

S. HRG. 102-306

NOMINATION OF JAMES H.
QUELLO

HEARING
BEFORE THE
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE
ONE HUNDRED SECOND CONGRESS

FIRST SESSION

JUNE 13, 1991

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(II)

**NOMINATION OF JAMES H. QUELLO TO BE A
MEMBER OF THE FEDERAL COMMUNICA-
TIONS COMMISSION**

THURSDAY, JUNE 13, 1991

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The committee met, pursuant to notice, at 8:58 a.m., in room SR-253, Russell Senate Office Building, Hon. Daniel K. Inouye, presiding.

Staff members assigned to this hearing: Toni Cook, John Windhausen, and Becky Kojm, professional staff members; and Leslie Blossie, minority professional staff member.

OPENING STATEMENT SENATOR INOUE

Senator INOUE. The committee is meeting this morning to consider the nomination of Mr. James H. Quello to serve as a Commissioner on the Federal Communications Commission, and I am delighted that we are able to hold this hearing and I am hopeful that we can have the full Senate's approval of his nomination soon. Mr. Quello, if everything works out well, your papers should be all cleared by the Senate before the July 4 recess.

The FCC has broad authority to oversee most aspects of domestic and foreign communications. In the coming years, it will be no small task for the FCC to ensure that the American communications industry continues to thrive and expand in an increasingly competitive international market. The FCC must ensure that the American public benefits from a more competitive market.

As a member of the FCC, Mr. Quello will be faced with important decisions which will have long-term effects on the communications marketplace. It is essential that the Commission is led by individuals who understand both the nature of the communications marketplace and the policy process. In Mr. Quello's 17 years on the Commission, he has demonstrated that he is more than up to the task.

Since 1974, Mr. Quello has served as a Commissioner. Prior to that, he has worked as a broadcast consultant, and he was a vice president and general manager of radio station WJR, and publicity director at the radio station WXYZ in Detroit.

His government service includes serving on the Michigan Veterans Board of Trustees from 1951 to 1974, the Detroit Housing & Urban Renewal Commission from 1951 to 1972, and the U.S. Army as a lieutenant colonel.

He has been a member of the National Press Club since 1950, and is a past president and legislative chairman of the Michigan Association of Broadcasters. He is also a lifetime member of the Veterans of Foreign Wars and Disabled American Veterans.

He received his bachelor's degree from Michigan State University, and Mr. Quello, it is my pleasure to introduce you, sir. But before I do, I would like to recognize the chairman, Senator Hollings, for his opening statement.

OPENING STATEMENT OF SENATOR HOLLINGS

The CHAIRMAN. On behalf of the committee, I welcome Mr. James Quello to this morning's hearing. We have been working together for the past 17 years, and although we have not always agreed, I know that his decisions reflect what he genuinely believes to be in the public interest. I very much appreciate his hard work and dedication.

The Congress has always closely followed actions of the FCC. Congress, after all, has the responsibility for developing overall national communications policy and ensuring that the Commission carries it out.

During his years on the Commission, Mr. Quello has demonstrated his understanding of both the communications marketplace and the policy process. I also believe that his tenure on the Commission gives him a broad perspective and a deep understanding of the history of our communications policies. I look forward to continuing our working relationship.

Thank you, Senator Inouye.

Senator INOUE. Thank you, Mr. Chairman. I note the presence of two very distinguished Members of the U.S. Senate, so if I may I would like to call on them first—the Hon. Donald W. Riegle, Jr., Senator from Detroit.

STATEMENT OF HON. DONALD W. RIEGLE, JR., U.S. SENATOR FROM MICHIGAN

Senator RIEGLE. I want to thank the chairman of the committee for such a kind introduction of our nominee today, and also say it is a great pleasure to be here before you this morning and to be back in the Commerce Committee room.

I had the good fortune of spending 12 years on this committee and was required, under the rules, to have to make a shift in committees, and I miss serving here, but it is nice to be back at least for this brief moment.

Jim Quello, as you indicate, Mr. Chairman, from that summary of information, is really an extraordinary man, and a deeply dedicated public servant. When you look at the fact that he has served on the FCC now for over 17 years, this is really a remarkable tenure of service, and really outstanding service.

Everyone who knows Jim, regardless of where they may be on a given issue, knows him to be a person of independence, absolute integrity, great energy, leadership, and someone who brings the qualities to Government that we all want to see but do not see often enough in the measure in which he brings them.

We are very proud in Michigan to think of him as a native son from his having attended Michigan State University and his very

distinguished and lengthy career—a quarter of a century—at WJR, which is our leading radio station in Detroit and serving most of Michigan. He also served as vice president of Capital Cities Broadcasting.

But also, I think, a measure of the kind of determination you see now in his continuing service at the FCC—you mentioned his war record. It is a very distinguished one. He was awarded seven campaign stars, the Bronze Star with a cluster, and the Croix de Guerre, so he knows how to dodge the bullets at the FCC today because he got a lot of practice back in World War II.

I would just conclude by saying this: you know, we have had some examples of people serving in Government service after decades of distinguished service before in the private sector and, of course, Jim comes to us today as probably as energetic a person as there is in Government, well into his 70's, and I think he probably as much as anyone I know is the case example of why there should be no age discrimination in employment, because I think he brings a level of energy and capacity and freshness of thought and view that is really quite rare in Government, and so I am just very proud and pleased to come this morning to add my recommendation to that of Senator Robb and others on his behalf.

He serves this Nation in a distinguished way, and it is my hope that, you know, he may be back here another time for still another renomination. But I am delighted he is here today.

Thank you, Mr. Chairman.

Senator INOUE. Thank you, Senator. Your sweet words on age please me very much. I am a senior citizen myself.

Now it is my pleasure to call upon my friend from Virginia, the Honorable Senator Charles E. Robb.

OPENING STATEMENT OF SENATOR ROBB

Senator ROBB. Yes, thank you. I do not know where I picked up that E, but somehow the computer continues to pick it up in one particular trail of correspondence, and I guess I can live with an E.

Mr. Chairman, I thank you for the opportunity. I am delighted to be able to join my senior colleague, Don Riegle, here, on behalf of the renomination of Mr. Quello. He has been a superb Commissioner.

First of all, let me say that when my friend and colleague Don Riegle wanted to talk about not yielding to age discrimination, I thought it was going to be in terms of not yielding to the demand for term limitation, but either argument, it seems to me, works equally well under the circumstances when you have someone who has served with the distinction that Jim Quello has.

My normal task is to review the neighborhood record. I am frequently here on behalf of nominees that have been more recently submitted by the President, frequently with a long affiliation on the other side of the aisle, and my personal knowledge is frequently more limited in terms of political participation, so I check the neighborhood and see what kind of reports we get, and I can assure you that they are uniformly positive and favorable.

As a matter of fact, we have the distinction of having the good fortune, at least, of inheriting Mr. Quello, and it is one of those

rare situations where both his native State and his original domicile continue to support him and admire his good work; and his adopted State, where he has lived now for some 18 years, has a similar high regard for him.

So, I am very, very pleased to join with Senator Don Riegle in recommending to you, Mr. Chairman, the continued service of this exceptionally well-qualified individual and someone who has continued to bring distinction not to one but to two States, a very distinguished record which Senator Riegle has already alluded to.

But I thank you, and may I also note for the record that although I am relatively new in the institution it is rare that a committee hearing gets started not only on time but 2 minutes before the allotted time, and Mr. Chairman, that would have to accrue solely to the chairman in terms of that distinction, and I commend you for it, sir.

Senator INOUE. I thank you very much, sir. I believe it is interesting to note at this stage that the first time Mr. Quello appeared before this committee it was the beginning of seven hearings, if I am not mistaken—18 years ago, your nomination process required seven hearings; is that correct?

Mr. QUELLO. I do not know about seven hearings. It was 8 days, on and off. My combat experience came in very handy.

Senator INOUE. Now, I think we are going to finish this in about 15 minutes. It is apparent to this committee the extent to which you have gained a fabulous reputation as being a great Commissioner, and it is my pleasure to call upon you, so Mr. Quello.

STATEMENT OF JAMES H. QUELLO, COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION

Mr. QUELLO. I thank you, Mr. Chairman. I am grateful to you and your staff for including my confirmation today in your already hectic Senate schedule, and I am especially honored that my hearing chairman today is a distinguished veteran of the 442d Regiment, the most decorated fighting unit in the Italian Campaign in World War II. I remember—I was there.

So, I realize that your committee is under a time constraint, so I did not prepare a lengthy formal opening statement. My regulatory views are detailed for the record by my written responses to your prehearing questions, and also my 17-year record at the FCC is open for congressional and public evaluation.

I appreciate the support I have received from both sides of the political aisle, from various competing industries with conflicting interests. I have been at the FCC long enough now, so I think I voted against everyone at least once, so the varied support is particularly gratifying.

We are in an exciting period of revolutionary growth, contentious developments, and technological advancements in all fields of communications, and I think the best is yet to come. So, we must all work together to maintain and increase our communications leadership so that the Americans remain the best informed, the most gainfully employed, and the best served people in the world.

That is my statement, Mr. Chairman.

[The prehearing questions and biographical data follow:]

QUESTIONS ASKED BY THE COMMITTEE AND ANSWERS THERETO BY MR. QUELLO

GENERAL

Question 1. What should be the Commission's priorities for the next 5 years?

Answer. I believe the Commission's highest priority in the next 5 years will be the orderly, compatible implementation of the advanced technological services of telecomputing, fiber optic, PBS, DAB, HDTV, cellular and personal phone service. Advanced technology often outstrips society's ability to integrate it into our already complex, sometimes expensive communications systems. The rate and extent of technological development will be impacted by consumer acceptance and affordability, commercial practicalities, legislative and regulatory actions and by the service's beneficial contribution to total public interest.

I believe preservation and enhancement of the all-important free universal over-the-air broadcast service will continue to be the mainspring of American mass communications for at least the next five years. In their deliberations, commissioners should apply the simple principle of the best service to the most people at the most reasonable, practical cost.

Question 2. What Commission decisions over the past 5 years do you believe have the greatest impact, positive and negative on the communications industry?

Answer. Greatest Positive Impact: Practical management of AT&T divestiture; Initiation of Price caps for both AT&T and the BOCs; Reaffirmation of the public interest standard by this Commission; Implementation of the TCAF (Temporary Commission on Alternative Financing for Public Telecommunications) Committee recommendations for enhanced underwriting for public TV and radio; Development and management of advanced technology of DAB, PBS, HDTV, fiber optics and telecomputing; Deregulation of cable and broadcasting with substantial reduction in paperwork and reporting requirements; Initiation of the 4th network (Fox); Enforcement of obscenity-indecency laws; Court validation of FCC minority preference policy.

I believe we have made notable progress in industry and government working together in a constructive spirit of mutual cooperation. In this spirit, we assure that Americans continue to be the best informed, most gainfully employed and best served people in the world.

Negative Impact: Excessive deregulation resulting in a merger mania of takeovers of broadcast properties; Faulty FCC rationale that resulted in court finding that FCC was not able to demonstrate a compelling government interest for must carry (Must carry was found to be unconstitutional *per se.*); Three station effective competition rule exempting cable from local rate regulations; The recent FCC Financial Interest-Syndication (Finsyn) decision to which I dissented; RKO decision—in my view a prime example of gross bureaucratic overkill resulting in an unprecedented loss of an estimated \$1.2 billion in TV and radio properties.

Question 3. Some commenters believe that the FCC should be given the authority to auction the rights to use certain portions of the radio frequency band. Do you believe that Congress should give the FCC this authority?

Answer. I think we should keep an open mind about the concept of spectrum auctions, but should move cautiously in this area. As currently proposed, spectrum auctions would be limited to services such as cellular telephone and personal communications services and specifically would not convey ownership rights to the spectrum. I think Congress and the Commission should exercise great care before adopting spectrum auctions or before extending the concept to mass media services. In the event that Congress is successful in reallocating spectrum from NTIA to the FCC, the Commission might be given temporary authority on a limited amount of spectrum (10 MHz) to conduct auction "experiments" to determine the positive and negative aspects of auctions. The results of such experiments should be reported to Congress and a complete examination of the auction concept can be made.

Question 4. The FCC has recently proposed to open up new channels of the radio spectrum for new technologies. How will the FCC handle complaints by current users of that spectrum that they cannot afford to move to a new frequency?

Answer. I believe this question refers to the initiative that Chairman Sikes announced regarding establishing a spectrum reserve. First let me state that this is in the early stages of study. This study does not necessarily mean that all licensees within certain bands (1800-2300 MHz bands) will have to move.

Spectrum reserves can be developed by spectrum overlay technologies such as spread spectrum. Experiments are currently being conducted to determine if this technology can operate without causing interference to existing users. Additionally, spectrum can be used more efficiently in many services. The Commission will be voting at the June 13, 1991 meeting on an inquiry that proposes more efficient use

of spectrum below 470 MHz. Industry migration to new technologies such as fiber may also free previously used spectrum. Finally, it may be necessary to reaccommodate licensees to other bands. The Commission has done this in the past. In the allocation of spectrum for the Direct Broadcast Satellite service the Commission allowed ample time for existing users of the 12 GHz band to migrate to other bands. The Commission discussed but did not impose compensation for the relocation. Multi-channel Multi-point Distribution Services (MMDS) can use ITFS channels and any use that results in change of technology can be paid for by the MMDS licensee. In the event the Commission does require the relocation of existing licensees to other bands, it could require that the new users of the band pay for relocation. Additionally, the Commission could allow sufficient time to assure the existing licensees' equipment has been amortized.

MASS MEDIA

Question 5. The FCC recently issued a proposal to consider relaxing some of the cross-ownership and multiple ownership rules as they apply to radio. Why is the FCC considering this proposal?

Answer. Radio broadcast markets have changed considerably over the past decade. Currently, there are over 175 AM radio stations that have gone dark and this number is increasing, while only 17 FM are currently dark. The Commission is examining other issues that may help AM radio, such as the proceeding focusing on technical improvements to the AM band. Examining some of the Commission's ownership rules may result in actions that could provide economic relief for AM broadcasting.

Question 5b. Does the FCC know how many companies or individuals own 12 AM, 12 FM, or 12 television stations?

Answer. It appears that only a very few owners have reached the limit. For example, CBS and Nationwide each owns 12 FM stations. Silver King Broadcasting and Trinity Broadcasting Network, Inc. each own 12 television stations.

Question 5c. It is my understanding that only a few companies are at the 12-12-12 limit. If that is the case, why is there any need to relax the rules?

Answer. First, I am not sure we will be relaxing the rules. Broadcasters may be inclined to acquire stations in their own market allowing for economies of scale in the operation of the stations. This alone may provide incentives for licensees to acquire additional stations and we may see an increase in the number of licensees that will be at the 12-12 limit with respect to radio ownership. Nonetheless, as I mentioned in my separate statement issued with this Notice, I have to be convinced that the public interest will benefit from such rule changes. Separate Statement of Commissioner Quello, Notice of Proposed Rule Making on the Revision of Radio Rules and Policies. It is not AM station viability alone that is at issue, other public interest factors also must be considered.

Question 5d. A number of parties, including the National Association of Black Owned Broadcasters, are concerned that lifting these restrictions will reduce the diversity of voices available in the marketplace. Are you concerned about broadcast diversity?

Answer. Yes. On the FCC's recent Notice of Proposed Rule Making on revision of radio rules and policies, I raised this very issue in my separate statement. (*Ibid.*) As I mentioned in response to the previous question, I expect the Comments filed in response to this Notice to examine public interest issues, not just economic survivability. In my separate statement, I said " * * * the Commission must be careful not to place disproportionate emphases on competition at the expense of public interest, localism, diversity and minority ownership."

Question 5e. Have any minorities benefited from the policy that permits ownership of 14 stations, if two of those stations are controlled by minorities?

Answer. Based on information supplied by the Mass Media Bureau, it appears that the policy has resulted in ownership opportunities for minorities as a result of transactions involving Trinity Broadcasting Network and Silver King Broadcasting.

Question 5f. The FCC's duopoly rules prohibit the ownership of two FM stations in the same market. Do the FCC's rules prohibit one station from purchasing "brokered" time on another station in the same market?

Answer. The Commission's rules allow "brokering" arrangements. However, the FCC's rules are explicit about the licensee in a brokering arrangement maintaining control of and responsibility for his station. The issue of "brokering" is receiving increasing attention. Again, I have expressed concern about the potentially detrimental effects of time brokering on stations within the "brokered" market. (*Ibid.*) The Commission must examine this issue to determine what is actually taking place under these "brokering" arrangements.

Question 6. Regarding the FCC's Order implementing the Children's Television Act of 1990: Could you explain to me what would constitute a program length commercial under the new rules?

Answer. Under our rules regarding children's programming, the Commission defined a "program-length commercial" as a program associated with a product in which commercials for that product are aired. Although some parties to our recent rulemaking proceeding wanted to include within the definition programs in which the characters originated (within a specified time frame) as toys or games, we found that this created too much of a limit on children's programming. In short, we agreed with certain parties, such as Disney and the Children's Television Workshop, that limiting the introduction of program-related products would inhibit the dissemination of books, magazines, games and computer software that enhance the educational benefits of children's shows. Such a limit also would have restricted the development of new programs. Consequently, we fashioned our definition of program length commercials to prevent the intermixture of commercial content with related programming so as to create a workable and effective standard to protect children.

Question 7a. The HDTV Testing Committee is about to begin testing of several HDTV standards. There has recently been a delay in the testing as many of the proposals have switched to a digital system. Are you satisfied with the testing schedule?

Answer. Yes, I am satisfied with the testing schedule. Certainly, I would have preferred that testing would have begun sooner. I believe that efforts to develop a digital terrestrial HDTV system will move the U.S. ahead of other nations in the development of HDTV. I hope that the research and development going into a digital terrestrial HDTV system will revitalize the U.S. electronics industry.

Question 7b. How far behind Japan and Europe is the U.S. with regard to HDTV?

Answer. Japan is ahead of the United States in the development of satellite delivered HDTV; however, the U.S. has determined that HDTV will be delivered by terrestrial means. It's believed the U.S. is ahead of not only Japan, but also other nations in the development of terrestrial digital HDTV.

Question 8a. Under the Cable Act of 1984, the FCC can define effective competition; however, that only determines under what circumstances the local franchising authorities can regulate the basic tier of service. Neither the FCC nor the local franchising authorities can control what that basic tier contains, is that correct?

Answer. The Cable Act defines "basic cable service" as "any service tier which includes the retransmission of local television broadcast signals." The Court of Appeals has limited the Commission's authority to deviate from this statutory definition and has found that "[u]nder the Cable Act, cable operators generally have the freedom to structure their service tiers in whatever way they wish." *ACLU v. FCC*, 823 F.2d 1554, 1570 (D.C. Cir. 1987). Thus, to the extent more than one tier may include retransmission of local broadcast signals, a local authority may be empowered to regulate the rates of multiple tiers. But an operator has the discretion to group all local broadcast signals on the lowest tier—or to exclude them entirely—and to move all other signals to unregulated tiers.

Question 8b. Does the FCC have the authority to take steps to foster competition to the cable industry?

Answer. The Commission may be able to foster competition with cable television by adopting a new must carry rule as part of the effective competition standard. In addition, the Commission has acted to encourage MMDS and other multi-channel technologies as potential competitors to cable. The Commission also has encouraged experimentation in providing video services by fiber optic delivery, but final resolution of the cable-telco issue is a matter for Congress to decide.

Question 9. The newspaper-broadcast cross-ownership rules prohibit the ownership of a newspaper and a broadcast station in the same market. If the owner of a daily newspaper were to acquire a broadcast station in the same market, the newspaper would first have to receive FCC approval of the acquisition. The FCC would only grant the application on the condition that the applicant divest its ownership of the newspaper within a reasonable period, is that correct? If, on the other hand, the owner of a broadcast station were to acquire a newspaper, would the broadcast licensee have to seek the FCC's approval prior to the acquisition?

Answer. If a newspaper applied to acquire a broadcast station in the same market, the application would only be granted on the condition that the newspaper be divested within a reasonable period. See e.g., *Metromedia Radio & Television, Inc.*, 102 FCC 2d 1334, 1353 (1985), *aff'd Health & Medicine Policy Research Group v. FCC*, 807 F.2d 1038 (D.C. Cir. 1986). With respect to the acquisition of a newspaper by a broadcast station, the Commission has stated:

" * * * if a broadcast station licensee were to purchase one or more daily newspapers in the same market, it would be required to dispose of its sta-

tions there within 1 year or by the time of its next renewal date, whichever is longer. If the newspaper is purchased less than a year from the expiration of the license, the renewal application may be filed, but it will be deferred pending sale of the station, if necessary, until the year has expired." *Second Report and Order in Docket 18110*, 50 FCC 2d 1046, n. 25 (1975).

COMMON CARRIER

Question 10. The FCC is currently considering several proceedings that could significantly alter the regulation of the long distance telephone industry, such as the "dominance" proceeding, the "equal, per unit of traffic" waiver, the court remand of the Tariff 12 proceeding, and others. Some parties have raised concerns about the effect that these proposals could have on long distance rates in rural areas. What are your views as to the competitiveness of the long distance market? Do you believe that there is sufficient competition in the market to justify deregulating AT&T? Do you believe that any of these proposals could have a harmful effect on rural telephone rates?

Answer. I believe it's clear that some parts of the long distance market are fiercely competitive and the Commission is engaged in trying to identify those markets. We are not proposing to deregulate AT&T in even the competitive submarkets but we would like to remove the Commission from the competitive process to the extent feasible. By permitting AT&T greater flexibility in these hotly contested markets, it seems to me, we will be helping to forestall any incentives to deaverage rates because AT&T is often the only carrier serving some of the rural areas. The more profitable markets, not surprisingly, are the most contested.

Question 11. The cellular telephone industry has been growing quickly. Yet some analysts believe that there is insufficient competition in this market. Do you believe that the cellular telephone industry is currently competitive? What actions, if any, do you believe that the FCC or Congress should take to make the industry more competitive?

Answer. The explosive growth of the cellular industry has been responding to so much pent up demand that the providers haven't felt much need to compete on pricing. I believe that is about to change and that there will be more price competition in the near future even without further regulatory or legislative action. The Commission is actively exploring various personal communication (PCS) proposals with a view toward authorizing new services which will compete with cellular. The Commission has authorized approximately 60 PCS experiments.

Question 12. The FCC recently adopted a proposal to allow competing providers of local access services to interconnect with the local telephone companies' facilities. Some are concerned that this proposal could lead to greater competition for local services, which could result in more confusion and higher prices for residential customers. On the other hand, others believe that greater competition for local services is essential to technological progress. Do you believe that the FCC or Congress should promote competition for local telephone services?

Answer. I believe that competition for many local services can be beneficial provided that the Commission takes certain steps to ensure that the competition is fair. For example, local exchange carriers were required to price some of their services to subsidize other services. These subsidies must be identified and, if they are to be retained, should receive a contribution from all competitors. This will not be an easy task but it must be done if we are to continue to encourage competition with local exchange carriers. There may be separations implications and we, in cooperation with the states, will need to deal with those as well. I do not believe that local competition will be harmful to residential customers if we are careful in the manner in which it is introduced. On the contrary, competition should produce benefits for residential subscribers.

Question 13. Although the FCC has worked hard to issue hundreds of cellular licenses over the past few years, a significant number of such licenses have not yet been issued. What action, if any, do you believe the FCC should take to hasten its resolution of these other cellular licenses?

Answer. It's my understanding that about ninety percent of the cellular licenses have been granted. The remaining applications have some legal questions which must be resolved before they can be granted and the Common Carrier Bureau is working to resolve those in the near future. I'm told that the Commission will have the bulk of unresolved cases before us this summer. While I understand the desire to move expeditiously, we are required to decide these remaining cases according to the law which sometimes is time consuming.

Question 14. The FCC has continued to allow several of AT&T's Tariff 12 options to take effect despite a court decision that called into question the legality of these

tariff offerings. Are you comfortable with the FCC's decisions to continue to allow these tariffs to take effect even though the FCC has not resolved the legal questions underlying these tariffs?

Answer. The court remanded a limited number of Tariff 12 options to the Commission for further proceedings. The court was concerned that the Commission had not adequately justified the acceptance of those options on the record. Last February, we issued a notice asking for comments to supplement the record and the staff is now reviewing those comments. We continue to examine all Tariff 12 offerings under the procedures established in our rules. Simply precluding all Tariff 12 offerings from taking effect, it seems to me, would cause unnecessary disruption of the market and deprive customers of an opportunity to negotiate for better rates and services.

BIOGRAPHICAL DATA

Name: Quello, James Henry; address: 6101 Edsall Road, #1404, Alexandria, VA 22304; business address: 1919 M Street, N.W., Washington, DC 20554.

Position to which nominated: Commissioner, FCC; date of nomination: June 3, 1991.

Date of birth: April 21, 1914; place of birth: Laurium, MI.

Marital status: Married; full name of spouse: Mary Butler Quello; names and ages of children: Richard Quello (52); James M. Quello (48).

Education: Michigan State University, 1931-35, BA, June 1935.

Employment: 1935 to 1947, Remington Rand, Detroit, MI, Sales and Promotion; 1937 to 1940, CCC Co-Commander, Washington, DC, Administration; 1941 to 1945, U.S. Army, Washington, DC, Company and Battalion Commander; 1945 to 1947, WXYZ, Lone Ranger, Detroit, MI, Publicity Director; 1947 to 1973, WJR, Detroit, MI, Vice President and General Manager; 1973 to 1974, Broadcast Consultant, Detroit, MI, and Washington, DC, Government Relations; and 1974 to present, FCC, Washington, DC, Commissioner.

Government experience: U.S. Army for 5 years, overseas 33 months, advanced from lieutenant to lieutenant colonel; FCC Commissioner from April 1974 to present; Detroit Housing and Urban Renewal Commissioner, 1951-72; and Michigan Veterans Board of Trustees, 1951-74.

Political affiliations: No political positions held; Dollars for Democrats; Reagan for President; Robb for Senator; and Bush Election Campaign.

Memberships: National Press Club from 1950 to present; Michigan Association of Broadcasters, past President and 12 years Legislative Chairman; and VFW and DAV Lifetime Member in each.

Honors and awards: Distinguished Alumni Award from Michigan State University; Honorary Degree of Doctor of Public Service from Northern Michigan University; Honorary Doctorate of Humanities from Michigan State University; Distinguished Service Award from National Association of Public TV Stations; NATPE International President's Award; Ohio Educational Broadcasting Award; Silver Satellite Award from American Women in Radio and TV; Outstanding Michigan Citizen Award from Michigan Association of Broadcasters; National Press Foundation presented with the Sol Taishoff Award; Keystone Citizenship Award from Pennsylvania Association of Broadcasters; and the 1991 Michigan Public Broadcasting Pioneer Award.

Published writings: "You Can't Be the Land of the Free Without the Home of the Brave" in Congressional Record on 3/22/91; Dissenting statement in re: RKO General, Inc. (WNAC-TV), Boston, MA, Comparative Renewal Proceeding in the Congressional Record 1980; "Press under Fire: Jefferson Revisited" published in the Producers, Writers and Directors Caucus Quarterly in 1985; Prominent excerpts from speech titled "FCC Update" to American Women in Radio and Television published in the Producers, Writers and Directors Caucus Quarterly in 1988; and "Public-Interest Twist in Broadcast Takeovers" Los Angeles Times editorial on 3/22/91.

Senator INOUE. Thank you very much. I just have a couple of questions.

During your time as Commissioner, the structure of the telecommunications industry has shifted very radically from a heavily regulated monopoly framework to a more open, competitive environment. Do you believe that these changes have benefited the consumer?

Mr. QUELLO. If you are balancing it, yes, very much so. I think there were one or two times when perhaps there were some deregulatory excesses, but I mentioned in a speech once that I have been there through some very necessary deregulation, some unregulation, some excessive unregulation, a little reregulation, but overall the benefits way surpassed the damage.

I think the consumers have been well served, and I think it is the primary responsibility and goal now of the Commission for an orderly, compatible transformation to the technological advancements of the future. We are facing computer technology, DBS, DAB, high definition—so many things that have to be considered in a period of orderly and evolutionary transition. I think it is our job to ensure stability in this period.

Senator INOUE. About 30 years ago, soon after I got here, Newton Minow described television programming as a vast wasteland. You have been in the Commission now for 17 years. Do you think the TV programming is better or worse since that time?

Mr. QUELLO. I suppose it depends on personal taste so much. I am a little bit, actually, concerned with the sex and violence, and I am afraid that our society is getting so desensitized by this constant portrayal of violence and sex and other things on TV.

However, it seems strange that if you want to have a hit program, that people will tune in. Hit programs will have violence in them, they will have sex. But we have first amendment rights, so it is a rather delicate situation. Where can we intrude, and where should we not intrude?

Overall, I think that the techniques, and the writing, like everything else, have advanced. The content at times bothers me, but we are not supposed to be in the business of regulating program content.

Senator INOUE. This committee is considering doing something about the 900 numbers. Do you think we are overstepping ourselves?

Mr. QUELLO. Not at all. It is time to do something. The public is being ripped off. They have young people running up huge bills on some of the 900 numbers, and I think it is time to address this problem and to require a code or a credit card, and among the other things that are proposed is that people who decide to discontinue a number that was foisted on them will not have to pay the back bill.

I think all these things are very good, and I think it is very timely. We have to address it. It has been overused, there are too many rip-off artists doing too well with it.

Senator INOUE. I would like to have the record show that all necessary documents have been received and are on file, and we find that everything is in order, and as I promised you, Mr. Quello, it is 15 minutes. We will report your nomination at the earliest, and I would hope that the process would be completed before the July 4 recess.

I am certain everything is in proper shape, so I congratulate you once again. Thank you very much.

Mr. QUELLO. Thank you, Mr. Chairman. I appreciate it.

Senator INOUE. The committee will stand in recess subject to the call of the Chair.

[Whereupon, at 9:15 a.m., the committee adjourned.]