

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

**STATEMENT OF
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Commissioners, fellow panelists, distinguished guests and members of the public: Good evening. I am pleased to appear before you today as a broadcaster who just celebrated his fortieth anniversary in this great industry -- but also as a concerned citizen who believes that localism, one of the cornerstones of free over-the-air broadcasting, is increasingly quite endangered.

I commend the Commission for holding these hearings around the country, and for issuing a Notice of Inquiry earlier this month seeking public comment on how broadcasters can better serve their local communities, and what regulatory measures are required to ensure that we are able to do so without improper restraint by those who are not licensed to serve a local market.

It is timely that this hearing takes place against the backdrop of the public outcry against certain media consolidation that greeted the FCC's June 2003 media ownership order. The public has a legitimate concern that localism and diversity would be threatened by increased network dominance of over-the-air television. The public senses that the increase in profanity and indecency on television has occurred as a consequence of such increased dominance in the last 15 years. I think there is reason for such concern. Here's why.

Free over-the-air broadcasting is the means by which we are bound together as a nation. It is our national public space and a symbol of our democracy. In authorizing local broadcast stations, Congress gave them a special mandate to serve "local" communities, and indeed the network-affiliate relationship reflects in a significant sense the principles of federalism on which this nation is founded.

The Commission has consistently reaffirmed the obligation of broadcast licensees to air programming that is responsive to the interests and needs of the diverse local communities we are privileged to serve. Indeed, the Communications Act specifically grants local broadcasters the right to reject or pre-empt network programming. And, as I think the recent hearings in Congress on broadcast indecency reflect, local broadcasters can also be the best defense against indecent and profane network program content.

However, our ability to discharge that statutory duty to program in the interests of our local viewers is limited by certain Big Four network practices. This tension between the law and the true realities of the network-affiliate relationship has been clearly outlined by the Network Affiliated Stations Alliance in its petition filed before the Federal Communications Commission in March of 2001. Today, local affiliates have been virtually stripped of any right to receive network programming in advance and to evaluate its content. An affiliate is now asked to pay compensation, and even risks losing its affiliation, if it preempts more than a specified number of hours of Big Four network programming. And as the result of unduly relaxed federal oversight, the Big Four networks are in a position to effectively deny local stations the ability to reject network programs that may simply be unsuitable for their markets, or to substitute programs of greater local interest or importance.

Lastly, certain Big Four networks now seek complete control over all of their local affiliates' digital spectrum by seeking to require them to carry unspecified digital content in violation of the FCC's option time rules. Unfortunately, unless the Commission and we forthrightly reverse this trend, local stations will become mere passive network conduits for national network programs to the great detriment of our local viewers -- and our democracy.

The bottom line is this: localism depends on a balanced network-affiliate relationship. Localism will not survive unless the proper parameters of that relationship are restored by prompt affirmative action by this Commission. Localism also depends on the continued viability and robustness of free over-the-air television. The simple truth is that Americans are increasingly being made to pay for what Americans got for free twenty years ago. For example, in the 1960's, the National Football League promised that if it were given antitrust immunity it would not go to pay TV. Decades ago, the public was assured that collegiate sports would primarily be on free over the air TV. When the Commission repealed the anti-sports siphoning rules, it was warned of the consequences. Now, much of college sports is on pay TV.

Third, the repeal of the financial interest in syndication -- or fin-syn -- rules has effectively strangled independent television production. The repeal of fin-syn, together with the Commission's unwillingness to enforce its network affiliation rules for much of the last decade and a half, have effectively assured that independently produced programming is shut out of prime time or prime access time periods.

The impact on consumers of all of this is tangible: not only are they now required to pay for a lot of popular programming that they used to get for free, but also they are deprived of the diversity in offerings that a vibrant independent production market once provided. The lowest common denominator in content which many of our viewers complain about is in part due to the development of a media oligopoly fostered by certain regulatory practices over the last 15 to 20 years. If the FCC is genuinely committed to

preserving localism, I believe that it must assure the right of local stations to truly control the programming that goes over their air, and it must assure that independent production does not disappear from television. It must also assure the continued viability of free over-the-air local broadcasting, which can not survive in an advertising-supported context if its critical mass of viewers continues to dwindle because of benign neglect by Congress and the Commission.

Why does the viability of over-the-air local stations matter to our viewers?

Because, I am proud to say, broadcasters, for the very most part, have kept their promise to the American people...and, yes, to our Government. Local over-the-air stations have an unmatched record of community service and of broadcasting in the public interest. Long ago, this Commission fostered the establishment of more new stations, nearly all UHF, on the promise that it would lead to more diverse voices serving communities and greater competition and choices for America's publics. And, it worked. Our first TV station, KMPH in Visalia-Fresno, went on the air in 1971. It was the first independent station outside of the top 20 markets to launch local news... in 1979. Now we carry nearly 30 hours per week of live local news. KMPH, a Fox affiliate, and our other mature stations truly do cover matters of local interest. Today, most UHF stations that went on the air over the last four decades as struggling independents have successful daily local newscasts and regular public affairs programming.

Also, just last week, our company joined many others in our industry in announcing our Election 2004 Voter Awareness initiative, a public service campaign of enhanced candidate and issue coverage in the 30 days preceding Election Day 2004. As part of this initiative, all of Pappas Telecasting's news-producing network-affiliated stations will devote a minimum of five minutes per day to election issue and candidate coverage within their local daily newscasts.

Simply put, localism is one of the enduring pillars of broadcast regulation. It is a tribute to the genius of Congress that, in 1934, it designed a broadcast system to assure that local stations in local communities—not national network executives in Hollywood or New York—would pick the programs for those communities. That emphasis on localism and diversity is the unique character of -- and what has made -- the American broadcast system the envy of the free world. Free over-the-air local television has served communities across this country well. With your continued support, we will be continue to provide free television service that reflects the needs and interests of local communities for a long time to come. Most respectfully, I would suggest that the hour is at hand for enforcing unequivocally the ability of local broadcasters to serve their communities' tastes, needs and interests.

Thank you.