

## BUSINESS HISTORY REVIEW

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BOOK REVIEW

Blue Skies: A History of Cable Television. *By Patrick R. Parsons.* Philadelphia: Temple University Press, 2008. ix + 804 pp. Notes, index. Cloth, \$59.95. ISBN: 978-1-592-13287-4.

Reviewed by Thomas R. Eisenmann

Patrick Parsons has filled a gap in the history of technology with his comprehensive account of the U.S. cable-television industry from its inception through 2005. Parsons views cable TV as a socially constructed technology—one that was not “invented” in the Edisonian sense. Rather, cable TV evolved as an extension of existing technical and business concepts and gradually acquired meaning through interactions—often contentious—between cable entrepreneurs, broadcasters, government officials, and other parties. Since the late 1960s, a recurring theme in the social construction of cable technology has been the “Blue Skies” vision of cable as a two-way, broadband communications utility offering information and entertainment on demand, electronic commerce, video conferencing, and a forum for creative expression and political debate. Parsons explains why the Blue Skies vision gained new advocates over time, despite the cable industry’s repeated failure—at least prior to the Internet era—to deliver on its promise.

The social-constructionist lens requires a historian to review trends in technology, regulation, financial markets, related industries, and the *Zeitgeist*. Parsons does an outstanding job of describing diverse developments and weaving them into his chronological narrative. He provides deep analyses of crucial policymaking debates, which will be especially useful to scholars of regulation. However, his encyclopedic approach can become numbing. For example, he documents the founding of over three-dozen cable-programming networks in several long passages, portions of which could be relegated to an appendix. Also, while otherwise citing an exceptionally broad set of source materials, Parsons fails to reference Wall Street research. This omission is unfortunate, because securities analysts played a pivotal role in the social construction of beliefs regarding this very capital-intensive industry.

One of the book's strengths is its exploration of antecedent technologies and regulatory frameworks that served as models in shaping beliefs about cable's place in the industrial, cultural, and political landscape. Parsons has identified some fascinating forerunners to Blue Skies thinking, such as an 1878 cartoon depicting a videophone in *Punch* magazine and Edward Bellamy's 1888 description of piped audio-on-demand in his utopian novel, *Looking Backward*, set in the year 2000. Also surprising are precedents, such as the proliferation of cable-based radio-relay systems in Europe during the 1930s; a 1938 U.S. Federal Communications Commission report about the threat of AT&T's monopolization of television distribution through a nationwide cable network; and a failed 1982 overture to cable operators by the long-distance telephony entrant MCI, seeking an alliance to bypass AT&T's local lines.

Parsons persuasively documents the varied forces that contributed to Blue Skies thinking. For example, after an early period of benign neglect by the free-market-oriented Eisenhower administration, cable operators were reined in by Kennedy's more activist FCC, which worried about cable's impact on nascent ultrahigh-frequency (UHF) broadcasters. The Blue Skies vision emerged partly in response to resulting regulatory restraints. The vision, which resonated with shifting social and political attitudes during the late 1960s, was promulgated by Defense Department personnel who simultaneously conceived the Internet, and by cable-equipment entrepreneurs, "think tank" denizens, and urban planners. The vision was subsequently embraced by the Nixon administration, which used it to rationalize a regulatory attack on hostile broadcasting networks. During the 1980s, extravagant Blue Skies services were offered by cable operators to sweeten bids for municipal franchises, but they were never delivered. During the early 1990s, the Blue Skies vision was in sync with Vice President Al Gore's push for an "information superhighway," and, toward that goal, was used to justify landmark legislation in 1996 that freed cable and phone companies to enter each other's markets.

While Parsons masterfully marshals and interprets a huge amount of information in describing each period of the cable industry's development, his volume falls short in analyzing patterns *across* the periods. By failing to pose certain critical questions, he misses opportunities for synthesis. First, for example, he could have asked, Can we generalize about how differences in U.S. presidents' philosophies regarding regulatory activism shaped perceptions of cable's role in society?

Second, how did cable-industry structure contribute to delays in delivering Blue Skies technology? Parsons notes that such technology was either not available or not affordable until the late 1990s. Was the pace of innovation slow because cable operators operated in distinct franchise territories and thus never competed with each other? Because most cable equipment was provided by just two firms that were sheltered from competition by the high costs that an operator would incur should it choose to switch to a new vendor's equipment? Because cable's scale economies and strong, predictable cash flows encouraged consolidation, resulting in heavy debt loads that left little room for Blue Skies experimentation?

Third, Parsons does not discuss the development of cable in other countries. Several institutional differences between countries could provide a natural experiment for validating social-constructionist interpretations of the U.S. industry's evolution. For example, how important to cable's development was the longstanding commitment to localism and private ownership in U.S. broadcasting? Within the European milieu of public ownership of broadcasting and telecommunications, cable achieved minimal penetration (e.g., France), emerged more slowly (e.g., the United Kingdom), or was organized as a common carrier and supplied by the public telephone company (e.g., Germany).

Finally, is the social-constructionist lens compatible with "great man" theories of history? Parsons recounts the strategic moves of entrepreneurs who led the industry through key transitions. But did their actions have a distinctive impact on the social construction of cable technology? For example, if Gerald Levin of Time Inc. had not championed HBO's risky and expensive move to satellite distribution in 1976, would others have ignored this opportunity? Without John Malone, CEO of the debt-ridden Tele-Communications, Inc., the largest cable operator, would we have been denied the Blue Skies "500 channel" mantra that Malone used to seduce investors and phone-company suitors during the early 1990s?

Of course, pursuing these topics would add hundreds of pages to an already big book. Parsons has written a definitive history of cable TV, but scholars who study technology would benefit greatly from any decision he might make, in years to come, to expand his work and split it into at least two volumes.

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