

COMMISSIONER JAMES H. QUELLO

**c/o Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, DC 20006
202/719-7052**

1033A

September 14, 1999

The Honorable John D. Dingell
United States Congressman
2328 Rayburn House Office Building
Independence Avenue
Washington, D.C. 20515

PERSONAL & CONFIDENTIAL

Dear John:

Everyone appreciated you and Debbie lending your presence to the 50th anniversary of MAB. Your presence was the major drawing card for the convention with a helpful assist from the Bart Stupaks and Eddie Fritts.

More important to me, heartfelt thanks to you for being such a longtime, staunch friend throughout my 23½ years of FCC service. I hope I was worthy of the expression a few years ago of now Secretary of Energy, Bill Richardson, who said "Jim, we all considered you John Dingell's man on the Commission." I was honored and thankful for the Teflon coating at congressional oversight.

As you know, you and Debbie are the governmental favorites of the Michigan Association. The broadcasters can be very helpful in Debbie's new assignment. She is smart, pretty and personable. However, in order to be a candidate or help a candidate, she will have to indulge in being a public "kissor." She could be a great asset to any campaign.

John, we confidentially discussed some important pending communications issues. Here is a brief summary of what I would recommend to Congress or what I would enact if I were FCC chairman or commissioner:

1. Promptly approve the Viacom-CBS merger with appropriate divestiture to comply with existing rule limitations. They are competing with three other already established huge vertically integrated companies: Times Warner, Disney and Fox. It

can be assumed that NBC will be seeking a partner or acquisitioner for vertical integration - MCA Universal?

2. Authorize newspaper, TV and radio cross ownership in the top 25 markets where there are so many communications outlets. Use antitrust or other measures to prevent market domination. Many more communications outlets are coming on stream with the multi-channel convergence of cable, satellite, digitalization and high-speed Internet access. Former Chairman Dingell seemed open to the idea that he previously opposed. It could be a tremendous boost to the democratic Gore campaign.
3. Institute TV satellite must-carry to maintain universal free, over-the-air service viable for public stations and the great majority of TV stations that are not covered by the limited current NAB-satellite agreement.
4. Expedite FCC public interest decisions to approve mergers once they are approved by the Justice Department. For example, promptly express approval of Qwest acquisition of U.S. West to set a precedent. It is a non-horizontal merger already approved by the Justice Department. (I gave you a suggested short written statement at Mackinac Island.) Approve the Southwest Bell-Ameritech merger which is long overdue.
5. Promptly authorize long distance service for Bell Companies. Again, there is a growing competitive marketplace with high speed Internet and computerization.
6. Consider raising TV network caps to 40%, not 50% as proposed by networks. But, express considerable reluctance. This is a tough political call opposed by all stations but network owned and operated stations. (Most congressmen should avoid this; an independent agency should assume the initiative). The 50% should only be considered if the UHF discount against caps is eliminated.
7. I would express disapproval or skepticism of low power FM stations as a desirable ideal but impractical or impossible to implement without causing undue interference or obstructing in band digitalization of existing stations. Conduct authentic engineering and economic study and then specifically list the new sites (which will be necessarily very limited).
8. Finally, if I were chairman, I would discuss these ideas with the Communications Committee Chairman and, particularly, first, with the ranking Communications Democrat in the House.

Since stations requested license an opportunity to propose other means for privatization.

the changing, inflexible NAB network - Congress many network say to the

Keep 50% network - Congradulate CBS - Vision selection to sell stations to multimedia and for their commitment to maintaining a lot of news and public interest.

The scarcity argument that is used to justify government regulations is no longer valid in the abundant multimedia environment of today.

First Amendment Rights for TV, the most influential and pervasive of all media and information media.
First Amendment consideration previously applied only to printed press.
Sec 14 - goes out that it is used to justify 1st Amendment regulation in a...
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John, it is great to be free from the constraints of being a voting commissioner. Now I can really call them, as I see them without regard to FCC voting sensitivity.

However, if you have any major concerns to these proposals, I would appreciate a call or a note.

Incidentally, Michigan State University is a distinct possibility for publishing my upcoming book "Profile of a Brokaw Generation Survivor." I'm now writing the last four chapters.

Again thanks, for your MAB presence and most of all, for being a great national communications stand-up leader and my long-time best friend in Congress.

Love (heterosexual),

James H. Quello

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bcc: Richard E. Wiley, Esq.

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only with no anti-trust

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