

REMARKS BY
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BEFORE THE SECOND ANNUAL LPTV CONFERENCE
COMMUNITY BROADCASTERS ASSOCIATION AND MARQUETTE UNIVERSITY
LAS VEGAS, NEVADA -- NOVEMBER 6, 1989

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It is an honor for me to be here today addressing what I'm terming the dynamic specialized localism segment of the telecommunications industry. Low power television has come a long way since Congress suggested creating a service in 1979. While your industry is less than a decade old, its impact is well established in the local marketplace. LPTV's rapid development can be ascribed to its unique programming and also to the leadership of John Kompas, President of the Community Broadcasters Association. He has lead the fight for you in Washington and is doing an outstanding job. Another reason for your widespread acceptance is the able advice of Martin Rubenstein and counsel of Peter Tannenwald. Together, these men constitute a formidable big league team. Their combined abilities to represent you in Washington are not "low powered" by any means.

As many of you know, there has been a new team installed at the FCC, all knowledgeable and with previous experience in telecommunications. Andrew Barrett and Sherrie Marshall are the two new Commissioners and my good friend Al Sikes is the new Chairman. A fourth new Commissioner is expected to be appointed. My special assistant, Dr. Brian Fontes, is among the well qualified aspirants to that Commissionership.

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Of course, I am the old hand at the Commission. In fact, I am the only Commissioner who was around at the creation -- I mean the creation of LPTV not "the" creation. I have been around a long time, but not that long. It appears we are both maturing gracefully. Although LPTV has a while to catch up with me.

We do have a new group at the FCC. I have had a previous opportunity to provide them with some friendly advice similar to what I remember receiving upon joining the Commission. -

I suggested "First, add all your oversight senators and congressmen to the Fourth Commandment. You will find that it is a good idea to honor them as well."

Second, I reminded them "You must realize that you are now a confirmed bureaucrat, so don't worry about mistakes. Remember that when a bureaucrat makes mistakes and then persists in making them, they soon become policy. If continually repeated, they become fundamental principles."

Among the truisms someone was good enough to share with me some time ago, tongue in or out of cheek, was "master the art of dynamic inaction. Essentially follow army training -- don't volunteer. If in an unguarded moment you do volunteer, make sure there are people more knowledgeable than you to handle the project (this should be no problem, the complete FCC staff qualifies for this type of assignment);

perform your daily minutia with effervescent sincerity. Also, keep in mind that the longer you are there, the more you will appreciate the seniority system. Finally, remember that social regulation cannot repeal the laws of physics, but it may make you more popular."

It is hard to believe that I am in my sixteenth year as an FCC Commissioner with almost two more years to go. Counting my military service, I have been in the government for more than 25 years. Previously, I was in broadcasting 26 years. I have seen a productive evolution from over regulation to deregulation to unregulation, to marketplace self regulation with occasional counterproductive lapses into unregulatory excess. Several years ago the trade press quoted me correctly stating "I do deregulation but not anarchy."

In the past few years, I was glad to contribute to the long overdue deregulatory transition that eliminated tons of paperwork, over-intrusive government regulations, encouraged new entry and gave rise to new competing systems such as the LPTV industry.

Your industry is the most significant success story of the Commission's pro competitive policies. I will not recount to you all the legal and administrative hurdles it took to get the industry on the air. Initial adoption of the LPTV rules by the Commission attracted approximately 40,000 applications.

The backlogs were enormous. I remember seeing boxes piled high to the ceilings in various offices and hallways throughout the Commission. It was a bureaucratic nightmare.

Through dedication and hard work, the Commission staff was able to eliminate this backlog. Special Credit for this turn around rests with the hard working members of the Low Power Branch especially Barbara Kreisman, Keith Larson and Clay Pendarvis. While we would like to be in a position to process all applications even faster, it is safe to say that today the federal government is no longer the major obstacle to getting your industry on the air. This is as it should be. Survival in the competitive marketplace is a tough enough burden.

Your industry is on the move. It is the most rapidly growing segment of the broadcast industry, with an average of 17 new stations signing on the air each month. To date, there are over 720 licensed low power stations, with 480 of these stations serving communities in the lower 48 states. If current licensing rates continue, it is possible that there will be over a 1,000 LPTV stations serving local communities in the 48 states by the end of 1992. I can assure you that the Commission will continue to move forward in this area.

I believe the low power television industry occupies a unique and important position in the video marketplace. That position may be summed up in two words -- SPECIALIZED LOCALISM.

Some of you located in remote rural areas are providing the first locally based television service to those communities. In the larger urban markets, you are able to provide distinctive programming to a specific market niche. Your industry has recognized a basic and fundamental tenet of broadcasting -- serving the specific needs of local communities is not only in the public interest, but it is also good business. This fact was true when I was broadcaster running WJR in Detroit, (a station with a strong local public service commitment). It is even more important today, given the plethora of nationally based cable and network signals.

Because of my broadcast background, I fully understand the competitive pressures that are placed on your industry. Your signal is limited. You occupy secondary status with respect to full service broadcast facilities. You compete with radio and newspapers and community papers for advertising revenue. Competition for local advertising dollars has intensified in recent years as cable television focuses on capturing the local advertising market. You are competing with a multichannel video system capable of providing significant inventories to local retailers at low costs. David is really taking on Goliath.

Despite the odds, you are an industry on the move. You are fighting in the trenches of a rigorous competitive marketplace. Most of you are succeeding.

Examples of your programming success are too numerous to mention in this keynote address. Nevertheless, some representative examples of your specialized localism at work impressed me and deserve public recognition. -

Channel 39 in Marshalton, Iowa, has been successful by focusing on local community programming. It has earned community acceptance with local news, community affairs, and exclusive TV coverage of local high school sports. Channel 4 in Cambellsville, Kentucky, serves a city of about 9,000 and a county with 22,000 people. It has been successful by covering local college sports and programming half hour local community news which is broadcast twice a day.

In more urban areas, we note the success of stations such as Channel 44 in New York. Because major stations concentrate on regional and national programming, Channel 44 has seized the opportunity by focusing on specific local program issues. Its local ethnic programming includes Greek, Haitian, Spanish, and Hebrew. It is also been the source of live theater telecasts and other locally originated shows.

Some in your industry have also found success focusing on a specific interest in the community. For example, Channel 18 in Killington, Vermont, has focused on local needs and interests in the ski community.

TV-8 in Columbus, Ohio, has been successful focusing on local sports. Channel 15 in San Luis Obispo has demonstrated its community spirit through programming on the homeless in the community as well as live telecasts of the local San Luis Obispo County Symphony. The LPTV station in Hopkinsville, Kentucky, won an award for best coverage of a local breaking news story. Also, Channel 19 WKG-TV in Baton Rouge, with little access to cable, has remarkably made six consecutive rating books. Its decision to provide family oriented, local television is another indication that low power television can succeed in the competitive marketplace.

In addition to special localized programs, competition requires LPTV stations to provide all types of innovative programming. For example, last week Channel 59 in Nashville, Tennessee, began operation as part of the Video Juke Box Network Inc. This station joined several low power stations and cable systems providing a network of interactive music video selection. In this regard, the LPTV industry is on the cutting edge of the "interactive" television business. All types of creative formats should also be explored. For example, low power television stations could probably be successful in providing a localized version of a headline news service. Channel America has been tremendously successful with over 30 stations in the network.

As a more local reach broadcaster, you are in a better position to develop creative program formats that meet the special needs of your respective communities.

You have the advantage of being able to respond quickly, without wading through large corporate bureaucracies.

The overall success of the LPTV industry can be seen in a study conducted last year by Dr. Mark Banks of Marquette University which was released at the NAB earlier this year. The report found that 63% of the stations produced their own local programming for at least 15% of their program day. Moreover, 51% of low power stations were carried on the local cable systems. I understand a new study is being presented at this convention.

I do not need to tell you that you exist in an intensively competitive marketplace. In order to survive, you must be creative in your program selection and flexible in dealing with your competitors. I believe the low power broadcast industry as a whole may benefit from working with the competition rather than existing in a continual state of war. I believe your stations should be encouraged to seek out and explore cross promotion opportunities with local newspapers, radio stations, conventional television stations and even cable systems. If the larger television stations in your area focus on regional news and public affairs, then you might complement their coverage by filling in the gaps and providing unique local service.

It seems that your best bet would be to find ways to localize their service. Borrowing from Paul Harvey, you might give your listeners "the rest of the story" from a local viewpoint.

I believe that most media entities competing in the video marketplace approach LPTV in a responsible manner. However, I was concerned to hear of a situation involving a local LPTV station in Worland, Wyoming. Based on the facts presented to me, it appears that the local station was attempting to secure carriage on a large cable system. While the local cable operator was willing to provide carriage, it appears that the company headquarters had a blanket policy of not allowing LPTV stations on any of their systems. This is legally permissible but nevertheless disturbing if true. I do not believe it serves the public interest for large multiple system cable operators to adopt blanket policies excluding low power television stations that may be the sole or primary source of local news. Such conduct is especially disturbing where there are no other off-air broadcast stations available in the market. This issue warrants future surveyance. The case was recently brought to the attention of Chairman Inouye during Senate hearings on the must carry bill and noted by some FCC staff members.

It also seems to me that the FCC as a matter of equity should explore the feasibility of according special consideration to a low power station providing a longtime vital and unique service before bumping it off the air for a new unproven service. The key active words would be longtime, vital and unique. However, I must caution you that this is only an idea at this time without official sanction. Also HDTV is a major upcoming issue that may require UHF spectrum and HDTV requirements would receive the highest priority from the Commisison and Congress.

In closing, it is pleasure to be with you today. I look forward to learning more about the particular needs of your industry. I believe it is important for the FCC to keep in touch with the mood and will of the people and industries it regulates. I salute your entrepreneurial drive and determination. You are an outstanding example of the community oriented broadcaster.

We will confront many contentious issues together in this rapidly changing marketplace. My regulatory approach to these issues can be best summed up by quoting President Franklin Roosevelt's view of the role which administrative agencies should play in government. That great President said, "a common sense resort to usual and practical sources of information takes the place of archaic and technical application of rules and evidence, and an informed and expert tribunal renders its decision with an eye that looks forward to results rather than backward to precedent and to the leading case. Substantial justice remains a higher aim for our civilization than technical legalism."

I believe this is sage advice from a great historic American. I intend to apply that principle as the Commission faces the exciting communications developments of the 1990s. Rest assured that the voice of low power television industry will be heard. In fact, by your success, you have demonstrated that the inherent laws of physics and signal propagation don't always apply -- in your own specialized local way, you are truly a high powered industry. Thank you.