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

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

To: The Commission

COMMENTS OF THE COMMUNITY BROADCASTERS ASSOCIATION

1. These comments are filed by the Community Broadcasters Association ("CBA") in response to the Commission's Notice of Inquiry ("Notice") in the above-referenced proceeding, FCC 91-215, released August 7, 1991. CBA is a trade association representing low power television ("LPTV") stations throughout the nation.^{1/}

2. CBA wholeheartedly supports the "core Commission goals" recited at Paragraph 2 of the Notice: localism, diversity, nationwide availability of service, and the public interest standard for broadcasters. The recent developments in the video industry discussed in the Notice are leading the nation away from these core goals. However, the rapidly growing LPTV industry represents a contrary trend. It is advancing the core goals -- especially the fundamental principle of localism -- and therefore should be strongly encouraged by the Commission.

3. As electronic technology has improved, the distribution of video programming has become easier and less expensive. Television broadcast transmitters have become more reliable and easier to

^{1/} CBA represents the interests of low power television before the Commission and the Congress, as well as in business forums. CBA's Fourth Annual Convention begins tomorrow, November 22, 1991.

operate. Satellite technology has removed barriers to the nationwide delivery of multiple programming services. As a result, programming services have proliferated. As they have proliferated, they have become more specialized. To attract sufficient revenue to be economically viable, specialization has of necessity increased, and providers of specialized services have been forced to seek nationwide rather than local audiences. In addition, the nation has been rapidly wired for cable television; and since there are no ownership limits on cable, large multiple system owners with national perspectives have come to dominate the cable industry.

4. The growth of so many new programming services has increased the level of competition, putting more and more economic pressure on all services and forcing them to broaden their appeal to lowest common denominator national audiences to survive. Local services have had to cut back. Informational and educational programming on the local level has also suffered. To the extent that local diversity has been maintained, it has been only in the largest markets, where there are enough viewers to support multiple diverse programming outlets. The disparity between the level of local service enjoyed by city audiences and that enjoyed by rural and small town audiences has widened. This trend runs counter to the purpose and intent of Section 307(b) of the Communications Act of 1934, as amended, which looks toward an equitable distribution of frequencies throughout the country.

5. What is needed to counter this trend of nationalizing programming at the expense of local service is distribution outlets

with a modest enough cost base to survive serving smaller markets.^{2/} LPTV is ideally suited to fill this role. The cost of building an LPTV station is only a fraction of the cost of building a conventional TV station or a cable system. Operating expenses are lower. The coverage area of an LPTV station is well tailored to a medium or small size market. The regulations governing LPTV are relaxed enough to allow LPTV programming to grow to the extent that, and as much as, market forces will allow. With LPTV, more communities can have their own stations than ever before; and there is a realistic economic basis for serving the needs of audiences other than the lowest common denominator mass national market, including small market and minority audiences.

6. In sum, LPTV is fulfilling, and has the potential to continue to fulfill, all the core goals: it provides local service; it can serve diverse audiences rather than only a mass audience; and stations can be built in communities of almost all sizes nationwide. The public interest is well served as a result.

7. The Commission should recognize the service that LPTV provides now and can provide much better in the future. So far, the industry has grown in an atmosphere largely of neglect by the Commission.^{3/} The time has come for the Commission to be more

^{2/} "Smaller market" is intended to include both a small city or town or a specialized audience community within a large city.

^{3/} The Commission has taken some steps to substantially aid the LPTV industry, most notably the adoption of Section 73.3572(a)(2) of the Rules, which permits an LPTV station that is displaced by a conventional station the ability to apply for another channel on a priority basis and outside an LPTV filing window. The Commission's
(continued...)

positive in encouraging the development of LPTV by considering effects on LPTV when it addresses the problems of the television industry generally.^{4/}

8. Other emerging distribution media cannot or will not do for the public what the LPTV industry is capable of doing. DBS will be a national medium. MMDS is growing around the retransmission of national programming services of the type found on cable television. Cable, dominated as it is by large national corporations, has a long enough track record to prove that it is not prepared to fulfill the role of an active local voice for each community where it operates. LPTV, on the other hand, has succeeded the most when a station has provided an intensely local service that is a part of the basic fabric of the community where it operates.

9. Relaxing regulations on other media will not increase local service. Rather it is likely to lead to larger group owners, more concentrated ownership, and more nationally oriented programming justified by the principle of economies of scale. To advance the core goals of diversity and localism throughout in the nation, the Commission should foster the development of businesses

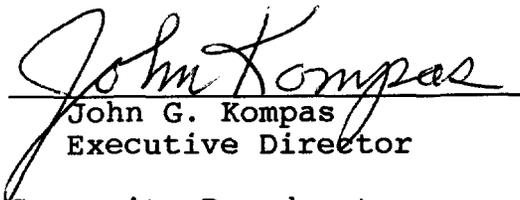
3/(...continued)

LPTV Branch in the Video Services Division of the Mass Media Bureau is also one of the most effective and efficient application processing organizations in the agency.

4/ CBA recently filed a rule making petition, RM-7772, seeking better recognition for the LPTV industry and solutions to some of the industries immediate problems.

that are built on an economic scale that is suitable for local service. LPTV is a prime example of such a business.

Respectfully submitted,


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