

**REMARKS OF
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TO
UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
DALLAS, TX
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Thank you for inviting me here today. This is my second meeting with the Catholic Conference this year. I got so much help in getting the word out at my first meeting that I jumped at this chance to do a second one. Let me say first of all how much I admire the commitment your organization brings to media issues. You are in the forefront in recognizing how broadcast and communications technologies have changed – and will continue to change – the ways we live, work, educate ourselves, entertain ourselves, discuss public issues, probably even how we will govern ourselves. These technologies also will increasingly affect the ways in which we learn about values, about religion and, I daresay they will also impact how we worship. Communications was the most powerful transformative force in our lives during the last century; it will be even more so in this one, affecting all areas of our individual and collective lives. Communications technologies can enlighten minds, convey powerful ideas, educate, enable, and lay a solid foundation for economic growth and human development. Or, they can twist minds, dumb down the exchange of ideas, coarsen the national dialogue and unbalance both economic and human development. The decisions we will make in the next years immediately before us will have much to do with which path is taken.

Our time today is limited today, so I am going to focus my remarks on just a few of the issues important to the Catholic Conference and hopefully we will have some time

at the end to discuss what we can do, together, about these issues. I don't have a bishop's pulpit, but I do have a bully pulpit nevertheless at the FCC. Sometimes, since I am a minority of one, that bully pulpit is about all I have!

Let me first commend you on the good communications work you continue to do not only for your flocks but for all Americans. You not only produce first-class programming but also advocate for moral values in the media and fight for a greater diversity of voices in what we hear. No doubt about it -- the Catholic Conference has asserted itself as a positive advocate in the world of communications technologies.

There's another thing you do that I appreciate. Unlike many other organizations, you understand the importance of the media to your mission, so you participate actively in the government's activities concerning media decision-making. One of the things I am trying to do at the Commission is to encourage the widest possible diversity of input into our decision-making process. Business, with its experts and lawyers and lobbyists, doesn't have any trouble finding me and getting its likes and dislikes on the record. Their input is important to us; it is vitally necessary. But in communications, every American is a stakeholder, because each of us is affected in so many ways by how the public spectrum is used. So being successful in my job means finding ways to get the perspectives of as many people as I can. Non-traditional stakeholders is the way I describe those who have not participated as fully as they should in our deliberations. They may be a consumer or advocacy group. Or an Indian tribe where basic telephone service still only penetrates to 45% of the people. Or a deaf or hard-of-hearing individual

for whom state-of-the-art communications could make the difference between life on the edge and life with a good job and as a fully participating member of society. The Catholic Conference has learned the importance of participating, and its views are welcome and needed at the FCC. I thank you for that active participation.

Let me focus on three main areas that relate to your activities. First, making advanced communications available to all Americans; second, controlling the torrid pace of communications industry consolidation that America is experiencing; and third, the responsibilities of the media to communicate positive public-service messages and to cut back on programming harmful to our children. If we can work together on these goals, we can, I believe, strike a real blow for progress.

I begin just about every talk I make with a brief digression, because to understand where I am coming from, you should understand what I deem to be my lodestar at the FCC – and that is the concept of the “public interest.” Not only do I find the concept attractive personally, but Congress made it the foundation of our communications statutes. In fact, the term “public interest” appears 112 times in the Telecommunications Act of 1934 as amended in 1996. I quickly concluded, on arriving at the FCC, that if Congress was telling me something 112 times, I’d be wise to pay heed.

There are some, however -- and their number may be growing -- who would relegate the public interest to the sidelines, saying it is “too difficult to pinpoint, it can’t be measured, it’s just not efficient.” Well, it may not always be easy to figure, but that

doesn't get us off the hook. A Commission that stops making decisions based on the public interest will be breaking the law. I didn't go to the FCC to do that!

Universal Service, Broadly Construed

My goal at the FCC is to encourage the delivery of the best and most advanced communications technologies to all Americans, whether they live in the inner city or out on the farm; whether they are economically privileged or economically challenged; whether they are healthy or experiencing disabilities. Congress left no doubt in my mind that this is our high public interest mandate. Each and every citizen of this great country should have access to the marvels of communications. I don't think it exaggerates a bit to characterize access to communications in this modern age as a civil right.

Today, that means broadband, which is every bit as important in 2002 as access to basic telephone services was in the last century. While I don't have time to develop the theme this morning, I am utterly convinced that broadband is the central infrastructure imperative of this first part of the 21st century, just as the building of the transcontinental railroads was the central infrastructure need after the Civil War, or that basic telecommunications was during much of the 20th century.

Recently I had the opportunity to attend the huge Consumer Electronics Show in Las Vegas and the almost-as-large Wireless Exposition in Orlando. Anyone who was at either of these caught a glimpse -- a teasing taste -- of some of the new technologies coming our way. Not just digital Television and High Definition TV. But houses and all

their electrical gadgets and appliances networked by wireless. You move your desktop computer from room to room without plugging or unplugging anything. The refrigerator takes inventory of its stock while you're at work, and let's you know if you have all the ingredients you need for that pot roast you're cooking tonight. I saw a wireless phone that could, while I was looking at it, take my picture and e-mail it back to my office across the continent. At the Wireless show, someone handed me a ballpoint pen and a little ruled yellow note pad and told me to write something on it. I did, in the usually undecipherable handwriting that often I can't read, and then I asked what I had just done. They said I had just set up a wireless e-mail that I could send out.

Just a few weeks ago, I met with members of a consortium of colleges and leading-edge companies that are building the next Internet generation -- Internet 2. They told me about a world soon coming our way wherein the conversations you are having with people hundreds of miles away will be transformed into face-to-face encounters in the same room, not through a computer monitor or a TV screen, but through a hologram of that person sitting in the chair across from you. They told me in the future, we would not just enjoy art by hanging it on the walls, but we would live in it. I could imagine, for example, totally new ways to appreciate great examples of church art and architecture. What's coming will be truly stunning. What's already here, compared to what we had when I was growing up, is stunning. Our challenge is to make it available -- both what we have now, and what's coming down the road.

We are taking first steps. One way we are bringing advanced technologies to our children is the E-Rate. The E-Rate, created by the 1996 Telecom Act, provides discounts to K-12 schools and libraries for Internet connections and telecom services. Catholic schools have now received almost \$60 million in discounts from this program. That's impressive. But I hope we can do even more. The FCC will be discussing possible changes to the E-Rate program. That can be good; or, it could be not so good. We need your participation in this proceeding to ensure that the end result makes the program work better for our schools and libraries and communities. This is another of those areas where we need your ongoing input and your best thinking.

Another vehicle you are using with great success is ITFS, Instructional Television Fixed Service. Most of you know that last year this spectrum was threatened as other potential users sought it for their own purposes. I voted to protect this spectrum for educational uses. And I know that you will be using this spectrum well for a host of other applications, because one-way television is just the beginning of what you can do with it.

Bringing technology to all Americans is not just about telecommunications. As I will discuss later, it also includes, I believe, the preservation of free, over-the-air broadcast services that serve the needs of all our citizens.

Let me also mention, although we don't have time right now to develop the subject the way I'd like to, that while the struggle to extend communications

infrastructures to build American communities is challenging, the need to build infrastructure in developing nations is almost intimidating. The United Nations tells us that worldwide only one person in five has ever used a telephone. South Asia has 20% of the population, and only 1% of Internet users. Incredibly, Africa has 740 million people and only 14 million phone lines. That's fewer than in the borough of Manhattan. I know how alive the Catholic Church is to this global challenge and I know something about the work that Catholic Relief is doing to improve the situation.

It's an area where I am pushing the FCC to be more active, too. We already do a good bit of training and we send experts abroad within our appropriations constraints. We work to encourage viable and transparent regulatory regimes abroad. We work for conditions to encourage international investment and to interconnect developing countries to the global communications network. But we have only scratched the surface. We need to do so much more and I intend to work to ensure that we do more. I would welcome your input in designing strategies for the realization of this important objective.

Industry Consolidation

The second broad area I want to mention is industry consolidation. We have experienced a great wave of mergers and acquisitions over the past half dozen years. Many formerly independent broadcast stations are now parts of huge ownership groups comprising hundreds of outlets. This consolidation has no doubt created efficiencies that allow stations to operate more profitably and on a scale few could envision just a few years ago. But this consolidation also presents us with serious questions of public policy.

How much farther can such combinations be allowed to go? We all realize, of course, that the world doesn't stand still, that economic conditions change. We understand that big is not necessarily bad; that in a globalized economy, pressures are extreme and we must be able to compete with the best other nations are offering. We cannot just turn the calendar back to a simpler past, which existed only in somebody's imagination.

But our people have always harbored a deep suspicion of excessive industrial consolidation, and they have always wanted sentinels at the gate to guard against it. Each proposed industry combination needs to be looked at on its merits – some are good, some are not – but the public interest test must be rigorously applied to every one of them. This is exactly what I have attempted to do in my first year at the Commission. I don't bring an ideology to it. In fact, the FCC is a terrible place for anyone who is driven by an ideology. A Chairman of the FCC remarked in the 1980s that a television set was just another “appliance” – “a toaster with pictures.” I hope none of us buys into that one. One of our most important jobs at the FCC must be the preservation of a bustling marketplace of ideas, a diversity in sources of content in each community, and a multiplicity of voices to stir discussion and debate throughout the land. This is what nurtures our democracy.

I would just add that these are very sensitive times for this issue of consolidation because an economy that has been in recession provides an extra push to those whose goal is combination. And the current deregulatory mindset that is increasingly apparent in Washington adds gasoline to the acquisition fire.

Use of the Media to Disseminate Messages

Let's finish with some attention to what's on the airwaves. As professionals, you know far better than me the profound effect the media has on our society and on our children. And you understand that the power to shape the ideas and values of our society carries with it a tremendous responsibility -- the responsibility to act in the public interest.

In terms of the programming they carry and the effects of that programming on society, broadcasters and cable system operators serve the public interest in two distinct and important ways. The first is an affirmative commitment to their communities through the programming and messages they distribute to their viewers and listeners -- entertainment programming, public affairs coverage as well as public service announcements. The second is a commitment to protecting our children, through restraint in not carrying programming that may be harmful to our daughters and sons when they are likely to be watching.

Broadcast and cable programming, in addition to being entertaining, should enhance our democratic discourse and educate our children. Sometimes these functions are combined. Certainly some political coverage, particularly during the Presidential election, was the most compelling programming around. And the best children's programming is so entertaining that the children don't even realize it is educational. But the potential of the media to strengthen our society is too great to allow the media merely to entertain us.

You all know that. As producers and programmers, you have harnessed the power of the media to teach pro-social values. America's children watch an average of three hours of TV every day. That's almost half of the time they spend in school, and, sadly, it's often a lot more than they spend talking with their parents. So it is impossible to overestimate the impact of television on our nation's children in shaping their consciousness and their view of the world.

You also know how hard it is to get these messages distributed. In trying to find outlets for your programming, you have witnessed the tension between the role of each broadcaster as a public trustee with an obligation to serve the public interest, and as a corporation with responsibilities to maximize shareholder value. It is incumbent upon us at the FCC – and upon all of you as citizens and as consumers – to ensure that that the bottom line does not displace the public interest as broadcasters' driving force.

Consolidation in the media seems already to have resulted in more limited opportunities for the distribution of independent programming. As consolidation increases, it is likely that those opportunities will diminish even further.

It is up to us at the FCC to make sure that there continue to be outlets for independent programming. We need to ensure that local broadcast stations continue to carry programming that serves the needs of the local community, covering local public affairs and serving the needs of all aspects of the community. In order to ensure that local communities are adequately served, there must be diverse sources of programming

in each community – not just a variety of programming formats but true diversity, providing a variety of voices and viewpoints.

One small way in which we have worked to ensure that there are outlets for local programming, is the creation of a new, low power radio service. This service is already beginning to create opportunities for new noncommercial, local radio stations in communities and they will grow rapidly. I know that the Catholic Conference has been a strong supporter of low power FM, and many, many applications were submitted by local parishes and Catholic schools. Even with the provision included in appropriations legislation that drastically reduced the number of low power radio stations the FCC could authorize at this time, the Commission has already granted over 200 construction permits to schools, churches and community organizations and a number of stations are already on the air.

Another potential outlet for local programming is the public, educational and governmental channels that cable systems make available to their communities, and that direct broadcast satellite services make available on a nation-wide basis. These channels serve almost as a commons, a forum for public communications over the media. If you are not already working with your local cable system to use this resource, I urge you to develop a relationship with the cable and DBS providers that serve your area.

Broadcasters and cable operators carry messages to the public in another important way: public service announcements. PSAs are one of the most tangible ways that the media contribute to the public interest.

As the Commission has looked at the public interest obligations of broadcasters, one of the crucial components has always been the broadcasters' provision of time on the public airwaves for public service announcements. While never specifically required by Commission rules, public service announcements have always been an important part of the service broadcasters provide to their communities.

Over the years, public service announcements have played a pivotal role in a number of campaigns that encouraged societal behavioral changes. Campaigns against drunk driving like "Friends don't let friends drive drunk;" efforts in support of environmental consciousness like the Native American and the polluter; and the ongoing crusades against smoking and drugs -- all these have been waged in large part through public service announcements. They created a national awareness for change, and they were instrumental in bringing about that change.

At their best, public service announcements are service by broadcasters doing what they do best – reaching a target audience with a targeted message. And it is something that no one else can do the way broadcasters can. According to the National Association of Broadcasters, television broadcasters donated a total of \$1.8 billion in

airtime for PSAs in 2000 and the Ad Council estimates that its PSA campaigns alone received over \$316 million in television airtime that year.

A study released earlier this year by the Kaiser Family Foundation, however, makes me believe that more needs to be done. According to Kaiser's study, almost half – forty-seven percent – of all time donated to PSAs is during the hours between midnight and six a.m. Only nine percent is in prime time. Broadcasters know how to reach an audience with a message, but unless the audience they are trying to reach is insomniacs, this study indicates that they are not getting the job done. In addition, as much as the broadcast industry is donating today, the amount is only a fraction of what was contributed in years past.

The Kaiser study also shows that an average of fifteen seconds per hour is devoted to PSAs – or less than half of one percent of all television airtime. I don't know if this sounds like a lot to you, but let's contrast it with the numbers from a FCC study released in 1980. During the time of that study, one to two percent of all broadcast time was devoted to public service announcements, and those PSAs were, according to the FCC's report, distributed evenly throughout the day.

A lot has changed in this area since 1980, and I wonder how much of the change is that the FCC was watching broadcasters at that time, reviewing programming logs to see just what broadcasters were doing to serve their communities. Public Service

Announcements were one of the things the FCC looked at when renewal time came around to ensure that stations were fulfilling their obligation to serve the public interest.

Right now broadcasters' only affirmative programming obligations are to serve their communities and to provide some programming that serves the educational needs of children. They need to do more. So do other program-related entities. In the area of Public Service Announcements, cable programmers, local cable system operators and satellite providers – not subject to the same public interest obligations as broadcasters – nonetheless have obligations to be good corporate citizens. These programming providers, like broadcasters, have the ability to deliver targeted messages to specific audiences, and thereby to serve the public. Some cable programmers – such as MTV and Nickelodeon – aware of their ability to reach particular audiences, have produced and aired Public Service Announcements at virtually the same level as have broadcast networks. I am not here to tell broadcasters *what* they should be doing, but I would like to see them take the initiative to do more themselves.

Protecting Against Indecency in the Media

Indecency. Everyday I continue to hear from Americans who are fed up with the patently offensive programming diet they are being fed. I hear from parents totally frustrated with the sexually explicit, profane and violent programming that increasingly commandeers the airwaves. I even hear from some broadcast station owners and managers that something needs to be done about it. Well, they're right: we as a society

have a responsibility to protect children from content that is inappropriate for them and harmful to them.

When it comes to the broadcast media, the FCC has a statutory obligation to protect children from obscene, indecent or profane programming. I take this responsibility very seriously. But the process by which the FCC has enforced these laws places an inordinate responsibility on the complaining citizen. It's generally the rule that the Enforcement Bureau wants a recording or a transcript or something very detailed about any allegedly offensive broadcast. That strikes me as onerous. How is my wife, listening to the car radio while she is driving a van load of kids home from elementary school, going to record or write down an offensive broadcast that might come on the air? It seems to me that when enforcing the indecency laws of the United States, it is the Commission's responsibility to investigate complaints that the law has been violated, not the citizen's responsibility to prove the violations. Lack of information about what was said and when it was broadcast should not be allowed to derail our enforcement of the laws. If something is said on the public airwaves, a strong argument can be made that it should be part of the public record.

I haven't pushed that yet to any conclusion in terms of regulations or rules, but I have asked the media to voluntarily keep tapes or transcripts of their programs for some period of time, say 60 or 90 days, so they would be available in case complaints are lodged. I want to ensure that the Commission investigates rigorously the complaints filed by citizens, and I hope that broadcasters will not impede those investigations by failing to

retain recordings. Americans have a right to expect their government to enforce the indecency laws of the United States.

I've asked for more. I have suggested that broadcasters and cable programmers could adopt a voluntary Code of Conduct governing broadcast and cable standards. A voluntary Broadcaster Code of Conduct was in place from 1952 until 1983, when it was struck down on narrow antitrust grounds. Indeed, radio had such a code going back to 1921. Through enlightened self-regulation, the industry clamped effective restrictions on the presentations of sexual material, violence, liquor, drug addiction, even on excessive advertising. The Code also affirmed broadcaster responsibilities for public service announcements, for children, community issues, and public affairs. It didn't always work perfectly, but it was a serious effort premised on the idea that we can be well entertained without descending to the depths.

Today's mad race to the bottom is sad. Shock broadcasting seems increasingly to be elbowing aside broadcasters' public interest obligations. The lowest common denominator is becomes the highest good. Some say, "That's what the people are clamoring for." Or, "Everyone else is doing it, I have to copycat to stay alive."

The people best able to fix this problem, and to take responsibility for the programming they are putting out there, are the leaders of the industry. There is a lot to be said for voluntary industry action in this area. By taking responsibility for what they broadcast, particularly when children are likely to be watching, the broadcast and cable

industries would make a huge contribution to our children and our society. That is why I have called upon our radio, television and cable industries to come together and craft a new code, a code that would raise the lowest common denominator.

But industry has been slow to respond. I was encouraged by Disney Chairman and CEO Michael Eisner who, after we visited, pledged to retain radio tapes for 60 days following broadcast. And I was heartened to receive a nice letter from Lowell Paxson in support of my efforts to encourage a code of broadcaster conduct. Certainly Paxson has proven that money can be made with family-friendly programming. And I have been encouraged in talking with numerous individual broadcasters. Every time I give a speech to one of their state associations and talk about this, invariably some will come up after the talk and tell me to keep on pushing and that I'm on the right course. But this isn't a job for one; it's a job for all. The industry as a whole, its networks and cable programmers and other leaders, need to tackle this one head-on or it won't get tackled at all. At least until others tackle it.

As I visit on Capitol Hill, several Members tell me they are thinking of introducing legislative remedies. That's out of my purview, of course, and I've been telling them that as far programming standards go, my emphasis is on the voluntary, although when it comes to indecency, the FCC does have statutory obligations. But on programming, maybe it is time for the Commission to consider what *we* can do. Perhaps dusting off some of the recommendations submitted in the "Final Report of the Advisory Committee on Public Interest Obligations of Digital Television Broadcasters" would

begin to focus industry interest on a topic of large and growing concern to the American people. That report recommended enhanced broadcaster disclosure of stations' public interest broadcasting. It recommended a set of minimum public interest requirements for digital TV broadcasters. It talked about requiring more in the way of public service announcements. I'm not predicting such proposals would fly through the Commission, but I'll bet there would be a lot of support all across America for jump-starting a national dialogue. I'd still prefer an industry-led effort, but letting the current dive to the bottom continue unabated is unacceptable.

Conclusion

So I believe that we have lots of things in common, and much to work on. You have picked up by now that I have always believed in partnership activities between government and its constituents. It is in this spirit of working together that I come here today, asking your help – and offering mine – as we work to bring the power of media to every American and to the larger world beyond. We will often agree, we may sometimes disagree, but working together for the larger purposes that inspire all great deeds, I believe our future is bright.

Thank you.