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## BROADCAST SPECTRUM UPDATE

### TV BROADCASTERS USING SCARE TACTICS AND PHONY ARGUMENTS TO PROTECT THEIR CORPORATE WELFARE; DOLE CHALLENGES THEM TO TAKE THEIR CASE TO CONGRESSIONAL HEARINGS

TV broadcasters have broken their trust with the American people. For more than forty years the American people have generously lent TV station owners our nation's airwaves for free. Now some broadcasters want more and will stop at nothing to get it. They are bullying Congress and running a multimillion dollar scare campaign to mislead the public.

The reason is simple. Why pay for something when you can get it for free? There is one small problem. The airwaves are the nation's most valuable natural resource, and are worth billions of dollars. They do not belong to the broadcasters. They do not belong to the phone companies. They do not belong to the newspapers. Each and every wave belongs to the American people. Our airwaves are just as much a national resource as our national parks.

#### The Broadcasters' Tactics

Enter the TV broadcasters. Earlier this year, I blocked their legislative efforts to get spectrum for free. At my request, Congress is now holding open hearings on reforming our spectrum policies.

Apparently the democratic process is not good enough for most broadcasters. TV broadcasters are now running ads and so-called "public service announcements" claiming that TV will die without this huge corporate welfare program. Of course, they don't call the give-away "welfare." They call it a tax. Imagine calling a give-away a tax.

Also I am aware that some broadcasters have asked members of Congress to drop-by their stations. In the midst of these friendly discussions, these broadcasters say, "I thought you might want to see the ad we are considering running in your district." So much for subtlety.

It seems to me that broadcasters should be happy with the deal they already have. They have been getting free channels for years. In return, they fulfill public interest obligations such as reporting news and information. Now they want more airwaves for free.

Newspapers also report the news, but Congress has never had to buy them off. It seems to me that giving broadcasters free spectrum is like giving newspapers free paper from our national forests.

#### The End of Free TV? The Facts Speak Otherwise

Congress has never challenged whether broadcasters should be allowed to keep a channel. Instead, we are simply stating that if broadcasters want more channels, then they are going to pay the taxpayers for them. That does not kill TV.

The broadcasters say they can't afford to buy additional airwaves which the Congressional Budget Office estimates are worth \$12 billion. Last time I checked, the American people can't afford to give it to them.

Broadcasters say that if they had to pay for the extra airwaves, it would be the end of so-called free, over-the-air television. The facts speak otherwise. According to the Washington Post, over the last two years broadcast deals in the private sector amounted to a whopping \$31.3 Billion.

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Here is another fact. All TV broadcast licenses in America were originally given away for free, but only six percent are still in the hands of the original licensee. The other ninety-four percent have been bought and sold. My point is that broadcasters have a long history of paying top dollar for existing channels. Somehow they can't afford any new ones unless the taxpayer is gouged.

#### Cost of Spectrum Give-Away to Consumers

Before Congress lets huge monied interests get their fingers on this national resource, we must be certain that the American taxpayer is fully protected. The policy broadcasters want will not only force taxpayers to giveaway valuable airwaves, it will also force consumers to spend hundreds of billions of their own dollars on new equipment. The fact is that federally mandating a transition to digital broadcast will ultimately render all television sets in the country obsolete. Consumers will be forced to buy either new television sets or convertor boxes to receive so-called free, over-the-air broadcasts.

Last year we passed the unfunded mandates law. Perhaps some have forgotten, but that law applies to more than just state and local governments. It applies to the private sector and most importantly to individuals.

The impact of the broadcasters' plan would be dramatic. There are 222 million television sets in this country. At a Senate Budget Committee hearing last month, the broadcasters testified that the average digital television set's estimated cost is \$1500, while the less expensive convertor box will cost approximately \$500. Replacing every television set in America with a digital one would cost \$333 billion. Using the less expensive convertor box would cost \$111 billion. No doubt about it, consumers won't be happy that Congress made this choice for them.

The American people should have a say before Congress makes a decision on spectrum. After all, the airwaves are theirs and so are their TV sets.

#### Network News Largely Silent on Issue

Finally, TV broadcasters have rightly kept a watchful eye on a bloated government. Whether it was \$600 toilet seats or \$7000 coffee pots, they have always helped us quickly identify waste. But they have been strangely silent on this issue. In contrast, story after story, and editorial after editorial, protested this give-away in the print media. In fact, I have a whole bookful here.

There have been a few exceptions. CNN, which is a cable network, has reported on this issue, while CBS made an attempt a month ago. So-called "public interest" obligations seem to have gone out the window when it's not in the broadcasters' self-interest.

Maybe the broadcasters felt this issue wasn't newsworthy. But if that's the case, why did the National Association of Broadcasters vote to go on the offensive and launch a multi-million dollar ad campaign to preserve, as they spin it, "free, over the air broadcasting?" I didn't realize that ad campaigns have replaced the evening news.

#### Broadcasters Can Make Their Case in Fair and Open Hearings

If the broadcasters have a case to make, Congress is prepared to hear them. We are having fair and open hearings. That's what democracy is all about. It is not about distorting the truth and making thinly veiled threats. The American people know this. And despite what some might think, we are not easily duped.

It is my hope that fairness will prevail. Let's not forget that some broadcasters do have the public's interest in mind. These broadcasters, not those who have been blinded by greed, will help shape the future of television.

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