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*Bechtel v. FCC: The Beginning of the End of the FCC's Comparative Hearing Process*

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Abstract by Meredyth S. Cooper

This author examines *Bechtel v. FCC* and its consequences on the FCC's comparative hearing process. The FCC employed several criteria during comparative hearings to determine whether or not to grant a new broadcasting license to similar applicants competing for the same frequency. As the process evolved, the FCC began to stress one criterion—the integration policy—as the paramount factor, to the effective exclusion of the other factors. In essence, the integration policy viewed applicants who sought a license and intended to manage the station themselves as preferable candidates to those who planned on hiring others to manage the newly acquired entity. When this policy was challenged, the D.C. Circuit Court held that the FCC had not provided sufficient evidence to demonstrate that owner-managed stations provided any benefits superior to non-owner-managed stations. While the court only struck down the integration policy, the FCC froze granting new licenses to anyone until it could establish new criteria.

The author examines the consequences of refusing to grant licenses based on the integration policy's failure. The author argues that local communities are being deprived of additional sources of information and entertainment. Furthermore, the author notes that those seeking entry into this profitable marketplace have essentially been foreclosed from doing so and existing broadcasters with plans for expansion have been left languishing. The author suggests employing auctions to grant licenses because they provide the most viable and efficient option to accomplish FCC goals to grant licenses that serve the public interest in addition to raising revenue for the Department of Treasury. The author further notes that in order to prevent small or mid-sized companies from being locked out of this competitive process, the FCC should allocate certain set-asides for these companies and implement appropriate safeguards. The author concludes that among the potential alternatives, such as lottery systems, auctions provide the best opportunity to realize the FCC's purpose to serve the public interest and ensure economically efficient distribution.