

[US] Communications “Reform” Legislation

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Even while the Administration's and the Congress' inability to negotiate a new budget shut down most federal government offices, politicians in the House and Senate continued to fight over communications "reform" legislation. Each house has passed its own bill - H.R. 1555 in the House and S. 652 in the Senate. They were similar to the extent that both broke down many traditional regulatory barriers; telephone companies could offer cable-type video programming, and cable companies could sell local telephone-style service. As of the Fall, the two bills were sent to a "conference committee" to work out their inconsistencies and create a single piece of legislation. Largely because of the budget battle, however, the conference committee was very slow in even beginning its work. A few days before Christmas, the committee announced that it had reached agreement on the legislation. The major points of consensus were as follows: (1) delaying the regional bell operating companies' (RBOCs') entry to video programming; (2) allowing the RBOCs to offer long-distance service; and (3) keeping the FCC's present limitations on concentration of control in broadcasting. This should have been the end of the process. After all, Vice-President Gore already had said that the White House would not veto the legislation, since the Administration views telephone/cable competition as a means of moving along construction of the high-capacity networks necessary for the creation of its "National Information Infrastructure" - the "electronic superhighway." Even after the conference committee report, however, powerful individual members of Congress continued to oppose some parts of the compromise measure. Several major Republican politicians objected to leaving the broadcasting ownership restrictions up to the FCC; instead they wanted the House bill's provisions, which effectively would abolish all limitations on both common and cross ownership.

It is therefore difficult to predict the legislation's immediate future. Under normal circumstances, it should pass both houses of Congress very quickly, and be signed by President Clinton. But the budget fight goes on, and Congress is not likely to stay in session after the New Year. If Congress recesses in the near future, it probably will not come back until the end of January. An shortly thereafter, the 1996 presidential campaigns will begin with real seriousness. Since the communications reform legislation has major political consequences, there would be a good chance that neither the Democrats nor Republicans would be willing to share credit with the other party for helping to implement the "superhighway".

Although almost all observers had predicted that the legislation would pass by the end of 1995, it now is unclear when - or even if - it will pass. After all, last year's reform bill - S. 1822 - was due to pass at the end of the term, and failed at the last minute because of opposition from the long-distance carriers.

