

AMENDMENT TO THE PUBLIC BROADCASTING ACT OF 1967

MAY 14, 1960.—Ordered to be printed

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

REPORT

[To accompany S. 3558]

The Committee on Commerce, to which was referred the bill (S. 3558) to amend the Communications Act of 1934 to provide continuing financing for the Corporation for Public Broadcasting, having considered the same, reports favorable thereon with an amendment and recommends that the bill as amended do pass.

The bill as reported by the committee after the enacting clause reads as follows:

That this Act may be cited as the "Public Broadcasting Financing Act of 1970."

SECTION 2. Subsection (k) of section 396 of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended to read as follows:

(k)(1) There are authorized to be appropriated for expenses of the Corporation for the fiscal year ending June 30, 1969, the sum of \$9,000,000, and for the fiscal year ending June 30, 1970, the sum of \$20,000,000, and for each of the next three fiscal years such sums as may be necessary.

(2) In addition to the sums authorized to be appropriated by paragraph (1) of this subsection, there are authorized to be appropriated for payment to the Corporation for each fiscal year during the period July 1, 1970, to June 30, 1973, amounts equal to the amount of total grants, donations, bequests, or other contributions (including money and the fair market value of any property) from non-Federal sources received by the Corporation under section 396(g)(2)(A) of this Act, during each fiscal year.

SECTION 3. Section 399 of the Communications Act of 1934 is amended by inserting "(a)" after "Sec. 399." and by inserting at the end thereof a new subsection as follows:

(b) In order to assure compliance with this section and with other provisions of this Act requiring fair treatment of matters in the public interest, the Commission shall prescribe such regulations as may be appropriate to require that broadcast stations which receive assistance under this title (1) keep records, including audio recordings, for a reasonable period of time of each program broadcast which involves an issue of public importance, and (2) furnish such records to the Commission at its request. The Commission shall make such records available to the public at the requesting party's cost under such circumstances and conditions as may be reasonable and appropriate.

PURPOSE OF THE BILL

The Corporation for Public Broadcasting which was created by the Public Broadcasting Act of 1967, is a federally chartered, independent, nonprofit corporation whose mandate is to encourage and facilitate expansion and development of noncommercial broadcasting, and to promote diversity in that medium. During its short life-span, the Corporation has begun to fulfill its purpose.

When the original 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. To date, however, neither the present Administration nor its predecessor has submitted such a plan.

Meanwhile, with the \$5 million which was ultimately appropriated in October 1968, and the little over \$2 million contributed from private sources, the Corporation became operational.

Since the initial authorization for funding the Corporation was for one year only, it was necessary for the Congress to authorize another appropriation the following fiscal year. That authorization which was for fiscal year 1970 was \$20 million and ultimately \$15 million of that amount was appropriated.

In an attempt to give the Corporation more stability and better enable it to plan longer-term projects, S. 3558 would authorize annual appropriations for the Corporation of such sums as may be necessary for the fiscal years 1971, 1972, and 1973.

To create an incentive for support of the Corporation from non-Federal sources, part of the authorized appropriation of additional funds in each of those three fiscal years would be used for Federal matching—on a dollar for dollar basis—of non-Federal contributions to the Corporation.

The bill would not extend that provision of the present law which limits grants or contracts to any one station, or for any one project to \$250,000 for fiscal years 1969 and 1970.

Finally, as amended, the bill directs the Federal Communications Commission to prescribe regulations to require that broadcast stations which receive assistance under Title II of the Public Broadcasting Act to (1) keep records including audio recording for a reasonable

period of time of each program broadcast which involves an issue of public importance, and (2) furnish such records to the Commission at its request. The Commission would make such records available to the public at the requesting party's cost under such circumstances and conditions as may be reasonable and appropriate.

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 of non-commercial broadcasting and program diversity in that medium.

The 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, two weeks after the Senate confirmed its Board of Directors.

With limited financing it has moved forward boldly and vigorously to accomplish the purposes for which it was created. In doing so it has concentrated its efforts in four main areas.

The Corporation has, as a first priority, sought to strengthen local educational stations by making general support grants to them. In 1969, 120 licensees were given grants of \$10,000 each to apply to purposes identified by the stations themselves. This year, 1970, the Corporation has invited educational radio and television stations to apply for a total of \$3.5 million in general support funds.

In addition to these grants, a separate program has been established to assist individual stations in the production of broadcast material for use locally and where appropriate, for distribution throughout the system on a national basis.

In recognition of its statutory direction to assist in the establishment and development of one or more systems of interconnection for the distribution of educational broadcast programs, the Corporation has been instrumental in establishing and funding the Public Broadcasting Service.

The Public Broadcasting Service which is a nonprofit organization will manage the national distribution of programs utilizing the system of lines provided by AT&T and supplementing that system where necessary by providing stations with copies of videotapes. Five of its nine-man board of directors have been selected by the stations themselves, thus assuring that the point of view and interests of the stations will be adequately reflected.

While the final form of this interconnection system has not yet been determined, present plans call for a dedicated network of lines connecting 65 points serving 166 stations on a full time basis.

¹ The present Board of Directors and the expiration dates of their terms of office are: Frank Pace, Jr., Chairman—1974; Roscoe C. Carroll—1970; Saul Haas—1970; Erich Leinsdorf—1970; John D. Rockefeller III—1970; Frank E. Schooley—1970; Joseph A. Beirne—1972; Michael A. Gammino, Jr.—1972; Ovelta Culp Hobby—1972; Joseph D. Hughes—1972; Carl E. Sanders—1972; Robert S. Benjamin—1974; Jack J. Valenti—1974; James R. Killan, Jr.—1974; Albert L. Cole—1974.

The Corporation has also been devoting considerable effort to augmenting the national inventory of programs available for station use so that these stations may have access to programs of diversity and excellence.

It has supported production of "Sesame Street," a program for preschool children which received a Peabody Award for its imaginative use of television in teaching. This program is being seen by five or six million preschool children from two to five years of age. And the 1970-71 season will see 150 new hour-long segments broadcast over thirty weeks of daily programming beginning October 19.

Encouraged by the success of "Sesame Street," the Children's Television Workshop which produces it has begun a feasibility study looking toward the production of a daily, half-hour serial which will focus on the subject of reading for the 7-10 year old age group.

The Corporation has also been a significant supporter of program production by National Educational Television (NET) which produces five hours of programs a week. The "Forsythe Saga" was one program seen through the efforts of NET which obtained the rights to show the series in the United States.

Aid has also been given for national programs produced by individual stations such as "The Advocates," produced jointly by the educational stations in Boston and Los Angeles.

In addition to financing or assisting in the financing of new programs, the Corporation has made grants for the programs on the air. "MISTEROGERS NEIGHBORHOOD" produced by a local station in Pittsburgh will this fall be available to all stations on a no-charge basis as the result of a Corporation grant.

Support for programs has not been limited to television. The Corporation has outlined a plan of development assistance for the public radio stations serving communities in all parts of the country. One of the most important accomplishments in this effort was the establishment of National Public Radio, the first national program production center for noncommercial radio. NPR will provide informational, educational and cultural programs on a daily basis for use by the nation's public radio stations. In the year to come, this service, along with direct Corporation grants to the stations themselves, should be of great assistance in strengthening the program schedules of most stations.

The fourth main effort of the Corporation is concerned with strengthening the total educational broadcasting system.

Among other things, it has established a program of career fellowships to assist stations in attracting and developing new talent to public broadcasting.

It has also provided funds to program producers to promote their programs in order to build audiences. In this connection it has undertaken studies to ascertain the size, characteristics, and attitudes of its audience.

GENERAL STATEMENT

The American people have been given a glimpse of what a strong viable system of public broadcasting can offer. What has been accomplished in the past two years is due in large measure to the efforts of the Corporation for Public Broadcasting.

Local stations are stronger as a result of grants from the Corporation. More programs of diversity and excellence are available to the stations from national sources and other individual stations. An effective national distribution system is rapidly becoming a reality. And more people are being attracted to the medium as a consequence of it all.

Your committee is impressed with the way in which the Corporation has interpreted its statutory mandate, and the manner in which it has identified the priorities necessary to discharge this mandate. Unquestionably its incisive approach and sound administration of the projects it has undertaken explains to a great extent the Corporation's success, and that of public broadcasting generally.

Recognition must also be given to the men and women who have given tirelessly of their time, effort, and talent. Without such dedication in the past, and an even greater commitment for the future, the potential of public broadcasting can never be realized.

But all of this is not enough if public broadcasting is to excel. 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.

Such a commitment can best be given, of course, by permanent, long-range financing for the Corporation. From the beginning it was understood that the authorization and appropriation process was only an interim one, until such time as the Administration could submit a permanent financing plan to the Congress. Your Committee has repeatedly urged this Administration and its predecessor to act in this respect. It is hopeful that such a plan will soon be forthcoming.

In the meantime, however, the Corporation must have funds if it is to continue to grow and aid the development of public broadcasting.

Your Committee believes that the provisions of S. 3558 represent an extended commitment by Congress to this worthwhile endeavor, and urges its enactment.

By authorizing the appropriation of such sums as may be necessary for fiscal years 1971, 1972, and 1973, enactment of the legislation would remove the present necessity of authorizing funds each year.

The ability to plan and negotiate projects on more than a yearly basis is vital in broadcasting, especially in the expanding medium of broadcasting. The present necessity of yearly authorizations has, your Committee was told, inhibited the Corporation from making longer-range plans.

S. 3558 would also authorize part of the appropriated funds to match a dollar for dollar basis, grants, donations, bequests or other contributions received by the Corporation from non-Federal sources.

Your Committee feels that this is an excellent manner to generate wider support for the Corporation. It is hoped that many of the commercial broadcasters who have so often attested to the merit of public broadcasting and the Corporation will choose to assist the Corporation under this provision.

Your Committee also wishes to draw attention to the section of the Public Broadcasting Act which provides that interconnection service

can be provided by carriers at "free or reduced rates." The availability of an effective distribution system is basic to the expansion and improvement of public broadcasting.

In the negotiations that are currently underway or may go on in the future for establishing an interconnection system, your Committee hopes that the parties will exhibit the same spirit and commitment that is expected of all segments of the society and government if we are truly to have a vital system of public broadcasting.

At this time your committee also wishes to re-emphasize that noncommercial television and radio, even though supported by Federal funds, must be absolutely free from any federal Government interference over programming. This also means that the Corporation and the individual stations are to be insulated from the threat of political control and special interest influence from any source whatsoever.

HEARINGS

Your committee conducted 2 days of intensive hearings on S. 3558, during which it heard testimony from a representative of the Department of Health, Education and Welfare; the Chairman of the Federal Communications Commission; the Chairman of the Board and President of the Corporation for Public Broadcasting, respectively; the President of the National Association of Educational Broadcasters, and others. All witnesses testified to the outstanding efforts of the Corporation and its contribution to public broadcasting.

While the witnesses recognized the desirability, indeed the necessity of a plan for permanently financing the activities of the Corporation, all urged enactment of S. 3558 pending the adoption of such a plan.

Honorable James Allen, Assistant Secretary of Education, and U.S. Commissioner of Education, testified for the Administration and said that a three-year authorization is essential to allow the Corporation to plan effectively and to commit funds for radio and television projects for the home as well as the school on a more than one-year basis.

The Chairman of the FCC, Dean Burch, supported enactment of S. 3558 as a needed extension of the interim financing for the Corporation. He also stressed the crucial importance of obtaining for the Corporation at the earliest possible time a permanent financial base not dependent upon annual appropriations. Too great a delay in finding the permanent financing solution will, he said, adversely affect the development of the Corporation and thus of the nation's noncommercial educational broadcasting systems.

Mrs. Joan Ganz Cooney, creator of "Sesame Street," and president of the Children's Television Workshop, testified that public television should and clearly can set the benchmark against which all of television is judged.

Non-commercial broadcasting, she said, has not heretofore had enough money to undertake this vital role in American life. The perennial shortage of funds has made it almost impossible to recruit and retain first-rate talent for a continuing period of time and there is very little incentive to conceive the type of innovative broadcasting that takes 1, 2 or 3 years to develop and bring to fruition.

I hope that this committee will see fit to heed the President's request for extended financing for the Corporation for Public Broadcasting. Only then, in my opinion, will future Sesame Streets be possible.

Mrs. Ann Kahn, representing the National Congress of Parents and Teachers, told the committee that:

The hard evidence of achievement we have seen firsthand in the short life of the Corporation—and the even greater promise of its plans for the future—make it clear to us that the funds requested in the legislation before you today will represent an extraordinarily wise and economical investment in improved education and opportunities for enrichment of our Nation's children.

The President of the Corporation for Public Broadcasting, John Macy, summarized the activities of the Corporation and its direction for the future when he told your Committee that:

The introduction of some new programs has been favorably received by the public and is working to improve the relationship between public broadcasting and audiences. As a by-product, the public seems to be showing its appreciation by a greater willingness to make contributions.

The interconnection agency, PBS, is in being and beginning to operate.

National Public Radio has been organized and is ready to begin producing a full radio service as soon as funding can be provided.

We are probing the boundaries of present technology in order to assure public broadcasting avails itself of the improvements that can be expected in the future.

We are studying our audiences so as to determine what programs work well and why for the purpose of continually improving the relevance and the communication value of programs we support.

We are actively engaged in making public broadcasting a more attractive market so that young people, writers, film makers, artists of all types, will think of public broadcasting as a place for their careers and for their creations.

We have a coordinated plan for the balanced development of Corporation support in the years immediately ahead.

The crucial missing ingredient is financing. Authorization for that financing is provided by the bill before you. The Corporation strongly favors the bill and recommends that you act favorably on it.

AMENDMENT

When the Public Broadcast Act was being considered, fears were expressed that the government might influence public broadcasting. As a consequence, the intention that the Corporation and the individual stations be completely free of any outside influence, governmental or otherwise, was expressed in the strongest terms possible by the Congress. The Corporation and the stations are and should be free.

In order to assure that this freedom remains unassailed, your Committee believes that the noncommercial stations should keep adequate records including audio recordings of programs they broadcast that involve public affairs. In that way, if any one seriously questions a station's impartiality or fairness, the record is there and any doubts may be quickly resolved.

Your committee notes that noncommercial stations are presently required by the Corporation for Public Broadcasting to provide a copy of any program to the Corporation which has been specifically underwritten by a grant from the Corporation.

The amendment adopted herein is expressly intended to require noncommercial educational broadcast stations which received assistance under Title II of the Public Broadcasting Act to keep records, including audio recordings, for a reasonable length of time of programs they broadcast involving issues of public importance, and to furnish them to the FCC if requested to do so. The Commission in turn would make them available to the requesting party at his expense under such circumstances and conditions as may be reasonable and appropriate. In other words, where a request is made for an audio recording, the requesting party shall be responsible to the station for the cost for reproducing such recording deemed by the Commission to be reasonable and proper.

It is to be emphasized that the amendment only applies to programs involving issues of public importance such as public affairs and news type programs, and not to programs such as "Sesame Street," "Misterogers Neighborhood," etc.

In order to assure that an onerous burden is not imposed by this amendment, your committee feels that the records kept pursuant to it should be retained for a reasonable length of time, at least three months.

Moreover, where a program is broadcast over many stations such as "The Advocates," it is expected that the Federal Communications Commission will adopt appropriate procedures for determining who will be charged with the responsibility of keeping the required records in individual cases.

The committee wishes to make it clear that any member of the public may make the appropriate request for the audio recordings required to be kept under this amendment.

Your committee also wishes to make it understood that this amendment is in no way intended to infringe on the autonomy of local stations or interfere with program production or content.

CONCLUSION

It cannot be emphasized strongly enough that 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.

The American people have shown that public television has a very special and needed role, as demonstrated by their enthusiastic response and wide acceptance of programs such as "Sesame Street," "The Forsythe Saga," and the many excellent programs produced by local stations.

Public Broadcasting has turned the corner and the time has come for it to receive the wholehearted support it has earned and so richly deserves.

The public interest will be served by the enactment of this legislation.

AGENCY COMMENTS

Letter from the Assistant Comptroller General of the United States dated March 31, 1970, letter from Secretary of the Department of Health, Education, and Welfare, and letter from the Assistant Director for Legislative Reference, Executive Office of the President, Bureau of the Budget dated March 24, 1970.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 31, 1970.

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

DEAR SENATOR MAGNUSON: In reply to your request of March 13, 1970, for our comments on S. 3558, which would amend the Communications Act of 1934 to provide continued financing for the Corporation for Public Broadcasting, you are advised we have no information or comment to offer concerning the proposed legislation.

Sincerely yours,

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

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
April 10, 1970.

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

DEAR MR. CHAIRMAN: This is in response to your request of March 13, 1970, for a report on S. 3558, a bill "To amend the Communications Act of 1934 to provide continued financing for the Corporation for Public Broadcasting".

This bill embodies the recommendations of the President in his March 3, 1970, Message on educational reform relating to continued Federal support for the Corporation for Public Broadcasting. It is the same as the bill which we transmitted to the President of the Senate by letter dated March 3, 1970. For your convenience a copy of that letter is enclosed. An identical letter and bill were sent to the Speaker of the House of Representatives.

For the reasons stated in the Message of the President and in the enclosed letter, we urge prompt and favorable consideration of the bill.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

ROBERT H. FINCH, *Secretary.*

Enclosure:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
March 3, 1970.

HON. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: We are enclosing herewith a draft bill, "To amend the Communications Act of 1934 to provide continued financing for the Corporation for Public Broadcasting." This bill would be cited as the "Public Broadcasting Financing Act of 1970."

The Corporation for Public Broadcasting was established by Public Law 90-129, enacted November 7, 1967, in order to facilitate the development of public radio and television broadcasting. The enclosed legislative proposal is designed to carry out the President's recommendation, as set forth in his Message on Education Reform, to extend Federal support of the Corporation.

The bill would authorize annual appropriations for the Corporation through fiscal year 1973, in order to provide a sound basis for its continued growth and improvement. Such sums as may be necessary would be authorized for each of the fiscal years 1971 through 1973.

The Congress did not intend the Corporation to derive its resources solely from the Federal Government. Accordingly, in line with the President's recommendations, the bill would also create an incentive for additional financial support for public broadcasting from non-Federal sources, by providing for Federal matching (on a dollar for dollar basis) of non-Federal contributions to the Corporation.

Paragraph (2) of section 396(k) of the existing law, which limits grants or contracts to any one station or for any one project to \$250,000 for fiscal years 1969 and 1970, would not be extended. This provision has an unduly restrictive effect on the operations of the Corporation.

We should appreciate it if you would refer this draft to the appropriate Committee for consideration.

We are advised by the Bureau of the Budget that enactment of this bill would be in accord with the program of the President.

Sincerely,

JOHN G. VENEMAN,
Acting Secretary.

Enclosure:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 24, 1970.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, New Senate Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of March 13, 1970, for the views of the Bureau of the Budget on S. 3558, the "Public Broadcasting Financing Act of 1970."

S. 3558 is identical to a bill submitted by the Secretary of Health, Education, and Welfare to implement the President's recommendation, as set forth in his Message on Education Reform, to extend Federal support of the Corporation.

Accordingly, we strongly favor enactment of S. 3558, which would be in accord with the program of the President.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

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):

COMMUNICATIONS ACT OF 1934, AS AMENDED

(47 U.S.C. 396)

SUBPART B—CORPORATION FOR PUBLIC BROADCASTING

SEC. 396 * * *

Financing

* * * * *

(k) (1) There are authorized to be appropriated for expenses of the Corporation for the fiscal year 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.] and for the fiscal year ending June 30, 1970, the sum of \$20,000,000, and for each of the next three fiscal years such sums as may be necessary.

[(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.]

(2) *In addition to the sums authorized to be appropriated by paragraph (1) of this subsection, there are authorized to be appropriated for payment to the Corporation for each fiscal year during the period July 1, 1970, to June 30, 1973, amounts equal to the amount of total grants, donations, bequests, or other contributions (including money and the fair market value of any property) from non-Federal sources received by the Corporation under section 396(g)(2)(A) of this Act, during each fiscal year.*

* * * * *

SEC. 399 (a) No noncommercial educational broadcasting station may engage in editorializing or may support or oppose any candidate for political office.

(b) *In order to assure compliance with this section and with other provisions of this Act requiring fair treatment of matters in the public interest, the Commission shall prescribe such regulations as may be appropriate to require that broadcast stations which receive assistance under this title (1) keep records, including audio recordings, for a reasonable period of time of each program broadcast which involves an issue of public importance, and (2) furnish such records to the Commission at its request. The Commission shall make such records available to the public at the requesting party's cost under such circumstances and conditions as may be reasonable and appropriate.*

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