

AUTHORIZATION FOR PUBLIC BROADCASTING

APRIL 17, 1973.—Ordered to be printed

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

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 1090]

The Committee on Commerce, to which was referred the bill (S. 1090), to amend the Communications Act of 1934 with respect to recess appointments to the Board of Directors of the Corporation for Public Broadcasting and to extend certain authorizations for such Corporation and for certain construction grants for noncommercial educational television and radio broadcasting facilities, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

PURPOSE OF THE LEGISLATION

S. 1090 would amend the Communications Act of 1934 by extending the authorization for the Corporation for Public Broadcasting, and the authorization for facilities for noncommercial educational broadcasting facilities.

Specifically, S. 1090 would authorize for the:

A. Corporation for Public Broadcasting

1. Fiscal Year 1974—\$55 million and up to an additional \$5 million in matching funds.

2. Fiscal Year 1975—\$75 million and up to an additional \$5 million in matching funds.

B. Funds for Construction of Educational Television and Radio Broadcasting Facilities for the fiscal year ending 1974 and each of the three succeeding fiscal years such sums, *not to exceed* \$25 million in any one year.

It would also require all noncommercial radio and television stations receiving Federal assistance to keep audio recordings of each broadcast of a program in which issues of public importance are discussed. These audio recordings would be kept for sixty days from the time such programs are broadcast, and would be available to the public upon the payment of reasonable costs. The FCC would prescribe rules to implement the requirement.

BACKGROUND

The Radio Act of 1927 created a five-member Federal Radio Commission (FRC) with certain regulatory powers over broadcasting, including licensing, frequency allocation, power control, operator licensing, station inspection and call letter assignment. Much of the early work of the FRC was devoted to straightening out the confusion on the air, and the new regulations resulted in about one-fifth of the then operating stations surrendering their licenses.

In 1929 the Secretary of Interior appointed an Advisory Committee on Education by Radio, comprised of representatives of educational, broadcasting and related fields, to study the uses of radio in the classroom and in adult education, and the development of educational radio in general.

This was the atmosphere in which early educational radio grew, flourished and then virtually disappeared. In 1925 almost one-third (171) of the 571 radio stations on the air were operated by educational institutions. With the growing number of commercial stations providing many of the services previously offered by educational broadcasting, the vast majority of educational stations went off the air in subsequent years. Altogether some 202 stations operated by educational institutions went on the air from 1921 through 1936; by 1937 only 38 remained.

The rapid growth of broadcasting and the competition for the limited spectrum space raised questions as to whether a minimum percentage of broadcast time should be devoted to educational purposes, and whether certain frequencies should be reserved for use by educational groups. When Congress was considering a Communications Act (1934), it was urged by many groups to include a requirement that stations set aside substantial portions of their broadcast time for use by educational and religious institutions and other nonprofit organizations. The Wagner-Hatfield amendment proposed to allocate 25 percent of all radio broadcasting facilities to such groups. The amendment did not pass, but Congress included a section (307(c)) in the Act which directed the newly created Federal Communications Commission (FCC) to make a study of the proposal ". . . that Congress by statute allocate fixed percentages of radio broadcasting facilities to particular types or kinds of nonprofit radio programs or persons identified with particular types of nonprofit activities and to report its recommendations together with reasons for the same to Congress not later than February 1, 1935."

In the subsequent hearings on this proposal, the commercial interests strongly stated that there was no need for special allocations and they promised to provide for the needs of education. In its report to Congress, the FCC concluded that "there is no need for a change in the

existing law" inasmuch as "the interests of the nonprofit organizations would be better served by giving educators access to costly and efficient equipment and access to an established audience." Accordingly, the FCC held a national conference in May, 1935, to explore plans for cooperation between broadcasters and nonprofit organizations; from this conference the FCC created the Federal Radio Education Committee (FREC). In the FREC urged "that a portion of the ultra high frequencies be reserved for noncommercial use by organized educational agencies."

In 1938 the FCC set aside certain AM channels between 41 and 42 megacycles (Mc/s) for what were then called "curricular" stations. channels for noncommercial FM use to replace the AM facilities. In 1941 FM broadcasting was authorized and the FCC allocated five channels for noncommercial FM use to replace the AM facilities. In 1945, as part of an extensive revision of frequency allocations, the FCC reserved 20 FM channels for noncommercial educational stations.

In 1948 the FCC authorized low power operation on educational FM channels, enabling an education group to begin broadcasting over a limited—two to five mile—radius for a capital investment of only a few thousand dollars. Higher power equipment could easily be added at future date. In 1951, to further aid the development of FM educational radio, the FCC authorized remote control operation of low power educational stations.

Although the Commission has no reserved AM channels, educational institutions and groups are operating educational stations on AM frequencies.

The growth of FM educational stations is illustrated in the following table of those on the air at the end of each calendar year:

1938 -----	1	1956 -----	125
1939 -----	2	1957 -----	141
1940 -----	4	1958 -----	151
1941 -----	7	1959 -----	159
1942 -----	8	1960 -----	175
1943 -----	8	1961 -----	194
1944 -----	8	1962 -----	209
1945 -----	9	1963 -----	237
1946 -----	10	1964 -----	255
1947 -----	17	1965 -----	269
1948 -----	29	1966 -----	302
1949 -----	48	1967 -----	344
1950 -----	73	1968 -----	378
1951 -----	85	1969 -----	422
1952 -----	98	1970 -----	462
1953 -----	112	1971 -----	520
1954 -----	122	1972 -----	546
1955 -----	123		

On April 14, 1952, the Commission reserved 242 television channel assignments for noncommercial educational use. In doing so the Commission stated:

We conclude that the record shows the desire and ability of education to make a substantial contribution to the use of television. There is much evidence in the record concerning the activities of educational organizations in AM and FM broadcasting. It is true and was to be expected that education has not utilized these media to the full extent that commercial

broadcasters have, in terms of number of stations and number of hours of operation. However, it has also been shown that many of the educational institutions which are engaged in aural broadcasting are doing an outstanding job in the presentation of high quality programming, and have been getting excellent public response.

And most important in this connection, it is agreed that the potential of television for education is much greater and more readily apparent than that of aural broadcasting, and that the interest of the educational community in the field is much greater than it was in aural broadcasting . . . The public interest will clearly be served if these stations are used to contribute significantly to the educational process of the nation. The type of programs which have been broadcast by educational organizations, and those which the record indicates can and would be televised by educators, will provide a valuable complement to commercial programming. (*17 Fed. Reg. 3905, 3909, May 2, 1952*)

The first educational television station (KUHT, University of Houston), went on the air May 23, 1953.

Since 1952, the table of television assignments, including noncommercial reservations, has been revised several times. Currently it provides for 127 VHF and 528 UHF ETV assignments.

The growth of ETV is illustrated in the following table of stations which have gone on the air:

Year:		Year:	
1953 -----	1	1967 -----	132
1956 -----	21	March 31, 1973-----	228
1962 -----	62		

Aside from the organic Acts (Federal Radio Act, Communications Act of 1934, as Amended), Congress has enacted two major pieces of legislation which gave impetus to the growth of noncommercial broadcasting.

The first was the Educational Television Facilities Act of 1962 (ETV Act of 1962). That act provided matching Federal grants for the construction and expansion of ETV stations. Subsequently the law was amended (1967), to include noncommercial radio stations as well.

Under the public broadcasting facilities grant program (ETV Act of 1962, as amended), the Secretary of Health, Education, and Welfare (HEW) makes matching grants to eligible applicants to acquire and install specified radio and television broadcasting apparatus. Grant funds cannot be used for the purchase, construction, or repair of buildings or the acquisition of land.

There are five classes of eligible applicants for grants under the program: (1) State or local public school agencies; (2) State public broadcasting agencies and commissions; (3) tax-supported colleges and universities; (4) nonprofit community corporations and associations organized primarily to engage in public broadcasting; and (5) municipalities operating public broadcasting stations. Any grant must (in addition to being used for the acquisition and installation of broadcasting apparatus) be used in furtherance of public broadcasting, which requires that the grantee have or be in the process of obtaining

a license from the Federal Communications Commission (FCC) to engage in public broadcasting.

In determining which applications for public broadcasting facilities grants are to be approved, the Secretary of HEW is governed by regulations intended to achieve prompt and effective use of all public television channels remaining available; equitable geographic distribution of public broadcasting facilities throughout the several States; and provision of public broadcasting facilities adaptable to the broadest educational uses which will serve the greatest number of people in as many areas as possible.

The following table sets out the authorizations and appropriations which Congress has enacted to implement this program :

Fiscal year	Authorization	Appropriation
1963-67.....	1 \$32,000,000	\$32,000,000
1968.....	10,500,000	-----
1969.....	12,500,000	4,375,000
1970.....	15,000,000	5,083,000
1971.....	15,000,000	11,000,000
1972.....	15,000,000	13,000,000
1973.....	25,000,000	13,000,000

¹ Aggregate.

The second piece of major legislation was the Public Broadcasting Act of 1967 which created the Corporation for Public Broadcasting.

The Corporation is a private, independent, nonprofit corporation subject to the terms of the District of Columbia Non-Profit Corporation Act and Title II of the Public Broadcasting Act of 1967.

CPB operates under a bipartisan board of directors consisting of 15 members. Members of the board are appointed by the President by and with the advice and consent of the Senate for a term of six years. The board is presently composed of:

James R. Killian, Jr.	Irving Kristol (interim appointment)
Jack J. Valenti	Michael A. Gammino, Jr.
Albert L. Cole	Joseph D. Hughes
Robert S. Benjamin	Gloria L. Anderson
Frank E. Schooley	Theodore W. Braun
Thomas W. Moore	Neal Blackwell Freeman
Jack Wrather	Frank Pace, Jr.
Thomas B. Curtis, Chairman	

Under the Public Broadcasting Act of 1967 the CPB has four principal purposes: (1) assist in the development of programs of high quality for presentation over public television and radio stations; (2) assist in the establishment and development of interconnection for such stations; (3) assist in the establishment and development of one or more systems of public broadcasting stations; and (4) act so as to assure the maximum freedom of noncommercial educational broadcasting systems and stations from interference with or control of program content or other activities.

Unlike the construction facilities program, Congress did not intend the authorization and appropriation of Federal funds to be the permanent source of funding for the Corporation. Rather this process was to furnish "seed money" pending submission of a permanent financing

plan by the Administration to Congress. To date neither this Administration nor its predecessor has done so, and the Corporation is still relying on authorizations and appropriations. The inherent uncertainty of this process was further exacerbated when in 1972 the President vetoed a two-year authorization for the Corporation, and twice vetoed HEW appropriations which contained the funding for the Corporation.

The following table sets forth the Federal funding which the Corporation has received:

[In millions of dollars]

Fiscal year	1- or 2-year authorization	Authorization	Appropriation
1969	1 year	9	5
1970	1 year	20	15
1971	2 year	35	23
1972		35	35
1973	2 year—vetoed	65	65
1974		90	45
1975	1 year	45	35

¹ Continuing resolution.

THE LEGISLATION

When the Educational Television Facilities Act of 1962 was enacted there were 62 stations on the air. Today they number 228. Despite this impressive growth, the history of noncommercial broadcasting is to some degree one of lost time.

Its history is as old as broadcasting itself in the United States. Yet it received no Federal financial aid until the Facilities Act of 1962, although your Committee had continually recommended such legislation since 1958.

Another five years were to pass before similar efforts were made to support the program and operating costs of public broadcasting. Those efforts, of course, resulted in the Public Broadcasting Act of 1967, and the Corporation for Public Broadcasting. The situation at that time was aptly described by Mr. John White, President, National Educational Television, who told your Committee:

Stations in general are better supplied with equipment and facilities * * * than they are in the capacity for creating good local programs, the money for promotion and the money to employ the kind of talent and skill necessary for effective broadcasting. (*Hearings on S. 1160, page 197, Senate Committee on Commerce, Serial No. 90-4, 90th Cong., 1st Sess.*)

Even though the Public Broadcasting Act was enacted in 1967, the Corporation did not become operational until 1969.

Added to these delays and inaction is the failure of this Administration and its predecessor to recommend an absolutely essential permanent financing plan for the Corporation, and the series of Presidential vetoes affecting public broadcasting in 1972.

When the tremendous accomplishments of public broadcasting are considered against this background one can only conjecture what might have been achieved by the medium over the past twenty years had circumstances been otherwise. It is in this sense, therefore, that the history of public broadcasting is truly one of lost time.

S. 1090 is an effort to recapture some of that time. The legislation would authorize an appropriation of \$60 million for fiscal year 1974 and \$80 million for fiscal year 1975 for the Corporation for Public Broadcasting. It would also authorize an annual appropriation not to exceed \$25 million for fiscal years 1974, 1975, 1976, and 1977 for construction facilities grants.

Although the authorization/appropriation process severely handicaps public broadcasting's independence from Government scrutiny, as well as its ability to plan imaginatively and effectively, it is the only solution until permanent financing becomes a reality.

To some extent the uncertainty and instability attendant on this process can be mitigated by a two-year authorization such as S. 1090 provides. Moreover, Congress is relieved of the burden of considering a new authorization each year. It will be recalled that your Committee initiated a two-year authorization for the Corporation for fiscal years 1971 and 1972 (P.L. 92-41). Last year it recommended a similar measure for fiscal years 1973 and 1974 and Congress accepted the recommendation. The legislation (H.R. 13918) was vetoed, however.

As long as Federal funds are being given to public broadcasting, your Committee strongly believes Congress not only has the right but the obligation to assure itself they are being expended as it intends. The Committee's own oversight responsibility, and the necessity of an annual appropriation assures this. There should, therefore, be no misgivings that a two-year authorization would permit the Corporation to ignore or otherwise disregard its statutory mandates.

HEARINGS AND NEED FOR THE LEGISLATION

Your Committee held 3 days of extensive hearings at which 24 witnesses appeared. The record of that hearing not only overwhelmingly supports the need for S. 1090, but also details the role and activities of the various components of public broadcasting—the local stations, the Corporation for Public Broadcasting, the Public Broadcasting Service, educational associations, and the public in general.

Your Committee believes this comprehensive record clearly demonstrates local stations are indeed the bedrock of the present system; within the limits of its resources the Corporation is making every effort to aid the development of these stations; the Corporation is fostering the intended mix of local and national programming; and existing mechanisms enable every segment of the public to make its voice heard.

In your Committee's judgment the record should also allay the concern of those who fear that public broadcasting is becoming a fourth network in the genre of the commercial networks. It should also correct the misconceived idea that public affairs have no place in public broadcasting and, at the same time, re-emphasize the objectivity and fairness which must characterize such programming.

Mr. Thomas B. Curtis, board Chairman of the Corporation for Public Broadcasting told your Committee that the board of directors of the Corporation unanimously endorsed S. 1090, and regarded a two-year authorization as "basic to sound planning for public radio and television activities, and to the efficient use of taxpayer dollars."

He also said the board regarded the fiscal levels in the bill for 1974 (\$60 million) and 1975 (\$80 million), "as essential to the maintenance

of the pattern of deliberate growth in both the quality and quantity of public broadcasting services to the American people."

Public broadcasting, he said, is . . . a good bargain. A little money has so far gone a long way.

Mr. Henry Loomis, President of the Corporation, unequivocally endorsed S. 1090. He said that "the creation and distribution of an original program series requires at least 18 to 24 months."

His illustration of the advantages of a two-year authorization was most illuminating. It bears repeating:

The production of programs for presentation by local public broadcasting stations is, and should be, a careful, time-consuming process. It takes time to consult with 147 television licensees and 138 qualified radio stations on their program needs, to analyze and react to their recommendations and their proposals, to decide upon production centers, to negotiate for rights, to produce a pilot, to produce the final series, schedule and present them for use by the stations.

Compressing their entire cycle into a single year means compromising on the quality of the final product. Series like BBC's "Henry VIII" and "Civilisation" cannot be planned and produced in one year. It took almost three years of research, planning, and development before the first "Sesame Street" series could be aired.

He also informed your Committee that the Corporation not only needs the two-year authorization S. 1090 provides, but also the level of funding, i.e., \$60 million for fiscal year 1974, and \$80 million for fiscal year 1975.

Dr. James R. Killian, Jr., Chairman of the Carnegie Commission on Educational Television, and a member of the board of directors of the Corporation since its inception, addressed himself to the effect of one-year authorizations on the concept of strong local stations which, of course, are the bed-rock of public broadcasting. He said:

I think the prime enemies of localism are the one-year appropriation and inadequate funds.

And Mr. Loomis informed your Committee that:

If S. 1090 is passed without substantial amendments, we plan to increase Community Service funds for local public television and radio stations to nearly three times the present level the first year.

In 1973, approximately \$6.6 million is going to local stations in the form of Community Service Grants. Under S. 1090, CPB proposes to make Community Service grants to stations totaling \$19 million in fiscal year 1974 and \$31.7 million in fiscal year 1975.

The dollar increase for these Community Service grants in fiscal 1974 would be \$12.4 million. We plan full consultation with station representatives, from both radio and television, and other public groups, in determining the specific

application of these funds to provide the greatest benefit to the public served.

The case for S. 1090 was succinctly stated by Mr. Joseph D. Hughes, a member of the Corporation's board of directors, and Chairman of the Long-Range Financing Task Force for public broadcasting. He said:

The great limitation in the last two years has been financing. With this bill which your committee is now proposing, we will regain momentum and move ahead.

The testimony supporting an annual authorization of \$25 million dollars for facilities grants for the next four fiscal years was equally emphatic.

Mr. William Harley, Chairman of the National Association of Educational Broadcasters, said:

It is very important that we have the funds to provide for establishing some new stations where we don't have any, to modernize existing stations and give them the kind of production equipment they need, including color and video tape recording equipment.

During the hearings it became apparent that adequate funding for facilities grants is essential to the concept of independent, strong local stations.

Mr. Loomis' testimony was particularly enlightening on this point:

During my visits to stations I learned of their tremendous needs for equipment. A considerable number of these stations do not have sufficient color video tape equipment to record and playback on a delayed basis programs fed them by the interconnection. They are locked into the fixed schedule network distribution in part due to the lack of money in the facilities program.

The chronic annual shortage of funds for facilities has caused about one-half of the stations to have inadequate color video tape capability required for operation of an independent local schedule. We estimate that \$17 million would give the system this bare minimum capability. In addition, modern portable cameras and tape recording equipment, required for increased effectiveness in local coverage, are in very short supply.

I might add at this point, Mr. Chairman, we have done the best study that we can of the equipment now available to the stations. It is not a completely accurate figure, but we think it is in the ballpark. Most people feel that you need a minimum of four color tape recorders to be able to record and produce programs at the same time, which most stations have to do.

Only 25 percent of the stations have four tape recorders at the present moment. Only 36 percent have three or more—and three is certainly the bare minimum required to give you the independence and flexibility of running your own schedule.

Mr. Harley summed up the need for the increased authorizations for the broadcasting facilities program very eloquently:

All the excellence and diversity in the world count for nothing in areas where no public broadcasting signal is able to reach, or in areas where the signal is inadequate, or where production equipment is unavailable. All the effective program ideas and community orientation in the world count for nothing until the hardware to implement those ideas is available.

and

In television there are now 15 applications for new stations (totalling \$6 million), and 54 applications to improve existing ones (totalling \$16 million). In radio, 13 applications to establish stations and 16 applications to improve existing ones awaiting action. In other words, already pending applications total \$25 million—equal to the authorization proposed in S. 1090 for fiscal 1974. Communities across the country have committed millions of dollars of their own support if these federal funds can be provided.

The Administration has proposed only \$10 million to meet the existing needs for fiscal '74. During that year, we expect at least another \$35 million in applications.

What do these applications represent? They represent requests from communities and stations to activate new operations, where none now exist, and to improve the service capability of existing stations.

A good deal of testimony and discussion concerned the concept of localism, and the role of the individual stations vis-a-vis the Corporation for Public Broadcasting.

In response to a question whether public broadcasting through the Public Broadcasting Service had become a fourth network, Mr. Curtis answered in the negative. He also informed your Committee that with respect to national programs funded by the Corporation, a system is near completion which will assure the Corporation it knows what the stations want. Mr. Curtis said:

We are responsible for a system that will work. But that system in my judgment ought to be one that heavily involves the local stations with this emphasis. If that system isn't working that way, then we have the responsibility to say, look, it isn't working, let's get a system that will.

And this is really no more than what we've said. We've told them, the local stations, sit down with us, and let's figure out a system that you all think will work and meets your approval, and we're almost there, Senator. We're almost there.

A resolution by the board of the Corporation for Public Broadcasting in January, 1973 stating its policy with respect to licensee participation in its decision making process is worth noting:

In order to increase the opportunities for representative of the stations, other interested parties, and the public to counsel with and inform the CPB board and management on mat-

ters within the board's decision-making responsibility, the board has today adopted a policy expanding their access to virtually every stage of CPB decision-making.

Among the groups which advise the Corporation is The Advisory Committee of National Organizations. It consists of 35 organizations reflecting such diverse interests and points of view as the AFL-CIO, American Bar Association, General Federation of Women's Clubs, National Education Association, National Grange, National Urban League, and the Southern Baptist Convention.

Recently that Organization released a policy statement concerning expenditure of federally appropriated funds by the Corporation. In part it said :

Responsibility for decisions pertaining to the granting of CPB funds for the production and distribution of programs * * * should remain with the Corporation through a proposal/review/approval procedure which is responsive to advice and recommendations from station representatives and the public which reflects a partnership of decision-making and responsibility. Input to decision-making at the CPB level must include public groups, such as the Advisory Committee, as well as representatives of public broadcasting.

When asked by your Committee what he thought of that statement, Mr. Curtis endorsed it completely, and said "this is what we are talking about."

Your Committee was particularly encouraged by the testimony of Mr. Ralph Rogers, Chairman, Coordinating Committee Governing Board (Public Television Licensees), concerning the creation of a new organization to act for licensees on matters of policy at the national level.

He testified as follows :

It is well known that there have been differences between the local stations and the Corporation for Public Broadcasting in the field of national programming. It is the licensees' considered opinion that most of the difficulties which have caused these differences are basically due to insufficient funds at the national level.

The result of this lack of money has obviously caused lively discussions and arguments about what programs should be funded. If sufficient funds were available at the national level, there would be room for a much greater diversity in programming and this would cause many less difficulties and differences.

In the past year, the public has recognized that a much greater interest in public broadcasting must be evidenced by the public through its chosen representatives. Since the licenses are held by a variety of public institutions, which includes community stations, universities, statewide educational entities, local school boards and others, it has been acknowledged that the representatives of the public must participate much more actively in making policy for the local stations.

They should agree among themselves as to the policies

which the local stations wish to have implemented at the national level, and then to have these policies executed by qualified professionals.

As a result, and without impinging in any manner upon the autonomy of any local licensee, a decision has been reached by a substantial majority of the licensees to create one organization to act for them on matters of policy at the national level.

This decision is being formalized by the creation of a licensee's organization which will replace the three organizations which presently exist.

Those are: the group of Governing Chairmen; the Public Broadcasting Service; the ETS Division of the National Association of Educational Broadcasters.

We have been authorized to tell you that the board of directors of all three of these institutions have unanimously agreed upon the creation of this single licensee's organization and when the vote of the membership takes place later on this week,¹ it is expected that the organization will become the duly constituted representative of the licensees to act in their behalf at the national level."

SUMMARY AND CONCLUSION

The recent hearings were, in your Committee's judgment, the most extensive review of public broadcasting since the original consideration of the Public Broadcasting Act of 1967. All interested parties had ample opportunity not only to present their views on the legislation, but to discuss every facet of the system and its operation. Board members and executives of the Corporation and the Public Broadcasting Service, a spokesman for the Administration, the Chairman of the FCC, as well as station managers, representatives of the National Association of Educational Broadcasters, and members of the public active in the medium, appeared and testified at length.

The hearings themselves were especially relevant because they came at a time when many fundamental issues were being considered by the various segments that makeup public broadcasting; and also at a time when varied criticisms were being raised.

What emerged in your Committee's opinion was enthusiasm for the present system of public broadcasting, and overwhelming support for enactment of S. 1090.

Most significantly, these endorsements were not limited to narrow interest groups, nor were they self-serving.

The Corporation, its directors, individual station licensees, educators, the Commission charged with regulating broadcasting, and, most importantly, concerned and distinguished laymen and groups representative of diverse interests in our society all urged continued and expanded support for the system.

To be sure, not everyone was in agreement on everything that has been done so far. There were criticisms. But the record clearly reflects that the points of disagreement with the public broadcasting family are relatively minor, and stem for the most part from insufficient funding.

¹ Subsequently, the membership voted 73-1 in favor of the licensee organization.

If any doubt concerning the soundness of a two-year authorization for the Corporation existed before the hearing, it is certainly dispelled by the record. A multi-year authorization with funding at the levels prescribed in S. 1090 should now be beyond dispute.

Annual authorizations not only undermine the Corporation's stability and inhibit its ability to plan adequately and effectively, they strike at the very core of the system—the development of strong local stations.

Your Committee also believes that such a procedure is fiscally unwise. As financial stability increases, so too will the ability to plan and execute projects economically.

In this regard, any contention that the Federal Government's dedication to the principle of public broadcasting is supported by the sevenfold increase in appropriations to the Corporation (\$5 million for fiscal year 1969 to \$35 million for fiscal year 1973) should be put to rest.

When Congress enacted the Public Broadcasting Act it committed the Government to a program that went far beyond the initial \$5 million appropriated as seed money. The idea was then and still is that many times that amount of money is necessary for an effective system. Ideally these funds will be provided by long-range financing. Meanwhile, however, realistic authorizations and appropriations must be the source of funds.

Your Committee wishes to emphasize the importance of the authorizations for facilities grants contained in S. 1090. Diverse programming sources and community service grants can only be effectively utilized by stations if they have the necessary hardware.

Moreover, program and scheduling flexibility which local stations must have can only be achieved with equipment which will enable the stations to pre-record programs offered over the interconnection.

Funding of the facilities program as authorized by S. 1090 will greatly assist them in this regard.

The concept of localism which was much discussed before and during the hearings is, of course, at the heart of public broadcasting.

The hearing record is especially illuminating in this regard. It reveals, among other things, an on-going dialogue among the Corporation, the Public Broadcasting Service, the individual stations, and concerned citizen's groups.

There have been differences of opinions, and undoubtedly some will occur in the future. Your Committee believes, however, that the record amply shows that all parties are dedicated to the future of public broadcasting with local stations as the focal point. A partnership among the interested groups should exist. Each has place of particular importance in public broadcasting, and each should compliment and support the other.

Finally, your Committee wishes to comment on public affairs programming, and the freedom of the Corporation from Government interference. Both of these subjects were thoroughly discussed at the hearings.

Public affairs programming, at the local and national levels, belongs in public broadcasting. Presented objectively these programs can enlighten their audiences, and bring increased understanding and added dimensions to the problems and issues which beset our society. To dis-

courage or inhibit their presentation would be an unconscionable waste of a valuable opportunity. It would also be an unwarranted affront to the dedicated men and women in public broadcasting.

Government intrusion into the medium has no more place than biased public affairs programming. Whether it is the bludgeon of patently inadequate funding or the subtle innuendo of Government officials, the results are the same. A chilling effect on the open and robust exchange of ideas, and a diminution of the very special service public broadcasting brings to over 40 million people.

Your Committee concludes by recommending enactment of S. 1090, and once again urging submission to Congress of a permanent financing plan for the Corporation for Public Broadcasting. The Committee is especially hopeful that the Corporation for Public Broadcasting will submit such a plan, and that it will provide adequate insulation against Government interference. In developing a plan, the Corporation should seek the assistance and concurrence of the licensees of public broadcasting facilities.

SECTION-BY-SECTION ANALYSIS OF S. 1090

Subsection (a) amends section 396(k) (1) of the Communications Act to authorize an appropriation to the Corporation for Public Broadcasting of \$55 million for fiscal year 1974, and \$75 million for fiscal year 1975.

Subsection (b) amends section 396(k) (2) of the Communications Act to extend for fiscal year 1974 and fiscal year 1975 the present authorization of appropriations (not to exceed \$5 million) equal to the total of the grants, donations, bequests, or other contributions received by the Corporation during the fiscal year from non-Federal sources.

Subsection (c) amends section 391 of the Communications Act to authorize an annual appropriation of \$25 million for fiscal year 1974, fiscal year 1975, fiscal year 1976, and fiscal year 1977 for grants for the noncommercial broadcasting facilities construction program.

Section 2 amends section 399 of the Communications Act to require all noncommercial radio and television stations receiving Federal assistance to keep audio recordings of each broadcast of a program in which issues of public importance are discussed. These recordings would be kept for sixty days from the time such program is broadcast, and would be available to the public upon the payment of reasonable costs.

In order to avoid wasteful duplication where programs are broadcast by multiple stations such as over an interconnection, the requirement may be satisfied through retention of the tape by the Corporation for Public Broadcasting or any authorized entity.

The FCC is directed to prescribe rules to implement the provision.

COMMITTEE AMENDMENT

Your Committee made one technical amendment in the title of the bill so that it would more accurately state the substance of the legislation.

Your Committee also adopted one substantive amendment which would require all noncommercial radio and television stations receiving Federal assistance to keep audio recordings of each broadcast of a program in which issues of public importance are discussed. These audio recordings would be kept for sixty days from the time such program is broadcast, and would be available to the public upon the payment of reasonable costs. The FCC would prescribe rules to implement the requirement.

In order to avoid wasteful duplication where programs are broadcast by multiple stations, such as over an interconnection, the amendment also permits the requirement to be satisfied through retention of the audio tape by the Corporation for Public Broadcasting, or any authorized entity.

The wide latitude given the FCC to implement this provision should be construed by the Commission as enabling it to designate a single station or entity as the repository of the audio tape in those cases where multiple stations broadcast a program.

It is the expressed intention of your Committee that this requirement not be redundant or otherwise burdensome on the stations.

AGENCY COMMENTS

Agency comments have been requested but have not been received.

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 are shown as follows (existing law in which no change is proposed is shown in roman; existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic):

COMMUNICATIONS ACT OF 1934

* * * * *

Title III—Provisions Relating to Radio

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PART IV.—GRANTS FOR NONCOMMERCIAL EDUCATIONAL BROADCASTING FACILITIES: CORPORATION FOR PUBLIC BROADCASTING

SUBPART A.—GRANTS FOR FACILITIES

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AUTHORIZATION OF APPROPRIATIONS

SEC. 391. There are authorized to be appropriated for the fiscal year ending June 30, **[1973,]** 1974, and each of the three succeeding fiscal years such sums, not to exceed \$25,000,000 as may be necessary to carry

out the purposes of section 390. Sums appropriated under this section for any fiscal year 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, 1974.] the ending of the succeeding fiscal year.

SUBPART B—CORPORATION FOR PUBLIC BROADCASTING

CONGRESSIONAL DECLARATION OF POLICY

SEC. 396(a) * * *

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FINANCING

(k) (1) There is authorized to be appropriated for expenses of the Corporation [for the fiscal year ending June 30, 1973, the sum of \$40,000,000.] \$55,000,000 for the fiscal year ending June 30, 1974 and \$75,000,000 for the fiscal year ending June 30, 1975.

(k) (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, 197[3]5, 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 subsection (g) (2) (A) of this section during such fiscal year; except that the amount appropriated pursuant to this paragraph for any fiscal year may not exceed \$5,000,000.

COST ESTIMATES PURSUANT TO SECTION 252 OF THE LEGISLATIVE REORGANIZATION ACT OF 1970

Enactment of S. 1090, as reported, would authorize the appropriation of \$60 million for fiscal year 1974 and \$80 million for fiscal year 1975 to finance the activities for the Corporation. It would also authorize an annual appropriation not to exceed in any one year \$25 million for fiscal year 1974, fiscal year 1975, fiscal year 1976, and fiscal year 1977 for the Educational Broadcasting Facilities Grant Program. The Committee knows of no other estimate which differs from the foregoing.

INDIVIDUAL VIEWS OF SENATOR BAKER

Last year on several occasions, and again this year during our hearings on S. 1090, I expressed serious misgivings with the structure and operation of our public broadcasting system, and particularly the Corporation for Public Broadcasting (CPB).

The first few years of experience under the Public Broadcasting Act saw the development of a centralized, national network system, but only limited support for the particular program needs of the local stations and their growing requirement for improved broadcasting equipment. Since that time the leadership of the Corporation has changed and efforts are being made to establish a new relationship with local public broadcasting stations.

During consideration of the public broadcasting legislation last year, I called for greater emphasis on the needs and desires of local stations. If that is what is achieved by these reorganizations that are taking place in the public broadcasting community, I look forward with optimism to the future of our public broadcasting system. If on the other hand, another centralized network is to be established, whether it be under the auspices of CPB or the Public Broadcasting Service, we have not progressed very far since the issue was raised last year.

There is a certain irony in the fact that those who are the most vocal in proclaiming the essentiality of localism are also the most effective in creating the kind of centralized decision-making process that comes closest to a network form of operation in the commercial sense. Any decision making process for the expenditure of appropriated funds that forecloses individual station access to CPB, the entity with ultimate responsibility under the Public Broadcasting Act, is unsatisfactory. Any such process that forecloses the access of representatives of the public to CPB is likewise unsatisfactory. CPB's job is not an easy one. Balancing local, regional, and national interests of the stations and the public is a complex task. I have every confidence that the distinguished board and management at CPB will meet the challenge. Their failure to do so would certainly compromise the value of public broadcasting to the American public.

Nothing would enhance true localism more than equipping each local station in a fashion that gives it the real capacity to accept or reject, tape, delay, store, broadcast, or rebroadcast programs from whatever service in a locally-determined schedule. We have heard testimony that only 25% of the stations have full video tape recording, delay and rebroadcast capability. I believe it is time for the Secretary of Health, Education, and Welfare to give a new priority to applications for video tape recorders under the Educational Broadcasting Facilities Program.

Correspondingly, I believe there must be *meaningful* consultation with the local stations in program development and scheduling. The

Corporation is responsible under the law for the interconnection system; how it is used; what it is used for; and who uses it. This ultimate responsibility cannot be delegated or shared. As long as the Corporation receives Federal funds, the Corporation must remain fully accountable to the Congress, not only for its use of Federally appropriated funds, but also for the stewardship of the publicly subsidized and Federally funded interconnection system.

I support S. 1090, although I am concerned about the level of funding in view of the severe budget restraints being experienced by other Federal programs. However, I am hopeful that at an early date when we are not under the limitations of time, we can review the objectives of our public broadcasting system and the means by which we expect to meet those objectives. In my opinion, this not only involves a decision on when we are going to embark on a long-range financing plan and what is the most appropriate plan, but it seems to me that it is necessary to more clearly define what we actually expect the system to achieve. While past experience will be helpful, it may be necessary to completely reexamine the premises on which we established the present system.

HOWARD H. BAKER, JR.

ADDITIONAL VIEWS OF MARLOW W. COOK

The White House Office of Telecommunications Policy has strongly recommended that only a one year authorization should be granted to the Corporation for Public Broadcasting (CPB) in order to promote localism. This supposed reasoning, or the lack thereof, denies the logic of effective long range local planning. The advantages of a two year authorization are numerous based on the factual premise that the creation and distribution of an original series program requires at a minimum eighteen months.

Logically, if localism is to be promoted the needs, analyses, and recommendation of the local public broadcasting stations should be carefully elicited and considered. This process of consideration and consultation with the television licensees and qualified radio stations of necessity takes time. Compressing the proposals, recommendations, rights negotiation, pilot productions, and final series production cycle into a single year results in a shabby compromise product. As an example of this time problem—the popular “Sesame Street” series required almost three years of research, planning, and development before actual production.

The antithesis of promoting localism is the one year appropriation authorization, especially when considering the commitment process. In no way, can a local station develop and mature when it is limited in its commitments to a one year operational framework.

I believe it is now clear what the approach has been—namely continue to preach localism—while at the same time continue to oppose the inter-connect as “that fourth network.”

This theory has been most damaging and has effectively worked for opponents of the Public Broadcasting Service (PBS) because without a two or more year funding localism could not be accomplished and with a one year funding local stations had to, of necessity, rely on the inter-connect.

Thus we heard great pleas for more localism while requesting a one year funding—while those who so pleaded knew the plight of CPB was the result of such hypocrisy.

We now have a choice to end this charade by the passage of a two year funding as a practical minimum for effective planning in the development of public broadcasting for the American people.

MARLOW W. COOK.