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July 21, 2004

The Honorable Michael Powell
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

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Federal Communications Commission
Office of the Secretary

Dear Chairman Powell:

As Members of the California delegation we would like to thank you for choosing to hold the July 21st Federal Communication Commission (FCC) Localism Task Force hearing in Monterey, California. We appreciate your efforts to understand and appreciate the challenges involved in achieving a diversified media market in California localities.

In light of the recent decision by the U.S. Third Circuit Court of Appeals, rejecting several FCC media ownership rules, we urge the FCC to renew efforts to work with the public to enact stricter licensing and ownership standards. Hopefully, this Localism Task Force hearing can begin a reinvigorated dialogue and debate that will truly achieve media diversity.

One of our country's finest hallmarks is the promise of a free press that supports and encourages a wide variety of diverse voices. Unfortunately, consolidation within media markets can and is effectively co-opting this promise. Media consolidation concentrates ownership of television, print, and radio stations in the hands of a few conglomerates and transfers control of the airwaves from the public to the investors of select corporations.

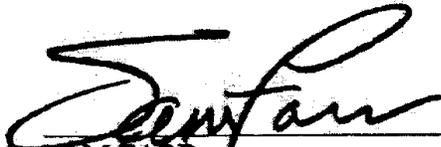
Media conglomerates that own multiple stations within a single market promote standardization of programming in order to reduce costs and maximize profits. This limits the ability of stations to cover local news, events, and political debates because their corporate owners restrict their programming flexibility.

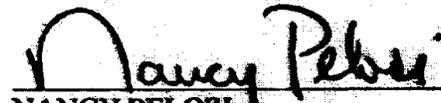
The result of corporate ownership is uniformity in local stations' issue coverage which results in limiting discussion of pressing local matters and stagnating public debate. When only a handful of owners control what a community hears, sees, and reads, local stations are unable to serve their diverse viewing public effectively.

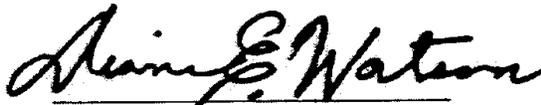
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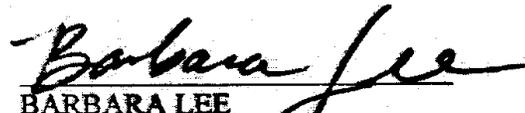
We must continue to safeguard a free and diverse media that is relevant to our communities. Allowing corporate elite to control our media markets is the wrong way to achieve these goals. We encourage the FCC to act in the public interest, and limit media consolidation.

Sincerely,

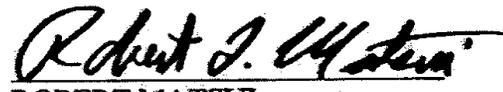

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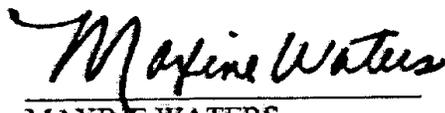

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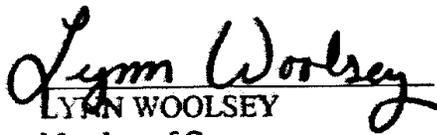

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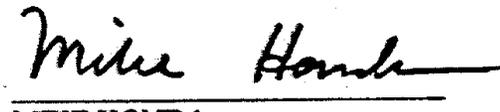

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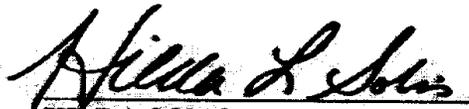

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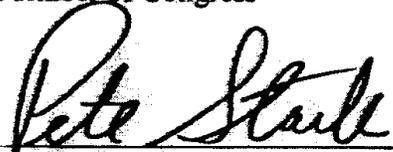

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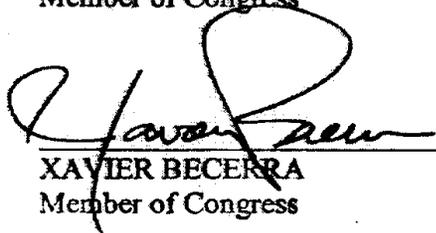
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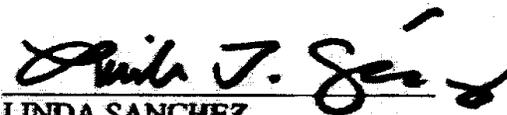
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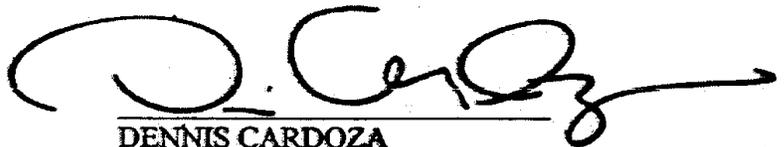
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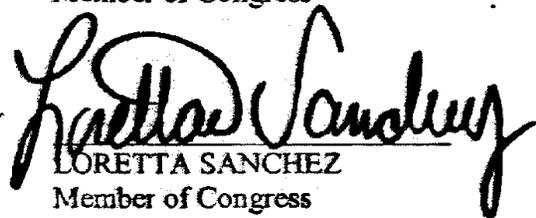
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Member of Congress

Statement of Representative Sam Farr
before the
Federal Communications Commission, Localism Taskforce

Monterey, California
July 21, 2004

Thank you for bringing the FCC's localism task force to Monterey. I know that the people of this region are grateful for your selection of Monterey as the venue for this hearing. I think that the Commission's choice of Monterey is particularly fitting because it is the birthplace of constitutional democracy in California, and it is democracy that is fundamentally at issue in these series of hearings on localism in the media. Democracy needs to exchange of ideas to survive and thrive. Throughout our history, the press has been the paramount means to share ideas and opinion. It is no coincidence that the freedom of the press is enshrined in the Bill of Rights' First Amendment. In our own day, the electronic media enjoy an unparalleled ability to communicate with the American public. Television and radio deliver information and opinion to virtually every American on a daily basis. It is therefore in our interest as a functioning democracy to ensure that that the use of the public airwaves enhances democracy. Moreover, to borrow the phrase, all democracy is local. The rood of civic involvement, or petitioning government, starts at the local level. Local politics, in city councils, school boards, and boards of supervisors, lays the foundation for American public life. For the media to foster democracy it must be responsive to peoples' local needs. So I am glad that the Commission is making this effort to reach out and address these issues at the local level.

Our community appreciates the opportunity to discuss the nature and necessity of broadcast localism. I regret that my Congressional schedule has kept me in Washington DC today, but I am happy to have the opportunity to submit this written testimony.

Over the last year, we have heard a lot about localism in media, and diversity in media. These issues affect our daily lives, and they have a critical influence on the broadcast media that is available to every citizen. However, these are not new issues; the struggle between localism and media ownership has been going on for many years and has had a real impact on communities. In November 2001, I filed a letter with the FCC opposing the sale of two local television stations in my district, KCBA and LION, to Clear Channel Communications. My letter stressed the importance of diversity in the media to ensure that a variety of news and local perspectives reach the market. One of the negatives of

media consolidation is when corporate ownership dictates program content to local broadcasters. This arrangement out-sources important decisions that should be made by the local broadcasters, and limits debate on important local issues. The danger inherent in allowing news sources to be monopolized is that we are moving towards a structure that allows fewer points of view when we need more. I believe that we must work to ensure that every consumer has the opportunity to access multiple, locally relevant news sources.

Last year, the FCC voted to further deregulate media ownership. I opposed this action that relaxed and eliminated important protections against the over-concentration of media. The public outcry against these new deregulation rules made it clear how many different communities and individuals would be negatively affected by the further consolidation of the media. I have been an active proponent of numerous Congressional proposals that sought to cap media ownership at 35% of a market rather than allowing the FCC to raise the cap to 45%. Eventually a cap of 39% was approved by Congress, although I still felt that this level concentrated ownership of the media in the hands of too few.

The controversy around the FCC's media ownership deregulation rules eventually ended up in court where the U.S. Third Circuit Court of Appeals recently rejected several rules. The regulation that relaxed rules to allow one company to own two or three TV stations in one city was invalidated by the court because the FCC failed to consider station's share of the audience in the formulation of the rule. This court decision not only forces the FCC to rewrite these regulations, but it also sends a clear message that the local impact of FCC decisions needs to be more closely examined to ensure that diversity is assured in every market.

Another important issue that faces our communities on the central coast of California is the regulation of low-power FM broadcasting. In light of the continuing consolidation of the media, these small radio stations are critical to providing interesting and relevant voices in our community. The FCC should work with these low-power FM stations to maximize their ability to best serve the public interest. To this end, I do not believe that overly punitive penalties barring low-power stations from licensing eligibility are productive for the community.

I am committed to working to protect a free and diverse press that provides every community and every citizen access to a variety of media sources that meet their local needs. I urge the FCC to commit to safeguarding localism by limiting media consolidation and promoting local voices through low-watt FM broadcasting.

**FEDERAL COMMUNICATIONS COMMISSION
BROADCAST LOCALISM HEARING
MONTEREY, CALIFORNIA
JULY 21, 2004**

STATEMENT OF CHUCK TWEEDLE

Good evening Commissioners. My name is Chuck Tweedle. I am Senior Vice President of Bonneville, and among my responsibilities are Bonneville's three FM stations in the Bay area. Bonneville has a long-standing and company-wide commitment to serving the communities in which our stations operate. Our three local stations – KOIT, KDFC and KZBR – exemplify this commitment.

All three of these stations are 100% locally programmed; all programming decisions are made locally; and all on-air talent personalities are local residents. Of the 23 full and part-time personalities, only three have lived in the area for less than five years.

We also pay very close attention to local issues. Our three stations combined spent more than \$290,000 in 2003, researching the attitudes and concerns of Bay Area residents. The various projects examined music and non-music programming content, as well as attitudes on life issues and the needs of our community.

I'll speak more specifically in just a moment about these stations and their significant involvement in the communities they serve. But, I first would like to establish some context for Bonneville's commitment to community and paint for you, at least in broad strokes, a portrait not only of our corporate philosophy of giving something back to our communities, but also our parallel corporate lifestyle of making a difference in those communities.

Among all Bonneville stations – certainly including KOIT, KDFC, and KZBR – serving the communities in which we broadcast is neither an empty motto nor some simplistic bumper sticker. It is, quite literally, the way we do business.

As with all broadcasters, we need an audience to stay in business. And, by definition, to capture and maintain that audience, we must effectively respond to that audience's wants and needs. To that end, we at Bonneville are wholly committed, as our history aptly demonstrates, to giving something meaningful back to our communities.

We are a moderately sized broadcasting company, yet in 2003, our stations aired more than 215,000 minutes of public affairs programming, public service announcements, and other on-air community-service projects, worth \$50 million – and all of it tailored to needs and opportunities specific to the communities in which they broadcast. Add to that total another \$1.2 million in employee volunteer hours in their

communities, and it's evident that Bonneville's actions not only back up its stated corporate philosophy but also cultivate its day-to-day business lifestyle.

And, we do it all with great enthusiasm, because we ARE a part of those communities, and we want to invest in them because we work there, and our families live there. But, we certainly are not alone in that practice. Most other broadcasters companies also make that commitment and provide vast amounts of community service.

In the words of Bruce Reese, Bonneville's president and chief executive officer: "Meaningful service to our communities creates loyal audiences and moves product for our clients. That, in turn, gives our company the resources to grow and to reinvest in our people and in our communities. Our way of doing business isn't a luxury; it's a necessity. Many other successful companies have proven the model over the years. Many of our most successful colleagues in broadcasting apply that same model. In this era of hyper-competition, it's the only recipe for long-term success."

We at Bonneville, as do most other broadcasters, also fully recognize and accept the vital role we would play and the responsibility that would be ours in the event of a major disaster in any of our communities. We view maintaining the ability to share crucial information with our listeners as among the greatest of our community service functions.

We, and other broadcasters, actively nurture the concept of localism and take seriously both the opportunities it offers and the responsibilities it presents.

Here in the Bay Area, our stations offer three formats. KDFC provides classical music and is the only one of the remaining 30 commercial classical stations in America that has actually grown, both in listener audience and revenue. KOIT is programmed as a light rock station, and KZBR became a country station in 2003. Each station fully shares in Bonneville's commitment to local public service and addresses the needs of its audience in ways that are tailored to its format.

Significantly, over the past five years, each station has received the National Association of Broadcasters Crystal Award for Excellence in Community Service. In 2003, KOIT and KDFC also received NAB Marconi Awards for Adult Contemporary Station of the Year and Classical Music Station of the Year, respectively.

As part of our on-going commitment to the community, we produce and air three local public affairs programs each week. Positive Parenting is a weekly program that addresses family and parenting issues. Guests on the program offer help on issues from education, to health questions, to problems in family relationships. Advice from this program also is featured on KOIT's website feature, "Ask Dad."

Today's World is a locally produced program in which News Director Sherry Brown interviews experts on local issues in the Bay area. Crime prevention, breast cancer awareness, child abuse, and energy and the environment are just some of the

issues we have addressed. Many of the guests help promote charities and other public service activities. Today's World offered interview time to all candidates in the Governor's Recall election, but most declined. Guests on Today's World also are featured in Special Reports, Monday through Friday, as part of the KOIT Noon News.

Our third local public affairs program is the Commonwealth Club, produced in a local public affairs forum format. The program features nationally-known speakers on a wide variety of topics. Guests include authors, public officials, business executives and journalists.

Our three stations also broadcast more than four hours of locally produced newscasts every week. Each station airs two newscasts per hour in Morning Drive, the day-part with the largest audience. Other newscasts air at noon and in the evening. In the past year, much of our news time was devoted to the Bay area economy, the California energy crisis, and the Governor's recall election.

As you are aware, many stations around the country participate in fundraising, assisting local charities and broadcasting public service announcements. This is an extremely important element of localism, because many of these organizations could neither succeed nor have their messages be heard without the active participation and continued support of local broadcasters.

Our stations devote enormous efforts to helping community groups. What may be unique, however, is that we also have created Public Service Announcement Workshops in which we teach local non-profit organizations how to write PSAs and how to market themselves to the media.

The total value of the airtime we contributed to local organizations in 2003 was more than \$15,730,000. In 2003, KOIT alone helped 322 different non-profit organizations with production support and by airing more than 8,200 PSAs.

Among our multi-tiered efforts is VolunteerMatch. We helped this organization match more than one million volunteers with non-profit activities. Again, this type of outreach to the entire community is something that local broadcasting is uniquely situated, and qualified, to provide.

KZBR was the primary on-air sponsor last year of the Pacific Coast Dream Machines Show which attracted more than 25,000 people to see historic planes and automobiles. That event supports and promotes awareness of the Coastside Adult Day Health Center and each year is its single largest fundraiser.

KZBR turned its nickname – "The Bear" – into help for needy children. "Teddy Bears for Cubs" was a successful holiday toy drive we organized in conjunction with area retailers and the Bay Area Firefighters. More than 3,500 toys were collected for their project.

As the primary source of classical music programming in San Francisco, KDFC is dedicated to supporting music education. Last year, we aired 78 hours of music education programs – one and a half hours per week, designed to teach young people the basics of classical music and to showcase young talent. KDFC also has hosted the program “From the Top,” a West Coast broadcast event often featuring young Bay area performers.

The radio home of six full-time symphonies, including the national “San Francisco Symphony” broadcasts, KDFC presents local radio’s most extensive Arts Calendar, with six prime-time updates and an aggressive PSA program. The music calendar literally comes to life with KDFC’s weekly “Hometown Tuesdays” feature, which includes musical previews of upcoming concerts, programmed throughout the day.

The annual KDFC charity sampler CD this year will top \$100,000 in donations to children’s programs in Bay area homeless shelters, and for world-class pediatric care. All four previous releases topped the local classical charts. We also sponsor and air the annual “Opera in the Park” event, as well as sponsoring five free summer concerts, attracting more than 50,000 people.

More than 20% of the Bay area population is Asian, so in May of 2004 KOIT aired a month-long campaign honoring Asian Heritage Month. More than 150 produced announcements featured Bay area residents Leland Yee, speaker pro-tempore of the California Assembly, San Francisco Police Chief Heather Fong, International Chinese TV talk show host Jay Stone, and Author Amy Tan, among others. Each Asian American told their story and shared views on their culture.

Our three station websites included more than 5,200 listings for volunteer opportunities, fundraisers, and events for children’s health and education. Additionally, an on-line pet adoption center places rescued animals with local owners. The three stations’ websites also helped raise \$100,000 for breast cancer research through several local events.

And, reflecting the cultural diversity of the Bay area, koit.com can be read in Chinese, Spanish, Japanese, Korean, Russian, and Italian.

In addition to our on-air commitment, and reflecting yet another corporate commitment to serving our communities, Bonneville provides each full-time employee with 40 hours of paid leave each year to volunteer with local community organizations. It’s an opportunity widely used by our employees.

Commissioners, we succeed in the Bay Area, and as a broadcasting company, because our listeners know that we are part of their community. It’s the only way I know to operate a radio station, and I believe that stations across the country take a similar approach. Localism and the commitment to serving our communities are alive and well. I can assure you. Thank you for your time and your interest.

I would be pleased to answer any questions.

**FEDERAL COMMUNICATIONS COMMISSION
BROADCAST LOCALISM HEARING
MONTEREY, CALIFORNIA
JULY 21, 2004**

**By R. Sean McLaughlin
President & CEO, Akaku: Maui Community TV**

Aloha! Good evening Commissioners, FCC staff and members of the public here assembled. My name is Sean McLaughlin and I am president and CEO of Akaku: Maui Community Television, sharing these remarks on behalf of myself and the Hawaii Localism Coalition, which includes professional journalists, independent producers, academic leaders, and other supporters of diverse local media in Hawaii.

The Hawaii Localism Coalition was formed earlier this year to address the loss of diverse local media caused by media consolidation, and to organize public interest representation for Hawaii in public media policy deliberations.

The simple point of these remarks is to offer our concerned perspective from Hawaii relating to media localism and to ask that you include public hearings in our island State for future proceedings relating to federal media policies that address diversity, competition and localism.

Commercial media alone do not adequately serve local community needs and interests, and consolidated ownership exacerbates the problem.

To maximize profits, commercial media minimize local programming. With distant owners controlling management decisions, local commercial media increasingly become victims to the corrosive impacts of the profit-making imperative. The needs and interests of distinct local communities, especially lower-income people and minority groups who lack buying power are ignored or misrepresented as a result.

In this context, the Notice of Inquiry for Localism identifies some of the specific symptoms of the particular history and dynamics of broadcast media. However, there is a real risk here of missing the larger context and failing to address critical issues for the future of media localism.

Local public interests are at risk as Congress and the FCC reshape the regulatory landscape for media.

The current system of regulation to ensure localism is broken. Local public TV and radio, local community access media channels, public service networks, and other local public interest benefits are all at risk. The FCC and your Localism Task Force must address the changing relationships between local broadcast, satellite, cable and broadband media operators. The FCC and your Localism Task Force must address the changing relationships

between local broadcast, satellite, cable and broadband media operators. Commercial interests will continue to shape the marketplace and game the regulatory framework to suit their private interests — not the public interests of a healthy democracy.

The best way to promote locally-oriented programming is to ensure local and diverse ownership, and to set aside bandwidth with adequate operating support for non-commercial, public service media in every local community.

The commercial media marketplace does not and will not adequately support public interests, especially non-commercial speech. Consolidated ownership of media further reduces local content through the elimination of expensive local programming in favor of lower cost regional or national syndicated programming. Development of robust local and non-commercial media is the most effective way to address shortcomings of the commercial marketplace. Mandatory set asides to provide local media resources should be required as compensation for private use of public assets like land and spectrum.

We need some electronic green space in the strip mall of commercial media!

Community access media provide a model for localism that could be used for broadcast, satellite and IP-enabled media.

Non-commercial public, education and government access channels produce over one million hours of original local TV programming each year. Cable access channels are generally provided through local government franchise authorities who collect compensation for the private commercial use of public rights-of-way by media corporations. These local media resources are therefore accountable to local government jurisdictions.

A policy approach similar to local franchising of cable TV should be considered for broadcast, satellite and IP-enabled media. Local governments could be given local oversight and compensation for use of public spectrum, rights of way and other public resources used by commercial media to serve their constituents. Through a locally accountable process, broadcast, broadband wireline, and satellite transmission capacity could be set aside to benefit local communities. Local regulation and local governance over public service media resources are essential principles of the community access media model.

As a cautionary note, cable franchise situations such as the City of San Jose is experiencing with a change caused by consolidation of ownership undermining community obligations negotiated in cable franchise provisions, need to be proactively addressed.

State and local governments in communities across America must have meaningful and well-defined roles to adequately protect media consumers and to effectively advocate for local needs and interests to be met.

Federal regulation is a centralized, opaque process favoring very powerful corporate interests who privately gain from ineffective local regulation in the public interest. Federal

consumer protections and public interest rules are so weak and fragile that commercial media regularly fail to meet the basic communication needs of local communities.

Consolidated media ownership favors private commercial interests that are detached from local communities and driven by non-local profit motives. To minimize harm from this imbalance of market power, local governments and communities must have authority to regulate and develop local media solutions that meet people's needs.

The FCC needs a media localism policy of Home Rule.

Local franchising authorities for cable and telecommunications are the appropriate jurisdictions to oversee community needs ascertainments and related public service obligations. Local and State jurisdictions need meaningful, appropriate oversight authority to protect consumers, uphold First Amendment principles and properly represent local public interests.

Local communities require their own voices: Congress and the FCC must protect local media and uphold the public interest.

Local voices need to be heard over the public's airwaves and rights-of-way. The best way to ensure media localism is to dedicate media resources for public interest purposes and to empower local communities to develop local media on behalf of their citizens.

Please keep in mind that the broadcast media are not free market industries, and regulatory barriers such as duopoly and cross-ownership rules were created to protect the "public interest" requirements established for use of the public airwaves. Local broadcasters received their FCC license with little or no compensation to the public even though the spectrum bandwidth used by these broadcasters is a PUBLIC resource.

Essentially, we have a situation where private interests have bought and sold a public license so that the current license holder has paid a huge price for that license, providing a large profit to the seller, although the public itself does not get any benefit from the sale. The inflated license cost, and the associated debt burden, actually increases pressure to cut local operating costs, such as local news and public affairs.

In fact, local TV journalism in Hawaii had its employer base reduced by 25% as a result of recent consolidations of ownership. Allowed to continue, consolidation will inevitably silence independent news organizations in Hawaii's limited marketplace of ideas. The viewing public, and broadcast journalists in Hawaii now suffer due to the withering loss of independent voices.

National networks and the Internet aren't substitutes for local broadcast news. They offer choices in our news and public affairs diet but they don't help us decide how we will vote in Hawaii's local elections. The quality and quantity of the local coverage may be subject to debate, but diversity in the marketplace assures that there will be diversity in coverage of what's going on locally.

Local independent and non-commercial sources are sorely needed to inform citizens regarding controversial issues of public importance, and these sources must NOT be concentrated in the hands of a few.

Our free society will suffer in profound ways if the FCC and Congress do not fulfill their traditional missions of preserving diversity, competition and localism on the public's airwaves and rights-of-way.

Preserving diversity in the market is essential to preserving localism in the marketplace of ideas. When there are many different media owners, including locally governed non-commercial media, with independent producers pursuing their own brand of truth then we have at least the opportunity to arrive at the truth and dwell in the light.

When there's a lack of media localism and diversity, that light grows dim.

**FEDERAL COMMUNICATIONS COMMISSION
BROADCAST LOCALISM HEARING
MONTEREY, CALIFORNIA
JULY 21, 2004**

**STATEMENT OF JOSEPH W. HESTON
PRESIDENT AND GENERAL MANAGER KSBW-TV**

Good evening. I'm Joe Heston, and I'm the President and General Manager of KSBW-TV—a local television station that serves Monterey, Salinas, Santa Cruz and many other wonderful communities that make up California's Central Coast region. I'm honored that for the past 50 years more Central Coast viewers have received their local news and information from KSBW-TV than any other local television station.

We realize, of course, that you don't become the top-rated local TV station by accident. Rather, our success stems directly from our overriding commitment to localism—our duty as stewards of the public broadcast spectrum to provide programming responsive to the specific needs and interests of the Central Coast communities we serve.

Earlier this month the FCC issued a "Notice of Inquiry" on localism that asks how broadcasters can best "determine the problems, needs, and interests of their communities." At KSBW-TV, we have invested significant financial, technological, and human resources to ascertain—and address—the problems, needs and interests of our Central Coast viewers. The success of our investment is reflected in our top-rated local news, our diverse community outreach initiatives, and our award-winning commitment to public affairs. Let me add that the public service formula we have followed might not necessarily be the best formula for all stations in all markets. Markets are different, stations are different, and each station's target audience is different.

It is both a privilege and a pleasure to share with you some of the public service initiatives of this station in this particular market.

Local News

Unlike our major-market neighbors to the north and south, we serve a small population spread over a very large geographic area. We must go the extra mile—literally—to cover the news in every corner of our market—whether it's a downtown redevelopment scandal in King City (two hours to our south), a meth lab bust in Hollister (an hour to our east), or a garlic festival in Gilroy (an hour to our north).

To cover this ground most efficiently, we've invested in three full news bureaus—one in Salinas, one in Monterey, and one in Santa Cruz. We also use three live vans and three separate ENG receive sites to provide our viewers with extensive on-the-spot coverage of events as they occur. When an earthquake rocked Paso Robles last year, we were the only station in our market providing live, on-the-spot coverage from the site on the day of the disaster. And on Friday

nights during the fall, we deploy a camera and crew to every high school football game in the Central Coast region as part of our "Operation Football" project. High school football games, as you know, are often the heartbeat of a local community, and we enlist virtually every member of our staff to collect highlights of each game for our popular Friday night newscast.

Our station also has enhanced our local news coverage with a top-tier compliment of state and national news specifically tailored to issues of particular importance to our local communities. Our Hearst-Argyle sister station, KCRA in Sacramento, provides interviews with our local State Senators and Assembly Representatives on issues such as local water control and the impact of proposed budget cuts. And our Hearst-Argyle Washington News Bureau provides us with similar localized coverage through regular interviews with our Congressman, Sam Farr, and just recently produced an exclusive profile of a local Salinas soldier selected for President Reagan's honor guard.

Public Service

Our station has made enormous public service investments in our local communities. We provide \$2.6 million for local charities each year through television fund-raising initiatives and public service announcements. Our historic partnership with two local United Way chapters promotes "Success By 6"—an early childhood development initiative that uses informational TV spots and special news reports to offer tips on education, health, nutrition, safety, parenting, and quality family time. We also take an entire day of programming each December to assist the Salvation Army's "Share Your Holiday" charity drive. Our entire staff pitches in to enable us to broadcast live from *seven different locations* simultaneously to help communities collect food, clothing, and contributions and to showcase a variety of local entertainers.

Public Affairs

KSBW engages its viewers on public affairs at the local, state and national level. Our "Feedback at Five" program—broadcast each Sunday at 5 p.m. before the NBC national news—tackles informative issues such as local gang violence, earthquake disaster preparation, and child abuse. We broadcast a weekly editorial on hotly-contested local topics ranging from a move to fire the Monterey School Superintendent, to the debate over medicinal marijuana, to the expansion of Gallo Vineyards in Monterey County. We invite, encourage, and broadcast responses from our viewers. We're also especially proud of our contributions of free broadcast time to candidates for public office. As part of Hearst-Argyle's award-winning "Commitment" initiative for political coverage, we dedicate a minimum of five minutes each night during the election season to broadcast issue or candidate-centered discourse to our viewers.

Our coverage of local news, public service, public affairs, and other local programming has been a hit with our viewers. We earned a local Emmy Award for the best newscast in 2004. And, recognizing that some viewers receive news from their computer screens as well as their television screens, we're also proud that our station's website—"the KSBWchannel.com"—is the most visited site for local news, weather, and information among all local print and electronic media outlets in our market.

But no matter how much money or manpower we invest to serve our local communities, we can't do it alone. Our corporate parent, Hearst-Argyle Television, has been an excellent partner in our commitment to localism. Hearst-Argyle enables and encourages us to share newsgathering resources with our sister station in Sacramento to improve the quality and depth of our local news coverage. Hearst-Argyle also created the "Commitment 2000" and "Commitment 2002" projects for political coverage—for which Hearst-Argyle stations, including KSBW, shared the Walter Cronkite Award from the Annenberg School at USC. Most important, Hearst-Argyle recognizes that the local managers of local stations know their local communities best, and it gives General Managers broad discretion to make programming decisions that reflect the specific needs and interests of the local communities we serve. Indeed, just last year, for example, I rejected NBC's "Maxim's Hot 100" for our station because it did not reflect local community standards for Saturday evening programming.

We also need cooperation and support from Washington. Our viewers cannot reap the benefits of our top-rated local programming unless they can receive our signal—particularly our full 19.4 megabit digital signal. Tonight we are carrying a live broadcast of this important hearing on KSBW-SD, adjacent to our normal digital signal on KSBW-DT. Unfortunately, only viewers watching us over-the-air on a digital TV can receive the signal because local cable companies and satellite carriers do not carry our digital signal. The FCC should require cable operators and satellite carriers to carry our full digital signal so Central Coast viewers can continue to enjoy our top-rated local programming as we complete the transition to digital television.

Finally, we are as concerned as anyone about indecency on television. We need the FCC, however, to clarify the ground rules governing indecent broadcasts—and for that matter, the right of local network affiliates to reject network programs and substitute programs of greater local or national interest. For all the time and money we have invested in providing top-tier local news coverage, we must be able to broadcast live—as the events are unfolding—without the fear of incurring a fine or losing our license simply because a bystander, spontaneously and without notice to our staff, utters an expletive or makes an obscene gesture in the background. Such unfortunate incidents cannot possibly be predicted—much less prevented—by a station broadcasting live from an emotionally-charged but highly newsworthy public event. The specific sentence in the March 18 ruling in the Golden Globe Awards case that has created so much uncertainty and confusion is the statement by the Commission that “[a]ny use of that [F] word or a variation, *in any context*,” is unlawful. That leaves open the question whether *context* counts in these matters. We believe it does, and we respectfully urge the Commission to clarify the issue.

Our commitment to localism at KSBW is the hallmark of our success. No basic cable station, no public access channel, no premium or pay-TV service, no satellite delivery company, and no local or national website has been as steady or successful at addressing—in the FCC's own words—the “problems, needs, and interests” of our Central Coast communities.

Thank you.

FEDERAL COMMUNICATIONS COMMISSION
BROADCAST LOCALISM HEARING
MONTEREY, CALIFORNIA
JULY 21, 2004

PATTI MILLER TESTIMONY

CHILDREN NOW

Children Now would like to thank the FCC for holding hearings around the country and in Monterey today to determine how broadcasters are serving their local communities. As the FCC evaluates how broadcasters are responding to the needs of local communities, they should consider, first and foremost, how children's needs are being served.

Under FCC guidelines, stations are expected to air a minimum of three hours per week of children's educational and informational (E/I) programming at times when children are likely to be watching. These guidelines were enacted after stations claimed that *The Flintstones* taught children about history and *The Jetsons* taught children about the future. To assess how commercial television stations are serving the child audience, Children Now and the Institute for Public Representation at Georgetown University analyzed the Children's Television Reports for the last quarter of 2003 prepared by the four full-power television stations in the Monterey-Salinas designated market area.

Our analysis found that many of the shows still do not have educating or informing children as a significant purpose of the program, as required by FCC rules. Here are just a few examples of how broadcasters have inappropriately characterized programs as serving children's educational and informational needs.

KCBA describes the E/I objective for *NFL Under the Helmet* as "showcasing the pro-social on and off the field activities of the NFL's leading players and coaches."

The educational objective for KSBW's *Kenny the Shark* is as follows: "Kenny the Shark is about a tiger shark that has made the transition from sea to land, but it's very hard to adapt to new conditions. He lives with Kat, a middle-school student, and her family. In the process of watching Kenny deal with his situation we learn real-world facts about shark behavior, habits, and biology."

I don't know about you, but I am not aware of any "real-world" sharks that live on land.

Even if we accept at face value the broadcasters' questionable characterization of certain shows as children's educational programming, two stations fell short of the three hour minimum

guideline (Fox Affiliate KCBA and Univision Affiliate KSMS), one aired the minimum three hours (CBS Affiliate KJON), and one station (NBC Affiliate KSBW) aired slightly more than 3 hours of children's educational programming per week. It's very troubling that broadcasters are having difficulty in meeting what is a very minimal requirement.

We also found that broadcasters in Monterey-Salinas also are not meeting the distinct needs of children in the community they are serving. Children make up 27 percent of the population in the Monterey-Salinas designated market area.ⁱ Sixty five percent of these children are children of color^j and more than half of all children in the area (56%) identify as being of Latino or Hispanic origin.ⁱⁱ Furthermore, nearly half of school age children (44%) speak Spanish at home.ⁱⁱⁱ

Despite the unique demographic characteristics of this community, there is only one high-power Spanish language station in the area. And that station, KSMS, offers only two E/I programs.

There also are no locally-produced E/I programs in the Monterey-Salinas market that are specific to the needs and interests of this diverse community. All of the 20 programs that broadcasters claim as core programming originate from the networks or are syndicated. This is due in part to increasing media consolidation, resulting in fewer station owners who are interested in or aware of how to best serve local communities.

We are also concerned that it is difficult for parents and children to find and watch the small amount of educational programming that is aired. We found that one-fifth of the children's educational programming on KSBW, the NBC affiliate, was preempted by sports programming, most of which was not re-scheduled. Frequent preemptions make it difficult for children and parents to find programs and for such programs to develop a loyal audience.

Finally, E/I programs were not scheduled at the times in which children would most likely be watching. E/I programming was almost exclusively broadcast on Saturday and Sunday mornings, even though with the exception of late-night, these time periods are the least likely times for children to be watching television.^{iv}

In summary, local broadcasters in the Monterey-Salinas area clearly are not meeting their public interest obligations to children. The children in this community should have access to a variety of programming that is specifically designed to meet their educational needs, not just entertaining cartoons with a vaguely pro-social message. They also deserve programming that actually educates and informs them about the community they live in. It is particularly troubling that despite the ethnic and cultural diversity in the Monterey-Salinas market, there are no locally-produced E/I programs that reflect the community, and very few Spanish language E/I shows for that matter.

In exchange for the free use of the airwaves, broadcasters have a public interest obligation to children in the communities they serve. We ask the FCC to ensure that broadcasters in Monterey-Salinas and across the country do a better job in meeting the needs of children.

ⁱ Children Now analysis of data from the U.S. Census Bureau, 2002 American Community Survey Summary Tables, Tables P004 & P005K, <http://factfinder.census.gov/>, generated July 12, 2004.

ⁱⁱ Children Now analysis of data from the U.S. Census Bureau, 2002 American Community Survey Summary Tables, Tables P004 & P005J, <http://factfinder.census.gov/>, generated July 12, 2004.

ⁱⁱⁱ Children Now analysis of data from the U.S. Census Bureau, 2002 American Community Survey Summary Tables, Table P035, <http://factfinder.census.gov/>, generated July 12, 2004.

^{iv} Nielsen Media Research, 2000 Report on Television (New York, NY: Nielsen Media Research, 2000), p. 14.

**FEDERAL COMMUNICATIONS COMMISSION
BROADCAST LOCALISM HEARING
MONTEREY, CALIFORNIA
JULY 21, 2004**

**WRITTEN STATEMENT OF EDUARDO DOMINGUEZ
GENERAL MANAGER, KSTS(TV), SAN JOSE, CALIFORNIA**

Good evening, Commissioners, ladies and gentlemen. I am Eduardo Dominguez, Vice President and General Manager of KSTS(TV), the Telemundo owned and operated television station serving San Jose and the surrounding area.

I'm pleased to be here tonight speaking about broadcasters' service to local communities in northern California. I'm pleased because Telemundo and its owned and operated stations consider service to the local community to be essential to our business and to our role as local broadcasters.

I have spent many years in broadcast media, with a particular emphasis on California Spanish-language television stations. Immediately prior to my current role, I was station manager of Telemundo's owned and operated station in the Los Angeles market, KVEA(TV). Before that, I was station manager of KWHY-TV, Los Angeles, California, where I was responsible for the successful transition of that station from a Galavision Network affiliate to a local independent Spanish-language station.

All of that experience has taught me the three principles essential to a successful TV station: **local attention, local action, and local accountability**

Local attention means that a station must focus on events and issues that matter to its local audience. In Spanish-language programming, that sometimes means covering a news story about Mexico or El Salvador that would not make the national news, and sometimes it means addressing the fundamentals, such as a story about how to open a checking account or what immunizations are needed before a child can start school.

Local action means that the station must involve itself with its community in ways that advance the community. Whether that is by sponsoring the San Jose America's Festival earlier this month to benefit emergency housing and shelter, by broadcasting the San Francisco Carnaval Parade to benefit the Mission Neighborhood Center's Headstart Programs or by reaching out to the community at large by sponsoring and hosting weekly 'Foros de Inmigracion' (Immigration Forums) to address immigration concerns – what matters is that Telemundo's established commitment to our community of license goes beyond programming. In addition to the strong relationships we have with many non-profit community and cultural agencies serving the Latino population throughout our coverage area, KSTS maintains a solid relationship with the local business leaders through the 15 Hispanic Chambers of Commerce, from Sonoma County in the North to the Concord and Alameda Counties in the East to Monterey in the South, by sponsoring and participating in an array of local programs and initiatives.

And *local accountability* requires our community to be able to rely on us to cover what it needs to know in a timely and appropriate fashion. We measure that accountability not just in ratings or specific feedback, but by our sense of whether the community knows more today than yesterday. KSTS serves, if you will, as a bridge for the Spanish-speaking immigrant community to life in the U.S., covering issues of health, education and immigration. Our audience has told us in survey after survey that they want and need more of this kind of information so they can live a better life here in the United States. We strive every day to meet these unique community needs and interests and thereby to earn the trust and loyalty of our audience.

For us, these principles are not optional. This is not a matter of regulation; it is a matter of survival. We are the local face and the local presence of our network in each of the communities we serve. In a world where cable boasts hundreds of national channels, a television station that does not live by these three principles will fail, regardless of who owns that station or what regulation requires.

Upholding these localism principles is fundamental to any broadcaster's success, and Telemundo is committed to them. When General Electric acquired Telemundo several years ago, Telemundo did not de-emphasize these three key principles, but reinvigorated them, both at the station *and* network level.

At the station level, Telemundo has strengthened its local newscasts at 6 p.m. and 11 p.m. every weekday. Our news team has more resources, thanks to our ability to share the resources of our sister station KNTV, NBC's San Jose owned and operated station. KSTS serves both the San Francisco and Monterey markets and, working with NBC's local news team, we have been able to cover more live news events by use of their live trucks or helicopter for major breaking news stories. But it goes beyond having access to better technical resources. In fact, the benefits of our commitment to our local Hispanic American audience flow to KNTV as well. On numerous occasions, Telemundo has helped NBC cover stories where our reporters had access to Spanish-speakers in covering news events, thus enabling KNTV to broaden its coverage of issues that affect us all.

At the network level, that re-emphasis is best reflected in our new programming philosophy. For decades, much of prime time Spanish-language programming shown in the United States has been imported from other countries. This "outsourcing" of programming has meant little opportunity for Americans to develop television programming that addresses the uniqueness of U.S. Spanish-language audiences. Now, Telemundo has launched an ambitious – cost estimates for the last several months equal or exceed \$50 million – effort to develop more primetime Spanish-language programming, including telenovelas, here in the United States. In contrast to other major Spanish-language networks, which still acquire most of their prime time programming from Mexican or South American programmers, Telemundo produces more than half of its prime time programming in-house. And with our renewed focus on domestic production, Telemundo intends to develop Spanish-language programming that truly speaks to our American audiences.

That effort is paying off. In the past several months, Telemundo's national ratings have jumped as Hispanic Americans have responded to U.S. Spanish-language programming. And that has, in turn, strengthened KSTS. The result is the best of both worlds: a strong local station that has access to extensive resources and quality programming, both locally and nationally.

My point is this: **local attention, local action, and local accountability** are not motivated by the threat of sanctions; they instead are fundamental to our business. When Telemundo invests the tens or hundreds of millions of dollars necessary to acquire and operate a television station, we hardly intend to jeopardize that investment by airing programming that offends a substantial number of viewers, or that does not appeal to the local community. Indeed, because we want to expand our local audience, Telemundo is willing to spend even more in order to continue to produce truly locally oriented programming, to fund the community activities and to sponsor events that improve the social well-being of the communities we serve. These are the hallmarks of a successful television station.

Local attention, local action, and local accountability are essential to KSTS's past and future success. These three principles will continue to guide our strategies and performance as we move forward. The Commission need look no further than KSTS to confirm that successful broadcasters actively pursue local service to the communities in which they operate.

**Federal Communications Commission Hearing
Monterey, California
July 21, 2004**

Blanca E. Zarazúa

INTRODUCTION:

- **Good evening Honorable members of the Federal Communications Commission and good evening to all members of the public.**
- **It is an honor to be here this evening and I thank Ms. Royce Sherlock and the entire Localism Task Force for having extended this invitation to me.**
- **Given the limited time available, I will be brief and direct with my comments which are herby respectfully submitted for your review and consideration.**

FOCUS:

- **My focus this evening will be to provide comment with respect to the Commission's concern that broadcasters serve the needs and interest of *all* significant segments of their communities, including the Spanish speaking communities.**
- **I believe the term "significant segments" as used in the Commission's Notice of Inquiry adopted on June 7, 2004 refers to segments of individuals whom I have the honor of serving in my various roles. As a lawyer, I represent many Spanish speakers who find the US legal system difficult to understand; as Honorary Consul I address the many issues facing immigrants from Mexico who live and work on California's Central Coast; and as chair of the Hispanic Chamber of Commerce I see first hand the challenges faced by many small Hispanic owned businesses.**
- **These significant segments do not belong to a homogenous group; indeed, there is much "diversity within diversity." Language of preference; immigration status; economic level; level of formal education; etc. will all vary from individual to individual and from community to community. Given this multifaceted context, the mission of localism and its implementation require extensive research and careful evaluation.**
- **If a person is unable to read English and English is the most commonly used language, that person will rely on visual and audio sources of information. If a person reads no English or Spanish, reliance on visual and audio sources of information is heightened.**
- **Let us remember that broadcasters are trustees of the public airwaves and that they must use the medium to serve the *public* interest. I would urge you to adopt a broad definition of "public" to include Spanish speakers, immigrants from abroad, individuals who are illiterate, etc. Because to deny these individuals the benefits of this public resource is a disservice to**

everyone in the community, not just to those directly affected by such a decision.

- This Commission has stated that the free flow of information is quote "the lifeblood of democracy." If many can understand public information *only* if it is delivered in Spanish, do we truly have this free flow of information and do we truly protect democracy if Spanish is not used to deliver this public information?
- The public's airwaves are akin to a sort of international currency, because people from all over the world use them. I would urge the Commission to manage this international currency using strict standards of accountability.

SPECIFIC RECOMMENDATIONS:

- My hope is that these recommendations will assist the Commission in complying with the Third District Court of Appeals' mandate that a quote "rational" and "reasoned analysis" be applied in formulating any proposed rule changes.
- I believe a different vocabulary must be emphasized; instead of referring so often to corporations, conglomerates and consolidation, let us begin using words such as commitment, compassion and community conscience.
- To contribute to localism, broadcast programming must highlight heroes and success stories from *within* the significant segments already referenced so that community pride may be fostered. Also, licensees must use non traditional delivery systems which incorporate culturally sensitive themes.
- With respect to *non programming* factors, I urge the Commission to undertake the following:
 - Include local station decision makers in defining and implementing localism.
 - Provide access of station decision makers to the local residents in order to promote trust within the local communities.
 - Urge main studios to be located within the local communities so that the local studios are quote "part of the neighborhood."
 - Promote participation in local community activities so that licensees confirm their commitment to the community and establish trust by being present during these activities.
 - Encourage contacts with the leadership in the local community groups so that licensees have a pulse on community priorities.
 - Confirm that a licensee's familiarity with the particular community context of the broadcasting area is vital to the effective delivery of public information to underserved communities.
 - Define locally oriented programming as programming of interest to the local community regardless of the source. For example, natural disasters in foreign countries often are of particular interest to local

communities because of the community members' ties to the foreign country.

- Incorporate individuals with sensitivity to these underserved communities in the decision making process.
- Track the usage of public service announcements (PSAs). Are licensees required to track why and how often PSA requests are rejected? Are they required to track when and how often the PSAs are aired? Do licensees track to what extent they encouraged and made it known to underserved communities that PSA airtime was available? Without this tracking there is no basis for framing a complete and responsible action plan for the future.
- Reward licensees who seek opportunities to educate underserved communities. For example, with respect to local and national elections, licensees have the ability to educate communities about the importance of participating in the political process. Licensees must explain why understanding and participating in the political process is important and how politics affect the daily lives of many individuals residing in underserved communities. Currently, many individuals residing in underserved communities consider politics as a low priority item because the daily challenge of basic economic survival continues to be the top priority.
- With respect to the regulations, I believe qualitative features need to be introduced into the licensing process. For example, if a licensee demonstrates strong community commitment, the initial term of its license could be automatically extended. Conversely, the initial term of a license could be conditioned on the licensee's demonstrating a certain minimum level of community commitment and a failure to reach this level of commitment could subject the license to suspension or revocation.

CONCLUSIONS:

- As Commission Adelstein has stated, localism means providing opportunities for local self expression. To deny individuals the opportunity for self expression is to deny them their personal growth, self respect and dignity. Commission Adelstein also references the Commission's duty to ensure that all broadcast licensees exhibit deep commitment to their local communities. I would like to suggest that the Commission's duty should also include the obligation to ensure that all broadcast licensees exhibit deep community conscience and a sense of responsibility for the future of their local communities.
- With your permission Commissioners I would like to conclude with a few words in Spanish.

- **Muy buenas noche damas y caballeros. Sólo quería darles las gracias por su participación en este evento. Al participar esta noche confirman su interés en el futuro bien estar de nuestras comunidades.**
- **What I just stated is as follows: Good evening ladies and gentlemen. I just wanted to thank you for participating in this event. Your participation this evening confirms your interest in the future well being of our communities.**
- **Thank you.**

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