



Federal
Communications
Commission

Office of the Chairman

I thought you might be interested in the attached speech since Chairman Quello mentions you in it!

A handwritten signature in cursive script, reading 'Brian F. Fontes', is written over a horizontal line.

Brian F. Fontes, Ph.D.
Chief of Staff

Copy to: Sandy Wilson
Kathy Levitz
Pete Belvin
Maureen O'Connell
Maureen Peratino
Kathleen Abernathy
Renee Licht
Beverly Baker
Barbara Kreisman
Mary Beth Richards
Michelle Oppenheimer
Marilyn McDermott

752

REMARKS BY CHAIRMAN JAMES H. QUELLO
BEFORE THE 42ND NATIONAL CONVENTION OF
AMERICAN WOMEN IN RADIO AND TELEVISION
ORLANDO, FL - MAY 21, 1993

It is a pleasure to appear before you this year, the year of my interim but active -- even hectic, Chairmanship. This year I find, more and more, that I am headlined as a principal speaker rather than a panelist. I especially appreciate that AWRT, a prestigious national organization, honored me with the National Silver Satellite Award and scheduled me as a featured luncheon speaker way before my becoming interim Chairman. As Chairman, I finally became a keynote speaker at the NAB convention this year after serving 18 consecutive years as a panelist -- always serving on two panels and on some occasions three!

I did receive a generous introduction at the National Association of Broadcasters' convention. For many of you who may not have attended that convention, I said it was nice to see senior citizenship still generates some respect in this calloused world, especially now that I am moving toward a final stage of life. As I see it, the three great stages of life are (1) youth, (2) age, and (3) "You look great!" Well, I feel reasonably great.

I'm lucky my physiology has not caught up to my chronology -- My body has not yet rejected me. I play tennis twice a week and still claim to retain 75% of my marbles (still a good local norm in Washington). But with most of a normal life span behind me, I don't make a practice of buying too many green bananas.

Speaking of senior citizenship, I want to once more remind the Gray Panthers and the AARP that President Clinton appointed a citizen in his golden years -- make that platinum years, to an important active post. With the support of the communications leadership in Congress and my FCC colleagues, I am doing my best to assure that our actions represent the best interests of the public and fair reasonable treatment of the communications industries that serve that public. The FCC met a severe test of this principle at our April meeting.

The most significant complex meeting in all my 19 years at the FCC took place on the Quello-Barrett-Duggan shift on April 1.

I never thought I would ever see the longstanding contentious financial interest-syndication issue accorded second billing to any issue. Yet it was crowded off the front page by the FCC implementation of the 1992 Cable Act.

Implementation of the Cable Act is a massive detailed assignment requiring additional personnel. It is the largest new assignment I have ever seen in my 19 years at the FCC. We have the potential of becoming the Federal Cable Commission (FCC). Without additional appropriations from Congress, the Commission will be unable to implement the intent of Congress this year or meet the objectives spelled out in our Report and Order. With additional administrative and enforcement personnel, we can organize and departmentalize areas of cable responsibility and avoid what could become an unmanageable avalanche of petitions and letters. In the words of an old veteran, we need reinforcements and we need them now. In fact, we needed them last month.

In a nutshell, we implemented the Cable Act to provide lower rates and better service for consumers, equity for broadcasters, program access for cable competitors and reasonable cash flow profits for cable systems. Only time, the public and Congress will eventually decide how well we succeeded.

Some newspaper and magazine articles inferred or stated that some leading cable executives have decided to embark on a scorched earth policy to circumvent implementation of the Act. This was denied the following day. In my initial response, I said "Cable lost in Congress, they lost in the courts, so now they are trying to take advantage of a big administrative burden. If they are seen as flaunting the intent of Congress while we are short-handed here, that might not be the smartest move politically."

I later added -- "Cable, broadcasting, telephone and all industries must not think they are more important or more powerful than the government acting in the public interest." I also mentioned the possibility of extending the cable rate freeze to give the FCC time to consider any avalanche of mail.

Also, all does not seem quiet on the finsyn front with reports that the Justice Department is seeking further information. I was prominently quoted in the current edition of Broadcasting & Cable stating "I would not expect Justice to intrude on the deliberations of the outdated consent decree." I added "If you allow the proper authorities to consider the financial interest-syndication rules without politics, the finsyn rules, initiated in 1970 under drastically different communications conditions, lose every time. There are two 3-0 votes from the Circuit Court and a well reasoned decision from the FCC.

I find it inconceivable that the Justice Department would intercede against unanimous Court and FCC decisions in an effort to salvage outdated consent decrees."

Except for the need for additional personnel to implement the Cable Act, the FCC is alive and well -- thanks to smart, effective women in key administrative positions. I was always proud of Detroit a few years ago with women as VP-GMs of three major TV stations and four radio stations. I am even prouder of the current FCC with its female leadership. Alexandria "Sandy" Wilson is the head of the cable task force that worked nights and week-ends to meet Congressional deadlines on the complex cable regulations. Cheryl Tritt did an outstanding job as head of the FCC Common Carrier Bureau, the bureau administrating all the complexities of the telephone industry. She left three weeks ago to join a law firm. We are most fortunate to have Kathy Levitz, an efficient, effective personable executive to take her place.

All women in top bureau positions are acting heads until permanently designated: Lauren "Pete" Belvin is the bright energetic acting head of our Office of Legislative Affairs; Maureen Peratino is acting head of our Office of Public Affairs; Maureen O'Connell has been added to my staff as Legal Assistant; Kathleen Abernathy is my most able Common Carrier assistant; and, Renee Licht is acting head of our Office of General Counsel. All these women earn a top grade of "A" on their FCC report cards for their administrative performance.

Others doing stellar jobs in their permanent assignments are Beverly Baker, the Deputy Chief of the Private Radio Bureau; Barbara Kreisman, Chief of the Mass Media Bureau's Video Services Division; Mary Beth Richards, Chief of the Enforcement Division of our Field Operations Bureau; Michelle Oppenheimer, Associate Managing Director-Human Resources Management; and, Marilyn McDermott, Associate Managing Director-Operations. I could mention many more women all doing an outstanding job in key positions at the FCC. Also, Ginger Clark, my Confidential Assistant is an experienced valued advisor and an influential personal assistant.

In short, we at the FCC are fortunate in having these gifted women at probably the most hectic time in FCC history. There is a veritable explosion of advanced technology and daily developments and problems at the FCC. I'm grateful for their dedication and abilities as well as our other bureau chiefs, with a special nod to my personal staff -- Brian Fontes as Acting Chief of Staff, Bob Corn-Revere as Chief Counsel and Jonathan Cohen as Special Assistant.

In fact, we are so busy, I haven't time to even think of getting old.

Overall, it is a challenging time to be at the FCC. This is a period of technological advancements and revolutionary growth in all the multi-faceted fields of communications.

The FCC's challenge will be the orderly practical implementation of the advanced technology services of telecomputers, fiber optics, DBS, DAB, HDTV, PCS and a telecommunications superhighway. We must deal, too, with the implications of increasing worldwide developments -- of the oncoming communications globalization.

The strategic alliance of Time Warner and U S West announced this week could represent a very significant step toward implementing the Clinton Administration's goal of developing a full service interactive electronic superhighway. Such initiatives utilize private industry investment rather than government funds, for building a national information infrastructure.

U S West is investing \$2.5 billion for a 25% stake in Time Warner Entertainment which runs the second largest cable operation, Home Box Office Pay TV and Warner Brothers studios.

The transaction seems to have been carefully structured to conform to the consent decree of 1982 which broke up the Bell monopoly. It also will require that Time Warner request an FCC waiver to give them an opportunity to divest 8 cable systems within the U S West area. The FCC will, of course, handle such a request and any objections to it, in accordance with its usual procedures and with the protection of the public interest paramount. However, this type of waiver which seeks time to divest overlapping media interests have been requested and granted by the FCC in the past. The overlap affects 84,864 cable subscribers (1-1/2% of Time Warner total) in U S West areas, mostly in Arizona, New Mexico, Colorado and Minnesota.

The Full Service Network (FSN) would combine fiber optics, digital compression and storage, and high speed switching with Time Warner's existing coaxial cable. These additions will achieve a fully switched, interactive, broadband multimedia telecommunications system with unlimited capacity. Through this joint investment in leading edge American technologies, consumers will be able to choose video-on-demand, distance learning, telemedicine, interactive shopping and games, selected telephony and a host of other potential new services.

Most of you know that Orlando is the site of Time Warner's multi-faceted development of a full service network. But that is a fascinating complex subject for full treatment in some other speech or forum.

The major unknown factors at this time are estimated costs to consumers and possible legal challenges to the alliance. The FCC will fully consider any possible legal or regulatory objections and make a public interest finding in its decision on the U S West-Time Warner waiver request.

In my view, the most important challenge facing the Commission in the coming decade is to take care that our policies do not erode one of our nation's most valuable institutions: universal free TV and radio available to all the public. It is essential that the most pervasive and influential of all media be available to everyone in a democracy that relies on an informed citizenry and electorate to maintain representative government.

In closing, thanks for all your stellar contributions to the communications industry. More and more women are excelling in key positions in the networks, in Hollywood productions, in broadcast stations and in government.

You have truly come a long way and the best is yet to come!

At my age, an active tennis playing senior citizen (I have been observing my 59th birthday for 20 years at the FCC.) all I want is what most of you want -- a decent effective government in a socially progressive, information-rich nation with opportunity and justice for all.

Good luck and may your tribe increase!

###



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

MESSAGE FROM FEDERAL COMMUNICATIONS COMMISSION CHAIRMAN

JAMES H. QUELLO

It is with particular pleasure that I appear this year-- the year of my interim, but eventful, Chairmanship -- at the National Convention of a group whose successes I have cheered and promoted at every opportunity. As the texture of the communications industry changes, the need for fresh ideas, and the courage to implement them, grows. The membership of this group has the ideas the courage to meet this challenge. More women than ever before in key communications leadership positions attests to the pioneering effectiveness of AWRT.

The theme of the AWRT convention this year, "Advancing Leadership and Change: Solutions to the Puzzle," speaks to this challenge. It is easy to articulate the dilemmas presented by change: increased competition to terrestrial broadcasting from new technology such as DAB, HDTV, DBS, MMDS, and video dial tone; the imposition of new restrictions on cable operators as a result of the 1992 Cable Act; and an ever-changing workforce that is experiencing economic hardship, employment of women, minorities and the physically challenged in ever-greater numbers, and increasing demands on employees balancing work and the needs of their children and elderly parents. Not so easy is the articulation of solutions to these challenges. But solutions -- that not only address the challenges, but that look beyond them to the future -- are the stuff that leaders are made of.

Solutions are what I look to AWRT for: innovative and forward-thinking ideas to address the problems that face all of us today. Not what we cannot do, but what we can do. Terrestrial broadcasters should look to new technologies not as a threat, but as a roadway to improved service. Cable operators, networks and programmers, rather than focusing on the problems presented by increased regulation under the Cable Act, should develop solutions that respond to these regulations and ensure that cable will be positioned for the marketplace and customers of tomorrow. Finally, the challenges presented by an ever-changing workforce should be embraced as an opportunity to revolutionize the workplace. Employers should develop humanistic and flexible programs designed to ensure that the best employees society has to offer are nurtured and developed to their fullest potential.

In focusing on solutions to changes in the communications industry, I see AWRT as a leader. A leader with the courage to stand tall and march ahead with innovative ideas despite the initial doubts of skeptics. I am proud to stand tall and march beside you into the future!

James H. Quello
James H. Quello