FEDERAL COMMUNICATIONS COMMISSION Washington, D.C.

OFFICE OF COMMISSIONER JAMES H. QUELLO

May 10, 1988

The Honorable Edward J. Markey Chairman Subcommittee on Telecommunications and Finance H2-316 HOB Annex Washington, D.C. 20515-6117

Dear Mr. Markey,

Enclosed is my statement for the cable hearing record. I applaud the efforts of your subcommittee to review the 1984 Cable Communications Policy Act. Significant changes in the television marketplace since the passage of this historic Act are compelling reasons for Congress to revisit cable legislation.

The 1984 Cable Communications Act was enacted with must carry in place and before cable started aggressively selling advertising in competition with local stations. At that time, TV stations licensed by the government to serve public interest had access to the public they were obligated to serve.

Unfortunately, an inadequate or miscalculated FCC legal rationale resulted in a court decision eliminating must carry and created a gross disparity in the communications marketplace.

The court's decision eliminating must carry is potentially disastrous for free television service to all Americans and for local broadcast service in the public interest. Absence of carriage also places our public television system at grave risk. Moreover, Congress's desire to reinstate the fairness doctrine and ensure the continued vitality of the political broadcasting rules can be circumvented by a cable operator's decision to selectively drop broadcast signals.



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Cable has now become the monopoly video transmission pipeline to the home. Its ability to dominate the social and political agenda of this country increases as cable penetration grows. The real losers are the citizens who cannot afford to pay cable's essentially unregulated monopoly rates.

At the time of my initial confirmation, I promised Senator John Pastore that I would ensure that news, public affairs, political debate, major sporting events and entertainment would remain free to the American people. I intend to keep that promise. Restoration of must carry obligations will help ensure that all citizens maintain access to the information necessary to exercise their public responsibilities in our democracy. It will restore reasonable balance to the communications marketplace and guarantee free universal television for all Americans.

Sincerely,

James H. Quello

Enclosure