

Statement of Rosel H. Hyde, Chairman,
Federal Communications Commission,
before the
Subcommittee on Communications
of the
Senate Committee on Commerce
on S. 1242
the "Educational Television
and Radio Amendments of 1969",
91st Congress, 1st Session,

April 30, 1969

My name is Rosel H. Hyde. I am Chairman of the Federal Communications Commission. It is a pleasure to appear here today to present the Commission's views on S. 1242, the "Educational Television and Radio Amendments of 1969".

S. 1242 amends the Communications Act of 1934 in two respects. It amends section 391 of the Act to provide a five-year extension, to July 1, 1976, of the authorization for grants for the construction of educational television or radio broadcasting facilities. The bill further amends section 396 of the Act to authorize an appropriation of \$20,000,000 for the Corporation for Public Broadcasting for the fiscal year 1970.

The Commission wholeheartedly endorses the objectives of S. 1242. We believe this bill is necessary to continue the progress in making noncommercial broadcasting a truly vital service to the American people. For many years, the Commission has exercised the powers available to it with a primary interest in promoting the development of educational broadcasting. When the Commission adopted the present nationwide

television allocation plan seventeen years ago, we reserved a substantial number of channels throughout the nation solely for educational use. Six hundred and fifty-six television channel assignments have now been reserved for educational purposes (555 UHF and 101 VHF), and further reservations are still being requested. We have also reserved 20 FM channels for this exclusive use, and are working on a geographical assignment plan similar to that used for television. There are now 25 educational AM radio stations on the air, 382 educational FM radio stations,^{1/} and 184 educational television (ETV) stations.

The Educational Television Facilities Act of 1962^{2/} and the Public Broadcasting Act of 1967^{3/} have further had an important impact on educational television. As of June 1, 1963, the date on which the Department of Health, Education, and Welfare was prepared to accept applications for matching grants under the former Act, there were only 78 educational television stations in operation. As of March 31, 1969, this number increased to 184, and 92 of the 106 new stations were the beneficiaries of HEW grants. In addition to the 184 ETV stations on the air, there are 13 construction permits outstanding, of which 12 are UHF and 1 is VHF. These Acts have also had an impact upon the enlargement of existing educational television facilities. The Commission has

^{1/} This figure includes 15 on frequencies not reserved for educational use.

^{2/} Public Law 87-447, sections 390-397 of the Communications Act, 47 U.S.C. 390-397.

^{3/} Public Law 90-129, sections 390-399 of the Communications Act, 47 U.S.C. 390-399.

granted 69 construction permits for enlarged educational television facilities made possible by HEW grants of funds since June 1, 1963.

The present legislation is essential to continue our progress. Channels are available and the desire of States, local communities and educators to fill the clear needs is strong. Money, as is so often the case, is the missing ingredient. Many more operating stations will be needed for educational television to reach its full potential, and many States are planning state-wide educational television networks which will need increased funds. S. 1242 is designed to meet these needs.

Section 2 of S. 1242 would extend the authorization of appropriations to the Department of Health, Education, and Welfare for grants for the construction of noncommercial educational television or radio broadcasting facilities, for "such sums as may be necessary for each of the next five fiscal years" after the fiscal year ending June 30, 1970. The Commission favors this five-year extension of the authorization for grants for construction. This is an important extension of the earlier periods provided in Public Laws 87-447 and 90-129. If the hoped for, and expected, development of educational broadcasting is to be achieved in the reasonable future, such authorization of appropriations will be necessary. However, it would be helpful to educational interests, and those planning to enter the field, if they could have a more definite idea of the amount of money which Congress

intends to make available by appropriation. It should be noted, for example, that of the \$10,500,000 authorized to be appropriated for the fiscal year ending June 30, 1968, none was appropriated. Of the \$12,500,000 authorized to be appropriated for the fiscal year ending June 30, 1969, \$4,000,000 was appropriated. Thus, in the current fiscal year \$4,000,000 is available to meet applications for projects seeking more than \$30,000,000.

Section 3 of S. 1242 would amend section 396(k) of the Communications Act, which authorizes appropriations for expenses of the Corporation. Section 3 would authorize \$20,000,000 to be appropriated for expenses of the Corporation for the fiscal year ending June 30, 1970. This proposal would increase the current authorization of \$9,000,000 for fiscal year 1969, of which \$5,000,000 was appropriated. We fully support an increase in the authorization for funds for the Corporation, particularly because of the flexibility the Corporation has in its use of the money -- for example, in contributing to program production and operating costs. The Commission also wishes to urge, as it has in the past, that it would be highly desirable if a permanent method of supporting the Corporation could be devised in the near future. We understand that this question is now under active study in the Executive Branch.

On this question of financing Public Broadcasting, both immediate and long range, I would like to stress some obvious but nevertheless very important considerations concerning the importance of an effective Public Broadcasting system.

The key consideration is of course diversity. The Federal Communications Commission has, from its beginnings, been devoted to the principle of diversity and competition in broadcasting. During my tenure on the FCC I have seen an AM radio service of 696 stations increase to 4,246 today; I have witnessed the creation of the FM service -- now some 2,349 radio stations -- and of the television service -- now 582 VHF stations, with 272 UHF authorizations and more in the offing as a result of the all-channel receiver law. Currently we are struggling with the orderly accommodation of the increased program choice offered by cable television. The Commission believes the American people are richer today -- culturally as well as economically -- because of the FCC's efforts to increase the diversity of sources of available information and entertainment.

We view public broadcasting in this light -- as added diversity -- as a constructive supplement to the commercial broadcasters' service. We believe that commercial and public broadcasting can exist side by side, that each will strengthen the other, as we have already seen to some extent.

It was, as I said, the FCC's early recognition of the value of educational broadcasting that led to its reservation of educational

FM channels in 1941 and TV channels in 1952. But for this foresight it would not be possible to have any alternative to commercial broadcasting in America today.

But as this Subcommittee recognizes, frequency assignments and transmitters are not enough to make a viable public broadcasting system. Other nations have recognized the tremendous contribution that public broadcasting can make to the lives of their citizens and have supported it accordingly. Japan, for example, has created a national public broadcasting system -- existing side-by-side with a thriving commercial service -- that reaches into every mountaintop and valley with not one but two public television networks; not one but three national public radio networks. The system -- which goes by the initials NHK -- has a physical plant that is, I believe, equal to the finest possessed by American commercial networks. Its programming is used for instruction in 75 percent or more of the primary school classrooms in the country, as well as for information and entertainment by all the Japanese people. To do this, I am told the Japanese people have made a financial commitment to public broadcasting that would be equivalent, as a proportion of gross national product, to \$1.7 billion a year in the United States. The British commitment, with their support of the well-known BBC programming, is equivalent. The United States has lagged behind these nations in its commitment to public broadcasting, and I therefore wish to commend this Committee and particularly its Chairman, in its efforts to remedy the situation.

Finally, I should like to advise the Committee that the Commission has implemented section 396(h) of the Communications Act, providing for common carrier communications interconnection services to educational stations on a "free or reduced rate" basis. On April 9, 1969, the Commission adopted a Report and Order in Docket No. 18316 in which it issued rules requiring common carriers to report on free or reduced rate interconnection service to noncommercial educational broadcasters and requests for such service. The Commission also stated that the carriers should be permitted to include the costs of the service in their total interstate rate base and operating expenses. In other words, to the extent that any rates charged for such common carrier interconnection services do not fully meet the costs of providing such services, any deficiency in revenues would be treated as costs to be recovered from other interstate common carrier services. We believe this to be the most equitable resolution of the problem of meeting the cost of free or reduced rate interconnection service for educational broadcasting and it is consistent with the national policy expressed in the Public Broadcasting Act. The rules take effect July 1.

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