

**REMARKS OF FCC COMMISSIONER AJIT PAI
AT 2016 KANSAS ASSOCIATION OF BROADCASTERS CONVENTION**

WICHITA, KANSAS

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Before coming to Wichita, I took a quick look at the Kansas Broadcasting Hall of Fame roster. The first name that jumped out at me was Bob Wells. As many of you know, Bob was the first Kansan to serve as an FCC Commissioner. During his time at the Commission, in 1970, he received the Kansas Association of Broadcasters' Distinguished Service Award. And then he was one of the inaugural inductees into the Kansas Broadcasting Hall of Fame. Last night, a new class of members was inducted into the Hall of Fame. And I couldn't help but notice that a certain someone who grew up in Parsons wasn't included.

But more seriously, congratulations to the new Hall of Fame inductees for their achievements. And thank you for all you've done throughout your careers to serve the people of the Sunflower State. You have joined a truly distinguished group of Kansans.

For example, growing up in Kansas, I knew of Alf Landon as a former Governor, Republican presidential nominee, and the father of Senator Nancy Landon Kassebaum. But I didn't know that after his political career, Landon became a successful broadcaster, owning four Kansas radio stations. And I was proud to learn recently that he was a trailblazer in promoting diversity in the broadcast industry.

In 1948, Governor Landon read a letter published by Andrew Carter in *Broadcast* magazine. Carter was an African-American man living in Chicago who wanted to own and manage a radio station. And in that letter, he described the discrimination that African-Americans faced at the FCC and in the radio industry generally. I'm sure that many people who read Carter's letter sympathized with him. But they didn't or couldn't help. Governor Landon did.

He hired Carter to run one of his radio stations, KCLO in Leavenworth, Kansas. Then, he helped Carter secure an AM radio license in Kansas City from the FCC and gave Carter a radio transmitter so that his station could start broadcasting. That station, KPRS-AM in Kansas City, became the second African-American owned radio station in the United States and the first one west of the Mississippi River. And today, that station, now known as KPRT-AM, is still on the air and is still owned by the Carter family.

This year, KPRT was able to participate in the Commission's AM Radio Revitalization Initiative. In June, during our first FM translator window, the Media Bureau approved KPRT's application to purchase and move a translator from eastern Missouri to Kansas City. With this new FM translator, KPRT should be able to expand its listenership and boost its advertising revenue. How special it is that this new translator will help future generations benefit from part of Governor Landon's grand legacy.

This story is only one example of how the FCC's work on AM revitalization is already paying off. When I called for the FCC to launch an AM Radio Revitalization Initiative at the Radio Show four years ago, I wasn't sure whether it would get off the ground. As a minority Commissioner, I've found that some ideas catch fire while others fizzle. But revitalizing AM radio resonated. Thanks to the support of countless people throughout our country who made their voices heard at the FCC, we finally made it happen. After a lot of hard work, the Commission unanimously adopted AM radio reforms one year ago.

The aspect of those reforms that's received the most attention involves FM translators. In January, we opened a window in which Class C and D AM stations had greater flexibility to move an FM translator purchased in the secondary market. And now, we are nearing the end of a second window, which will close on Halloween, where all AM stations without a translator have the opportunity to do the same thing.

Some people have asked me why the FM translator issue is so important. After all, translators aren't the answer for the technical problems plaguing the AM band. I agree and have long said that translators aren't a panacea. But the AM band's technical issues aren't going to be solved overnight, and an FM translator can serve as a vital bridge to the future for some AM broadcasters as we work on fixing those problems.

I wasn't surprised by the tremendous response by AM stations to the translator windows. In these windows, as of last week, our Media Bureau had received 957 applications and already granted 854 of them.

Many of the stations that have benefited are right here in Kansas. Stations like KFH in Wichita, which carries University of Kansas basketball, or KCCV in Olathe, which addresses its audience's spiritual needs. (Too often, those stations' programming fits together during March Madness.)

And then there's KOFO in Ottawa. Besides broadcasting country music, the station serves its local community by airing local news, weather, agricultural programming, Ottawa University sports, high school sports, and, perhaps most importantly, Kansas City Royals games. After the FCC granted KOFO's translator application, its owners issued a statement saying that the addition of a FM signal "gives KOFO another avenue to further our mission in becoming THE information and entertainment source for East Central Kansas. Our listeners will enjoy the increased coverage and quality sound, as well as the ability to listen via their smartphone through the *NextRadio* app."

The staff of the Media Bureau's Audio Division, which is led by the tireless, dedicated Peter Doyle, deserves an enormous amount of credit for quickly processing the applications of KFH, KCCV, KOFO, and those submitted by hundreds of other stations. I'm very grateful for all of their efforts, and radio broadcasters across the country should be too.

Last October, we also reformed many of our technical rules pertaining to the AM band. The details of those changes are difficult for anyone who isn't an engineer to understand. But they'll make a real difference to AM broadcasters. They'll make it easier for stations to improve their signal quality. They'll give stations more flexibility when it comes to site location. And they'll reduce AM broadcasters' operating costs.

Of course, the Commission's work on AM revitalization is far from over. For those AM stations unable to purchase a translator in the secondary market during the first two windows, the Commission will open up two more windows where AM broadcasters can apply to the FCC for new FM translators. I'll press for those windows to open as soon as possible in 2017.

Last October, we also teed up more ideas to help revitalize the AM band. The comment cycle closed on those proposals earlier this year. There was widespread support for some of them, such as relaxing the main studio rule. Others were more controversial. Putting those thornier issues aside, I believe that the FCC should take action in early 2017 on those proposals where there's broad consensus.

Another issue important to broadcasters where I hope we'll see less hat and more cattle involves ATSC 3.0, the next-generation broadcast television standard. In April, broadcasters and the consumer electronics industry filed a petition asking the FCC to give broadcasters the option of using this standard.

The Commission asked for public input on this petition, and there was widespread support. There's no dispute that ATSC 3.0 will let broadcasters offer better service to the American people. Viewers will easily be able to watch over-the-air programming on mobile devices. Picture quality will improve with 4K transmissions. Accurate sound localization and customizable sound mixes will produce an immersive audio experience. And broadcasters will be able to provide advanced emergency alerts with localized information and more data.

That last point is especially important for a state like Kansas. As you know, Kansas lies at the heart of Tornado Alley. More tornadoes touch down here than in any other state but Texas. In the

average year, there are over 90 of them. These twisters can be deadly and cause tremendous damage. In 2007, an EF-5 tornado hit Greensburg, destroying 95% of the town and killing 11 people. And in Parsons in 2000, an EF-3 tornado destroyed 100 homes, several downtown businesses, and even the police department's headquarters, causing over \$75 million in damage.

Obviously, tornadoes move fast. Information needs to move fast, too, for those in a twister's path. That's where the next-generation broadcast standard can help. With ATSC 3.0, televisions could get emergency alerts even when they're turned off. When that happens, the television can "wake up" to notify people of the emergency and supply vital, potentially life-saving information.

It'll also be possible to tailor emergency alerts to specific geographic areas. That could help save lives, because when it comes to a tornado, a few miles can make a big difference. Moreover, ATSC 3.0 will enable enhanced datacasting that should be helpful to law enforcement and first responders, especially in the immediate aftermath of a storm.

I should note that other countries certainly aren't standing still on this issue. Earlier this year, for example, South Korea adopted the ATSC 3.0 standard, and broadcasters are scheduled to start using it in February 2017.

We need to get moving too. We need to act quickly to promote innovation in the broadcast space.

That's why I hope the FCC will issue a Notice of Proposed Rulemaking on ATSC 3.0 before the end of this year. Our goal should be to adopt final rules authorizing the use of ATSC 3.0 in the first half of 2017. Now, this shouldn't be controversial; all we're talking about is giving broadcasters the option of using ATSC 3.0. No one would be required to do so. My position is clear: Let's allow broadcasters who wish to move forward with ATSC 3.0 pursue this pro-consumer, pro-public safety path as quickly as possible.

At this point, I'd like to turn from the future of broadcasting to an issue with an old pedigree: the public file. As you know, television stations and some radio stations are already required to post many parts of their public files online. And in 2018, that requirement is scheduled to kick in for remaining radio stations. In general, I've supported moving public files online. But I've also pushed for the Commission to adopt realistic timetables and take account of the special challenges faced by smaller broadcasters. In particular, I succeeded in getting the Commission to agree to give very small stations—those with fewer than five full-time employees—more favorable treatment when it comes to compliance. And as the March 1, 2018 deadline approaches for those radio stations to post many parts of their public files online, I'll do what I can to make sure that the Commission follows through on that commitment.

But there's more to do. For broadcasters still have to make correspondence from the public accessible in hard copy. For privacy reasons, it makes sense not to put this online. But why should broadcasters have to maintain such correspondence at all?

Earlier this year, I joined the Commission's proposal to eliminate the mandate that commercial broadcast stations maintain letters and emails from the public in a paper inspection file. And now, after reviewing the record, I've concluded that the time has come to end this outdated regulation.

Hardly anybody ever asks to see broadcasters' correspondence file. And I don't see any real connection between this paperwork requirement and a station's service to its local community. Even without the rule, viewers and listeners would still be able to tell any broadcaster and the FCC what they think about a station's performance—including through social media like Twitter and Facebook.

Moreover, getting rid of this requirement would let broadcasters exclusively use an online public file rather than maintaining both physical and digital files. That would benefit broadcasters. As the Kansas Association of Broadcasters and other state broadcast associations told the FCC: "[B]y allowing stations to secure their studios and reallocate staff to more productive duties than being on constant vigil for visitors who could drop by at any moment wanting to see the public file, the proposal improves

security while reducing staffing burdens, allowing stations with online public files to make more effective use of their staff to serve the public.”

I hope that the Commission will eliminate the mandate for commercial broadcasters to maintain a public correspondence file by the end of the year. The FCC deals with many difficult issues, but this isn't one of them. Let's get it done.

Speaking of outdated rules, the last topic that I wanted to discuss this afternoon is media ownership regulation. As broadcasters, you know that you face more competition than ever before. And much of that competition has been made possible by the Internet, from the rise of over-the-top video and audio streaming services to the plethora of digital advertising. This year, however, the FCC missed a golden opportunity to update our ownership rules to reflect the modern media marketplace. Instead, we decided to double down on rules better suited to the 1970s, when my family in Parsons was only able to watch three television stations with rabbit ears.

I was particularly disappointed by the Commission's decision to re-impose restrictions on joint sales agreements (JSAs) that the U.S. Court of Appeals for the Third Circuit had vacated earlier this year. JSAs have produced many public interest benefits throughout the United States. By enabling stations to share an advertising sales force, JSAs allow broadcasters to operate more efficiently and invest more resources in serving the public. In Joplin, Missouri, for instance, a JSA allowed television stations to invest in Doppler radio technology, which saved lives when a devastating tornado destroyed much of the city in 2011.

Another great example is right here in Wichita. Thanks to a JSA between KWCH, a CBS affiliate owned by Gray Television and KDCU, a Univision affiliate owned by Entravision, KDCU has been able to broadcast the only local Spanish language news, weather, and emergency programming to viewers in Wichita. And that especially matters because this city has a burgeoning Latino population that now tops 60,000. Indeed, according to the latest figures from the U.S. Census Bureau, Latinos make up approximately 16% of Wichita's residents. This morning, I visited KWCH and KDCU and heard firsthand how the JSA had helped those two stations provide better service to the people of Wichita.

Stories like these can be found in small- and medium-sized markets throughout the United States. Outside of large markets, advertising dollars are far less plentiful, and television stations need to find ways to cut costs and become more efficient if they're going to survive and thrive. That's why JSAs have been so important and why I believe that the FCC has been profoundly mistaken in targeting them over the past three years.

Luckily, Congress has spoken with a strong bipartisan voice on this issue. They've said existing JSAs can continue for nine more years. And thanks to pressure from Congress, these JSAs will no longer be terminated if one of the parties is involved in a merger or transaction. But in my opinion, it shouldn't have come to that. Stations should be allowed to enter into new JSAs.

While we're on the topic of profound mistakes, I can't help but mention the FCC's decision this year to retain the newspaper-broadcast cross-ownership rule. Put simply, it makes no sense for the federal government to discourage investment in the newspaper industry. But that's precisely what the newspaper-broadcast cross-ownership rule does.

It's particularly unfortunate because broadcasters are well-situated to partner with newspapers. The reason is simple. Investments in newsgathering are more likely to be profitable when a company can distribute information over multiple platforms.

This is not just a theory. Because the FCC grandfathered newspaper-broadcast combinations that predated the 1975 adoption of the newspaper-broadcast cross-ownership rule, we have evidence from across the United States. There are at least 15 studies demonstrating that newspaper-television cross-ownership increases the quantity and/or quality of news broadcast by cross-owned television stations.

And a cross-owned radio station is four to five times more likely to have a news format than a non-cross-owned station.

Indeed, when you step back and look at the big picture, the FCC's view of the media marketplace is quite remarkable. The FCC is willing to approve the \$13.8 billion purchase of one of our nation's top four broadcast networks (NBC) by our nation's largest cable operator (Comcast). It will sign off on the \$49 billion merger of our nation's second and fifth largest multichannel video programming distributors (AT&T and DIRECTV). And it will bless a single \$79 billion transaction combining our nation's second, third, and sixth largest cable providers (Charter, Time Warner Cable, and Bright House). But a newspaper purchasing a single AM radio station in rural Kansas? That's where the Commission decides to put its foot down!

In my view, the FCC's decision to retain the newspaper-broadcast cross-ownership rule had nothing to do with the facts, nothing to do the law, and nothing to do with common sense. Instead, it was all about politics. And I fear that at the rate we're going, the newspaper-broadcast cross-ownership rule will outlive newspapers themselves, absent judicial intervention.

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Before concluding, I'd like to thank Kansas broadcasters for all that you do each and every day to serve the people of this great state. Whether you're providing emergency weather information, political news, farm reports, or broadcasts of Jayhawk basketball or Wildcat football, you're giving millions of Kansans, including my parents, the information that they need to know and they want to know.

During my time at the Commission, it's been a pleasure to meet many of you and work with you on important issues facing the broadcast industry. Seldom is heard a discouraging word, and the skies are not cloudy all day. I look forward to continuing our partnership, both in Washington and home on the range.