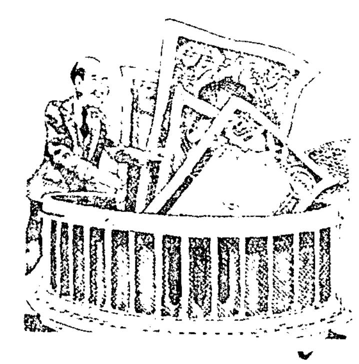
Congress Overrides Reagan's Public TV Cuts

President Reagan's plan to cut public broadcast subsidies was rejected by Congress, which authorized $80 million more than he requested for fiscal 1984-86.

The final budget reconciliation bill (HR 3982) authorized $130 million annually for fiscal 1984-1986 for the Corporation for Public Broadcasting (CPB), which disburses federal aid to public stations. The Carter administration had requested authorizations of $183 million in fiscal 1984, $198 million in 1985 and $210 million in fiscal 1986. *(Weekly Report p. 1383)*

But the authorization is less than the current appropriations. Unlike most other federal programs, public broadcasting receives advance funding, and Congress had approved $162 million for fiscal 1981, $172 million for 1982 and $137 million for 1983. *(Background, Weekly Report pp. 982, 931)*



Reagan contended that general taxpayers should not be required to subsidize the entertainment of others.

CPB backers countered that public broadcasting should be supported by the government because it provides a special cultural service to the nation.

While cutting the money request, Congress did give public broadcasters the ability to raise funds by airing sponsor logos and leasing facilities.

Also, Congress agreed to allow several public television and radio licensees to experiment with advertisements to find out if stations could raise revenue through advertising without lowering the quality of public broadcasting.

The final legislation also set a mandatory formula for allocating the subsidies. Public television and radio stations supported the formula because it assures them for the first time of a certain amount of money. CPB officials opposed the formula, arguing it would remove the flexibility they need.

Congress hoped the formula would end the traditional fighting between CPB and the stations over who would control the federal funds.

Provisions

As cleared by Congress, HR 3982:

- Authorized $20 million in fiscal 1982 for public telecommunications facilities development under the Commerce Department's National Telecommunications and Information Administration (NTIA), $15 million for fiscal 1983 and $12 million for fiscal 1984.
- Required that the use of public broadcasting facilities for other purposes not interfere with public broadcasting services.
- Reduced the size of the CPB board to 11 members from 15, with membership to include 10 presidential appointees and the CPB president. No more than six members may belong to the same political party. One member must represent public television stations and one must represent public radio stations. Members' terms would be reduced to five years from six years.
- Authorized $130 million annually for fiscal 1984-1986 for public broadcasting.
- Directed the Treasury to disburse the fiscal year's appropriated funds on an annual basis, rather than quarterly.
- Established a mandatory formula to allocate federal funds: 10 percent would go for CPB administration, program royalties, interconnection services, debt payment and other costs. Also, 75 percent of the remainder of the funds would go to public television and 25 percent to public radio. Of the television funds, 75 percent would go directly to the stations and the remainder would be for national programming. The radio funds would be split equally between grants to stations and funds for national programming.

  The television and radio stations would pick up some of CPB's costs if certain expenses amounted to more than 60 percent of the corporation's allocated funds.
- Directed CPB and the stations to split equally the cost of interconnection facilities and operations, which link the stations in a type of "network" to share programs.
- Allowed only non-commercial stations that receive no CPB grants to editorialize. But the stations would not be allowed to support or oppose candidates. Public stations that do receive CPB grants may not editorialize or endorse candidates.
- Allowed public television and radio stations to air business logos of program sponsors as long as the announcements did not interrupt regular programming.
- Allowed public broadcast stations to lease their facilities but barred the broadcast of advertisements.
- Required a temporary commission to study alternatives available for public broadcasters to raise additional revenue without hurting the quality or diversity of public broadcasting. The study must be submitted to Congress by July 1, 1982.
- Allowed the temporary commission to establish an experiment permitting several public television and radio licensees to air advertisements under limited conditions.

  The test would be for 18 months. CPB, in consultation with the commission, would select up to 10 public television licensees and 10 public radio licensees to participate. The advertising may not interrupt regular programs, and consecutive advertisements may not exceed two minutes.
- Authorized $16.5 million for the administration of the NTIA, which is the chief executive agency responsible for developing national telecommunications policy.

—*By Judy Sarasohn*

Reconciliation Trade-Off:

Longer Broadcast Licenses Granted by Congress But Deregulation Plan Rejected

Commercial broadcasters won a partial victory when Congress agreed to permit longer radio and television license terms, but the legislators refused to provide as much federal deregulation as the industry wanted.

The trade-off by House and Senate conferees on the budget reconciliation bill (HR 3982) was to continue the general regulation of broadcasting but to drop the plan to require the Federal Communications Commission (FCC) to charge fees for services to broadcasters. The industry had objected to the fees. *(Weekly Report pp. 1383, 1170, 1066)*

The Senate bill had provided for substantial deregulation of radio broadcasting, some limited deregulation of elevision and established fees for FCC services. The House version did not include deregulation, although a separate bill (HR 3239) provided for FCC fees. *(Vote 60, Weekly Report p. 1068)*

Senate supporters believed that federal regulation of broadcasting, originally designed to ensure diversity of programming, should be relaxed because there is industry competition and program variety. The industry backed the Senate plan, contending it was hampered by over-regulation.

Critics contended the Senate measure would repeal measures that protect the public interest in broadcasting. They argued that the conference agreement still would limit seriously the ability of citizens to challenge broadcasters' licenses.

The conferees dropped some of the Senate provisions such as ending the FCC requirement that radio stations provide news and public affairs programming and survey the public regularly to determine audience concerns.

The final reconciliation legislation also repealed the FCC's permanent authorization and provided for a two-year authorization period. Conferees said the change was designed to give Congress the opportunity for regular oversight of FCC actions.

Also, the conferees dropped a Senate provision that would have required the FCC to allocate the next available VHF commercial channel, if technically feasible, to New Jersey or Delaware. Those are the only states without a VHF television channel.

Sen. Bill Bradley, D-N.J., who had proposed the plan, said New Jersey news is not broadcast adequately by New York and Philadelphia stations.

While House conferees accepted the provision, Senate conferees did not support it as part of the final compromise legislative package.

Provisions

As cleared by Congress, HR 3982:

- **Licenses.** Increased television license terms to five years from three years. The terms will be extended for new licenses or renewals.
- Increased radio license terms to seven years from three years. The terms will be extended for new licenses or renewals. The conferees said that extending the license term would not affect the citizen complaint procedure which allows the FCC to monitor performance.
- Allowed the FCC the discretion of granting new broadcast licenses by a system of random selection, or lottery, from applicants deemed to be qualified, or of continuing the current comparative hearings on applications.
- Directed the FCC to give "significant preference" to groups under-represented in broadcasting when it uses a lottery system for granting new licenses.
- Made it unlawful for a license applicant, without FCC approval, to withdraw his application in exchange for payment from another applicant.
- **Federal Communications Commission.** Changed the FCC's permanent authorization to a two-year period and authorized $76.9 million annually in fiscal 1982 and 1983.
- Required the FCC to appoint a managing director for overall commission management and to report its goals and priorities to Congress annually. The FCC's executive director has had some management responsibilities but not the authority to direct the activities of the commission's bureaus and offices. The bureaus and offices operated under the general policies of the commission.
- Required the FCC to complete as soon as possible the pending rule-making proceeding on revising the uniform system of accounts for telephone companies. The legislation said the system must ensure proper allocation of all of the telephone carriers' costs for telecommunications services, facilities and products.

—*By Judy Sarasohn*

Economic Development

Congress has rejected President Reagan's proposal to shut down the Economic Development Administration (EDA).

Title XVIII of the final version of the budget reconciliation bill (HR 3982) authorized $290 million in fiscal 1982 funding for EDA, a Commerce Department agency that was created in 1965 to provide economic and community development aid to depressed areas.

The reconciliation bill also authorized $215 million for the Appalachian Regional Commission in fiscal 1982, with $165 million earmarked for highways and $50 million for other projects. Reagan had sought to terminate funding for the non-highway programs.

As Reagan requested, the measure repealed the network of eight regional planning commissions authorized under Title V of the Public Works and Economic Development Act of 1965 (PL 89-136).

The House version of HR 3982 had authorized $360 million for EDA in fiscal 1982, while the Senate had acceded to Reagan's request to provide only $50 million to close down EDA programs. Although conferees agreed to spare the agency, the funding level they approved was sharply below the $1 billion fiscal 1982 authorization voted by Congress in 1980. *(Conference, Weekly Report p. 1356; Reagan budget, p. 484; background, 1980 Almanac p. 306, 1979 Almanac p. 310)*