
FEDERAL RADIO COMMISSION

FEBRUARY 29, 1928.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

MR. WHITE of Maine, from the Committee on the Merchant Marine and Fisheries, submitted the following

REPORT

[To accompany S. 2317]

The Committee on the Merchant Marine and Fisheries having had under consideration S. 2317, report the same to the House with sundry amendments.

Section 3 is amended by striking out the word "six" on line 7 and by inserting in lieu thereof the word "three" and by striking out the words "one year" in line 8 and by inserting in lieu thereof the words "six months".

Section 4 of the Senate bill is stricken out in its entirety.

The bill is amended by inserting a new paragraph as follows:

Section 9 of the radio act of 1927 is amended by striking out the second paragraph and by inserting in lieu thereof the following: "The licensing authority shall make an equal allocation to each of the five zones established in section 2 of this act of broadcasting licenses, of wave lengths, and of station power; and within each zone shall make a fair and equitable allocation among the different States thereof in proportion to population and area."

In its amended form as reported by your committee, the Senate bill extends the original jurisdiction of the commission until March 16, 1929. It authorizes the commissioners to receive compensation at the rate of \$10,000 per annum until March 16, 1929. It provides that prior to January 1, 1930, the licensing authority shall grant no license for a broadcasting station for a longer term than three months and no license for any other class of station for a longer term than six months. It also undertakes to provide for an equal distribution of stations, of power and of wave lengths among the five zones created by the 1927 act and within each zone for a fair and equitable allocation among the States thereof in proportion to population and area.

The Radio Commission was created by the 1927 act which became law on February 23, 1927. By its terms original jurisdiction was con-

ferred upon the commission for one year from the date of its first meeting, which was held on March 15, 1927.

The President transmitted to the Senate his nominations of commissioners on March 1. Between that date and its adjournment on March 4 the Senate confirmed two of the commissioners but failed to act upon the other three nominations. Since these original appointments were made, two of the commissioners have died and one has resigned. Nominations to fill two of these three vacancies were made in due course, but to this date these nominations have not been confirmed. There has been at no time more than two of the five members whose appointments were confirmed and for a substantial time but a single member of the commission has been confirmed.

In the judgment of your committee it has been inevitable that a commission so constituted should not have felt that sense of approval and that assurance of authority essential to a formulation of policies and to prompt and decisive action in furtherance thereof. To the embarrassments of uncertain tenure and shifting personnel there has been added the handicap of inadequate clerical and technical assistance and a flood of problems of great public importance arising from the developments in the art of radio during the year.

The set-up in the broadcasting field which it was believed at the time the radio act was passed could be worked out in a year's time has not yet been effected. We are confronted with the dilemma of continuing the commission in authority for another year during which it is hoped the situation may be improved, or, of returning to the Secretary of Commerce the authority taken from him last March. Your committee is of the opinion that the knowledge and experience gained by the commission during the year now closing is worth availing ourselves of. We believe that the commission should be given further time in which to formulate sound principles and to work out in accordance therewith a more efficient system of communication. Section 1 of the Senate bill, in which your committee concurs, extends this original authority for an additional year.

Section 3 of the Senate bill limited the authority of the commission with respect to the period of time for which licenses might be given. The House amendment still further limits this time. In the form in which the bill is reported to the House no broadcasting license issued prior to January 1, 1930, may be for a longer period than three months and no license for other classes of stations may be for more than six months. Two reasons persuaded the committee to recommend these changes. It was felt generally that during the period in which the licensing authority was endeavoring to effect a more ordered system and more equitable service throughout the country, short-time licenses would make it easier to work out advisable readjustments. It was also thought that the commission should not have power during the year's extension of its original authority, to freeze the situation by the grant of licenses running substantially beyond the time of its own responsibility.

Your committee does not approve section 4 of the Senate bill. This section seeks to change the tenure of office of the commissioners as fixed by the radio act. We believe the terms as fixed by that act are proper and should not be changed at this time. We have omitted this section from the bill as reported to the House.

Your committee has added a new section which deserves the thoughtful consideration of the House. The second paragraph of section 9 of existing law has been the subject of much controversy. Some have contended that it imposed the obligation upon the commission to distribute stations, power used, and wave lengths equitably among the States. Others have insisted that the 1927 act directed the commission to so locate stations and to so distribute power and wave lengths to them that there might result equitable service to the people in the different parts of the country. It is now urged by many persons in the third zone that the people in the States of this zone have neither a fair proportion of stations, of power, or of desirable wave lengths, nor do they receive the service to which they are entitled. Like complaints have come from other zones and States.

This third zone has a greater percentage of the population of the United States than either of the other zones and is second in area. It has, however, the smallest number of stations, with less power authorized to be used by them than any of the other zones. It has very few stations with power in excess of 1,000 watts. Figures as to these items change often. The following table may not be strictly accurate, but it represents the present situation with substantial correctness:

Analysis of broadcasting licenses

	Population	Population (per cent)	Area (square miles)	Area (per cent)	Number of stations	Total station power in watts	Percentage of station power	Stations with over 1,000 watts
Zone 1 -----	24, 378, 131	22. 73	129, 769	3. 63	138	213, 055	35. 30	10
Zone 2 -----	24, 337, 341	22. 69	247, 517	6. 93	115	116, 805	19. 34	8
Zone 3 -----	24, 826, 050	23. 14	761, 895	21. 33	102	47, 105	7. 30	4
Zone 4 -----	24, 492, 986	22. 83	658, 148	18. 42	215	164, 870	27. 31	30
Zone 5 -----	9, 213, 720	8. 59	1, 774, 447	49. 68	131	61, 785	10. 24	8
Total -----	107, 248, 228	100	3, 571, 776	100	701	663, 620	100	60

It is not to be concluded from the set-up here disclosed that the licensing authority has been guilty of intentional discrimination against this third zone. Prior to the present radio law there was no authority to control the location of stations. It does no violence to truth to say that prior to March, 1927, stations were built whenever and wherever applicants desired and that there was no legal power to control either the use of wave lengths or power. The present commission on its assumption of authority found conditions not much different than they now are. It is perhaps idle to consider whether the commission during the past year could or should have brought about a redistribution. This amendment looks to the future. It declares in terms the duty of the licensing authority to make an equal allocation among the five zones, of broadcasting licenses, of wave lengths and of station power and provides that within each zone there shall be an equitable allocation among the States thereof in proportion to population and power. The equality here sought is not an exact mathematical division. That may be physically impossible. The language does not contemplate the withdrawal of station licenses, of power and of wave lengths from others, and an impounding thereof

in the absence of applications from the third or other zones therefor. It does not suggest that the requirement of the law of a showing of public interest, convenience or necessity as the basis for the grant of a license, or that other provisions of the law are to be waived. It is intended, however, to require of the licensing authority that as soon as may be and in proper cases licenses in number and in kind shall be granted to applicants from this third zone and other sections of the country sufficient to bring equality in the particulars specified. If, however, within the entire United States the saturation point is now reached and additional stations or additional power or other wave lengths may not be granted in a particular zone without prejudice to all, then it necessarily follows that there must be worked out a redistribution of the stations and of the power and of wave lengths now authorized. This equality does not necessarily require the reduction of all other zones to the level of the least favored. It might be achieved by raising all to the plane of the highest, or it might be effected by a combination of new grants and a redistribution of existing licenses. There is no warrant for the assumption that the first of these alternatives is the only way in which this problem can be worked out. The amendment declares a desired end but does not presume to direct the commission as to the steps necessary to attain the result sought. Your committee does not believe that it seeks either an impossible or an unreasonable solution. It is not anticipated that this purpose will be immediately accomplished but we conceive it to be basically right and recommend that the commission should proceed to make such allocation as will reasonably meet this rule as speedily as it may be done.

