STATEMENT OF COMMISSIONER JAMES H. QUELLO

RE: CANADIAN PRERELEASE

There is nothing in the document presented to the Commission, today, which indicates the extent of damage, if any, to the public interest in the United States attributable to prerelease of network programming.

Beyond that, there is no evidence of economic damage to border stations directly involved. Any proposed rule making, it seems to me, should include some basis for a presumption that a problem does, in fact, exist.

A notice of proposed rule making, implying recourse to a rule, might have the effect of appearing to be a retaliatory measure against the practice of Canadian cable systems of deleting commercials from U.S. broadcast signals imported into Canada. Although that, in itself, is a serious matter and the subject of Commission concern, certainly it calls for sober consideration on its merits and not retribution in some other forum.

There are many persons, both inside and outside the Commission, who have serious questions about our jurisdiction over program producers relative to the prerelease question. I share some of these concerns and require further assurance that we are on solid legal grounds before committing myself to a firm position.

Therefore, I have agreed to a <u>Notice of Inquiry</u> as a means of determining the extent of any problem which might exist and alternative courses of action open to us in the event some action is required.

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