

ADDRESS BY FCC COMMISSIONER JAMES H. QUELLO  
BEFORE THE  
NATIONAL ACADEMY OF TELEVISION ARTS AND SCIENCES  
Detroit, Michigan  
November 10, 1980

I'M DELIGHTED TO BE BACK IN MY HOME TOWN  
OF DETROIT WHERE I SPENT 28 YEARS IN BROADCASTING  
WITH STATIONS WJR AND WXYZ. MY PRIME AREAS OF  
INTEREST (THAT'S LOW KEY FOR EXPERTISE) WERE IN  
PROGRAMMING, PUBLIC RELATIONS AND ADVERTISING SO  
I DON'T HAVE TO SEARCH FOR A MUTUALITY OF INTEREST  
WITH THIS IMPRESSIVE AUDIENCE.

I SAID I WAS DELIGHTED TO BE HERE. AND, IN  
MY CASE, I REALLY AM DELIGHTED--YOU SEE, MY TERM  
EXPIRED JUNE 30TH AND MY REAPPOINTMENT HAS BEEN  
PLACED ON "HOLD." SO I'M GLAD TO BE SOMEWHERE, BUT  
PARTICULARLY HERE IN FAMILIAR FRIENDLY SURROUNDINGS.

MY SON BLUNTLY CHARACTERIZED MY SITUATION  
IN TYPICAL OVERFAMILIAR FAMILY MANNER SAYING, "DAD  
IT NOW LOOKS LIKE YOU ARE A LONG SHOT INSTEAD OF A

BIG SHOT." AT LEAST BEING ON "HOLD" HAS SOME ADVANTAGES---NO ONE HAS YET CROWDED ME AWAY FROM THE DRINKING FOUNTAIN. DEPARTMENT HEADS STILL ANSWER MY CALLS. ALSO, NO ONE IN WASHINGTON HAS APPROACHED ME POINTING AND SAYING: "OH, I REMEMBER YOU. YOU USE TO BE--AH-- OH, YES, YOU USE TO BE JIM QUELLO!"

I MUST ADMIT THAT ALONG WITH YOUR INVITATION I AM PLEASED WITH THE LARGE NUMBER OF OTHER INVITATIONS I RECEIVED FOR SEPTEMBER, OCTOBER, NOVEMBER AND DECEMBER FROM COMMUNICATIONS AND EDUCATIONAL GROUPS. I DON'T KNOW WHETHER IT IS AN ACT OF FAITH, HOPE OR CHARITY ON THEIR PART.

ANYWAY, I HAVE GONE A LONG WAY BABY, SINCE MY BROADCASTING DAYS IN DETROIT--UNFORTUNATELY MUCH OF IT IN THE WRONG DIRECTION. I LEARNED THAT TOO OFTEN WHEN BUSINESS GETS INTO BED WITH BIG GOVERNMENT ITS GOING TO GET MORE THAN A GOOD NIGHT'S SLEEP.

BECOMING A RELUCTANT PART OF BUREAUCRACY WAS A COMPLETELY NEW EXPERIENCE FOR ME.

AS YOU CAN WELL IMAGINE, I FOUND THE TRANSITION FROM BUSINESS TO A REGULATORY AGENCY QUITE A CHALLENGE. IT IS A UNIQUE GRATIFYING AND SOMETIMES FRUSTRATING EXPERIENCE TO CAP YOUR CAREER REGULATING AN INDUSTRY YOU DEVOTED 30 YEARS TO.

THERE IS A NOTABLE DIFFERENCE. IN MY VIEW, BUSINESS OR INDUSTRY IS MORE DIRECT, AUTOCRATIC AND, THANK GOODNESS, MORE EFFICIENT THAN GOVERNMENT, INDUSTRY ALSO PAYS MUCH BETTER IN THE UPPER GRADES AND, PERHAPS, LESS IN THE LOWER AND MIDDLE GRADES.

I FOUND GOVERNMENT MORE THOROUGH,  
MORE ACADEMIC AND THEORETICAL IN APPROACH AND  
MUCH SLOWER AND MORE LITIGIOUS THAN INDUSTRY.  
RULEMAKINGS AND DECISIONS ARE SUBJECT TO LONG,  
DETAILED, LEGAL ANALYSIS AND WRITING AND REWRIT-  
ING. THE OBJECTIVE IS TO MAKE DECISIONS APPEAL-  
PROOF IN COURT AND THIS IS AN ARDUOUS, TIME-  
CONSUMING TASK.

AT THE FCC ALONE WE HAVE 372 LAWYERS,  
MOST OF THEM FROM THE TOP 10% OF THEIR CLASS!  
THIS IS OUT OF A TOTAL OF APPROXIMATELY 2100  
EMPLOYEES.

LAWYERS, ECONOMISTS AND GOVERNMENT  
BUREAUCRATS ARE RESOURCEFUL AND CREATIVE. THEY  
DEVELOP CYCLICAL REGULATORY FADS. LIKE MOST  
PROFESSIONALS, THEY TEND TO DEVELOP A JARGON

WHICH HAS A SPECIAL MEANING AMONG THEMSELVES. THEIR ATTITUDES AND IRONIC HUMOR ARE REPRESENTED BY SPECIAL "BUZZWORDS."

"RESTRUCTURING" IS ONE OF THE MORE POPULAR BUZZWORDS IN WASHINGTON THESE DAYS. RESTRUCTURING IS GENERALLY UNDERSTOOD TO BE THE ANTITHESIS OF THE OLD ADAGE: "IF IT AIN'T BROKE, DON'T FIX IT." FOR REGULATORS, RESTRUCTURING IS A VERY USEFUL TOOL. FOR A REGULATOR WHO IS REQUIRED TO REGULATE AN INDUSTRY HE KNOWS VERY LITTLE ABOUT, IT'S OFTEN USEFUL TO "RESTRUCTURE" THAT INDUSTRY. THE IDEA IS TO DISMANTLE THE INDUSTRY AND THEN PUT IT BACK TOGETHER TO CONFORM TO SOME THEORETICAL OR IDEALISTIC MODEL THAT YOU'VE STUDIED IN SCHOOL. NOW, IF THE

"RESTRUCTURED" INDUSTRY DOESN'T WORK--AND CHANCES ARE IT WON'T--THERE IS AN OBVIOUS MANDATE TO CONTINUE THE TINKERING WHILE DENOUNCING INDUSTRY MANAGERS FOR FAILING TO RESPOND TO YOUR ENLIGHTENED GOVERNMENT POLICIES.

THEN, THERE IS THE "MARKETPLACE." DON'T BE MISLED. IN WASHINGTON, THE MARKETPLACE DOES NOT MEAN A COMPETITIVE ENVIRONMENT IN WHICH INDUSTRIES OR PRODUCERS FREELY COMPETE FOR THE FAVOR OF BUYERS THROUGH QUALITY AND PRICE DIFFERENCES. THAT KIND OF SITUATION WOULD LEAVE THE REGULATOR WITH VERY LITTLE TO REGULATE. IN THE BROADCASTING INDUSTRY, FOR EXAMPLE, THE MARKETPLACE REQUIRES GOVERNMENT ASSISTANCE IN PROVIDING PROGRAMMING (PRODUCT) PERCENTAGES, ASCERTAINMENT OF COMMUNITY NEEDS AND INTERESTS,

PUBLIC ACCESS TO BUSINESS RECORDS, ACCESS AND  
EQUAL OPPORTUNITY FOR POLITICAL CANDIDATES, AND  
REGULATION MANDATED FAIRNESS IN THE PRESENTATION  
OF CONTROVERSIAL NEWS ISSUES. GOVERNMENT ALSO  
MAKES POSSIBLE THE FILING OF PETITIONS TO DENY IF  
A STATION FAILS TO MEET A SINGLE PETITIONER'S  
(VIEWER'S) PRIVATE VERSION OF PUBLIC INTEREST. THE  
PETITION TO DENY IS UNIQUE TO BROADCASTING. IT IS  
THE ONLY INDUSTRY OR SERVICE SUBJECT TO GOVERNMENT  
AUTHORIZED PETITIONS TO DENY YOUR LICENSE WHICH  
REALLY MEANS YOUR BUSINESS. NO MONOPOLY, NO  
UTILITY, NO OTHER BUSINESS IS THREATENED WITH  
UTTER EXTINCTION FOR VIOLATION OF RULES--THE  
POTENTIAL FOR CRUEL AND UNUSUAL PUNISHMENT IS  
INTOLERABLE AND CRIES OUT FOR CORRECTIVE ACTION.

HOWEVER, THE MARKETPLACE CONCEPT DOESN'T  
ALWAYS REQUIRE GOVERNMENT INTRUSION. ONE POPULAR

VARIATION OF THIS CONCEPT CALLS FOR FORBEARANCE IN THE ONE AREA WHERE GOVERNMENT INVOLVEMENT MIGHT BE USEFUL--THE SETTING OF TECHNICAL STANDARDS. IN OUR ONGOING CONSIDERATION OF STEREOPHONIC BROADCASTING BY AM STATIONS, FOR EXAMPLE, IT HAS BEEN SUGGESTED THAT THE GOVERNMENT WOULD BE OVER-STEPPING ITS BOUNDS IF IT APPROVED ONLY ONE OF THE FIVE DIFFERENT SYSTEMS BEING PROPOSED. WE ARE URGED TO "LET THE MARKETPLACE DECIDE" WHICH IS BEST. THE FACT THAT A RECEIVER BUILT FOR ONE SYSTEM CANNOT PROCESS A SIGNAL TRANSMITTED BY ANOTHER SYSTEM IN A NEIGHBORING CITY IS OF NO APPARENT CONCERN. NOR APPARENTLY IS THE QUESTION WHETHER THERE WILL BE A MARKET FOR AM STEREO AT ALL IF THERE IS PUBLIC CONFUSION ABOUT WHICH SYSTEM OR SYSTEMS TO BUY.



"DIVERSITY HAS COME TO MEAN GOVERNMENT FAVORING ADDITIONAL AND SPLINTER INDUSTRIES, WHETHER NEEDED OR NOT, TO COMPETE WITH EXISTING INDUSTRIES. THIS PRODUCES VARIETY FOR MANY ALREADY SATIATED BROADCAST MARKETS, NEW OPPORTUNITIES FOR FAVORED ENTREPRENEURS, POSSIBLE REDISTRIBUTION OF WEALTH, THE SATISFACTION OF NARROWER INTERESTS AND ALL SORTS OF OPPORTUNITIES FOR SOCIAL AND POLITICAL ENGINEERING.

ONE OF THE REASONS I BELIEVE THAT WASHINGTON FINDS THE ANSWERS TO PROBLEMS SO ELUSIVE IS THAT THE POLITICAL CENTER OF OUR NATION OFTEN SUFFERS FROM RAMPANT PARANCIA. WHEN I WAS UNDER

CONSIDERATION FOR A SEAT ON THE COMMISSION BACK IN 1973 and '74, ONE OF THE MOST PERSISTENT AND STRIDENT CHARGES I HAD TO FACE WAS THAT I WAS A FORMER BROADCASTER--A FORMER EXECUTIVE IN AN INDUSTRY THE FCC IS CHARGED WITH REGULATING. I WAS EVEN GUARANTEED A RELATIVELY CORDIAL CONFIRMATION IF I WOULD ACCEPT A SEAT ON THE CAB INSTEAD OF THE FCC TO AVOID THE OBJECTIONS DUE TO MY BROADCAST BACKGROUND. I HAVE ALWAYS REGARDED THAT ATTITUDE AS A CURIOUS ONE SINCE IT PLACES AN EXTRAORDINARY PREMIUM ON LACK OF PRACTICAL EXPERIENCE. IT RESULTS IN REGULATORY

AGENCIES WHICH ARE SUPPOSED TO BE EXPERT ARMS OF CONGRESS BEING LARGELY POPULATED BY THOSE WHO HAVE NO EXPERIENCE IN ANYTHING BUT ACADEMIA OR GOVERNMENT.

I READILY ADMIT TO SUPPORTING THE BROADCAST AND CABLE INDUSTRIES AND THE BROADCASTING SYSTEM IN THIS COUNTRY. THERE'S LITTLE DOUBT THAT EVEN WITH ITS FAULTS IT IS THE BEST IN THE WORLD. I FAIL TO SEE WHERE PUBLIC INTEREST LIES IN ATTEMPTING TO MAKE IT ANY LESS THAN IT IS. I BELIEVE PUBLIC INTEREST AND THE NATION ARE BEST SERVED BY HEALTHY, SUCCESSFUL, SOCIALLY CONSCIOUS INDUSTRIES.

I BELIEVE GOVERNMENT REGULATION CAN BE MORE CONSTRUCTIVELY ACCOMPLISHED IN A SPIRIT OF MUTUAL COOPERATION WITH THE REGULATED INDUSTRIES. (WE CAN LEARN A LESSON FROM THE JAPANESE. THEY OPERATE MORE LIKE A GOVERNMENT-INDUSTRY PARTNERSHIP TO ADVANCE THE ECONOMY AND WELL-BEING OF JAPAN.)

FRANKLY, MY 28 YEARS IN BROADCAST MANAGEMENT WERE ASSOCIATED WITH STATIONS AND ORGANIZATIONS WITH STRONG ORIENTATION IN OBJECTIVE NEWS, PUBLIC AFFAIRS, PUBLIC SERVICE AND CIVIC INVOLVEMENT. IT IS DIFFICULT FOR ME TO UNDERSTAND THE DISTORTED GENERALIZATIONS AGAINST BROADCASTING--MOSTLY BY INDIVIDUALS WHO HAVE VERY LITTLE, OR NO, MARKETPLACE EXPERIENCE IN BROADCAST JOURNALISM, PRODUCTION, WRITING OR OPERATIONS.

HOWEVER, WHEN IT CAN BE SHOWN, BY ANY  
REASONABLY OBJECTIVE STANDARD, THAT INDUSTRIES THE  
FCC REGULATES ARE BEHAVING IN A MANNER THAT OFFENDS  
THE PUBLIC INTEREST, I AM QUITE WILLING TO IMPOSE  
APPROPRIATE SANCTIONS AS MY VOTING RECORD READILY  
SHOWS. (71 in 49 years - 28 in 6 years - license revocations.)  
NEVERTHELESS, BEING PRO-INDUSTRY, REGARDLESS  
OF HOW WELL JUSTIFIED, IN A REGULATORY AGENCY  
IS VIEWED BY MANY AS BEING AUTOMATICALLY

ANTI-PUBLIC. THIS OVER-SIMPLISTIC VIEW HAS PRE-  
VAILED AMONG VERY WELL-EDUCATED, HIGHLY-POSITIONED  
MEMBERS OF THE BUREAUCRACY. IT IS ACCEPTED BY  
MANY--TOO MANY--AS AN ARTICLE OF FAITH, A LITMUS  
TEST OF "CORRECT" THINKING.

BUSINESS HAS BEEN VIEWED AS A RAPACIOUS,  
INSENSITIVE, PROFIT MONGER. THIS ATTITUDE HAS LED  
TO SOME DRACONIAN REGULATORY MEASURES--BY BOTH  
THE CONGRESS AND THE REGULATORY AGENCIES--THAT  
HAVE ADDED UNNECESSARY COSTS TO THE PRODUCTS WE  
BUY AND THE SERVICES WE REQUIRE. VAST BUREACRACY  
HAS SPRUNG UP TO PROTECT US FROM OURSELVES AT A  
COST WE OBVIOUSLY CANNOT AFFORD.

FOR EXAMPLE, I HAPPENED TO RUN ACROSS  
A COLUMN BY WILLIAM RASPBERRY RECENTLY WHICH  
\* POINTED OUT THAT IT WOULD PORTEND DISASTER FOR OUR

COUNTRY IF WE WERE TO SUDDENLY ELIMINATE POVERTY.

POVERTY IS VERY BIG BUSINESS IN THIS COUNTRY.

RASPBERRY NOTED THAT LYNDON JOHNSON'S WAR ON POVERTY COST SOMETHING LIKE \$800 MILLION BACK IN 1965. THOSE SAME PROGRAMS AND THEIR PROGENY WILL, IN 1981, COST ABOUT \$20 BILLION. RASPBERRY NOTES THAT THE FEDERAL GOVERNMENT IS SPENDING 25 TIMES THE AMOUNT ON POVERTY IN 1981 AS IN 1965 AND POINTS OUT THE OBVIOUS FACT THAT THE POOR ARE HARDLY 25 TIMES BETTER OFF. OF COURSE, AS HE EXPLAINED IN THE COLUMN, A LOT OF THAT \$20 BILLION GOES TO THE MIDDLE-INCOME PEOPLE WHO "...STUDY, COUNT, ANALYZE, CHART, GRAPH, FOLD, STABLE AND, OCCASIONALLY, MUTILATE THE POOR."

AN IMPORTANT BY-PRODUCT OF MUCH OF THE STUDYING, COUNTING, ANALYZING, CHARTING AND GRAPHING IS THE PERPETUATION OF THE NEED TO STUDY, COUNT, ANALYZE, CHART AND GRAPH. AS PROFESSOR JULIAN SIMON OF THE UNIVERSITY OF ILLINOIS AT URBANA POINTS OUT IN "THE ULTIMATE SHORTAGE," THERE IS A FUNDING INCENTIVE FOR SCHOLARS AND INSTITUTIONS TO PRODUCE BAD NEWS ABOUT POPULATION, RESOURCES AND THE ENVIRONMENT. HE NOTES THAT BAD NEWS SELLS BOOKS, NEWSPAPERS AND MAGAZINES. AND, HE QUOTES PHILIP HANDLER, PRESIDENT OF THE NATIONAL ACADEMY OF SCIENCES, IN HIS TESTIMONY TO CONGRESS ON THE ENVIRONMENT PANIC OF THE 1970'S. SAID HANDLER: "THE NATIONS OF THE WORLD MAY YET PAY A DREADFUL PRICE FOR PUBLIC BEHAVIOR OF SCIENTISTS WHO DEPART FROM...FACT TO INDULGE...IN HYPERBOI".



ENOUGH FOR REGULATORY PHILOSOPHY AND BUZZ - WORDS. NOW FOR SOME OF THE MORE SIGNIFICANT RECENT FCC ISSUES YOU AND OTHER BUSINESSMEN SEEM MOST INTERESTED IN.

PROBABLY, THE MOST CONTENTIOUS AND CONTROVERSIAL BROADCAST DECISION IN THE HISTORY OF THE FCC WAS THE LANDMARK RKO GENERAL TIRE DECISION. LAST MONTH THE COMMISSION GAVE FINAL APPROVAL TO THE TEXT OF ITS 4 - 3 DECISION THAT FOUND RKO GENERAL NOT QUALIFIED TO REMAIN A LICENSEE. IT SENT SHOCK WAVES, AS WELL IT SHOULD, THROUGHOUT THE INDUSTRY. MY INITIAL DISSENT SUMMARIZED MY STRONG OPPOSITION. IT WAS FOLLOWED BY A MORE DETAILED SEVEN PAGE DISSENT. I THINK YOU WILL FIND MY BRIEF INITIAL DISSENT INTERESTING.

"I BELIEVE THE COMMISSION IS INDULGING IN GROSS

BUREAUCRATIC OVERKILL IN DENYING THE LICENSE RENEWAL FOR WNAC-TV. THIS TYPE OF CHARGE AND RECORD COULDN'T POSSIBLY WARRANT EVEN AN INDICTMENT LET ALONE CONVICTION IN A CRIMINAL PROCEEDING. YET THE POTENTIAL FINE COULD BE OVER \$600,000,000.

THE RECORD DOES NOT WARRANT SUCH HARSH, CRIMINAL-LIKE PUNISHMENT.

THE SOLE JUDICIAL DECISION RENDERED IN THE ELEVEN YEAR PROCEEDING WAS BY THE FCC ADMINISTRATIVE LAW JUDGE WHO FOUND THE LICENSEE QUALIFIED. THE ADMINISTRATIVE LAW JUDGE WISELY REJECTED ADDING ISSUES TO ALREADY EMBARRASSINGLY LONG AND DAMAGING LITIGATION. THERE WAS NO JUDICIAL FINDING OF GUILT OR VIOLATION IN EITHER THE JUSTICE DEPT. OR SEC PROCEEDINGS.

THE JUSTICE DEPT. ALLEGATIONS WERE SETTLED  
BY A CONSENT DECREE; THE SEC ACTION BY A SETTLEMENT.

NONE OF THE ALLEGATIONS AGAINST THE PARENT  
COMPANY, GENERAL TIRE, IMPACTED THE BROADCAST  
SUBSIDIARY OR AFFECTED BROADCAST SERVICE. RKO  
STATIONS HAVE A LONG HISTORY OF RENEWAL IN THE  
PUBLIC INTEREST. THEY ARE BROADCAST PIONEERS  
WITH OVER 25 YEARS OF MERITORIOUS BROADCAST SER-  
VICE TO THE PUBLIC.

I BELIEVE THE LICENSE RENEWAL OF WNAC-TV WAS  
LEGALLY CORRECT AND MORALLY MANDATED. THE RE-  
VERSAL OF THE ADMINISTRATIVE LAW JUDGE'S DECISION  
BY THIS COMMISSION BASED ON UNPROVEN CHARGES AND  
UNSUPPORTED STAFF CONCLUSIONS REPRESENTS THE TYPE  
OF BUREAUCRATIC OPPRESSION THAT IS CAUSING A PUBLIC  
OUTCRY FOR REFORM."

IN STRENUOUSLY DISSENTING TO WHAT I CONSIDER A

'GROSS INJUSTICE AND DANGEROUS PRECEDENT, I WAS AGAIN CRITICIZED BY AN ACTIVIST COLUMNIST WHO WROTE - "HE PROVED HIS UNFITNESS AGAIN LAST MONTH. WHEN THE FCC VOTED TO STRIP RKO GENERAL OF WNAC CHANNEL 7 AND TWO OTHER TV STATIONS FOR LONG AND DIVERSE ABUSES, ALL OF THEM ACKNOWLEDGED IN FEDERAL COURT, QUELLO RAGED IN IRRELEVANT DISSENT." FIRST, IT SHOULD BE POINTED OUT THAT IT WAS A 4 to 3 VOTE BY THE COMMISSION WHICH WENT AGAINST RKO GENERAL. ALSO, THE ADMINISTRATIVE LAW JUDGE WHO HEARD THE CASE AND WAS INTIMATELY FAMILIAR WITH THE TOTALITY OF FACTS CONCLUDED RKO WAS QUALIFIED TO REMAIN A BROADCAST LICENSEE, THE COMMISSION'S BROADCAST BUREAU ALSO RECOMMENDED LICENSE RENEWAL. THUS, MY DISSENT WAS NOT A POSITION OF INTEMPERATE ISOLATION, BUT A REASONED JUDGMENT BASED UPON A CAREFUL REVIEW OF THE FACTS. SECOND,

IF MY DISSENTING STATEMENT WAS IRRELEVANT, THIS  
ALLEGED FACT ESCAPED THE EDITORS OF THE WALL  
STREET JOURNAL, TV GUIDE - WITH A CIRCULATION OF  
OVER 30 MILLION -, THE NEW YORK TIMES, THE WASHING-  
TON POST, THE WASHINGTON STAR, FORTUNE MAGAZINE,  
BROADCASTING MAGAZINE AND TV DIGEST, ALL OF WHICH  
SAW FIT TO QUOTE MY STATEMENT, MANY OF THEM IN  
EDITORIALS. ALSO, THE WRITER WHO PRESUMED TO  
SIT IN JUDGMENT OF MY LEGAL EXPERTISE RELIED VERY  
HEAVILY UPON HIS OWN IGNORANCE OF THE LEGAL PRO-  
CESS. GENERAL TIRE -- NOT THE RKO SUBSIDIARY --  
ENTERED INTO A CONSENT DECREE WITH THE DEPT. OF  
JUSTICE AND A SETTLEMENT WITH THE SEC WHICH RE-  
SOLVED ALL ALLEGATIONS OF IMPROPRIETY WHICH HAD  
BEEN RAISED AGAINST THE PARENT COMPANY. NEITHER  
A SETTLEMENT NOR A CONSENT DECREE INVOLVES ANY  
ACKNOWLEDGEMENT OF GUILT, A POINT WHICH THE  
COLUMNIST FOUND TOO SUBTLE TO GRASP. THE SALIENT

FACT WAS THAT NEITHER AGENCY CHOSE TO PROSECUTE AND NEITHER MADE ANY FINDINGS AS TO THE GRAVITY OF THE ALLEGED MISCONDUCT.

SOME OF YOU HAVE INQUIRED ABOUT THE STATUS OF OUR PROPOSED RADIO DEREGULATION. IN THE RADIO MATTER, THERE IS CONSIDERABLE CONFUSION AS TO WHAT THE FCC IS OR IS NOT PROPOSING TO DEREGULATE. I'LL BE GLAD TO ANSWER ANY DETAILED QUESTIONS AFTER THE MEETING. I BELIEVE THE RADIO PROPOSALS REPRESENT A GOOD OPPORTUNITY TO GET A DEREGULATORY FOOT IN THE DOOR, BUT EVERYONE MUST REALIZE THAT FCC EFFORTS ARE LIMITED BY THE COMMUNICATIONS ACT. ONLY LEGISLATION CAN PROVIDE MAJOR DEREGULATION DEALING WITH LICENSE TERMS, POLITICAL BROADCASTING, GOVERNMENT INVOLVEMENT IN PROGRAM FORMAT AND ALTERNATIVES OR REFORM IN THE COMPARATIVE HEARING PROCESS. I HOPE THAT SOME TIME IN THE NEAR FUTURE, THE FCC WILL CAREFULLY DELIBERATE

AND THEN MAKE CONSTRUCTIVE RECOMMENDATIONS FOR DEREGULATORY LEGISLATION. MY PERSONAL VIEWS ADVOCATING COMPLETE DEREGULATION HAVE BEEN PRESENTED BEFORE THE HOUSE AND SENATE SUBCOMMITTEES ON COMMUNICATIONS AND ARE A MATTER OF OFFICIAL RECORD. IF YOU ARE INTERESTED IN COMPREHENSIVE ARGUMENTS FOR TOTAL BROADCAST DEREGULATION WRITTEN IN LAYMAN'S LANGUAGE, YOU CAN WRITE MY OFFICE FOR A COPY.

INCIDENTALLY, BROADCASTERS WHO MANAGE THE GREATEST COMMUNICATIONS MEDIA DON'T MANAGE TO DO A VERY EFFECTIVE JOB IN COMMUNICATING THEIR OWN ACTIONS OR POLICY TO THE OVERALL PUBLIC. THERE IS A NEED TO DISPEL EXAGGERATED CRITICISM OF DEREGULATION. THE FCC WOULD NOT PROPOSE AN ACTION THAT WOULD ELIMINATE PUBLIC SERVICE ANNOUNCEMENTS, REDUCE OR ELIMINATE RADIO NEWS OR CAUSE WIDESPREAD UNEMPLOYMENT OR ENCOURAGE OVERCOMMERCIALIZATION.

BROADCASTERS HAVE A COMMUNITY SELLING JOB TO DO -- IF OR WHEN DEREGULATION IS ADOPTED; THEY WILL HAVE THE RESPONSIBILITY OF IMPLEMENTING MARKETPLACE COMPETITION IN THE PUBLIC INTEREST.

IN ADDITION TO DEREGULATION, OTHER IMPORTANT ISSUES THAT HAVE BEEN SUGGESTED FOR DISCUSSION ARE:

---CABLE DEREGULATION OF JULY 22ND.

---CLEAR CHANNEL RADIO

---THE 10 TO 9 KHZ PROPOSALS

---AM STEREO

---SHORT FORM RENEWALS AND RANDOM AUDIT

---CHILDRENS TV PROGRAMMING

---DIRECT SATELLITE TO HOME TV TRANSMISSION

---THE COMPUTER INQUIRY

---THE FUTURE OF TV AND CABLE

*VHF drop-ins  
Low powered  
stations*

AGAIN, I'LL BE GLAD TO ANSWER QUESTIONS AFTER THE MEETING ON ANY OF THESE SUBJECTS. I BELIEVE MY TIME IS UP AND I'D LIKE TO SHARE WITH YOU A RECENT CLOSING MESSAGE TO A BROADCAST GROUP BECAUSE THE PRINCIPLE ENUNCIATED IS APPLICABLE TO MOST INDUSTRIES OR ORGANIZATIONS.



I CLOSED WITH: "I HOPE THAT YOU'LL EVENTUALLY BE ABLE TO REGARD THE BROADCAST BUREAU -- AND THE COMMISSION -- AS YOUR PARTNERS IN A COMMON EFFORT TO PROVIDE THE BEST BROADCASTING SERVICE POSSIBLE. THAT GOAL, OF COURSE, IS A PART OF THE COMMISSION'S STATUTORY RESPONSIBILITY AND THERE ARE MANY FINE PEOPLE IN WASHINGTON AND AROUND THE COUNTRY DEDICATED TO THAT GOAL. IT ALSO IS THE GOAL OF EVERY GOOD BROADCASTER IN THE SENSE THAT THE BETTER YOU SERVE THE PUBLIC, THE LARGER THE AUDIENCE YOU CAN EXPECT. I KNOW THERE ARE MANY COMPONENTS WHICH COME TOGETHER TO BUILD AND MAINTAIN A SUCCESSFUL BROADCASTING FACILITY, BUT IN MY MIND, TRUE PUBLIC SERVICE AND CREATIVE RESPONSIBLE PROGRAMMING STAND OUT AS THE ONLY FIRM BASE UPON WHICH TO BUILD A RESPONSIVE AUDIENCE AND A DOMINANT COMMUNITY IDENTITY. PUBLIC SERVICE IS THE FOUNDATION THAT BUILDS GOOD WILL, ASSURES

COMMUNITY ACCEPTANCE AND, NOT INCIDENTALLY,  
MAXIMIZES THE BROADCASTER'S SHARE OF BUSINESS.

I ENJOYED THE OPPORTUNITY TO BRING YOU A  
LITTLE INSIGHT INTO THE FOIBLES, FAULTS, AND VIRTUES  
OF REGULATION. PERHAPS, SOME DAY, WE CAN REACH  
THE MILLENIUM WHERE GOVERNMENT AND INDUSTRY WILL  
CONSTRUCTIVELY WORK TOGETHER TO FOSTER A NEW ERA  
OF PROSPERITY AND WELL BEING FOR OUR COUNTRY. I  
WISH YOUR ACADEMY AND CREATIVE MEDIA EVERYWHERE  
CONTINUED SUCCESS AND GROWTH IN THE CHALLENGING,  
PROMISING TIMES AHEAD.

THANK YOU.