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Federal Communications Commission  
Office of the Secretary

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter )  
 )  
Review of the Policy Implications ) MM Docket No. 91-221  
of the Changing Video Marketplace )

COMMENTS OF THE CORPORATION FOR PUBLIC BROADCASTING

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SUMMARY OF COMMENTS

These Comments focus on the role of public broadcasting in the future multichannel video marketplace that the authors of the OPP Paper envision. In general, CPB is concerned that the Commission is overlooking the significance of public television in the future multichannel environment. In particular, CPB must take exception to the characterization of public television in the sole comment in the OPP Paper concerning public television.

First, the report does not accurately reflect the origins and central justification for government support of public broadcasting: to provide to the American people high quality programming in the public interest, not the commercial interest. Congressional intent in establishing frequency allocations and providing financial support for public broadcasting focused on the type of programming, not on audience size. The report also does not recognize the educational role that noncommercial broadcasting has fulfilled since its inception.

Additionally, no evidence is offered for the assertions that public television may be facing declining revenues because of declining audiences, or that many of the programming needs that public

television was intended to fill will be met by cable. The report simply presumes that cable increasingly is providing programming which serves the same purposes and audiences as public television. This presumption has lead the authors of the OPP Paper to conclude that cable services will increasingly provide the kinds of programs that public television has long provided, and that commercial cable services will be able to meet the needs of the American public currently served by public television. CPB believes that such assertions are unsupportable. They do not reflect the current state of the multichannel marketplace and its economic environment, and they are inconsistent with much of the economic analysis and observations in the OPP Paper itself.

CPB does not view the evolution of cable and other new delivery technologies as a threat to public broadcasting stations, but rather as an opportunity for public broadcasters, as well as commercial broadcasters, to diversify by also applying their programming talents and experience to provide programming for cable channels and other distribution channels. See, OPP Paper at 161-163. In this dual role as broadcasters and program providers, public broadcasters can continue to contribute significantly to furthering the Commission's goals of localism, diversity, nationwide availability of services, and broadcasting in the public interest. Notice, at paragraph 2.

However, public television can only pursue this important role in the multichannel marketplace if the federal government continues its strong commitment to public telecommunications. CPB therefore urges the Commission to maintain its regulatory commitment to public telecommunications and urges the Congress to recognize that the

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reasons for federal support of public telecommunications will be stronger than ever in the future multichannel environment.

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COMMENTS OF THE CORPORATION FOR PUBLIC BROADCASTING

I. INTRODUCTION

The Corporation for Public Broadcasting ("CPB") hereby submits these Comments in response to the Notice of Inquiry in the above-captioned proceeding, 56 Fed. Reg. 40847 (August 16, 1991) ("Notice"), in which the Commission is seeking broad-ranging comments on changes in the state of the video marketplace and the public policy implications of such changes.

CPB's participation on matters related to the provision of video communications services, and the use of new and future technologies for the delivery of such services to the American people flows from CPB's statutory mandate. CPB is the private, nonprofit corporation described by the Public Broadcasting Act of 1967 ("1967 Act"), as amended, 47 U.S.C.A. Sec. 390 et. seq. (1991 ed.). CPB is filing these Comments as the organization authorized by Congress to encourage the growth and development of public radio and television broadcasting, as well as telecommunications technologies, for the delivery of public telecommunications services, and to promote "a national

policy that will most effectively make public telecommunications services available to all citizens of the United States. " 47 U.S.C.A. Secs. 396 (a)(1), (a)(2) and (a)(7). To achieve these and other purposes, CPB was authorized to "assist in the establishment and development of one or more systems of public telecommunications entities throughout the United States." 47 U.S.C.A. Sec. 396(g)(1) (C). Furthermore, CPB is expressly authorized to conduct research, demonstrations and training in matters related to the use of public television and radio broadcasting as well as other communications technologies for the dissemination of noncommercial educational and cultural programs. 47 U.S.C.A. Secs. 396(g)(2)(G),(H).

CPB agrees that "the physical distribution of the broadcast signal is, in fact, a small part of the broadcasters' business," particularly the public broadcasters' business. Office of Plans and Policy Working Paper #26, Broadcast Television in a Multichannel Marketplace, DA 91-817, 6 FCC Rcd 3996 (1991) ("OPP Paper"), at page x. In fact, CPB's own mandate includes everything from providing financial and technical assistance to noncommercial educational television and radio programmers throughout the United States, to monitoring and exploiting the best means of disseminating public telecommunications programs and other noncommercial public service communications to the people of the United States. See e.g., 47 U.S.C.A. Secs. 396(a)(2) and 396(g)(2)(G),(H). As the organization charged with advocating the interests and development of public telecommunications in the United States, CPB is uniquely qualified to speak to public television's special role as both a broadcaster and a program provider in the current and future multichannel marketplace.

These Comments focus on CPB's concern that the OPP Paper and the Notice overlook the significance of public television in the OPP Paper's analysis of the future multichannel environment. In particular, CPB must take exception to the sole comment concerning public television in the OPP Paper, at pages 160-161. CPB does not view the evolution of cable and other new delivery technologies as a threat to public broadcasting stations, but rather as an opportunity for public broadcasters, as well as commercial broadcasters, to diversify by also applying their programming talents and experience to provide programming for cable channels and other distribution channels. OPP Paper at 161-163. In this dual role as broadcasters and program developers, public broadcasters will continue to contribute significantly to furthering the Commission's goals of localism, diversity, nationwide availability of services, and broadcasting in the public interest. Notice, at paragraph 2.

## II. PUBLIC TELEVISION CAN AND SHOULD PLAY A SIGNIFICANT ROLE IN THE FUTURE MULTICHANNEL VIDEO MARKETPLACE

The sole reference to public television in the OPP Paper is in the section of the OPP Paper concerning the future of broadcast television stations, which states the following:

The Public television stations, though not supported by advertising, may also face declining revenues because of declining audiences. Supported by voluntary viewer payments and government and charitable contributions, public television was created as a response to the failure of the advertiser-supported program market to produce programming to suit the tastes of small audiences. With the advent of commercial viewer-supported programming on cable, many of the needs public television was intended to fill have begun to be met by cable. In the future, government funding of public television may have to be justified on different grounds.

OPP Paper, at pages 160-161.

CPB takes exception to this characterization of public television and its future. First, the report does not accurately reflect the origins and central justification for government support of public broadcasting: to provide to the American people high quality programming in the public interest, not the commercial interest. Congressional intention in establishing frequency allocations for public broadcasting and in providing direct financial support focused on the type of programming, not the audience size. The report also does not recognize the educational role that noncommercial broadcasting has fulfilled since its inception. Additionally, no evidence is offered for the assertions that public television may also be facing declining revenues because of declining audiences, or that many of the programming needs that public television was intended to fill will be met by cable. The report simply presumes that cable increasingly is providing programming which serves the same purposes and audiences as public television. This presumption has lead the authors of the OPP Paper to conclude that cable services will increasingly provide the kinds of programs that public television has long provided, and that commercial cable services will be able to meet the needs of the American public currently served by public television. CPB believes that such assertions are unsupportable. They do not reflect the current state of the multichannel marketplace and its economic environment, and they are inconsistent with much of the economic analysis and observations in the OPP Paper itself. Accordingly, the conclusion that future government funding of public television may have to be justified on different grounds than it is currently is simply erroneous.

Among the key findings of the OPP Paper is the conclusion that in fact there is increasing competition in, and fragmentation of, the entire video marketplace. This issue raises many questions, but answers few, about the predictions for public broadcasting in the wake of cable television's growth. The success of commercial cable channels will be determined by their ability to attract advertising and subscription dollars. Their motivation to produce and distribute public television-like programming and their economic incentives to provide traditionally high-cost/low-yield niche programming will be limited by their ability to generate profits from that programming. Furthermore, there is no evidence cited in the OPP Paper to support the premise that small audience niche programming will be the same public service, educational programming that public broadcasting has provided. In the final analysis, the Commission must ask itself if the future, more highly competitive multichannel environment will be any different from the past competitive environment from which the need for public television originally arose.

A. PUBLIC TELEVISION IS DEDICATED TO SERVING THE PUBLIC INTEREST

1. Public Television Originally Was Created to Provide High Quality "Educational" Programming

By the 1950's, noncommercial educational radio and television stations licensed to educational institutions had begun filling the void in commercial broadcasting by providing the American public with the type of "educational" programming that did not hold economic appeal for a commercial industry which was dependent on advertising revenues. In 1952, the Commission realized that noncommercial stations could not compete with commercial stations for television

channel allocations and reserved a portion of the broadcast spectrum exclusively for use by noncommercial educational television stations. Sixth Report and Order, 41 FCC 148 (1952). The year after Newton Minow, then chairman of the FCC, labelled television as "a vast wasteland", Congress officially recognized the value of educational television by providing federal funding for the first time through the Educational Television Facilities Act of 1962. The money was used, on a matching basis, to help build noncommercial educational stations. The emergence of new stations funded by this money, however, revealed an inadequate supply of programming -- without which the new stations were of limited value to the public.

The lack of program funding spurred the establishment of the Carnegie Commission on Educational Television, whose 1967 report, entitled "Public Television: A Program for Action", inspired the founding of the current national system of public broadcasting. As the Carnegie Commission used it, the word "public" was a new way to refer to what had been known as "educational" television. "Public," while not replacing "educational," expanded the focus to include general-interest, educational, and informational programming -- distinguished from, though an adjunct of, formal instructional programming. The appeal of the Commission's report for the legislators of the time was described by Senator John Pastore (D-R.I.), chairman of the Commerce Committee's Subcommittee on Communications, in the following terms: "This was innovative. It was without commercialism. And it was dedicated to rendering a public service."

The culmination of the Carnegie Commission's efforts was the enactment of the Public Broadcasting Act of 1967, which provided for the public funding to be administered by CPB. This continuing government support forms the seminal distinction between commercial and noncommercial telecommunications: the noncommercial broadcasters' freedom from the burdens of continual competition for advertising revenues and, more recently, subscription revenues. This freedom gives noncommercial broadcasters the liberty to fulfill the educational, informational and cultural needs of specific interests and audiences rather than aiming for the largest possible audience and the lowest common denominator. It also allows public broadcasters to offer more in-depth and high quality programming services, regardless of the relative costs per viewer. Moreover, it maximizes the opportunities for public broadcasting to fulfill the mandate of service to the American public. Thus, two decades after the enactment of the Public Broadcasting Act, Newton Minow reassessed American television: "It's still a vast wasteland,... but now it has an oasis: public broadcasting."

2. Public Television Serves the Public Interest by Providing High Quality Noncommercial Educational, Informational, Instructional and Cultural Public Telecommunications Services

In return for their investment in public broadcasting, the American people have had broad access to the highest quality educational, informational, instructional and cultural public telecommunications services. More than simply television and radio programs, public telecommunications services are materials which may be disseminated to the public via any electronic delivery technology,

whether by traditional broadcasting stations and translators, coaxial cable, satellite, microwave, optical fiber, cassettes, discs or laser transmissions through the atmosphere. With 25 years of CPB support, these public services have been produced or acquired by a variety of entities, including public broadcast stations, minority-based production companies, independent producers, educational institutions, and government agencies. Through their educational content, innovative qualities, and diversity, these services have enhanced the knowledge and imagination of all Americans.

With its mandate to serve all citizens, public broadcasting makes available a wide range of telecommunications services to meet the public's needs. These services address unserved and underserved audiences, such as racial and ethnic minorities, children, the illiterate and the physically challenged. The services are responsive to the interests and needs of people on a local, regional and/or national level, and include documentaries ("Eyes on the Prize I & II", "The Civil War", "The AIDS Quarterly with Peter Jennings", "Frontline", "P.O.V."), instructional materials ("French in Action", "Amigos", "War and Peace in the Nuclear Age"), national and/or local public affairs ("Washington Week in Review", "Firing Line"), news ("The MacNeil/Lehrer NewsHour"), and cultural and arts programming ("Great Performances", "American Playhouse", "Alive from Off Center", "Dance in America", "Smithsonian World").

To fulfill the educational goals of public telecommunications, CPB funds important public television services for both on-site and at-home learning, through various combinations of broadcast facilities, ITFS (instructional television fixed service), satellite

dishes, television monitors, computer networks, printers, VCRs, telephones, local and national cable networks (e.g., The Learning Channel, The Discovery Channel, Arts & Entertainment, The Disney Channel, and Bravo), audio and video cassettes, interactive video discs and computer software, and video text. Programming is produced for children from preschoolers ("Barney and the Backyard Gang", Shari Lewis' "Lambchop Play-Along Show", "Sesame Street", ("Mr. Rogers' Neighborhood") through elementary ("Where in the World is Carmen Sandiego?", "Reading Rainbow", "WonderWorks", "Square One TV") and secondary school ("Degrassi High", "The American Experience"), and for adult education as well ("The Civil War", "Race to Save the Planet").

**B. CABLE MAY HELP EXTEND THE REACH OF PUBLIC TELEVISION PROGRAMMING, BUT IT WILL NOT REPLACE PUBLIC TELEVISION SERVICES**

It is well documented in the OPP Paper that there are currently more than 100 national and regional cable networks, and that the number grows each year. OPP Paper, at vii. In addition, independent stations have accounted for over three-fourths of the 50% increase in television broadcast stations between 1975 and 1990. OPP Paper, at vii. But of the over 100 cable networks and the growing number of independent television broadcast stations, few offer programming comparable to programming offered by public television. And of those relatively few who do offer any such programming, their offerings can be limited and selective, and their ability, as well as their commitment, to continue to provide such programming might be questioned.

1. Cable Programmers Do Not Offer the Same Programming As Public Television

The OPP paper notes that while basic cable channels as a group have a viewing share in the range of network affiliates, individual cable channels generally have much smaller audiences than network affiliates or stronger independent stations. OPP Paper, at page 76. Basic cable channel networks typically show less expensive programming than is shown on broadcast stations in order to serve these smaller audiences more economically. Id. The OPP Paper suggests, however, that projected increases in revenues for existing cable networks can be expected to allow them to invest in more expensive programming, thereby increasing cable penetration and attracting larger audiences. Id. But a critical question remains unanswered: in what kinds of programs will the cable networks of the future invest their increased revenues?

The types of programming included in current cable programming schedules may offer some insight into the nature of future choices. When current public television and cable programming schedules are compared, there are some overlapping program-types. Nonetheless, when you examine the overall schedules, the majority of the public television schedule is devoted to public service programming, while only isolated fragments of the cable schedules include any public service-oriented programming.

For example, in looking at the most popular cable television channels, the programming of three of the five most popular cable networks in prime time is described by the OPP Paper as similar to that of independent broadcast stations, offering movies, sports, and

entertainment series. OPP Paper, at Table 17, pages 77-81. The OPP Paper thus concludes that cable's current popularity is not based solely on narrowcasting or niche programming -- unlike public television. OPP Paper, at page 78. The other two of the top five channels are more specialized -- one specializes in sports programs (ESPN) and the other specializes in news programming (CNN). Id. However, sports is not generally the subject of public television programming. And although public television does produce some news programming which is generally characterized by greater in depth discussion and reporting than broadcast or cable news services, daily national and international news does not represent a primary public service of public television.

Although the network that tied for fourth place in total day ratings specializes in children's programming, Nickelodeon's schedule is filled mostly with children's entertainment programming not educational programming. OPP Paper, at pages 77-78. In addition, while The Discovery Channel (the cable channel ranked seventh in prime time and tied for seventh in the total day) and its newly acquired subsidiary The Learning Channel (not in the top rankings in either category) offer a substantial amount of educational and instructional programming, today a significant portion of such programming comes from public television (e.g., the Annenberg/CPB Project telecourses). The original programming that cable channels such as The Discovery Channel and Arts & Entertainment have tended to emphasize within their program formats includes those programs that attract larger audiences (i.e., documentaries focusing on popular celebrities, or programs featuring animals such as sharks which attract the keenest interest).

In sum, the current overlap between cable and public television programming actually is quite small. Moreover, much of the overlap involves programs which were funded and originally aired on public television, and might not have been produced but for public television.

As identified in the OPP Paper, planned or announced new basic cable services that will expand cable offerings include comedy networks, networks devoted to legal matters, a science fiction network, a cowboy network, and a landscaping network. OPP Paper, at page 80. Again, of these current and planned cable services, unfortunately none suggest substantial overlap with the public service programming offered on public television.

Additional children's cable networks also are anticipated. Id. To compare cable offerings with those of public television, we must consider the quality, nature and context of that programming compared to public television's programming. While education is the thrust of children's programs on public television, it is unlikely that the educational impact of programming voluntarily will be the foremost goal of any commercial children's network. This is evidenced by the need to enact the Children's Television Act of 1990 to get commercial broadcasters to provide even minimal amounts of programming to serve the "educational and informational needs of children". See, Notice of Proposed Rule Making, November 8, 1990, Policies and Rules Concerning Children's Television Programming, MM Docket No. 90-570. Moreover, despite the Commission's recent rule making on the subject, there is still considerable controversy about the affects of advertising on children's programming.

In considering cable's ability to provide new program services in the future, the OPP Paper does not anticipate "radical changes in the nature and popularity of cable programming", but instead states that the data "suggests evolutionary rather than revolutionary changes in cable programming." OPP Paper, at pages 75, 89. This expectation that the cable programming will not change dramatically does not seem to support the later statement that the needs that public television serves today ultimately will be met by cable. Given the cable networks' limited ability to provide programming similar to that provided by noncommercial public television today (as described above) and the heightened competitive pressures which are reducing the cable networks' ability to dedicate resources to public service, coupled with the predicted slow evolutionary changes in cable programming, it seems unlikely that cable will be able to meet the needs currently served by public television.

2. Cable Networks Do Not Reach the Same Audiences As Public Television

Even if cable can and does choose to produce and distribute public television style programming, it will not be able to meet a fundamental goal of public television: universal access. Despite the predicted decline in viewing, a substantial audience for broadcast television is expected to remain in 1999 because approximately one-third of households in the United States probably still will not subscribe to cable. OPP Paper, at Table 15, pages 73-74, and 161. Of those 34.3%, 6.8% will not be passed by cable and 27.5% will be passed

by cable but will elect not to subscribe. OPP Paper, at pages 73-74. Accordingly, there will be a substantial audience that cable cannot possibly dominate, regardless of its programming schedule.

Furthermore, the households that do not subscribe to cable will be less attractive for cable or commercial broadcasters to serve because they will disproportionately be low-income households, or because they watch little television or receive satellite service. Since there will be little advertiser or subscription revenues to reap from these groups, a considerable audience most likely will be underserved by public service programming if they are not reached by public television.

3. Pay-Per-View Does Not Offer the Same Programming or Reach the Same Audiences as Public Television

Pay-per-view programming can in limited cases sustain some higher cost niche programming. OPP Paper, at page 81. By charging for single highly valued events, pay-per-view can generate more revenue per viewer and therefore can afford to provide more expensive and attractive programming. Id. For example, the recent appearance of the New York Metropolitan Opera on pay-per-view is the first cultural programming to join sports programming on pay-per-view. However, per-program fees discourage viewing and limit the real availability of the programs to non-elite, non-affluent audiences. OPP Paper, at pages 81-82. In addition, technical factors, such as the availability of the necessary addressable converters or the capacity for automatic number identification, will affect the degree of use of pay-per-view services. OPP Paper, at pages 83-84.

In fact, the OPP Paper shows that on the average, cable subscribers viewed at most one event per month and projects that this may increase to only two events per month by 1999. OPP Paper, at page 83. Moreover, the projections made in the OPP Paper assume that the nature of the pay-per-view business will not change significantly. OPP Paper, at page 84. "They suggest that pay-per-view will probably be used infrequently by large numbers of customers, and so will have little effect on broadcast viewing." Id. Therefore, public television will remain the primary venue for access to cultural programming, such as concerts and operas, for most audiences.

C. LOSSES IN COMMERCIAL BROADCAST SERVICE  
MAY BE AMELIORATED BY PUBLIC TELEVISION

As for the commercial broadcasters, the OPP Paper explains that in the face of reduced revenues, networks have responded by cutting costs and probably will continue to do so. OPP Paper, at page 162. "Less expensive network programming, coupled with better programming on competing outlets, will erode the reputation for superior production quality that historically distinguished the broadcast networks." OPP Paper, at pages 162-3. While increased video competition has brought the viewers many new program choices, the OPP paper further explains that, "[i]n the future, however, the number of broadcast television stations is likely to decline, and the quality of broadcast service may deteriorate." OPP Paper, at page 164.

The reduced broadcast service will affect different groups in different ways. For those who subscribe to cable or some other multichannel service, the loss may only amount to a less desirable mix of programming. OPP Paper, at page 164. If broadcast programming moves to a pay format, then viewers will be hurt by having to pay for

what they once received for free. OPP Paper, at page 165. Those viewers who cannot afford to subscribe to cable or who are not passed by cable will suffer the greatest loss of welfare if and when broadcast service deteriorates. OPP Paper, at pages 165-6. But the relative loss will depend on the individual viewer's taste for television and the extent of the reduction in service. OPP Paper, at page 165. Video cassettes and home satellite dishes may offer an alternative to those who can afford them, but in any event will not provide a substitute for local programming. OPP Paper, at page 166. These trends can only heighten the importance of public television's role in providing quality programming choices to audiences who may not be offered such programming by commercial broadcasters.

**D. A STRONG PUBLIC TELEVISION SYSTEM WILL BE CRITICAL  
IN THE FUTURE MULTICHANNEL VIDEO MARKETPLACE**

Ultimately, any commercial service will always be driven by economic forces to provide programming that lures audiences that are attractive to potential advertisers or, in the case of cable, that attract cable subscribers. In contrast, a strong public television system can devote itself to quality programming that meets the needs of specific audiences and geographical areas. Moreover, as competition heightens among commercial programmers, both broadcast and cable, there should be a real concern that, on the whole, the quality of cable and commercial broadcast programming will decline. Public television's provision of quality public service programming across full day schedules, serving all audiences can only increase in importance and uniqueness in such an environment.

III. PUBLIC TELEVISION CAN AND SHOULD PARTICIPATE IN THE TECHNOLOGICAL ADVANCES IN THE MULTICHANNEL MARKETPLACE

The Commission recognizes that the rapid advances in telecommunications technologies is a significant factor in the changing face of the multichannel marketplace. Notice, at paragraph 6. As a consistent leader in technological innovation, public television therefore has an important role to play in this new marketplace. As detailed in the comments expected to be filed jointly in this proceeding by America's Public Television Stations (APTS) and the Public Broadcasting Service (PBS), public broadcasters were the first to use satellites to create a national interconnection system, and have been at the forefront in the development of ITFS, closed captioning decoder chips, and a host of other technologies including interactive videodiscs, videotext services and the use of direct broadcast satellite for distance learning, to name a few. Currently, public broadcasting is directly involved in developing and/or testing the applications of HDTV, digital compression technology, VSAT (Very Small Aperture Terminals) technology and digital broadcasting. As illustrated in section II.A.2., above, public broadcasters actually employ a vast array of technologies in delivering alternative services to the public.

Public television will continue to blaze new trails in technology and employ new distribution technologies to deliver high quality public service programming. Through CPB's participation in this and other proceedings related to evolving telecommunications technologies, we want to ensure that all telecommunications technologies will be readily available for use by the providers of noncommercial public

services in their continuing efforts to better the lives of our citizens through their provision of innovative, noncommercial public services of the highest quality.

#### A. VIEWER RESPONSE SYSTEMS

CPB believes that viewer-response systems such as Interactive Video Data Systems (IVDS) are beginning to emerge as an essential element of the present and future mass media, and therefore in Comments and Reply Comments filed in General Docket No. 91-2, on June 10 and July 10, 1991, respectively, CPB has urged the Commission to continue the progress towards the establishment of such systems. These new systems will offer many opportunities for the providers of noncommercial public services to reach out to the nation's communities with diverse and dynamic new forms of noncommercial public service communications. However, these new public service communications only can benefit from the unique characteristics afforded by each new viewer-response system if the Commission recognizes that public services cannot and should have to compete with commercial services for access to the systems. Therefore, CPB urges the Commission to ensure that standards and policies are developed in this and related proceedings to optimize the delivery of noncommercial public service communications.

There are a variety of ways by which the Commission could guarantee access to noncommercial public service communications providers on viewer-response systems. CPB believes that it would be most effective to require licensees of IVDS systems to dedicate a certain portion of capacity on their respective systems for exclusive use in noncommercial public service communications. Without such

dedicated capacity, many noncommercial public service communications would be crowded-out by commercial services with greater revenue power and the American public would be deprived of many of the enhancements that viewer-response systems such as IVDS offer for noncommercial public service communications.

#### B. FIBER OPTICS

The development of broadband networks, which are built around fiber optic and digital technologies and are capable of delivering video-based and other enhanced services to the home, offer tremendous potential for public telecommunication service. In the long term, these broadband networks may become the primary carrier for what are today only broadcast services.

CPB will be filing comments on proceedings in this area, as the Commission continues to develop policies regulating broadband systems. We will continue to urge that the Commission, in its future policy decisions in this broad area, seek to ensure that current public broadcasting services be ensured of access to and carriage on these broadband systems. Furthermore, the Commission should seek to ensure that full development of new public telecommunications services occurs to take advantage of the unique qualities of broadband delivery systems, including greatly increased capacity, interactivity, individual addressability, individual choice and control in a switched environment.

### C. ADVANCED TELEVISION

Of course, the prospects of an advanced television service for terrestrial broadcasting also opens up many new opportunities for the delivery of public service programming. CPB has been an active participant in the Commission's ongoing rule making to set-up policies, rules and procedures for the establishment of an advanced television service, and for the allocation and assignment of spectrum for that service. CPB is planning to comment next month in response to the Commission's recent Notice of Proposed Rule Making and again urge the Commission to preserve the vacant allotments which are currently reserved exclusively for noncommercial television. In addition, CPB continues to urge the Commission to insure that all of the new policies and rules allow for the future growth and development of public television services.

### D. DIRECT BROADCAST SATELLITE (DBS)

Direct broadcast satellite (DBS) service could provide the first public telecommunications service to many unserved regions of the country, especially rural and mountainous areas. The service would be effective, efficient, and economical, as these presently unserved regions can generally be served only at great expense per capita and might not be capable of supporting local delivery systems. Such service, however, probably will be national in scope and will not necessarily serve as a substitute for local broadcast service.

The Senate Committee on Commerce, Science and Transportation and the House Committee on Energy and Commerce have proposed legislation that would require the Commission to institute a rule making to establish the specifics for a DBS public service set-aside. The