Article Submitted by FCC Commissioner James H. Quello

For Broadcast Daily

As many of you might have noticed, there is a new attitude in Washington, these days, about the role government should play in the lives of all Americans. While there are those who attribute this attitude to Reaganism, I would like to suggest that some of us were aware of this changing national mood well before Mr. Reagan was elected.

I have been convinced, for the past five years, that the pendulum had swung much too far in the direction of government solutions to every problem and that a reaction was setting in. I have been calling for deregulation of telecommunications for some time. I have gone from being hopelessly out of step with the prevailing views of my colleagues at the FCC to becoming very much a part of the mainstream. My views haven't changed over the past few years. And, I must admit that it's gratifying to have those views shared by more and more of my colleagues and particularly gratifying with a new Chairman providing leadership in deregulation or unregulation.

I believe that the broadcasting industry has an unprecedented opportunity to take its rightful place, in this country, as the major journalistic force. The surveys already tell us that more people rely upon broadcasting for news than upon any other medium. Unfortunately, broadcasting is not entirely free to carry out that heavy responsibility. Broadcasting continues

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to be subject to program-content regulation---regulation mandated by statute. I'm referring to Sections 312(a)(7) and 315 of the Communications Act of 1934. The rulings of the courts notwithstanding, I'm convinced that the equal opportunity and equal access sections of the Act are contrary to what the framers of the Bill of Rights had in mind when they drafted the First Amendment to the Constitution. By requiring access to broadcasting facilities for only candidates for federal office, they also, arguably, violate the equal protection guarantees.

Content regulation of broadcasting is simply not appropriate to broadcasting's journalistic role in our society. I believe that both the FCC and the Congress are now receptive to that premise. I believe that broadcasters now have a very real opportunity to effect legislation which will remove content regulation from the statute and from FCC rules.

These fundamental changes in government's role are made even more important by the rapid pace of technological change in telecommunications.

Pending before the Commission are several matters which promise to profoundly change the industry in the months and years to come. We are considering the future of Direct Broadcast Satellite (DBS) service, low-power television service, changes in our broadcasting-cable and newspaper-cable cross-ownership rules, changes in the rules now limiting the ownership of television and radio stations to a specific number, a revision of the rules regarding subscription television.

and many, many more issues which will have impact upon the broadcasting industry and the public at large. Because these are matters yet to be decided, I can't comment on their merits. However, I will attempt to define the issues, as I see them, with regard to some of these matters.

Direct Broadcast Satellites--This is one of the more controversial matters we must face in the months ahead. The Commission has tentatively concluded that DBS - in some form - is a service which has the potential to benefit the American public. We have not decided what form or forms this new service should take. Should DBS be regulated as a broadcasting service? Should the service be configured as a common carrier with facilities being provided by one entity and programming services provided by others? Should the service be advertiser-supported?

Low Power Television -- The Commission issued a Notice of Proposed Rulewas also.

making proposing to inaugurate low-power TV service and then began accepting
teles.

"interim" applications to begin the service even before we had concluded the rulemaking. In the process--and obvious rush--we neglected a few details--including
the technical criteria for protection against intenference. By the time we had
recognized the magnitude of the problem, we had received over five thousand applications and were forced to impose a freeze to attempt to try to get on top of the
situation. We are still attempting to sort that situation out much to the understandable
frustration of those who are interested in establishing low-power stations.

Changes in Cross-ownership Rules--There appears to be some interestion the Commission in revisiting many of our cross-ownership rules to determine if present restrictions need to be relaxed or eliminated. The rules governing

newspaper-cable cross-ownership and broadcast-cable cross-ownership will soon be before the Commission for review. In addition, the entire question of ownership limitations seems likely to be reviewed in the coming months. One theory is that limitations on broadcast ownership may be acting as a brake frustrating the development of additional networks. If group owners were permitted to expand their holdings, this reasoning goes, they would be better able to invest in major productions for use on all of their stations and thus make more diverse programming available.

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Supscription Television --We are currently reviewing our STV rules in an effort to determine whether (1) certain restrictions imposed in the past need to be retained and (2) whether our rules are continuing to have the effect of retarding the growth of subscription television. We are revisiting the so-called "complement of four" rule to determine whether, as a matter of policy, the Commission needs to be concerned whether each community has three network stations and one independent before STV is authorized. We are also looking at the present requirement that at least 28-hours per week of non-STV service be provided on these stations. We are also wondering whether STV stations should be required to ascertain the needs and interests of the communities they propose to serve in any prescribed way. It seems likely that this ascertainment must be done by a prudent businessman in any event.

One of my colleagues was recently quoted as expressing the view that the recent settlement of the AT&T anti-trust case might leave the FCC with little to do.

While I would hope that ultimately is the case, in the near term our plate continues to be full. And, with technology continuing to move at a blistering pacer Thave the feeling that we'll face greater challenges in the future than in the past.