Mr. HOLLINGS. Secretary Reich, he wants to tax the 1 percent most wealthy. He says that will get us $87 billion.

I am for doing away with all of President Bush's tax cuts so we can get jobs and the economy going, as we did under President Clinton. When we passed that, back in 1993, we had 8 years of the finest economic growth that you have ever seen. We put the Government back in the black, and we did it by increasing taxes. Now they say to put it back in the black, give the rich a tax cut.

FCC MEDIA OWNERSHIP

Mr. HOLLINGS. Mr. President, let me address the particular resolution for disapproval of the Federal Communication Commission's order relative to not only increasing media ownership from 35 percent to 45 percent but, more particularly, also eliminating cross-ownership rules so you can own everything. You can own the cable, you can own the television, you can own the newspaper, you can own the satellite and many stations and what have you, and, in the main, the networks own them.

I hasten to add that I hold no brief for or difference with any of the 10 particular Federal Communications Commission Chairmen with whom I have served. I have served, it will be almost 37 years, beginning with Rosel Hyde back in 1966, to Dean Burch, to Richard Wiley, to Charles Ferris, to Mark Fowler, to Dennis Patrick, to Alfred Sikes, to James Quello, to Reed Hundt, to William Kennard. Ask any one of them.

I got on the Commerce Committee and on the Subcommittee on Communications, when John Pastore of Rhode Island was the chairman of the subcommittee. For over 20-some years I have served as either chairman of that subcommittee or ranking member.

Right to the point, I want to try to agree with our distinguished FCC chairman, Michael Powell. I tried my best to sit down and talk with him. I realized from the get-go that he was off on a toot because he was asked, just as he was coming into office, about the public interest. He was asked, at his maiden news conference, for his definition of the public interest.

Powell joked:

> I have no idea. The term can mean whatever people want it to mean. It's an empty vessel in which people pour in whatever their preconceived views or biases are.

I could see we would have trouble because here is a regulatory body to carry out the rules and regulations and the intent of the Congress to regulate, and here he is coming in and saying: No, no—market forces. The public interest is just something fanciful. It is an ''empty vessel,'' to use his characterization.

Free market analysis does not apply to the broadcasting industry because of spectrum scarcity; that is, the primary local broadcast is the primary source for local news, weather, public affairs programming, and emergency information.

When we had the 1996 act, it actually was a bill that I had worked on 2 years as chairman of the Commerce Committee. I can see George Mitchell, the majority leader, trying to get it up because we passed it out of the committee unanimously. We worked in a bipartisan fashion. He could not get it up. In desperation and frustration, he said: The first thing I am going to do when we convene next year is call up the Telecommunications Act.

Of course we Democrats were beat. The Republicans took over. Senator Larry Pressler, the distinguished Senator, took over as chairman of the Commerce Committee and he put in the Republican version. But in conference—you can ask Tom Bliley, who was the Republican chairman in the House and I was working on the Senate side—that we more or less reconciled it to a bill that we had worked on literally for 4 years to promote competition.

We realized we were into a dynamic environment, changing each day. We worded the language in there so it would not only deregulate but reregulate.

Of course the distinguished Chairman Powell went along with every gimmick in the book, such as it didn't refer to data, and various other things that my colleague over on the House side, BILLY TAUZIN, put in, but we held up.

Finally, the other day they put out an order relative to the ownership cap and the cross-ownership. Let's take 1 second with respect to the ownership cap.

What happens is that we were really trying to hold it to the 25 percent. There were some in violation, in excess of that. They wanted to be able to reconcile themselves and come into conformance with the law itself and the rule. We got down to the base wire and everything else of that kind. There was not any question in our own minds that the 25 percent was enough ownership, because we could see how the radio was going at the particular time.

We all know how radio has gone, where they can own 1,200 stations. When you get that kind of ownership, they can't just give numbers, you have to get control.

I can't get any kind of local thing. It is all foreign. In fact, you are liable to get the weather out of India at your local hometown station. They are reading from some kind of report.

We had a system that was actually checks and balances at the Federal Government level. In other words, in broadcasting, the content was provided by producers. The networks served as wholesalers and the local affiliates as distributors. Now the networks have come in and gotten their own programming. They have done away with the financial syndication rule. They have gotten into their own programming in vertical integration.

The networks have been allowed to buy up stations, and they are buying them up like gangbusters. What we are going to have here is almost one branch of government trying to preserve localism in the public interest. It is not going to happen if this continues. It just threw everyone into turmoil.

There isn't any question. On the House side, even though Chairman TAUZIN opposed it vigorously, a bipartisan group put in the State, Justice, Commerce appropriations bill that the 45-percent rule of the Federal Communications Commission be reversed and go back to 35 percent. We considered the same thing over at the markup of the State, Justice, Commerce appropriations bill, and we included that same provision word for word.

I ask unanimous consent that an article entitled ''How Michael Powell Could Have the Last Laugh,'' in this week's Business Week, which goes right to the cross-ownership, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From BusinessWeek, Sept. 22, 2003]

HOW MICHAEL POWELL COULD HAVE THE LAST LAUGH

(By Catherine Yang)

Federal Communications Commission Chairman Michael K. Powell looks like a man on the run. Since he passed sweeping rules in June enabling greater media consolidation, an angry public has ignited a fast-burning backlash against his deregulatory agenda. On Sept. 3, at the urging of public interest groups, the U.S. Court of Appeals in Philadelphia stayed the rules until it could finish reviewing them. The next day, the Senate Appropriations Committee voted to bar the FCC from implementing a new rule allowing TV networks to own stations covering up to 45% of the U.S. audience.

But while the opponents of media consolidation seem to be gaining ground fast, they shouldn't be too quick to declare victory. In fact, Capitol Hill's expected repudiation of the networks' 45 percent limit risks letting the steam out of the debate—and leaving Powell's laissez-faire legacy intact. Until now, lawmakers and the anti-Big Media insurgents have focused on gutting this one rule. The 45 percent cap has become a rallying symbol, but the regulations that would truly reorder America's media landscape and affect local communities have flown under the radar. These would allow companies to snap up not only two to three local TV stations in a market but also a newspaper and up to eight radio stations. If the courts and Congress are worried about the dangers of media consolidation, they'll have to resist calling it a day after dispensing with the network cap and go after the rule with real bite.

As it stands now, TV's Big Four networks will be losers among media outlets—thanks mostly to vociferous lobbying by independent TV affiliates. With strong ties to lawmakers who depend on them for campaign coverage, the affiliates have succeeded in getting a House vote against the 45 percent rule and will likely see a rerun of that episode when the Senate votes by October. But with Fox and CBS already each owning stations that cover about 40 percent of the nation's audience, ''going up another 5 percent isn't going to make a dramatic difference,'' says Scott A. Stawski, a media consultant at Inforte in Chicago.

In contrast, opening the floodgates to allow local behemoths to combine newspapers, TV, and radio stations under one roof would change media ownership in towns and cities, concentrating it in the hands of a few. Even in midsize cities, such as San Antonio, for instance, one company might own the leading newspaper, two TV stations, eight radio stations, and several cable channels. Powell argues the explosion of cable networks and the Internet brings a wide choice of media to communities, even if there's a spate of mergers. And—no surprise here—most media companies agree.

Yet there's little doubt that, once given the go-ahead, these rules would spur local consolidation. Owning a second or third station in a market is irresistible for TV station owners, which can splash expenses by a third by ditching duplicate cameramen, studio technicians, and reporters. The economies of newspaper-broadcast crossownership may be dicier, but publishers such as Tribune Co., Gannett, and Media General want stations where they publish—if for nothing more than to cut costs in back-office operations.

True, the new media giants could conceivably plow their savings back into improving local news coverage. But public companies are more likely to use them to boost returns to shareholders. ''If they can downsize the operational budget through having fewer people cover the news, they'll do it,'' says Jill Geisler, head of the leadership program at the Poynter Institute, which promotes journalism standards.

But even asking whether TV duopolicies and newspaper TV combos can produce better news may be beside the point. ''The test is how many different voices we have,'' says James F. Goodmon, CEO of Capitol Broadcasting Co., a Raleigh (NC)-based TV station group that is opposed to the FCC's rules. ''What's good news to you is bad news to me. I'm really worried about someone deciding what good news is.'' The courts and Congress, too, should guard against a Powell doctrine that could end up muffling more voices than it adds.

Mr. HOLLINGS. Mr. President, we had the support of the National Association of Broadcasters with respect to the overall check of the 45 percent being turned back to the 35 percent and not go up to 45 percent. However, the station owners realized that money could control and they could be in a position where cross-ownership would be done away with. There is a lot of big money with these oligopolies coming in and buying up their stations, which would position them monetarily and enhance the value of their station.

We don't have the support of the National Association of Broadcasters on that cross-ownership. But the Senator from North Dakota, Mr. DORGAN, has it in as a resolution of disapproval. I am a cosponsor. Senator LOTT and many of our Republican colleagues are also cosponsors. We discharged that one out from the Commerce Committee.

The Stevens-Hollings authorization bill on the return of 45 percent from the 35 percent has been reported and is pending at the desk for consideration. I think the appropriations process is the only way that we can proceed.

I ask unanimous consent to have printed in the RECORD an article from USA Today from this morning entitled ''FCC's Powell keeps chin up as regulation storm rages.''

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From USA Today, Sept. 15, 2003]

FCC'S POWELL KEEPS CHIN UP AS REGULATION STORM RAGES

(By Paul Davidson)

WASHINGTON.—Federal Communications Commission Chairman Michael Powell is unbowed by a string of rebukes from Congress, the courts and the public to his agency's ruling allowing media giants to get bigger.

''In hindsight, maybe I would have done a little more of this, a little less of that,'' Powell, a Republican, said last week in an interview in his corner office. ''But I don't believe what we did in the mainstream was incorrect.''

Powell has endured an unusually punishing year for an FCC chairman. He lost his bid early this year to deregulate the regional Bells' phone service when fellow Republican Kevin Martin sided with the agency's two Democrats. He has come to personify a much-maligned push by the Bush administration to give ''big media'' too much influence. And each move against his media plan by Congress or the courts is portrayed as a personal defeat that further erodes Powell's status as the USA's top communications regulator.

In an interview, Powell was calmly defiant, exuding little sense that he is at the epicenter of a national firestorm. ''It does not faze me one bit that you're going to talk about me, because I don't think I'm the story,'' says Powell. ''The story should be (what is the best) policy for the American people.''

The newest and potentially most far-reaching setback could come Tuesday, when the Senate considers a rare resolution to reverse all the FCC's new media ownership rules. Backers of the measure expect it to pass, though it faces a battle in the House from Republican leaders and a veto threat from President Bush.

The FCC rules, approved by the commission in a party-line 3–2 vote in June, would let TV networks own local stations reaching, in total, 45% of the national audience, up from 35%. The rules also would allow ownership of a newspaper and a TV or radio station in the same market and up to three TV stations in the largest cities.

A diverse coalition, from the National Rifle Association to Common Cause, argues the overhaul would give a handful of conglomerates too much control over what people see, hear and read.

Powell downplays concerns as ''melodramatic.'' Noting that a 1996 law and a federal appeals court ordered the FCC to justify its old rules or scrap them, he said the resolution to be voted on Tuesday would spawn ''chaos.''

''Why is it better for this country to reinstate rules that have been overturned by a court? Under the terms of the (resolution), we're not even allowed to replace them.''

But Sen. Byron Dorgan, D–N.D., who launched the resolution push, disagrees. ''The court did not overturn the rules. The court told the FCC that they must justify the rules. Instead, the FCC decided to take a high dive on behalf of the biggest corporate interests.''

Dorgan says his measure would simply reinstate the old media limits, adding nothing would stop the FCC from issuing revised rules that make more tempered changes.

The resolution is the latest blow to Powell's media deregulation plan. The House in July voted to reinstate the 35% cap, and the Senate is expected to follow suit. That more limited measure stands the best chance of withstanding a White House veto because it's attached to a spending bill.

Powell says the tighter rules are outmoded as cable threatens free broadcast TV, but, ''(Congress) makes the rules, and we implement them. I think that's completely fine.'' Yet he ripped the legislative proposals as hollow because they don't offer guidance on ownership regulation. ''It is, in some ways, an anti-vote.'' he says.

And when critics rail against big media, ''I'm not sure what problem people are trying to solve. I don't have the sense I don't hear every viewpoint from the left to the right on Fox, MSNBC and CNBC.''

Powell says he can ''absolutely see the argument'' that easing media limits further could give too much influence to a handful of behemoths, but insists his changes are moderate. ''It's an amazingly gradual, modest package. The difference between 35 and 45 (percent) is the network might own five more stations in the United States. So no, I do not think that's the end of democracy.''

But Andrew Schwartzman of the Media Access Project notes the national cap was 25% before Congress raised it in 1996. ''This is a very substantial increase. Chairman Powell persistently trivializes the heartfelt concerns of the public.''

Schwartzman, some say dealt Powell his most stinging defeat when he persuaded a U.S. appeals court this month to block all the FCC's new regulations from talking effect until it rules on a broader challenge to them. Washington media lawyer Christy Kunin says the stay indicates the court believes the challenge has at least ''some merit.''

But Powell contends: ''The court's decision has been radically exaggerated. It has merely said, 'Let's chill out,' and gives us a fair change to consider'' the case.

He also dismisses complaints that he could have handled the media ruling with more sensitivity, perhaps heeding calls to delay the vote another 30 days to give the public a chance to comment.

''The commissioners who asked for the 30 days weren't going to change their vote in any way.''

Powell concedes the drumbeat of protest against his media plan ''is intense. I'm a human being.'' But, ''I don't personalize policy.''

The son of Secretary of State Colin Powell, Michael Powell is a former Army officer, Justice Department official and antitrust lawyer who is deemed a rigorous intellectual analyst but short on the political skills required of an FCC chairman. He admits discomfort with the swirl of politics. ''I like to think of the agency as more judicial than legislative. And when it gets infected with whose constituency is going to win, I don't like that. It's very unsatisfying when you realize somebody's voting a certain way for political reasons.''

Powell cites deregulation of the wireless industry and promotion of high-definition TV among his biggest successes. He denies rumors he's poised to step down. There's nothing imminent. The criticism, he adds, ''is not fun. But it's what you're forced to endure to be successful in this job.''

Mr. HOLLINGS. Mr. President, you can see, as they say in this article, that Chairman Powell is defiant. He says that it would spawn chaos. It wasn't chaos. We had some competition. In fact, Senator MCCAIN and I are trying to reregulate the radio stations, bring them back and do away with the ownership and make them divest to a certain number. But he says the commissioners now ought to have the views of the public. That is very interesting.

Mr. President, now Michael Powell is going to have a task force designed to prevent any media company from having excess power over competition or viewpoints.

He does that after two of the commissioners begged for public hearings. They literally begged. They were told they did not have money enough, and they could only hold one hearing. That hearing was held in Richmond.

From their own particular little budget, they had 13 hearings. Now a firestorm has erupted. You not only have the National Rifle Association and consumer groups, but you have the people of authority and respect such as Walter Cronkite and Barry Diller. You can go right on down the list all saying this is the worst thing that could possibly happen.

The interesting thing is that Commissioner Powell says they have ''produced a balanced structural rule faithful to the directors of Congress.'' Total, total applesauce—applesauce and baloney. I can tell you that we begged and we coached. I thought maybe it was a personality difference.

I get along with his father, Secretary Powell. In fact, he and I received honorary degrees at Tuskeegee together. He calls me Dr. Hollings. I call him Dr. Powell. I have provided him every red cent he has ever wanted for State Department appropriations as Secretary of State. I have that particular appropriations.

But Michael Powell is a different character entirely. He is very competent, very smart, and very intelligent, but not a regulator. He just believes that the public interest is an empty vessel and the market forces should control. When he says ''faithful to the directors of Congress,'' that is exactly what he has not been. He has been totally unfaithful. We begged him to hold up the order.

This particular reference in the order itself shows that he thinks they need big hearings on localism. Why didn't he hold up the order before he had the task force, before he had the hearings? The task force will make legislative recommendations to Congress to strengthen localism. We fought like tigers to try to get him to listen, and he just absolutely would not listen.

Mr. President, quoting from this morning's Wall Street Journal:

> Entertainment giants such as Viacom, NBC parent General Electric Co. and Walt Disney Co., which owns ABC, now reach more than 50 percent of the prime-time television audience through their combined broadcast and cable outlets. The total rises to 80 percent, if you include the parents of newer networks—such as News Corp.'s FOX and AOL, Time-Warner, Inc.'s WB—and NBC's pending acquisition of Vivendi Universal SA's cable assets, estimates Tom Wolzien, an analyst at Sanford C. Bernstein & Co.
>
> The big media companies are quietly re-creating the ''old programming oligopoly'' of the pre-cable era, notes Mr. Wolzien, a former executive of NBC. Of the top 25 cable channels, 20 are now owned by 1 of the big 5 media companies.

They own each other. You talk to Chairman Powell, and he says, Look, cable is going to be taken over and there won't be any free broadcast. The free broadcaster is the one who owns the cable. He is totally off base. He just will not regulate. An order for localism is a sham and a farce. The American people ought to understand it and they ought to understand why we do not have the support of the National Association of Broadcasters. They want to enhance the value of their individual stations. They see if you can get the cross-ownership, the value of their station locally. One of the big oligarchies will give an inordinate price and they can go to Virginia Beach, the sun, take it easy, and will not have to worry.

I appreciate the indulgence of the Senate at this late hour. I only ask that you give close attention to the bipartisan Dorgan-Lott resolution, that we disapprove it, and put us back to where we were before they started a feeding frenzy, according to all the stockbrokers in the market in New York, ready to buy up all the rest of the stations as soon as it becomes effective. It has been stayed by the court. Rather than causing chaos, it will bring us back and maybe we can find out from the task force of localism, of Chairman Powell, what really needs to be done, what the public interest is.

I yield the floor.

MORNING BUSINESS

Ms. MURKOWSKI. Mr. President, I ask unanimous consent that the Senate proceed to a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRATULATIONS ON 50 YEARS OF SERVICE

Mr. DASCHLE. Mr. President, today I would like to congratulate Chapter 0336 of the National Association of Retired Federal Employees, NARFE, on the occasion of its 50th anniversary.

Fifty years ago, Chapter 0336 was formed by 17 NARFE members in Rapid City, SD. Today, the chapter's membership has grown to include over 200 persons. As many of my colleagues know, NARFE has been instrumental in protecting the rights of retired Federal and civilian employees.

The importance of Federal employees is well illustrated by the overwhelming majority of those in the Chamber today. Federal and civilian employment is an essential component of governmental efficiency. These employees are the backbone of our great country, and those who devote their lives to public service deserve to know that they will retire with dignity.

By acting as an advocate for these retirees, NARFE not only ensures that retirees receive the benefits that were promised to them but also aims to improve future conditions for current Federal and civilian employees. The years of experience on Capitol Hill and in Federal agencies have made NARFE a name respected by Members of Congress and a key player in the Federal community.

Throughout my congressional career, NARFE offices across my State have contacted me on numerous occasions urging me to support legislation beneficial to those who helped strengthen our country over the past decades. Its members have always been forthright in suggesting legislative remedies for their problems—I appreciate that.

Again, I wish to extend my congratulations to all involved in making this momentous occasion possible, and I look forward to working closely with Chapter 0336 and other NARFE offices well into the future.

THE AL NEUHARTH MEDIA CENTER

Mr. DASCHLE. Mr. President, today I would like to salute a great American and South Dakotan, Mr. Al Neuharth. As the founder of USA Today, former chief executive officer of Gannett New Service, and founder of the Freedom Forum, he has made immeasurable contributions to our understanding of the world.

Mr. Neuharth's commitment to free speech and the press began with a paper route in Eureka, SD, when he was 11 years old. Al continued to work in local media throughout his youth, later in the composing room at the weekly Alpena Journal in neighboring Alpena. Following his service in World War II, Al returned home to South Dakota, graduating from the University of South Dakota in 1950 with a degree in journalism.

Upon graduation, Al Neuharth began what would be a historic career in print media. He began working for the Associated Press in Sioux Falls, SD, as a reporter and soon launched his first publication, a statewide weekly tabloid called SoDak Sports. While SoDak Sports would not prove to be his most successful venture, Mr. Neuharth pressed forward as a journalist. In 1954, he became a reporter at the Miami Herald, quickly ascending the ranks, and in 1960 he was named assistant executive editor of the Detroit Free Press. This remarkable success demonstrates that Al's talent for straight truth and love of communication was visible to all who worked with him. In 1963, Neuharth began his career with Gannett News Service as the general manager of its two Rochester, NY, newspapers. Only 7 years later he was named president and chief executive officer of Gannett News Service, a position he held until his retirement in 1989. Under Al's leadership, the company launched USA Today in 1980—the first national daily newspaper—and their reputation for quality journalism has grown each year since.