

**REMARKS OF FCC CHAIRMAN AJIT PAI  
BEFORE THE MICHIGAN ASSOCIATION OF BROADCASTERS**

**MACKINAC ISLAND, MI**

**AUGUST 14, 2018**

Good morning. Thank you for that warm welcome and for inviting me to be with you. Special thanks to whoever picked Mackinac Island as the location. This place is beautiful.

This is actually my second visit to Michigan since becoming Chairman. And I'm going to be frank: It's going to be tough clearing the bar set with that earlier visit down in the Mitten. I met some innovative local tech entrepreneurs. I checked out some of GM's latest technology. I attended WJR's St. Patrick's Day party and was interviewed on air by Michigan broadcast legend Paul W. Smith. And then, what put it over-the-top for me—I randomly ran into Detroit Lions legend Calvin Johnson at a restaurant. Unless you guys have Barry Sanders backstage, a Megatron meet-and-greet is tough to beat.

As John Cusack's character Marty observed in the classic 1997 film *Grosse Pointe Blank*, "If I show up at your door, chances are you did something to bring me there." That's true for me today. But not because I'm inspecting your public files—not yet, at least. No, it's because of Michigan's own, the former Chairman of our Energy and Commerce Committee, Congressman Fred Upton. He wrote me a kind note months ago, encouraging me to come to Mackinac. And when someone of that stature makes that ask, you take it seriously—even without being pitched on the cherries and fudge.

There's one other Michigander who's not here, but whom I must recognize. That would be my long-time Chief of Staff and Oakland County native, Matthew Berry. People said I sometimes clashed with my predecessor at the FCC because of irreconcilable ideological differences between our offices. This is indeed true, and now you know why—Chairman Wheeler was an Ohio State graduate. Matthew actually spoke at this convention in 2015, so you already know he's great. He's been a dedicated public servant, a good friend, and a nasty fantasy football opponent for many years.

The last people I want to recognize are the most important. That's you: Michigan's broadcasters. I have a couple of things I'd like to say about you: first, about MAB the organization, and then about you as individuals.

As for MAB, thank you for being a valuable resource not only for the state's broadcasters, but for the FCC. And thank you as well for your collective community service efforts. One, in particular, stands out to me. A lot of broadcasters are active in leading fundraising efforts for local charities. And Michigan's broadcasters are no different. But I was particularly impressed that your leading community service initiative is a public education campaign to promote vaccinations. It's an issue of great importance here; Michigan has the fourth highest rate of vaccination waivers and less than 75% of children are fully immunized. Well, you used your most unique strength—the bonds of trust you've built with your audience—to combat misinformation and literally save lives. Your reporting exposed spikes in illnesses, like a 16-fold increase in whooping cough over the past decade, and now you're using your platform to help get kids vaccinated and reduce these preventable illnesses. That's public service. That's MAB.

Now, a point about Michigan's broadcasters in general. For all this talk of community campaigns, the reality is that your day-to-day job is a public service. During emergencies, you're the ones people turn to learn about what's going on or where to find help. Your reporting holds local officials accountable. Our shared experiences, from high school football games to local elections, are memorialized by your storytelling, which helps bind communities together.

Thanks to all of you for everything you give to your communities. And congratulations to all the broadcasters who will be receiving awards tonight: Bob Allison, Sheri Jones, Pete Bowers, and Michael Walenta. I hadn't had the privilege of meeting any of tonight's honorees before I came here. But that actually says something about the special role broadcasters play in communities across Michigan and across America. Even if you're great at your job, most broadcasters don't become nationally known names like Ernie Harwell. Case in point, until that famous documentary, nobody outside San Diego knew the legend of Ron Burgundy. But the best of you become anchormen—I mean, pillars of your communities. You become friends and neighbors to people you may never personally meet. You help shape the character of the communities you serve. That's something special that deserves celebrating and that you should never take for granted.

For its part, the FCC will not take the value of broadcasting for granted so long as I am Chairman. I'm committed to modernizing our rules in order to allow broadcasting to flourish. Our record over the past year-and-a-half is proof of this. And with your indulgence, I'd like to walk through some of that record.

One of the biggest things we're doing for broadcasters at the FCC is something that the typical American would probably expect to be typical for any agency: making sure that our rules match today's marketplace and technology. That's often a heavy lift. Broadcasting's virtues may be timeless, but many broadcast regulations most certainly are not.

And so you might say we've been taking a few Michigan lefts, making the U-turns necessary to revise or repeal rules that no longer make sense.

For example, we eliminated the main studio rule, which was first adopted in its earliest form in 1939. The record showed that this regulation was making it harder for broadcasters to start or maintain stations in many rural areas and was unnecessarily diverting resources that could be put to more productive uses, like improving programming. Moreover, the overwhelming majority of feedback received by the FCC indicated that main studio requirements were no longer needed to enable broadcasters to be responsive to your communities of license. In an age when people are much more likely to contact their broadcast station through the Internet or over the phone, and the public file is available online, a physical studio in your community is no longer necessary for you to receive public input. And technology allows broadcasters to produce local news even without a nearby studio. We aim to give broadcasters greater flexibility to use their limited resources in ways that really help their communities, without sacrificing transparency or community engagement, and to make it easier for broadcasters to provide service to rural America.

The FCC also did away with its rule that requires certain broadcasters to keep paper copies of the FCC's rules. That's right, the nation's expert agency on communications was requiring businesses like yours to maintain hard copies of information that is readily accessible online. We eliminated this rule as part of something we call our *Modernization of Media Regulation Initiative*—a comprehensive review of our 1,000-plus pages of media regulations to identify rules that need to be changed. To date, this effort has spurred a dozen rulemakings, with more to come.

To name a few, we're looking at streamlining or eliminating rules that require broadcasters to physically display or maintain their licenses and related information in specific locations. This one too doesn't make sense. In some cases, this information is posted in places that aren't accessible to the public. And in any case, you can find most of this information online if you care to.

We're also looking at streamlining our process for reauthorizing television satellite stations when they're assigned or transferred. We've heard that this process can be lengthy, expensive, and burdensome. This can dissuade potential purchasers from buying satellite stations, which usually are in rural and economically depressed areas in need of investment.

Most recently, as you are probably all aware, we launched a proceeding to review our children's television programming rules. Today, kids across the country, including my own, have many educational and informational viewing options available to them other than broadcast TV. So it's long past time that we took a fresh look at our "kid-vid" requirements. Some of what we're looking at: the ways our current rules are too inflexible and discourage broadcasters from showing content that's less than 30 minutes long, like Schoolhouse Rock!, and also discourage the airing of educational specials like the ABC Afterschool Special. Commissioner O'Rielly is leading the effort to make sure these rules are updated to match today's video marketplace. If you haven't already, I would encourage you to make your voices heard to ensure these rules better serve the needs our children in the digital era and reflect the marketplace of today rather than the 1990s.

Let me shift from modernizing our media rules to revitalizing AM radio.

If my childhood didn't already, my WJR experience reaffirmed my deep appreciation for the value of AM radio. Before becoming Chairman, moving the ball forward on AM radio revitalization efforts was perhaps my proudest achievement at the FCC. I first proposed a revitalization plan in 2012, and thanks in part so many who weighed in, the Commission adopted some reforms in 2015.

To date, we've reformed some technical rules related to the AM service. But the centerpiece of those reforms has been helping AM broadcasters obtain FM translators. And the response to date has been tremendous. For example, from the 2017 Auction 99 window, we have so far granted more than 800 new construction permits to AM stations for FM translators, and many of them have gone to stations in Michigan, from Marquette to Detroit, Cadillac to Port Huron. And we're in the process of issuing final construction permits for those applicants that were mutually exclusive. Thanks to the great work of our Audio Division, we've been able to close out Auction 99 in just over one year from when we opened the window to getting those cross-service translators. And turning to 2018, we've already granted more than 500 new construction permits as a result of the filing window in Auction 100.

In addition to the translator initiative, we've been working on a follow-up rulemaking to refine earlier proposals on modifying interference protection for Class A stations. In my view, our rules should reflect the reality of the current noise floor and appropriately balance the interests of Americans who want to listen to smaller local stations in their communities with those who enjoy listening to Class A stations. Many folks weighed in on our proposal from 2015 on how to modernize our protection rules for Class A stations. We've been studying those ideas, and today, I'm pleased to announce that I've just shared with my colleagues a draft Notice of Proposed Rulemaking that contains new proposals regarding interference protection for Class A stations. They are based in large part on comments we received from experienced broadcast engineers. I hope that the draft Notice is approved soon so that we can get public feedback on these new proposals.

Another area where we've really stepped up our efforts is cracking down on pirate radio operations. Many people think of pirate radio as little more than a nuisance. But unauthorized stations can pose a real danger to public safety by interfering with the signals of licensed broadcasters during an emergency.

That's why we've made pirate radio one of our top enforcement priorities. Just last month, the FCC fined a pirate operator in Miami the statutory maximum penalty of \$144,344. Notably, we also held liable the landlords at the site of the unauthorized operation who enabled the unlawful pirate radio operations by housing the pirate station's transmitter and antenna and paying many of the associated operating expenses. We're sending a loud and clear message: If landlords knowingly aid and abet pirate radio operations, we'll go after them too, and they too will face the (fully licensed and appropriate) music. Just last week, I visited the FCC's field office in New York to thank our dedicated field agents for their tremendous work, including on many of these investigations.

Turning to our most recent broadcast accomplishments, earlier this month, the FCC formally set up an incubator program to encourage new entry into the broadcast industry. As many of you know, this idea has been discussed for decades. In fact, it was first proposed the year I graduated from high school, back when Bell Biv DeVoe dominated the charts with “Poison.” The band warned us then that the “situation is serious / Let’s cure it ‘cause we’re running out of time.” I don’t know if they had in mind the need for broadcast diversity, but if they did, the Commission ignored them for 28 years—until last month, when we finally took action. Our goal is to enable small, aspiring broadcast station owners to pair with established broadcasters who can help with training, finances, mentoring, and industry connections. I urge those established broadcasters in the audience to consider participating in this new program. Initially, the program will apply only to radio, because radio has traditionally been the most accessible entry point for new entrants and small businesses seeking to join the broadcasting sector. Through these relationships, we aim to boost diversity and competition in broadcasting. And we hope to give a new generation of leaders a start. For, as one of Michigan’s greatest philosophers once put it, “It makes no difference if you’re black or white / If you’re a boy or a girl / If the music’s pumping it will give you new life / You’re a superstar, yes, that’s what you are, you know it.” Indeed, Ms. Ciccone.

The last policy matter I’d like to discuss also featured at the FCC’s August meeting, and that deals with the incentive auction repack. As you know, when Congress authorized the FCC to conduct the incentive auction in 2012, it required the Commission to reimburse certain costs incurred only by full power and Class A stations that were reassigned to new channels as a result of the auction, as well as certain costs incurred by MVPDs to continue to carry such stations. Recently, however, Congress passed legislation that, among other things, expanded the list of entities eligible to be reimbursed for auction-related expenses. It now includes LPTV stations, TV translators, and FM stations. Last week, we started to implement Congress’ directive. We want to disburse funds fairly and efficiently while at the same time ensuring that there are robust safeguards against waste, fraud, and abuse. If you’re interested, tell us—we need and want to hear from you, Flatlanders and Yoopers, Wolverines and Spartans alike.

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I’d like to close with some wise words from one of the most famous broadcasters to ever come out of Michigan, Dick Enberg. His professional career carried him afar, but Enberg was born in Mount Clemens and attended college at Central Michigan in Mount Pleasant. When you think of Dick Enberg quotes, you instantly think “Oh my!” But he also said something that I think speaks to the unique nature of your profession. He said, “To be the announcer where you live is a very special opportunity.” And that’s so because of the link between a broadcaster and his or her audience. Because you’re a broadcaster, your job is to embrace your community. And the beauty is that they can embrace you back. That’s a special bond that lifts everyone up and is made even more special because you are living among the people that you serve. So let me just say once more, thank you for all that you do to make our small towns, our big cities, and our nation stronger.