

## Statement of Commissioner James H. Quello

In re: Channel spacing in the AM radio band

It is axiomatic that the proponents of change must bear the burden of showing that change is likely to result in benefits which outweigh the costs. Through a long series of studies, notice-and-comment proceedings and analysis, the proponents of change have had repeated opportunities to meet this burden. At best, the showing in favor of changing to 9 kHz spacing is inconclusive. Therefore, it does not justify the far-reaching consequences -- the interference, disruption, confusion and expense to radio listeners as well as radio licensees. I'm particularly perplexed about how narrowing the spacing could possibly improve the overall quality of service. Engineering reports indicate there would be an increase in adjacent channel interference. With the present explosion in telecommunications (multiple channel cable, low power TV, teletext, STV, MDS), we should explore maintaining and improving the quality of service. Any action that may add 200 to 1400 stations to an already satiated radio market should be compatible with maintaining quality of service.

Many radio stations are currently showing losses -- the time seems inopportune to add more stations and to force stations to spend millions of dollars on a project the great majority strongly opposes. According to financial Form 324 submitted to the FCC for 1979 (the 1980 figures are not yet collated), 54% of the AM stations in Florida lost money; 49% of the AM-FM combinations lost money and 42% of the FM stations. In my former home State of Michigan the loss figures were: 60% AM, 27% AM-FM combination and 29% FM. In my new home State of Virginia the loss figures were 43% AM, 38% AM-FM combination and 50% FM; in Washington, D. C. the loss figures were 60% AM; none AM-FM combination (there is only one station); and 33% FM. In a big communications center like New York the loss figures were: 46% AM, 54% AM-FM combination and 54% FM. Television stations loss figures for the same states were: Florida 23%; Michigan 31%; Virginia 21%; Washington, D. C. - 0 (five stations); New York 25%.

I'm sympathetic to daytime only stations that want to operate full-time or at a minimum to 6 p.m. The Commission will exert every effort to solve or alleviate this daytime problem outside the controversial 9 kHz proposal.

I don't believe a move from 10 to 9 kHz is the solution to the outrageous interference caused by Cuban stations. If Cuba is violating international agreements now, there is no assurance of Cuban compliance in the future -- especially with Castro's longstanding antagonistic attitude toward the United States. The Cuban radio problem seems more political than technical and not likely to be solved or mitigated by a change in spacing and the nationwide disruption of an orderly allocation system.

When the Commission first adopted the 9 kHz proposal, I expressed my concerns in a concurring statement in which my esteemed colleague, Commissioner Abbott Washburn, joined. We concurred in the Commission's decision only with the understanding that the subject would be fully aired before all participants in the Region 2 Conference.

The 9 kHz proposal represents a drastic change that alters a working nationwide allocation system and impacts every listener and licensee in the United States. This far-reaching action should be undertaken only for the most compelling of international and public interest reasons. On balance the reasons advanced by the proponents of change were neither compelling nor, I believe, in the public interest.