

Statement of  
Commissioner James H. Quello

Amendment of Commission's Rules Concerning  
Network Representation of TV Stations in  
National Spot Sales  
BC Docket No. 78-309

The Further Notice of Proposed Rule Making adopted by the Commission on March 23, 1988, proposes various modifications to our existing rules prohibiting networks from acting as station representatives for their affiliated stations. I can support the Further Notice because it proposes, as one of the alternatives, retention of the existing rules. While I have not prejudged any issues in this proceeding, I wish to express my grave concerns about eliminating the existing rule.

The Commission adopted the rule out of a concern for the potential harm to competition in broadcasting. Network Representation of Stations in National Spot Sales, 27 FCC 697 (1959), recon. denied, 28 FCC 447 (1960), affirmed sub nom. Metropolitan Television Co. v. FCC, 289 F.2d 874 (D.C. Cir. 1961) Obviously, there have been significant changes in the television marketplace since the rule was adopted. Nevertheless, I am far from convinced that the potential for anticompetitive activity, concentration of control, conflict of interest and undue influence by the networks over local broadcast stations' programming practices has been negated by evolution of the television marketplace.

My views on this subject are preliminary. Parties seeking to eliminate or modify the existing national spot sales rule bear a heavy burden to prove that the rules are inconsistent with the public interest. I welcome comments addressing my concerns.

5230