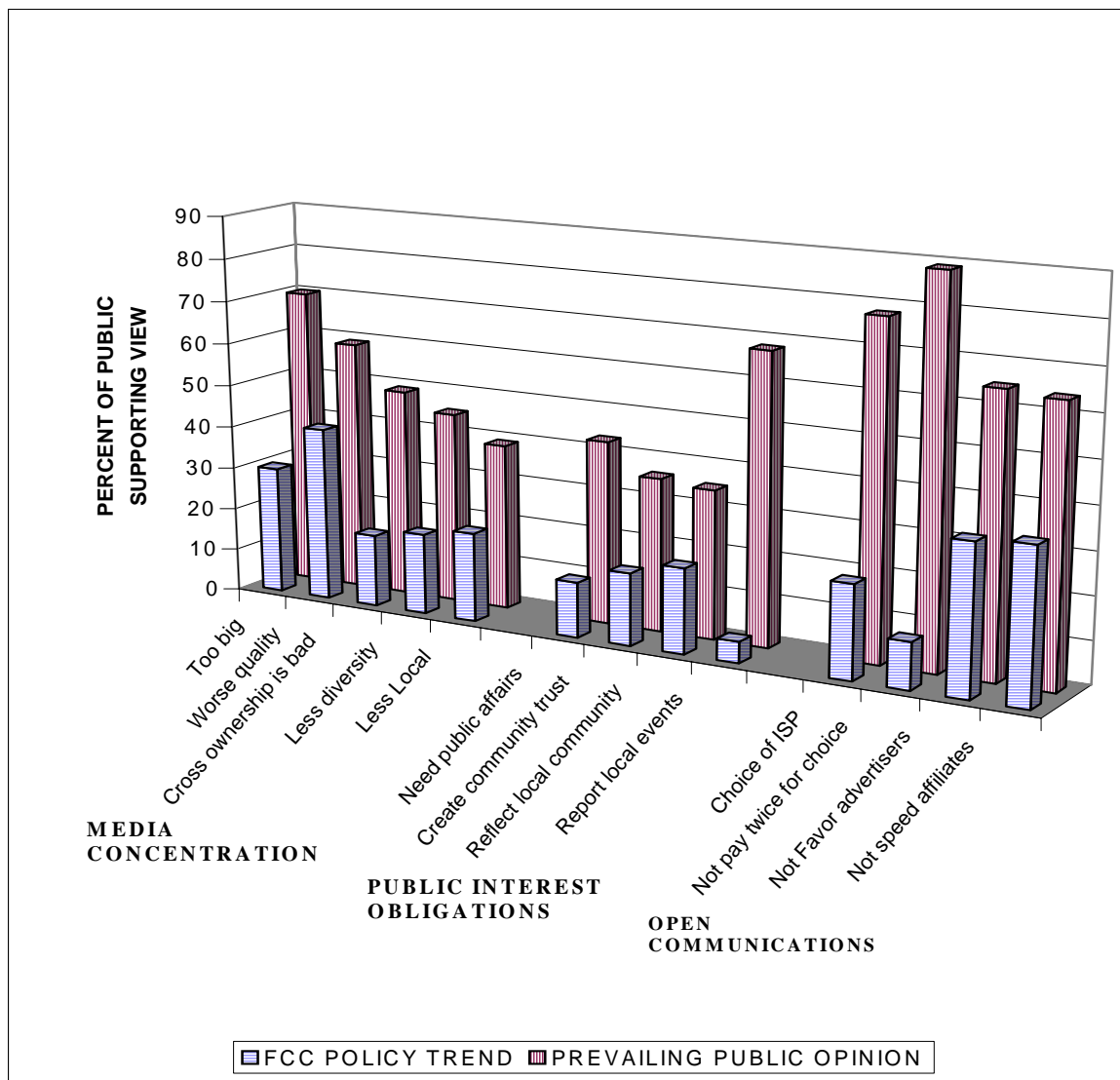
Sources: Jupiter Research, *Online Media Consolidation Offers No Argument for Media Deregulation*, 2001; Tair-Rong Sheu and Kathleen Carley, "Monopoly Power on the Web – A Preliminary Investigation of Search Engines," *20th Telecommunications Policy Research Conference*, October 27, 2001; Simon, Bernard, "Some Bet the Future of Broadband Belongs to Regional Bells, Not Cable," *New York Times*, July 21, 200, p. C-1, Federal Communications Commission, *High-Speed Services for Internet Access*, June 10, 2003.

IV. HOPE SPRINGS ETERNAL: TOWARD A PARTICIPATORY, DELIBERATIVE COMMUNICATIONS PLATFORM

While the hope and hype of the Internet may have had a rude awakening in meeting the reality of mass media markets, hope springs eternal. The current generation of Internet activists understands mistakes of the past. While technologists were slow to recognize the role of policy, the new activists recognize the need for intervention to use the technology to promote change. They recognize the need to create, through policy, a public space that is insulated from commercial interests. They recognize the need to nurture the many-to-many potential of the Internet as a political force. They can take some solace from the fact that public opinion still provides the basis to believe that there is fertile ground to plant the seeds of a new form of participatory democracy.

A. PUBLIC OPINION

Public opinion now expresses strong concerns about the development of television, which is reflected in attitudes about the Internet (see Exhibit 7). The public overwhelmingly feels that media companies are getting too large; the margin was 70% to 12% (with 18% undecided or giving no answer). (Consumer Federation of America, 2002) The public also opposes mergers across media types, such as between broadcast stations and newspapers in the same city. A poll conducted by Laurer Research in March of 2002 asked whether such mergers would be good or bad for the country. (Laurer Research) The negative reaction was even stronger – 75% percent of respondents said mergers would be bad, compared to 12% who said they would be good (10% undecided or don't know).



SOURCE: Digital Media Forum Survey Findings on Media Mergers and Internet Open Access, September 13, 2000. Consumer Federation of America, Media Policy Goals Survey, September 2002; Mergers and Deregulation on the Information Superhighway: The Public Takes a Dim View: Results of a National Opinion Poll (Consumer Federation of America and Center for Digital Democracy September 1995).

Concern about the impact of mergers on the quality and content of programming reflects a deeply seated concern among consumers about the media. They do not feel that television accurately represents the average consumer (60% vs. 28%). Almost one half (47%) does not trust the information they find in the news.

Respondents deem it important that shows reflect the cultural and ethnic make-up of the community (very important = 35%, somewhat important = 42%, not important at all = 23%). Similarly, they deem it important to have public affairs programs that discuss local issues (very

important = 43%, somewhat important = 43%, not important at all = 13%). They find it very important (68% = very, 25% = somewhat) that local news and events are reported.

The public supports a range of public interest obligations. Almost two-thirds of respondents believe that broadcasters will just maximize profits if not directed to air public interest programming (63%). (Lake Snell Perry & Associates) Substantial majorities of respondents believe broadcasters should provide public service programming and services. For example, approximately 70 percent of respondents say broadcasters should be required to provide more educational programming, and that figure rises to 85 percent when the new digital spectrum can be used for this purpose.¹³ The public supports a community trust fund to support public programs (very important = 36%, somewhat important = 43%; not important at all = 17%).

The support for community-oriented activities with respect to television has transferred to the new communications media – the Internet. Respondents express support for public interest obligations extending to the Internet. They would like some sections of the Internet to be commercial free (82%) and protected from commercial development (77%). They believe some of the space on the Internet should be devoted to public forums (72%) and non-profit groups (68%). They believe Internet service providers should give free advertising to charities (65%) and regularly post public service announcements (59%).

Asked about future political developments, respondents express a range of interest in the Internet. The most frequently given hope was “opportunities for the public to contribute to policy-making via the Internet.” (Coleman and Gotze: 22) Almost two thirds of the respondents gives this as either their first or second preference.

Thus, there is a sound basis for maintaining hope that a broader public can be drawn into a more participatory democratic process that occupies a broader public space in society. The possibilities and challenges can be framed in terms of the four modalities of regulation. We identify the technological source of social change, the possibility of noncommercial relations and public space, the tools for engagements and action.

B. A NEW PLATFORM FOR DEMOCRATIC DISCOURSE

1. Technology Creating the Potential to Change Social Processes

In the electronic age, information production has exhibited economies of scale typical of the industrial age.¹⁴ Capital-intensive technologies and high first copy costs have created substantial economies that dictate very large-scale production. This was not always the case, nor need it be in the future, but it has been the fact of life for information production in the industrial age.

Indeed, a dramatic shift in the economics of the information environment has taken place that alters the relative cost and importance of the factors of information production. The growth of the Internet and its underlying technologies has changed the fundamental economics of information production. “As rapid advances in computation lower the physical capital cost of

information production, and as the cost of communications decline, human capital becomes the salient economic good involved in information production.” (Benkler, 2002: 1)

The technological capabilities of the information environment were unleashed by a fundamental architectural principle. The end-to-end principle allows interconnection and interoperability in a manner that is particularly well-suited to economic and political goals. The transparency of the network and its reliance on distributed intelligence foster innovation and empower speakers at the ends of the network. The resulting change arises not only because of the intensity of use of the factors of production, or even its speed, but also because a fundamental change in relationships between the factors of information production has taken place. Consumption and production merge into use. (Castells: 28)

The technological transformation opens the door to institutional changes. The institutional forms that economize on the most valuable factor of production (now human capital), by reducing cost or maximizing output, will expand. Put another way, the scarcest or most critical input becomes the focal point of attention in economic activity. (Langois: 15) This makes it possible for a wholly new form of information production to exist on a sustainable basis – peer production. “The strength of peer production is in matching human capital to information inputs to produce new information goods.” (Benkler, 2002: 41)

2. Prospects for a Non-Commercial Space of Information Production

Peer production is broadly defined to include “models of non proprietary production by peers who do not interact either through a firm or through a market.” (Benkler, 2002, 4) Benkler offers a range of examples of from the open source movement, academic enterprises to Napster.

Yochai Benkler’s discussion provides an increasingly detailed explanation of why peer-to-peer collaborative production is successful. The organization problem is to recruit human capital and coordinate its activity. Production of non-commodified information products is accomplished on a sustainable basis because diverse sets of individuals can be recruited to perform various tasks necessary to accomplish a goal. “Peer production better produces information about available human capital, and increases the size of the sets of agents and resources capable of being combined in projects – where there are increasing returns to scale for these sets.” (Benkler, 2002: 23)

Because the pool of potential contributors is made so large by the low cost of communications and the wide distribution of intelligence in the network, recruitment is not a problem. Because tasks can be modular and granular, commitments do not have to be too great to tax even weakly motivated individuals. Volunteers, responding to any of a variety of motives, can be found.

To establish the new organizational form on a permanent basis to at least cohabit information space with commercial production requires institutional solutions to several critical problems.

Integration of production is a difficult problem, concerned with both coordination of tasks and the ability to sustain a flow of commitments (the defection problem). How does the institution identify critical problems and get them solved in a “timely” manner? Benkler presents a variety of empirical solutions that seem to be emerging, including increasing use of machine intelligence and mild forms of hierarchy, but does not have a full-blown theory of integration. He argues that an overarching principle of open licensing preserves the essence of the enterprise. There is a fundamental difference between no license and an open source license. The work product, generated in a shared-collaborative context, cannot be hijacked and therefore it merits continued commitments of resources. In other words, the nature of the institution needs formal protection that merits commitment.

One of the more important debates in the peer-to-peer community is the extent to which new means of production can rely on a “gift” culture as a permanent basis for recruitment. Benkler recognizes that peer-to-peer production remains dependent on a critical boundary condition with other organizational forms. Collaborators, by and large, volunteering spare time, make up the body of producers, bringing expertise from the outside and the ability to give time because they have alternative means of sustenance. They may enjoy significant personal rewards (psychic and professional) as a result of their participation. “This thesis does not take the question of how to keep body and soul together from this activity as central, but rather explains why people who have a day job will nonetheless devote their time for creative play in this immensely productive manner.” (Benkler, 2002: 35)

Lessig and Benkler identify another important challenge — access to the underlying communications facilities. Lessig has expressed strong concerns that commercial facility owners have the power to dominate the production and dissemination of information. The solution offered is unlicensed use of spectrum.

Consider the following exercise that engages in what Larry Lessig calls translation in his book *Code and Other Laws of Cyberspace*.

Over the course of the last century it became clear that electronic voices drown out human voices – just watch where politicians spend their advertising dollars to get elected. Congress and the Supreme Court have labored against this tendency by supporting policies to promote diversity and localism in the media. The bold aspiration of the Supreme Court for the First Amendment in the age of electronic media is to achieve the **“widest possible dissemination of information from diverse and antagonistic sources.”** As electronic media came to dominate the dissemination of information in the twentieth century, Congress and the Court recognized the unique importance of electronic voices and the problem of having a limited number of broadcasting opportunities available. As the Supreme Court concluded in *FCC v. National Citizens Commission for Broadcasting*, “Because of the problem of interference between broadcast signals, a finite number of frequencies can be used productively; **this number is far exceeded by the number of persons wishing to broadcast to the public.**” The imbalance between speakers and electronic voices lies at the heart of the contemporary constitutional policy affecting electronic mass media.

Notwithstanding the growth of commercial channels to distribute content, there are not nearly enough channels to empower every speaker. There are fewer than 20,000 broadcast stations in the country today, owned by about 4,000 entities, serving over 280 million people. There are fewer than 400 owners of full power TV stations and large cable TV systems – the really big electronic voices – serving 280 million people in 105 million households.

The technology of the digital information age creates the possibility that every American could have an increasingly powerful electronic voice. Wireless transmission between increasingly powerful computers acting as smart radio receivers and transmitters creates the potential for a new distribution network that does not require the allocation of spectrum to specific uses or licensees. This is a truly disruptive technology based on exactly the same principle as the Internet. Tens of millions of computer owners – interoperating freely in an information space defined by an open protocol – replace the handful of entities that hold licenses to slices of the spectrum.

Commons advocates go farther. The political and economic principles converge in the movement for unlicensed use of spectrum. In the days when technology dictated the necessity of dedicating spectrum it could be argued that some electronic speech, made possible by license management, was better than none. Of course, there are those who doubt whether licensing ever made sense and think the public interest obligations of licensees should have been much more demanding. Regardless of the historic logic or illogic of licensing, the technology that has made open spectrum possible should certainly relegate it to the dustbin of history. Once the possibility of unfettered speech becomes possible through open spectrum, how can the government dare to stop me from speaking, as long as I do not interfere with the rights of others to speak? At this point the First Amendment absurdity of selling an exclusive right to electronic speech to corporations by government fiat to have them sell that right back to the people with spectrum that is too inexpensive to matter should be obvious. Why interject two interlopers – first the government and then the corporation – between me and my right to electronic speech?

Expanding the reliance on open spectrum would promote both consumer and citizen interests by stimulating vigorous, atomistic competition in the economy and unfettered democratic discourse in the polity. Of course, exploitation of open spectrum will require investments by wireless providers and consumers in capital equipment, but it will be vastly more decentralized than the investment in auctioned spectrum. It will empower infinitely more people to speak and far more enterprises to compete for the distribution of information. There is no doubt that the open communications platform of the narrowband Internet was vastly superior to the closed communications platform that now plagues the broadband Internet.

3. Engagement in Democratic Deliberation

James Fishkin identifies four key characteristics of what he calls “a democracy of civic engagement” – equality, participation, deliberation and non-tyranny. One could hardly think of four characteristics that better describe the peer-to-peer productions of information.

Political equality: citizens' preferences count equally in a process that can plausibly be viewed as representative of everyone. *Deliberation*: a wide range of competing arguments is given careful consideration in small-group, face-to-face discussion. *Participation*: A significant portion of the citizenry is engaged in the process. *Non-tyranny*: the political process avoids, wherever possible, depriving any portion of the citizenry of rights or essential interests. (Fishkin: 34)

Stephen Coleman and John Gotze combine the concepts as follows. "Public engagement can be described as deliberative when [it] encourage[s] citizens to scrutinize, discuss and weigh up competing values and policy options... encourage preference formation rather than simple preference assertion." (Coleman and Gotze: 6)

Interestingly, the problems of achieving a democracy of civic engagement in a large nation are similar to the problems confronting the institutionalization of peer-to-peer production on a large scale and long-term basis. One the absolute number of members of the polity become large, achieving participation in deliberation becomes problematic. Fishkin gives the historic context. In the ancient Athenian democracy at least ten percent of the citizens met to deliberate twice a month. Using the U.S. voting age population, that works out to 18 million people gathering in one place every two weeks, an impossible challenge in physical space.

Once the prospect of inclusive face-to-face meetings is confronted, the essential problems of civic engagement are parallel to the peer-to-peer problem: sampling to ensure representativeness (making sure the important tasks are identified); scheduling to get all the participants in the right place (getting tasks done); and coordination and management of interactions so that people can hear and be heard.

The simple principles now become layered with an increasingly complex set of objectives, to keep the process headed in the right direction. Far from a "free-for-all," deliberative policymaking requires trusted facilitation – rules for discussion, an attempt to reach a conclusion, an account of what happened and feedback.

The characteristics of the deliberative forum are the antithesis of the media driven, one way dissemination: striving for "access to balanced information, an open agenda, time to consider issues expansively, freedom from manipulation, scope for free interaction between participants, inclusive representation of citizens, recognition of differences between participants, rejection of status-based prejudice." (Coleman and Gotze: 6) The layering of challenges underscores the difficulty accomplishing all the objectives (see Exhibit 8). Moreover, there are many ways in which there is a conflict between them.

Cognizant of past failures, the pursuit of a democracy of civic engagement can be seen as moving down two paths that are intertwined. On one path web tools are used to make physical space meetings work better. Conducting more small, face-to-face meetings entails promotion, scheduling, enrolment and coordination. More importantly, perhaps the structure of the meeting focuses on the deliberative activity. On the other path, technology is used to enrich large-scale cyberspace meetings. Software based approaches to queuing, speaking, cross-talk and deciding give a qualitative feel of actually meeting. (Cavalier, Easterling) Of course, the two types of

EXHIBIT 8: COMPLEX CHARACTERISTICS OF DELIBERATIVE DEMOCRACY

Equality	Participation	Deliberation	Non-Tyranny
Inclusive Sample	Free interaction	Time to Consider	Open Agenda
Access to balanced information		Rule based discussion	Freedom from manipulation
Recognition of differences			Rejection of status-based Prejudices

Sources: James Fishkin, *The Voice of the People: Public Opinion & Democracy* (New Haven: Yale University Press, 1997), p. 34; Stephen Coleman and John Gotze, *Bowling Together: Online Public Engagement in Policy Deliberation* (London: Hansard Society, 2002), p. 6.

activities can converge and intertwine in efforts to promote physical meetings on the basis of a cyber start and visa versa. (Davis, Elin and Reeher)

4. Participation in Action

The ultimate objective of the democracy of civic engagement is to shrink the gap between citizens and politicians or eliminate the distinction between civic discourse and political action. It would be appropriate to delete the distinction between the two.

The deliberative poll melds the traditional function of a poll – signaling preferences to representatives – with the engagement of citizens in action. Fishkin describes the difference as follows:

A deliberative poll is not meant to describe or predict public opinion. Rather it prescribes. It has a recommending force: these are the conclusions people would come to, were they better informed on the issues and had the opportunity and motivation to examine these issues seriously. It allows a microcosm of the country to make recommendations to us all after it has had the chance to think through the issues. If such a poll were broadcast before an election or a referendum, it could dramatically affect the outcome. (Fishkin: 162)

Fishkin's concept of deliberative polling creates a new function for a mass democracy with television as a means of communications. It is more than the mere act of registering opinions on standard public opinion polls so often used by politicians in their

effort to judge the drift of voter sentiments. It is less than the voter poll, the act of registering opinions by pulling the lever in the polling booth, which determines the fate of politicians.

The parallel to Benkler's concept of the transformation of consumers into users of information is instructive. What becomes possible is a conversation, a dialogue on a broader scale.

Technology now makes possible the attainment of decentralization and democratization by enabling small groups of constituents and individuals to become *users*—participants in the production of their information environment—rather than by lightly regulating concentrated commercial mass media to make them better serve individuals conceived as consumers...

In this information environment, the end points are users – an ambiguous category from the perspective of an established conception of an information environment composed of (a small number of professional) producers and (a large number of passive) consumers. Users sometimes receive information and sometimes rework it and send it to others. They can play the roles of producer and consumer. Their acts of reception are dialogic in the sense that they can easily be mapped as moves in a conversation rather than as endpoints for the delivery of a product (Benkler, *Consumers*, 2000: 562)

Although deliberation is political action in Fishkin's sense, the large democracy remains representative, at all but the most micro level. Representatives still exist and somebody has to "broadcast" the poll. The deliberative process must give rise to specific political acts to influence policy. There is no dearth of opportunities in cyberspace, although the opportunities can be seen in traditional types of political activity, participation and protest.

Engagement in political acts is facilitated by Internet based or web-based representative democracy: communicating with officials through e-mails, volunteer solicitations, fund raising, and visits to web sites for information and voter instructions.

Web-based protest movements have captured a great deal of attention. (Meikle) Civil disobedience in physical space can be greatly enhanced by the use of the Internet as an organizing tool. This is the first path of engagement mentioned above. It also becomes the locale of civil disobedience itself, an increasingly powerful tool as the Internet become more deeply ingrained in daily life.

C. CONCLUSION

The limitations of the Internet reveal the strain that cyberspace, much like television, has put on democracy. Countless twentieth century philosophers and analysts have predicated human responsibility and action as the only true success model for democracy. Placing the "burden of social change on technology itself rather than in social institutions...misses an important historical lesson: technologies embody, in their production, distribution and use, existing political

and social relationships.” (Mosco: 73) It is crucial to recognize that human beings, not the technology itself, are collectively responsible for the soundness of our democracy. Pretending that the technology will accomplish our goals for us without our active guidance (Miller: Chs. 1, 2,3; Liberty: Ch. 8; Levy: Introduction; Mosco: Ch. 1) has allowed the Internet to amplify “the passive spectator-democracy of sound-bites and photo-opportunities rather than encouraging real participation.” (Wise: 202)

The current generation of Internet activists has firmly embraced the proposition that the technology alone will not solve the fundamental problem. Rather, “policy decisions we are making today will shape the pattern of discourse and the effective freedom to speak for decades to come.” (Benkler, 2001: 84) This activist goal has a somewhat different, perhaps more limited, objective than the earlier social critique “we must build a core common infrastructure that will allow commercial and noncommercial, professional and amateur, commodified and noncommodified, mainstream and fringe to interact in an environment that allows all to flourish and is biased in favor of none.” (Benkler 2001:3) It is certainly no less urgent.

ENDNOTES

¹ Street: 9, citations to Habermas omitted.

² Concerns about establishing a public sphere, or commons, as the key to a significant enrichment of democratic discourse are echoed by others; see Blumler and Gurevitch, O’Loughlin, and Agre.

³ Ofori asserts a bias in advertising rates. Bradford asserts a bias in capital markets.

⁴ Saco: 47, quoting Arendt.

⁵ Stempel, Hargrove and Bernt: 75 present the results of a unique longitudinal study that allowed for careful elaboration of research findings. They emphatically reject the notion that the Internet is stealing attention from other media.

Our findings seem consistent with the speculation from many quarters that the Internet has taken people away from other media. However, [it] tells a different story. Almost exactly half of our sample indicated they are using the Internet at least once a week, so we compared use of other media by those who use the Internet and those who do not. Users and non-users of the Internet both used network TV news to about the same extent. Those who use the Internet were slightly less likely to use local TV news, but the difference was not statistically significant. Those who use the Internet were more likely than those who don’t use it to be regular newspaper readers and regular radio news listeners. So the Internet is not stealing readers from newspapers or listeners from radio.

⁶ It can be argued that before the advent of TV, radio occupied this product space (see Tankel and Williams).

⁷ Since the study is proprietary, we report only the summary result. The results of the statistical runs are stored in confidential computers at the Federal Communications Commission and available upon request.

⁸ A low estimate of AOL subscription revenues is \$8 billion. Internet Advertising revenue is estimated in the range of \$1-2 billion.

⁹ Wall Street analysts praised the merger on these grounds, see Consumers Union, et al., 2000.

¹⁰ Stempel, Hargrove and Bernt: 78,

Clearly an information-seeking device helps explain the greater newspaper use by Internet users, and this information-seeking behavior may run two ways. Internet users may turn to their newspapers or newspaper readers may go to the Internet for more information on a given topic. Either is possible sequentially as a supplemental information-seeking behavior. What is at least not practical is going from either the Internet or the newspaper to TV news to seek additional information on a given topic. TV news is not organized in a way that makes this practical or even possible in many cases.

¹¹ This discussion is based on Nielson ratings for May and June 2001.

¹² A leading or dominant firm proviso was included in the 1982 Merger Guidelines but was subsequently dropped. Shepherd talks about firms with a 50 percent or more market share as leading firm and a source of concern.

¹³ *Project on Media Ownership*, 2000.

¹⁴ High first copy costs are an enduring quality of information that is reinforced in the industrial age by the presence of high capital costs. In the pre-industrial and (perhaps) post-industrial periods first copy costs entail high human capital costs.

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