

Comments for the Record by
FCC Commissioner James H. Quello
on Title VI, H.R. 13015
"Communications Act of 1978"

October 3, 1978

I appreciate the opportunity to place in the record of this important hearing a few, brief comments relating to Title VI of the Bill dealing with "Public Telecommunications." I believe it's important to carefully focus upon the concept of public broadcasting within this context and to benefit from whatever history might teach us to further its development.

Public broadcasting is a relatively young concept in this country and it's sometimes hard to place in proper perspective the growth and maturity it has achieved in such a short time. Congress first saw fit to finance the growth and improvement of local public stations in 1962 and, five years later, approved the Public Broadcasting Act of 1967 to provide assistance for production, national interconnection and system improvements. Assistance from both the public and private sectors have encouraged rapid development of the public broadcasting systems. Today, there are 278 local public television stations and more than 200 sizable public radio stations and hundreds more on the verge of qualifying for support from the Corporation for Public Broadcasting.

Unfortunately, even with this growth, an estimated 40% of the American homes still do not have access to an acceptable public broadcasting television signal. Rural areas are particularly underserved. The FCC has undertaken an inquiry into the roles which might be played in these underserved areas by low-power broadcasting stations and translators. I would hope that the Commission--or its successor--will continue to focus on this problem so that service can be extended to virtually every American home.

The Commission has recently taken another step which, I believe, will have a profound effect upon the ability of public broadcasting to provide more service to more people. We have insisted that manufacturers of television sets significantly decrease the self-generated noise in UHF receivers. While such improvements will benefit commercial and non-commercial UHF service alike, public broadcasters are likely to be the primary beneficiaries since two-thirds of the public television stations are licensed in the UHF band. The Congress, in the All-Channel Receiver Act, spoke of "comparability" between VHF and UHF receivers and I am convinced that prompt implementation of the new noise-figure requirements will be a significant step toward comparability.

Title VI generally recognizes the significance of public broadcasting both now and in the future. I believe that the drafters of the Bill genuinely attempted to provide the support necessary to assure public broadcasting's growth and prosperity. In my opinion, however, Title VI contains two major flaws which threaten future growth and viability.

First, the proposed method of funding of "Public Telecommunications" would seem to be both inadequate and potentially oppressive. The inadequacy stems principally from the reliance upon spectrum usage fees which, in the real world, are not likely to be sufficient to cover the costs of the Public Telecommunications Programming Endowment Account, the Rural Telecommunications Loan Account, and the Minority Ownership Loan Account. Without even addressing the advisability of funding all of these accounts from commercial spectrum users, primarily broadcasters, it appears that any realistic fee

schedule simply will not provide adequate funding for all these projects. Therefore, I would propose that funding of these accounts be derived from the general treasury and that spectrum usage fees be considered separate and apart from the funding requirements set out in H. R. 13015.

In my comments on Title IV, I placed myself on record as being supportive of some kind of reasonable spectrum usage fee for commercial broadcasters. However, any methodology for deriving a fee schedule should receive the closest scrutiny by the Subcommittee to ensure that such fees are levied equitably and reasonably. Moreover, such fees should be levied independent of any funding requirement for public broadcasting or anything else.

Section 642(c) (2)(A) and (B), whatever the intent of the drafters, would almost certainly have the effect of discouraging private support for public broadcasting. Those provisions prevent identification of sponsorship of any particular program or series of programs. The FCC has expressed its concern with possible abuse of the sponsorship identification rules by some public broadcasting stations but the Commission has recognized the very important role played by private donors in providing some very excellent programming for public television. I certainly do not believe that sponsorship identification should be extended beyond mere identification, but I believe it's important to continue to provide some incentive for corporations to lend their support to this very worthwhile undertaking. Instead of focusing upon whatever benefit might be received by sponsoring entities, I urge the Subcommittee to focus upon the very significant benefits which inure to public broadcasting and to the general public through private participation in program underwriting.

While funding is a serious concern with regard to H.R. 13015, I am also very concerned with the role in public broadcasting contemplated for the Director of the National Telecommunications Agency. As I have stated before in commenting upon other parts of the Bill, I would feel much more comfortable with limited government direction resting with a collegial body with the oversight of Congress instead of a single individual under White House control. While Title VI attempts to isolate public telecommunications from government control, per se, I think it's fair to caution that government influence will be felt to the extent that public telecommunications must rely upon government-provided funding. It is for this reason that I am troubled by Section 642(a) which authorizes the Director of the National Telecommunications Agency, in consultation with public broadcasting station licensees and others as appropriate, to "establish and carry out a program of grants to public broadcasting stations to assist in meeting the costs of facilities and operations of such stations."

Public broadcasting is still in its youth but it seems to be developing well and moving toward maturity consistent with the wishes of its parent, the Congress. Despite some aberrations which are to be expected with youth and inexperience, I believe that it is well on its way to becoming the finest such system in the world. I doubt that we have adequate assurances that any new scheme of federal involvement will prove to be superior to the one already in place. I believe that the Congress should properly focus upon removing present program restrictions regarding political broadcasting and the granting of First Amendment rights and responsibilities to public broadcasting to the fullest extent practical. But, I don't believe that more federal involvement, except

funding, is desirable or likely to produce the kind of robust, innovative system of public telecommunications the American public has a right to expect.

I don't have any magic number as to the extent of federal funding necessary for the continued development of public telecommunications over the years ahead. Those directly responsible for public broadcasting are talking in terms of a billion dollars. Since I haven't made any independent assessment of the dollar requirements, I can't offer a specific or informed recommendation. As a general observation, however, I think it's clear that more money is needed. The new Carnegie Commission will doubtless have some thoughts and recommendations on this subject. I'm sure we're all looking forward to reading that Commission's report which I understand is to be released within the next few months.

I will follow with great interest the revised version of Title VI this coming year. Public broadcasting's great potential for contributing to the quality of all our lives, needs and deserves continued encouragement and support.