

**REAUTHORIZATION OF THE CORPORATION
FOR PUBLIC BROADCASTING**

HEARING

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION**

UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

JULY 13, 2004

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

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CONTENTS

	Page
Hearing held on July 13, 2004	1
Statement of Senator Lautenberg	46
Prepared statement	47
Statement of Senator Lott	2
Prepared statement	3
Statement of Senator McCain	1
Statement of Senator Nelson	43
Prepared statement	44
Statement of Senator Rockefeller	2
Statement of Senator Sununu	4

WITNESSES

Burns, Ken, Filmmaker, Florentine Films, on Behalf of PBS	23
Prepared statement	26
Cox, Kathleen, President and CEO, Corporation for Public Broadcasting	4
Prepared statement	6
Frid, Peter A., CEO and General Manager, New Hampshire Public Television on Behalf of the Association of Public Television Stations	35
Prepared statement	37
Matthusen, Carl, General Manager, KJZZ-FM, KBAQ-FM and Sun Sounds Radio Reading Services	14
Prepared statement	16
Taylor, Loris Ann, General Manager, KUYI Hopi Radio	29
Prepared statement	31

APPENDIX

Response to written question submitted by Hon. Byron L. Dorgan to PBS	55
Statement of the National Minority Public Broadcasting Consortia: National Asian America Telecommunications Association, National Black Program- ming Consortium, Latino Public Broadcasting, Native American Public Telecommunications, Pacific Islanders in Communications	53

REAUTHORIZATION OF THE CORPORATION FOR PUBLIC BROADCASTING

TUESDAY, JULY 13, 2004

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 9:35 a.m. in room SR-253, Russell Senate Office Building, Hon. John McCain, Chairman of the Committee, presiding.

OPENING STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA

The CHAIRMAN. Good morning. Today, the Committee meets to hear testimony about the reauthorization of the Corporation for Public Broadcasting. The CPB has not been authorized since 1996. We'd like to address this situation by introducing a bill today to reauthorize the CPB for 7 years.

In 1967, the Congress created the CPB, declaring, quote, "It's in the public interest to encourage the growth and development of public radio and television broadcasting, including the use of such media for instructional, educational and cultural purposes." Today the CPB continues to provide financial and organizational support to the Nation's 356 public television stations and almost 800 public radio stations.

A recent General Accounting Office report noted that 79 percent of the public television licensees surveyed found that the amount of local programming they currently produce is not sufficient to meet local community needs; 85 percent of the stations surveyed stated they do not have adequate funds for local programming, or that they would produce more local programming if they could obtain additional sources of funding.

The bill that I and others will introduce would provide the Corporation the explicit authority to award grants for the production and acquisition of local programming, including local digital programming. It's my hope that the local stations will use these available funds to produce more local programming to fill the void some commercial broadcasters have left in local communities.

I welcome the witnesses and thank them for appearing today to discuss the reauthorization of CPB and public broadcasting.

Senator Rockefeller?

**STATEMENT OF HON. JOHN D. ROCKEFELLER IV,
U.S. SENATOR FROM WEST VIRGINIA**

Senator ROCKEFELLER. Thank you, Mr. Chairman. And I also welcome the witnesses.

I am required by ethical laws in the Senate to report that my wife Sharon is in the audience, and she's the CEO and President of WETA in Washington.

The CHAIRMAN. And the brains of the family.

[Laughter.]

Senator LOTT. We can all agree on that.

[Laughter.]

Senator ROCKEFELLER. I would hope very much that—as we proceed on this, that will be very sensitive to the fact that—this whole question of the trust fund and all the rest of it—in rural areas, the requirement to switch to digital pretty much knocks a lot of stations out of business if they actually go ahead and do it, and that we would be very careful, as we proceed, to protect the financial integrity, and, hence, the program integrity, and, hence, the integrity generally, and survivability, of rural public broadcasting stations.

I thank the Chairman.

The CHAIRMAN. Senator Lott.

**STATEMENT OF HON. TRENT LOTT,
U.S. SENATOR FROM MISSISSIPPI**

Senator LOTT. Thank you, Mr. Chairman. Thank you for having this hearing today on the reauthorization of the Corporation for Public Broadcasting.

Far too many times in the past, we never got around to doing the reauthorization legislation on a variety of issues, and it wound up being done late, or not at all, or in the appropriations bill. The best way to avoid that is to have the hearings and mark up a reauthorization bill, address some of the questions that may be out there, and then move the legislation forward. I think it's important we be involved in the detailed process of reauthorization, and I thank the Chairman for directing the Committee's focus to the Corporation for Public Broadcasting.

I want to thank the witnesses for being here. I do have a commitment later to be on the floor for some remarks, but I'm going to stay as long as I can, because I look forward to hearing what the witnesses have to say.

The Corporation for Public Broadcasting is assigned the important task of overseeing the distribution of Federal funds to public broadcasting stations in this country, ensuring that Federal funds are utilized for national programming, and maintaining universal access to educational programs and services that are offered through public broadcasting.

Public broadcasting does fill a vital niche that people benefit from and enjoy, and I think it's important that we make sure that that niche is filled and that we don't leave all of our access just to commercial broadcasters.

I do think it's extremely important that we meet the statutory requirement for "objectivity and balance," quote/unquote, in programming by the Corporation for Public Broadcasting in order to

ensure a fair and impartial approach is taken. I have long been concerned that the funding appropriated by Congress to be administered by the CPB has been used to advocate, on occasion, biased and partisan agendas, at times. I think a real effort has been made to work through that. I think progress has been made. And I congratulate the board for the work that's been done there. It has been done carefully and meticulously and without a sledgehammer, and I think you're to be commended for that.

I also want to take a moment just to express my appreciation for the achievements of the Mississippi Public Broadcasting. My home state's Public Broadcasting Network does an excellent job in serving the people of Mississippi. I appreciate what they do. And, on occasion, they have refused to carry certain programming; on other occasions, they've done really innovative programming. If every state's organization works like ours does to inform the people and contribute to their enjoyment going to the rural areas, then it's certainly working quite well.

And I thank you for being here this morning and for having the hearing.

[The prepared statement of Senator Lott follows:]

PREPARED STATEMENT OF HON. TRENT LOTT, U.S. SENATOR FROM MISSISSIPPI

Mr. Chairman, thank you for holding this hearing today to consider the reauthorization of the Corporation for Public Broadcasting. I am pleased that this Committee has been more proactive in considering the reauthorization of the agencies and other entities which are within the Committee's jurisdiction. It is important that we engage in the detailed work of the reauthorization process, and I thank the Chairman for directing the Committee's focus to the Corporation for Public Broadcasting.

The Corporation for Public Broadcasting is assigned the important task of overseeing the distribution of Federal funds to the public broadcasting stations in this country, insuring that Federal funds are utilized for national programming, and maintaining universal access to the educational programs and services that are offered through public broadcasting. Public broadcasting can and does fill a vital niche that would not otherwise be filled by commercial broadcasters. However, it is important that the statutory requirement for "objectivity and balance" in programming be followed by the Corporation for Public Broadcasting in order to insure that a fair and impartial approach is always taken. I have long been concerned that the funding appropriated by Congress to be administered by the Corporation for Public Broadcasting—money that belongs to the people—has been used to advocated biased and partisan agendas at times.

There has been improvement in recent years as the Corporation for Public Broadcasting has refocused on meeting its statutory obligation to achieve "objectivity and balance" and stepped up its efforts in this area. I want to take this opportunity today to encourage the Corporation for Public Broadcasting's Board and staff to continue to make progress in facilitating the development of programming which is objective and balanced, and I would remind the witnesses today of this statutory requirement. When Americans tune into their local public television or radio station, they should receive news, entertainment, and educational programming that informs, enlightens, and teaches them and provides the tools they need to make independent judgments. We must continue to strive towards meeting this goal.

I do not want to miss an opportunity to recognize the achievements of Mississippi Public Broadcasting. My home state's public broadcasting network does an excellent job of serving the people of Mississippi, and I appreciate the good job that they do. I know several of the witnesses here today know personally of the challenges that must be met in running quality public radio and television stations. The reauthorization of the Corporation for Public Broadcasting is a key way in which we can continue to help our state and local public broadcasting systems, and I look forward to the testimony today for the guidance it will provide in this process.

The CHAIRMAN. Thank you.
Senator Sununu?

**STATEMENT OF HON. JOHN E. SUNUNU,
U.S. SENATOR FROM NEW HAMPSHIRE**

Senator SUNUNU. Mr. Chairman, I want to thank you for stacking the panel with representatives from New Hampshire—

[Laughter.]

Senator SUNUNU.—and welcome my friends, Peter Frid and Ken Burns. They've done great things to strengthen public broadcasting and the quality of the content in broadcasting, not only in New Hampshire, but across the country, and I thank them for their contribution and for their testimony today, as I do all the panelists.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Our panel today is Ms. Kathleen Cox, who is the President and Chief Executive Officer, Corporation for Public Broadcasting; Mr. Carl Matthusen, who is the General Manager of KJZZ, in Tempe, Arizona; Mr. Ken Burns, a distinguished filmmaker, of Florentine Films, of Walpole, New Hampshire; Ms. Loris Ann Vicente-Taylor, General Manager, KUYI, the Hopi Foundation, Keams Canyon, Arizona; and Mr. Peter Frid, the Chief Executive Officer and General Manager, New Hampshire Public Television, at the University of New Hampshire.

Welcome. We'll begin with Ms. Cox. Welcome.

**STATEMENT OF KATHLEEN COX, PRESIDENT AND CEO,
CORPORATION FOR PUBLIC BROADCASTING**

Ms. COX. Mr. Chairman and Members of the Committee, thank you for inviting me to testify before you today on the reauthorization of the Corporation for Public Broadcasting. My thanks, as well, to the Committee staff on both sides of the aisle for the thoughtful and constructive approach they have taken to amending the Public Broadcasting Act, and particularly for the courteous and attentive hearing they have given to our comments.

Before turning to the legislation, I'd like to take a moment to introduce myself to the Committee and to say a few words about how I see CPB's role and where I think our most important tasks lie.

First of all, on day 12 of my tenure as President of CPB, I must say that I am, indeed, honored to be at this hearing. As the former General Counsel of CPB, I worked with the Public Broadcasting Act on nearly a daily basis, and I welcome the opportunity to work toward its reauthorization.

Nearly 40 years ago, recognizing the potential power of broadcast technology to serve the public interest, the predecessor to this Committee was instrumental in creating the public broadcasting system. The result is an extraordinary, distinctive, community-based partnership embracing public broadcasting, the American people, and their elected representatives. This partnership has yielded compelling public service programming and services without parallel in the media history of this country.

We are now at a moment that calls for similar foresight, reflection, and judgment. Broadcasting is undergoing its biggest period of change since the arrival of television and radio broadcast. As recently as the early 1990s, television broadcasting was available on only a handful of channels, satellite radio was just developing, and no one, beyond a few research workers, had even heard of the

Internet, let alone thought that it had anything to do with television and radio. Today, digital cable and satellite radio are here to stay. The Internet has changed the very fabric of our lives, transforming society.

Along with these dazzling breakthroughs in communication and information technology come some critical policy issues. How do we make sure that all Americans have access to these new and increasingly essential technologies? How can we ensure that the public interest is served in this information age?

Public broadcasting is a structure in which a series of competing, sometimes almost contradictory, goals are balanced. It is a system that receives federally appropriated dollars, yet remains free of government control of its content. Equally important, it is a system composed of local broadcasters who schedule their programs, raise their own funds, and decide how best to serve their audiences, yet one that must be collectively strong enough to meet the needs of a national audience. CPB plays a significant role in that structure.

CPB is a private, nonprofit corporation outside the government enclave. It is prohibited from producing or distributing programming, but responsible for facilitating high-quality content for the system of stations and the American public. CPB may not, itself, broadcast or own or control stations. Instead, it acts an honest broker, administering and distributing the appropriations to stations and producers, and providing the guidance and insight that comes with a systemwide view. It is also a heat shield, insulating public broadcasters from government efforts to exercise undue influence on editorial freedom.

CPB does not make programs or broadcast them, and we don't do outreach or raise funds, but we can help create the conditions in which these things, and so many more, can happen. Without the pressure of day-to-day decisions about what programs to air, CPB can take the long view. We can look at the system as a whole, not station by station, spotting problems and identifying possible solutions. And when there are unmet needs for a certain kind of programming or research or training, we can step in to provide it.

CPB is guided by the principle of localism, that local stations make the best decisions about public broadcasting in their own communities, but localism does not mean, and cannot mean, local-only. CPB's ability to direct resources to systemwide needs ultimately offers more benefits to individual stations than they would otherwise receive. To paraphrase Abraham Lincoln, CPB does for the community of stations what they cannot do at all in their separate and individual capacities.

National programming, for example, is not something set apart from the work of stations, but a resource that draws listeners and viewers, and ultimately members, and that educates, informs, enlightens, and enables them to participate more fully in the lives of their community. Although CPB does not, itself, produce programming, it does fund and commission programming based on assessment of the system needs.

To this end, CPB is conducting the largest audience research project ever in public broadcasting history. The results will help producers and programmers ground decision-making about prime-time public television and knowledge about audiences and mem-

bers, effectively bringing audiences into the room when decisions are being made.

To bring new voices and viewpoints into the important national conversation about America after September 11, CPB is funding a new initiative, America at a Crossroads. We've received more than 425 proposals, the most in our history; and 361 one of them were from first-time applicants.

This fall, the CPB-funded "Maya and Miguel" will debut on PBS. This is a program for kids old enough to have graduated from Sesame Street, and one that speaks, sometimes literally, to Latinos, America's fastest-growing minority. We are providing major funding for Public Radio Exchange, a system that makes independently produced content easily available to station programmers. And we are helping Alaska's stations meet their special programming needs by funding installation of a broadband data network that will allow stations to share content with each other on a 24/7 basis.

CPB's view across the whole system informs more than programming. CPB funded a study of public television finances that identified major gifts as an untapped revenue source for stations. Working with the station community, we developed a curriculum that every station can use to create its own major giving plan. The response has been overwhelming. We expect that about 120 licensees, almost two-thirds of the total, will participate in this initiative. With strong support from Congress, we have been able to assist public radio and television stations to make the transition to digital broadcasting, and we are providing grants to small radio stations to develop their online services.

The Public Broadcasting Act has proven itself resilient in the face of change, and its goals are perhaps more relevant than ever in these days of media concentration and frenetic commercialism. We appreciate this Committee's work toward the reauthorization of CPB. I would be remiss, however, if I failed to mention the continuing importance of adequate Federal funding to public broadcasting, which begins with the authorization levels provided by this Committee. We look forward to continuing the dialogue with the Committee, and with the goal of making public broadcasting available and accessible to all Americans.

Again, I thank this Committee for its major role in the creation and nurturing of public broadcasting, and I look forward to continuing to work with you. And I'll be happy, of course, to take any questions.

[The prepared statement of Ms. Cox follows:]

PREPARED STATEMENT OF KATHLEEN COX, PRESIDENT AND CEO,
CORPORATION FOR PUBLIC BROADCASTING

Thank you, Mr. Chairman and members of the Committee, for inviting me to testify before you today on the reauthorization of the Corporation for Public Broadcasting. My thanks as well to the Committee staff on both sides of the aisle for the thoughtful and constructive approach they have taken to amending the Public Broadcasting Act, and particularly for the courteous and attentive hearing they have given to our comments.

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First of all, on day twelve of my tenure as President of CPB, I must say that I am indeed honored to be at this hearing. As the former General Counsel of CPB,

I worked with the Public Broadcasting Act on a nearly daily basis, and I welcome the opportunity to work toward its reauthorization.

Nearly 40 years ago, recognizing the potential power of broadcast technology to serve the public interest, the predecessor to this committee was instrumental in creating the public broadcasting system.

The result is an extraordinary, distinctive, community-based partnership embracing public broadcasting, the American people, and their elected representatives. This partnership has yielded compelling public service programming and services without parallel in the media history of this country.

We are now at a moment that calls for similar foresight, reflection and judgment. Broadcasting is undergoing its biggest period of change since the arrival of the television. As recently as the early 1990s, broadcasting was available on only a handful of channels, satellite broadcasting hardly existed, and no one beyond a few research workers had even heard of the Internet, let alone thought that it had anything to do with television. Today digital cable and satellite channels are booming. The Internet has changed the very fabric of our lives and is transforming society.

Along with these dazzling breakthroughs in communication and information technologies come some critical policy issues: How do we make sure that all Americans have access to these new and increasingly essential technologies? How can we ensure that the public interest is served in the Information Age?

Public broadcasting is a structure in which a series of competing, sometimes almost contradictory goals are balanced. It is a system that receives federally appropriated dollars, yet remains free of government control of its content. Equally important, for our purposes today, it is a system composed of local broadcasters who have nearly total autonomy over their programming, services and finances, yet one that must be collectively strong enough to meet the needs of a national audience.

At the center of that structure is CPB. CPB is a private, non-profit corporation, outside the government enclave. It is prohibited from producing or distributing programming, but responsible for facilitating high quality content for the system of stations and the American public. CPB may not itself broadcast or own or control stations. Instead it acts as an honest broker, administering and distributing the appropriations to stations and producers and providing the guidance and insight that comes with a system-wide view. It is also a heat shield, insulating public broadcasters from government efforts to exercise undue influence on editorial freedom. We don't make the programs, or broadcast them; we don't do outreach or raise funds. But we can help create the conditions in which these things—and so many more—can happen.

Freed from the day-to-day decisions about what program to air, CPB can take the long view. We can look at the system as a whole, not station by station, spotting problems and identifying possible solutions. And when there are unmet needs—for a certain kind of programming, or research, or training—we can step in to provide it.

CPB is guided by the principle of localism—that local stations make the best decisions about public broadcasting in their own communities. But localism does not mean—and cannot mean—local only. CPB's ability to direct resources to system-wide needs ultimately offers more benefits to individual stations than they would otherwise receive. To paraphrase Abraham Lincoln, CPB does for the community of stations what they "cannot do at all in their separate and individual capacities."

National programming, for example, is not something set apart from the work of stations, but a resource that draws viewers (and ultimately members), and that educates, informs, enlightens, and enables them to participate more fully in the lives of their communities.

So CPB is conducting the biggest audience research project in public broadcasting history. The results will help producers and programmers ground decision-making about primetime public television in knowledge about audiences and members—effectively bringing audiences into the room when decisions are being made.

We've also launched *America at a Crossroads*, an ambitious effort to bring new voices and viewpoints into the important national conversation about America after September 11. We've received more than 425 proposals—the most in our history—and 361 of them were from first-time applicants.

This fall, we will launch *Maya and Miguel*, a program for kids old enough to have graduated from *Sesame Street*, and one that speaks (sometimes literally) to Latinos, America's fastest growing minority.

CPB's view across the whole system informs more than programming. Just one example: CPB funded a study of public television finances that identified major gifts as an untapped revenue source for stations. Again working with the station community, we developed a curriculum that every station can use to develop and implement a major giving plan. The response has been overwhelming—we expect that

more than 120 licensees will participate in the initiative. With strong support from Congress, we have also been able to assist public television stations to meet the deadline for digital broadcast, and we are working collaboratively on ways to use new technology to enhance station and system efficiency.

The Public Broadcasting Act has proven itself resilient in the face of change, and its goals are perhaps more relevant than ever in these days of media consolidation and frenetic commercialism. While we agree with the motivations behind the suggested changes to the Act, CPB believes that most of these goals can be accomplished within the current framework of the statute as it exists today. We look forward to continuing the dialogue with the Committee, with the goal of making public broadcasting available and accessible to all Americans.

Again, I thank this committee for its major role in the creation and nurturing of public broadcasting, and look forward to continuing to work with you. I will be happy to take your questions.

APPENDIX

In my first appearance before the Committee, and the first time in several years that the Committee has considered a reauthorization of CPB, I wanted to provide a primer on how CPB fulfills the charter contained in the Public Broadcasting Act and carries out its responsibilities by encouraging high-quality programming, making grants to local public radio and television stations, and working to strengthen the public telecommunications system.

The Corporation for Public Broadcasting

In 1967, Congress created the Corporation for Public Broadcasting, declaring, “It is in the public interest to encourage the growth and development of public radio and television broadcasting, including the use of such media for instructional, educational and cultural purposes.” For more than 30 years, the Federal investment in public broadcasting has offered all Americans access to the highest-quality, non-commercial, educational and cultural programming delivered to their homes, schools and workplaces by means of the most current technology. With more than 1,000 locally controlled public radio and television stations, public broadcasting forms the largest community-based educational and civic institution in the Nation.

CPB is the steward of the Federal investment in public broadcasting. It administers several grant programs, through which most of the federally allocated funds are sent directly to individual public radio and television stations. But in addition to aiding individual stations, CPB also is responsible for ensuring the strength of the overall system—for example, by funding an interconnection system that allows programming to be distributed and by paying some system-wide costs, like music royalties. Beyond that, CPB is uniquely positioned to assess the health and needs of the system as a whole, and to direct funds to the areas of greatest need.

In 2002, concerned about the financial status of the public television station, CPB retained McKinsey and Company to conduct a system-wide review. The findings were disturbing. Every source of funding for public television—individual donations, gifts from foundations, corporate support, and federal, state and local government appropriations—were static or declining. McKinsey also identified key areas that presented opportunities for either increasing station revenues or decreasing costs. In response, CPB launched projects on major giving, operational improvements, and programming strategy—and then, in response to requests from the stations themselves—added local services to the list. All of these projects are well underway, and we anticipate a similar examination of public radio issues in the near future.

This kind of system-wide approach offers benefits to local broadcasters that go beyond efficiencies of scale. It frees them to focus on the pressing needs of their own stations, while drawing on the research and opportunities provided by CPB. CPB provides a vital service by offering fact-based research on a range of issues, from finances to programming, and by funding initiatives that individual stations cannot.

How the Public Broadcasting System Operates

In contrast to commercial broadcasting, which is increasingly centralized, the public broadcasting system is very decentralized. Every public broadcasting outlet is under local control or ownership; increasingly, they are the only locally owned and operated media outlets in their communities. With local governing boards, community advisors, volunteers, and partnerships with local organizations, stations work to provide programs and services responsive to the needs of their communities. Each local station maintains sole authority and responsibility for selecting, presenting or producing the programs that it airs. Congress placed control of programming with local stations rather than CPB. It ensured this autonomy by prohibiting CPB from

owning or operating any television or radio station, system or network, and barring it from producing, scheduling or disseminating programs to the public.

Instead, CPB operates within congressionally prescribed guidelines to provide financial support and services to 560 licensees operating more than 1,000 television and radio stations that deliver educational services and programming to virtually every household in the country. Congress has mandated that a majority of CPB's appropriation be allocated for direct station support. Our obligation to Congress and the American people is to ensure that this money is being spent wisely and efficiently. Our obligation to stations is to insulate them from the political process, and to ensure that their receipt of Federal support in no way interferes with their ability to operate as free and independent broadcasters, as prescribed by law.

In addition to our financial support of stations, CPB complies with the statutory requirement of providing funds to producing entities and independent producers to help them develop a wide range of programming that is then made available to local stations. As encouraged by Congress, CPB provides direct program support to PBS through contractual negotiations for a high-profile national program service, which includes series such as *Nova*, *American Experience*, *Sesame Street* and *NewsHour with Jim Lehrer*. CPB does not provide direct program support to NPR, which competes with other producers for CPB radio program funds on a program-by-program basis. CPB also provides programming dollars to entities such as the Independent Television Service (ITVS), five separate entities collectively known as the National Minority Consortia, and many independent producers and producing organizations, all of which are entirely independent of CPB. This enables stations to acquire programming independently from a wide variety of sources.

Public television stations choose their programs from the following sources, among others:

- PBS, which provides more than 1200 hours a year of children's, prime time, and other educational programming from which its member stations can choose.
- APT, which acquires programs that may be purchased by stations on a title-by-title basis. These include series and specials such as *Nightly Business Report* and *Julia & Jacques: Cooking at Home*. APT also maintains the largest source of free programming available to U.S. public television stations.
- ITVS, which funds, distributes and promotes independently produced television programs. ITVS films have been nominated for Academy Awards for the last three years in a row, and for four primetime Emmys this year alone.
- The National Educational Telecommunications Association (NETA), which annually distributes about 2,000 hours of programming—produced by public television stations, other entities and independent producers—via satellite to stations nationwide.

Public radio stations also get their programming from a wide variety of sources:

- Local productions typically account for about half of programming. In the Washington, D.C. area, for example, WAMU's *The Diane Rehm Show* and *Stained Glass Bluegrass*, to name just two programs, are locally produced, as is much of WETA's classical music programming.
- 36 percent is from NPR, including news and information programs like *Morning Edition*, *All Things Considered*, and *The Tavis Smiley Show*, cultural programming like *Jazz from Lincoln Center* and *The Thistle and the Shamrock*, and entertainment programming like *Car Talk* and *Wait, Wait. . . Don't Tell Me!*
- 10 percent is obtained from PRI, which distributes programs like *Marketplace* and operates a Capitol Hill news bureau that offers a local eye on national events.
- 5 percent is from other producers, including other public radio stations. For example, *The Diane Rehm Show*, produced at WAMU, is heard on stations around the country.

How CPB Distributes its Appropriation

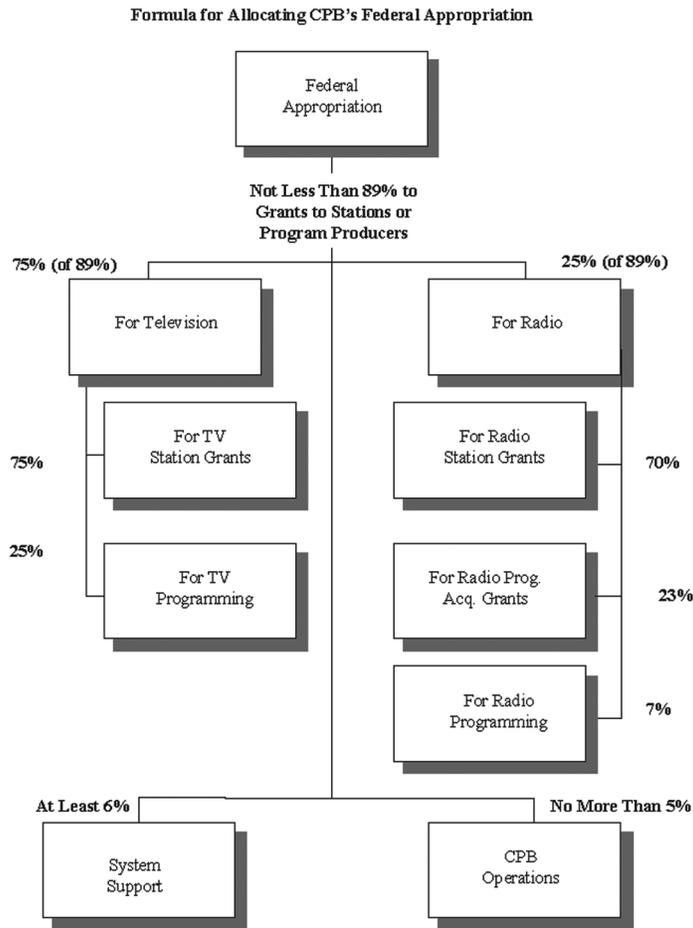
CPB distributes its funds based on a formula set forth in the Communications Act of 1934, as amended (47 U.S.C. 396(k)(3)):

- At least 6 percent of its appropriation for certain statutorily enumerated expenses for the system of stations (*i.e.*, music royalties, interconnection expenses, ITVS and minority consortia operational expenses, etc.)
- Not more than 5 percent for administrative expenses

The remaining 89 percent is allocated to stations as follows:

- 75 percent for public television
 - 75 percent of which is for grants to television stations
 - 25 percent of which is for television programming
- 25 percent for public radio
 - 70 percent of which is for radio station grants
 - 23 percent of which is for radio program acquisition grants
 - 7 percent of which is for radio programming

A schematic diagram of the flow of the funds is as follows:



47 U.S.C. § 396(k)(3)(A)

Grants To Stations

The statute directs CPB to provide a grant to each station in accordance with eligibility criteria and on the basis of a formula designed to (1) provide for the financial needs and requirements of stations in relation to the communities and audiences such stations undertake to serve; (2) maintain existing, and stimulate new, sources of non-federal financial support for stations by providing incentives for in-

creases in such support; and (3) assure that each eligible licensee and permittee of a public station receives a basic grant (47 U.S.C.A. 396(k)(6)(B)).

Local television and radio stations are the bedrock of the public broadcasting system. They are community institutions working in partnership with schools, libraries, and other community organizations to provide news and information, children's, local public affairs, and cultural programming for their viewers and listeners. There are many types of stations—state networks that provide service across an entire state and receive significant support from their state government; tiny rural stations that offer the only local news in a town or a region; major city stations that produce national programs; joint licensees that operate both public television and radio stations; and stations owned by universities or school systems. Each of these stations is governed by its own board of directors, provides its own brand of program options, and faces its own challenges in meeting its financial obligations. CPB's grant structure, while complex, represents our best efforts to respond to the multiplicity of needs facing public broadcasters.

Public Television Stations

Television Community Service Grants

Almost 50 percent of the money CPB receives is set aside for direct grants to public television stations, known as television community service grants or CSGs. A full-power station operating under a noncommercial, educational Federal Communications Commission (FCC) license qualifies for a CSG if it meets minimum requirements including a minimum level of non-federal financial support, a minimum broadcast schedule, and bookkeeping and programming standards.

The CSG is divided into two parts. The first part is the base grant, a percentage of the Federal appropriation. In FY 2004, the base grant is \$418,000. Designated overlap stations (that is, stations that share a market) share a single base grant for that market. The second part is an incentive grant designed to reward a station according to the amount of non-federal financial support it raises. Every CSG qualifying station receives the incentive part of the grant, which encourages the development of non-federal revenue, as prescribed by the statute.

As required by statute, stations use CSGs for purposes "primarily related to the production or acquisition of programming." Grant amounts vary widely from station to station, based on the amount of non-federal support that each station raises. CPB monitors grant spending through a combination of routine reporting requirements and direct audits conducted by CPB's Office of the Inspector General.

In addition to the CSGs, CPB now provides two other types of grants to television stations—the local service grant and the distant service grant. These grants are based on formulas arrived at after extensive consultation throughout the system—with representatives of APTS and PBS, but primarily with station general managers who appreciate the sharply different needs of stations throughout the system. The formulas that they developed are complex, but strike an extraordinary balance between providing support to all and offering special help to those who need it. In this, they reflect the statute's policy goals by working to maintain universal service. This translates into making extra help available to stations providing services to small and rural communities; encouraging support from local private and public sources; and encouraging efficiency.

Local Service Grants. CPB recognizes the special needs and challenges of small stations and the important role they play in providing universal access to free, over-the-air local public television. For that reason, CPB provides additional incentives to stations with less than \$2 million in non-federal financial support. The grants are intended to strengthen local services such as outreach initiatives, educational projects and services, operational efficiencies, implementation of best practices, financial planning, and professional development.

Distant Service Grants. To recognize the additional costs of serving multiple communities and the efficiency of multiple transmitter operations, and to further the goal of universal service, CPB provides larger grants to single grantees who operate three or more transmitters (stations). The grants are used to strengthen services, including outreach, educational workshops and training, and local content, in these communities

Public Radio Stations

Radio Community Service Grants (CSGs)

Under the statute, CPB provides 15.6 percent of its total appropriation to 384 grantees who operate approximately 700 public radio stations that qualify for radio CSG funding. The grants are designed to address the disparate needs of urban and rural stations. These stations provide outstanding, award-winning news and infor-

mation, arts and entertainment programming, as well as valuable community services. Sometimes they represent the only local broadcast signal—commercial or non-commercial—that a rural community receives. CPB also offers special funding incentives for nearly 60 minority grantees and more than 100 grantees operating in rural environments.

A licensee or permittee of a radio station operating under a noncommercial, educational FCC license is eligible to receive a CSG if it satisfies certain minimal requirements relating to power, staff size, on-air time, financial viability, access to non-Federal financial support, record keeping, and programming. Higher grant amounts are available to public radio stations meeting a minimum standard of public service as measured either by the average quarter-hour listening audience, or by the level of local fund-raising support.

Grants for Programming

CPB is prohibited by law from producing or distributing programming. However, CPB actively encourages promising TV and radio projects, supports independent producers, and helps fund productions by and about minorities. CPB provides funding to the Public Broadcasting System (PBS) to support the National Program Service, and CPB's Radio Competitive Funds are the major source of funding for new national radio programs.

Television Programming

CPB provides an annual grant to support the National Program Service (NPS), the package of television programming that is fed by satellite to PBS member stations in return for their dues payments. This includes signature series like *NewsHour with Jim Lehrer* and PBS Kids children's programming, as well as the Sunday-through-Friday prime time schedule. In FY 2004, CPB is providing \$22.5 million for the NPS. These funds, which CPB does not administer, support scores of individual programs and provide continuing support for some of public television's signature series.

In addition, CPB matches the stations' contribution to the PBS/CPB Program Challenge Fund, which is intended to stimulate the development of high-impact, innovative television series such as *Colonial House*, *The Blues* series and Ken Burns' *American Stories*.

CPB also administers a General Program Fund, used to fund educational projects and television programming. It supports a number of proposals on selected topics of national interest that meet the highest standards of excellence. Past projects include *Masterpiece Theater's American Collection*, "Accordion Dreams," and the Memorial Day and July 4th Concerts. High priority is given to programming that illustrates America's rich cultural heritage and ethnic diversity.

CPB also provides administrative and programming funds to five multicultural groups known collectively as the National Minority Programming Consortia (National Asian American Telecommunications Association; Native American Public Telecommunications, Inc.; National Black Programming Consortium; Pacific Islanders in Communications; and Latino Public Broadcasting). These groups distribute funds to producers for the development of programs of diverse content.

In FY 2001, CPB established the Diversity Fund to encourage public television projects that help people think about the complexity and beauty of America's contemporary multi-cultural society. Two projects supported by the Diversity Fund will air on PBS this fall. During Hispanic Heritage Month, PBS will air *Visiones*, a series by acclaimed director Hector Galan that will look at the history of Latino Arts and Culture in America. Later this year, PBS will air *The Appalachians*, a multi-part series looking at the history and legacy of the Appalachian people, and including an interview with Senator Robert Byrd. A companion book and CD will be hosted by Naomi Judd.

As directed by Congress, CPB also provides annual programming support to ITVS, which in turn, provides production grants to independent producers developing projects intended for public broadcasting. This support helps CPB meet its statutory requirement that it provide "adequate funds for an independent production service." ITVS's work is of high quality—one program, "Flag Wars," won a Peabody Award this year, and "Be Good, Smile Pretty" has been nominated for a national Emmy award—and ensures that public television benefits from the strong voices of independent producers whose stories resonate particularly with underrepresented and underserved audiences.

Radio Programming

Since 1987, CPB has directly supported the production of radio programs intended for national audiences. Throughout its history, CPB has awarded about three of every four radio programming grants to national projects by or about ethnic groups

and to projects by independent producers. All CPB-funded radio programs are made available nationally to all public radio stations. CPB continues to give highest consideration to excellent, balanced, and innovative programming from diverse sources.

In addition, all Community Service Grant recipients are required to use approximately 30 percent of this grant for the purpose of purchasing or producing programming of national interest. These grants ensure the availability of some of the best programming public radio has to offer by targeting use of the funds to the purchase or production of national programming.

System Support Funds

By law, CPB spends at least 6 percent of the funds it receives to support the public broadcasting system, as opposed to individual stations or producers. CPB often supplements this amount with funds from its administrative allocation.

System support expenditures include:

- Interconnection grants. These are provided to public television stations specifically to purchase or maintain equipment allowing each local station to receive or deliver signals via satellite. By law, half of the interconnection costs for television are funded with system support funds through these grants.
- Music royalty fees for broadcast and Internet use for all CPB-funded public television and radio stations, as well as for NPR and PBS.
- Operational costs for ITVS and Minority Consortia.
- Promoting workforce diversity and career development for minority producers.
- Financing public broadcasting award programs, strategic planning, and research into new technologies.

CPB Administrative Operations

In 1988, Congress set CPB's administrative budget at a fixed level with annual increases to be based on the Consumer Price Index or 4 percent—whichever is higher. In no instance may the administrative costs exceed 5 percent of the total appropriation.

CPB's Oversight Obligation

Compliance with Funding Requirements

The Public Broadcasting Act of 1967, as amended, and Federal appropriations place responsibilities on CPB for the distribution, use and reporting of appropriated funds. This responsibility extends to entities receiving CPB funds. External oversight to monitor their compliance with CPB funding criteria is a primary responsibility of the Corporation. In addition to its own grant administration policies, CPB is aided in this regard by its Board of Directors and its Office of Inspector General.

CPB Board of Directors

The CPB Board of Directors is comprised of nine members, appointed by the President and confirmed by the Senate. While the entire Board is charged with oversight, the CPB Audit Committee is the initial vehicle that the Board of Directors uses to discharge its oversight responsibilities under the laws and regulations governing the Corporation. Principal among these is compliance with the Public Broadcasting Act of 1967, as amended, and oversight of funds appropriated annually to public broadcasting. These responsibilities extend to oversight of corporate programs, functions and activities established to manage and control the Corporation's utilization of funds.

Office of Inspector General

In 1989, the CPB's independent Office of Inspector General was created for the purpose of improving efficiency, economy and effectiveness of CPB operations and programs, and preventing and detecting possible waste, fraud and abuse. The CPB Board Audit Committee and CPB Management work with the OIG to establish a program for review of the adequacy of systems of financial management and internal controls to ensure accurate and complete reporting, compliance with applicable rules and regulations, and safeguards over CPB resources. This includes requiring stations to submit to audits and keep their books in compliance with CPB policies (47 U.S.C. § 396(1)(3)).

Compliance with Content Oversight Obligations

Sections 396(g)(1)(a) and 396(g)(1)(d) of the Act state, "(1) In order to achieve the objectives and to carry out the purposes of this subpart, as set out in subsection (a) of this section, the Corporation is authorized to:

- (a) facilitate the full development of public telecommunications in which programs of high quality, diversity, creativity, excellence, and innovation, which are obtained from diverse sources, will be made available to public telecommunications entities, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature . . . [and]
- (d) carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the public telecommunications entities and systems from interference with, or control of, program content or other activities.”

Our current activities designed to meet these statutory requirements fall into four general categories:

Soliciting Public Comment. In 1993, the CPB Board and management established the *Open to the Public* initiative in order to encourage viewers and listeners to voice their opinions through:

- A toll-free, 24-hour telephone line (1-800-272-2190)
- A U.S. post office box (P.O. Box 50880, Washington D.C. 20091)
- A dedicated e-mail address (*comments@cpb.org*)

Virtually all public radio and television stations maintain similar audience response services, as do the national organizations, such as PBS, NPR, and PRI, as well as many other program producers and providers. CPB provides links to these organizations through its website. Earlier in this testimony, I discussed our plans to strengthen our *Open to the Public* initiative.

Monitoring Public Perceptions. In addition to public comment, CPB considers other impartial indicators, including journalism awards, independent polling data and press reports, to help gauge perceptions of quality, as well as objectivity and balance. PBS and NPR also conduct regular independent surveys and focus group opinion studies, which we review and sometimes participate in.

Addressing Concerns. CPB staff meet frequently with producers and station representatives to learn more about projects in development, plans for community dialogue, and special outreach efforts to ensure a variety of perspectives. When controversial programming generates public interest, CPB routinely communicates such comments to the appropriate producer or programmer and seeks further information or clarification.

CPB Program Funding. It has been CPB’s long-standing policy to support a wide variety of programming sources and distribution channels, so that local programmers—and viewers and listeners—have a wide number of program choices. Programming content for stations, therefore, comes from PBS, NPR, PRI, APT, many independent sources, and from local sources, including the station. Each local station ultimately decides which programs to carry and when to carry them, and decisions about controversial programs are vested, by law, in individual stations.

Program proposals are evaluated on the basis of comparative merit by CPB staff and panels of outside experts, representing diverse interests and perspectives. Balance and objectivity are important criteria for program proposals concerning topics of a controversial nature. Any resulting CPB program contract requires that a recipient’s production meet all applicable standards of journalistic ethics, including issues related to fairness.

Since its creation by Congress in 1967, CPB has worked diligently to fulfill its mission of promoting a dynamic, independent and trusted public broadcasting system. I believe that CPB has and continues to meet its obligation to help provide the American public with a range and quality of programming and services unrivaled by any other broadcast service.

I hope that this information is of use to the Committee. Please let me know if there is other information that I can provide to assist the Committee as it works towards a reauthorization of CPB.

The CHAIRMAN. Thank you.
Mr. Matthusen, welcome.

**STATEMENT OF CARL MATTHUSEN, GENERAL MANAGER,
KJZZ-FM, KBAQ-FM, AND SUN SOUNDS RADIO READING
SERVICES**

Mr. MATTHUSEN. Thank you.

Chairman McCain, Members of the Committee, I'm the General Manager of three public radio operations in Arizona. They include KJZZ-FM, "K-Jazz," KBAQ-FM, "K-Bock," and Sun Sounds Radio Reading Service. My background also includes 6 years spent on the board of directors of National Public Radio, starting in 1990, with four of those years spent as chairman of the board. Thank you for this opportunity to provide a station point of view on behalf of NPR and its member stations as you contemplate legislation to reauthorize CPB.

My stations represent much of the diversity that exists in public radio. KJZZ features news, information, entertainment, and acoustic jazz. It's one of the older and larger station in the system. KJZZ's sister station, KBAQ, provides Central Arizona's only classical music programming. It is one of the newer and smaller stations in the system. Sun Sounds is a radio reading service. It and the other reading services around the country seek to provide time-critical information, primarily newspapers and magazines, to an audience of blind or otherwise print-disabled listeners.

KJZZ and KBAQ are members of National Public Radio, as are some 770 other stations across the country. Combined, my stations reach about 400,000 listeners a week. The nation audience for public radio now numbers some 30 million Americans weekly.

While there are a number of challenges confronting public radio today, I'd like to draw your attention to one in particular; that would be the analog-to-digital transition. To date, more than 150 stations have applied for and received transition funds through the first two rounds of CPB grant assistance. A third round of funding assistance has just been released by CPB. By the end of calendar year 2004, we anticipate that 200 to 250 radio stations will be well down the road of this important technology transition.

In October 2002, the Federal Communications Commission endorsed a technology for radio stations that began the conversion from analog to digital. The Commission's landmark decision has opened a transition path that public radio stations must follow. This technology opens the door to new expanded service for public radio that is revolutionary in both improving sound quality and in creating a means of affordable programming expansion.

Just weeks after the FCC's 2002 decision, NPR announced the Tomorrow Radio Project, with partners in the private sector known for their expertise in transmission and radio receiver knowhow. The principal goal of NPR's Tomorrow Radio effort was to test multichannel or multicasting technology that could allow public radio stations to broadcast more programming and more content, but using existing spectrum. Quite simply, this means that we can utilize the properties of digital broadcast technology to carry two or more streams of programming on the same channel or frequency. The Tomorrow Radio format, which may be approved this year by the FCC, will permit program expansion for a fraction of the cost of acquiring frequencies through traditional methods.

Mr. Chairman, in reauthorizing CPB, I urge you to include language that continues funding for public radio's digital transition, as well as for the operational funds so badly needed for the public telecommunications facilities program and for support of the sat-

ellite interconnection system by which our programming is distributed.

Chairman McCain and Members of the Committee, I recognize the fiscal challenges that confronts Congress in making funding decisions each Fiscal Year. I would suggest that the partnership existing between Congress, CPB, and the public radio and television stations is extraordinarily effective. For every dollar provided to public radio stations through CPB grants, the stations raise an additional eight dollars. Everything we do is nurtured, directly or indirectly, by the funding that you have provided.

NPR and its member stations operate today not only because of Federal support, but also because we have worked to secure the loyalty, trust, and support of listeners, local businesses, and foundations. We actually believe it is our responsibility and mission to act in the public interest, convenience, and necessity.

I have additional written comments, and request permission to submit them as part of the record of this proceeding.

Mr. Chairman, Members of the Committee, thank you for the opportunity to be part of your session today.

[The prepared statement of Mr. Matthusen follows:]

PREPARED STATEMENT OF CARL MATTHUSEN, GENERAL MANAGER, KJZZ-FM,
KBAQ-FM AND SUN SOUNDS RADIO READING SERVICES

Introduction and Summary

Chairman McCain, Senator Hollings and Members of the Committee, I am Carl Matthusen, General Manager of KJZZ-FM, KBAQ-FM and Sun Sounds Radio Reading Service, all serving the citizens of Arizona. I'm grateful for this opportunity to support the reauthorization of the Corporation for Public Broadcasting. Taking this action is a very significant and important step in securing a stable foundation for America's public broadcasting institutions. I speak for all in public radio in expressing our appreciation for the leadership you've provided to public radio and television and to institutions like CPB. This leadership and support have been critical in continuing the successful, four decades-old partnership between the Congress and public broadcasting institutions that serve every state and congressional district in America.

My stations are representative of the diversity and distinctive nature that defines public radio today. KJZZ features news, information, entertainment, and acoustic jazz. It went on the air in 1951, and is licensed to the Maricopa County Community College District. Arbitron numbers say KJZZ reaches nearly 250,000 listeners weekly. The annual budget is \$3.1 million. 10 percent of that comes from the Community Service Grant program of the Corporation for Public Broadcasting.

KJZZ's sister station, KBAQ, provides central Arizona's only classical music programming. The Maricopa Community Colleges and Arizona State University jointly own KBAQ, which is 11 years old and has a current annual budget of \$1.4 million. 17.8 percent of the KBAQ budget comes through CPB. The KBAQ audience is about 150,000 listeners weekly.

Sun Sounds is a radio reading service for the blind and print disabled. It is 25 years old this year. It, and the other readings services around the country, seeks to provide time-critical information, primarily newspapers and magazines, to a disabled audience. We estimate this audience numbers about 32,000 in Arizona. Sun Sounds does not receive any support from CPB, although CPB does support the distribution of some programming nationally.

KJZZ, KBAQ, and Sun Sounds, like all the other public radio stations in America, are locally owned, locally licensed, locally staffed and locally programmed. KJZZ and KBAQ are members of National Public Radio, as are some 770 other stations all across America. Today, NPR programming heard on these stations reaches a weekly audience of some 22 million Americans. Public radio stations are located in every one of America's fifty states, as well as the District of Columbia, Puerto Rico, Guam and the Marianas Pacific, to bring programming that meets the highest standards of public service in journalism and cultural expression.

While NPR is not the only producer and/or distributor of public radio programming, it is preeminent among all others. Because of this, my remarks speak to both NPR and public radio stations. As you know, NPR is a nonprofit membership corporation that produces and distributes noncommercial educational programming, including *All Things Considered*®, *Morning Edition*®, *Talk of the Nation*®, and *Performance Today*®, for broadcast by more than 770 public radio stations nationwide. NPR's members, comprising a variety of community licensees, school boards and other local institutions, Native American tribes, and private and public colleges and universities, are themselves significant producers of news, informational and cultural programming. NPR also operates the Public Radio Satellite Interconnection System and provides representation and other services to its Member stations.

NPR doesn't own or operate radio stations. Public radio stations are locally licensed, locally governed, locally programmed, and locally staffed. Institutionally and practically, these very direct and significant local affiliations have accomplished their intended purpose: public radio stations are responsive and responsible to the communities and listeners they serve. Whether a public radio station's broadcast license is held by a community college, like KJZZ's, or by state authorities, such as either the Mississippi Public Radio Network or the South Carolina Educational Radio Network, or by a community entity such as Nevada Public Radio, public radio stations provide localized services that meet local and regional needs.

I'd like to suggest four basic notions for inclusion in legislation to reauthorize CPB, all of which will strengthen the distinctive partnership between the Congress and public broadcasting institutions that has been the hallmark of our history:

1. Funding authorization levels for CPB need to reflect the growth in audience, the distinctive service and importance of public broadcasting entities in America's communities, and the challenges faced by local stations in responding to reductions in state and local financing sources.
2. The transition to digital broadcasting technology, both in radio and television, is critical to the future success of public broadcasting. Legislation reauthorizing CPB needs to reflect this by containing specific funding authority and funding levels to help complete the transition.
3. Renewal of funding authority for the Public Telecommunications Facilities Program (PTFP) within the U.S. Department of Commerce is of great import to the future of public broadcasting entities. PTFP is an integral part of the construction of facilities to bring educational and cultural programming to the American public.
4. Public radio and public television stations rely heavily on satellite interconnection systems, which are indispensable to our current and future abilities to serve the American public. CPB's reauthorization must contain funding levels sufficient to provide these vital services.

Public Radio Programming

Programming heard on America's public radio stations meets the highest standards of public service in journalism and cultural expression. Each station designs its own format by combining local programming with offerings from NPR, Public Radio International, and other sources to best serve its particular audience.

Travel across America and you'll hear public radio's unique blend of programming that combines daily coverage of events with in-depth excursions into local, national and international stories.

In addition, public radio reaches an international audience through NPR Worldwide, which brings all of our most popular shows to American military forces via the American Forces Network in the Middle East, Europe, Japan and Korea. This is an important audience for public radio and it's an audience we value. Numerous letters from American soldiers posted overseas expressing sentiments like this have been received:

"Hello NPR . . . an Army Reservist recalled to active duty and sent to Bagram Air Base in Afghanistan this past May. I just wanted to drop a line to let you know I listen to NPR Worldwide on 105.7 FM.

I found the station while channel surfing on a car radio the other day, and upon hearing Click and Clack's familiar voices became quite pleased that NPR reaches this far from my home in Virginia. . . . I shared my find with a fellow officer and NPR listener, and we are now both confident that listening to NPR will make our stay in Bagram a bit more bearable. Thank you for making this service available so far away from home."

And this from a Chaplain:

"I served as Chaplain to an engineer Battalion until December of last year. In February, the unit was deployed and is now in Iraq. Today I received an e-mail from the commander. . . . sharing some of the life and times in that country. He noted in particular that the English TV is very limited, so he listens to NPR. It was a comfort to me to know that our troops have contact to the world via NPR. There are some 450 soldiers with him, most from Arkansas. A member of A company was killed recently and the pain of his loss still lingers. If nothing else, I just want to say thank you for reaching around the world, with the world, so that our soldiers have a taste of home while in the desert".

Mr. Chairman, distribution of NPR Worldwide programming is supported financially by NPR as part of its annual operating budget. Its current relationship with the American Forces Radio and Television Network began more than 2 decades ago and continues today as an important component of its day-to-day mission.

News and Information

The foundation of public radio is service to America's communities. That commitment to service is best illustrated by the extensive news and information reporting that is found daily on public radio stations. While other media entities have downsized newsgathering and reporting over the past several years, many in the public radio community have added reporters, correspondents and offices worldwide. For example, in June, 2004 NPR announced a major expansion of its news operation with plans to invest \$15 million over the next three years to add reporters, editors, producers and managers, and to add new foreign and national bureaus. This unprecedented investment and expansion is demonstrative of public radio's commitment to bring in-depth and top-quality reporting and programming to our growing audience. Public radio audiences hear the results and benefit from this dynamic expansion when correspondents stationed across the Nation and throughout the globe are able to bring them growing numbers of voices and perspectives. Internationally, NPR supports 4 NPR News bureaus and 10 offices. Today, international news comprises more than one-third of NPR News. The conflict in Iraq, for example, has kept a dozen NPR reporters and producers rotating through Baghdad.

Public radio station reporters are frequent and regular contributors to NPR programming. Mark Moran, of my own station, KJZZ, reports routinely on events impacting Arizona and America's southwest. Eric Niiler, of KPBS in San Diego, was imbedded with U.S. troops in Iraq and filed very important stories found nowhere else on the radio dial. Literally dozens of stories each month, carried nationally, originate from local reporters who are on staff at public radio stations.

Inseparable from public radio's commitment of service to America's communities is our commitment to the presentation of fair, accurate and comprehensive information. As a former Board Chair for NPR, I know that it is pledged to abide scrupulously by the highest journalistic, editorial and artistic standards and practices of broadcast programming. It is committed to providing diverse and balanced viewpoints through the entirety of its programming. As a news organization, NPR recognizes its coverage must withstand the same rigorous probing, testing and questioning it applies to the events it covers. While the following are unique to NPR, several of its policy initiatives are worth mentioning and are illustrative of practices employed throughout public radio.

First, NPR is the only broadcast organization in the United States that has an ombudsman. Established in February 2000, the role of the NPR Ombudsman is to serve as an advocate for NPR listeners; to ensure that the highest standards of journalism are constantly maintained at NPR; to receive, investigate and respond to queries regarding editorial standards in programming; and, to serve as an independent source of information, explanation, amplification and analysis for the public regarding NPR's programming and NPR's adherence to its programming standards and practices. The ombudsman is completely independent of NPR staff and management, reports directly to the President and, through the President, to NPR's Board of Directors.

Secondly, NPR News is guided by a *Code of Ethics and Practices* as a way of protecting the credibility of its programming by ensuring the highest standards of honesty, integrity, impartiality and conduct of staff. This code, recently updated by NPR's Vice President of News, covers all NPR journalists, defined as employees who report (including hosts and newscasters), edit or produce news programming. It also covers all senior News managers and applies to all platforms for NPR News content, including NPR Online.

The code articulates the ethical standards NPR observes in the pursuit and presentation of stories; it sets rules and policies to prevent conflicts of interest; it establishes guidelines for outside work and activities that may reflect on NPR; and it establishes policies and procedures to ensure that the activities of NPR that fall out-

side journalism—corporate underwriting, foundation funding, marketing and promotional activities—do not jeopardize NPR’s journalistic independence or involve NPR reporters, editors, hosts or producers in activities inappropriate to their role as journalists.

Thirdly, NPR News adheres to guidelines on commentary that are part of NPR’s weekday air. All commentaries airing on NPR must meet certain standards, including:

- Rigorous fact-checking to ensure accuracy. If a commentary is aired with errors of fact, an on-air correction will occur.
- Pairing commentaries aired on controversial subjects with other points of view on that subject in a timely way. NPR lets the listener know this will happen and takes steps to ensure that it does.
- Underscore for listeners why commentators are appropriate to the subjects they discuss.
- Assuring that all in the News management staff, including the Vice President for News and Information, share responsibility for commentary content.

Mr. Chairman, NPR and public radio have long been leaders in establishing standards for confronting the ethical issues of the daily practice of journalism. Just recently, Al Stavitsky, Associate Dean of Journalism at the University of Oregon, and Jeffrey Dvorkin, Ombudsman for National Public Radio, have completed an ethics guide. With financial help from CPB, Messrs. Stavitsky’s and Dvorkin’s work, *Independence and Integrity II: An Updated Ethics Guide for Public Radio Journalism*, has been published. As Mr. Dvorkin describes it, the guide “. . . deals with some of the most important ethical issues that confront public radio journalism on a daily basis—questions about how to deal with and evaluate sources, correcting errors, reporting vs. punditry, relations with public radio underwriters and funders.

The publication of this document allows and encourages those of us at the station level to further refine the efforts of our local news departments. It reaches us at an opportune and important time for public radio and for journalism generally. Scandals and embarrassments at some of America’s well-regarded news outlets have prompted a new wave of skepticism from the public. While public radio has not been part of these episodes, the *Updated Ethics Guide* is an important tool for all in public radio.

Public Radio’s Audience

The audience listening to public radio station programming reflects the distinctive, catalytic partnership that exists between local public radio stations serving local audiences across the country and national programming entities like NPR, Public Radio International, and other producers of public radio programming. Roughly one in ten Americans tunes to an NPR station in a given week and more than one in every four college-educated adults listens to NPR stations. This is an audience reach that exceeds the combined readership of the Nation’s top 46 newspapers and the respective weekly readership of *Newsweek* magazine and *Time* magazine.

While retaining its deep local roots and focus on balanced, objective and in-depth programming, public radio has evolved dramatically in recent years. For example, in the past four years, NPR’s audience has grown by more than sixty percent while in the last decade its audience has doubled. This growth has occurred in public radio while audiences tuning into commercial stations have declined over the same period. Public radio stations attract and retain listeners because our programming engages them in their daily routines, offers insight and perspective on the events that shape communities, states, our Nation and the world.

Our listeners are politically active and involved in their communities. Almost one-third of listeners classify themselves as very or somewhat conservative; 30 percent feel that they are in the middle of the political spectrum; and 29 percent describe themselves as very or somewhat liberal. Fully 62 percent of NPR listeners voted in local, state and Federal elections, while approximately 94 percent stated that they participated in community or political activities in the past year.

Financial Profile

The funding profile of public radio stations has changed dramatically in recent years. In 2001, local community support grew to 53 percent of a station’s total revenue, up from 38 percent in 1992. Federal financial support, while a vital component of local station operations, stands at only 14 percent of total revenue for an average station. This is down from 22 percent in 1992. Over the same time frame, total station revenue grew from roughly \$310 million in 1992 to approximately \$725

million in 2003. Public radio stations operate today because of the Federal financial support your subcommittee and the Congress provide, but also because they have won the loyalty, trust and support of listeners, local businesses and foundations through programming that is compelling and worthy.

The challenges confronting public radio today—the necessity of converting an aging analog broadcasting infrastructure to a digital system; technical and cost constraints that limit expansion of public radio signals to unserved and underserved areas; improving programming service to existing listeners and reaching new audiences; and, decreasing financial support from state and local governments—all place significant financial stress on the system. Reaching underserved areas and audiences while improving existing services is now more important than ever, as current events demand an informed and engaged public. In this era of commercial media consolidation, public radio is unmatched in its ability to deliver in-depth, balanced, objective coverage of our cities, country and the world.

Federal financial support has not kept pace with the growth in listeners, a situation that only adds to local station problems. This imbalance translates into staff reductions and reduced hours of local programming. Capital improvements are postponed, news staff growth is delayed and the expansion of initiatives to better serve communities simply doesn't occur. To accomplish their public service mission and to improve the quality and expand the quantity of daily programming, America's public radio stations need the continued financial support the Congress provides. As you consider reauthorization of CPB, it may be time to bring funding levels in line with the growth in audience.

Mr. Chairman and Members of the Committee, I recognize the fiscal challenges Congress confronts in making funding decisions each fiscal year. I would suggest that the partnership existing between Congress, CPB, and public radio and television stations is extraordinarily effective. For every dollar provided to public radio stations through CPB grants, the stations raise an additional eight dollars. Everything we do is nurtured, directly or indirectly, by the funding you have provided. Viewed another way, Federal support for public radio stations amounts to only 30 cents per American.

Public Radio's Digital Transition

One of the most important, immediate and far-reaching challenges of public radio stations is found in the technology used to reach listeners. Radio, the most ubiquitous, most accessed content delivery medium in the United States remains dependent on an aging analog transmission system.

But change is on the way. In October 2002, the Federal Communications Commission endorsed a technology for radio stations to use to begin the conversion from analog to digital broadcasting. The Commission's landmark decision has opened a transition path that public radio stations must follow. This new technology opens the door to expanded service for public radio in a way that is revolutionary in enhancing service to listeners, in improving sound quality, and in creating a means of affordable programming expansion.

In the United States, public radio, through NPR and its member stations, has been at the forefront of digital radio development since its inception. WGUC Cincinnati experimented with digital stereo transmissions in 1985. WGBH Boston conducted similar experimental broadcasts in the evening hours in the late 1980s. By 1987, NPR became the first broadcaster to suggest to the Federal Communications Commission the need for system development and future frequency allocations for digital radio applications in the United States.

NPR and public radio stations have become recognized leaders in this important technology transformation. Just weeks after the FCC's 2002 decision, NPR announced the *Tomorrow Radio* project, with partners in the private sector renowned for their expertise in transmission and radio receiver know-how. The principal goal of NPR's *Tomorrow Radio* effort was to test multichannel or supplemental audio technology that could allow public radio stations to broadcast more programming and content using their existing spectrum. Quite simply, this means that public radio stations can utilize digital broadcast technology to carry two or more streams of programming on the same channel, or frequency.

For public radio stations nationwide, this revolutionary technology will permit the broadcast of multiple audio programs for the modest price of a new digital broadcast system. Prior to *Tomorrow Radio*, public radio's only alternative for program expansion was the acquisition of an entirely new radio frequency, often technically and financially not achievable. With budgets already tight, very few public radio stations could afford to increase their programming services through new signal acquisitions.

However, the *Tomorrow Radio* format will permit a program expansion for just a fraction of the cost. It is estimated that the total cost of converting public radio's

800 full power stations and 800 translator and repeater stations is \$171.7 million, with the average station transition cost estimated to be \$130,000. In previous testimony before other congressional committees, CPB has communicated that the anticipated Federal share of this transition cost is estimated to be \$77.3 million.

The driving force behind public radio's digital transition is not just the improved audio quality and reduced interference, but the expanded public service and programming opportunities. In addition to supplemental audio channel capability, digital broadcasting will provide on-demand delivery of programming; features that allow listeners to interact with stations and to tailor services to their own unique needs and interests; expanded weather alerts, continuous traffic reports, emergency and Amber alerts; non-English broadcasts; and expanded assisted-living services such as reading services for the visually impaired and even digitally captioned broadcasts for the hearing impaired.

The FCC has been very encouraging in exploring the use of expanded services inherent in digital radio. The four public radio stations that formed the test markets for NPR's *Tomorrow Radio* project were given experimental operating licenses by the FCC. Also, Commissioners Abernathy, Martin and Copps each spoke of the benefits consumers will realize from digital radio, including the development of innovative offerings such as multiple audio streams. Digital radio enthusiasts in the public radio community have embraced the expectations of Commissioners Abernathy, Martin and Copps to fully explore the expansion of service provided by this new technology.

To date, 151 public radio stations have been offered transition assistance from CPB and approximately 20 are on the air, including WAMU and WETA in the Washington area. CPB has committed some \$23.5m to support public radio's digital transition and it recently announced transition grant guidelines for III of the conversion, which is open to all CPB-qualified public radio stations. If station response to this grant opportunity is on par with the previous two, I believe more than 250 public radio stations will be well down the road to digital broadcasting by the end of calendar year 2004.

The FCC released a Further Notice of Proposed Rulemaking on April 15, with comments due June 15 and reply comments July 15. There was overwhelming support by public (and commercial radio stations too) for multicasting specifically, and for digital radio generally. We remain hopeful that sometime in the fourth quarter of this year, the Commission will issue an additional report and order that permits multicasting.

Public Radio's Satellite System

In addition to its role as a content provider, NPR manages and sets policy for the public radio satellite system, which encourages and facilitates the exchange of programs from all over the world. The system is open to all public telecommunications users, including NPR's member stations, freelancers, reporters, producers, and program syndicators. Each year, thousands of hours of news, music, and specialized audience programming are distributed to public radio stations throughout the United States via the Public Radio Satellite System® (PRSS). The PRSS is operated and managed by the Distribution Division of National Public Radio®, Inc. (NPR).

Originally built in 1979 with funds provided by Congress through CPB, the PRSS currently is undergoing its most significant upgrade since its initial construction. This upgrade will take advantage of technological innovations to streamline how public radio stations and producers select, send, acquire, and automate programming.

Structure: The PRSS is a distinctive, cooperative enterprise. Interconnected stations own their own downlink and uplink equipment. The Public Radio Satellite Interconnection System Charitable Trust owns the satellite transponder capacity, as well as the national operating system equipment located in Washington, D.C. Today, the PRSS includes more than 400 downlinks. Many additional stations also receive programming sent over the satellite through local connections with downlink stations. The System Technical Center (STC) is located at NPR headquarters in Washington, DC.

Finances: The PRSS is entirely self-sufficient in covering its annual operating costs. The interconnected public radio stations and program providers support the satellite system through the payment of fees that reflect their share of the annual costs of operating and managing the PRSS. In addition, excess transponder capacity is sold to non-public radio users to help offset the costs of operating the system. Major infrastructure costs for the PRSS are met by periodic Federal appropriations, administered through the Corporation for Public Broadcasting.

Access: The PRSS is open to all public telecommunications entities, including independent producers; program syndicators and distributors; national, state, and

local organizations; and public radio stations. Stations who receive programming distributed by the PRSS range from those located in remote villages in northern Alaska and on Indian reservations in the Southwest, to major market stations such as WNYC in New York and KUSC in Los Angeles. Programs distributed over the Public Radio Satellite System come from NPR, Public Radio International (PRI), Minnesota Public Radio and more than 200 other radio producers and organizations. Formats include news, public affairs, drama, documentaries, classical music, jazz, and many others.

In-Kind Services: An important mission of the PRSS is to facilitate the cost-effective and efficient distribution of high-quality, educational programming to this country's increasingly diverse population. As part of that mission, the PRSS provides satellite transmission services to distribute programming that targets unserved or underserved audiences, from sources who meet certain criteria established by the NPR Board, including demonstrated financial need. At the present time, the PRSS extends in-kind support to American Indian Radio on Satellite (AIROS), a program service based in Lincoln, Nebraska, that targets Native American listeners, and to Satellite Radio Bilingue, a Spanish language program service managed by Radio Bilingue in Fresno, California.

Training & Outreach: The Distribution/Interconnection Technology Training Initiative was created in 2001 to address the growing need for more awareness and knowledge in the public radio community about new technologies-particularly technologies related to program and content distribution. In addition to providing training, the Initiative is working to expand the diversity of talent in public radio by promoting technical careers in the industry to young people, minorities, and others through outreach and education efforts.

Governance: The NPR Board of Directors governs the PRSS. The Distribution/Interconnection Committee (D/I Committee) of the NPR Board is charged with proposing rates and policy to the Board and overseeing the operation and management of the Public Radio Satellite System. The composition of the D/I Committee is unique, consisting of both Board and non-Board members. The non-Board members represent the interests of non-NPR users of the distribution system, including independent producers, other program distributors, non-member stations, and other organizations and entities in public radio. The presence of non-Board members on the Committee reflects NPR's role as manager of an interconnection system that serves all public telecommunications entities needing distribution services. The non-Board members of the D/I Committee are elected by the NPR Board and confirmed by the interconnected stations.

ContentDepot®: Public radio's new program distribution system, the "ContentDepot," will continue to incorporate satellite distribution, as this technology continues to provide the most cost-effective and reliable means of delivering high quality audio programming to a diverse national network of radio stations. But the new system will also introduce use of the Internet, web-based interfaces, and enhanced station automation control to increase flexibility in the ways stations receive and store programs and other information from the PRSS.

NPR Distribution began laying the foundation for the ContentDepot in 2001 by managing a major overhaul of station downlink equipment. This project outfitted interconnected stations across the U.S. with equipment that enables them to better access satellite backup capacity in the event public radio's satellite capacity fails, is attacked, or otherwise becomes unavailable. Because of its broad scope, the realization of the full ContentDepot vision will take several years and ultimately will have a significant impact on radio station operations and program distribution practices.

Conclusion

Public radio's long-standing commitment to serving America's communities with deep, engaged, long-form radio journalism sets it apart from all other broadcasters. Listeners have come to rely on public radio during the most intense news periods in our Nation's history. We have set the bar of public expectations exceedingly high because we're capable of providing service that isn't found anywhere else. We respect the public in ways that have been long forgotten in American broadcasting. Our relationship with listeners is not transactional. It is a relationship of values.

Mr. Chairman, and Members of the Committee, thanks for this opportunity to support the reauthorization of CPB and to provide a summary of public radio in America today.

The CHAIRMAN. Thank you.
Welcome, Mr. Burns.

**STATEMENT OF KEN BURNS, FILMMAKER, FLORENTINE FILMS,
ON BEHALF OF PBS**

Mr. BURNS. Thank you, Mr. Chairman and Members of the Committee.

It is an honor for me to appear before you today on behalf of CPB and PBS, and I'm grateful that you have given me this opportunity to express my thoughts.

Let me say, from the outset, as a film producer and as a father of two almost-grown daughters increasingly concerned about the sometimes dangerous landscape of our television environment, that I am a passionate lifelong supporter of public television and its unique role in helping to stitch our exquisite, diverse, and often fragile culture together. Few institutions provide such a direct, grassroots way for our citizens to participate in the shared glories of their common past, in the power of the priceless ideals that have animated our remarkable republic and our national life for more than 200 years, and in the inspirational life of the mind and the heart that an engagement with the arts and the humanities always provides. It is my wholehearted belief that anything that threatens this institution weakens our country. It's as simple as that.

For more than 25 years, I have been producing historical documentary films celebrating the special messages American history continually directs our way. The subjects of these films range from the construction of the Brooklyn Bridge and the Statue of Liberty to the life of the turbulent demagogue, Huey Long, from the graceful architecture of the Shakers to the early founders of radio, from the sublime pleasures and unexpected lessons of our national pastime in jazz to the searing transcended experience of our Civil War, from Thomas Jefferson and Lewis and Clark to Frank Lloyd Wright, Elizabeth Cady Stanton, and Mark Twain. I even made a film on the history of this magnificent Capitol building and the much-maligned institution that is charged with conducting the people's business.

In every instance, I consciously produce these films for national public television broadcast, not the commercial networks or cable. As an educational filmmaker, I am grateful to play even a small part in an underfunded broadcasting entity with one foot tenuously in the marketplace and the other decidedly and proudly out, which, among dozens of fabulously wealthy networks, just happens to produce, on shoestring budgets, the best news and public-affairs programming on television, the best science and nature programming, the best arts, the best children's shows, and, some say, the best history.

Some critics say that PBS is no longer needed in this multi-channel universe, that our government has no business in television or the arts and humanities, that we must let the marketplace alone determine everything in our cultural life, that a few controversial programs prove the political bias of the public television community. I feel strongly that I must address those assertions.

First, let me share with you a few facts that might surprise you. As a result of media consolidation, public stations are frequently the last and only locally owned media operations in their markets. Despite the exponential growth of television options, 84 million

people a week watch PBS, more than any cable outlet. It is the number one choice of video curriculum in the classroom, and its nonviolent, non-commercial children's programs are the number-one choice of parents. Indeed, as commercial television continues in its race to the bottom for ratings, PBS has earned the Nation's trust to deliver programs that both entertain and educate, and that do so in a manner that the public consistently rates as balanced and objective.

But, above and beyond these facts, there is a larger argument to be made, one that is rooted in our Nation's history. Since the beginning of this country, our government has been involved in supporting the arts and the diffusion of knowledge, which was deemed as critical to our future as roads and dams and bridges. Early on, Thomas Jefferson and the other Founding Fathers knew that the pursuit of happiness did not mean a hedonistic pursuit of pleasure in the marketplace of things, but an active involvement of the mind in the higher aspects of human endeavor, a marketplace of ideas.

Congress supported the journey of Lewis and Clark as much to explore the natural, biological, ethnographic, and cultural landscape of our expanding nation as to open up a new trading route to the Pacific. Congress supported numerous geographical, artistic, photographic, and biological expeditions to nearly every corner of the developing West. Congress funded, through the Farm Securities Administration, the work of Walker Evans and Dorothea Lange, and other great photographers, who captured for posterity the terrible human cost of the Great Depression.

At the same time, Congress funded some of the most enduring writing ever produced about this country's people, its monuments, buildings, and back roads in the still much-used and admired WPA guides. Some of our greatest symphonic work, our most treasured dramatic plays, and early documentary film classics came from an earlier Congress's support. With Congress's great insight, PBS was born and grew to its startlingly effective maturity, echoing the same time-honored sense that our government has an interest in helping to sponsor communications, art, and education, just as it sponsors commerce.

We are not talking about a 100 percent sponsorship, a free ride, but a priming of the pump, a way to get the juices flowing in the spirit of President Reagan's notion of a partnership between government and the private sector. The Corporation for Public Broadcasting Grant I got for the Civil War series attracted even more funds from General Motors and several private foundations, money that would not have been there had not CPB blessed this project with their rigorously earned imprimatur.

However, some continue to believe that public television is a hotbed of thinking outside the mainstream. I wonder, though, have they ever been to a PBS station? I doubt it. PBS is the largest media enterprise in the world, reaching into the most remote corners of every state in the union, and enriching the lives of people of all backgrounds. It is also the largest educational institution in the country because of national and local services that help build school readiness, provide distance learning, GED prep, and essential workplace skills. Local public television stations are essentially conservative institutions filled with people who share the concerns

of most Americans and who reflect the values of their own communities.

Mr. Chairman, I know many people who criticize us as being too conservative, too middle-of-the-road, too safe. And in a free society, the rare examples of controversy that may run counter to our accepted canon, or one group's accepted canon, ought to be seen as a healthy sign that we are a nation tolerant of ideas, confident, as the recent tide of geopolitical history has shown, that the best ideas will always prevail. Unfortunately, too often today we have become so dialectically preoccupied, stressing our differences—black/white, left/right, young/old, in/out, good/bad—that we have forgotten to select for the mitigating wisdom that reconciles these disparities into honest difference and collegiality, into a sense of belonging. And we long—indeed, ache—for institutions that suggest how we might all be bound back to the whole. PBS is one such institution.

But there are still those who are sure that, without public television, the so-called marketplace would take care of everything, that what won't survive in the marketplace doesn't deserve to survive. Nothing could be further from the truth.

Now, some forms of our creativity thrive in the marketplace, and that is a wonderful thing, reflected in our Hollywood movies and in our universally popular music. But let me say that the marketplace could not have made—and, to this day, could not make—my Civil War series; indeed, any of the films I have worked on. That series was shown on public television outside the marketplace, without commercial interruption, by far the single most important factor for our ensuring PBS continuing existence and for understanding the Civil War series' overwhelming success.

All real meaning in our world accrues in duration. That is to say, that which we value most—our families, our work, the things we build, our art—has the stamp of our focused attention. Without that attention, we do not learn, we do not remember, we do not care, we are not responsible citizens.

Most of the rest of the television environment has ignored this critical truth. For several generations now, TV has disrupted our attention every 8 minutes or less to sell us five or six or more different things, then sent us back, our ability to digest all the impressions compromised in the extreme.

The programming on PBS, in all its splendid variety, offers the rarest treat amidst the outrageous cacophony of our television marketplace. It gives us back our attention and our memory; and, by so doing, paradoxically ensures that we have a future.

The marketplace will not—indeed, cannot—produce the good works of PBS, just as the marketplace does not come to your house at 3 a.m. when it is on fire, or patrols the dangerous ground in Afghanistan and Iraq. No, the marketplace does not and will not pay for our fire departments or, more important, our Defense Department, things essential to the safety, defense, and well-being of our country. It takes government involvement, eleemosynary institutions, individual altruism, extra-marketplace effort to get these things made and done.

I also know, Mr. Chairman, that PBS has nothing to do with the actual defense of our country. I know that. PBS, I believe with

every fiber of my being, just helps make our country worth defending.

Thank you.

[The prepared statement of Mr. Burns follows:]

PREPARED STATEMENT OF KEN BURNS, FILMAKER, FLORENTINE FILMS,
ON BEHALF OF PBS

Mr. Chairman and Members of the Committee: It is an honor for me to appear before you today on behalf of PBS. I am grateful that you have given me this opportunity to express my thoughts. Let me say from the outset—as a film producer and as a father of two daughters increasingly concerned about the sometimes dangerous landscape of our television environment—that I am a passionate life-long supporter of *public* television and its unique role in helping to stitch our exquisite, diverse, and often fragile culture together.

Few institutions provide such a direct, grassroots way for our citizens to participate in the shared glories of their common past, in the power of the priceless ideals that have animated our remarkable republic and our national life for more than two hundred years, and in the inspirational life of the mind and the heart that an engagement with the arts always provides. It is my wholehearted belief that anything that threatens this institution weakens our country. It is as simple as that.

For more than 25 years I have been producing historical documentary films, celebrating the special messages American history continually directs our way. The subjects of these films range from the construction of the Brooklyn Bridge and the Statue of Liberty to the life of the turbulent demagogue Huey Long; from the graceful architecture of the Shakers to the early founders of radio; from the sublime pleasures and unexpected lessons of our national pastime and Jazz to the searing transcendent experience of our Civil War; from Thomas Jefferson and Lewis and Clark to Frank Lloyd Wright, Elizabeth Cady Stanton and Mark Twain. I even made a film on the history of this magnificent Capitol building and the much maligned institution that is charged with conducting the people's business.

In *every* instance, I consciously produced these films for national public television broadcast, not the commercial networks or cable.

As an educational filmmaker, I am grateful to play even a small part in an underfunded broadcasting entity with one foot tenuously *in* the marketplace and the other decidedly and proudly *out*, which, among dozens of fabulously wealthy networks, just happens to produce—on shoestring budgets—the best news and public affairs programming on television, the best science and nature programming on television, the best arts on television, the best children's shows on television, and, some say, the best history on television.

When I was working more than 15 years ago on my film about the Statue of Liberty, its history and powerful symbolism, I had the great good fortune to meet and interview Vartan Gregorian, who was then the president of the New York Public Library. After an extremely interesting and passionate interview on the meaning behind the statue for an immigrant like him—from Tabriz, Iran—Vartan took me on a long and fascinating tour of the miles of stacks of the Library. Finally, after galloping down one claustrophobic corridor after another, he stopped and gestured expansively. “This,” he said, surveying his library from its guts, “this is the DNA of our civilization.”

I think he was saying that that library, indeed, all libraries, archives, and historical societies are the DNA of our society, leaving an imprint of excellence and intention for generations to come. It occurs to me this morning, as we consider the rich history of service and education of PBS, that we must certainly include this great institution in that list of the DNA of our civilization. That public television is part of the great genetic legacy of our Nation. And that cannot, should not, be denied us or our posterity.

PBS has consistently provided, with its modest resources, and over more than three tumultuous decades, quite simply an antidote to the vast wasteland of television programming Newton Minnow so accurately described. *We do things differently*. We are hardly a “disappearing niche,” as some suggest, but a vibrant, galvanic force capable of sustaining this experiment well into our uncertain future.

Some critics say that PBS is no longer needed in this multi-channel universe, that our government has no business in television or the arts and humanities, that we must let the marketplace alone determine everything in our cultural life, that a few controversial programs prove the political bias of the public television community. I feel strongly that I must address those assertions.

First let me share a few facts that might surprise you: As a result of media consolidation, public stations are frequently the last and only locally owned media operations in their markets. Despite the exponential growth of television options, 84 million people a week watch PBS—more than any cable outlet. It is the number one choice of video curriculum in the classroom and its non-violent, non-commercial children's programs are the number one choice of parents. Indeed, as commercial television continues in its race to the bottom for ratings, PBS has earned the Nation's trust to deliver programs that both entertain and educate and that do so in a manner that the public consistently rates as balanced and objective.

But above and beyond these facts that demonstrate the ways in which PBS is more important than ever in helping to address the public's needs today, there is a larger argument to be made—one that is rooted in our Nation's history. Since the beginning of this country, our government has been involved in supporting the arts and the diffusion of knowledge, which was deemed as critical to our future as roads and dams and bridges. Early on, Thomas Jefferson and the other founding fathers knew that the pursuit of happiness did not mean a hedonistic search for pleasure in the marketplace of *things*, but an active involvement of the mind in the higher aspects of human endeavor—namely education, music, the arts, and history—a marketplace of *ideas*. Congress supported the journey of Lewis and Clark as much to explore the natural, biological, ethnographic, and cultural landscape of our expanding nation as to open up a new trading route to the Pacific. Congress supported numerous geographical, artistic, photographic, and biological expeditions to nearly every corner of the developing West. Congress funded, through the Farm Securities Administration, the work of Walker Evans and Dorothea Lange and other great photographers who captured for posterity the terrible human cost of the Depression. At the same time, Congress funded some of the most enduring writing ever produced about this country's people, its monuments, buildings, and back roads in the still much used and admired WPA guides. Some of our greatest symphonic work, our most treasured dramatic plays, and early documentary film classics came from an earlier Congress' support.

With Congress' great insight PBS was born and grew to its startlingly effective maturity echoing the same time-honored sense that our Government has an interest in helping to sponsor Communication, Art and Education just as it sponsors Commerce. We are not talking about a 100 percent sponsorship, a free ride, but a priming of the pump, a way to get the juices flowing, in the spirit of President Reagan's notion of a partnership between the government and the private sector. The Corporation for Public Broadcasting grant I got for the Civil War series attracted even more funds from General Motors and several private foundations; money that would not have been there had not the Corporation for Public Broadcasting blessed this project with their rigorously earned imprimatur.

But there are those who are sure that without public television, the so-called "marketplace" would take care of everything; that what won't survive in the marketplace, doesn't deserve to survive. Nothing could be further from the truth. Because we are not just talking about the commerce of a nation. We are not just economic beings, but spiritual and intellectual beings as well, and so we are talking about the creativity of a nation. Now, some forms of creativity thrive in the marketplace and that is a wonderful thing, reflected in our Hollywood movies and our universally popular music. But let me say that the marketplace could not have made and to this day could not make my Civil War series, indeed *any* of the films I have worked on.

That series was shown on public television, outside the marketplace, without commercial interruption, by far the single most important factor for our insuring PBS's continuing existence and for understanding the Civil War series' overwhelming success. All real meaning in our world accrues in duration; that is to say, that which we value the most—our families, our work, the things we build, our art—has the stamp of our focused attention. Without that attention, we do not learn, we do not remember, we do not care. We are not responsible citizens. Most of the rest of the television environment has ignored this critical truth. For several generations now, TV has disrupted our attention every eight minutes (or less) to sell us five or six different things, then sent us back, our ability to digest all the impressions compromised in the extreme. The programming on PBS in all its splendid variety, offers the rarest treat amidst the outrageous cacophony of our television marketplace—it gives us back our attention and our memory. And by so doing, insures that we *have* a future.

The marketplace will not, indeed cannot, produce the good works of PBS. Just as the marketplace does not come to your house at 3:00am when it is on fire or patrols the dangerous ground in Afghanistan and Iraq. No, the marketplace does not and will not pay for our fire departments or more important our Defense Department,

things essential to the safety, defense and well-being of our country. It takes government involvement, eleemosynary institutions, individual altruism, *extra*-marketplace effort to get these things made and done. I also know, Mr. Chairman, that PBS has nothing to do with the actual defense of our country, I know that—PBS, I believe with every fiber of my being, just helps make our country worth defending.

The meat and potatoes of public television reaches out to every corner of the country and touches people in positive ways the Federal Government rarely does. Recent research suggests that PBS is the most trusted national institution in the United States. Indeed, it would be elitist itself to abolish public television, to trust to the marketplace and the “natural aristocracy” that many have promised over the last two hundred years would rise up to protect us all—and hasn’t. Those who labor in public television are not unlike those in public service who sacrifice job security, commensurate pay, and who are often misunderstood by a media culture infatuated by their seemingly more glamorous colleagues.

With regard to my own films, I have been quite lucky. The Civil War series was public television’s highest rated program and has been described as one of the best programs in the history of the medium. But that show, indeed all of my films produced over the last quarter of a century, are only a small part, a tiny fraction, of the legacy of PBS. If public television’s mission is severely hampered or curtailed, I suppose I will find work, but not the kind that ensures good television or speaks to the overarching theme of all my films—that which we Americans all hold in common. But more to the point, where will the next generation of filmmakers be trained? By the difficult rigorous proposal process of CPB and PBS or by the “gotcha,” hit and run standards of our commercial brethren? I hope it will be the former.

The former Speaker of the House of Representatives Newt Gingrich spoke eloquently and often of an American people poised for the twenty-first century, endowed with a shared heritage of sacrifice and honor and the highest ideals mankind has yet advanced, but also armed with new technologies that would enable us to go forward as one people. I say to all who would listen that we have in public television exactly what he envisions.

Unfortunately, some continue to believe that public television is a hotbed of thinking outside the mainstream. I wonder, though, have they ever been to a PBS station? I doubt it. PBS is the largest media enterprise in the world, reaching into the most remote corners of every state in the Union and enriching the lives of people of *all* backgrounds. It is also the largest educational institution in the country—because of national and local services that help build school readiness, support schools, provide distance learning, GED prep and essential workplace skills. Local public television stations are essentially conservative institutions, filled with people who share the concerns of most Americans and who reflect the values of their own communities. And Mr. Chairman, I know many people who criticize us as too conservative, too middle of the road, too safe.

And in a free society, the *rare* examples of controversy that may run counter to our accepted cannon, or one group’s accepted cannon ought to be seen as a healthy sign that we are a nation tolerant of ideas, confident—as the recent tide of geo-political history has shown—that the best ideas will always prevail.

One hundred and sixty-six years ago, in 1838, well before the Civil War, Abraham Lincoln challenged us to consider the real threat to the country, to consider forever the real cost of our inattention: “Whence shall we expect the approach of danger?” he wrote. “Shall some transatlantic giant step the earth and crush us at a blow? Never. All the armies of Europe and Asia could not by force take a drink from the Ohio River or make a track in the Blue Ridge in the trial of a thousand years. No, if destruction be our lot, we must ourselves be its author and finisher.” As usual, Mr. Lincoln speaks to us today with the same force he spoke to his own times.

The real threat always and still comes from within this favored land, that the greatest enemy is, as our religious teachings constantly remind us, always ourselves. Today, we have become so dialectically preoccupied, stressing our differences; black/white, left/right, young/old, in/out, good/bad, that we have forgotten to select for the mitigating wisdom that reconciles these disparities *into* honest difference and collegiality, into a sense of *belonging*. And we long, indeed ache, for institutions that suggest how we might all be bound back to the whole. PBS is one such institution.

The clear answer is tolerance, a discipline sustained in nearly every gesture and breath of the public television I know. We are a nation that loses its way only when we define ourselves by what we are against not what we are for. PBS is that rare forum where more often than not we celebrate what we are for; celebrate, why, against all odds, we Americans still agree to cohere.

On the other hand, we in public television must not take ourselves too seriously. Sometimes our greatest strength, our earnestness and seriousness, has metastasized into our greatest weakness. Usually a faithful and true companion, that earnestness and seriousness is sometimes worked to death. And Lord, how we sometimes like to see our mission as the cure. I remember once, after giving an impassioned defense of what we do at PBS, a man came up to me and said simply, "It's not brain surgery, you know." He was right, of course, but sometimes we do effect subtler changes; help in quotidian ways.

Not too long ago, on a perfect spring day, I was walking with my oldest daughter through a park in a large American city on the way to her college interview. We were taking our time, enjoying the first warm day of the year, when a man of about thirty, dressed in a three piece suit, approached me.

"You're Ken Burns," he asked.

I nodded.

"I need to talk to you about Baseball," he said under his breath.

"Okay," I hesitated.

Then, he blurted out: "My brother's daughter died." I took a step backward, stepping in front of my daughter to protect her.

"Okay," I said tentatively. I didn't know what else to say.

"SIDS," he said. "Crib death. She was only one."

"I'm so sorry," I said. "I have daughters."

"I didn't know what to do," he said in a halting, utterly sad voice. "My brother and I are very close. Then I thought of your film. I went home to our mother's house, got our baseball mitts, and went to my brother's. I didn't say a word. I handed him his mitt and we went out into the backyard and we played catch wordlessly for an hour. Then I went home. . . . I just wanted to thank you."

Maybe it is brain surgery.

Mr. Chairman, most of us here, whether we know it or not, are in the business of words. And we hope with some reasonable expectations that those words will last. But alas, especially today, those words often evaporate, their precision blunted by neglect, their insight diminished by the sheer volume of their ever increasing brethren, their force diluted by ancient animosities that seem to set each group against the other.

The historian Arthur Schlesinger, Jr. has said that we suffer today from "too much pluribus, not enough unum." Few things survive in these cynical days to remind us of the Union from which so many of our personal as well as collective blessings flow. And it is hard not to wonder, in an age when the present moment overshadows all else—our bright past and our unknown future—what finally does endure? What encodes and stores that genetic material of our civilization, passing down to the next generation—the best of us—what we hope will mutate into betterness for our children and our posterity.

PBS holds one clear answer. It is the best thing we have in our television environment that reminds us why we agree to cohere as a people. And that is a fundamentally good thing.

Nothing in our daily life offers more of the comfort of continuity, the generational connection of belonging to a vast and complicated *American* family, the powerful sense of home, and the great gift of accumulated memory than does this great system which honors me by counting me a member one of its own.

The CHAIRMAN. Very well said, Mr. Burns.

Ms. Taylor, welcome.

**STATEMENT OF LORIS ANN TAYLOR, GENERAL MANAGER,
KUYI HOPI RADIO**

Ms. TAYLOR. Chairman McCain and Members of the Committee, greetings from Hopi, and thank you for this opportunity.

Today, I would like to focus on the Native American public radio system, which consists of 32 radio stations located throughout Indian country in nine states, reaching more than 500,000 listeners. Native Public Radio is supported by the work of the American Indian Radio on Satellite, a program distribution operation based in Lincoln, Nebraska, and Koahnic Broadcast Corporation, a major national production center with offices in Anchorage, Alaska, and Albuquerque, New Mexico.

My perspective is based on my experience and responsibilities as General Manager for KUYI, an FM station located on the Hopi Reservation in Northern Arizona. My station has been on-air for 4 years.

As sole service providers, Native stations offer some of the best examples of the powerful benefits that accrue to communities because of strong public broadcasting outlets with deep local roots and strong commitments to local service. The Indian Country News Bureau, a partnership between Northern Arizona University's public radio station, KNAU, and KUYI, was established in response to a desire in both communities to have better local news coverage. And it works, because both partners agree there is an important need to introduce Native American issues onto the mainstream National Public Radio communications highway. As a result, stories like the Hopi people's vote against gaming cannot only be heard on KUYI, but on Arizona Public Radio and NPR, as well.

Native stations play a significant role in keeping Native languages alive, and, in some cases, have led to a resurgence in Native-language use. On my reservation, the loss of the Hopi language is more than 90 percent in some villages. This fact makes our Hopi language programs extremely important.

Native stations provide important educational and health programming. KUYI Housecalls, a weekly program, connects the radio station with the work of the Hopi Healthcare Center by providing critical information on diabetes, alcohol and substance abuse, and heart disease.

Whether broadcasting from remote Native communities in Bethel and Barrow, Alaska, the Pine Ridge Sioux Reservation, or Navajo lands in New Mexico, the overarching role of Native Public Radio is to serve as an important voice and leader within Native communities.

CPB provides much of the funding that makes Native Public Radio possible, and these investments are producing important returns. Native America Calling, a daily live call-in program about relevant and current issues, connects tribes electronically. AIROS distributes programming 24 hours-a-day, allowing stations to extend their broadcast days while making the most of very limited staff resources.

CPB's support of core Native radio programming has been critical to its development and survival. On average, CPB provides nearly one-third of overall annual revenues for Native stations.

In spite of its many successes, there is no question that Native radio operates in very difficult environments and continues to face enormous challenges. The circumstances, resources, and history of the Native radio system are very different from mainstream public radio and its model of listener-based contributions and financial support. Financial constraints, tribal dynamics, widely scattered Native populations, and poor tribal economies with high unemployment are all significant limiting factors.

One of the most promising changes on the horizon of Native radio is the proposed establishment of the Center for Native American Public Radio. With an initial investment from CPB, the center will serve as a critical role in identifying and developing specific strategies to bring new resources into the Native public radio sys-

tem. It will also provide leadership and efficiency, and make centralized services available in engineering and financial management to help stations enhance their operations. The center will be established within the National Federation of Community Broadcasters, an organization dedicated to serving community stations for over 29 years.

The CPB provides vital assistance, and its continued support of the Native public radio system is critical. Congress can help by providing continued funding for CPB and by supporting CPB's key priorities for Native Public Radio's long-term sustainability.

I thank the leadership of CPB, and in particular President and CEO Kathleen Cox and Senior Vice President Vincent Curren for making it a priority to take a firsthand look at the state of the Native American public radio system and for working hard to improve that system. On behalf of the Native American public radio system, Chairman McCain and Members of this Committee, thank you for the years of support and the wise guidance you have given to public broadcasting.

I ask that this Committee reauthorize the Corporation for Public Broadcasting and continue to support the good work that it does.

Thank you. Asquali.

[The prepared statement of Ms. Vicente-Taylor follows:]

PREPARED STATEMENT OF LORIS ANN TAYLOR, GENERAL MANAGER,
KUYI HOPI RADIO

Introduction

Chairman McCain and members of the Committee, thank you for this opportunity to offer testimony in support of the reauthorization of the Corporation for Public Broadcasting. Today, I would like to focus on the Native American Public Radio system which consists of 32 radio stations located throughout Indian Country in nine states reaching more than 500,000 listeners. Native Public Radio is supported by the work of the American Indian

Radio on Satellite—a program distribution operation based in Lincoln, Nebraska, and Koahnic Broadcast Corporation—a major national production center with offices in Anchorage, Alaska and Albuquerque, New Mexico.

My perspective is based on my experience and responsibilities as general manager for KUYI, an FM station located on the Hopi Reservation in Northern Arizona. My station has been on-air for four years.

The Role of Radio in Indian Country

As sole service providers, Native stations offer some of the best examples of the powerful benefits that accrue to communities because of strong public broadcasting outlets with deep local roots and strong commitments to local service.

The *Indian Country News Bureau*—a partnership between Northern Arizona University's public radio station KNAU and KUYI—was established in response to a desire in both communities to have better local news coverage; and it works because both partners agree there is an important need to introduce Native American issues onto the mainstream National Public Radio communications highway. As a result, stories like the Hopi people's vote against gaming can be heard not only on KUYI but on Arizona Public Radio and NPR as well.

Native stations play a significant role in keeping native languages alive and, in some cases, have led to resurgence in native language use. On my Reservation, the loss of the Hopi language is more than 90 percent in some villages. This fact makes our Hopi language programs extremely important.

Native stations provide important educational and health programming. *KUYI House Calls*, a weekly program, connects the radio station with the work of the Hopi Health Care Center by providing critical information on diabetes, alcohol and substance abuse, and heart disease. KUYI in partnership with the Hopi Junior-Senior High School established the first Radio Class with the two-fold mission of building succession for the radio station and to open career opportunities for local students in the field of communications.

Whether broadcasting from remote Native communities in Bethel and Barrow Alaska, the Pine Ridge Sioux Reservation, or Navajo lands in New Mexico, the overarching role of Native Public Radio is to serve as an important voice and leader within native communities.

Funding Indian Country Radio

CPB provides much of the funding that makes Native Public Radio possible and these investments are producing important returns. *Native America Calling*, a daily live call-in program about relevant and current issues, connects tribes electronically. *AIROS* distributes programming twenty-four hours a day, allowing stations to extend their broadcast days while making the most of very limited staff resources. CPB's support of core Native Radio programming has been critical to its development and survival. On average, CPB provides nearly one-third of overall annual revenues for Native stations.

In spite of its many successes, there is no question that Native Radio operates in very difficult environments and continues to face enormous challenges. The circumstances, resources and history of the Native Radio System are very different than "mainstream" public radio and its model of listener-based contributions and financial support. Financial constraints, tribal dynamics, widely scattered Native populations, and poor tribal economies with high unemployment, are all significant limiting factors.

The Center for Native American Public Radio

One of the most promising changes on the horizon of Native Radio is the proposed establishment of the Center for Native American Public Radio. With an initial investment from CPB, the Center will serve a critical role in identifying and developing specific strategies to bring new revenue resources into the Native Public Radio System. It will also provide leadership and efficiency; and make centralized services available in engineering and financial management to help stations enhance their operations. The Center will be established within the National Federation of Community Broadcasters (NFCB), an organization dedicated to serving community stations for over 29 years.

Conclusion

The CPB provides vital assistance and its continued support of the Native Public Radio System is critical. Congress can help by providing continued funding for CPB and by supporting CPB's key priorities for Native public radio's long-term sustainability.

I thank the leadership of CPB and in particular, President and CEO Kathleen Cox and Senior Vice President Vincent Curren for making it a priority to take a first-hand look at the State of the Native American Public Radio System and for working hard to improve the system. On behalf of the Native American Public Radio System, Chairman McCain, and members of this Committee, thank-you for the years of support and wise guidance you have given to public broadcasting. I ask that this Committee reauthorize the Corporation for Public Broadcasting and continue to support the good work that it does.

Chairman McCain, I would also like to submit a couple documents for the record as part of my testimony.

July 12, 2004

Chairman McCain and Members of the Commerce, Science, and Transportation Committee:

I am writing today to share with you some of the accomplishments of Koahnic Broadcast Corporation, the Native media center headquartered in Anchorage, Alaska, and to let you know how instrumental funding and support from the Corporation for Public Broadcasting has been in making these accomplishments possible.

Koahnic Broadcast Corporation (KBC), established in 1992, is the leading producer of nationally distributed Native American programming for public radio. From the Badlands of the Dakotas to the streets of New York, and from the Bering Sea to the LA freeways, KBC's technically and editorially high-quality programs are adding to the diversity of viewpoints available to the American general public as well as within and between Native communities.

In Alaska, where according to recent U.S. Census figures nearly 20 percent of the statewide population is Native, KBC has established KNBA 90.3 FM, the Nation's first Native public radio station in an urban area. KNBA's progressive music format is infused with the music of contemporary Native artists, and its morning, mid-day

and afternoon broadcasts feature local Native news, interviews with local Native leaders and community members, community reports and public service announcements.

Without CPB funding, radio stations serving diverse audiences in the way that KNBA does would literally be unable to exist. CPB funding has made it possible for KNBA to pioneer and refine its unique mix of progressive music and award-winning Native programs by supporting both local production and the acquisition of national programming. With CPB providing basic annual support, KNBA is able to incorporate elements like news from National Public Radio and the Alaska Public Radio Network, and programs from American Indian Radio on Satellite in order to broaden the listenership of the station while maintaining its unique and important focus on original Native programming for local, regional and national audiences.

Our yearly station grant from CPB funding supports our efforts to build a sustainable financial base for KNBA over time. KNBA membership dollars consistently grow with each membership drive, and CPB support helps KNBA leverage funding from foundation funders and state arts and humanities agencies, as well as business underwriting for cultural and news programming on KNBA.

The mission of KBC is to be the leader in bringing Native voices to the region and the *nation*, and in accordance with this mission, KBC not only operates KNBA 90.3 FM, but produces three national Native American radio programs: *Native America Calling* (NAC), *National Native News* (NNN), and the weekly program of Native music and culture, *Earthsongs*. These three programs reach national audiences through radio stations nationwide, including almost every Native station. In addition, they are available on the Internet for listeners worldwide to listen in and participate in discussions.

Native America Calling, is a daily live talk program that links Native radio stations and their listeners together in a national discourse. Through *NAC*, members of rural and reservation Native communities and Native people listening from urban areas can call in and speak directly to people closest to Native issues. For its entire 17 years, *National Native News* has been the leading daily news service focused on Native issues. NNN is perhaps the most widely heard, daily minority news program in the country. Functioning as the equivalent of the *All Things Considered* of Native radio, *NAC* and *NNN* are the uniting force in Native radio and serve as the common carried programs. Broadcast by nearly every Native station, these programs provide a common voice for all American Natives.

Despite the recognized service these programs provide, they have historically operated on a budget barely adequate to survive. CPB, a committed and involved funding partner from the beginning, has recognized the critical importance of these programs to Native radio and has recently granted support through 2006 to *NAC* and *NNN*, to strengthen all facets of both programs for long-term significance, sustainability and viability.

Native radio stations are providing important service to their communities. They are often considered essential institutions in their communities and, in many places, are the only source of hard news and information about issues of concern to Native Americans. In addition, they are also key cultural assets; keeping Native languages alive, and acting as a holder of history and culture-acting as a "home" to those who live within, the station's signal.

CPB funding investments in programming and infrastructure have clearly paid off, as national programming for the Native radio system has become an essential element in the program service offered by stations in their communities. *Native America Calling*, for example, has almost universal live carriage by Native stations and provides the only national daily conversation among Natives about important issues.

Koahnic Broadcast Corporation is proud of our many accomplishments, including the numerous regional and national awards for news programs and cultural features we have produced, the opportunity to provide training and assistance to early-career Native broadcasters and to rural Native stations such as KUYI in Arizona and KCUK in Chevak, Alaska, statewide broadcasts of the annual Alaska Federation of Natives Convention and nationwide broadcasts of significant Native events including the 3rd and 4th annual Native American Music Awards, our success in growing membership and underwriting revenues, and the establishment of a Native Program Fund Endowment designed to ensure that quality Native programming is sustained over time. This pride in our accomplishments is greatly mixed with sincere gratitude for the essential part CPB has played both in our success, and in the growth of Native broadcasting throughout the Nation.

Best regards,

JACLYN SALLEE,
President and CEO.

July 1, 2004

WAYNE TAYLOR, JR.,
Chairman.

CALEB H. JOHNSON,
Vice Chairman.

Senator JOHN MCCAIN,
Chairman,
Senate Commerce, Science, and Transportation Committee,
Washington, DC.

Dear Senator McCain:

I am writing this letter in support of KUYI 88.1 FM, a Native owned radio station. I write in support of continued funding of Native radio in Indian Country. KUYI made its on-air debut on Dec. 20, 2000 after years of planning and development. The station has never looked back, but is instead progressing toward increasing standards of excellence.

Last year, Vincent Curren, senior vice president of Radio for the Corporation for Public Broadcasting (CPB) visited KUYI to understand what makes Native radio stations so unique. Mr. Curren expressed how thoroughly impressed he was with the station's service and described it as one "that provides an amazing level of community service and serves as a model for other stations to follow."

KUYI is just one of 32 Native radio stations in 9 states in the United States. CPB allows Native radio to have a strong, far-reaching voice on Native homelands. We need more stations like these in Indian Country. Such stations provide a wealth of knowledge and cultural exchange.

KUYI, and others in Indian country, is not just a radio station; it's a school without walls. It's an institution that teaches, employs, educates, and provides a voice for the community.

I have found in my capacity as public relations officer for the Hopi Tribe that KUYI is indispensable. My office provides a weekly broadcast called the "Hopi Tribal Report". It is a news format program that provides updates to the Hopi public about occurrences in the tribal, state and Federal government. Further, whenever breaking news occurs, I immediately call KUYI because it is a guaranteed source to keep the Hopi community abreast of developing stories. I trust that it will continue to be such an institution. It provides a tangible means to preserving the Hopi people's heritage and culture especially when the broadcasts are conducted in the Hopi language. Similar radio stations on other reservations can attest to these claims as well. I hope that Native radio will continue to be a legacy for all Native people. I have faith that funding and support from CPB will not be interrupted for Native radio.

Respectfully,

VANESSA A. CHARLES,
Public Relations Officer,
The Hopi Tribe.

July 9, 2004

Senator JOHN MCCAIN,
Senate Commerce, Science, and Transportation Committee,
Washington, DC.

Dear Senator McCain,

The Corporation for Public Broadcasting (CPB) has been instrumental in making possible the Indian Country News Bureau (ICNB) partnership between public radio stations KNAU and KUYI.

The ICNB gathers and distributes significant news from northeastern Arizona and the Four Corners area to public radio stations throughout the region. Numerous reports have been nationally broadcast on NPR, National Native News and other public radio programs.

Northern Arizona University (NAU), the licensee of KNAU-FM, has as one of its Strategic Goals to "Be the Nation's Leading University Serving Native Americans." NAU is proud to be a partner in the Indian Country News Bureau initiative.

One of public radio's principal functions is providing lifelong learning opportunities as a public service. Indian Country News Bureau lives up to that lofty ambition. Listeners to ICNB reports have gained tremendous insight into issues and concerns

of Native American people. They have heard about the successes as well as the challenges facing indigenous people. For instance:

- Navajo tribal consideration of the death penalty
- White Mountain Apache economic recovery from devastating fires.
- Zuni water rights legislation.
- Hopi tradition of cross-country running.

ICNB productions have received awards from the Arizona Associated Press, the Radio Television and News Directors Association, the National Federation of Community Broadcasters, and Public Radio News Directors Incorporated.

Perhaps most significantly, ICNB has advanced understanding between Native and non-Native peoples. None of this would have been possible without initial financial support and encouragement from the Corporation for Public Broadcasting.

I urge the U.S. Senate to reauthorize CPB and to continue its generous financial support of CPB.

Respectfully submitted,

JOHN STARK,
KNAU General Manager.

The CHAIRMAN. Thank you very much.
Mr. Frid?

**STATEMENT OF PETER A. FRID, CEO AND GENERAL
MANAGER, NEW HAMPSHIRE PUBLIC TELEVISION ON BEHALF
OF THE ASSOCIATION OF PUBLIC TELEVISION STATIONS**

Mr. FRID. Thank you, Mr. Chairman. It's an honor to have the opportunity to testify today on behalf of the Association of Public Television Stations, which represents local licensees all across America.

Prior to joining NHPTV, in 1996, I managed public stations in Corpus Christi, Texas; Juneau, Alaska; and Long Island, New York. What all of these stations have in common is their public service mission. Each station must meet its local community needs for programming, education, and outreach. I emphasize the word "local," because, simply put, public television stations' localism is without rival today.

Mr. Chairman, let me express our stations' support for the bipartisan approach that you and Ranking Member Hollings have taken in reauthorizing the Public Broadcasting Act of 1967. It strikes the right balance between reform and not trying to fix what isn't broken.

The institution of public television is more necessary now than in 1967, for many reasons. Let me offer three:

First, education services. NHPTV's Knowledge Network provides education services at all levels, including the Ready to Learn service, which has no parallel in commercial children's television. Ready to Learn combines high quality PBS programming with local station outreach workshops, and achieves measurable improvement in early childhood learning. NHPTV is also proud to offer online teacher training through the PBS TeacherLine service, which is a line to the individual state curriculum standards. Both services were authorized by the No Child Left Behind Act, and neither could exist without the delivery system of local stations backed by a national programming service, PBS.

Second, public affairs. Mr. Chairman, you were a frequent visitor to our state in 2000, and, of course, are familiar with the Presidential primary debates that NHPTV sponsored. But candidate ac-

cess to our airways is not limited to high-profile races. In 2002, we broadcast seven separate Federal and statewide candidate debates, and we'll do the same this year. And our nightly public-affairs program, New Hampshire Outlook, offers direct access to political candidates at all levels.

Third, universal service. It is important to recall that the 500-channel world exists only for those households that pay for cable and satellite subscription services. For one in five Americans, it does not. People like Steve Barba, in Dixville Notch, rely on us for New Hampshire-based programming. Connecting Steve and others to our service is reason enough for Congress to fund public television.

Mr. Chairman, as you prepare to introduce your reauthorization bill, we ask that you continue funding CPB. That is the lifeblood of our stations. Nearly all the funding is distributed directly to stations by formula, and represents an average of 15 percent of the stations' budgets. The CPB also has provided additional funding to help stations meet special needs. For instance, a CPB-funded grant allowed NHPTV to initiate the Partnership for a Safe New Hampshire to address emergency management and preparedness for our homeland security.

In short, the annual CPB appropriation has a real impact on helping stations fulfill the twin objectives of localism and public service. We believe it follows that expanding the input of local stations in governing CPB would improve responsiveness of the system to localism. Current law designates that two of the nine seats on the CPB board be filled by representatives from local stations. We propose that that number be increased and to provide additional input for local stations. Reforming the governance of CPB in this manner creates more assured accountability for stations and CPB to the communities that we serve, and we look forward to working with the Committee and CPB to accomplish that goal.

Finally, Mr. Chairman, our local stations view digital transition as their greatest opportunity to serve the public. Since the DTV transition began, our system raised more than a billion dollars to make the conversion. We are, therefore, hopeful that your draft bill will reauthorize two key programs, CPB's temporary digital program, and the Department of Commerce longstanding Public Telecommunications Facilities Program.

In 2002, a PTFP grant paid for the digital conversion of our transmitter and tower in Keene, New Hampshire. And this year, New Hampshire Public Television received an additional grant from CPB to convert our master control room to digital. These programs are good investments for the Federal Government in the truest sense of the word.

Digital television means more than simply broadcast television, and we ask that you consider expanding the definition of what may be funded to include datacasting. At NHPTV, we see enormous potential to enhance our work with K-12, higher education, and the New Hampshire Office of Emergency Management through datacasting.

And, finally, we hope that you will authorize funding to replace PTV's interconnection system, which links local stations with PBS.

Our stations currently spend an estimated \$36 million a year to run two redundant transmitters, and about \$20 million per year replacing analog equipment. Those costs, together, exceed the \$50 million Congress appropriated last year to CPB for digital funding. We look forward to the day when this money can be invested in the delivery of services rather than old and costly technology.

Many of our stations would be willing to surrender their analog spectrum early if three conditions existed: bold post-transitional carriage of our signals on cable and satellite, the availability of low-cost converter boxes, and, you guessed it, a new stream of funding derived from the eventual auction of public television spectrum. In this case, NHPTV, for instance, might be capable of returning our analog spectrum by 2006, well in advance of the 2009 hard date proposed by the FCC.

Allowing public television to benefit from at least some of the proceeds raised by auctioning that spectrum is a win-win for the public. First, as Committee Members like Senator Sununu and Senator Ensign have noted, the economic activity generated by new uses of the spectrum would far exceed the actual dollar value of the spectrum itself. Second, witnesses at the July 9th hearing agreed that the early clearing of only part of the broadcast band—for example, the 21 percent that is held by the PTV stations—would harness market forces to accelerate the DTV transition. Senator Hollings has some thoughtful ideas in this regard, and we appreciate the time and attention that he has given this issue in the final year of his great public service career.

In sum, Mr. Chairman, we respectfully ask that the Committee approve the reauthorization of the Public Broadcasting Act to ensure public television's near-term future, and to move immediately to take advantage of the historic opportunities created by DTV transition as a means of ensuring public television will be an effective institution for public service for generations to come.

Thank you for this opportunity, and I'd look forward to your questions.

[The prepared statement of Mr. Frid follows:]

PREPARED STATEMENT OF PETER A. FRID, CEO AND GENERAL MANAGER, NEW HAMPSHIRE PUBLIC TELEVISION ON BEHALF OF THE ASSOCIATION OF PUBLIC TELEVISION STATIONS

Thank you Mr. Chairman. I am Peter Frid, Chief Executive Officer and General Manager of New Hampshire Public Television. It is an honor to have the opportunity to testify today on behalf of the Association of Public Television Stations, which represents 150 local stations across America.

Mr. Chairman, public television stations are as distinct as the communities they serve. Prior to joining NHPTV in 1996, I had the opportunity to manage public TV and radio stations in Corpus Christi, Texas; Juneau, Alaska; and Long Island, New York. What these and other stations have in common is their mission: striving to serve the individual needs of their communities. While both technology and the media landscape have changed greatly since passage of the 1967 Public Broadcasting Act, the mission of public television stations remains constant: to serve the *local* public interest through education, culture and citizenship.

Public Television's Commitment to Localism

I emphasize the word "local" because, simply put, public television stations' localism is without rival today. Each station is engaged in meeting its local community needs for relevant programming, education and outreach. Licensed to the University of New Hampshire, NHPTV, along with the other 175 individual public television

licensees nationwide, is and will remain locally controlled, operated, and programmed.

As the Committee takes the first step toward reauthorizing the Public Broadcasting Act, we hope that you will recognize the enormous significance and value of having at least one locally controlled television station in every media market.

Mr. Chairman, on behalf of public television stations, let me express our support for the bipartisan approach that you and Ranking Member Hollings have taken to reauthorizing the Public Broadcasting Act. It strikes the right balance between reform and not trying to fix what isn't broken. If enacted, it will ensure the uniqueness of public television's mission of public service to our communities.

How Public Television Serves Communities

It is fair to ask if public television is necessary in today's 500-channel television world; if the missions of the Public Broadcasting Act of 1967 are still relevant. The answer is that this institution is *more necessary* now than in 1967 for *many* reasons, but let me briefly offer three:

Education Services. NHPTV's "Knowledge Network" provides education services at all levels, from early childhood learning to distance learning to teacher professional development. One example of our innovative approach to promoting literacy in the community is a program we established with the New Hampshire Department of Corrections to reconnect prisoners with their children through reading. Project Story Time videotapes prisoners reading an age-appropriate book, then the tape and book are shared with the child and custodial family to encourage family literacy and bonding.

Public television's unique children's programming service, known as Ready To Learn, has no parallel in commercial children's television. Ready To Learn combines the high-quality children's programming and curriculum materials provided by PBS with the local outreach workshops offered by local stations and achieves *measurable improvement* in early childhood learning. For our state, this is one of the most successful educational outreach efforts we've ever undertaken, far exceeding what we originally envisioned.

NHPTV is also proud to offer online teacher training through the PBS TeacherLine service, which is aligned to individual state curriculum standards. Both of these programs were authorized by No Child Left Behind and together receive about \$47 million in grants from the Department of Education. We have leveraged those grants with local foundation and corporate funds that have allowed us to reach every corner of New Hampshire through broadcast, the Web, and face-to-face community workshops. However, these and other educational services would not exist without the delivery system of independent local stations backed by our national programming service, PBS.

Public Affairs Coverage. Mr. Chairman, you were a frequent visitor to our state in 2000 and of course are familiar with the presidential primary debates that New Hampshire Public Television sponsored. But candidate access to our airwaves is not limited to high-profile races; we are equally proud of the debates, candidate forums and ongoing public affairs coverage we provide for local races throughout each election year.

For instance, in 2002, we broadcast seven separate Federal or statewide candidate debates and will do the same this year. And our nightly public affairs program, *NH Outlook*, offers substantial direct access for, and coverage of, political candidates at all levels. In 2002 alone, we provided in-depth profiles of more than a dozen mainstream and third-party candidates and conducted many more in-studio interviews. We are proud of our ability to offer candidates free, unfiltered access to the public.

Universal Service. Third, the long-established national policy of truly free, universal service dates to the Communications Act of 1934 and it is literally a responsibility for public television. Earlier, I mentioned today's 500-channel world. But it is important to recall that this world exists *only* for those households that pay for cable and satellite subscription services.

At least one in five Americans are not part of that world and many more households have over-the-air television sets that are not connected to such a service. Some of those Americans are economically disadvantaged. Some are in rural areas or on reservations and literally don't have the choice of subscription services. Many of them truly have the greatest need for the services we provide. In any case, connecting these Americans to our services is reason enough for the Congress to provide support for public television.

NHPTV's ability to serve both the urban and the very rural parts of New Hampshire is critical to bringing our state together. Steve Barba of the Balsams in Dixville Notch often mentions that our station affords him access to New Hampshire-based programming by connecting him to the state. Through our programs, NHPTV affords the residents of the Great North Woods a share of voice.

CPB Funding and Localism

Your bill, Mr. Chairman, would continue the critical funding for the Corporation for Public Broadcasting (CPB) that is the lifeblood of our stations. Nearly all of that funding is distributed directly to stations by formula in the form of Community Service Grants. This funding represents on average 15 percent of most stations' budgets, and is critical to our ability to fulfill the missions I described.

In addition to the community service grants, CPB has also provided critical funding for special projects that have helped us to meet special local needs. For instance, a CPB-funded grant from the National Center for Outreach allowed NHPTV to initiate "The Partnership for a Safe New Hampshire" project. The station brought together the NH Library Association, Volunteer NH, and UNH Cooperative Extension to hold eight forums to help geographically diverse communities address emergency management and preparedness for homeland security.

In short, Mr. Chairman, the annual appropriation that Congress provides to CPB has a real and measurable impact on ensuring that local stations can fulfill the twin objectives of localism and public service. We appreciate that your draft reauthorization bill does not tear down this proven system.

As our stations raise most of their budgets in the community, they *must* be responsive to local needs. We believe it follows that expanding the input of the local stations in governing CPB would improve the responsiveness of the system to fulfilling localism objectives. Current law designates two of the nine seats on the CPB Board to be filled by representatives of local public radio and television stations. Mr. Chairman, we propose that this number be increased to four of the nine seats, allowing more system representation to be introduced to the Board gradually, as existing Board terms expire. Reforming the governance of CPB in this manner creates more accountability for the local stations to ensure that funding is used according to the objectives of Congress. It also increases CPB's accountability to the communities the stations serve. We hope your final bill includes this provision.

The Digital Transition

Mr. Chairman, if one accepts that public television's mission has grown since 1967, we are fortunate today to have a 21st century delivery system to meet it. I am speaking of course of digital television, which has geometrically expanded our capacity to meet our mission. Since the DTV transition began, our system has raised more than \$1 billion to make the conversion. As of today, 264 of the country's 357 PTV stations are transmitting a digital signal in markets that include more than 87 percent of households, and we are optimistic that most of the remainder will be on the air by the end of this year.

Our true challenge now is to move from simply delivering a digital signal, to creating and delivering actual digital *services*. For instance, our stations have pledged to devote one-quarter of their digital bandwidth to educational programming. Also, many of our stations are creating public service datacasting services such as offering a portion of their bandwidth for local emergency alert communications.

It is no exaggeration to say that our local stations view digital as their greatest opportunity ever to serve the public and we are grateful that your draft reauthorization bill would help us to fulfill that promise. Allow me to highlight key portions of the bill in this regard:

First, the draft bill reauthorizes two key programs, CPB's digital fund and the Department of Commerce's Public Telecommunications Facilities Program. Why two programs? The CPB digital program is a temporary one aimed at putting stations on the air in digital, while PTFP, which predates DTV by 35 years, is an ongoing competitive matching grant program that funds infrastructure. A 2002 PTFP grant paid for the digital conversion of our transmitter and tower in Keene, southwestern New Hampshire. The PTFP program is a good investment for the Federal Government in the truest sense of the word for it allows us to leverage revenue from local sources and we appreciate your support for it.

Second, the bill expands the definition of what may be funded to include datacasting services. Such services take digital television beyond the television set, for instance, allowing a station to directly transmit video curriculum to schools or to provide a platform for emergency communications. At NHPTV we

see enormous potential to enhance our work with K–12, higher education, and the New Hampshire Office of Emergency Management through datacasting.

Third, the bill authorizes funding to build a new interconnection system that will link PTV stations with each other and the national programming service. Interconnection was at the heart of the original Public Broadcasting Act. While it is unseen by viewers it is literally the backbone of public television, as it serves as the national programming transport system. The current system must be replaced soon as satellite contracts are expiring. Congress appropriated a down payment last year, and this bill provides the authorization to finish the job—and, I might add, replace radio's separate interconnection system when the time comes.

Allow me to offer one additional thought about the DTV transition. The law requires public stations, along with commercial stations, to return their analog spectrum to the government when the DTV transition is complete. As you know, some experts estimate that, absent policy changes, the transition could drag on for more than a decade. In fact, a 2002 NAB study pegged the so-called “natural” transition date at 2021.

Mr. Chairman, when presented with the opportunities that digital broadcast could offer in our ability to enhance our service to our communities, public television embraced this project. In New Hampshire, we have been extremely fortunate that our University and the New Hampshire State Legislature embraced the potential of digital as well. Recently, the University System of New Hampshire Chancellor, Stephen Reno, stated before the Governor's Capital Project Hearing that the continued funding of NHPTV's digital conversion is critical to the University's plan to have the station play a key role in delivering distance learning to our state.

But, with this asset in place, we are still challenged by the necessity of maintaining our analog transmitters as well. This will contribute significantly to the complexities of operations, additional electrical costs and, if the deadline to shutting off our analog signal is significantly delayed, the prospect of having to replace at least one if not two of our analog transmitters. Nationwide, our stations currently spend an estimated \$36 million per year to run two redundant transmitters, and about \$20 million per year replacing analog equipment. Those costs together exceed the \$50 million Congress appropriated last year to CPB for digital funding. We look forward to the day when this money can be invested in the delivery of valued services to our state and not the re-investment in old and costly technology.

As our association testified before this committee on June 9, many of our stations would be willing to voluntarily surrender their analog spectrum early if three conditions existed: full post-transitional carriage of our signals on cable and satellite; the availability of low-cost converter boxes; and—you guessed it—a new stream of funding derived from the eventual auction of PTV stations' spectrum. In this case, NHPTV, for instance, might be capable of returning our analog spectrum by 2006, well before the January 1, 2009 “hard date” proposed by the FCC Media Bureau.

Public television stations occupy 21 percent of the broadcast spectrum and we are eager to work with this committee to develop a plan for returning it to the government as soon as practicable. Allowing public television to benefit from at least some of the proceeds raised by auctioning that spectrum is a win-win for the public.

First, as Committee members like Senator Sununu and Senator Ensign have noted, the economic activity that would be generated by freeing up this spectrum for other uses would be an enormous boost to the economy. Most experts believe that activity would far exceed the actual dollar value of the spectrum itself. Second, a consensus of witnesses at the June 9 hearing agreed that an early clearing of only part of the broadcast band—for instance, the 21 percent of it held by PTV stations—would harness market forces to accelerate the DTV transition.

Our association has proposed that at least a portion of the revenue derived from auctioning PTV's spectrum be used to create a fund dedicated to digital educational services, but there are many options worthy of consideration. The distinguished Ranking Member, Senator Hollings, has some thoughtful ideas in this regard and we appreciate the time and attention that he has given this issue in the final year of his great public service career.

In sum, Mr. Chairman, we respectfully ask that the Committee approve reauthorization of the Public Broadcasting Act to ensure public television's near-term future, and that it move immediately to take advantage of the historic opportunity created by the DTV transition as a means to ensuring public television will be an effective institution of public service for generations to come.

Thank you and I look forward to your questions.

The CHAIRMAN. Thank you very much.

There have been complaints about public broadcasting having a liberal bias. In a February 2004 hearing before the House Energy and Commerce Committee, Congressman Regula reminded public broadcasters that, quote, “McDonald’s made a fortune catering to everyone’s taste.” I also note that the—PBS recently added two conservative commentators to its national programming lineup.

Ms. Cox, do you believe that the stations should attempt to cater to everyone’s tastes?

Ms. COX. Absolutely, Senator McCain.

The CHAIRMAN. Mr. Matthusen?

Mr. MATTHUSEN. To the extent that we can, we try to represent all points of view.

The CHAIRMAN. Mr. Frid?

Mr. FRID. Absolutely. I think the stations are very sensitive to the need for objectivity and balance. Our local programming, for example, really works to offer diverging viewpoints. We believe, as holder of the license and the trust of the public, that our efforts to achieve objectivity and balance is an important thing for us to consider.

The CHAIRMAN. Ms. Vicente-Taylor?

Ms. TAYLOR. Absolutely. With the Indian Country News Bureau, we have some unique situations. As you may recall, the Hopi and Navajo, for example, have had years of tension between them. And so, balance and fairness and objectivity in covering those stories are extremely important.

Also, the Indian Country News Bureau covers stories about Hopi people themselves, and we live and work with these people in our communities, and so we’re keenly aware that we need to be balanced and objective in our stories there, as well.

The CHAIRMAN. Do you believe that—Ms. Vicente-Taylor, do you believe that CPB’s funding formula adequately takes into account the special needs of stations like KUYI that are located on reservations, most low-income areas of America, and have difficulty raising money from listeners?

Ms. TAYLOR. I think there can be some improvement in the way funding is channeled into Native American public radio stations. I don’t think the model of mainstream public radio is completely compatible with how funds should be raised. For Hopi, for example, our unemployment is so high—sometimes as high as 55 percent—and rather than having pledge drives to get money from families that are worried about putting a roof on their heads or feeding their children or clothing their children to give money to KUYI, I would rather try to look at other models, and we’re trying to figure those things out.

The CHAIRMAN. Ms. Cox, I hope you will try to help figure those out. Public broadcasting on Native American reservations have difficulties because of the nature of the degree of poverty that exists on those reservations, and I hope you will—and the board—look into those special needs situations.

Ms. COX. Yes, sir. As a matter of fact, in the fall, we’re beginning a new consultation, on both the radio and television side, to consider the best use of all of our funds, and, in particular, the CSG funds, the community service grants, that go to the stations. As you’re well aware, we service a variety of stations, from the sta-

tions just described to some of the largest and strongest stations in the system, so it's a careful balancing act, but we do have that very much in mind.

The CHAIRMAN. Mr. Burns, you have consistently chosen to display your documentaries on public television, and not provide them for bidding in the open marketplace that now includes History Channel, Discovery Channel, A&E, and others. Why? And wouldn't this free you from seeking corporate sponsors?

Mr. BURNS. It probably would, in the long term, Mr. Chairman, but I think my remarks about attention are extremely important. We don't go to the cinema or to the ballet or to the symphony and expect, every few minutes, to be interrupted. And so, too, would I like my work in an uninterrupted form. There are other venues where that could take place—notably, pay cable stations.

The CHAIRMAN. Financially, it would have benefited you significantly.

Mr. BURNS. It might have. But I think that we have to measure riches in lots of different ways. I stand before you proudly telling you that if there's a film that you don't like of mine, it's all my fault. And I have colleagues in all those other networks that say, "Well, that film didn't work out because they took it away from me and re-edited," or, "They made me use this person," or, "They made me use that person." I stand before you, sort of, the proud citizen of public television, and say that if you don't like one of my films, it's all my fault. And I'm pleased to be in a network in which that's the case.

The CHAIRMAN. Ms. Cox, in April 2004, the GAO found that CPB's funding and distribution of grants under the Television Future Fund was not within the statutory authority under which the Corporation operates. Specifically, the GAO found that funds Congress designated for the distribution to the public television licensees should not be siphoned off by CPB for systemwide projects. Shortly thereafter, CPB announced it would no longer use such station monies for the Television Future Fund.

The GAO report only addressed the Television Future Fund. Does the Corporation intend to eliminate or restructure the Radio Future Fund or the Small Station Future Fund to comply with its statutory authority, or do you believe the statutory authority should be changed?

Ms. COX. Senator McCain, as noted in our response to the GAO report, we do disagree with the legal interpretation of the statute. We had two different opinions that confirmed our interpretation of the statute.

Nonetheless, with respect to our understanding of where the station's financial situation is, on the television side, we have, I believe, resolved any issue with respect to that. We are returning station finances—money back to the CSG pool, and we will not be contributing any additional money to the Television Future Fund in the 2005 Fiscal Year.

On the radio side, I think that there are similar considerations to be had. Again, we're of the view that the stations have in mind the best ways to spend their money. So in 2005 Fiscal Year, we will not be contributing to the Radio Future Fund. But we do have in mind the fact that, on the radio side, the stations do enjoy the abil-

ity to aggregate funds toward those kind of projects that can't be handled at the local level. So we'll be engaged in consultation with them over the year to determine whether they wish to—desire to have that, in which case I think it maybe appropriate to seek statutory clarification, in terms of our ability to accommodate that.

The CHAIRMAN. Why did CPB have almost \$24 million sitting in its digital fund, unobligated, at the end of calendar year 2003, according to the GAO? And what are you going to do with these monies?

Ms. COX. That situation has also, I think, been addressed. As the GAO report fairly accurately reported, the digital funds came to us for the distribution of equipment, and that was a new situation for us. We had to determine different guidelines and a different method of getting that money out. We are past those hurdles. I think that we have addressed—provided more resources to the speedy expenditure of those funds, working with the stations. So we are—again, have put more resources toward that. We have had the appropriate consultations, and we will continue to do whatever is in our power to get that money out the door as fast as possible.

The CHAIRMAN. Senator Nelson?

**STATEMENT OF HON. BILL NELSON,
U.S. SENATOR FROM FLORIDA**

Senator NELSON. Mr. Chairman, I ask consent that I can have my statement entered in the record, and just a couple of—

The CHAIRMAN. Without objection.

Senator NELSON.—quick questions.

I passed one of my colleagues in the hall coming here, and he was just singing the praises, Mr. Burns, of your opening statement, and I'm going to look forward to reading it in the testimony of this Committee.

I'm curious, how would you address critics who say that PBS is too liberal?

Mr. BURNS. Well, I think that, quite often, public television has been a fairly convenient way to, sort of, project other arguments into the fray. I've noticed, in the course of a lifetime of watching public television, that it has been a forum where lots of competing voices come, and there's a wonderful fission that takes place from the collision of free electrons. Remember Buckley's Firing Line has been on—was on for more than 30 years, and hardly a liberal outpost. There have been, I think, instances of individuals expressing a liberal agenda, but I think it has been more than balanced by other programming throughout.

And, of course, in my own work, one can't perform the kind of historical triangulation that's required to make good history without being balanced and fair to all sides. That's exactly what history is about, the sort of accounting that takes place in that work.

I'm proud to be in a network that is tolerant enough to welcome lots of different opposing voices, and I don't think it has a particular bias.

Senator NELSON. I'm concerned about the political discourse in this country. We seem to have gotten to the point that it's a lack of toleration for views that are opposite of our own, and we castigate each other, and we use labels as "liberal" or "ultra-liberal" or

“ultra- conservative” if someone has a view different than our own. I just don’t want you all to fall in that trap as we see that happening with other outlets of information.

Mr. Frid, you stated that public TV broadcasters would be willing to voluntarily surrender their analog spectrum early if low-cost digital-to-analog converter boxes were available. What do you see as the role for Congress in this? Should Congress, for example, subsidize converter boxes?

Mr. FRID. I know that that’s an idea that’s been discussed. I think one of the challenges that we will have is, once one gets beyond those that have satellite and cable, there will be a group of individuals that may not have the financial resources to purchase converter boxes. And I think it’s certainly an idea that’s worthy of exploration.

Senator NELSON. Thank you, Mr. Chairman.

[The prepared statement of Senator Nelson follows:]

PREPARED STATEMENT OF HON. BILL NELSON, U.S. SENATOR FROM FLORIDA

Mr. Chairman, thank you for holding this hearing regarding the reauthorization of the Corporation for Public Broadcasting, known as CPB.

I am a big fan of the programming and services provided by public television and radio. Hardly a week goes by when I haven’t tuned in to a PBS or NPR program. In this age of increased media consolidation and commercialization of news, PBS and NPR greatly assist in informing and educating Americans about national and local issues.

Since its creation in 1965, CPB has played the central role in overseeing the development of public broadcasting. I think that most people would agree that CPB has done an excellent job over the years in administering the Federal funds that Congress allocates. CPB has carried out its mission largely immune from political pressures and has acted in the public interest.

As CPB has recognized, broadcasting is now at a crossroads. Broadcasters are in the midst of a multiyear digital TV transition. At the same time, broadcasters are competing with cable television, satellite, and the Internet to deliver programming. Now, more than ever, Congress should ensure that non-commercial, locally oriented public broadcasting is nurtured.

Without CPB, public broadcasting and the principle of localism would suffer. I look forward to hearing today from the various witnesses about how Congress can help promote vibrant and effective public broadcasting. If there are specific problem areas that Congress should address in the context of CPB’s reauthorization, I would like to hear about those issues as well.

I thank the Chair.

The CHAIRMAN. Senator Sununu?

Senator SUNUNU. Thank you very much, Mr. Chairman.

Mr. Burns, I’d offer up, maybe for future use, when someone like John McCain asks you why you do what you do and the way you do it, you could make a lot more money elsewhere, just point out to John McCain, “You could make a helluva lot more money if you quit the Senate.”

[Laughter.]

Senator SUNUNU. But it’s not necessarily a good idea.

[Laughter.]

The CHAIRMAN. But a popular move among some.

[Laughter.]

Senator SUNUNU. Could you talk a little bit about the process for funding projects—CPB provides money to help fund content, fund programming—and then the process for getting your work distributed? Does that work well? Are there any changes or concerns that

you have or would recommend for either the funding of content, or is there something that could be done to make the process for distribution work better to encourage innovation or independence or to help new producers of content?

Mr. BURNS. Senator, there's always room for improvement, and I think we're constantly tinkering, as we are in this republic, and will continue to tinker, I hope, for as long as we're around.

The process is—I think most of my colleagues and I would say we want to have that ten-picture deal that the commercial networks would provide for us so that this rigorous fundraising thing would disappear. But, at the same time, that rigorous fundraising process makes us more honest, and stronger. Quite typically, we'll get an idea to produce a film, we'll discuss it with various colleagues who would be involved in its production, we would produce a proposal, of not insignificant length, that would be submitted to the Corporation for Public Broadcasting. They have a rigorous proposal process. It's vetted by other media professionals and also by experts in the particular field. Sometimes we also are submitting a grant to the National Endowment for the Humanities, which requires an even greater and more rigorous proposal process. We get some early seed money, and then the rest of the process is a kind of patchwork quilt of funding, going out to private foundations, going to PBS itself, going to individual state tourism—I wish that Governor Allen was here. After the Civil War series, tourism in the State of Virginia went up by tens of millions of dollars, and the state actually called me and asked me if there was anything else I was doing on Virginia; they'd like to contribute.

[Laughter.]

Mr. BURNS. And you could have knocked me over with a feather, because no one, in my entire 25 years in public television, has ever called me up and said, "Do you want some money?"

[Laughter.]

Mr. BURNS. And the State of Virginia contributed to a film I was working on, and completed the funding for a film I was working, on Thomas Jefferson.

We go out, we moan and complain about how difficult it is to raise money. There are great filmmakers out there, and great ideas, and not enough money to go around, so we're excited about the prospects of a generous reauthorization. But we like the process, in the end, because of how rigorous it is, and gets—we have to get our facts right, in the case of history—and get it down.

And then I've been privileged to work with PBS Video, which has been distributing my product for most of the time my films have been available. And that has a dual function; not only are they the best, I believe, distributors of this kind of educational material, they know the territory better than anybody else, and get it out to a wide number of people, but the money they earn, in turn, gets folded back into production. And that's a terrifically symbiotic kind of thing that goes on, that I know that money that's being earned might eventually end up back in a production budget for a subsequent film down the line.

We've got a whole sequence of things we're looking forward to over the next several years—the history of the second World War, history of our national parks—we're finishing a film on the boxer

Jack Johnson—all of which have required that same sort of teamwork and cooperation to get done. And as, sort of, messy as it is—and I think that this institution knows about messy processes—you wouldn't really want to have it any other way, because the alternative then tends to focus the power into just a few hands, and what I like about this is that there are a lot of voices that contribute to our process all the way through.

Senator SUNUNU. Within the production community, is there concern that that kind of a system places people who aren't quite as well known as you are at a disadvantage—new entrants, new producers?

Mr. BURNS. I think that funding constraints probably do that more than the process itself, because if there was more funding—but I broke in, I looked—when I started out, I looked like I was 12 years old, and my first film was on—

Senator SUNUNU. So if you could do it, anybody could do it, right?

Mr. BURNS.—on the Brooklyn Bridge, and a lot of people outside of public television were saying, “No,” as I was trying to sell them the Brooklyn Bridge.

[Laughter.]

Senator SUNUNU. That was very good.

Ms. Cox, anything you'd like to add about the funding structure for content, or the ease with which good content is distributed across the spectrum of participants in the Corporation?

Ms. COX. Just to follow up on the last point, I think that the—our ability to attract new, younger, and additional voices to the public broadcasting world is extremely important. It's one of the things that I'm going to be focused on, as well.

Two examples. One is—and I think that, Ken, you were part of what call the Producers Academy, which is an effort to bring in younger, but with some experience, producers into the public broadcasting fold. We want to have people understand how the system works so that we can bring them along and be able to use their works as part of all the programming that we do.

Another example is this Crossroads Initiative that I mentioned in my testimony. That was really an effort to—it was an RFP. We took this out to—around the country in four or five settings to explain what this was about, with a real desire to bring in additional voices. And, as I said, we got 450 applications submitted for this kind of funding; 360 new applicants. So I think it's—we do very much have that in mind, and are trying to find ways to encourage additional voices coming in.

Senator SUNUNU. Thank you very much.

The CHAIRMAN. Senator Lautenberg?

**STATEMENT OF HON. FRANK R. LAUTENBERG,
U.S. SENATOR FROM NEW JERSEY**

Senator LAUTENBERG. Thanks, Mr. Chairman.

I ask consent that my full statement be inserted into the record as if read.

The CHAIRMAN. Without objection.

[The prepared statement of Senator Lautenberg follows:]

PREPARED STATEMENT OF HON. FRANK R. LAUTENBERG,
U.S. SENATOR FROM NEW JERSEY

Mr. Chairman:

Thank you for holding the first hearing in *ten years* on reauthorizing the Corporation for Public Broadcasting (CPB).

TV has been called a “medium” because it’s neither *rare* nor *well done!* Well, *public* television is the *exception*. And public radio is equally outstanding. I’m not sure if it’s possible to estimate the *beneficial impact public TV and radio* have had on informing, educating, and entertaining America.

I believe that CPB, National Public Radio (NPR), and the Public Broadcasting Service (PBS) have been extremely successful in fulfilling their mission and providing the highest quality of broadcast journalism and services to all Americans.

NPR News, for example, has seen rapid growth in its audience—from 11.5 million listeners in 1994 to 22 million in 2004.

PBS is the leading provider of educational materials for K-to-12 teachers and it offers a broad array of educational services for adult learners. Approximately 87 million people watch PBS each week. That’s more than any *cable* network audience.

I have to compliment the Nation’s public TV and radio stations for providing innovative educational and civic programming that enriches the communities they serve.

In addition to providing the highest quality of programming in the business, public TV stations are creating new ways to serve the public interest, without Congressional pressure.

In my home state of New Jersey, for example, WNJN—the New Jersey Network—is already using its digital signal to transmit job training data to a test site in Trenton.

“Workplace Essential Skills,” an historic partnership with the New Jersey Department of Labor, is helping the unemployed get the basic skills they need to compete for jobs.

New Jersey Network has also been involved with the State Office of Emergency Management to provide secure links between emergency authorities and nuclear power plant operators.

I commend public broadcast TV stations for offering these and other valuable services as they make the transition from analog to digital signals.

I look forward to hearing the testimony of our witnesses.

Thank you, Mr. Chairman.

Senator LAUTENBERG. And I’m sorry that I’m a little late here. I would have preferred to be here than where I was, on the floor, engaged in combat without combat pay.

[Laughter.]

Senator LAUTENBERG. I’m trying to fix that in an amendment I have for those who are serving in Iraq.

[Laughter.]

Senator LAUTENBERG. I come out of the computer business. The problem is that it was so long ago that maybe it’s a different industry. When I visited my old company, after having been here a few years—we had giant computers wherever we were located. The company is called ADP. It’s a very big company, and I started it with two other fellows—and I saw the room was half empty, and I was in shock. I said, “What’s happened to—have we lost so much business?” Anyway, we’ve gotten better at it. So the things that I may ask may have little relationship to reality.

But I thought about—a long time—about how we might educate our children differently. And now I’m talking about the mechanical means. I’m not talking about the classroom subject. We know that we have places, even in crowded little New Jersey, where school buses ply the streets every day, and the kids are brought to the classrooms, some of them fairly far distant from a regional high school or something like that. And I know that, in states like New Hampshire and others, like Arizona, have that problem, of bring-

ing—going to fetch these kids and so forth. And I wonder whether there has been any thought given to the possibility that the classroom—and this is through PBS eyes—the classroom might move to the electronic delivery? I think it must, one day.

And has there been any review of the possibilities that public broadcasting might be part of a network that says, “OK, we’re going to be giving you instruction over these 4 days a week for your classroom work, and then on Friday we’ll come and have a professional visit you in the neighborhood—and others”? Has there been anything done in—to your knowledge, to try to initiate these kinds of specific learning programs through a media broadcast?

Ms. COX. Yes. And I think that Mr. Frid probably will have some additional comments to bring to bear on this question. But, as was mentioned earlier, public broadcasting is one of their best-kept secrets of how much work that they are doing in the educational world. Nearly two-thirds of the licensees are associated with education licensees or work closely with their schools in their communities. So the ability to use this—new technologies in ways that benefit both the teachers and the students is very much a part of the conversations that we’re having.

In fact, there has been some tremendous advances within the system already, utilizing aggregated material geared toward state standards that are available on a server or online or broadcast. So there’s—we are trying to explore the various financial models to support that those kind of activities—again, going to the level of support that would allow us to really explore what we can do with this digital technology—but the use of it for purposes of teacher training and school-based training is absolutely front and center as part of those conversations.

And I think, Peter, you might have some other things to say.

Mr. FRID. Yes, Senator, I think, not only for K–12, but also for higher education. I know that ours certainly—New Hampshire Public Television is looking at a number of different venues. One is, we are working with a number of local school districts to create the Granite State Distance Learning Network, which is a Internet-connected learning network that provides the ability for different schools to dial in and use a common instructor, those kind of things. We’re looking at access for students, whether they’re at home or in the classroom, utilizing video-streaming technology, where, again, they could access the things that Kathleen was talking about, in terms of not only courses, but other types of short program segments.

I think one of the things that really I’m excited about, and I think has great potential, is the opportunity for datacasting, and that is that by utilizing our capability of digital to be able to take program segments, instructional materials, and feed them directly either into the classroom, or, for that matter, right into the home—I know that our Knowledge Network staff is working with a number of homeschoolers in the state—actually, in the region—to provide that kind of access. So there are some great opportunities here that are ahead of us.

Senator LAUTENBERG. Does that kind of research or inquiry come out of the operating budget for PBS? The kind of review—

Ms. COX. There are contributions. There's research that goes on around the system. CPB is engaged in some research; the stations, as well. I know PBS has had an education agenda, as well. So it's really—there are pockets of significant research going on around the system.

Senator LAUTENBERG. Ms. Cox, how much of the budgetary—of your revenues come from contributions and campaigns that you organize, as compared to the government contribution?

Ms. COX. The Corporation for Public Broadcasting gets its funding from the Federal Government. So our funding is really strictly just the appropriations.

Senator LAUTENBERG. I see. And when we get to NPR—

Ms. COX. The system, as a whole, the Federal contribution is roughly—it varies between 12 and 15 percent of the overall budget.

Senator LAUTENBERG. So the rest of it is raised?

Ms. COX. There is—almost 50 percent comes from members. There is money that—I don't—I can't recall the specific breakdown right now, but in terms of underwriting support from foundations, and corporate support. So it's really back to the idea that this really is a partnership of the Federal Government. We also get significant support from state and local entities, as well, all of which seem to be under some downward pressure these days. Again, we're very thankful for the continued steady support of the Federal dollar; again, signifying how important that is as the bedrock of this equation. So—

Senator LAUTENBERG. Mr. Chairman, the thing that it says to me is that it confirms the public interest in these divisions of the public broadcast, and it says that, "We like what you do." And I know my alarm clock goes off every morning, and there's some mellifluous tone that comes over and tells me what time it is, but it's better than somebody shrieking at me—

[Laughter.]

Senator LAUTENBERG.—from some commercial television.

If I may, Mr. Chairman, just one other thing. It's to Mr. Burns. I don't know—I don't remember, in detail, your baseball documentary, but was it prominently acknowledged that baseball was invented in New Jersey?

[Laughter.]

Mr. BURNS. Yes, I—Senator, I'd be happy to send you the first episode of that series, called "The First Inning," that takes great pains to debunk the myth that it was born in Cooperstown, New York, by Abner Doubleday, an illustrious Civil War general, who apparently had nothing to do with baseball, but was, in fact, born on the Elysian Fields, in Hoboken, New Jersey.

Senator LAUTENBERG. Thank you. Do you remember the name of the team?

Mr. BURNS. Well, there was—the New York Nine was playing another group of clerks from Brooklyn, and they were seeking the refuge of the Garden State from the teeming metropolis of New York, and adapted rules of rounders and cricket into a game that we now recognize as baseball.

Senator LAUTENBERG. You've made my day.

[Laughter.]

Senator LAUTENBERG. Mr. Burns, have you had a chance to look at the just-concluded 200th anniversary of the duel on the cliffs of Weehawken, New Jersey? Quite a story, the Vice President killed his opponent, was indicted, but never charged. Things are same.

[Laughter.]

Mr. BURNS. Senator, with regard—I have an anecdote that doesn't address specifically your first question, but I get a great deal of letters from teachers all the time that are pleased that this material—all the films—are involved in their curricula. And a very interesting several letters have appeared from various parts of the country saying that some school districts have remade their American history curriculum to teach it using the baseball series. They saw it as a kind of Trojan horse that not only communicated mathematics and statistics, but the whole arc of American history and women's issues and racial issues and issues of labor and management—

Senator LAUTENBERG. Terrific.

Mr. BURNS.—all of that. And we're excited by the fact—I think, in public television—that, unlike the rest of broadcast and cable, which is like skywriting, which disappears in the first zephyr, that we're committed, as are many of our underwriters, to stick around with educational outreach. So I think some of the questions that you have will be fulfilled in the years to come.

Senator LAUTENBERG. Mr. Chairman, one more impertinent question.

The CHAIRMAN. We're leaving the issue of killing people in New Jersey?

[Laughter.]

Senator LAUTENBERG. I never spar with this Chairman when he's sitting there.

But, no, the question about—you do such wonderful work, and we're all indebted to you, to all of you for the work that you do, because the volunteer side of America is a great side of our society—but I would ask you, the impertinent question is, do you get paid by the Corporation for Public Broadcasting? And if so, couldn't you sell this product for lots more money, assuming that you do get paid for the work that you do? I hope you do. You deserve it.

Mr. BURNS. I do, Senator. It's not commensurate with professionals in the rest of television. But we write a budget that includes salaries for the people that work on it, that are modest. Afterwards, because of our stake in the ownership, we can receive money through the sale of videotapes and—

Senator LAUTENBERG. I see.

Mr. BURNS.—CDs and things like that. Companion books are often a helpful way to do it. But it should be noted that, in the case of the grants from the Corporation for Public Broadcasting or the National Endowment for the Humanities, off the top, they are paid back in a very simple and elegant formula that permits us to return, back to the treasury, incomes that we've made from these projects.

Senator LAUTENBERG. Wonderful. We congratulate all of you for your work.

Thank you very much, Mr. Chairman.

The CHAIRMAN. I thank the witnesses for being here. We'll try to mark up this reauthorization next Tuesday, and hopefully we can get it through the Congress before we go out of session. I think it's relatively noncontroversial. There is the issue of more representation of station managers on the board, but I think that's a relatively minor item. And, of course, the issue of funding continues to be an issue of some discussion.

I thank all the witnesses. This hearing is adjourned.

[Whereupon, at 10:50 a.m., the hearing was adjourned.]

A P P E N D I X

July 15, 2004

STATEMENT OF THE NATIONAL MINORITY PUBLIC BROADCASTING CONSORTIA:
NATIONAL ASIAN AMERICA TELECOMMUNICATIONS ASSOCIATION, NATIONAL BLACK
PROGRAMMING CONSORTIUM, LATINO PUBLIC BROADCASTING, NATIVE AMERICAN
PUBLIC TELECOMMUNICATIONS, PACIFIC ISLANDERS IN COMMUNICATIONS

The National Minority Public Broadcasting Consortia submits this statement in support of S. 2645, legislation reauthorizing the Corporation for Public Broadcasting (CPB). We also recommend that the bill be amended to provide additional resources for the production of multicultural programming for the public broadcast system.

Our mission is to bring a significant amount of programming from our communities into the mainstream of PBS and public broadcasting. The five communities represented by the Minority Consortia—African American, Latino, Asian, Pacific Islander, Native American—are 29 percent of the U.S. population (2000 Census).

The Minority Consortia

With primary funding from the Corporation for Public Broadcasting, the Minority Consortia serves as an important component of American public television. By training and mentoring the next generation of minority producers and program managers we are able to ensure the future strength of public television and radio television programming from our communities. Individually, each Consortia organization is engaged in cultivating ongoing relationships with the independent producer community by providing technical assistance, program funding, programming support and distribution. We also provide numerous hours of programming to individual public television and radio stations.

Through our outreach we help bring an awareness of the value of public media among communities which have historically been untapped by public television. Through innovative outreach campaigns, local screenings of works destined for public television, and promotion of web-based information and programming, communities of color are embraced rather than ignored. The Minority Consortia's work in educational distribution further increases the value of public television programming by sharing its works with thousands of students.

While the Consortia organizations work on projects specific to their communities, the five organizations also work collaboratively. One example is our joint effort on the public television four-part series, *Matters of Race* that aired last fall. That series explored the complexity of our rapidly changing multiracial, multicultural society in America. The project resulted in more than television programming. The project was designed so that modules could be pulled out for classroom use. It was also formatted for radio broadcast and for the Internet, and included extended interviews. This project provided a great opportunity for extensive and diverse community outreach and collaboration throughout its development, distribution, and use.

We also worked with American Public Television on 6 one-hour programs (named *Colorvision*) featuring the work of Native American, Asian American, Pacific Islander, Latino and African American filmmakers and television producers. It is now in national distribution for all public television stations.

The programming we, both as individual organizations and collaboratively, help bring to public television is beyond the production reach of most local television stations. We support the bill's proposal for increased funding for production of local programming but believe there is also a great need for increased funding for major programming efforts such as those we and other independent producers undertake.

From 1997 to 2002, the Minority Consortia delivered over 88.5 hours of quality public television programming. Collectively, we have also funded 250 projects and 440 producers/directors. These accomplishments have been recognized with over 123 prestigious national and regional awards, including numerous Emmys. While most of our work is focused on film, of note is that the Native American Public Telecommunications (NAPT) also works in the area of public radio. NAPT developed the

Native American public radio satellite network (AIROS) that provides live radio streaming 24 hours a day to over 70 Native American and mainstream public radio stations in the U.S. (including Alaska).

CPB Funds

The National Minority Public Broadcasting Consortia currently receives funds from two portions of the CPB budget, organization support funds from the Systems Support and programming funds from the Television Programming sections. CPB financial support is critical to the work of our organizations. We believe that we make a major contribution to public broadcasting with a very modest amount of funding, but there is so much more that should be done.

The *organizational support funds* we receive from CPB are used not only for operations requirements but for also for a broad array of programming support activities and for outreach to our communities. We received \$1,850,000 in FY 2004 CPB funds for organizational support (\$370,000 for each organization). This represents 0.48 percent of the FY 2004 CPB appropriation. We have received only very small increases in operations support funds in the past several years.

The *programming funds* we receive from CPB are re-granted to producers, used for purchase of broadcast rights and other related programming activities. Each organization solicits applications from our communities for these programming funds. We received \$3,181,815 in FY 2004 CPB funds for programming (\$636,363 for each organization). This represents 0.83 percent (less than one percent) of the FY 2004 CPB appropriation. Our CPB programming funds have remained virtually flat over the past nine years, despite increases in CPB appropriations.

Recommendations

The Minority Consortia recommends modest increases in the proportion of CPB funds—from the System Support and Programming portions of the budget—to support the production of multicultural programming. *We also welcome any suggestions the Committee may have for additional ways in the CPB bill to achieve this goal.*

System Support. While the Minority Consortia currently receives funding from the System Support portion of the CPB budget, the authorizing statute makes no direct mention of support for the kind of contributions we bring to public television and radio. The current law notes that funds are for capital costs relating to telecommunications satellites, payment of royalties and other fees, interconnection facilities, assistance for stations that broadcast in language other than English, “and, if available, funding permits for projects and activities that will enhance public broadcasting”. We recommend adding to this portion of the statute that one of the activities for which funds under this section should be used:

- “for organizations that support the public broadcasting needs of the African American, Latino, Asian, Pacific Islander, and Native American communities through training, production, distribution, promotion, outreach, and funding”, and
- “not less than 1.5 percent of the total CPB appropriations are for the National Minority Public Broadcasting Consortia for activities under this section.”

Television Programming. The current law states that of funds available for television programming, “a substantial amount shall be distributed to independent producers and production entities, and producers addressing the needs and interests of minorities for the production of programs.” We are pleased that the S. 2465 would retain this language. To it we would add:

- “not less than 2 percent of the total CPB appropriation is for the National Minority Public Broadcasting Consortia for activities under this section.”

Report on Diversity. The current law requires CPB to publish an assessment every three years on the needs of minority and diverse audiences and its plans to address these needs. These reports can also serve to explain the value of multicultural programming and we are pleased that the bill would retain this reporting requirement.

We will provide the Committee with a copy of our publication, “The Minority Consortia: Bringing New Voices to Public Television” which describes in more detail the contributions made by our organizations, individually and collectively, to public broadcasting.

Thank you for your consideration of our recommendations. We as minority communities in public broadcasting see new opportunities to increase diversity in programming, production, audience, and employment in the new media environment.

July 2004

NATIONAL MINORITY PUBLIC BROADCASTING CONSORTIA

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RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. BYRON L. DORGAN TO
PBS

Question. One of the most important services that public broadcasting provides today is quality educational programs for our Nation's children.

When the Corporation for Public Broadcasting was established in the late 1960s its goal was to offer programs that weren't available anywhere else. But today, with hundreds of channels offering every imaginable kind of program, the children's programs are the ingredient that differentiate public television from the rest of the media. In fact, with the decline of locally-originated programs, many Americans would likely consider that children's programs such as *Sesame Street* offer the best justification for continued Federal support of public television.

I would like the Public Broadcasting Service to provide the Committee with information that quantifies how much funding is currently dedicated to their children's programs. The report should delineate the sources and associated amounts from the Corporation for Public Broadcasting, the Ready to Learn Program, other Federal programs, public television station support, nongovernmental fundraising efforts that include foundations and corporate sponsorships, and any other sources, so that the resources available to ensure the continuation of quality educational children's programs can be assessed.

Answer. PBS appreciates the recognition of and support for its quality children's programs and is proud of its record of 35 years of offering programs that kids and parents love and trust. PBS continues this tradition today.

As a testament to their quality, PBS children's programs continue to win prestigious awards. For example, the year 2004 marked the seventh consecutive year that PBS earned more Emmys for its children's series than any other broadcast network. Programs including *Sesame Street*, *Between the Lions*, and *Jakers! The Adventures of Piggley Winks* were among the winners.

PBS continues to be relevant with new offerings like its PBS KIDS GO! block, which debuts on October 11, 2004 with programs and online content for early elementary school kids like *Maya & Miguel* and *Postcards from Buster*, which promote cultural diversity, pro-social behaviors, and English language acquisition.

While children's programming is a marquee product for PBS, we are able to feed nine hours of unique children's programming each weekday to local stations through the National Program Service for a more reasonable investment than it takes to fund some other kinds of educational programming. There are a number of efficiencies that operate to help stretch children's programming dollars. For example, children's programming has the advantage of a long screen life, as the audience continually turns over when children outgrow shows and new, younger children watch library programming for the first time. In that way, fewer new programs need to be created for children than for other audiences. PBS also negotiates favorable deal

terms, and doing so returns money to PBS' National Program Service for additional high-quality programming.

PBS' quality programs are funded with monies from a variety of sources. The total production cost for PBS children's programs in broadcast year 2003* was about \$74 million. This number does not include contributions from the U.S. Department of Education, which most recently contributed \$8 million for Federal FY 2004. From year to year, children's programming costs vary depending on such factors as the timing of new program launches and the number of new episodes. Following is a breakdown of PBS children's television funding for the most recent time periods available.

Public Television. For broadcast year 2003, producing stations funded about \$5.8 million in children's programming, PBS through its National Program Service funded about \$19.5 million, and the Corporation for Public Broadcasting funded about \$6.4 million.

Producers, Corporate, Foundation. Non-station producer funding accounted for about \$27.7 million in broadcast year 2003. Corporate underwriting accounted for about \$8.3 million in broadcast year 2003, and foundation support accounted for about \$1.7 million.

Government. For Federal FY 2004, the Department of Education contributed \$8 million through Ready to Learn for programming such as *Arthur*, *Between the Lions*, and *Sesame Street*. For broadcast year 2003, National Science Foundation contributions accounted for about \$4.4 million for programming such as *Cyberchase* and *Zoom*.

PBS will continue to be the leader in children's programming, expanding into new areas such as the GO! block and supporting every program with rich online educational content. Although there are many children's offerings provided by other channels, PBS programming is unique in its commitment to educational quality and universal access. For example, PBS works with experienced educational film or television producers who involve children, educational researchers, parents, educators, daycare providers, and subject-matter experts in the design and production process.

As a result of our focus on education, PBS is trusted by parents and teachers, and is especially popular among homeschoolers. A recent study by Harris Interactive found that a majority of American caregivers agreed that PBS KIDS offers "educational programs from which (their children) can learn." PBS KIDS also received the highest overall quality score of any competitor in children's programming, and parents felt that PBS is a "trusted and safe place for children to watch television." We agree, and we will continue to make quality children's programming a priority.

Thank you for your interest in PBS children's programming.



*"Broadcast year 2003" numbers generally reflect funds allocated for new programming broadcast during the time period July 2002 through June 2003 as well as the renewal of distribution rights for previously broadcast programs, as reported by program producers to PBS.