

STATEMENT OF COMMISSIONER JAMES H. QUELLO ON
REVIEW OF THE POLICY IMPLICATIONS OF THE CHANGING VIDEO MARKETPLACE

They say that in life timing is everything, and I think it is a particularly appropriate time right now to take a comprehensive look at our policies relating to television. The video marketplace is going through changes as significant as any in its history, and it is incumbent upon the Commission, as the expert agency, to monitor these changes and adjust its policies accordingly.

First, I want to congratulate the staff of the Office of Plans and Policy for their most impressive effort in producing a thought-provoking study on which many of the NOI questions are based. This study is an excellent starting point for our inquiry.

I want to emphasize, however, that the study is just that — a starting point. It has not yet been adopted by the Commission or tested by the adversarial give and take that we expect from the commenters in this proceeding. Consequently, any interpretations in the popular press about the FCC predicting the demise of broadcasting are more than a little premature. We are just beginning the inquiry.

But you don't have to predict the end of broadcasting as we know it to understand that some of our rules no longer relate to the reality of the video marketplace. I believe I made my feelings on this point clear in my dissenting statement in the financial interest and syndication rules proceeding. *Evaluation of the Syndication and Financial Interest Rules*, FCC 91-114 (released May 29, 1991) (dissenting statement). The finsyn rules were adopted during a time of near-absolute network dominance — a fact that has changed drastically during the intervening two decades. In my mind, there can be no justification for retaining rules long after their policy purposes have vanished, especially if the rules hamper the viability of a competitor in the video marketplace. In particular, I think it is time to review the effect of cross-ownership rules on free over-the-air television.

In this regard, the present inquiry presents a much needed opportunity to look at a broad range of policies to determine which ones are still needed, which ones are not, and which ones are counterproductive in terms of the public interest. I am looking forward to reading the comments in this most important proceeding.