Media Ownership: Crash Course Media Literacy #8

Crash Course: Media Literacy
https://youtube.com/watch?v=DvSTlxJsKzE
https://nerdfighteria.info/v/DvSTlxJsKzE

Hey, check it out.

I just got this new phone. Well, kind of – I'm renting it for a couple bucks a month.

But really that's part of a bundle – you know, I've got my cell phone, my internet, my cable. All one bill, which is pretty convenient. The phone is made by another company of course, but they have this exclusive deal with the bundle people.

And the bundle people have thought a deal with the streaming service people, so now I can stream movies all the time. And the streaming service I use has a deal with my favorite TV channel, so I can watch all my shows. And the TV people just bought my favorite comic book franchise, so soon I'll be swimming in new superhero movies.

And the comic book people will be raking in the cash. Kind of, uh, complicated, no? So many deals and bundles and acquisitions to watch for.

It makes you wonder, who runs all this stuff? Who owns the media? Sure, maybe you've been keeping track of who owns your favorite media franchises like.

Star Wars (that's Disney) or Marvel (uh, also Disney) or Harry Potter (Warner Brothers, but also NBC). That way you can judge who's going to do a great job with your favorite storylines or totally ruin them with the worst casting ever oh my god why. The media at large, everything from newspapers you read to the apps on your phone, are part of a big web of deals and partnerships and mergers.

A very tangled, kind of incestuous, web. Sometimes these complex relationships work out well for the consumer. But sometimes this tangled web traps the consumer like a juicy little fly just waiting to be eaten by the big bad spider.

That's why today we're talking all about media ownership – we're going to figure out how ownership impacts your everyday lives AND we're gonna talk about the history of media ownership AND...no, that's it for today. But that's plenty. [Theme Music]. Ready for your head to spin a bit?

So. Who really owns "the media"? If you look at things from the end of 2017, the media ownership landscape looks like this:.

Walt Disney Company owns ABC and the Disney Channel of course. Plus EPSN, Miramax and Pixar, Marvel Entertainment and Publishing, Buena Vista Records, and over 270 radio stations. Plus their theme parks and tons of other related companies.

Comcast Corporation owns NBCUniversal – that means CNBC, MSNBC, too – plus channels like Telemundo, USA Network, Bravo and more. Plus Hulu and and the Universal Studios theme parks. They even own the Philadelphia 76ers and the Philadelphia Flyers.

News Corp. owns FOX – including Fox News and FX. They also own the Wall Street Journal, the Daily News and the New York Post, HarperCollins, and 20th Century Fox. Hearst Corporation owns 20 U.

S. magazines like Cosmopolitan and Esquire, plus 31 television stations. Viacom owns MTV, VH1, Nickelodeon, Comedy Central, and BET among its 160 cable channels, plus Paramount Pictures. CBS Corporation owns all the CBS-named things, 29 TV channels and 130 radio stations, plus three book publishers.

And this is all just the tip of the iceberg. I guarantee that this ownership web is already obsolete as new deals have gone through. In fact, as we were shooting this episode, Comcast, Disney, and Fox had all been discussing a possible merger.

But don't worry, we prepared for that:. There was a big merger! There wasn't a big merger!

There was something like a merger, but it was more complicated than we predicted! But all this talk of mergers and ownership begs the question: who cares? You do.

Or, rather, you will. After you hear the story of AT&T. The year is 1877 and Alexander Graham Bell and his father in law start the Bell Telephone Company.

Over time, Bell becomes the dominant telephone provider and is the first to build a nationwide long-distance telephone network. That's when they're renamed: the American Telephone and Telegraph Company. For almost 100 years, AT&T owns every part of the telephone system – from the wires and lines to the actual phones.

Yes, literally. Until the mid-1980s, if you had an AT&T phone, you had to rent it from the company. Kind of like you rent a modem for your internet now.

In the early 1900's AT&T established themselves as a walled garden. That meant it was a closed system that was not interoperable with other systems or companies. In fact, they refused to let rival companies work with them – they'd just buy them out instead.

In 1915, for instance, they bought Western Electric, one of the providers of their phone equipment. Once they owned them, they made it so that only official Western Electric equipment could connect to the AT&T network.. Jump ahead to 1934.

President Franklin D. Roosevelt establishes the Federal Communications Commission. The FCC is meant to implement a national radio and wire service in the U.

S. But the FCC also has the authority to examine AT&T's business. The question was whether AT&T's control over every part of the phone system, or vertical integration, was in violation of the law.

But the FCC approves of AT&T's business – and the company is free to dominate the market for decades, becoming bigger, and bigger. Eventually, though, AT&T becomes too big. Like way too big.

And the anti-trust lawsuits start. Anti-trust laws are what exist to try and prevent monopolies – when a single company dominates an entire market or industry. Monopolies are bad in a lot of ways.

A company with a monopoly can overcharge customers or under deliver services because there's simply no competition. Preventing monopolies, or if you have to, breaking them up, protects consumers and encourages competition. And by the 1980s, more than a century after the founding of the Bell company, those anti-monopoly efforts finally start to make a difference.

In 1982 AT&T starts letting people buy their own phones, a good first step. But in 1984, the monopoly really breaks up, and the company separates into 7 different, smaller companies. At the time, some people thought the break up of the AT&T monopoly was bad – it seemed so convenient to get all your phone maintenance in one place.

When it did break up, though, we got cool new inventions like

answering machines, three-way calling, and caller ID – all thanks to an outbreak of competition. Trust me, those things were really cool back then. Today, companies try to dominate markets through new versions of vertical integration.

Think: do you have one of those bundles? You might get your TV service, internet, and cell phone service from the same company. These companies own the world's fiber optic cables, where the internet flows. In fact, where the last 100 years of anti-trust media has largely been about phones, these days it has way more to do with the internet.

But that's where it gets a bit dicey. Let's head into the Thought

Bubble:. In a world with net neutrality, a corporate stronghold on the internet isn't too bad. You pay for internet access and you use it pretty much however you want. The net is neutrally accessible from different internet service providers, or ISPs.

If your ISP stinks or is too slow, you can often pay for a different service if there are options in your area. But the ISPs believe that, since they're delivering you a service, they should determine how it's delivered. They'd like to create tiered services, where if you pay more you get faster internet.

Basically, they want to use their vertical integration to create more monopolies. Imagine the internet is a road and the content you want is a car. ISPs would like to create a slow lane and a fast lane.

Or maybe a slow, medium, and fast lane. Depending on what you want or can afford, you'd pay for that speed. If ISPs could decide to create a slow lane and a fast lane, you can see how they could abuse that power pretty quickly.

We wouldn't get a fast lane and a faster lane. We'd get a "so slow you want to smash your computer on the ground" lane and a "probably the speeds you have now but twice as expensive" lane. As we know, internet access is crucial to thriving in the digital age, and hiking up prices would box some people out entirely.

Or, to put it more graphically, some people would be in the lifeboats and some people would be Jack and Rose, floating on a door in the middle of the ocean. Until Jack freezes to death even though he TOTALLY could have fit on the door. Thanks, Thought Bubble.

I guess. There are more consequences to net neutrality than consumer pricing. Without net neutrality, ISPs have the power to cut off or speed up certain content – like, say, their business partners or their sister companies.

Certain cars wouldn't even be allowed in the slow lane – you'd have to pay extra. So if you have Comcast as your ISP, your Comcast, NBC and Universal content might be fast but other content might be slow. Comcast owns Hulu, and Netflix is a competitor of Hulu, so who knows, maybe they'd slow down your service to Netflix – the horror!

In some countries without net neutrality, ISPs have already created walled gardens like this. You pay a base fee for internet service and then pay additional fees for a "Social media" package to access your apps or a "news package" to get your news. It's not pretty.

You can see why it's so important to understand how media companies are all connected. When they come together to form monopolies, they can have a huge impact on how a society communicates. We know that media companies like to band together through mergers and acquisitions.

Sometimes this forms healthy competition and sometimes, like we said, it creates a monopoly. But telecommunications and media have been regulated and studied for some time. You know what also like to band together through mergers and acquisitions, sometimes for competition and sometimes to form monopolies?

Tech companies like Google, Facebook and Amazon. These monster corporations have their hands on a ton of different projects. Alphabet is Google's parent company.

Google isn't just a search engine; it's also an advertising platform. Alphabet owns YouTube and over 200 other companies. Plus they make products like Android phones and Gmail and self-driving cars.

And through search and Google News they've become a major distributor of media. Amazon, in addition to being a dominant e-commerce platform, provides the internet infrastructure for tons of top companies. It also creates its own TV and movie programming through Prime and owns The Washington Post.

Similarly, Facebook owns over 50 companies like Instagram and Whatsapp. It recently partnered with news outlets to help with media distribution through its Journalism Project and its Instant Articles product. They're even dipping their toes in creating original video programming.

Plus, 45% of US adults get their news from Facebook. Forty. Five.

Percent. And yet they don't call themselves a media company. What's the big deal?

Well: currently, Tech companies aren't regulated the same way that media companies are. Remember the FCC? They regulate media companies not only to break up monopolies – they also set rules for what kind of content is allowed on TV, radio, and phones. Different rules for different technologies.

This is why some songs have "radio edits" and why you have to bleep out the live TV when the Thanksgiving Parade hosts get too tipsy. But the FCC doesn't currently have the same authority over companies like Facebook or Google – which means there is tons and tons of debate over whether they should. Media ownership can be problematic enough.

When one company dominates the means of production and creation on one product, consumers often get a lesser product. Without competition, innovation stagnates. And when companies have too much control, they can wreak havoc on our communication and culture.

When tech companies that are also media companies don't act like it, they shirk the accountability that other media organizations have. The accountability that we, as consumers rely on. Anti-trust regulations have their drawbacks.

People who prefer less government intervention don't like them. The Monopoly man certainly doesn't like them. But they're often in the public's best interest to prevent exploitation and encourage creativity.

To be a media literate citizen, it's crucial to keep an eye on how these businesses combine, split up, and interact. Their relationships with each other affect our relationships with media. Today we covered how huge corporations and their regulations impact our media environment – the macro stuff.

Next time on Crash

Course: Media Literacy, we're going micro. We'll take a look at how government policies impact how you, the consumer, absorb

and create media. Until then, I'm Jay Smooth. See you next time!

Crash Course Media Literacy is filmed in the Dr. Cheryl C. Kinney Studio in Missoula, MT.

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