

1 Is Bozo considered a children's program?

2 MR. WALKER: It certainly is a children's program.

3 You mean qualifying under the Act?

4 COMMISSIONER BARRETT: Yes.

5 CHAIRMAN HUNDT: Good answer, Peter.

6 COMMISSIONER BARRETT: Bozo's been on, what, about  
7 35 years?

8 MR. WALKER: Yes, sir.

9 COMMISSIONER BARRETT: Not 40?

10 MR. WALKER: No.

11 COMMISSIONER BARRETT: Then I was a young, a young  
12 older person when I watched it.

13 CHAIRMAN HUNDT: I'm going to ask Mr. Walker how do  
14 you feel about that? Marlin Perkins, could we go back over --

15 COMMISSIONER BARRETT: You -- you're too young to  
16 remember Omaha, Nebraska.

17 MR. WALKER: I would say to you, though,  
18 Commissioner, what we, what we did do with Bozo or I should  
19 say within Bozo which --

20 CHAIRMAN HUNDT: I don't like all these Bozo  
21 representations.

22 COMMISSIONER BARRETT: Mr. Chairman, as long as  
23 they're not in reference to me, that's quite all right, as  
24 long as I make the --

25 CHAIRMAN HUNDT: Any of us.

1                   COMMISSIONER BARRETT: Well, I must say, Mr.  
2 Chairman, I once had a telephone guy, when we would not give  
3 them the rate of return from Illinois, Bill called a colleague  
4 of mine a Bozo and he was soon gone, though.

5                   CHAIRMAN HUNDT: He meant it as an educational and  
6 informative reference.

7                   COMMISSIONER BARRETT: Has your programming -- has  
8 your programming changed a great deal over the years in terms  
9 of children's programming?

10                  MR. WALKER: Bozo again or other programming?

11                  COMMISSIONER BARRETT: No, no, in addition to Bozo.

12                  MR. WALKER: In addition. Yes, it has. We've tried  
13 to keep pace with the times. Bozo has not changed at all.

14                  COMMISSIONER BARRETT: And you have a waiting list  
15 of what, about a year or two for tickets?

16                  MR. WALKER: For tickets but the viewership is no  
17 longer or is not what it was at one time. And I would just --  
18 Commissioner, if I could just say this, to make it more  
19 educational, not to substitute it or claim it as such, but we  
20 did construct -- or excuse me, produce about 30 vignettes, 3  
21 minutes in length, called Clown About Town, where he went  
22 around to various locations in Chicago and, and explained what  
23 these, what these areas meant. And, again, we did that  
24 because we believe that Bozo was, was at least through its  
25 larger audience, you know, allowing us an opportunity to reach

1 children even if it was only for 3 minutes as opposed to 30.

2           COMMISSIONER BARRETT: Miss Lewis, you mentioned --  
3 you talked about the Canadian system and, and I have friends  
4 that live in the province of Quebec. And when they get  
5 bonuses on their job, they pay 50 percent before they get the  
6 bonus. And they wait sometimes up to 2 months to a year to  
7 see a specialist, notwithstanding the fact that they can see a  
8 medical doctor right away but if you got to see a specialist,  
9 you wait a great deal of time.

10           Now, if you, if you compile that with the fact that  
11 after, after they pay a basic 50 percent of their tax and they  
12 then probably are taxed up to 60, 65 percent, do you think the  
13 American people are willing to pay that kind of money? Let me  
14 tell you why I suggested that. I served on the Illinois  
15 Regulatory Commission for 9 years and we wanted to tax 5 cents  
16 to each telephone user to, to take care of people who could  
17 not afford to pay the telephone service. I've never seen such  
18 an uproar like that in my life and I wonder whether or not  
19 Americans are mentally to, to --for that kind of  
20 subsidization.

21           MS. LEWIS: Well, all that I can say is that Canada  
22 at the moment is considered to have the highest quality of  
23 life of any country in America running a --they're just a  
24 little ahead of Japan.

25           In the -- we pay \$1.06 per capita in governmental

1 funding for reach person for public broadcasting. In Great  
2 Britain, they pay \$38.56. In Canada, they pay \$33 per capita  
3 for their public broadcasting. In Japan, they pay \$17. We  
4 pay \$1.06. Look at the state of life in America. You can't  
5 walk in the street. Kids are killing kids. I mean if this  
6 point --

7 COMMISSIONER BARRETT: You're, you're not blaming --  
8 you're not blaming television for kids?

9 MS. LEWIS: Oh, I certainly am. I think that to a  
10 very great extent we are breeding violent, aggressive  
11 children. And we are not taking good care of our children.

12 COMMISSIONER BARRETT: Do you think television would  
13 stop kids who, who can make \$500 a week selling drugs as  
14 opposed to working at an awards programs for \$5 an hour from  
15 killing each other?

16 MS. LEWIS: Okay. All I can tell you, sir, -- yes.  
17 All I can tell you, sir, is my show, for example, -- and  
18 please forgive me for using mine as an example, but it's the  
19 only example that I really can quote with, with impunity -- we  
20 have a following from the age of 2 to the age of 11, a very  
21 wide demographic. A lady dragged, schlepped her 10 year old  
22 son up a down escalator to say to me, I want to thank you and  
23 PBS for helping to keep our kids kids just a little while  
24 longer.

25 COMMISSIONER BARRETT: And you're probably right. I

1 | would suggest to you if the economics would suggest that we  
2 | could solve those problems, I'd be willing to pay 70 percent  
3 | of my tax.

4 |           Mr. Rodgers, let, let me, let me ask you a question.  
5 |    The gentleman, the gentleman from NBC, Mr. La Camera, had  
6 | suggested that they don't make programs off of children's  
7 | programming, is that correct?

8 |           MR. RODGERS: Yeah.

9 |           COMMISSIONER BARRETT: And, and that since they got  
10 | rid of it.

11 |           MR. RODGERS: Well, --

12 |           COMMISSIONER BARRETT: They didn't, they didn't want  
13 | to increase it as such. Let me ask you a question. If it's  
14 | no -- it's -- you don't make money -- you didn't make money  
15 | off of football? You didn't make money off of base-- not your  
16 | station but I'm just talking --

17 |           MR. RODGERS: The network, the network did not.

18 |           COMMISSIONER BARRETT: If they don't get rid of  
19 | those stations, why are we willing to abandon children's  
20 | programming because we don't make money and people overpay for  
21 | NFL and people will pay for baseball, none of which they make  
22 | profits off of. What is the incentive for them to do that?

23 |           MR. RODGERS: Let me generalize. Again, a station  
24 | operator are a local station's point of view.

25 |           COMMISSIONER BARRETT: And I don't just mean you,

1 Jon.

2 MR. RODGERS: Yeah. No, I understand.

3 COMMISSIONER BARRETT: I mean generally.

4 MS. LEWIS: He means you, Jon.

5 MR. RODGERS: Broadcasters -- station operators do  
6 not mind not making money or, in fact, losing money on  
7 children's programming nor do we mind not making money or  
8 losing money on local news or public affairs or public service  
9 or community outreach broadcasts. We feel that is our  
10 obligation in exchange for our license. We don't mind that.

11 What we do mind is the way we're able to afford to  
12 lose money on those other types of programming is by  
13 programming other types of programming. For the Commission to  
14 legislate that we would have to do X number of hours per day  
15 of children's programming, especially on a network affiliate,  
16 would cause us to take off a local news programming or an  
17 access programming or -- fringe programming which is, in fact,  
18 where we make the money in order to afford to lose money on  
19 the children's program, public affairs, public access, local  
20 news.

21 So, no, we don't mind losing money. We will always  
22 -- we, we, we like doing it. As someone said earlier --  
23 someone said earlier that one of the few local things we have  
24 left --

25 COMMISSIONER BARRETT: The voice I heard -- the

1 voice I heard was Larry Tissue's voice.

2 MR. RODGERS: So, no, no, children's programming is  
3 something special and I think and I'm glad Mr. Quello keeps  
4 bringing it up.

5 COMMISSIONER BARRETT: Let me, let me, let me ask --  
6 and let me ask you one other question. Miss Tate mentioned  
7 that the programming was not inexpensive. She mentioned the  
8 figure of \$20 million. One of the complaints that's been  
9 lodged against PBS is in the fact they overpay for programming  
10 and they also can pay more than you pay. How does that gel  
11 with what you heard Peggy suggest this morning that we collect  
12 from you in order to do certain things for PBS?

13 MR. RODGERS: Okay. That one Mr. Tissue is looking  
14 over me but I'm not so sure there should be a 1 percent tax  
15 on, on one's revenue. But I certainly don't -- I would not  
16 object as an individual to our contributing to the five --  
17 Public Broadcasting Service does.

18 COMMISSIONER BARRETT: But, but go back to my point.  
19 For a noncommercial entity, is she saying \$20 million for --  
20 what's the name of this, Ghostwriter, Miss -- yeah,  
21 Ghostwriter. One of the complaints I have heard is that, that  
22 one of the problems and not you necessarily, many commercial  
23 broadcasters have -- not in terms of the program because they  
24 do an excellent job which is one of the reasons I don't have  
25 cable, as I can watch PBS. But, but that they overpay for

1 programming and you don't -- they can outbid you. Is that  
2 true?

3 MR. RODGERS: Oh, no, I don't necessarily think they  
4 outbid us. And it's -- just take a show like Ghostwriter, I  
5 think I see all the production values on the screen. So, I  
6 mean, sure anyone can go in there and cut the budget or do it  
7 less expensively. All I can tell you about Ghostwriter is  
8 that that's a show that our entire family watches and we get  
9 all the proper values from it.

10 So, if they overpay for it, it's to our advantage as  
11 viewers.

12 COMMISSIONER BARRETT: Okay, thank you. My time up?  
13 Are you sure I can't go over? I won't. The Chairman is  
14 kicking me. Thank you very much.

15 MS. ELLERBEE: See, now, that's the enforcer, not  
16 me. Commissioner Ness?

17 COMMISSIONER NESS: Miss Tate, do you feel you've  
18 been overpaying for your programming?

19 MS. TATE: Well, thank you.

20 MS. ELLERBEE: I had a feeling you might want to  
21 answer that question.

22 COMMISSIONER BARRETT: No, I didn't say that she  
23 overpaid for it. I merely suggested that some network and  
24 independent broadcasters suggest that they are -- they are --  
25 run out of competition on the basis that they are not willing

1 to pay as much as they are.

2 COMMISSIONER NESS: Please answer.

3 MS. TATE: Our -- the -- this children's educational  
4 television that we're involved in, serious range from 5  
5 million to 20 million. We certainly don't feel like we're  
6 overpaying when -- particularly, you know, a show like  
7 Ghostwriter is trying to appeal to a very difficult audience,  
8 age group, to reach. And it's an audience that's crucial.  
9 It's an audience of, of that pre-teen, early teen child who is  
10 -- who's playing video games and listening to the radio and  
11 doesn't watch television except the more violent programs  
12 that, that are on in the evening. And I can't imagine  
13 spending too much to try to capture that audience and, and as  
14 someone said, keep them kids a little bit longer.

15 COMMISSIONER NESS: But a part of your, your  
16 expenditures also go for the educational materials that are  
17 distributed, that a commercial --

18 MS. TATE: Well, an enormous amount of money. Let  
19 me, let me give you an example.

20 COMMISSIONER NESS: -- television station would use?

21 MS. TATE: Ghostwriter, for example, made 10 million  
22 free copies of its student magazine available during the first  
23 season. That's a very costly item but very important to the  
24 educational side of that program.

25 COMMISSIONER NESS: Thank you. Mr. Rodgers, you

1 mention that if the Commission had required more programming  
2 for a week, for example, that you probably would not have  
3 produced Beakman's World. Can you elaborate a little bit on  
4 that?

5 MR. RODGERS: Yeah, just primarily -- state is owned  
6 by the network. If, for example, the Commission had said  
7 you're required to do 2 hours per weekday, I think the network  
8 would have just taken those resources and said, okay, each  
9 local station, you produced the quantity of programming you  
10 need. So, you'd get -- the cost of Beakman's that you get for  
11 shows less than Beakman.

12 COMMISSIONER NESS: Do you do that as well with  
13 sitcoms, for example, say, well, we'll only spend X amount on  
14 this particular sitcom and if --

15 MR. RODGERS: -- pay for themselves.

16 COMMISSIONER NESS: Okay. What kind of a budget  
17 does one use for advertising, for example, in the Beakman's  
18 World?

19 MR. RODGERS: You know, I, I can't answer that. I'm  
20 with the stations, not with the network.

21 COMMISSIONER NESS: Okay. Is there -- I got a sense  
22 from your second point earlier that if you were required to do  
23 more programming, it might require you to remove one of the  
24 access programs or something else within your lineup. Is it  
25 more a function of the time available than the dollars or is

1 | it the dollars?

2 |           MR. RODGERS: It is the time available for an  
3 | affiliate station.

4 |           COMMISSIONER NESS: Okay.

5 |           MR. RODGERS: An affiliate station normally would  
6 | only have between -- and we'll take Washington for example --  
7 | between 4 and 7 to program locally. And I know WUSA here is  
8 | going to start a 4 o'clock news. So, they'll be doing news  
9 | between 4 and 7. So, to require them to do an educational  
10 | program would be to require them to take off a news program.

11 |           COMMISSIONER NESS: But from a dollar perspective,  
12 | they could arguably work in, in cooperation with perhaps even  
13 | another station in the market if there's no antitrust  
14 | implications, to produce some quality programming that might  
15 | be shown on another station --

16 |           MR. RODGERS: Oh, absolutely.

17 |           COMMISSIONER NESS: -- during that time slot?

18 |           MR. RODGERS: Absolutely.

19 |           COMMISSIONER NESS: I know that one of the things  
20 | that you had wanted to talk about in your suggestion, Miss  
21 | Laybourne, was some ideas for cooperative work. Did you want  
22 | to perhaps at this point come up with your proposal?

23 |           MS. LAYBOURNE: You know, one of the constituents  
24 | that's been largely left out of this conversation today is the  
25 | advertiser. And I believe that the advertiser is the partner

1 that we need to effect good children's television. And one of  
2 the reasons why Nick News does not make money in syndication  
3 is because most children's television in syndication is a  
4 barter business. And advertisers give us no extra credit for  
5 the fact that we're doing a quality educational show. Each  
6 eyeball counts exactly the same to them. So, an action  
7 adventure cartoon is worth the same as Raising Up Good  
8 Citizens.

9           And I think what's really called for is a summit of  
10 CEOs, of, of companies that both program to kids, whether it's  
11 broadcasters or cable casters or local programmers or I think  
12 PBS is in a case -- class by itself. And the leaders of the  
13 major advertising companies in America, the people who sell  
14 products to kids and make money from kids. I think the  
15 business is usual scenario that this legislation has been laid  
16 on, has virtually made it impossible to afford good  
17 educational programming. So, although I hear other  
18 suggestions, I think we need to raise this in the same way  
19 that Vice President Gore raised the superhighway summit in  
20 front of CEOs all over the country. I think we need to get  
21 them in a place and -- so that they can hear the voices of  
22 people here who have some really legitimate things to say  
23 about kids and what their needs are. I just don't think  
24 corporate America is listening to what needs to happen for  
25 kids.

1 Thank you.

2 COMMISSIONER NESS: Mr. Davis, you talked a little  
3 bit about broadcasters perhaps getting together to come up  
4 with cooperatives to produce some quality programming but you  
5 felt that it would only happen if the Commission were to step  
6 in to make it happen. Why is that?

7 MR. DAVIS: I just think it's a new idea and I don't  
8 think it will be accepted by broadcasters. It's over  
9 simplistic. I would love to see broadcasters come forward  
10 and, and do it. If they would, I think it would meet the  
11 requirements of the law.

12 COMMISSIONER NESS: Mr. Walker, you represent some  
13 of the independent television stations. Is there any interest  
14 on the part of independent stations, for example, to work  
15 cooperatively to come up with programming? Is that something  
16 that might be attractive to cut costs?

17 MR. WALKER: I'm going to respond to it this way,  
18 Commissioner. The syndication marketplace -- and by that I  
19 mean whether we put the show into syndication as we did with  
20 Energy Express or somebody else puts it in -- in effect is a  
21 cooperative just because you don't have 10 or 15 stations  
22 hoping to produce it but, in effect, their carrying the  
23 program achieves the same goal. I would say to you that  
24 broadcasting groups such as Tribune For One, which owns eight  
25 television stations, we have our own cooperative where part of

1 the way we were able to get Energy Express to the next level  
2 was to clear it in all of our stations first.

3 So, I would say to you, though, that cooperatives in  
4 the sense at least as I understand Mr. Davis is suggesting it,  
5 amongst varying ownerships and -- would be complex and not  
6 necessarily to better serve the process than just allowing it  
7 to, to be as it is right now, either by corporately owned  
8 groups or by just syndicating.

9 MR. DAVIS: My system maintains regionalism and  
10 localism. The fact that -- part of the beauty of the  
11 diversity. People who live in Chicago could get some outlying  
12 district for some event or something that's happening and vice  
13 versa. There's a travel fact. It might be 4 hours or so.  
14 But the regional concept is what helps it work. Localism,  
15 Chicago can handle a program of its own but the other cities  
16 probably couldn't in terms of financing.

17 COMMISSIONER NESS: Thank you.

18 MS. ELLERBEE: Commissioner Chong?

19 COMMISSIONER CHONG: Thank you, Linda. My question  
20 is for Mr. Davila, my first one. You've opposed a stricter  
21 definition of core programming, saying that it would hinder  
22 your ability to program to the specific needs of your child  
23 audience. I was wondering whether you could give us a couple  
24 of examples of how the needs of the children in your Spanish  
25 speaking audience differ from those in an English speaking

1 audience.

2           MR. DAVILA: Certainly. I think that at a certain  
3 point we have to yield or defer to parents. Research that we  
4 have conducted tells us that what parents most want us to help  
5 them teach their children is the proper use of the Spanish  
6 language. 96 percent of Hispanic heads of households will  
7 tell you that that's what they want us to be able to do. That  
8 could be very, very important because further research has  
9 indicated that the better Spanish language skills the children  
10 arrive with to schools, the easier that they will be able to  
11 learn English because of just the general developmental skills  
12 that they, that they bring.

13           Now, I'm not suggesting that we have specific  
14 programs that teach children how to speak Spanish but if we  
15 were, that would be, in our opinion, a very, very valid  
16 objective of that particular program.

17           COMMISSIONER CHONG: Now, do you think an FCC  
18 imposed definition somehow is going to restrict your ability  
19 to meet these rather unique needs of your particular audience?

20           MR. DAVILA: Only to the extent that the Commission  
21 were to define educational as only teaching children to add,  
22 subtract, or learning the alphabet. If the only thing that  
23 we're suggesting is that perhaps -- and without specific  
24 language to allow a broader interpretation of what a  
25 broadcaster or allowing the broadcaster to come to you and

1 say, these are the specific objectives of our program and we  
2 believe them to be very valid for these reasons.

3           COMMISSIONER CHONG: Thank you very much. My next  
4 question is for Dr. Montgomery. You said that the FCC should  
5 adopt clear and stronger rules implementing the act, including  
6 only giving credit for shows airing after 7 in the morning.  
7 I'm wondering why it is you think that broadcasters shouldn't  
8 get credit for educational programming shown before 7 in the  
9 morning?

10           DR. MONTGOMERY: Well, first of all, as we -- as I  
11 testified, we have found that there's a, a pattern whereby a  
12 lot of the so-called FCC friendly shows get shunted into those  
13 hours. And it's pretty clear from looking at, at the listings  
14 in the T.V. Guides, for example, and, and talking to people  
15 that the decision as to where to put them are for the most  
16 part not based on that being the best time to reach the  
17 audience that the programs are designed for.

18           As I said earlier, a very tiny percentage of the  
19 child audiences watching television at -- before, before 7  
20 o'clock, 1 percent at 5 o'clock in the morning, up to about 5  
21 percent by 6:30. And if you really want to be able to reach  
22 the audience, I think you have to have the programming on at a  
23 time when it is, it is -- it will do that. I mean one of the  
24 really difficult things that we've encountered is that  
25 programs, for example, that are designed for teens shows --

1 news programs, for example, or programs like Scratch that's  
2 now off the air were routinely put on at 6 o'clock in the  
3 morning and in no way will they ever reach an audience. And  
4 the people that we talked to who were trying to syndicate  
5 their programs told us that this kind of scheduling really  
6 made it very, very difficult for them to get the kinds of  
7 ratings they needed in order to satisfy the advertisers that  
8 had bought into the series.

9           COMMISSIONER CHONG: Thank you. My next question is  
10 for Dr. -- Mr. -- Miss Jaffe, excuse me. You've talked about  
11 how we can't judge the quality of kid's programming by  
12 examining particular programs. You said "This would be a  
13 wholly inappropriate undertaking for a government agency".

14           Now, suppose the Commission decided that we wanted  
15 to clarify our definition of what is educational and  
16 informational or we were deciding to place quantitative  
17 requirements on broadcasters, how do you think that we should  
18 determine compliance with those types of requirements?

19           MS. JAFFE: What I --

20           COMMISSIONER CHONG: Won't it become somewhat  
21 subjective at some level?

22           MS. JAFFE: Well, what I've heard this morning were  
23 some very good examples of what I think the Commission should  
24 do and that's very specifically to ask the broadcasters to  
25 determine what the objectives are, what are the educational

1 and informational objectives are that their programs must  
2 meet. A good example is a program that Margaret Loesch spoke  
3 about which was Carmen Sandiego program which actually has  
4 very specific educational goals and objectives defined for the  
5 program and that these educational goals were, in fact, given  
6 to the writers of the program. I know from talking to, to  
7 Margaret that there was some period of back and forth in which  
8 there were a lot of script revisions but the way the show was  
9 actually finally put on the air was that these objectives were  
10 defined, they were clarified. The writers were able to  
11 finally understand what the mission was and the show has  
12 actually been successful.

13           What I'm suggesting is not that the Commission come  
14 up with the definition but that the Commission require and  
15 this is what David Britt said earlier and Dr. Watts said from  
16 the NEA, that the Commission require that specificity be, be  
17 part of the definition of what their programming is and that  
18 the shows must meet these requirements. The broadcasters must  
19 decide but you must ask them to define what are their  
20 objectives? And you must ask them, how are you meeting these  
21 objectives?

22           And I think one of the suggestions I made regarding  
23 the temporary Commission is that the Commission which would be  
24 made up of members of the education community, members of the  
25 television community, could help explain in a very successful

1 way how to determine these objectives.

2 COMMISSIONER CHONG: How long would you expect this  
3 temporary Commission to be formed?

4 MS. JAFFE: I think it's reasonable that a 6 month  
5 to a year period to create a final report would be, would be  
6 acceptable.

7 COMMISSIONER CHONG: Thank you very much. Do I have  
8 more time, Linda, or am I out?

9 MS. ELLERBEE: Actually, no, but if you want to take  
10 it, go ahead.

11 COMMISSIONER CHONG: I'm out. Nope, that's all  
12 right.

13 MS. ELLERBEE: Are you sure? I just have a few  
14 questions. Let me, let me start, Dr. Montgomery, do you agree  
15 with Mr. Rogers from CBS that quantitative mandates would  
16 merely cause the available programming dollars to be spread  
17 thinner for educational children's programming?

18 DR. MONTGOMERY: No, I don't. I mean I, I, -- it's  
19 really difficult to try to figure out what kind of a policy  
20 can be developed that will really be a true effective  
21 mechanism for encouraging the industry to do right by kids. I  
22 mean there's certainly -- if, if broadcasters are sort of  
23 committed to, to not trying to fulfill the spirit of the law,  
24 they'll do it any way they can. But I think that as a -- just  
25 as a, as a principle the, the guidelines, the rules need to be

1 more clear in order to send a very clear signal to the  
2 industry that the FCC takes this law seriously.

3 MS. ELLERBEE: Okay. Mr. Walker, do you feel that  
4 the amount of educational children's programming provided by  
5 independent television stations at this time is sufficient?

6 MR. WALKER: Miss Ellerbee, I can't speak that  
7 pandemically about all televisions, all independent stations,  
8 so I would just say that the amount that we're providing I  
9 look at in this manner, it's not just the amount, it's the  
10 quality of what we're providing as well. And, therefore, I  
11 would rather -- to answer your question directly, I would say  
12 to you that as we, we currently have an hour and a half of  
13 core educational material or at least as we would view  
14 programs that qualify as we work toward our 2 hour goal, I  
15 would say at that point, yes, I feel it is. But, again, I  
16 would just like to emphasize that's because it's our intention  
17 because of our commitment to the, to the Act and our  
18 commitment to -- you know, our responsibilities as  
19 broadcasters to stay personally involved to produce these  
20 shows ourselves as well as perhaps do cooperative ventures  
21 wherever they might be found, through PBS or otherwise.

22 MS. ELLERBEE: All right. Do you since -- as you  
23 say, you can't speak for all independent stations, speaking  
24 for your own, do you have any educational children's shows on  
25 which your station makes a profit?

1           MR. WALKER: No, we do not, although we have a  
2 couple of syndicated shows that qualify under the Act that at  
3 least do not cause us to have a loss.

4           MS. ELLERBEE: Thank you. I believe it was you who,  
5 who spoke about attainable goals earlier?

6           MR. WALKER: Yes.

7           MS. ELLERBEE: Yes. We, we have heard a great deal  
8 today that, that money doesn't necessarily -- more money  
9 doesn't necessarily translate to better television. Miss  
10 Lewis has brought this up and several others have, have said  
11 as much. And while, while I agree with that in, in principle,  
12 do you think it is possible that if you had spent more than  
13 \$40,000 an episode on Energy Express that it might have been a  
14 better program and, therefore, might have done better for you?

15           MR. WALKER: No. And the reason I say that is  
16 because we didn't set out to spend 30 or 40 or 50. We spent  
17 what we thought we needed to spend to execute this show in a  
18 sensible manner. The fact that we, you know, lost a half a  
19 million dollars -- spoke to its own issue, became its own  
20 issue but, no, I would say it's not a question of funding in  
21 that respect.

22           MS. ELLERBEE: Okay. I, I have a question but I, I  
23 really don't know who to put it to so anybody who would like  
24 to answer it, feel free.

25           This -- we have also heard today that, again and

1 | again, that if the programming is good enough, if it's  
2 | entertaining enough, it will bring the audience. Is it  
3 | realistic or is it a little naive to say that no matter how  
4 | you doctor spinach, it's never really going to taste like a  
5 | chocolate sundae? I mean it's --

6 |           MR. WALKER: I, for one, in answer to that, would  
7 | say that it can be done but the amount of expertise and  
8 | ability and creative talent necessary to bring that about is  
9 | a, is a hard-placed commodity, hard-found commodity which is  
10 | why PBS does it as well as it does.

11 |           MS. ELLERBEE: Is there any educational television  
12 | program out there that is making as much money or has as good  
13 | a rating as your basic --?

14 |           MS. LAYBOURNE: No. I, I would like to answer that  
15 | broadly from my standpoint because, frankly, Nickelodeon did  
16 | -- educational -- programming for kids -- we've basically been  
17 | able to create an entire network by putting kids first, by  
18 | asking them a simple question, what does it do for kids? Now,  
19 | we don't -- we can't get a report card that says, yes, we have  
20 | an educational mandate -- but we are concerned with many --  
21 | today -- because nobody else is doing it. The dynamics that  
22 | Squire Rushnell described of how viewing patterns has changed.  
23 | When Nickelodeon came on the landscape, the broadcasters had  
24 | probably 50 percent of all kids advertising related  
25 | programming. We now get 30 percent of that. So, because

1 | there has been a paucity, we've been allowed to develop a good  
2 | business which, you know, I, I think sometimes should I put on  
3 | my strict business head and say, this is great that  
4 | broadcasters aren't paying attention to this because that  
5 | gives us our market mix, or, as a kid advocate which is always  
6 | the voice that comes out louder, I still hope that people will  
7 | rise to the occasion and follow PBS' and other examples.

8 |           DR. MONTGOMERY: I'd like to answer the question,  
9 | too. I mean I think there is a sort of mind-set in the  
10 | commercial television industry that this programming needs to  
11 | be regarded as spinach. I think that's a sort of strong way  
12 | to start it. And I think that what we're seeing is that as  
13 | more people have been given the chance to participate in a  
14 | creative development of programs designed to fulfill the  
15 | mandate of the Act, some people coming from public television,  
16 | for example, that kind of dichotomous thinking that it's  
17 | educational, it's therefore going to be boring and nobody's  
18 | going to want to watch it, has shifted. And I think it's  
19 | going to -- it may take some time for those, those kinds of  
20 | institutional and attitudinal changes to take place. I think  
21 | it will happen, though, but it will only happen if the, if the  
22 | law -- if there's a clear message that the law is going to be  
23 | taken very seriously and if the guidelines are clear so that  
24 | we can give the industry a chance to respond to this law and  
25 | give the programs a chance to generate the kind of audience

1 they need. And I think it ultimately could be very successful  
2 and it could change the quality of programming available to  
3 kids on broadcast television.

4 MS. JAFFE: One thing that I didn't get to say in my  
5 remarks. Almost everyone here's been talking about the  
6 success of the show based on ratings. And one of the things  
7 that I talked about was a real need to look at the whole  
8 rating structure, particularly if we define children's  
9 programming in the future in a more narrow way. Ratings right  
10 now aren't very successful. Broadcasters have criticized the  
11 people media for not adequately representing the child  
12 audience. And I think if, if we're better at targeting  
13 children's programming, the rating system is going to be more  
14 out of whack, not less out of whack.

15 So, there are other things that have to change here  
16 besides just the notion of how many dollars per minute of  
17 children's television.

18 MS. LEWIS: If I may say so, in answer to your  
19 question one has only to look at the children's initiative 3  
20 years ago put out by PBS. They created a number of children's  
21 shows. They have doubled their viewing in the 3 years. The  
22 shows are rating fabulously. PBS put incredibly small seed  
23 money into each show. I mean I'm bleeding from what PBS has  
24 given me but they've given me air and each of the shows has  
25 been able to produce tremendous revenue in other areas. Now,

1 we have all, without exception, had to reinvest those other  
2 area of revenues back into performance. But every one of the  
3 PBS children's initiative shows is topping the charts in home  
4 videos, books, toys. We can't reap the rewards at the moment  
5 because our seed money was so minuscule. But they are paying  
6 off. The shows are rating and the shows are producing dollars  
7 and if they had been initially seeded with decent dollars,  
8 they would be great revenue. And if it continues and if these  
9 shows continue, they will produce decent dollars.

10 DR. DAVIS: The term entertaining is far too  
11 restrictive. A program must get an audience that's going to  
12 sell support but it may be compelling, it may be fulfilling,  
13 it may be relevant, it may be familiar, and a lot of other  
14 things. The important thing is, is to capture -- understand  
15 the needs and then make them and the audience will be there.

16 MS. ELLERBEE: My time is up, well up. I would just  
17 like to thank the Commission, as I started out today thanking  
18 you for the opportunity to come here. I said I might learn  
19 something. I learned a lot. Thank you.

20 CHAIRMAN HUNDT: Let me say, Linda, on behalf of the  
21 Commission and if any of my colleagues wish to say anything, I  
22 think we should give them each a short moment also. I can't  
23 thank you, Linda, enough. I think you've not only been  
24 impartial but you've also been quite entertaining and  
25 stimulating. I also want to compliment all the panelists.