

1 In New York City, WABC TV ran stories on  
2 its prime time news broadcast on the magician David  
3 Blane for nearly every night of his eight-day under-  
4 water living stunt before his emergence from water,  
5 which was, not surprisingly, televised on national  
6 ABC prime time. It could be argued that such  
7 valuable news time could have been better allocated  
8 to local news stories of real value to the  
9 community.

10 Other news writers and producers of ours  
11 complain of being led by news management that is not  
12 ethnically diverse. At WABC TV in New York, for  
13 example, there's not a single African-American,  
14 Latino, or Asian manager in their newsroom. This  
15 lack of diversity in the newsroom contributes to  
16 homogenized newscasts. You will recall,  
17 Commissioner Cops and Commissioner Adelstein, when  
18 I appeared at a hearing the last time, I discussed  
19 the City of Los Angeles, where one of the major news  
20 producers decided to air the story of President Bush  
21 announcing his move of the reserves to the Mexican  
22 border. Fifteen minutes into the show, they devoted  
23 40 seconds to that particular show, with no comment  
24 -- local comment whatsoever, but devoted on that  
25 night two minutes to cosmetic toe surgery. As a New

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1 Yorker, even I cannot make the joke that one's  
2 tempted to make there.

3 The Writers Guild contracts also serve  
4 to help the process of diversifying newsrooms. We  
5 have engaged with CBS, for example, in our current  
6 contract negotiations to create an internship  
7 program which will create diversity based interns --  
8 positions for diversity-based interns, and we hope  
9 to encourage the increased broadening and diversity  
10 employment in that network, and we have had  
11 certainly CBS's cooperation in the creation of that  
12 internship program.

13 Working without a union contract has --  
14 working under a union contract, for example, has  
15 given a great deal of protection to some writers and  
16 producers who have been able to contest their  
17 refusal; for example, recently in New York to air a  
18 story on a VNR footage.

19 MODERATOR RIVERA: You have to stop.

20 MS. MANGAN: Can I have two minutes to  
21 close?

22 MODERATOR RIVERA: No, ma'am, I'm sorry.  
23 I apologize.

24 MS. MANGAN: Thank you very much for  
25 this opportunity.

1 MODERATOR RIVERA: Mr. Verrone?

2 MR. VERRONE: Mr. Chairman,  
3 Commissioners, members of Congress, distinguished  
4 panelists, ladies and gentlemen, I'm Patrick  
5 Verrone. I'm the President of the Writers Guild of  
6 America West. I will be making my comments brief on  
7 this subject of vital importance to our industry, to  
8 our democracy, to our free speech, and then I will  
9 return to my profession, writing a cartoon about a  
10 crab monster from outer space. We all have to make  
11 a living.

12 On behalf of the community of 7,500  
13 television, film and news media writers who belong  
14 to our Guild west of the Mississippi, thank you for  
15 holding this hearing. We join the unanimous chorus  
16 of voices you've heard so far in affirming that  
17 media consolidation has consolidated into far too  
18 few hands. Twenty years ago, when I entered this  
19 business, I was nine years old. There were 29  
20 dominant entertainment firms with \$100 billion in  
21 annual revenues. Today there are six, making nearly  
22 400 billion. Fifteen years ago, less than a third  
23 of writing employment was controlled by these  
24 firms. Today, they control over 80 percent of it.  
25 During this time frame, however, broadcast media,

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1 the daily bread of this Commission, has only shown  
2 modest increases in revenue and employment for these  
3 companies, increases, but modest nonetheless. The  
4 growth of these conglomerates has come through  
5 expansion of other media outlets: cable,  
6 publishing, print, internet, et cetera. I brought a  
7 chart because I felt compelled to have a prop. It's  
8 in your materials and, of course, I don't know if  
9 you can get a shot of it -- yes, you can. It  
10 indicates the vast accretion of these conglomerates  
11 -- boy, it's not a good shot, is it? Well, for  
12 those of you in the back, it shows the vast  
13 accretion of these conglomerates and just how  
14 tightly our national media is trapped within six  
15 webs of control.

16 The ideas that are the vital raw  
17 material of our country's democratic process are  
18 mostly funneled through these six corporations. As  
19 a result, the free speech of Americans on all sides  
20 of the political spectrum are stifled. And both the  
21 artists we represent and the viewers and listeners  
22 in our audience are left out. As this Commission  
23 has noted, a diversity of contributors is essential  
24 to our nation's vital marketplace of ideas. But  
25 because control of the media is concentrated among a

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1 very few similar corporations, the common interests  
2 of these corporations further reduces the range of  
3 perspectives and life experiences reflected in this  
4 media. The palpable affects of consolidation on TV  
5 writers, like myself, has been to reduce them to  
6 only express those ideas acceptable to this  
7 corporate voice.

8 Homogenization is for good milk, but bad  
9 for ideas. To this we ask, "Got ideas?" The market  
10 failure -- and we do -- the market failure, we have  
11 observed, is not limited to the figurative  
12 marketplace of ideas. We see a failure of the  
13 literal economic marketplace as well. While star  
14 salaries make the headlines, and even those are  
15 being curbed -- it's why you shouldn't jump on  
16 Oprah's furniture -- it is the middle class among  
17 the talent community in Hollywood who do most of the  
18 work. And these are the folks who are being  
19 squeezed out.

20 Consolidation has led to tighter  
21 production budgets, which leads to smaller writing  
22 staffs, which leads to lower earnings and shorter  
23 careers. This is especially true in children's  
24 television, in non-fiction programming, which have  
25 all but disappeared from the prime time broadcast

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1 schedule, relegated to cable and other outlets where  
2 they are significantly under-budgeted.

3 In the meantime, the shelf space of the  
4 broadcast schedule has been filled with reality and  
5 so-called unscripted programming which refuses to  
6 even recognize the fact that it has writers and that  
7 writers are serving not the demands of storytelling  
8 and character development, but of advertiser whim  
9 and product integration. And may I say, when  
10 testifying before a Commission, Voss is the water of  
11 choice.

12 This Commission has many options to  
13 address the consolidation of American media. You've  
14 heard some of them today. At this time, as we go to  
15 a yellow light, let me quote another writer, "The  
16 men of wealth who today are trying to prevent the  
17 regulation and control of their business in the  
18 interests of the public by the proper government  
19 authorities will not succeed, in my judgment, in  
20 checking the progress of this movement." That quote  
21 was from Theodore Roosevelt who, though he made his  
22 living chiefly as an adult as a writer, also had  
23 other claims to fame. He spoke those words almost  
24 100 years ago today. He went on to say, "But if  
25 they did succeed, they would find that they had sewn

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1 the wind and would surely reap the whirlwind, for  
2 they would ultimately provoke the violent excesses  
3 which accompany reform, coming by convulsion instead  
4 of by steady and natural growth."

5 The talent community appearing before  
6 you is anxious to see this industry continue to  
7 thrive and succeed as no other American industry  
8 does on the global stage, but we want the steady and  
9 natural growth of which Roosevelt spoke. We urge  
10 this Commission to continue -- to consider its rules  
11 under review accordingly.

12 Normally, when I conclude these  
13 discussions, I warn my listeners that I do not have  
14 time to read their screenplays. For this group, I  
15 will make an exception. Thank you for your  
16 attention.

17 MODERATOR RIVERA: Thank you very much.

18 Mr. Herskovitz?

19 MR. HERSKOVITZ: Mr. Chairman, members  
20 of the Commission, thank you so much for coming to  
21 Los Angeles and for holding this hearing. My name  
22 is Marshall Herskovitz. I'm a producer, writer and  
23 director. I am here as the President of the  
24 Producers Guild of America. And let me say that  
25 it's very difficult to follow five people,

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1 especially this gentleman to my right. And I will  
2 try to restrict my comments to things that haven't  
3 been said too many times before. But nevertheless,  
4 I will try to be as detailed as possible in  
5 describing what we all see as a real threat to  
6 freedom of speech and the free flow of ideas in our  
7 country.

8 I think, first of all, it's important to  
9 understand that the dissemination of information is  
10 no longer even the primary goal of these  
11 corporations that are the conglomerates that control  
12 media in our country. In the old days, each  
13 communications entity, be it a newspaper, local  
14 television station, movie studio or network, was  
15 owned and operated by people who were passionate  
16 about that one thing. Even though most were  
17 publicly held corporations, nevertheless, there was  
18 a demonstrable pride in the fulfillment of a public  
19 trust. That pride was evident in the legendary  
20 names and long tenures from that bygone era,  
21 Sorenoff, Paley, Goldenson, and many more.

22 The purpose of a modern media  
23 conglomerate is to serve the bottom line of that  
24 conglomerate. There cannot possibly be the pride of  
25 a public trust when your company has stakes in

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1 literally dozens of different media outlets who have  
2 been mandated to cross-promote each other and show  
3 steady growth in each quarter. In such  
4 circumstances, a newspaper or a network cannot be a  
5 calling; they can only be an asset, and an  
6 expendable asset at that. The result of this shift  
7 in priorities has been a shift in programming. News  
8 divisions, once considered a loss leader for the  
9 networks, a source of pride and prestige, are now  
10 commanded to be profitable. So news editors must  
11 consider what news is marketable rather than what  
12 news is important. And that mindset has transformed  
13 the entertainment divisions of these corporations,  
14 as well.

15 When I started in this business, there  
16 were three networks. Each network blocked by this  
17 Commission from owning its own programming, chose  
18 from literally dozens of production companies the  
19 best programs it could find. You've heard this  
20 story before on this panel. These networks saw  
21 themselves as broadcasters, first of all, as a  
22 conduit to the American people, a kind of department  
23 store, if you will, of ideas where the consumer  
24 could find a broad range of programming. Today, the  
25 situation is markedly different. Each network or

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1 cable channel, part of a media conglomerate, is  
2 charged with asserting its own brand identity.  
3 Programs that aren't compatible with that identity  
4 are discarded.

5 Each network is also charged, as you've  
6 heard, with doing business with its sister  
7 production company. I have personally felt the  
8 effects of this change. Back in those early days of  
9 my career, I was with a production company that  
10 could sell to any network. Now I must choose a  
11 production company and network together, as you've  
12 heard. The job of that production company that I'm  
13 affiliated with is no longer to find the best  
14 network for my project, or the highest license fee,  
15 or the most creative autonomy, or the most  
16 advantageous time slot to help my show compete. No,  
17 the job of that production company is simply to  
18 place as many shows as possible on the sister  
19 network, period. That production company is no more  
20 than a farm team now for the network.

21 This fundamental structural change has  
22 led to a fundamental management change that I think  
23 is even more dangerous. Networks used to trust the  
24 expertise of independent producers to create shows  
25 for them. They are now charged by their corporate

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1 superiors to micromanage those shows. You've heard  
2 a little bit of this about casting. It actually  
3 goes absolutely across the board in television  
4 production today.

5 Ask any show runner the level of control  
6 exerted by network executives over script direction,  
7 cinematography, costumes, the color of sets, is  
8 unprecedented in the history of the medium. Ask  
9 anybody, as Steven had with his own experiences, I  
10 can tell you that the eccentric choices that Ed Zwik  
11 and myself made when we created "Thirty Something"  
12 would never be permitted today under the way the  
13 networks are constituted. The result of that, as  
14 you heard, is the independent producer no longer  
15 exists in television. I don't even count those two  
16 companies as independent producers, as stated  
17 before, those are huge media conglomerates.

18 The members of my Guild produce programs  
19 in television, film and news media, but they all  
20 have one thing in common: they're passionate about  
21 what they do. The spirit of initiative of  
22 entrepreneurship is at the heart of American  
23 business. And if you talk to these producers, you  
24 will find that spirit, not because they are looking  
25 for a way to get rich quick, although they wouldn't

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1 mind that, but because they have stories they are  
2 dying to tell. When a person is an entrepreneur, he  
3 puts his life into his projects. When a person is  
4 an employee, an expendable employee at that, that  
5 alchemy, that magic blend of passion and vision and  
6 courage that is responsible for every great piece of  
7 programming, simply cannot happen. Consolidation of  
8 media is turning our artists into employees. And  
9 make no mistake; the result will be harmful for our  
10 society. I'm of the belief that story tellers  
11 matter, that art matters, and that art helps a  
12 society define itself.

13 I'm going to close by saying that it's  
14 been mentioned today by members of the Commission  
15 that there needs to be a balance between the  
16 competitive marketplace among these corporations and  
17 the local needs and the needs of citizens across the  
18 country. I have to tell you that there is no  
19 possible scenario you could imagine that would keep  
20 media companies from being profitable in the  
21 marketplace of America. No matter what restraints  
22 you put on them, this is a huge, huge business. You  
23 could break it up into 100,000 companies and they  
24 would still be profitable. There is no issue of  
25 competition. There is no issue about allowing these

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1 companies to be profitable. The will and the needs  
2 of the public of the United States of America is the  
3 only issue here, and I believe the only issue that  
4 needs to be taken into account in your proceedings.  
5 Thank you.

6 MODERATOR RIVERA: Thank you.

7 Mr. Mills?

8 MR. MILLS: Thank you, Chairman Martin  
9 and Commissioners. Thank you very much for this  
10 opportunity to speak at this hearing on media  
11 consolidation and its affect on recording artists,  
12 song writers and the radio public at large. My name  
13 is Mike Mills. I'm the bassist for the band REM and  
14 member of the Recording Artists Coalition and a  
15 proud member of AFTRA.

16 I have been a recording artist and song  
17 writer for over 25 years. REM started out as a  
18 local band in the college town of Athens, Georgia.  
19 Since REM released our first LP, "Chronic Town," in  
20 1982, we've recorded 13 original studio albums, and  
21 I have worked with the members of the Commission  
22 before on this very issue through my work with the  
23 Future of Music Coalition.

24 Ten years ago, Congress passed a 1996  
25 Telecommunication Act, opening the flood gates of

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1 almost unlimited media consolidation in the radio  
2 industry. On this important 10-year anniversary, we  
3 must ask the question: Is American radio better  
4 today than it was 10 years ago?

5 MULTIPLE AUDIENCE MEMBERS: No.

6 MR. MILLS: That was the answer. Media  
7 consolidation has, without question, harmed localism  
8 in radio. It has harmed new and emerging recording  
9 artists, as well as local music communities. But  
10 most of all, it has harmed the American listening  
11 public. The bond between a local station and its  
12 local listening audience has largely evaporated.  
13 Radio conglomerates have taken the "local" out of  
14 local radio to such a degree that, by and large,  
15 radio in Atlanta sounds like radio in Denver, Los  
16 Angeles, Nashville, Washington, D.C., or any other  
17 big city you care to name. Play lists have been  
18 corporatized and nationalized and sanitized.  
19 Airplay for local and new artists is a virtual  
20 impossibility.

21 Pre-1996 local radio stations had always  
22 enjoyed a special relationship with the local  
23 community, and especially the local music  
24 establishment. Each city or geographic area has its  
25 own unique cultural and music heritage. Many of

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1 these local genres are uniquely American: Texas  
2 swing, Appalachian Bluegrass, Zydeco, Tejano, and  
3 Blues and Jazz. Local radio outlets that supported  
4 these genres contributed to the vitality of music  
5 and radio, not just on a local level, but on a  
6 national level, as well.

7 Due to radio consolidation these  
8 distinctly American musical formats have suffered  
9 immeasurably. Where are the outlets for these  
10 styles of music in an era of nationalized play  
11 lists? Radio consolidation has visited similar  
12 hardships on new artists, as well. Back when REM  
13 started, many young artists found that one breakout  
14 song on a local radio station could get them started  
15 on the road to regional or national success. Strong  
16 support from local DJs and program directors  
17 dramatically enhanced the development of up-and-  
18 coming artists and entire local music communities.

19 The harm to localism from development of  
20 uniform, national play lists most certainly impacts  
21 the chances for established artists to prosper, for  
22 new artists to emerge, and for local music  
23 communities to remain economically viable. REM owes  
24 much of our early success to local stations  
25 throughout the country. We grew organically through

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1 word of mouth, local buzz and incessant touring.  
2 With each record and accompanying tour, we grew  
3 increasingly popular. We didn't achieve our first  
4 gold record until our fourth studio album. It was  
5 very difficult, as it was for bands to get  
6 commercial radio airplay, and a journey like ours  
7 would be virtually impossible in today's era of  
8 consolidated radio conglomerates and concentrated  
9 mega-labels. If a band doesn't have a hit on their  
10 first record, they often find themselves dropped.

11 The FCC has a mandate to consider the  
12 goals of localism, diversity and free competition  
13 when contemplating changes in radio ownership  
14 rules. However, changes in radio ownership rules  
15 since 1996, most notably, the increase in station  
16 ownership caps, have only a negative effect on  
17 localism, diversity and competition.

18 As you undertake your review of whether  
19 to revise its ownership rules, the FCC should  
20 perhaps heed the Hippocratic Oath: first, do no  
21 harm. In other words, the Commission should not  
22 make the problem of radio consolidation worse by  
23 increasing the number of stations that a single  
24 company can own in a given market.

25 Ideally, the FCC should lower the

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1 station ownership caps back to pre-1996 levels.  
2 Absent that unlikely scenario, however, the FCC  
3 could take intermediate steps to restore some level  
4 of competition, diversity of viewpoints and localism  
5 that has been lost as a result of unprecedented  
6 radio consolidation over the last ten years.

7 Specifically, the Commission could  
8 mandate as part of its public interest obligations  
9 that a radio licensee must play a minimum number of  
10 hours per week of music by local artists, and not  
11 just in the middle of the night. This is done in  
12 television, wherein broadcasters are required to  
13 provide a designated amount of children's  
14 programming each week. Radio licensees should have  
15 an analogous requirement for local artists.

16 For instance, the FCC should better  
17 understand and take into consideration how media  
18 consolidation affects the problem of payola. While  
19 payola is an insidious practice, media consolidation  
20 has arguably made it worse. Retaliation against  
21 radio artists can now take place on a national scale  
22 if, for example, an artist does not concede to  
23 unreasonable demands of a radio network or station  
24 to play a radio-sponsored concert. And believe me,  
25 this happens.

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1 As the FCC's recently discovered studies  
2 of some years ago show, localism in broadcasting has  
3 suffered as a result of media consolidation. A  
4 proper examination of localism, diversity and fair  
5 competition must include consideration of these  
6 issues. This is about more than some scruffy  
7 musicians getting their songs on the radio. This is  
8 about the control and flow of information on the  
9 public's airwaves, and information is the lifeblood  
10 of democracy.

11 In conclusion, we hope that the FCC will  
12 not prematurely address radio ownership rules  
13 without fully examining how media consolidation  
14 impacts recording artists, the music industry and  
15 the listening public on a local and national scale.  
16 We at the Recording Artists' Coalition look forward  
17 to working with you on these important matters, and  
18 thank you again for the opportunity to speak here.

19 MODERATOR RIVERA: Thank you.

20 MR. CONNOLLY: Thank you very much. My  
21 name is John Connolly. I'm the National President  
22 of the American Federation of Television and Radio  
23 Artists, AFL/CIO. Chairman Martin, Commissioners, I  
24 want to thank you so much for calling this hearing  
25 here in Los Angeles. I also want to thank and

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1 admire my colleagues here on this panel and on the  
2 panel you will hear tonight, who represent not only  
3 creative artists and other forces in this  
4 discussion, but also the very important crucial  
5 artisans and craft workers who make up our industry,  
6 as well as representatives of the community and the  
7 owners. And I want to thank, most of all, the  
8 hundreds of men and women who have shown up here  
9 today, not only artisans and craft workers and  
10 artists in this industry, but the citizens who  
11 recognize that this is a fulcrum of our democracy,  
12 this discussion today. And I want to point out that  
13 in reference to the earlier discussions several  
14 years ago we had about this very issue, the men and  
15 women who were here today, not just at this table,  
16 but behind us, represent the millions more who  
17 participated with citizens in unprecedented numbers,  
18 and brothers and sisters, and ladies and gentlemen  
19 of the Commission, it will happen again.

20 We believe that in some sense, AFTRA is  
21 uniquely positioned to help with this discussion,  
22 and that's why it's so important to us. Our  
23 perspective covers men and women and young people,  
24 young people, one of the few industries in the world  
25 where child labor is actually a good thing, is the

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1 media -- respected, people taken care of, because of  
2 our unions and our legislation. But our folks work  
3 in every aspect of the media, from news, to the  
4 music industry, the recording industry, television,  
5 radio and entertainment and information programming.

6 So this discussion is not only important  
7 to our folks as newscasters and artists, who are  
8 intimately involved in the production of culture and  
9 information in this society, but it's important to  
10 them as citizens. And that is why we are proud to  
11 understand and believe that our interests in this  
12 discussion are not distinct from the interests of  
13 the American people. We believe that in this case  
14 the workers and artists of these industries, their  
15 interest is identical to the interest of the  
16 American people, which is why our watch word in this  
17 discussion, not to become too rhetorical, is, "The  
18 airwaves belong to the American people," and we  
19 believe it's time for them to take it back. That is  
20 our desire and our objective, and we believe that it  
21 is your job as our representative. So we are really  
22 happy that you are here to talk with us, in here  
23 with us -- hear our discussion today.

24 You know, we are also here at this  
25 panel, not representing the one Hollywood that gets

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1 portrayed sometimes in the media. Whether it's  
2 People Magazine or Fox News, perhaps that is the  
3 Hollywood of people who are all rich, and all elite  
4 and all a fete. That is not Hollywood any more than  
5 it is New York. The people we represent and the  
6 people in this room and who you will meet tonight  
7 represent the quarter of a million working people,  
8 middle-class working people, who work in this  
9 industry. This is one of the few industries in the  
10 United States which is expanding and is capable for  
11 providing middle-class livelihoods for artists and  
12 workers. And we mean to see that that continues,  
13 and that the distinction between innovator, creator  
14 and employee does not destroy our ability to  
15 continue our work.

16 It is most important that you understand  
17 that we are not simply the voice of distant and  
18 careless elites who care only about ourselves and  
19 our nose jobs. That's just not who we are. We are  
20 speaking as citizens, as artists, as the providers  
21 of news and information. I have a sheaf of  
22 thousands of comments from our members who responded  
23 to our request to help move this discussion forward.  
24 We will file these comments with you, as will  
25 millions of our fellow citizens around this country.

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1 People who work in the Spanish language  
2 media, African-Americans who've been excluded from  
3 ownership by the functioning of the deregulation of  
4 ownership so far, women, small owners who are  
5 disappearing as quickly as local entertainment  
6 programming and newsrooms throughout our country;  
7 and disappearing as quickly as radio formats where  
8 less than a month ago the only remaining country  
9 music station in Los Angeles, shut its doors to move  
10 to another homogenized format, that as my brother,  
11 Mr. Verrone says, "Homogenization may be good for  
12 milk, but it's really antithetical to art."

13 I see my red light has arrived, and so I  
14 conclude and I thank you for being here.

15 MODERATOR RIVERA: Thank you.

16 Mr. Burgess?

17 MR. BURGESS: Thank you. Thank you, Mr.  
18 Chairman, dear Commissioners, for letting me sit on  
19 this terrific panel as the one voice representing a  
20 corporate distribution entity. The message I want  
21 to leave with you is that not everything is great in  
22 the corporate media world either when you are a  
23 smaller independent player, and hopefully that's  
24 what some of my remarks will share with you.

25 Ion Media is the youngest and only

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1 surviving independent English language television  
2 broadcasting company with national reach. Our  
3 television stations carry programming seven days a  
4 week, 24 hours a day, to over 90 million households  
5 in the U.S. Ion Media is not, however, a vertically  
6 integrated media company, and we have no in-house  
7 program or movie production capability. Nor do we  
8 have the type of highly rated programs or sporting  
9 events that would give us leverage to negotiate  
10 carriage on cable or satellite, which are the  
11 dominant providers of television to American homes.  
12 As a result, we have no retransmission consent  
13 agreements with cable operators, and instead rely on  
14 must carry legislation to ensure that our content is  
15 made available to all the television households.

16 Our company was among the first to  
17 comply with the FCC's mandate to build digital  
18 broadcast facilities and had to borrow over \$100  
19 million to do so. Based on this mandatory  
20 investment, we're able to provide high definition  
21 digital television in addition to multiple digital  
22 television streams. We are searching for additional  
23 content for such channels, but frankly, a lot of the  
24 programming being developed today is simply too  
25 costly for us and otherwise unavailable since we are

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1 not vertically integrated. As a result, Ion Media  
2 is open to independent programmers who can work with  
3 us to fund and support projects that will provide  
4 programming alternatives to the major networks.

5 For the past year, Ion Media has devoted  
6 its focus to finding credible content. Our guiding  
7 principles have been to try to anticipate FCC  
8 expectations, as well as keeping the interests of  
9 our viewers in mind. We have focused particularly  
10 on three aspects: classic, family friendly content,  
11 children's programming, taking into account the  
12 attention of our youngest viewers deserve, and  
13 health care programming, with the goal of assessing  
14 one of the most -- or addressing, rather -- one of  
15 the most important issues in the minds of U.S.  
16 consumers today, their deteriorating health, whether  
17 precipitated by obesity or other causes.

18 Within the last four weeks, Ion Media,  
19 together with partners, including Scholastic,  
20 Classic Media, Big Idea and Coors Entertainment,  
21 launched Qubo, a new television format for children.

22 It champions literacy and positive values to  
23 entertainment in English and in Spanish, and it is  
24 carried weekly on each of our television stations.

25 Additionally, we're launching a 24/7

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1 digital broadcast channel dedicated to this mission  
2 on each of our digital stations. We hope you feel  
3 that this is a proactive implementation of the  
4 children's television guidelines adopted by the FCC  
5 last week. The plan for Qubo calls for five times  
6 the FCC amount of EI kids' content to be broadcast  
7 on our digital network. Earlier this year, Ion  
8 Media also announced plans to launch the country's  
9 first 24-hour digital broadcast network dedicated to  
10 consumer health care and healthy living. I am  
11 pleased to share with you that the service will  
12 launch this Saturday, October 7th, under the title,  
13 "I Health," on our network at 8:00 p.m., based on  
14 programming drawn from some of the leading  
15 independent producers of credible and formative  
16 health content, including ITV, Aquarius Health Care  
17 and Breakthrough Entertainment.

18 I'm here to make you aware of our  
19 independent programming initiatives that help serve  
20 and entertain you as families at no charge. We know  
21 we need your help to ensure that this content and  
22 the work of the independent producers and suppliers  
23 with whom we partner is passed through to all U.S.  
24 television households. I want to point out again  
25 that, unlike cable channels such as Nickelodeon or

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