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LADB Staff

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Senate Approves Controversial Broadcast Law

by LADB Staff

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In a controversial decision, the Mexican Senate overwhelmingly approved a new broadcast law that consolidates control of the two largest television networks over the airwaves. The legislation was approved by a vote of 81-40, with support from the majority of members from the former governing Partido Revolucionario Institucional (PRI) and the conservative Partido Accion Nacional (PAN) and the entire five-member delegation from the Partido Verde Ecologista Mexicano (PVEM). All 15 members of the center-left Partido de la Revolucion Democratica (PRD) voted against the bill, along with a handful of vocal dissenters from the PRI and the PAN.

The Senate bill is nearly identical to a measure approved unanimously by the Chamber of Deputies in December 2005. The basic intent is to bring Mexico's broadcasting infrastructure into the 21st century, allowing broadcasters to fill their existing analogue-frequency spectrums with many kinds of digital services.

Critics say the law is not democratic because it fails to give access to the new technology to a wider segment of society. The proposal to modernize the Ley Federal de Radio y Television (LEFERYT) had been under discussion for more than a year but a vote was postponed several times because of major disagreements on the amount of control to cede to the country's two largest networks, Televisa and TV Azteca (see SourceMex, 2004-10-13 and 2005-05-25).

In December 2005, the Chamber of Deputies finally voted on a bill to reform the LEFERYT, but the measure was heavily weighted toward Televisa and TV Azteca and failed to sufficiently address demands to create a more democratic allocation of the airwaves.

In the weeks that followed passage in the lower house, several nongovernmental organizations turned their attention to the Senate, where a friendlier bill seemed likely. This was because a majority of the PAN members in the Senate had suggested they would oppose any measure that expanded the power of Televisa and TV Azteca.

Heavy lobbying from the two networks and the broadcast-industry chamber Camara de la Industria de Radio y la Television (CIRT) eventually led most PAN members and many PRI senators to shift their position and vote for the new law. "Mexico, it appears, has been converted into a soldier of Televisa," PRD Sen. Raymundo Cardenas said after the Senate vote.

Measure favors broadcast giants

Under the changes approved in both versions of the bill, the large broadcast companies would automatically receive a large share of digital spectrum, while potential newcomers to the market would have to pay for additional spectrum that is put out for bids.

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The measure was opposed by a broad range of nongovernmental organizations and government agencies, including the federal anti-monopoly agency (Comision Federal de Competencia, COFECO), the Asociacion Mexicana de Radios Comunitarias, the Comision Interamericana de Derechos Humanos, the public radio network Instituto Mexicano de la Radio (IMER), and the Centro de Estudios Economicos del Sector Privado (CEESP). "Even though both TV Azteca and Televisa would benefit from LERFERTY reforms, the law is being called the Televisa Law because of that broadcast company's dominance over the market."

Televisa, owned by the powerful Azcarraga family, controls more than two-thirds of the television stations in Mexico and four of six national channels. Additionally, the company holds majority shares in Mexico's largest cable TV company Cablevision and the satellite company Innova. The company is also involved in radio broadcasting through its 17-station network Radiopolis.

Critics argued that the Congress should have used the reforms to the LERFERTY to encourage competition rather than automatically transfer big chunks of the digital spectrum to the media giants like Televisa, TV Azteca, Radio Centro, and others. Critics also said that the government was missing out on a potential source of revenue by simply handing over the new digital bands, which are public property, to the powerful networks rather than charging them a fee.

A day before the Senate vote, the 15 IMER members repeated a single song all day long, interspersed with advertisements against the measure. "A country without plurality in media would be like listening to the same song all day long," the ad said. The COFECO director raised concerns that the agency would be unable to enforce anti-monopoly principles. "We have been left powerless to promote competition," said COFECO director Eduardo Perez Motta.

**Supporters say measure creates transparency**

Supporters, led by CIRT, countered that the new law would promote rather than inhibit competition by eliminating a long-held government practice of handing out concessions by decree. "The industry needs transparency and legal certainty to modernize and provide more and better services to the public," the CIRT said in advertisements broadcast in the days leading to the Senate vote. Televisa and TV Azteca also did their part to endorse the changes during their news broadcasts.

TV Azteca's popular news anchor Javier Alatorre told viewers that the pending overhaul would deliver "enormous benefits for society." Televisa's chief news anchor Joaquin Lopez Doriga used a segment of his broadcast to deny reports that his network had offered to bribe legislators. "There is no proof that Televisa offered money to legislators to vote yes," he said.

The networks' efforts to defend their interests were expected, but some observers said the lengths to which they went to sway public opinion were unprecedented. "It's as if Dan Rather used the first six minutes of his broadcast to defend a law in which CBS had a stake," said Denise Dresser, political analyst at the Instituto Tecnologico Autonomo de Mexico (ITAM).

"The two dominant companies took advantage of their broadcast concessions to promote what we already knew, that they had crafted a bill to support their own interests," said PAN Sen. Javier.
Corral Jurado, who, along with Sens. Manuel Bartlett Diaz of the PRI and Cesar Raul Ojeda Zubieta of the PRD, led the opposition to the Senate measure.

Other observers said Televisa’s influence in the final version of the bill reflects a faulty democratic process in Mexico. "We will appear in the record books as the first democratic country in the world that approved a law written by the legal department of a private telecommunications company," said columnist Alfonso Elizondo of the Mexico City daily newspaper Reforma.

Televisa, a private entity since its inception, has traditionally been in collusion with the government, serving as a mouthpiece for official policies during the seven decades in which the PRI was in power. Former Televisa executive Emilio Azcarraga Milmo, who died in 1997, once famously declared himself "a soldier of the president and at the service of the PRI." Azcarraga's son, Emilio Azcarraga Jean, sought to take a less partisan line while maintaining the company's huge monopoly.

Electoral season may have influenced votes

There were some rumblings that the television networks struck a deal with the major political parties to keep the issue out of the campaigns. "This is an industry that forces its own chamber [CIRT] to submit to its wishes, then does the same to the presidential candidates, the federal government, the political parties, and even the Congress," said Sen. Bartlett.

The three major candidates said little about the controversy regarding the broadcast law in the months leading to the Senate vote. "The fact that none of the presidential candidates has spoken out tells you how necessary it is to appear on Televisa and TV Azteca" to have a shot at winning, said Sallie Hughes, who teaches journalism at the University of Miami and has written a book on the Mexican media.

In the days before the Senate vote, the candidates did make vague references to the bill, but only because of the attention the issue was getting in the print and broadcast media. Andres Manuel Lopez Obrador, who is leading the leftist coalition Alianza Por el Bien de Todos, said it would be "prudent" for the Senate to postpone a vote until experts could study the issue further. "It is necessary to hear from all parties," said Lopez Obrador, who is representing the PRD, the Partido Convergencia por la Democracia (PCD), and the Partido del Trabajo (PT) in the July election.

Except for the 15 senators who voted against the measure, the PRD has been criticized for its timid opposition to the LEFERYT reforms. All 51 members of the party supported the legislation approved in the lower house in December. Faced with strong criticisms, PRD floor leader Pablo Gomez said he was not aware of all the implications of the legislation when he urged PRD legislators to support it. "This was a mistake," an apologetic Gomez told reporters. "There was no justification [for us to take this position]. Felipe Calderon of the PAN took a laissez-faire approach similar to that of Lopez Obrador. "My impression is that the Senate bill has some elements that need to be changed, but I will remain absolutely respectful of the decision of the legislators."

Members of the PAN in the upper house were more divided on the issue following the vote in the Chamber of Deputies in December 2005, but powerful senators such as Diego Fernandez de
Cevallos swayed a majority of delegation members to vote in favor of the bill. In the end, 30 PAN senators supported the measure, 13 opposed the bill, and three others abstained.

Roberto Madrazo, the candidate for the Alianza por Mexico, said he had no problem with the Senate measure because a similar bill had already been approved in the lower house with support from all parties. "I have always said that I would respect what the deputies in the lower house approved," said Madrazo, who is representing the PRI and the PVEM in the July 2 election. There was never any doubt about support for the measure within the PRI Senate delegation, since the party overwhelmingly approved the measure in the Chamber of Deputies.

Still, 10 PRI senators joined with Bartlett to oppose the measure during the final vote. Opponents say one of their last hopes is for Fox to veto the bill. But the president is not likely to take this action. In comments to reporters after the summit with US President George W. Bush and Canadian Prime Minister Stephen Harper in Cancun, Fox lauded the independence of the Congress in approving the LEFERYT reforms. "I celebrate that the Congress, the Chamber of Deputies as well as the Senate, exercised its autonomy [in approving this legislation]," Fox said.

The president later said he would rely on the opinion of the Secretaria de Gobernacion (SEGOB) before deciding what action to take on the legislation. Interior Secretary Carlos Abascal Carranza has been noncommittal, but some observers say he is not likely to recommend a veto. Meanwhile, the senators who opposed the measure are considering court action. "We will continue working intensely to convey our rejection of an initiative that only submits the Congress to the interests of a monopolistic entity," said Bartlett. (Sources: Global Integrity, www.publicintegrity.org; Notimex, 02/15/06, 03/13/06, 03/19/06; Los Angeles Times, Associated Press, 03/29/06; La Cronica de Hoy, 01/04/06, 01/09/06, 01/12/06, 01/19/06, 01/23/06, 01/31/06, 02/01/06, 02/09/06, 02/10/06, 02/14/06, 02/23/06, 03/07/06, 03/22-24/06, 03/28/06, 03/30/06, 03/31/06; El Financiero, 01/19/06, 01/20/06, 01/23/06, 01/26/06, 02/01/06, 02/21/06, 02/24/06, 03/28/06, 03/30/06, 03/31/06; The Herald-Mexico City, 01/30/06, 03/10/06, 03/27-31/06; Agencia de noticias Proceso, 12/01/05, 01/18/06, 01/24/06, 01/25/06, 02/15/06, 03/01/06, 03/21/06, 03/23/06, 03/27/06, 03/29/06, 03/30/06, 04/03/06; El Universal, 12/07/05, 01/02-06/06, 01/17/06, 01/19/06, 01/20/06, 01/23-27/06, 02/07/06, 02/20/06, 02/28/06, 03/01-03/06, 03/06-08/06, 03/10/06, 03/13-16/06, 03/23/06, 03/24/06, 03/27-31/06, 04/03/06; La Crisis, 01/27/06, 01/30/06, 01/31/06, 02/01/06, 02/03/06, 02/27/06, 03/02/06, 03/03/06, 03/22/06, 03/24/06, 03/27/06, 03/30/06, 03/31/06, 04/03/06; La Jornada, 12/07/05, 01/10/06, 01/13/06, 01/18/06, 01/19/06, 01/20/06, 01/23/06, 01/27/06, 02/01/06, 02/03/06, 02/09/06, 02/15/06, 02/24/06, 02/28/06, 03/02/06, 03/08/06, 03/09/06, 03/23/06, 03/24/06, 03/27-31/06, 04/03/06, 04/04/06; El Economista, 01/12/06, 01/20/06, 02/13/06, 02/21-24/06, 03/01-03/06, 03/22-24/06, 03/27-31/06, 04/04/06; Reforma, 01/20/06, 01/24/06, 02/03/06, 02/07/06, 02/09/06, 02/16/06, 02/17/06, 02/24/06, 02/27/06, 02/28/06, 03/03/06, 03/21/06, 03/22/06, 03/24/06, 03/27-30/06, 04/01/06, 04/03/06, 04/04/06)