
AMENDMENT TO THE PUBLIC BROADCASTING ACT OF 1967

MAY 8, 1969.—Ordered to be printed

Mr. PASTORE, from the Committee on Commerce,
submitted the following

R E P O R T

[To accompany S. 1242]

The Committee on Commerce, to which was referred the bill (S. 1242), to amend the Communications Act of 1934, by extending the provisions thereof relating to grants for construction of educational television or radio broadcasting facilities and the provision relating to support of the Corporation for Public Broadcasting, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The Corporation for Public Broadcasting which was created by title II of the Public Broadcasting Act of 1967 is now a viable entity.

When that legislation was enacted, \$9 million was authorized to be appropriated to enable the Corporation to come into being. This was intended to be "seed money" pending a long-range financing plan to be submitted by the administration. Before the plan could be submitted, however, there was a change in administrations. Understandably, therefore, the question of long-range financing is still under study.

Meanwhile, with the \$5 million which was ultimately appropriated in October 1968, and the little over \$2 million contributed from private sources, the Corporation has become operational. It has made plans for, and in some cases actually begun, providing broadcast programs of diversity and excellence; establishing an experimental interconnection distribution project; and supporting and strengthening local noncommercial stations.

S. 1242 would, therefore, authorize \$20 million for fiscal 1970 to enable the Corporation to expand on its accomplishments and sustain the impetus for noncommercial broadcasting which it has created during the short time it has been in existence.

This legislation would also extend the authorization of appropriations for the program of grants for the construction of noncommercial educational television or radio facilities provided for under title I of the Public Broadcasting Act, for the next 5 fiscal years.

Grants for the actual construction of noncommercial educational television facilities were first provided by the Educational Television Facilities Act of 1962. The Public Broadcasting Act of 1967 extended the life of that program and enlarged it by making grants available for educational noncommercial radio facilities.

The purpose of this program is to assist in providing the broadcast facilities necessary to carry educational radio and television programs to as many of the citizens of this country as possible.

S. 1242 would sustain this purpose.

BACKGROUND

The Corporation for Public Broadcasting embodies the bold and imaginative concept of an independent, nonprofit corporation to assist in developing a vital noncommercial educational broadcasting system.

Created by the Public Broadcasting Act of 1967, it is a federally chartered, independent, nonprofit corporation whose mandate is to encourage and facilitate the expansion and development on noncommercial broadcasting and program diversity in that medium.

Its Board of Directors consists of 15 members, appointed by the President, with the advice and consent of the Senate. Not more than eight may be members of the same political party. All are distinguished Americans, from the business, broadcast, artistic, and educational sectors of our society.¹

Although chartered on November 7, 1967, the Corporation was not incorporated until March 27, 1968, 2 weeks after the Senate confirmed its Board of Directors.

To date it has been funded by the \$5 million appropriated by the Congress for fiscal 1969, and by the slightly over \$2 million contributed by private sources.

During the first year of its operation, the Corporation has committed \$6.5 million of this amount to projects designed to fulfill its mandate from Congress.

It has, for example, made grants of \$10,000 to each of the noncommercial educational television stations and to each of the six regionally managed and operated noncommercial networks. These grants are intended to enable the stations to present an augmented service to the communities they serve.

¹ The present Board of Directors is as follows:

Frank Pace, Jr., *Chairman*
 Roscoe C. Carroll
 Saul Haas
 Erich Leinsdorf
 John D. Rockefeller III
 Frank E. Schooley
 Joseph A. Beirne
 Michael A. Gammino

Oveta Culp Hobby
 Joseph D. Hughes
 Carl E. Sanders
 Robert S. Benjamin
 Jack J. Valenti
 James R. Killian, Jr.
 Albert L. Cole

The Corporation has also committed \$1.5 million of its present resources for programing grants. Individual noncommercial stations have been invited to present proposals for a more extensive programing effort which will respond to local community needs. The Corporation has also asked the station managers to design programs which may ultimately be used for distribution over the national network.

A 6-month experimental system of interconnection was effected by the Corporation. This system embraced 138 noncommercial television stations and was operational 2 hours a night for five nights at a cost of \$315,000 to the Corporation.

To help provide significant programs for delivery over this system, the Corporation made a number of grants totaling \$450,000 for a special public affairs unit in National Educational Television (NET), to produce public affairs features.

This interconnection system has also delivered cultural and educational products of NET, the regional networks, and individual stations.

In the first year of its operation, the Corporation has also earmarked \$200,000 for children's programing.

It has also provided a grant of \$125,000 to the educational television stations program service, which almost doubled the effectiveness of this program library service.

The Corporation has committed \$387,500 for educational non-commercial radio projects as well. It has invited radio stations to submit proposals for new programing. And it has provided financial assistance to the national educational network to be used in improved program elements for distribution to stations.

The program of grants for the construction of noncommercial television and radio facilities under title I of the Public Broadcasting Act, and its predecessor, the Educational Facilities Act, has a longer and equally impressive history.

When the program under the Educational Television Facilities Act was initiated in 1963, there were 78 educational television stations on the air. As of March 31, 1969, this number had increased to 184. Ninety-two of these 106 new stations have been the beneficiaries of grants under the facilities program. In addition to the 184 stations on the air, there are 13 construction permits for new stations outstanding with the Federal Communications Commission.

These matching Federal grants have also had an impact upon the enlargement of existing educational television facilities. Since June 1963, the FCC has granted 69 construction permits for enlarged educational television facilities made possible by these grants.

A usable noncommercial educational television signal is now available to more than 75 percent of the people in our country.

Although the history of educational radio is much older, there was no provision for grants for the construction of facilities until enactment of the Public Broadcasting Act.

Nevertheless, there are 407 educational radio stations in operation with construction permits granted to 40 more, and 28 more applications are pending before the FCC.

Educational radio has often been characterized as the "hidden medium" that offers untold potential for the educational and cultural enrichment of the public. To realize this potential, however, more stations must be built and properly financed.

Just as the Educational Television Facilities Act of 1962 gave thrust to the activation of new television stations, it is expected that assistance in the form of grants under title I of the Public Broadcasting Act, should provide an impetus for the necessary additional radio stations.

GENERAL STATEMENT

When the Corporation for Public Broadcasting was created the \$5 million appropriated for it was intended to be "seed money" to enable it to become operational pending the adoption of a long-range financing plan.

With those funds and slightly over \$2 million from private sources the Corporation has not only become operational, but has moved boldly ahead executing its mandate from Congress.

For understandable reasons the new administration's plan for long-range financing is still under study. In the meantime, if the Corporation is to build on what it has already accomplished, if it is to move forward with its imaginative plans, it will need appropriated funds for fiscal 1970.

The Corporation has moved out of the formative, developmental stage, and is ready and able to utilize fully and effectively an appropriation funded at the level authorized by S. 1242.

Your committee believes that to authorize funding at a level lower than \$20 million would raise the possibility of serious adverse consequences for the Corporation and the entire program of public broadcasting.

The men and women who have devoted their time and efforts to this medium, and indeed all the people of our country must have positive assurance and a strong indication that the Congress is fully and permanently committed to this bold, imaginative, and worthwhile concept. Otherwise the necessary enthusiasm and public support may be seriously undermined.

Your committee also recognizes that economic considerations may require establishment of priorities among some domestic programs and the partial curtailment of many beneficial ones. It also recognizes, however, that there are other programs where because of their unique nature curtailment could very well sound a death knell. Your committee is convinced that the program for public broadcasting is in this latter category.

In terms of the overall budget and our gross national product, \$20 million is a modest amount for a program with a demonstrable potential for so much that is good and vital for our society.

Finally, it is your committee's judgment that authorizing funding at a lower level would severely restrict the options available to the Congress in the appropriation process.

It is also necessary to build on the impressive record made under the Educational Television Facilities Act and title I of the Public Broadcasting Act. In the last analysis, there must be a sufficient number of stations with adequate interconnection facilities if the excellent programs being developed are to be available to all the people of our country. Furthermore, the committee feels that the Federal Communications Commission's fairness doctrine is an essential vehicle in carrying out the public interest. This policy requires a broad-

caster, in discussing controversial issues of public importance, to afford a reasonable opportunity for the presentation of conflicting views so that the public will be informed on all sides of such issues.

HEARINGS

Your committee conducted 2 days of intensive hearings on S. 1242, during which time it heard extensive testimony from numerous expert witnesses including State and Federal Government officials; the Chairman of the Board, and the president of the Corporation for Public Broadcasting, respectively; educators; broadcasters; and creative talent in the industry.

Unanimously they endorsed the concept of the Corporation for Public Broadcasting, and uniformly praised the contributions the Corporation has made during the short time it has been in existence.

Witness after witness testified to the necessity for authorizing funding for the Corporation for fiscal 1970 at the level provided for in S. 1242.

Your committee was impressed by the reasons therefor, and by the accomplishments and future plans of the Corporation.

For 1970, the Corporation has planned a program which will require an expenditure of \$24 million; \$4 million of this amount to come from private sources.

Its plans call for individual grants of \$30,000 each to approximately 140 station licensees and State system production centers. This amount will be used by each licensee to produce and promote programs dealing with affairs in the communities where he is located, and will be available to the licensee for general operational use.

The Corporation will continue to share in the financing of National Educational Television (NET) which has been the principal source of program material for national distribution to educational television stations. Specifically, financial assistance is planned for the production of cultural programs and public affairs programs.

The Corporation outlined its plan for extending the experimental interconnection system it has already initiated. For 1970 it plans to extend that system to provide 4 hours of interconnection a day instead of 2 hours provided during the test; and to also extend the service to 6 days a week instead of five provided during the test.

It has budgeted \$2 million to cover the cost of the system itself, and to provide for the operating expenses of the Public Broadcasting System—the new organizational unit that has been established to operate this distribution system.

Grants totaling \$2.5 million are anticipated for the production of and acquisition of children's programs—for preschool children and older children.

Among the programs in the preschool category for which the Corporation intends to provide funds is the "Children's Television Workshop." This is an experimental organization created jointly by the Carnegie Corp., the Ford Foundation, and the U.S. Office of Education. It is designed to determine whether the medium of television can be effective in teaching preschool children.

During the course of the hearings, your committee heard testimony from Mrs. Joan Granz Cooney, the executive director of the work-

shop, and had an opportunity to view excerpts from some of the films that have been prepared for educational television by that project. Your committee was impressed by the effective way in which the appeal of the entertainment aspect of the television commercial is used to capture the attention of the infant mind and through this device provide basic instruction and education.

Equally impressive was the testimony of Mr. Fred Rogers, who is the producer and talent for "Mister Rogers' Neighborhood," a children's program which has been the recipient of a coveted Peabody Award.

His thoughtful presentation and explanation of what television can do to educate and uplift the minds and hearts of the children of our country could well be a blueprint for those who are concerned with the potential of this medium to inspire and be an instrument for good.

Other witnesses who are concerned with the operation of individual noncommercial television stations appeared before your committee and testified to the contributions that the corporation has made to their stations, and the hopes they have for providing expanded service through continued and increased assistance from the corporation. These stations have positive plans which they are capable of implementing if the necessary assistance is forthcoming.

But it is also necessary to build on the impressive record made under the Educational Television Facilities Act and title I of the Public Broadcasting Act.

In testifying in support of S. 1242, Chairman Rosel Hyde of the FCC said that the legislation was essential if the growth of television facilities, which began under the Educational Television Facilities Act of 1962, is to continue.

Chairman Hyde said:

Channels are available, and the desires of the States, local communities, and educators, to fill the need is strong and clear. Many more operating stations will be needed for educational television to reach its full potential, and many States are planning statewide educational television networks which will need increased funds.

Governor Mandel of Maryland told the committee that without the Federal assistance provided under the Educational Television Facilities Act, Maryland's first noncommercial television station would not begin broadcasting this year. He said that in his opinion, the Legislature of the State of Maryland would not have enacted legislation creating a production center and a regional station for noncommercial television had not the Facilities Act been in existence.

Governor Mandel emphasized that in his opinion a withdrawal of Federal commitment to the grant program would be detrimental to the total concept of public television.

Your committee felt that the amount of funds contributed by State and local funds in relation to the Federal contribution for the construction of facilities is a good indication of the broad support for this program.

According to the testimony of William G. Harley, president of the National Association of Educational Broadcasters, based on HEW studies during the years 1962-67, for the average matching Federal

grant of \$545,000 for activation of a new station, local and State sources provided an average of \$576,000 of their own dollars, and the applicant, an average of \$260,000. Thus, each Federal dollar was matched by 2.5 local and State-generated dollars.

CONCLUSION

A nation whose children will have watched 22,000 hours of television by the time they reach 16 years of age, and who itself spends nearly one-quarter of its waking hours watching television has deeply and irrevocably committed itself to that medium.

It is the most powerful and most pervasive medium in our society. Fifty years ago in the Congress of the United States, it was said that:

There is no agency so fraught with possibilities for service of good or evil to the American people as radio. As a means of communication, it has limitless possibilities. The power of the press will not be comparable to that of the broadcasting stations when the industry is fully developed. They can mold and crystallize sentiment as no agency in the past has been able to do.²

These observations are even more accurate when applied to television.

Properly funded and nurtured, public broadcasting can be a major factor in programing effectively for children of all ages; a source of continuing education, vocational and management training, and self-improvement in many aspects of life; a vital public affairs medium—bringing in depth many aspects of community and political life; a source of cultural life to many people in music and the performing arts; and a means of examining and solving the social and economic problems of American life today.

Public broadcasting has begun to accomplish all these things, and is capable of expanding on its accomplishment with the proper support. Pending long-range financing, the Corporation must have Federal appropriations. And the program of Federal matching grants must continue until there are sufficient stations to furnish a usable non-commercial television signal to all the people of our country.

Your committee is convinced by the testimony it has heard of the necessity of funding the program under title II of the Public Broadcasting Act at the level provided in S. 1242. In your committee's judgment, the past record of the Corporation, the future representations made by it, and the testimony of supporting witnesses, justifies this level of funding.

Accordingly, your committee feels that this legislation will serve the public interest.

AGENCY COMMENTS

Letter from the Acting Comptroller General of the United States dated March 25, 1969.

² 67 Cong. Rec. 5558

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 25, 1969.

B-131935.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate.

DEAR MR. CHAIRMAN: This is in reference to your letter of March 5, 1969, requesting our comments on S. 1242, a bill to amend the Communications Act of 1934 by extending the provisions thereof relating to grants for construction of educational television or radio broadcasting facilities and the provisions relating to support of the Corporation for Public Broadcasting.

We have no special information that would assist the committee in its consideration of this measure and, therefore, offer no comment with regard to the action to be taken thereon.

Sincerely yours,

R. F. KELLER,
Acting Comptroller General of the United States.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in *roman*):

CHANGES IN PART IV OF TITLE III OF THE COMMUNICATIONS ACT OF 1934 MADE BY THE AMENDMENTS TO SECTION 391 AND TO PARAGRAPHS (1) AND (2) OF SECTION 396(k) OF THAT ACT.

SUBPART A—GRANTS FOR FACILITIES

AUTHORIZATION OF APPROPRIATIONS

SEC. 391. There are authorized to be appropriated for the fiscal year ending June 30, 1963, and each of the four succeeding fiscal years such sums, not exceeding \$32,000,000 in the aggregate, as may be necessary to carry out the purposes of Section 390. There are also authorized to be appropriated for carrying out the purposes of such section \$10,500,000 for the fiscal year ending June 30, 1968, \$12,500,000 for the fiscal year ending June 30, 1969, [and] \$15,000,000 for the fiscal year ending June 30, 1970[.], and such sums as may be necessary for each of the next five fiscal years. Sums appropriated pursuant to this section shall remain available for payment of grants for projects for which applications, approved under Section 392, have been submitted under such section prior to [July 1, 1971] July 1, 1976.

SUBPART B—CORPORATION FOR PUBLIC BROADCASTING

Sec. 396. * * *

FINANCING

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(k)(1) There are authorized to be appropriated for expenses ending June 30, 1969, the sum of \$9,000,000 *and for the next fiscal year the sum of \$20,000,000* to remain available until expended.

(2) Notwithstanding the preceding provisions of this section, no grant or contract pursuant to this section may provide for payment from the appropriation for the fiscal year ending June 30, 1969 *or the next fiscal year* for any one project or to any one station of more than \$250,000.

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