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Monopoly Control over Digital Infrastructures

In early 2018, millions of Americans witnessed the rare spectacle of corporate power being brought to account. After months of damning revelations about Facebook's role in enabling disinformation and foreign interference in the 2016 US elections—including an enormous breach of users' privacy by the political consulting firm Cambridge Analytica—Congress subjected Facebook's CEO Mark Zuckerberg to a two-day grilling broadcast on national television.[1] Zuckerberg remained evasive during the hearings, and the questions posed to him by technologically inept politicians were sometimes laughable. Nonetheless, public exposure of the scandal triggered a long overdue conversation about monopoly power, its pernicious effects on society, and government's role in stopping it.

These ongoing debates have brought certain facts, long known among internet critics, to public attention: Facebook's business model relies on a massive surveillance machine, the company routinely pursues profit over democratic principles, and its CEO, Mark Zuckerberg, is not unlike a late-nineteenth-century robber baron. The company had flouted transparency and accountability for far too long. Americans had finally come to realize that a new Gilded Age of monopoly power had been visited upon them, forcing policymakers to give new currency to old ideas, like "antitrust."

While users may have once regarded Facebook as a positive force in society, the US public increasingly sees the company for what it is: an unaccountable monopoly. And, like all monopolies, Facebook will do whatever it takes to preserve its dominant market position and reap as much money as legally (and sometimes illegally) possible. In November 2018, a *New York Times* exposé revealed how Facebook hired a disreputable public relations firm to smear its political adversaries with anti-Semitic conspiracy theories.[2] Amid continuous damning reports, the company remains in damage-control mode, doing everything from apology tours to defensively accusing the *New York Times* of anti-Facebook bias.[3]

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Meanwhile, a growing awareness that Facebook's unregulated power imperils democracy has fostered a growing—and exceedingly rare—bipartisan consensus that government must rein in platform monopolies. Until recently, the concept of regulating technology firms seemed unfathomable, but now even many Republican policymakers believe they have become so powerful that government must intervene. This growing public scrutiny of digital monopolies has implications far beyond Facebook. Extended to the broader media landscape, this moment offers a rare opportunity for structural reform. Even Zuckerberg—notoriously reluctant to take responsibility for the social problems caused by his company—now concedes that perhaps, after all, Facebook should be regulated.[4] But *what kind* of regulation can address these issues? What can we as a society do to incentivize—nay, *demand*—that powerful information monopolies act in the public interest and serve democracy, not merely their own profit imperatives? Is this objective even attainable when anti-democratic behavior is baked into Facebook's DNA?

Answering these questions requires us to directly confront the impact of platform monopolies on journalism. Monopoly ownership is a broad structural threat to a healthy news media system, affecting everything from control of internet access to the range of voices in our news media. This chapter looks at the monopoly problem for our news and information systems and shows why media ownership still matters. It also examines how several media policy failures, such as approving media mergers and repealing net neutrality protections, have contributed to the problem. Finally, it considers Facebook's central role in the misinformation ecology and potential regulatory approaches to stopping it. The chapter concludes with a brief discussion of what policies could help democratize news media institutions.

Why Media Ownership Matters

In the early days of digital media, technological utopians argued that the affordances of digital media and the rise of "network societies" and the like would flatten power hierarchies throughout the world. Recent developments in US and global politics, combined with a growing number of empirical studies, have shown that this was wishful thinking. Material and structural factors—including how media institutions and information systems are owned and organized—dramatically impact a media system's openness and diversity, whether that media system operates in print, over the airwaves, or online. This pattern is especially true in the United States, where corporate duopolies and oligopolies dominate most media sectors. Media monopolies—whether new digital giants like Facebook or conglomerates of older media like Comcast—hold tremendous power over political culture and communication infrastructures, both within the United States and globally.

Media ownership structures fall into several general categories.[5] These include horizontal (the ownership of similar media products), vertical (the ownership of different stages of production and distribution of media), and diagonal (the cross-ownership of diverse media businesses) integration. As we saw in the previous chapter, different ownership structures rely on specific systems of control. Whether firms are owned by families, stockholders, private equity, or the public, these structures affect key issues ranging from informational diversity to media effects. Furthermore, scholarship increasingly shows that differences in media ownership and control (e.g., whether it is concentrated, commercialized, or publicly owned) lead to differences in media content, with important implications for democracy.[6]

Three general types of information/communication monopolies loom large within our media systems: news and entertainment media, telecommunications, and platforms.[7] Each type of monopoly carries with it specific hazards, harms, and vulnerabilities for journalism in particular and democratic society in general. Over the years, a number of scholars have documented how a handful of corporations dominate the US media landscape, especially news and entertainment media. Ben Bagdikian began drawing attention to media monopolies in the 1980s when he discovered that a mere fifty companies controlled most of the US media system. By the 2000s, this number had dropped to six.[8] Similarly, in 2018 *Fortune* magazine identified six large media conglomerates that dominate much of the US media system: Comcast, AT&T, CBS, Viacom, 21st Century Fox, and Disney.[9] After the Disney-Fox merger, this list has become the "Big Five," and CBS and Viacom are in serious discussions about recombining. These eye-catching metrics, of course, deserve scrutiny because they can omit important distinctions and sometimes rely on slippery criteria. Moreover, even as old media firms continue to dominate media markets, newer firms such as Facebook, Google, Microsoft, Netflix, Amazon, and Apple are also ascending in this space as they acquire content companies. Netflix and Amazon, in particular, are becoming entertainment media powerhouses.[10]

Nonetheless, many old ownership patterns have transferred to new digital media as traditional news media giants with name recognition and massive resources continue to dominate online traffic. In a book published a decade ago, media scholar Matthew Hindman found that a small number of news media sites commanded the digital content market and received the vast majority of users' attention. Hindman moreover found a "long tail" of numerous sites receiving little or no traffic, with surprisingly few websites occupying the middle ground.[11] Recent research continues to show that legacy institutions dominate the media landscape, with only a few significant independent news websites emerging.[12] As of 2018, most online traffic to news and political sites was highly concentrated among mainstream news organizations, or aggregators that relied on them for their content.[13] A key takeaway from this research, one that has remained more or less constant for the past decade, is that in some respects online news media are becoming *more* concentrated than traditional media.

Despite what may seem like an explosion of media sources from social media, innumerable websites, and cable television channels, a few media outlets capture most Americans' attention. As part of his broader argument that the US media system's commercial nature has a corrosive impact in shaping our news and politics, the political scientist Matthew Guardino synthesizes recent research showing that a handful of corporations command individual-level news attention in the United States. These data indicate that the firms with the greatest reach and largest share of news consumers' attention are Facebook, Time Warner (now owned by AT&T), and News Corp. According to one study, the United States leads industrialized nations in "information inequality," a situation in which "exposure to news sources owned by multiple firms is concentrated in a small share of the population." This research also shows that Americans suffer from a very high level of "information poverty," which the authors of this study define as "the percentage of the population that relies on just one news source, or is exposed to no news at all."[14]

Under Republican and Democratic administrations alike, news media have become progressively more concentrated, but the Trump administration has ushered in a merger mania of historic proportions (though Trump's Justice Department did unsuccessfully oppose the Time Warner-AT&T merger). Even as his administration facilitates this concentration, President Trump has played to the public's distrust of media monopolies by attacking the "AmazonWashingtonPost" on Twitter and threatening antitrust investigations.[15] Although Trump's motives are suspect—likely in response to the *Washington Post*'s negative coverage of his administration—he points to a legitimate concern: As Amazon gains sizeable market share in multiple industries, the *Washington Post*'s potential for serious conflicts of interest increases significantly. At the very least, the newspaper has an incentive to protect its publisher's economic interests. Indeed, some critics writing from the other end of the ideological spectrum have suggested that this power relationship helps explain why the *Washington Post* so aggressively criticized then-presidential candidate Bernie Sanders' policy proposals.[16]

The dangerous power of monopolies to push ideology becomes increasingly evident when we consider a cluster of right-wing media outlets and their role in purveying misinformation to an insulated audience. A trailblazing study by Yochai Benkler and his coauthors found that media organizations such as Fox News, Newsmax, Daily Caller, Breitbart, and other outlets comprise a right-wing echo chamber sealed off from the rest of the news media system. A symbiosis between conspiracy theories fueled by online communities and social media platforms, and conservative news outlets such as Fox (which consistently has the highest levels of engagement on Facebook among news publishers), creates a "propaganda feedback loop" that amplifies even the most outlandish far-right conspiracies.[17]

On any given night, even casual observers will notice Fox News programs breathlessly covering imaginary threats posed by undocumented immigrants and a manufactured "border crisis" instead of reporting on social problems that actually exist but might reflect negatively on President Trump and other powerful interests. Such fearmongering diverts attention from a myriad of inequalities, pollutes the nation's political discourse, and renders a democratic public sphere almost impossible. This toxic media ecology helped advance far-right discourses that redounded to Trump's advantage. A healthy news and information system must find a way to contain and contest the corrosive spread of misinformation. These measures must go beyond fact-checking after the damage has occurred.

Key sectors of the traditional news media deserve special scrutiny because people are singularly dependent on them for information. For example, tens of millions of Americans rely on local television broadcasting for their news—37 percent of adults, according to the Pew Research Center.[18] Even as broadcast television audiences have steadily declined in recent years, and trust has plummeted in media institutions overall, people still have relatively high levels of trust in their local news outlets. One survey by the Poynter Institute found that 76 percent of Americans across the political spectrum have "a great deal" or "a fair amount" of trust in their local television news.[19] Over the past two decades, however, the ownership of local television stations has become increasingly concentrated among a few players. This consolidation has further eroded local programming and constricted the range of views and voices people see and hear in their local news media.

One notorious example is the largest owner of local TV stations in the United States: the overtly right-wing Sinclair Broadcast Group. With many of its stations clustered in swing states, the company has stealthily accumulated tremendous political power. In 2004, Sinclair aired footage from the propagandistic documentary "Stolen Honor," which falsely attacked the Democratic presidential nominee John Kerry's Vietnam War record. Well known for promoting the Bush administration's policies, Sinclair's Executive Chairman David Smith is also a close ally of the Trump administration. Smith reportedly met with Trump during his presidential campaign, telling him: "We are here to deliver your message."[20] According to various reports, Trump's son-in-law Jared Kushner brokered a private agreement with Sinclair executives to conduct a series of exclusive interviews with Trump and other campaign officials. In exchange for access, Sinclair agreed to broadcast the interviews without any critical commentary.[21] Sinclair also has gained negative attention for forcing its local affiliates to air conservative commentaries, called "must-runs," as part of their news broadcasts. This practice continues unabated, even following scandals such as when former Trump staffer and frequent Sinclair political commentator Boris Epshteyn defended the use of tear gas against immigrant women and children at the US-Mexico border to repel an "attempted invasion."[22]

While force-feeding news outlets to air must-runs flies in the face of editorial independence and is deeply problematic for democracy, Sinclair has resorted to even more insidious practices. In April 2018, the sports news website Deadspin produced a video that compiled dozens of segments with news anchors all parroting the same script: "Some members of the media use their platforms to push their own personal bias and agenda to control exactly what people think. This is extremely dangerous to our democracy." The video went viral and elicited a public uproar, prompting the comedian John Oliver to quip: "Nothing says, 'We value independent media' like dozens of reporters forced to repeat the same message over and over again like members of a brainwashed cult."[23]

This practice of forcing local outlets to reproduce political messages is especially insidious because the script never identifies the content's original source. Most casual viewers who see right-wing talking points voiced by their local news anchor have no reason to assume such opinions are actually dictated from afar by an unseen broadcasting monopoly with particular political interests and allegiances. The local personalities are not wearing t-shirts with the name Sinclair emblazoned upon them, and there is no indication that this prepackaged content is being scripted by corporate headquarters. As the media critic Jay Rosen astutely notes: "These are local stations that advertise themselves as affiliates of ABC, CBS, NBC, and draw off the credibility of local anchors to present themselves as part of the community, with Sinclair HQ in Baltimore forcing delivery of these Trump-a-grams."[24]

Sinclair's willingness to play the ideological apparatchik paid off—at least at first. Its desire to merge with Tribune Media Company was an open secret, but many analysts were skeptical Sinclair would ever acquire regulatory approval. Immediately after the appointment of Trump's FCC Chairman, Ajit Pai, the FCC began making policy changes that seemed tailor-made to benefit Sinclair. In the first months of the Trump administration, the FCC pursued an aggressive regimen of regulatory rollbacks. For example, Pai reportedly granted an earlier request by Sinclair executives to relax some oversight on shell companies, and it abandoned its policy of closely scrutinizing "sidecar" or "joint sales agreements" that allow broadcasters to run the news operations of competing stations. These seemingly subtle policy alterations enable media giants like Sinclair to maintain control of multiple newsrooms and stations in the same market.[25]

In another dramatic reversal, the FCC repealed long-standing cross-ownership regulations that prevented one company from owning television and radio stations and a newspaper in one town. It also tossed out local TV ownerships limits that prevented a media firm from owning two of the top four stations (sometimes referred to as the duopoly rule) in the same city.[26] The FCC also did away with the so-called main-studio rule, which required local stations in a community to maintain a physical presence in or near that location. Without this protection, big corporate media giants like Sinclair can operate an entire station from a different part of the country, far removed from local voices and concerns.[27] Pai has indicated that he also wishes to jettison the media ownership cap that ensured that one company cannot own stations that collectively reach more than 39 percent of the country, but this would require an act of Congress.

The FCC's most egregious pandering, however, was in reinstating the UHF (Ultra-High Frequency) discount. This policy counts a UHF station's viewership as only half that of other stations because of its weak signal. The rule had become clearly obsolete after the country's broadcast frequencies transitioned to a digital system, which is why the previous FCC Chairman Tom Wheeler retired it. No persuasive argument or technological rationale existed for reinstating it—especially since the vast majority of Americans receive television channels through cable services where UHF has no meaning—but Sinclair could never merge with Tribune under existing ownership caps. Chairman Pai reintroduced the rule, thereby allowing Sinclair to obscure its actual market share and appear to stay within acceptable limits.

Had the merger gone through, it would have given Sinclair access to over 70 percent of US households (it now has access to 39 percent). To everyone's surprise, however, Chairman Pai suddenly reversed course and pulled his support late in the process, derailing Sinclair's attempt to dominate the US broadcast market. By most accounts, the deal almost certainly would have gone through had Sinclair not repeatedly misled the FCC regarding its efforts to divest itself of stations in particular markets, even after the FCC had relaxed key ownership restrictions.[28] Despite this anomalous move, the FCC's green-lighting of megamergers and repealing of cross-ownership bans in local news markets will likely hasten the rise of one-newsroom towns, leading to fewer local journalists and less diversity in voices and viewpoints represented in local media.

The Politics of Regulation and Regulatory Capture

How we regulate communication systems, including their ownership structures, has profound implications for news media and journalism. From early debates over the postal system to the founding of each new communication medium—including telegraphy, telephony, and broadcasting—government policy has always been central to media institutions and journalistic practices. That government is an unwanted interloper is, in reality, a libertarian fantasy: From spectrum management to copyright protections to internet governance, government is *always* involved—albeit often to the benefit of large media corporations.

The real question is *how* the government should be involved. Although it defies market fundamentalist mythology, the internet was in fact itself largely a government creation. While the predominant Silicon Valley narrative tends to portray the internet's birth as the product of tinkerers in garages, boy geniuses, and bold entrepreneurs, in actuality the internet largely grew out of massive public subsidies via military expenditures, the National Science Foundation, and public research institutions. This source of funding should not be surprising: Government has the advantage of taking on long-term, capital-intensive technological projects that the private sector typically avoids given the inherent short-term financial risks.

Erasing government's crucial role in developing our news media system implicitly positions the market as the sole driver of technological innovation and democratic progress. This common historical fallacy miscasts the state as either an impediment to good journalism or entirely absent from the field. For issues as diverse as public interest regulations, the enforcement (or lack thereof) of media ownership restrictions, and antitrust laws—to give just a few examples—policy plays a key role in how media systems are designed, owned, and operated. To pretend otherwise positions the architecture of our media systems as something that lies outside human agency.

Market libertarians typically describe the sorts of interventions being conducted by Chairman Pai's FCC as "deregulation." A more accurate term for this pro-industry agenda, however, is *reregulation*. The current FCC is actively restructuring media systems to benefit corporate interests instead of the public. Accordingly, Chairman Pai has sought to satisfy cable and phone companies' long-standing policy wish lists. These moves signal a textbook definition of regulatory capture, a situation in which a government agency loses its independence by internalizing the commercial logics and value systems of the industries it is supposed to regulate.[29]

A key contributing factor to regulatory capture is the oft-lamented revolving door between the FCC and major media industries. For decades, FCC personnel have shuffled directly from the agency to the very corporations they once oversaw.[30] One analysis by the media reform organization Free Press found that of the twenty-seven commissioners and chairs who served on the FCC between 1980 and 2018, at least twenty-three had gone to work for companies and lobbying groups for the industries that they previously regulated.[31] Former FCC Commissioner Michael Copps, a committed public interest activist involved with several media reform organizations, is one of the exceptions. More typical is the career trajectory of former FCC Chairman Michael Powell.[32] Since leaving the FCC, Powell has been an outspoken advocate for pro-telecom policies as president and CEO of NCTA, the top lobbying group for the cable industry. In another egregious case, former FCC commissioner Meredith Atwell Baker left her post to become a top Comcast lobbyist several months after voting to approve the company's mega-merger with NBC.[33] Baker now heads the CTIA, a leading wireless trade association.

Regulatory capture is the norm throughout much of US government. Writing in the *American Conservative*, Jonathan Tepper, author of the book, *The Myth of Capitalism*, decries regulatory capture at the FTC and the DOJ, the leading agencies that oversee mergers and acquisitions. Tepper notes that these bodies are now "revolving doors for highly paid economists and lawyers whose only goal is to look after their corporate clients rather than voters, consumers, workers, suppliers, and competition."[34] Although many see deference to corporate power as a predominantly Republican position, the revolving door has been truly bipartisan. Many of President Obama's former FTC and DOJ officials now lobby for the firms they only recently regulated.[35]

Congress has also succumbed to similar dynamics—especially since congressional members rely on campaign donations, leaving them particularly susceptible to the direct effects of federal lobbying, a $3.37 billion industry in 2017.[36] The *New York Times* columnist Thomas Edsall aptly described this influence machine when he wrote: "The upper stratum of the Washington lobbying community often exercises de facto veto power over the legislative process, dominating congressional policymaking, funneling campaign money to both parties, and offering lucrative employment to retiring and defeated members of the House and Senate."[37] During my brief time as a congressional staffer, I witnessed firsthand the constant throngs of corporate proxies patrolling the halls of Congress, crowding into key offices, and lining up outside of important hearings. These often affable emissaries typically did not bring suitcases of money to bribe lawmakers, but they reinforced their subtle influence with phone calls, emails, and office visits.[38] Their communications were backed with the unspoken power of political donations and retributions.

Meanwhile, Congress's revolving door has become increasingly active. The *Washington Post* reports that a decade after the financial crisis brought the US economy near the abyss, about 30 percent of the lawmakers and 40 percent of the senior staff who wrote the Dodd-Frank Act—a key set of economic regulations—have gone to work for or on behalf of the financial industry.[39] Policymakers and citizens in other countries rightly see this extreme coziness between industry and government regulators as corruption, but it is standard procedure in the United States. While criticism of these unseemly political practices is rising, it will take major reforms to change them.[40] In the meantime, press reports that Facebook and Google spent tens of millions of dollars each on government lobbying in 2018 occasioned little public discussion.[41]

These power relationships matter for media policy because, over time, corporate influence over key regulatory agencies and other areas of government contributes to the broader ideological and discursive capture that I discussed in chapter 2. Backed up by a phalanx of right-wing think tanks and quasi-academic institutions, this corporate libertarian framework treats market forces as inviolable and deems aggressive regulation and public governance of media institutions as “off limits.”[42] It creates what the media scholar Des Freedman terms “media policy silences”—the subtle turns of discourse “by which alternative options are marginalized, conflicting values delegitimized and rival interests de-recognized.”[43] How we define key policy principles such as the “public interest”—and the government’s role in upholding them—translates to policy and therefore shapes the fundamental design of our media system. These policy discourses—and the power structures behind them—helped lead us to where we are today: at the mercy of media monopolies.

Media Monopoly Power

With nearly every major sector of the economy now dominated by monopolies and oligopolies, Americans are slowly realizing they now inhabit a new Gilded Age.[44] The rise of monopoly power has dramatically restructured media and telecommunications markets. For example, two massive corporations, Comcast and Charter (which bought Time Warner Cable), dominate the cable television market. Comcast and Time Warner Cable actually tried to merge in early 2014—many commentators at the time thought the merger would sail through—but the deal fell apart in the face of a huge public backlash. The cell phone market is dominated by four (soon to be three) providers: together Verizon and AT&T command nearly 70 percent of the market, while the remaining two companies, T-Mobile and Sprint, are in the process of merging. Together these firms control 98 percent of the cell phone service market.[45] These firms often act in concert, forming oligopolies that do not compete with each other but rather function as cartels, with each member carving out a particular market for itself to maintain regional monopolies.[46]

While telecommunications monopolies are beginning to receive more scrutiny from regulators—especially as they buy up content companies—this skepticism has yet to translate to meaningful regulations. AT&T, following its merger with Time Warner, now owns HBO, Warner Bros, CNN, and has a stake in Hulu; Comcast owns NBC Universal (which includes the presumably liberal cable news channel, MSNBC) and DreamWorks Pictures; and Verizon owns Yahoo!, AOL, Tumblr, and the *Huffington Post*. Whereas horizontal integration allowed a small number of firms to gain control over the physical conduits for information, vertical integration allows these same companies to gain control over different stages in the supply chain of producing and disseminating that information.[47]

Vertical media ownership structures pose a particular threat to democracy. When the same company that owns the pipes also produces and controls the content flowing through them, a number of potential hazards arise that can harm consumers and the quality of our information system. Vertical integration creates structural vulnerabilities and perverse incentives for anti-competitive and anti-consumer behavior. For example, AT&T can privilege its own programs and content—a portfolio which has greatly expanded since the merger with Time Warner—over its competitors' and prevent other internet and cable companies from having access to them.[48] As internet service providers (ISPs) move into providing internet content and applications, they have increasing incentives to engage in such traffic discrimination. Vertical integration creates a significant conflict of interest, as these providers serve as both conduits of data, information, and content and owners and producers of much of this content.

In what antitrust reporter Sally Hubbard terms "platform privilege," monopolies such as Google and Amazon are similarly incentivized to prioritize their content and services over those of their competitors.[49] Hubbard offers the example of Google exploiting its monopoly position among mobile operating systems to exclude competition in mobile apps. As she notes, in 2018 the European Commission fined Google $5 billion for requiring phone makers that use Android to preinstall only Google's apps. Because over 80 percent of smartphones run on the Android system, this requirement effectively ensured Google's continued monopoly in mobile search.[50] The previous year, the commission had fined Google $2.7 billion for suppressing competitors' information in Google search results.[51] In recent years, Google has been charged with prioritizing its own reviews, maps, images, and travel-booking services in its search results while excluding its competitors in those markets.[52] These infractions fit a recurring pattern in which Google exploits its monopoly power to the detriment of consumers.

Despite the obvious and predictable problems that result from vertical mergers, they often get a free pass in the United States. Whereas horizontal ownership concentration typically faces intense regulatory scrutiny, courts often wave vertical integration through, putting only weak merger conditions in place. This has greatly facilitated the growth of media conglomerates such as Comcast, which merged with NBC Universal in 2011.[53] The conventional thinking in these cases is that vertical integration preserves competition while increasing efficiencies, which benefits consumers by providing them with better, more innovative, and affordable products and services. In the case of vertical integration between ISPs and content producers, however, mergers reduce competition and have not typically resulted in lower prices (in fact, companies can use their expanded content offerings to argue for hikes in their cable prices).

Monopolies harm consumers by stifling innovation (by purchasing competitors), raising prices (by extracting more wealth from consumers who have nowhere else to go), and tilting policy toward the firm's interests (by influencing politics through campaign donations). To give just one stark example of this latter problem, Rupert Murdoch built up his global media empire over decades by directly shaping media policy to his economic advantage—especially regarding ownership limits—in democratic nations around the world.[54] These machinations have had tremendously detrimental effects on culture, politics, and democratic prospects in a number of countries, including the United States, United Kingdom, and Australia.

Monopolistic behavior also undermines democratic ideals by favoring prepackaged, formulaic programming over locally produced content that resonates with specific communities. Such anti-competitive behavior harms consumers by leading to fewer content providers, higher prices, reduced information flow, and poorer service in general. When only a handful of corporations wield such tremendous cultural and political authority, this arrangement also obviously presents a political problem.[55] Concentrated media power—whether vertical or horizontal—makes it easier for oppressive political forces and oligarchs to dominate a media system.[56]

Neoclassical economics generally accepts that markets require competition to operate efficiently.[57] But without regulatory protections in place, dominant market players can abuse their control over output and price to prevent new competitors from entering the market. For this reason and others, governments typically prevent monopolies from forming via two general methods: restraining anti-competitive behavior through regulations and/or blocking mergers and acquisitions through antitrust laws. In the United States, however, decades of neoliberal policymaking have stripped these laws and regulations of their power. Aside from the quest for profit and political power, various economic factors encourage media markets to tend toward concentration, including—as discussed in chapter 2—high first-copy costs in producing original content (with near zero marginal costs for additional production). Moreover, the high fixed costs of telecommunications push the industry toward economies of scale, creating incentives for companies to covet large markets. Furthermore, the positive externalities that come with "network effects" of an always-expanding communications network—whether telephone systems or social media—also promote bigger firms. Finally, the fact that commercial media sells services to both audiences and advertisers incentivizes consolidation for one simple reason: The larger the audience, the greater the advertising revenue.[58] The presence of these tremendous financial incentives makes it extremely unlikely that media market concentration can be prevented through competition laws alone. Moreover, public interest protections are difficult to maintain when communication firms, whose first loyalty is to shareholders and profit imperatives, have few incentives to uphold them. It is nonetheless the role of media policy to mandate that communication firms honor public service principles such as universal and affordable access, transparency, and other democratic concerns.

Ultimately, the question of media ownership comes down to power. Des Freedman reminds us that media ownership confers various kinds of "media power" beyond profit margins. These range from the overt, such as when media magnates like Rupert Murdoch exploit editorial control to set policy agendas and parlay media ownership into political influence, to more subtle forms of "power elite" processes that reinforce alliances among the upper class and gently steer discourse in ways that "reproduce and legitimize the narratives of vested interests in society."[59] For these reasons and more, media ownership debates are typically among the most contentious policy battles within democratic societies. How these conflicts are resolved has profound implications for the health of journalism.[60]

Policy Battles over Media Ownership

Media ownership patterns are neither natural nor inevitable, but rather stem from explicit media ownership policies that typically received little public input or consent. Many policy battles over media ownership in the United States have focused on FCC regulations during which, more often than not, government intervened to advance corporate rather than public interests. With notable exceptions, the FCC has since the 1940s allowed the US news media system to become more commercialized and concentrated.[61] Potential alternatives to concentrated broadcast media such as cable television and satellite communications fell under the control of similar commercial interests. Making matters worse, the Reagan-era FCC jettisoned a number of public interest protections that sought to buffer media from undue commercial pressures, including the Fairness Doctrine. The deregulatory zeal that characterized 1980s media policy largely continued under subsequent Republican and Democratic administrations, as exemplified by the FCC's 2003 move to relax media ownership restrictions.[62]

The FCC has not been the only part of government that has facilitated merger sprees; Congress has also helped. Exhibit A was the 1996 Telecommunications Act, the first major overhaul of the landmark 1934 Communications Act. Purportedly an attempt to reform US media policy for the digital era, the bill passed Congress with significant bipartisan support, and President Bill Clinton signed it into law. This legislation replaced structural regulations with market incentives, deregulated cable rates, and removed key broadcast ownership limits, leading to massive consolidation and increased ownership concentration, particularly in broadcast media.[63] The Telecom Act eliminated the forty-radio-station national ownership cap, which allowed the media behemoth Clear Channel to acquire more than one 1,200 stations nationwide, dominating most major markets and limiting the diversity of voices on the public airwaves.[64]

As media ownership becomes more concentrated, commercial pressures intensify, often leading to cost-cutting and disinvestment in newsgathering operations. While difficult to substantiate specific causal links between media ownership structure and media content, scholars have long argued that ownership concentration and lack of competition leads to less local, investigative, and international news; less fact-based, critical reporting; and more homogeneous formats, trivial content, and slanted coverage.[65] Many also assume that media ownership concentration limits the diversity of voices in the news media, and research continues to bear this out. For example, Edda Humprecht and Frank Esser found in their comparative analysis of online news media across six countries that, while the relationships were not always straightforward, media ownership impacted diversity, with the presence of strong public service media having a significant positive influence.[66] Another important study on media ownership found that increased concentration of media ownership substantially increased coverage of national instead of local politics.[67] It is noteworthy that this ownership change also led to a significant rightward shift in the ideological slant of news coverage, but only small decreases in viewership. This suggests a substantial *supply-side* role in the trends toward nationalization and polarization of politics news, with negative implications for accountability of local elected officials and mass polarization. In other words, changes at the top were driving shifts in the audience, not the other way around.

Although the proliferation of digital media systems suggests a surface-level appearance of decentralization and a "high-choice media environment," in reality the root sources of this content are typically limited to a small number of large media conglomerates generating most of the available online content. While digital media technologies complicate media ownership patterns over time and obscure sector-specific concentration, the bigger picture has remained relatively stable, and concerns about extreme media concentration remain. One major concern among reformers has been that, even if further media consolidation and syndication might cut costs, create efficiencies, and pay short-term dividends (mostly to owners and shareholders), in the long term it leads to less original, in-depth news and information, as well as less creative entertainment media.

Unlike many other democratic nations, the United States does not have strong media diversity protections in place to maintain pluralistic systems, despite having a long anti-monopoly tradition going back to the dawn of the republic. Democracies typically assume that pluralistic and diverse societies require similar characteristics in their media systems. A wide range of media sources helps guarantee free-flowing information, commentary, and cultural content—all conducive for an informed citizenry, democratic participation, and consumer choice.[68] However, providing diverse cultural, political, and informational content is often commercially unviable and therefore such content remains under-produced. Since the market often fails in this regard, it is the role of policy to ensure heterogeneous media systems.

In a report where we outline essential media policy principles, Robert Picard and I argue that a healthy media system requires content defined by three overlapping characteristics: pluralism, variety, and diversity.[69] Pluralism refers to the range of ideas and views available in a media system, variety to the mix of genres and types of media content, and diversity to difference in characteristics and form. Media ownership concentration threatens all three. Most democratic nations promote media diversity in all its forms to ensure access to a wide variety of information sources.[70] Recall from chapter 1 the Supreme Court's famous AP decision declaring that democratic societies have a unique need to maintain a media system based on "diverse and antagonistic sources."[71] A commitment to this principle requires that all members of society have access to different ideas, form their own opinions, create their own media, and see and hear their voices and views represented. Therefore, media diversity necessitates multiple independent and autonomous media outlets that represent diverse political and ideological positions and cultural and ethnic perspectives specific to regions and municipalities beyond a country's capital and largest cities.[72] Employing either structural- or content-based approaches, democratic societies can ensure media representations of different regions, cultures, and social groups, especially minorities and other marginalized people regardless of gender, sexuality, age, ability, ethnicity, race, nationality, language, or income.[73]

Many democratic countries encourage pluralism and diversity through policies designed to foster competition, including ownership caps, direct and indirect subsidies for weaker firms, and other redistributive measures.[74] Unfortunately, US media policy rarely lives up to these principles, with considerable evidence showing that the FCC's media ownership policies have disproportionately harmed minority media ownership, especially in broadcast media.[75] Regulators can instead use a number of policy instruments to encourage new entrants into media markets. Picard and I lay out several options, such as facilitating more independent local, regional, and national media providers; placing domestic content requirements on foreign firms operating in the country; and deploying intellectual property laws and taxes to encourage diverse content.

Ultimately, however, market-based incentives for private investments in communication systems can only go so far. A healthy mixed media system also requires "structural diversity" that includes noncommercial elements—an idea I discuss more in the book's conclusion. And while ownership and content regulations are central concerns for maintaining a diverse media system, control over the underlying necessary infrastructure—such as broadband access—is also important.

The Broadband Problem for Journalism

Too often, questions about the future of journalism ignore the necessary underlying infrastructures that enable news media production and access. Journalism's digital turn has created new potentials—and new problems. While it has in some cases lowered barriers of entry and increased user choice for those with internet access, it has also created new forms of discrimination and censorship, high levels of dis/misinformation, and widespread corporate and state surveillance, among other hazards. These structural vulnerabilities have profound implications for digital journalism's future. Questions about the politics of digital infrastructures—namely digital media policies like net neutrality that relate to ownership, control, and inequality—should be central to discussions about the future of news.

Poor internet access, for example, is an infrastructure problem with serious implications for digital news media. According to 2015 FCC data, nearly a fifth of all US households still lack broadband internet. More recently, the FCC has tried to gloss over this problem by claiming that 92 percent of Americans have broadband access, but there is good reason to be skeptical of these claims.[76] For example, a 2018 Microsoft study has roundly refuted the FCC report, showing that an incredible 50 percent of Americans lack broadband access.[77] There are important debates over what exactly qualifies as "broadband" and important distinctions between access vs. adoption and availability vs. affordability. Nonetheless, state-level data continue to bear out troubling patterns, showing that the digital divide remains a serious social problem in the US, and one that has dire implications for the future of journalism.[78] Moreover, these divides are part of a broader systemic racism that disproportionately hurts communities of color.[79]

Prohibitive costs and lack of access are major contributors to the ongoing digital divide in the United States. These problems stem from the fact that most Americans are at the mercy of local monopoly markets with little choice in selecting an ISP, and therefore little recourse in dealing with costly and subpar service.[80] According to FCC estimates—which are notorious for overstating the amount of competition in the residential broadband market—42 percent of Americans have access to no more than one broadband provider. Susan Crawford refers to these scenarios as "captive markets" that disempower customers who are unable to switch providers despite being dissatisfied with their ISP.[81] Of the remaining internet users outside of captive markets, most are limited to just two ISPs in their communities.[82]

For these reasons and more, US broadband is notoriously shoddy compared to that in other advanced economies. Only 15 percent of the United States would be counted as having broadband access to more than one provider according to global standards for high-speed internet of 100 Megabits per second (Mbps) instead of the current 25 Mbps standard.[83] By sanctifying such low standards, the FCC allows ISPs to withhold investments in their aging infrastructure, for example by refusing to upgrade their lines from copper to fiber. In many cases, actual measures of these networks' speeds show that they fall short of even this paltry 25 Mbps standard, which can barely sustain today's levels of data usage. With more data-intensive applications on the horizon, and media outlets increasingly turning to video, these infrastructure-level policy failures will increasingly hinder Americans' ability to access news media—as well as journalists' ability to produce the news.

While the broadband market has disadvantaged consumers and democratic participation, it has handsomely rewarded internet service monopolies with enormous profits.[84] Most Americans pay more for slower connections compared to internet users around the world. The average monthly price for an internet plan ranging in speed from 25 to 50 Mbps in major US cities ranges from $64.95 (New York City) to $69.98 (Los Angeles). Meanwhile, an internet user in London pays an average of $24.77 per month to enjoy the same internet speed.[85] Swedish and Norwegian internet users have access to some of the world's highest average speeds while paying a monthly fee of up to 30 percent less than the average US internet user.[86] Most residents in South Korea can choose between three major high-speed ISPs and pay less than $30 a month for some of the world's fastest broadband services.[87] These disparities result from different competition policies in broadband markets. Without policy protections, ranging from public interest regulations to anti-monopoly measures, internet service monopolies like Comcast and Verizon are free to extract monopoly rents from their customers far beyond what competitive markets would normally command.[88] Firms such as AT&T, Charter, Comcast, and Verizon dominate the broadband access market by acquiring and merging with potential rivals and by avoiding direct competition with each other—comprising what David Berman and I term a "broadband cartel."

US broadband policy differs from that of much of the democratic world in another key area: lack of net neutrality protections. Net neutrality refers to the safeguards that prevent ISPs from interfering with access to online communications or unreasonably discriminating against certain kinds of content. In our book on the history and politics of net neutrality, Berman and I note that since 2001—in stark contrast to the United States—the European Union (EU) has mandated that incumbents share their network infrastructure with competitors.[89] Many OECD countries outside the EU also enjoy open access policies, an approach that maintains healthy broadband markets. The United States is, yet again, a global outlier among democracies after the Trump FCC jettisoned net neutrality protections in 2017.

One obvious hazard with losing net neutrality is that ISPs can privilege specific kinds of internet traffic over others (recall the earlier discussion of vertical integration), allowing them to extract even more money from internet users and content providers alike. While they can now legally charge their customers more for accessing specific types of content such as high-quality video streaming, a more probable future scenario would have ISPs seeking to coerce payments directly from content creators. In a world without net neutrality, this "pay-to-play" digital landscape will see the costs of "paid prioritization" absorbed by those websites willing and able to pay for the privilege of fast lanes. Ultimately, however, internet users will probably suffer the costs in the form of fewer choices and higher fees.

Losing net neutrality when monopolies dominate internet markets is the worst of multiple worlds, giving the broadband cartel enormous advantages over both consumers and content providers. These conditions render internet users powerless to discipline their ISP for blocking or degrading access to their preferred websites and applications. Vertical integration is particularly concerning in this scenario because ISPs' increasing control over internet access incentivizes them to discriminate against content and applications in ways that benefit their bottom line. As noted earlier, a major conflict of interest emerges when media conglomerates own the conduits of data and information as well as much of the content that flows through their channels and wires in a given market. Such vertical combines can undermine rival content producers by deprioritizing competitors' traffic while privileging their own. For example, AT&T can now prioritize the traffic of content it owns, like streaming HBO movies, at the expense of other, competing media that flow through its pipes.

The degree to which ISPs can exploit their monopoly power by restricting the flow of content through their networks and setting expensive terms of access for consumers has profound implications for digital news media. Anyone involved in media production—especially journalists who are likely to upset powerful interests—should be concerned about a post-net-neutrality regime that legally sanctions corporate censorship online. Trump's FCC rendered the internet less hospitable for all media makers, but those most at risk range from professional print reporters to independent journalists—particularly those using video—who cannot afford to pay exorbitant fees to ensure that ISPs do not relegate their content to digital "slow lanes." These policy issues should be a key concern within conversations about the future of news media.

The battle to restore net neutrality continues in the courts, in Congress, in the states, and on the streets. But even with net neutrality protections—a necessary but insufficient safeguard—the future of a healthy news media system is imperiled by corporate capture of the internet. Instead, we need *public* broadband services owned and controlled by people—at the community, municipal, state, and national levels—not by a few massive corporations. Providing internet subsidies to low-income Americans while allowing communities to offer their own broadband services would likely expand access to online news media.[90] A number of exciting local broadband initiatives already exist in some 750 communities across the United States, but corporate-inspired state laws prevent widespread experimentation in 26 states by hindering or outright banning municipal internet services.[91]

If we are serious about preserving the future of journalism, we must consider the policy interventions necessary to sustain a free-flowing and reliable news media system. This will require ensuring a national "baseline connectivity" of sufficient speed and affordability that is universally accessible across the country. Before we take on this project, however, we must first address the larger threat of unregulated corporate power, especially that of the new platform monopolies.

Confronting the New Digital Monopolies

I started this chapter with a reference to Facebook. Before moving on to potential solutions, it is worth dwelling for a moment on this new kind of communication firm, the platform monopoly.[92] In some ways, it is not new at all. From the beginning, digital monopolies like Google and Facebook encouraged consumers and regulators to think of them as a new breed, the kind of companies that would "do no evil" and "move fast and break things." During these firms' early ascendance, too many commentators were seduced by Silicon Valley's ethos. Too many stood silent or joined the chorus when Mark Zuckerberg and his cohort told us that the internet was beyond the realm of regulation, that it was inherently democratic, and that benevolent corporations were the best arbiters of this vital communication system. Instead of transcending the laws of political economics, however, Facebook and its ilk act like any old monopoly, willing to do whatever it takes to maintain tremendous profits. By not applying antitrust laws and regulatory protections, we have permitted Facebook to abuse its power, and now we reap the consequences.

In other ways, the power wielded by platform monopolies is unprecedented.[93] For millions of users, especially in the global South, Facebook *is* the internet, in some cases even acting as a free ISP (limiting access to Facebook's "Free Basics" program).[94] As Facebook extracts profound wealth across the globe, it has generated tremendous negative externalities. Not only has it mishandled users' data, abused its market power, proliferated dangerous misinformation and propaganda, enabled foreign interference, and even abetted and embedded with the Trump campaign in the run-up to the 2016 elections.[95] It has also played a key role in destabilizing elections in places like the Philippines and facilitated ethnic cleansing in Myanmar.[96] Considering the accumulating damage Facebook wreaks around the world and the skewed power asymmetry between the platform monopoly and its billions of users, we need a new social contract. Despite the lack of silver-bullet policy solutions, this moment of increased scrutiny and public awareness offers a rare—and most likely fleeting—opportunity to hold a national (and international) debate about what interventions are best suited to address the problem. Ultimately, misinformation is a structural problem; it will take structural reforms to fix it.

It is difficult to overstate the social harms of Facebook's monopoly power, especially to the integrity of our news and information systems. As an algorithm-driven global editor and news gatekeeper for over two billion users, Facebook wields unprecedented power over much of the world's information system. In the United States, where Americans increasingly access news through the platform, Facebook's role in the 2016 presidential election has drawn well-deserved scrutiny. Moreover, along with Google, Facebook is devouring the lion's share of digital advertising revenue and starving the institutions that provide quality news and information—the same struggling news organizations that it expects to help fact-check against misinformation. Journalism in general, and local news in particular, are increasingly threatened by the Facebook-Google duopoly, which in recent years took a combined 85 percent of all new US digital advertising revenue growth, leaving only scraps for news publishers.[97] According to one study, these two companies control 73 percent of the total online advertising market.[98] Meanwhile, these same companies play an outsized role in proliferating misinformation.

Various forms of misinformation and propaganda have plagued societies for centuries, but the profound media power now residing in one monopolistic platform arguably presents a unique challenge to democratic governance.[99] Critiques about Facebook's technology and design are growing amid increased public scrutiny for the misinformation it purveys and from which it profits, but a core problem of this business model deserves more scrutiny.[100] The proliferation of dis/misinformation is symptomatic of an unregulated media monopoly governed solely by profit imperatives. Facebook is not evil; it is merely the natural outgrowth of an information system governed by an unaccountable, commercial logic. Despite fines and threats, especially in Europe, Facebook has taken few meaningful actions to address hate speech and misinformation. In the United States, technocratic discourses have dominated discussions, with suggested remedies typically involving a combination of media literacy and user responsibility. This emphasis, of course, places the onus on users instead of Facebook. By avoiding structural reforms that would require revising its business model, Facebook deflects responsibility while pretending to be proactive, for instance by introducing new algorithms and policing specific ad networks. The company has also crowd-sourced and outsourced fact-checking by off-loading the responsibility of flagging fake news to the public and to third parties, such as Snopes (which has since terminated the partnership), the Associated Press, and even partisan sites, including the now-defunct *Weekly Standard* and the far-right *Daily Caller*.[101]

Despite compelling arguments that Facebook should be held accountable to the legal requirements and norms of social responsibility associated with media companies, Mark Zuckerberg has long refused to acknowledge that Facebook is anything more than a technology company—except in courts when Facebook tries to have it both ways by claiming First Amendment rights normally reserved for media publishers. In public, however, Facebook representatives maintain that the company is not a publisher, thereby avoiding responsibilities that normally accompany this distinction.[102] Facebook's devastating effects on journalism and its violations of our privacy are untenable. But until we as a society diagnose the structural roots of the misinformation problem, potential solutions will remain elusive.[103] History shows us that expecting good corporate behavior simply by shaming monopolies is a dubious proposition, at best.

Historically, the US government has deployed various laws and policies to contain monopoly power, particularly in industry sectors that tend toward "natural monopolies."[104] This arrangement acknowledges that specific industries, especially networks such as communication systems, tend toward one large centralized entity, partly due to the considerable high fixed costs of building such systems and partly due to greater efficiencies. Similar to that of a public utility, such firms often offer core services or infrastructures—such as electricity, transportation systems, and water. Because they are expensive to maintain but essential for the public good, many societies shield these services from unmitigated market forces. Instead of breaking up such monopolies, governments might use regulatory incentives and penalties to prevent them from exploiting their market power.[105] But Facebook has managed to escape this arrangement. It is not under close government regulation or oversight. Nor do regulators expect Facebook to provide the kind of deliverables that would normally be expected from a state-sanctioned monopoly.

A counter-example is the government's treatment of AT&T (also called the Bell System), whose phone network attained a similarly dominant position in the early twentieth century. To forestall government regulation (including a threatened government takeover of its network), AT&T agreed to exit from a related market (telegraphy), interconnect with most non-AT&T systems, invest heavily in research and development (Bell Labs), maintain reasonable rates (especially for local calls), and help promote universal service. These interventions did not solve all problems related to AT&T's monopoly, but they did create a number of tangible benefits for society. In addition to preventing AT&T from entering the newly emergent computer industry, part of a 1956 consent decree reached with the US government forced the telephone monopoly to share all of its patents free of charge. Some historians have credited this coerced generosity with major technological innovations; for example, the transistor was among AT&T's vast portfolio of patents. Freely licensable patents helped create the necessary conditions for developing the semiconductor and other major advances in computing, data communications, and software industries.[106]

The historical parallel is not perfect—AT&T was a common carrier that controlled the actual telephone wires—but it is instructive to consider what concessions a looming threat of antitrust litigation might bring. Before it was ultimately broken up in the 1980s, AT&T at various points agreed to divest key components of its portfolio, radically change its business practices, and offset social costs and negative externalities. Nor is AT&T the only example of the government using its antitrust powers to spur innovation. To give another stark example: If the DOJ had not intervened against Microsoft in the 1990s to halt its anti-competitive behavior in (among other areas) the internet browser market, Microsoft could have forced computer makers to only use its own search engine, and Google might not exist today.[107]

Antitrust and pro-competition laws have long protected competition and encouraged innovation, but the approach requires reframing key policy debates and broadening the political imagination of what is possible. In recent years, anti-monopoly protections have grown anemic, with antitrust authorities giving "a green light to merger after merger," in the words of the writer Jonathan Tepper. He continues, "The guardians who were meant to protect competition have become the principal cheerleaders of monopolies . . . Antitrust law is not so much dormant as it is actively sabotaged by the very people who should enforce it."[108] But after years of quiescence, there is now a growing clamor to reinvigorate antitrust laws to take on the new platform monopolies. For example, the government could force Facebook to divest specific components such as WhatsApp, Messenger, and Instagram. For its part, Google could be forced to divest DoubleClick, YouTube, and AdMob.

Antitrust measures should always be on the table as a credible threat, but they represent only one of several potential policy interventions against Facebook's monopoly powers. In Europe, regulators are trying to compensate for earlier policy failures that allowed Facebook to set its own terms by implementing new policies designed to protect users' privacy. The European Union's new General Data Protection Regulation (GDPR) ensures that internet users in the twenty-eight EU countries understand and consent to the data collected about them regardless of where that data is stored and processed. The GDPR also guarantees a "right to be forgotten" that allows EU citizens to permanently remove online personal data, as well as a right to "data portability" that allows users to download their data and move it elsewhere.[109]

Other European interventions have attempted to hold social media platforms accountable for the content posted on their sites and for their business practices. Germany, for example, passed a "Facebook law" that allows for fines against large social media platforms that fail to police against hate speech. Platform companies could face fines of €50 million for failing to remove identified hate speech within twenty-four hours.[110] The European Union has fined Google three times for various kinds of malfeasance since 2017, most recently $1.7 billion for unfair advertising practices.[111] Facebook, too, has repeatedly faced fines and threats from European countries for antitrust, hate speech, and data protection violations.[112]

The United States lags behind Europe in confronting digital monopolies, but more punitive measures are on the rise. Although it delivered a relatively light penalty in the eyes of many critics, the FTC charged Facebook $5 billion for privacy violations.[113] Other potential regulatory interventions being discussed in the United States include Federal Election Commission rules banning political advertising by dark money groups and foreign governments; reforming Section 230 of the Communications Decency Act of 1996 that shields interactive computer services from legal liability for user-generated content (and the removal of such content); mandating complete transparency of algorithms and data collection; and requiring data portability and interoperability. Many of these potential interventions are unlikely to ever be enacted—and some may create problems of their own—but they attest to an entire toolbox of regulatory instruments at policymakers' disposal to rein in unruly monopolies.

Earlier policy failures have had dire consequences, but it is not too late to fix things. Facebook's power does not stem from magical technology or the market's genius. Rather, all societies face political decisions over how they will govern their communication infrastructures, and, for most of the world, Facebook has become a critical communication infrastructure. Facebook's technology is not inviolable; humans create its algorithms. Facebook proved this point when it suddenly adjusted its algorithms in 2018 to privilege friends and family posts over those from news publishers.[114] Facebook is not beyond regulation. Moreover, given its massive profits, Facebook could commit money to journalism (an idea to which I return in the conclusion) and hire legions of human screeners and editors (and provide better working conditions for those they already employ).[115]

Facebook's defenders have countered that Facebook's content-related problems are too vast to fix. It is not reasonable, these commentators say, to ask a corporation to police the posts of 2.3 billion users around the globe.

While it is true that this problem is not simply Facebook's to solve, we cannot let the company that created the problem off the hook. Democratic societies must determine Facebook's social responsibilities and how to enforce them. International grassroots groups, watchdog institutions made up of independent experts, an independent council of journalists, technologists, and public advocates, should devise means of oversight and help monitor and audit Facebook's actions, all while pressuring Facebook to be more transparent and accountable. These bottom-up discussions should be held openly and internationally, with the participation of diverse constituencies. Public governance should be the ultimate objective.

Social media is never "free." We pay for it dearly in our content, data, labor, and attention. As the old saw goes: if you are getting something for free, most likely *you* are the product. But even today, many users do not understand the true nature of this exchange and the egregious lack of privacy protections online. Survey data show that when people understand the extent to which Facebook shares their personal information with advertisers, the majority of users are uncomfortable with such a relationship.[116] At the same time, other studies show, they feel a sense of resignation about these terms because they feel disempowered to change the power relationship.[117]

In response to the growing awareness of Facebook's many infractions, a #DeleteFacebook movement has emerged, especially in the United States. While it is tempting to simply quit Facebook and delete one's account, such an individualistic, consumer-based reaction does not encourage institutional change, which generally requires collective action. Given the social media company's tremendous network effects (the network's increasing size makes it more valuable to users and more costly to leave), it is unreasonable to expect a mass exit from Facebook. Rather, continued expansion is the more likely outcome, especially since many groups of people around the world depend on Facebook for basic communications. Containing corporate power at this scale requires systemic reform—not individual action—and such a massive project in turn requires a commitment to collective action and meaningful policy interventions.

What Is to Be Done: Break-up, Regulate, or Remove from the Market?

Facebook and other platform monopolies such as Amazon, Google, and Apple simply have too much power over the world's media and politics.

Checking their power requires a combination of trustbusting, regulation, and creating public alternatives. The US political imaginary is too often limited to individual freedoms and consumer rights, but we can rise above this impoverished vision to draw from a social democratic tradition that conceptualizes news and information as public goods that should not be left solely to the corrosive commercialism of unregulated monopolies—a theme I return to in the next chapter.

A new social contract for digital media must assert public control over communication systems and provide funding for the public infrastructure that sustains democratic society. We especially need journalism that can focus on local issues and hold the powerful to account. Any new arrangement should protect content creators and individual users (i.e., those who actually produce the labor from which Facebook profits). Most importantly, this new contract must privilege society's democratic needs over platform monopolies' sole objective of maximizing profit. Doing so is a necessary step toward restructuring our global media system and preventing unaccountable information monopolies from ever arising again. But how do we get there? Do we repeat old mistakes and impose self-regulation requirements that are weakly enforced and likely to erode over time? Or do we subject Facebook's monopolistic power to real public oversight and implement redistributive measures?

Fortunately, a growing anti-monopoly movement has coalesced over the last several years, channeled by politicians such as Senator Elizabeth Warren and advocacy groups such as the Open Markets Institute.[118] At the intellectual level, this movement benefits from a growing consensus that something must be done to confront concentrated corporate power in general and the new tech monopolies in particular. It also coincides with a growing "techlash" against Silicon Valley-based internet firms. A lively debate has emerged in recent years with two major camps—mostly on the Left, but including people from across the political spectrum—crystallizing around what sometimes are referred to as the Jeffersonian or neo-Brandeisian approach, which emphasizes breaking up monopolies, and the Hamiltonian approach, which favors regulated monopolies.[119]

The neo-Brandeisian approach (named after Supreme Court Justice Louis Brandeis) focuses on breaking up concentrated market power and encouraging competition, especially through antitrust measures. This framework guides much of the growing US anti-monopoly movement, whose main objective is to break up monopolies into smaller units along structural lines, thus creating a much more decentralized economic environment in which numerous firms compete for consumers.[120] Anti-monopoly activists rightly identify the Chicago School of antitrust analysis, especially that associated with conservative economists and legal scholars such as Robert Bork, as the intellectual paradigm that led us down the path to excessive monopolization. More than anyone else, Bork helped reorient antitrust law toward what is known as the "consumer welfare standard," which supposedly seeks to maximize consumer benefits, but is less concerned with public interest considerations such as unemployment and protecting small businesses.[121] During the Reagan administration, this approach became the dominant paradigm, with the government willing to approve mergers so long as companies promised to keep prices low. Regulatory bodies exhibited less concern toward other well-known problems related to concentrated economic and political power, which led to highly concentrated industries exacting terrible social costs.[122] Future historians will puzzle over how this paradigm ever became so prevalent.

The neo-Brandeisian intervention, therefore, is a timely and necessary corrective. US antitrust enforcement has been on the wrong path for decades—with disastrous consequences. But while the ideal of maintaining robust competition among many small producers is an appealing one, one limitation of the anti-monopoly model is that it fails to directly challenge the commercial basis of US communication systems. Many anti-monopoly activists tend to scrutinize the size of monopolies and the lack of competition, rather than the commercial values and relationships that underpin them. This critique tends to sideline critical questions about whether media systems should be governed by market relationships in the first place—or whether they should be, as much as possible, entirely removed from the market. After all, it is reasonable to assume that all of our media-related problems cannot be solved simply by reducing the size and multiplying the number of commercial outlets that depend on surveillance advertising, disseminating low-quality content, and undervaluing democratic concerns. In other words, Facebook is also a capitalism problem, not just a monopoly problem.[123]

Neo-Brandeisians may see their mirror opposite as the Hamiltonian approach, which favors centralization. Part of this position rests on the notion that greater efficiencies stemming from scale and scope may create benefits for workers and consumers. According to this view, progressive Hamiltonians are comfortable with large producers because they are easier to unionize and regulate. Within this regulated monopoly paradigm, big government can serve as a countervailing force against the excesses of big capital. The neo-Brandeisians, for their part, criticize the Hamiltonian position as naïve and accommodationist. Their understandable concern is that regulating monopolies instead of smashing them risks locking in and legitimating concentrated corporate power. The neo-Brandeisian notion that "big is bad"—or, as Brandeis himself referred to it, "the curse of bigness"—benefits from a kind of intuitive resonance of justice. Moreover, the desire to trust-bust monopolies has a populist appeal, connects with a rich history, and often presents itself as the radical—or at least the more progressive—option in policy debates. But in fact, the neo-Brandeisian approach is, in some ways, a conservative position; it sees a fair and orderly market as the proper regulator of news media. In other words, it assumes that commercial systems can serve democracy well, if only we manage them appropriately.

Some analysts have begun arguing that antitrust is necessary but insufficient in designing a media system that serves democratic aims.[124] These critics argue that it should not be an either/or but rather a both/and. Even leading analysts who fall squarely within the neo-Brandeisian camp argue that the plan should be "break-up and regulate."[125] But there is also a third way. What both of these approaches lack is a systemic critique of the market's failure to support public goods. Unaccountable monopoly power is both a contributing factor to and symptom of this structural problem. We need to search for structural alternatives to the "surveillance capitalism" that drives so much of our digital news and information systems.[126] We need public options.

The Search for Structural Alternatives

A clear-eyed view of the structural problems facing journalism entails understanding not only that questions of media ownership and control are central to journalism's future, but also that government will have to take a more active role. It has been particularly challenging to have this conversation in the United States, where for many years a corporate libertarian paradigm has dominated policy debates and First Amendment absolutism impeded government intervention on behalf of news institutions. Nonetheless, we can advance the debate if we clarify what is at stake and what policy interventions are necessary to guarantee a viable system for public service journalism. Many threats facing journalism—from the spread of monopoly power to the regulatory capture of our entire policy-making apparatus—are structural problems that require structural remedies. These remedies must include containing monopolies and, as much as possible, minimizing commercialism's effects on journalism.

The run-amok concentration of media ownership underscores the structural nature of US media's failures. Irresponsible journalism results from commercial pressures that privilege particular types of news coverage over others, not the malfeasance of a few bad journalists or news organizations. For example, Facebook designs its algorithms to encourage its users to engage with content on the platform, because this is the action that sells targeted ads and drives corporate profits. As users, we are more likely to engage with material that has an emotional pull—if something makes us angry or scares us or entertains us. Hence, Facebook's algorithms reward content that fuels outrage—which mainstream news media produces by emphasizing political conflict. Consumer tracking and profiling encourages advertisers and news outlets to focus their efforts on narrowly tailored clickbait, regardless of a story's veracity. In the end, commercial logics and, specifically, the need to maximize profits via advertising revenue over all other concerns, drives contemporary digital journalism. Ultimately, the commercial nature of our media system enables and amplifies misinformation.

A clickbait-riddled news media system is obviously a suboptimal way to design a core global information system. To return to an observation I made earlier in this chapter, perhaps the real question is why we ever expected anything different to emerge from such a commercialized, profit-driven system? Why did we ever assume that Facebook would behave differently from any other monopoly throughout history? This recurring blindspot is just one more reminder that if we do not understand the logics of a commercial media system—or, put differently, if we do not understand the effects of capitalism on a media system—we will always be taken by surprise by the behavior of bad actors.

Des Freedman put it plainly when he challenged the notion that social media offered a radical redistribution of power. Given the now overwhelming evidence that earlier utopian aspirations for the internet have not transpired, Freedman observes, "the digital economy, just like the 'analogue' one . . . is marked by the same tendencies towards concentration and consolidation, towards enclosing and protecting private property."[127] The thought that digital media somehow transcended these capitalistic imperatives was always an ideological assumption, not an empirical one. We are now reaping the consequences of this magical thinking.

Must we merely repeat these same mistakes and patterns? Must we watch, yet again, commercial interests squander the democratic potentials of new media technologies? Is there a way out of this paradigm? Can we imagine a communication system guided by a democratic logic? In the next chapter, I draw on historical and international examples to discuss what alternative infrastructures to our current monopoly-dominated commercial system might look like. One alternative model—and a very old one at that—is the public media option.