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Federal Communications Commission**

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**TELEVISION TODAY: SAILING IN UNCHARTED WATERS  
IN A NEW AGE OF DISCOVERY**

GOOD AFTERNOON -- IT IS A DISTINCT AND APPROPRIATE PLEASURE FOR ME TO SPEAK AT THE FIRST JOINT NATPE/INTV CONVENTION. BECAUSE I AM DELIVERING THE KEYNOTE ADDRESS, MORE PEOPLE HAVE BEGUN TO ASK IF THIS MEANS I HAVE BEEN NAMED INTERIM CHAIRMAN. TO THAT QUESTION, I CAN ONLY PARAPHRASE MARK TWAIN TO SAY, "REPORTS OF MY INTERIM CHAIRMANSHIP ARE GREATLY EXAGGERATED." IN ANY EVENT, ALL THE RECENT TALK OF TEMPORARY CHAIRMANSHIPS REMINDS ME OF A STORY -- I WAS AMUSED WHEN A FRIEND TOLD ME HE HAD HIS TOM CAT NEUTERED. HE JOKED "HE IS STILL OUT ALL NIGHT WITH OTHER CATS, BUT NOW ONLY IN THE ROLE OF CONSULTANT." I COULD CARRY IT ONE STEP FURTHER -- AFTER A FEW YEARS THE VIRILE TOM CATS THOUGHT IT APPROPRIATE TO NAME THAT NEUTERED CAT "ACTING CHAIRMAN." WHATEVER DECISION THE NEW ADMINISTRATION MAKES ABOUT A CARETAKER CHAIRMAN, WE ARE ALL LOOKING FORWARD TO THE PERMANENT APPOINTMENTS SO THAT THE COMMISSION CAN GET ON WITH THE IMPORTANT BUSINESS AT HAND.

**ANYWAY, I HAVE FOND MEMORIES OF PRODUCTIVE PAST INTV CONVENTIONS. I WAS HAPPY BEING A CHAMPION OF INTV, A FEISTY PROGRESSIVE TV UNDERDOG PROVIDING LOCAL PROGRAMMING DIVERSITY AND SUCCESSFULLY BATTLING 3 BIG AFFLUENT NETWORKS (PERHAPS FORMER AFFLUENT MIGHT BE MORE APPROPRIATE) AND POWERFUL CABLE TRANSMISSION MONOPOLIES. I AM PROUD, TOO, OF MY LONGSTANDING FRIENDLY RELATIONS WITH NATPE AND APPRECIATE THEIR HONORING ME WITH THE PRESTIGIOUS NATPE INTERNATIONAL PRESIDENT'S AWARD IN JANUARY 1985 -- WAY BEFORE I STARTED TO CLASSIFY THEM AS MY PRE-POSTHUMOUS AWARDS.**

**THROUGH INTV'S TWO SUPER STATESMAN-LOBBYISTS, PRESIDENT JIM HEDLUND AND VP DAVE DONOVAN, YOU HAVE WON MAJOR LEGISLATIVE AND REGULATORY VICTORIES -- AT TIMES WITH MY HELP AND SUPPORT AND OTHER TIMES EVEN IN SPITE OF IT.**

**BROADCASTERS ARE LUCKY TO HAVE SUCH LEADERSHIP TO FACE THE CHALLENGES OF A MULTICHANNEL WORLD. IN ADJUSTING TO THIS NEW REALITY, HOWEVER, YOUR INDUSTRY REMINDS ME OF THE ITALIAN NAVY DURING THE AGE OF DISCOVERY. YOU SEE, THE FIRST SPANISH SHIPS TO REACH**

THE NEW WORLD WERE COMMANDED BY CHRISTOPHER COLUMBUS, AN ITALIAN. SIMILARLY, THE FIRST ENGLISH SHIPS TO REACH THE NEW WORLD HAD ANOTHER ITALIAN AT THE HELM -- GIOVANNI CABOTO, KNOWN TO THE BRITS AS JOHN CABOT. EVEN THE FIRST FRENCH SHIPS TO REACH AMERICA WERE PILOTED BY PAISAN GIOVANNI DA VERRANZANO. IRONICALLY, NO ITALIAN VESSELS EVER EXPLORED THE NEW WORLD.

LIKE THE BOLD ITALIAN EXPLORERS HALF A MILLENNIUM AGO, TELEVISION BROADCASTERS PIONEERED THE NEW WORLD OF VIDEO PROGRAMMING THAT IS NOW WOVEN INTO THE FABRIC OF AMERICAN LIFE. AND, LIKE THE ITALIAN NAVY, OVER-THE-AIR BROADCASTERS HAVE NOT BEEN ABLE TO TAKE ADVANTAGE OF THE BOUNTY THAT COMES WITH EXPLORING A NEW WORLD -- IN THIS CASE, MULTICHANNEL VIDEO DELIVERY. NO ONE KNOWS WHAT THE FUTURE MAY HOLD BUT I WANT IT TO BE A POSITIVE ONE FOR FREE BROADCASTING. WE ARE POISED ON THE BRINK OF A NEW AGE OF DISCOVERY -- ONE THAT PROMISES TO BRING DAZZLING NEW SERVICES AND AN ASTOUNDING WEALTH OF INFORMATION TO THE PUBLIC. EQUALLY AS SIGNIFICANT, IT WILL BRING REWARDS TO THOSE WITH THE VISION AND ENTREPRENEURIAL BOLDNESS TO TAKE THE RISK ON NEW VENTURES.

HOPEFULLY, UNLIKE COLUMBUS, WE WILL HAVE A CLEAR IDEA OF WHERE WE ARE GOING WHEN WE SET SAIL. MORE IMPORTANTLY -- AND AGAIN, UNLIKE COLUMBUS -- I HOPE THAT WE KNOW WHERE WE ARE ONCE WE GET THERE. BUT AMIDST ALL THE UNKNOWNNS, ONE THING IS CERTAIN -- WE DO NOT HAVE A CHOICE ON WHETHER TO MAKE THE VOYAGE. THE FUTURE ALREADY IS UPON US. IT IS NOW INCUMBENT UPON YOU IN THE INDUSTRY, AND UPON THOSE OF US IN GOVERNMENT, TO RESPOND TO THE INEVITABLE.

KNOWING THIS DOES NOT DIMINISH THE "FUTURE SHOCK" WE NOW EXPERIENCE WITH SOMETIMES DIZZYING REGULARITY. IT IS SOBERING TO REALIZE, FOR EXAMPLE, THAT A ONE-QUARTER SQUARE-INCH MICROCHIP HAS ALL THE CAPACITY OF THE ORIGINAL ENIAC COMPUTER, WHICH IN 1949 OCCUPIED AN ENTIRE CITY BLOCK. THIS MICROCHIP REVOLUTION NOW MAKES POSSIBLE SUCH TECHNOLOGIES AS DIGITAL COMPRESSION, INTERACTIVITY, DIRECT TO THE HOME SATELLITE SERVICE AND DELIVERY OF HUNDREDS OF VIDEO CHANNELS. YET CONSUMERS SOMETIMES HAVE DIFFICULTY ADJUSTING EVEN TO WELL-ESTABLISHED NEW SERVICES.

CONSIDER THE CASE OF ANNE SHAPIRO, A 79-YEAR-OLD WOMAN FROM ONTARIO, CANADA, WHO AWOKE LAST NOVEMBER FROM A COMA-LIKE TRANCE THAT HAD

IMPRISONED HER SENSES FOR 30 YEARS. ONE OF HER FIRST REQUESTS -- AND THIS IS A TRUE STORY -- WAS TO WATCH I LOVE LUCY. BUT SHE BECAME FRIGHTENED BY THE TV BECAUSE THE PROGRAMS WERE IN COLOR.

IT IS UNDERSTANDABLE THAT, LIKE MRS. SHAPIRO, BROADCASTERS MAY BE UNSETTLED BY THE PRESENT AND INTIMIDATED BY THE FUTURE. BUT THERE IS NO GOING BACK. WE HAVE COME A LONG WAY SINCE THE DAYS WHEN ALL OF AMERICA TUNED IN TO WATCH LITTLE RICKY'S BIRTH -- IN BLACK AND WHITE, NO LESS. WE ARE NOW ENTERING AN ERA OF MULTIPLE CHANNELS, HDTV AND DIGITAL COMPRESSION. THE EXCITING POSSIBILITY OF ADDITIONAL CHANNELS THROUGH DIGITAL COMPRESSION MUST BE EXPLORED. ALSO, WE MUST ANALYZE THE EFFECT OF EXPANDED SERVICES TO THE PUBLIC THROUGH 150 TO 500 CABLE CHANNELS. I CAN EVEN VISUALIZE A FUTURE WITH CABLE AND PHONE COMPANIES AS MAJOR MULTICHANNEL AND PHONE COMPETITORS WITH CONGRESS REQUIRING GUARANTEES OF FREE OR FAVORED ACCESS FOR STATIONS LICENSED TO SERVE THE PUBLIC INTEREST. BUT THIS COMPREHENSIVE SUBJECT REQUIRES A FULL TEXT AT SOME LATER DATE. THE TIME IS HERE WHEN EVERYONE MUST CONCENTRATE THEIR ENERGIES ON ADAPTING TO THE FUTURE RATHER THAN SEEKING TO PRESERVE THE PAST. THE QUESTION REMAINS FOR ALL OF US: HOW ARE WE TO DO THIS?

AT THIS POINT, LET ME PHILOSOPHIZE A BIT. AT MY AGE I'M EXPECTED TO PHILOSOPHIZE. YOU SEE, I KNEW PLATO. HE WAS A FRIEND OF MINE. BUT WHEN I LOOKED IN THE MIRROR -- THE MIRROR SAID YOU SIR, ARE NO PLATO. I'M NOT A SOCRATES EITHER, AND ITS NOT MY NATURE TO EVEN CONSIDER A HEMLOCK SOLUTION WHEN I AM OUTVOTED ON ANY FCC ISSUE. DESPITE MY SHORTCOMINGS AS A PHILOSOPHER, HOWEVER, MY EXPERIENCE HAS TAUGHT ME THAT IN TIMES OF UNCERTAINTY, WE SHOULD GET BACK TO BASICS.

BOTH TECHNOLOGY AND THE GOVERNMENT ARE IN TRANSITION. "CHANGE" HAS BECOME THE WATCHWORD OF THE YEAR, IF NOT THE DECADE AND "CHANGE" IS PARTICULARLY APPLICABLE TO COMMUNICATIONS. BUT I WOULD LIKE TO STRESS THAT THE MORE SOME THINGS CHANGE, THE MORE WE SHOULD KEEP IN MIND THOSE VALUES THAT DO NOT. WHERE TECHNOLOGICAL AND MARKET UPHEAVALS CAN CAUSE BROADCASTERS TO LOSE THEIR BEARINGS (BUT HOPEFULLY NOT THEIR SHIRTS) AND CONSUMERS TO LOSE FREE ACCESS TO TV. BROADCASTERS SHOULD USE THEIR RECORD OF SERVICE TO THE PUBLIC AS SORT OF A MORAL COMPASS.

THE SAME IS TRUE FOR THOSE OF US IN GOVERNMENT. DESPITE THE ENTRY OF NEW DELIVERY SYSTEMS AND THE

**EXPANSION OF CONSUMER CHOICE, THE BEDROCK OF MY REGULATORY PHILOSOPHY IS NOW WHAT IT ALWAYS HAS BEEN -- THE PRESERVATION AND EXPANSION OF UNIVERSAL FREE TV FOR ALL AMERICANS.**

**ACCESS TO TV, THE MOST PERVASIVE AND INFLUENTIAL OF ALL MEDIA, IS ESSENTIAL FOR AN INFORMED CITIZENRY-ELECTORATE IN A DEMOCRACY. IF WE ARE TO AVOID A SOCIETY OF INFORMATION "HAVES AND HAVE NOTS" OVER-THE-AIR TELEVISION STATION BROADCASTING MUST REMAIN HEALTHY AND VIABLE. THERE ARE FEW ALTERNATIVES. IF ALL TELEVISION BECOMES A WIRED PAY SERVICE, LARGE SEGMENTS OF THE POPULATION WILL BE ECONOMICALLY OR GEOGRAPHICALLY DISENFRANCHISED. THE GOVERNMENT WILL BE CONFRONTED WITH A VERY DIFFICULT DECISION. DO WE WRITE OFF THOSE WHO ARE NOT CONNECTED TO THE WIRE? DO WE PROVIDE SOME FORM OF LIFELINE TRANSFER PAYMENT TO ENSURE THAT ALL CITIZENS RETAIN ACCESS TO BASIC INFORMATION? THE SOCIETAL RAMIFICATIONS OF CUTTING OFF AMERICA'S PRESENT FREE INFORMATION, EDUCATIONAL, LIFELINE ARE STAGGERING, THREATENING THE VERY FABRIC OF OUR DEMOCRACY. GIVEN CURRENT BUDGET DEFICITS, DIRECT GOVERNMENT SUBSIDIES TO ASSURE ACCESS TO TV INFORMATION ARE UNREALISTIC AND POLITICALLY UNLIKELY.**

IN 1984, NOBODY COULD HAVE PREDICTED THE INCREDIBLE GROWTH IN CABLE TELEVISION. ALSO, NOBODY COULD HAVE PREDICTED THE ECONOMIC STRAINS CABLE WOULD PLACE ON OUR SYSTEM OF FREE OVER THE AIR TELEVISION BROADCASTING. IT EMERGED AS A MULTICHANNEL COMPETITOR, WITH TWO REVENUE STREAMS: ADVERTISING AND SUBSCRIBER FEES AND A GROWING THIRD--PAY PER VIEW. ACCORDING TO LEADING INDUSTRY ANALYSTS, CABLE ADVERTISING WILL ENJOY A COMPOUND ANNUAL GROWTH RATE OF 12.1 PERCENT FROM 1991-1996. THE COMPOUND ANNUAL GROWTH RATE FOR TELEVISION STATION ADVERTISING WILL INCREASE AT ONLY HALF THAT RATE, 6.4 PERCENT. MOREOVER, THIS COMPETITOR HAD DEVELOPED INTO A TRANSMISSION MONOPOLY IN LOCAL COMMUNITIES THROUGHOUT THE COUNTRY.

TODAY, WE ARE SEEING TOP QUALITY SPORTS AND ENTERTAINMENT PROGRAMMING LEAVING OFF-AIR TELEVISION FOR CABLE. EXHIBIT A WAS THE HBO ACQUISITION OF RIGHTS TO THE BIG STAR ENTERTAINMENT AT THE INAUGURAL GALA AT LINCOLN MEMORIAL. IT WAS HEADLINED AS "AN AMERICAN REUNION: THE PEOPLE'S INAUGURAL CELEBRATION."



ACCORDING TO WASHINGTON POST CRITIC TOM SHALES, HBO PAID 1.5 MILLION FOR EXCLUSIVE RIGHTS TO ALL ENTERTAINMENT PORTIONS OF THE PROGRAM. THUS, ONLY HBO SUBSCRIBERS WERE ABLE TO SEE THE TWO HOUR ENTERTAINMENT PORTION OF THE INITIAL INAUGURAL GALA.

FRANKLY, I AM A HAPPY CABLE SUBSCRIBER. CABLE HAS EXPANDED VIDEO OPTIONS BEYOND OUR WILDEST EXPECTATIONS. RECENT PRONOUNCEMENTS ABOUT THE 500 CHANNEL SYSTEMS IS MIND BOGGLING, AND WITH THOUGHTFUL IMPLEMENTATION GOOD FOR AMERICA. THE CABLE INDUSTRY WILL AND SHOULD CONTINUE TO PROSPER AND EXPAND.

THE POINT IS THAT MULTICHANNEL COMPETITORS HAVE IRREVOCABLY CHANGED YOUR ECONOMIC ENVIRONMENT. YOU KNOW THIS ALREADY. PROFIT MARGINS HAVE DECLINED. ACCORDING TO THE 1991 NAB/BCFM FINANCIAL REPORT, 50 PERCENT OF ALL INDEPENDENT STATIONS REPORTED A NEGATIVE PRE-TAX PROFIT AND 25 PERCENT REPORTED NEGATIVE CASH FLOWS. NOW THIS FIGURE MAY EXAGGERATE YOUR ECONOMIC DIFFICULTIES SOMEWHAT. TODAY THERE ARE APPROXIMATELY 400 INDEPENDENT TELEVISION STATIONS, SOME ARE AFFILIATED WITH FOX WHILE OTHERS ARE NOT. I DISAGREE WITH THOSE WHO CLAIM THAT TELEVISION STATION BROADCASTING HAS NO FUTURE PARTICULARLY WITH A

**POSSIBLE MULTICHANNEL FUTURE. NEVERTHELESS, I CANNOT IGNORE THE ECONOMIC PRESSURES CONFRONTING THE INDUSTRY.**

**BECAUSE OF THESE MARKETPLACE CHANGES, I WAS A STAUNCH SUPPORTER OF THE CABLE ACT OF 1992. ITS PASSAGE, OVER PRESIDENT BUSH'S VETO, WAS AN IMPRESSIVE VICTORY FOR BROADCASTERS AND CONSUMERS.**

**I BROKE RANK WITH MY FRIEND, FORMER FCC CHAIRMAN AL SIKES, AND FAXED A LETTER TO CHAIRMAN HOLLINGS AND KEY COMMUNICATIONS CONGRESSIONAL LEADERS THE NIGHT BEFORE THE CRUCIAL MEETING. I ADVOCATED MUST CARRY AND RETRANSMISSION CONSENT TO ENSURE THAT BROADCASTERS RECEIVE CARRIAGE OR FAIR COMPENSATION FOR THE VALUE OF THEIR PROGRAMMING. I ACKNOWLEDGED THAT "ALTHOUGH THERE WERE HONEST DISAGREEMENTS ON SOME PARTS OF HIS BILL, ON BALANCE S. 12 WILL BENEFIT THE CONSUMER AND WILL HELP ASSURE THE CONTINUED VIABILITY OF UNIVERSAL FREE TELEVISION FOR ALL THE PUBLIC."**

**NOW THAT THE BILL IS THE LAW OF THE LAND, WE FACE THE COMPLEX TASK OF ENSURING THAT THIS LANDMARK CABLE ACT IS WORKABLE AND FAIR TO ALL CONCERNED. THE COMMISSION HAS THE FORMIDABLE JOB OF DEVISING**

**FEASIBLE APPROACHES TO RATE REGULATION, ENSURING COMPETITIVE ACCESS TO CABLE PROGRAMMING, PREVENTING SPORTS MIGRATION, RETRANSMISSION CONSENT, MUST CARRY AND ANTI BUY-THROUGH PROVISIONS, ETC. TO ACCOMPLISH THIS, WE NEED YOUR PRACTICAL INPUT. WE ARE DOING OUR BEST TO MEET CONGRESSIONAL DEADLINES WITH AN OVERWORKED STAFF. WE HAVE NOT YET RECEIVED ADDITIONAL FUNDING FOR NECESSARY STAFFING. THOMAS JEFFERSON'S STATEMENT IS APPLICABLE TODAY "THE EXECUTION OF LAWS IS MORE IMPORTANT THAN THE MAKING OF THEM."**

**IN MY VIEW, THE COMMISSION'S VIDEO DIAL TONE PROCEEDING SHOULD HAVE DONE MORE TO PROMOTE THE GOAL OF UNIVERSAL ACCESS TO TELEVISION. I DISSENTED, IN PART, BECAUSE I BELIEVED THE ORDER DID NOT DO ENOUGH TO ENSURE THAT BROADCASTERS CAN OBTAIN CONNECTIONS TO THE COMMON CARRIER NETWORK ON TERMS THAT CONTINUE TO ALLOW UNIVERSAL ACCESS BY THE PUBLIC. I WROTE THAT THE COMMISSION'S STATUTORY MANDATE WOULD SUPPORT SPECIAL TARIFF TREATMENT FOR COMMUNICATIONS ENTITIES, LIKE BROADCASTERS, THAT ARE LICENSED BY THE GOVERNMENT TO SERVE THE "PUBLIC INTEREST, CONVENIENCE AND NECESSITY."**

I BELIEVED THEN -- AND I BELIEVE NOW -- THAT THE COMMISSION SHOULD HAVE PAID MORE ATTENTION TO THE POLICY GOAL OF UNIVERSAL ACCESS TO TELEVISION. FORTUNATELY, SEVERAL PARTIES SOUGHT RECONSIDERATION OF OUR VIDEO DIAL TONE ORDER, SO WE WILL GET ANOTHER CHANCE TO ADDRESS THIS ISSUE. I HOPE THAT A NEW COMMISSION WILL SEE THE ISSUE DIFFERENTLY.

ANOTHER ISSUE THAT HAS PROFOUND IMPLICATIONS FOR THE FUTURE OF TELEVISION IS THE COMMISSION'S HDTV PROCEEDING. AS WITH SO MANY OTHER ISSUES, THE QUESTION IS NOT WHETHER TV SHOULD BECOME "HIGH DEFINITION." THAT MATTER HAS BEEN SETTLED BY YOUR COMPETITORS WHO CERTAINLY WILL ADOPT THE NEW TECHNOLOGY EVEN IF YOU DO NOT. THE QUESTION IS HOW HDTV IS TO BE IMPLEMENTED FOR BROADCASTERS. THIS HAS BEEN A HIGH PRIORITY AT THE COMMISSION, BUT I HAVE WORKED TO ENSURE THAT THE PATIENT STAYS HEALTHY WHILE UNDERGOING THE CURE. FOR THAT REASON, I INSISTED THAT THE COMMISSION PERIODICALLY REVIEW THE DATE SET FOR FULL CONVERSION TO HDTV. AT THIS POINT, THERE ARE TOO MANY UNKNOWNNS -- NOT THE LEAST OF WHICH IS THE RATE OF CONSUMER ACCEPTANCE -- FOR THE COMMISSION TO DECREE WHEN THE ENTIRE TV INDUSTRY SHOULD BE TRANSFORMED.

AT THE SAME TIME, THE COMMISSION MUST BE ALERT TO SOME OF THE OPPORTUNITIES THIS TECHNICAL CONVERSION MAY PRESENT TO BROADCASTERS. SOME COMMENTERS ARE SUGGESTING THAT THE COMMISSION SHOULD PROVIDE HDTV BROADCASTERS WITH THE FLEXIBILITY TO INCORPORATE NEW ADVANCED TV TECHNOLOGIES AS THEY BECOME AVAILABLE. FOR EXAMPLE, THE COMMISSION HAS SOUGHT AND RECEIVED COMMENT ON DIGITAL COMPRESSION TECHNIQUES THAT MAY PERMIT TRANSMISSION OF MULTIPLE PROGRAM SERVICES ON THE ATV CHANNEL, AS WELL AS ON PERMITTING ANCILLARY USES FOR THE ATV CHANNEL. WHILE WE ARE STILL REVIEWING COMMENTS REGARDING THE TECHNICAL AND LEGAL ISSUES INVOLVED, I TEND TO FAVOR GIVING BROADCASTERS MAXIMUM FLEXIBILITY TO COMPETE IN A MULTICHANNEL ENVIRONMENT. THIS IS A COMPLEX ISSUE THAT WILL REQUIRE EXTENSIVE FCC DELIBERATION. BUT AGAIN, WE MUST KEEP IN MIND THE GOAL OF PRESERVING UNIVERSAL OVER-THE-AIR TELEVISION.

THAT BEING SAID, IT IS NOT THE FCC THAT WILL DETERMINE THE FATE OF TELEVISION. BROADCASTERS-- MORE SO THAN THE GOVERNMENT -- UNDERSTAND THE PRESSURES OF ADJUSTING TO THE NEW MARKETPLACE REALITIES. BUT LET ME SUGGEST THAT WHILE YOU MUST BE ALERT AND ADAPTIVE TO NEW SITUATIONS AND

OPPORTUNITIES, BROADCASTERS WILL FIND THEIR WAY THROUGH THE UNKNOWN MOST READILY IF THEY CONTINUE TO FOLLOW THEIR OLD GUIDE -- THE PUBLIC INTEREST. I NEEDN'T REMIND YOU THAT PEOPLE WATCH TELEVISION PROGRAMS, NOT DELIVERY SYSTEMS.

TO ABANDON PUBLIC INTEREST WOULD BE A DISASTER. TODAY, 40 PERCENT OF THE AMERICAN PUBLIC RELY SOLELY ON OFF-AIR TELEVISION FOR NEWS, INFORMATION AND ENTERTAINMENT. INDEPENDENT TELEVISION IN PARTICULAR, IS CRITICAL TO A DIVERSE AND COMPETITIVE TELEVISION MARKET. BECAUSE YOU ARE NOT TIED TO A NETWORK FEED, YOU CHART YOUR OWN PROGRAMMING COURSE NECESSARILY WITH EMPHASIS ON LOCALISM. AS A RESULT, YOU ARE A MAJOR PROVIDER OF LOCAL SPORTS AND NEWS. YOU PIONEERED THE 10:00 O'CLOCK NEWS. NINETY FOUR PERCENT OF INDEPENDENT STATIONS BROADCAST REGULARLY SCHEDULED PUBLIC AFFAIRS PROGRAMMING. INDEPENDENTS ARE THE MAJOR PROVIDERS OF FREE OVER-THE-AIR CHILDREN'S PROGRAMMING DURING THE WEEK. ALSO, FOR THOSE OF YOU AFFILIATED WITH THE EMERGING FOX NETWORK, YOU ARE FULFILLING THE COMMISSION'S QUEST FOR A FOURTH OVER-THE-AIR NETWORK.

**WE WILL HELP THE INDUSTRY WEATHER THE STORM, PROVIDED IT PAYS ITS DUES FOR PASSAGE. THE BARGAIN STRUCK IN 1934 MUST BE RE-VALIDATED. YOU MUST UNDERSTAND THAT YOU HAVE PUBLIC INTEREST RESPONSIBILITIES. FOR EXAMPLE, PROGRAMMERS AND STATIONS MUST DO A BETTER JOB PROVIDING PROGRAMMING THAT MEETS THE NEEDS OF CHILDREN. ALSO, YOU WILL BE HELD ACCOUNTABLE FOR EEO REQUIREMENTS UNDER THE 1992 CABLE ACT. LOCAL PROGRAMMING IS STILL THE KEY TO MEETING YOUR PUBLIC INTEREST RESPONSIBILITIES THROUGH THE FCC ISSUES-PROGRAMMING REQUIREMENT AND ALSO FOR ASSURING BUSINESS SUCCESS.**

**BROADCASTERS AND PROGRAM PRODUCERS MUST ALSO BECOME MORE AWARE THAT THERE IS A GROWING PUBLIC OUTCRY AGAINST SMUT, EXCESSIVE SEX AND VIOLENCE ON TV, PARTICULARLY AT TIMES ACCESSIBLE TO CHILDREN AND YOUNG TEENAGERS. THIS IS EVIDENCED BY THE FLOOD OF PUBLIC COMPLAINTS AND THE OVERWHELMING CONGRESSIONAL CONCERN. COMPLAINANTS ARE MORE AND MORE CITING THAT INDECENT AND OBJECTIONABLE PROGRAMMING DOES NOT SERVE PUBLIC INTEREST REQUIREMENTS.**

I AM NOT SUGGESTING WE RETURN TO THE DAYS WHEN TELEVISION WAS LASHED TO THE MAST WITH BURDENSOME REGULATION. IF YOU ARE TO SURVIVE IN A SEA OF CHANGE, CAPTAINS OF THE TELEVISION INDUSTRY MUST HAVE REGULATORY FLEXIBILITY TO CHART A SAFE COURSE. FOR EXAMPLE, IN THE FACE OF MULTI-CHANNEL COMPETITION, THE FCC SHOULD CONTINUE TO CAREFULLY EXAMINE EXISTING BROADCAST OWNERSHIP RULES. WHILE WE WOULD PREFER A MORE DIVERSE OWNERSHIP STRUCTURE, THERE IS A REAL QUESTION WHETHER MANY INDIVIDUAL STATIONS IN LOCAL MARKETS CAN SURVIVE. WE MAY HAVE REACHED THE POINT WHERE PERMITTING ADDITIONAL COMBINATIONS IS ONE SURE WAY TO PRESERVE THE CURRENT NUMBER OF OVER-THE-AIR STATIONS IN EACH MARKET. I HAVE NOT PREJUDGED THIS ISSUE, BUT BELIEVE IT WARRANTS CAREFUL SCRUTINY.

WITH THESE THOUGHTS IN MIND, WHAT IS IN STORE FOR BROADCASTERS IN THE COMING YEAR? MANY COMMUNICATIONS EXECUTIVES HAVE ASKED MY OPINION OF WHAT EFFECT THE NEW ADMINISTRATION MAY HAVE ON TELECOMMUNICATIONS POLICY OR ON BROADCASTING. FIRST, I BELIEVE THAT BROADCASTING, HAVING PLAYED SUCH A VITAL ROLE IN PRESIDENT CLINTON'S ELECTION, WILL BE TREATED FAIRLY BY THE NEW ADMINISTRATION. AFTER ALL, VICE PRESIDENT AL GORE WAS A LEADING PROPONENT OF THE LANDMARK 1992 CABLE ACT.



I THINK IT IS WORTH REPEATING THAT PRESIDENT CLINTON'S IMPRESSIVE VICTORY QUALIFIES FOR AN UPDATED VERSION OF THE CLASSIC ROMAN VICTORY SLOGAN -- VIDI, VIDEO, VICI -- I CAME, I TELEVISED, I CONQUERED. A TELEGENIC, CHARISMATIC CLINTON WON THE DAY WITH DAILY IMPRESSIVE TV APPEARANCES ON NEWS PROGRAMS, TALK SHOWS, TOWN MEETINGS AND DEBATES. HE AND VICE PRESIDENT GORE CONDUCTED A SUPERB CAMPAIGN ON ISSUES MOST TROUBLING AMERICANS -- ECONOMICS, UNEMPLOYMENT AND NEED FOR A CHANGE.

WE HAVE NOT RECEIVED ANY SPECIFIC DIRECTIVES FROM THE COMMUNICATIONS TRANSITION TEAM. HOWEVER, EVERY INDICATION IS THAT THE CLINTON ADMINISTRATION'S FCC WILL BE DIRECTED TO FURTHER IMPLEMENT MULTICHANNEL BROADBAND SERVICE ON AN EXPEDITED BASIS. I AM EAGER TO OFFER MY ASSISTANCE AND EXPERIENCE IN THESE EFFORTS.

OTHERWISE, THE COMMISSION WILL ADDRESS A NUMBER OF SIGNIFICANT ISSUES IN 1993. I WILL MENTION A FEW OF THEM:

ONE OF THE MOST PRESSING MATTERS BEFORE US WILL BE THE REEXAMINATION OF THE FINANCIAL INTEREST AND SYNDICATION RULES. ALL OF YOU ARE AWARE OF THE COURT'S RECENT DECISION. THE COMMISSION HAS 120 DAYS TO ATTEMPT TO CRAFT RULES THAT MEET THE COURT'S CONCERNS. FRANKLY, FOR REASONS TOO TIME CONSUMING AND TOO DISPOSITIVE TO LIST HERE, I BELIEVE THE RULES HAVE OUTLIVED THEIR USEFULNESS. I DO NOT EXPECT TO CHANGE MY POSITION. HOWEVER, I WILL EXAMINE ANY NEW EVIDENCE CAREFULLY. I AM HOPEFUL THAT THE ISSUE WILL BE RESOLVED WITHOUT THE INTERNAL ACRIMONY ASSOCIATED WITH THE LAST DECISION. I AM PREPARED TO WORK WITH MY FELLOW COMMISSIONERS IN A SPIRIT OF MUTUAL COOPERATION: EVEN DISAGREE WITHOUT BEING DISAGREEABLE.

I KNOW YOU ARE EQUALLY CONCERNED ABOUT THE PRIME TIME ACCESS RULE. WITHOUT THE RULE YOU FEAR THAT INDEPENDENT STATIONS WILL BE OUTBID BY NETWORK AFFILIATES FOR TOP QUALITY OFF-NETWORK PROGRAMMING. I UNDERSTAND THAT MUCH OF YOUR REVENUE COMES FROM COUNTER PROGRAMMING THE NETWORKS DURING THE ACCESS PERIOD. THIS REVENUE IS USED TO FINANCE OTHER LOCAL PROGRAMS INCLUDING NEWS AND PUBLIC AFFAIRS. THE ISSUE IS CONTROVERSIAL. WHETHER THE ISSUE SURFACES IN 1993 WILL BE UP TO THE NEW FCC CHAIRMAN.

**AT SOME POINT THE COMMISSION WILL HAVE TO ADDRESS PROPOSED REVISIONS TO THE MULTIPLE OWNERSHIP RULES FOR TELEVISION. I THINK THE TIMETABLE FOR THIS RULE MAKING WILL BE DELAYED SOMEWHAT. AGAIN, THE TIMING AND DISPOSITION OF THIS RULE MAKING WILL DEPEND ON THE NEW CHAIRMAN.**

**EVEN WITH ALL OF THE CHALLENGES CONFRONTING THE TELEVISION INDUSTRY, I AM CONVINCED THAT WE WILL SAFELY NAVIGATE THE SHOALS THAT AWAIT US. I CAN ASSURE YOU THAT INTV'S MESSAGE IS HEARD AT THE FCC AND IN CONGRESS. JIM HEDLUND, DAVID DONOVAN AND JIM POPHAM ARE WELL RESPECTED AND WORK HARD AND EFFECTIVELY AT REPRESENTING YOUR INTERESTS.**

**IN CONCLUSION, THE POWER OF TELEVISION RESTS IN YOUR HANDS. SOME HAVE VIEWED IT AS A VAST WASTELAND, OTHERS A CORNUCOPIA. BOTH ARE INACCURATE. TELEVISION IS AN EVER CHANGING OCEAN. FOR THOSE ON SHORE -- THE VIEWERS -- IT CAN OFFER A PEACEFUL DIVERSION FROM THE HARSH REALITIES OF LIFE. OTHERS WILL VIEW IT AS A TIDAL WAVE, CHALLENGING AND EVEN THREATENING THEIR IDEAS AND VALUES. FOR BUSINESSES THAT SAIL ITS CHOPPY WATERS, IT CAN BE A TEMPEST OF UNCERTAINTY. SOME WILL SAIL CLOSE TO SHORE, CONTENT AND LONGING FOR DAYS**

**GONE BY. OTHERS WILL SAIL OFF TO UNCHARTED REGIONS, TAKING RISKS AND DISCOVERING NEW LANDS AND ATTRACTIVE OPPORTUNITIES.**

**LIKE THE SEA, TELEVISION HAS THE POTENTIAL TO PRODUCE A BOUNTIFUL HARVEST. ALL I ASK IS THAT YOU CONTINUE TO NAVIGATE BY THAT STAR CALLED THE PUBLIC INTEREST. IF YOU DO, THEN "OLD IRONSIDES" HERE WILL DO HIS BEST TO CHART A COURSE FOR YOU WITH FAIR WINDS AND CALM SEAS WITH PRAYERS FOR A SUCCESSFUL JOURNEY.**

**ONCE MORE, I APPRECIATE YOUR RESTRAINT IN HOLDING YOUR ENTHUSIASTIC APPLAUSE UNTIL NOW.**

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