

STUDY OF PUBLIC BROADCASTING IN NEVADA



Bulletin No. 85-2

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

May 1984

S T U D Y O F P U B L I C
B R O A D C A S T I N G
I N N E V A D A

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LEGISLATIVE COMMISSION
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STATE OF NEVADA

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Page Missing

	<u>Page</u>
c. Rural Public Telecommunications	15
4. State Communications System	16
5. University of Nevada, Reno, Office of Communications and Broadcasting	17
II. Findings and Recommendations	17
A. Creation of Nevada Commission on Public Broadcasting	18
B. Expanded Use of State Telecommunications System	20
C. Expansion of State Communications Board	21
D. Feasibility of State Using Donrey Media Group Microwave System to Transmit Public Broadcasting Signals	22
E. Funding of Public Broadcasting Operations in Nevada	23
F. Information Program Pertaining to the Issues Affecting Nevada	27
G. Interconnecting the State's System of Communications with Another State	28
H. Interconnection of Telecommunications Facilities within Nevada	29
I. Long-Term Communications Plans	31
III. Bibliography and Footnotes	32
IV. Credits	38
V. Appendices	42
Appendix A	
Selected Portions of the National Association of Public Television Stations' <u>Public Television and</u> <u>Radio and State Governments</u>	43
Introduction	45
Overview	48

	<u>Page</u>
Table 1	
Activities of State Agencies	62
Table 2	
Types of State Agencies	63
Table 4	
State Interconnection Systems	64
Table 6	
Growth in Public Broadcasting Income	
Fiscal Years 1973 - 1982 (In Thousands) ..	65
Table 7	
Public Broadcasting Income by Source	
Fiscal Years 1972 - 1982	66
Table 8	
Public Broadcasting Income by Public	
Television and Radio Systems, and by	
Source, Fiscal Years 1981 - 1982	67
Appendix C	
Sources of Public Television Income	
Fiscal Year 1982	68
Appendix D	
Statement of Qualifying Criteria for	
Radio Community Service Grants	69
Appendix E	
Statement of Qualifying Criteria for	
Television Community Service Grants	73
Appendix F	
NPR Interconnection Map	77
Appendix G	
PBS Interconnection Map	78
Appendix B	
Issue Paper No. 1 - Public Broadcasting	
Programs and Services	79
Appendix C	
Coordination of the Systems of	
Public Broadcasting and State	
Telecommunications in Nevada	85
Appendix D	
Public Television Governance and Funding	94
Appendix E	
Proposal for State Supported Programming	
for Nevada	103

	<u>Page</u>
Appendix F	
Final Report - Temporary Commission on Alternative Financing for Public Telecommunications	106
Appendix G	
Letter, Dated April 12, 1984, from Donald A. Rhodes, Research Director, Legislative Counsel Bureau, to the Federal Communications Commission, Urging the Commission to Act Favorably on the Application of Donrey Media Group to Fully Reactivate its Microwave System Which Extends Between Reno and Las Vegas	117
Appendix H	
Various Documents Pertaining to the State System of Communications	120
Communications Board History	121
Use of the State Microwave System for Point-to-Point Communication	124
Diagram of the State Microwave System (1983)	126
Listing of State Communications Board Customers	127
Appendix I	
Letter, Dated April 3, 1984, from Gene E. Oakley, Coordinator of Communications, State Communications Board, to Donald A. Rhodes, Research Director, Legislative Counsel Bureau, Concerning Placing Additional Telephone Lines on the State's Microwave System	128
Appendix J	
Information on University of Nevada, Reno, Teleconferencing System Called UNITE	133
Appendix K	
Suggested Legislation	136

Senate Concurrent Resolution No. 24—Senators Horn and Bilbray

FILE NUMBER.....128

SENATE CONCURRENT RESOLUTION—Directing the legislative commission to study public broadcasting in Nevada.

WHEREAS, Public broadcasting in Nevada has grown in recent years and now includes several radio and television stations; and

WHEREAS, These stations provide a valuable service to a significant portion of the residents of the state and constitute a resource in terms of both technology and program for potential usage on a statewide basis; now, therefore, be it

Resolved by the Senate of the State of Nevada, the Assembly concurring, That the legislative commission is hereby directed to study public broadcasting in Nevada, including ways in which present and future facilities and programs for public broadcasting may be utilized effectively to serve the state and its residents and ways in which existing state facilities for telecommunication might relate to or be connected with systems for public broadcasting; and be it further

Resolved, That this study include special consideration of state support for the operation of systems of public broadcasting, for connecting and coordinating the facilities and programs of systems of public broadcasting on a statewide basis and for the replacement of equipment used in systems of public broadcasting; and be it further

Resolved, That the legislative commission appoint an advisory committee, composed of at least one representative from state government, public radio, public television, an educational institution and one or more public representatives who possess knowledge of public broadcasting, to assist in the conduct of the study; and be it further

Resolved, That the legislative commission report the results of the study and any recommended legislation to the 63rd session of the legislature.

REPORT OF THE LEGISLATIVE COMMISSION
TO THE MEMBERS OF THE 63RD SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Senate Concurrent Resolution No. 24 of the 62nd session of the Nevada legislature, which directs the legislative commission to study public broadcasting in Nevada. As required by the resolution, the study covered:

1. Ways in which existing state facilities for telecommunications might relate to or be connected with systems for public broadcasting;
2. State support for the operation of systems of public broadcasting;
3. Connecting and coordinating the facilities and programs of systems of public broadcasting on a statewide basis;
4. Replacement of equipment used in systems of public broadcasting; and
5. Ways in which present and future facilities and programs for public broadcasting may be utilized effectively to serve the state and its residents.

The legislative commission appointed a subcommittee composed of legislators and advisory committee members to conduct the study and recommend appropriate action to the 1985 session of the Nevada legislature. Legislative members of the subcommittee were:

Senator James H. Bilbray, Chairman
Assemblyman Bob Coffin, Vice Chairman
Senator Nicholas J. Horn
Assemblyman David D. Nicholas.

Advisory committee members included:

Lyn Karol Berroyer, Vice President, Channel 14, Incline Village, general public representative;
Karen M. Galatz, Press Secretary, Governor's Office, Carson City, state government representative.
John Hill, General Manager, KLVX Channel 10, Las Vegas, public television representative;
Fred Lewis, SUMMA Corporation, Las Vegas, general public representative;

Lamar Marchese, General Manager, KNPR-FM, Las Vegas,
public radio representative;
Gene E. Oakley, Coordinator of Communications, State
Communications Board, Carson City, state government
representative; and
Daniel Tone, Director, Office of Communications and
Broadcasting, University of Nevada, Reno, educational
institution representative.

The subcommittee has attempted, in this report, to present its findings and recommendations briefly and concisely. A great deal of data was gathered in the course of the study. The data which bear directly upon recommendations in this report are included. The report is intended as a useful guide to busy legislators. All supporting documents and minutes are on file with the legislative counsel bureau and available to any member.

This report is transmitted to the members of the 63rd session of the Nevada legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada
May 1984

* * * * *

LEGISLATIVE COMMISSION

Senator James I. Gibson, Chairman

Senator Thomas J. Hickey	Assemblyman Louis W. Bergevin
Senator Robert E. Robinson	Assemblyman Joseph E. Dini, Jr.
Senator Randolph J. Townsend	Assemblyman John E. Jeffrey
Senator Sue Wagner	Assemblyman Michael O. Malone
	Assemblyman David D. Nicholas
	Assemblyman John M. Vergiels

SUMMARY OF RECOMMENDATIONS

This summary represents the major conclusions reached by the subcommittee. These conclusions are based upon suggestions which came from public hearings, representatives of state agencies, members of the advisory committee, and expert witnesses. They also reflect actions taken in other states to support public broadcasting, staff research, and the experience of the members of the subcommittee.

The subcommittee recommends:

CREATION OF NEVADA COMMISSION ON PUBLIC BROADCASTING

1. The statutes be amended to create a three-member Nevada commission on public broadcasting, appointed by the governor for 3-year staggered terms. One member of the board should qualify for his position because of knowledge of the television or radio broadcasting industries, one member should be from an educational institution in Nevada, and one member should be a representative of the public who has demonstrated interest in or knowledge of public broadcasting operations. The board should elect its chairman and otherwise provide for its organization. Board members should be permitted to be reappointed. The subcommittee recommends further:
 - a. The board adopt regulations governing eligibility of the public broadcasting operations in Nevada to receive funds from the state as a match to funds received by the operations from other sources and consider other matters relating to the granting of those matching funds.
 - b. The distribution of funds by the commission be based on each operation's needs, as determined by the commission, the merits of the request by the public broadcasting operations for the matching funds, each operation's demonstrated efficiency of operation, each operation's success in raising new amounts of revenues from other sources, and each operation's growth in the number of its subscribers.
 - c. The executive director of the commission on economic development serve as the nonvoting secretary to the Nevada commission on public broadcasting.

- d. The members of the Nevada commission on public broadcasting receive compensation, travel and per diem expenses in the manner and amounts provided by law.
- e. The Nevada commission on public broadcasting meet at least quarterly and at such times and places as specified by call of the chairman.
- f. The executive director of the commission on economic development furnish to the Nevada commission on public broadcasting such administrative and clerical services and such meeting space, furnishings, equipment, supplies, stationery, books and other things which the commission thinks may be necessary or desirable in carrying out its functions.
- g. The governor appoint a seven-member advisory committee, composed of two representatives of public radio, one from the northern portion of the state and one from the southern portion of the state; two representatives of public television, one from the northern portion of the state and one from the southern portion of the state; one representative of a small station which receives public broadcasting signals in Nevada; and two representatives of the University of Nevada System (UNS) to assist the Nevada commission on public broadcasting. Members of the advisory committee should serve without compensation or reimbursement for per diem and travel expenses. (BDR 33-111)

EXPANDED USE OF STATE TELECOMMUNICATIONS SYSTEM

- 2. The state communications board, with the assistance of the department of general services, immediately undertake a study to determine the savings which can be achieved if certain of the telecommunication services, equipment or facilities now provided to the State of Nevada by the telephone industry are provided by the state rather than through the telephone industry. The subcommittee recommends further that the study include (a) replacement of the 46 Carson City to Las Vegas lines now provided to the state by the telephone industry with equivalent service on the state system of communications; (b) the replacement of lines now provided to and from Elko with equivalent service on the state system of communications; (c) replacement or

expansion of existing long distance intrastate communication service between Carson City and Las Vegas now provided to the legislature by the telephone industry with equivalent service on the state system of communications; and (d) providing public broadcasting stations with service on the state system of communications.

3. That the interim finance committee approve any proposal by the board for the state rather than the telephone industry to provide telecommunications service, equipment or facilities, if the committee determines that essentially equivalent service will be provided with a concomitant saving to the state.

EXPANSION OF STATE COMMUNICATIONS BOARD

4. The statutes be amended to expand the membership of the state communications board from three to five members. (BDR 18-112)
5. That one of the additional members on the state communications board represent the University of Nevada System, and the other represent a public broadcasting operation in Nevada.

FEASIBILITY OF STATE USING DONREY MEDIA GROUP MICROWAVE SYSTEM TO TRANSMIT PUBLIC BROADCASTING SIGNALS

6. The Nevada commission on public broadcasting study the feasibility, viability and costs and benefits to the state of the state and the public broadcasting operations in Nevada using the Donrey Media Group microwave system between the northern and southern portions of the state. The subcommittee recommends further that the study include the use of the system by the University of Nevada System and public broadcasters and the cost to the state for refurbishing and the rental of the microwave equipment.

FUNDING OF PUBLIC BROADCASTING OPERATIONS IN NEVADA

7. The 1985 session of the Nevada legislature allocate funds to match those funds, on a ratio of 25 percent state funds to 75 percent funds from other sources, provided by the Corporation for Public Broadcasting (CPB) or other private or governmental sources to public

broadcasting operations in Nevada to enable those operations to extend their signals to communities in Nevada which currently do not receive signals of public broadcasting operations in Nevada. The subcommittee recommends further that the 1985 session of the Nevada legislature also appropriate funds on a matching basis, on a ratio of 25 percent state funds to 75 percent funds received from other sources, to assist public broadcasting operations in Nevada to replace worn or obsolete equipment used by those operations.

8. The commission on economic development provide an annual allocation of \$300,000 to the Nevada commission on public broadcasting to distribute as matching funds, on a ratio of a minimum of 25 percent state funds to a maximum of 75 percent funds received from other sources, to other funds received by public broadcasting operations in Nevada to assist those operations in carrying out their activities. The subcommittee recommends further that the distribution of funds by the commission be based on each operation's needs, as determined by the commission, the merits of the request by the public broadcasting operations for the matching funds, each operation's demonstrated efficiency of operation, each operation's success in raising new amounts of revenues from other sources, and each operation's growth in the number of its subscribers.

INFORMATION PROGRAM PERTAINING TO THE ISSUES AFFECTING NEVADA

9. The 1985 session of the Nevada legislature adopt a resolution urging the public broadcasting operations in Nevada to prepare half hour weekly news and information programs pertaining to the issues affecting Nevada.
(BDR 113)

INTERCONNECTING THE STATE'S SYSTEM OF COMMUNICATIONS WITH ANOTHER STATE

10. The Nevada commission on public broadcasting explore the feasibility, viability and costs and benefits of the state's system of communications being interconnected with a similar system in another state, such as Arizona, California or Utah, so that the "satellite uplink facilities" in one of those states may be used to transmit public broadcasting programs originating in Nevada.

INTERCONNECTION OF TELECOMMUNICATIONS
FACILITIES WITHIN NEVADA

11. The assembly committee on education and the senate committee on human resources and facilities of the 1985 session of the Nevada legislature conduct an analysis of the costs and benefits to the state of interconnecting the facilities of telecommunications in Nevada. The subcommittee further recommends that the analysis cover (a) adding a system of teleconferencing at the University of Nevada at Reno to the state system of communications and complementing the audio interactive capabilities of the system with computer graphics and facsimile; (b) upgrading the state system of communications to enable high quality two-way audio transmission between Carson City, Las Vegas and Reno; (c) expanding the state system of communications to include two-way video between Carson City, Las Vegas and Reno; and (d) expanding the state system of communications to provide for a "full duplex" system of communication providing low-cost higher education opportunities through the National University Consortium to students who cannot attend college classes because of limitations of resources or geographic distance from college facilities.

LONG-TERM COMMUNICATIONS PLANS

12. The state communications board prepare 5- and 10-year telecommunications plans.

REPORT TO THE 63RD SESSION OF THE NEVADA LEGISLATURE
BY THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE
TO STUDY PUBLIC BROADCASTING IN NEVADA

I. INTRODUCTION AND OVERVIEW OF PUBLIC BROADCASTING
AND TELECOMMUNICATIONS

A decade from now, public broadcasting will no longer be the scrawny, poor cousin of network broadcasting. PBS may, in fact, prove to be the last surviving network of affiliated television stations in America.
(12:40)*

Public television and all of public broadcasting has, as alluded to in the quote shown above taken from "The Fall and Rise of Public Television" (12), traveled a rocky path. That path, however, is getting smoother, in part, because state governments have taken notice of the quality products and services provided by public broadcasters including:

- High quality education for children and adults of all ages and economic strata;
- Equitable, unrestricted access to the nations and to each community's unique cultural assets;
- Reliable, stimulating knowledge of the wonders of our natural world, science and the cosmos; and
- Active, incisive information about public issues, the workings of government, and things that simply help us cope better with our circumstances. (46:1-2)

The 1983 session of the Nevada legislature, being cognizant of the benefits of public broadcasting in Nevada, passed Senate Concurrent Resolution No. 24 (File 128, Statutes of Nevada 1983) to determine ways in which present and future facilities and programs for public broadcasting may be

*The numbers in parentheses at the end of sentences refer to items in the bibliography and footnotes section of this report. The number before the colon refers to the publication or footnote entry, and the number(s) after the colon refers to the page number(s) of the publication. For example, the citation (12:40) refers to page 40 of the twelfth entry in the bibliography--"The Fall and Rise of Public Television."

effectively used to serve the state and its residents. That resolution, among other things, directs the legislative commission to study:

- Ways in which existing state facilities for telecommunications might relate to or be connected with systems for public broadcasting;
- State support for the operation of systems of public broadcasting;
- Connecting and coordinating the facilities and programs of systems of public broadcasting on a statewide basis; and
- Replacement of equipment used in systems of public broadcasting.

Senate Concurrent Resolution No. 24 also directs the legislative commission to appoint an advisory committee, composed of at least one representative from state government, public radio, public television, an educational institution and a nonpublic representative who possesses knowledge of public broadcasting, to assist in the conduct of the study.

In accordance with the mandates of S.C.R. 24, the legislative commission appointed a subcommittee composed of legislators and advisory committee members to conduct the study and recommend appropriate actions to the 1985 session of the Nevada legislature. Legislative members of the subcommittee were: Senator James H. Bilbray, chairman, Assemblyman Bob Coffin, vice chairman, Senator Nicholas J. Horn, and Assemblyman David D. Nicholas. Advisory committee members included: Lyn Karol Berroyer, vice president, Channel 14, Incline Village, general public representative; Karen M. Galatz, press secretary, governor's office, Carson City, state government representative; John Hill, general manager, KLVX Channel 10, Las Vegas, public television representative; Fred Lewis, SUMMA Corporation, Las Vegas, general public representative; Lamar Marchese, general manager, KNPR-FM, Las Vegas, public radio representative; Gene E. Oakley, coordinator of communications, state communications board, Carson City, state government representative; and Daniel Tone, director, office of communications and broadcasting, University of Nevada, Reno, educational institution representative.

The subcommittee formed a subcommittee to prepare background papers and to develop suggested recommendations for the full

subcommittee to consider in the areas of funding, governance, signal transmission and educational uses for public broadcasting in Nevada. Members of the subcommittee to the subcommittee were: Lyn Karol Berroyer, vice president, Channel 14, Incline Village; John Hill, general manager, KLVX Channel 10, Las Vegas; Lamar Marchese, general manager, KNPR-FM, Las Vegas; Gene E. Oakley, coordinator of communications, state communications board, Carson City; Daniel Tone, director, office of communications and broadcasting, University of Nevada, Reno; James Pagliarini, station manager, KNPB Channel 5, Reno; and Tim Jones, station manager, KUNR-FM, Reno.*

Subcommittee meetings were held in Carson City on March 20, 1984; Las Vegas, on October 11, 1983, and April 24, 1984; and Reno, on December 13, 1983. The subcommittee to the subcommittee held four meetings in Carson City on January 12, 1984, and April 16, 1984; Las Vegas, on February 9, 1984; and Reno, on February 24, 1984.

The subcommittee compiled a wealth of reports, periodical articles and other information relating to public broadcasting. These documents, as well as certain correspondence to the subcommittee, are cited in the "Bibliography and Footnotes" section of this report.

The subcommittee heard testimony from expert witnesses from other states and national organizations including: Bruce L. Christensen, president, National Association of Public Television (PTV) Stations, Washington, D.C.; Lawrence K. (Larry) Grossman, past president, Public Broadcasting Service (PBS), Washington, D.C.; Ron Bornstein, former acting president of National Public Radio (NPR), and director of the Division of Telecommunications at the University of Wisconsin, Madison, Wisconsin (via teleconferencing); Charles S. Hickman, operations manager for the Learn/Alaska Network in Anchorage, Alaska (via teleconferencing); and Milton Davis, director of Media Services for the University of Utah and general manager of KUED-TV and KUER-FM, Salt Lake City, Utah. It also took testimony from persons knowledgeable in the technical aspects of telecommunications and signal transmission and

*Appendices B and C to this report are papers the subcommittee to the subcommittee prepared on the topics of "Public Broadcasting Programs and Services" and "Coordination of the Systems of Public Broadcasting and State Communications in Nevada."

from educational administrators representing the University of Nevada System and public education institutions in Nevada. All persons who signed the subcommittee's witness roster and also made presentations to the subcommittee are listed in the "Credits" section of this report.

A. OVERVIEW OF PUBLIC BROADCASTING

The appendices to this report contain several documents which provide detailed descriptions of public broadcasting and telecommunications in the Nation and Nevada. The next sections of the "Introduction and Overview of Public Broadcasting and Telecommunications" provide an abbreviated overview of those topics to enable the reader to better understand the context of the subcommittee's recommendations.

As noted in Issue Paper No. 1, "Public Broadcasting Programs and Services" (50), in many ways, the history of public broadcasting in the United States is as old as other forms of broadcasting. Known initially as "educational radio and television," public broadcasting was for many years primarily limited to instructional purposes. In the early days of radio, approximately one-third of all broadcasting licenses were held by educational institutions. The development of FM radio brought reinforcements to the hearty survivors of those early days.

Today, public broadcasters, especially television stations, still devote a substantial amount of air time to educational programming. Approximately one-third of the broadcasters' total air time focuses on instructional programs. If one counts such programs as "Sesame Street," the proportion rises dramatically. (64:9)

By the early 1960's, public broadcasting had broadened its mission, in many areas of the country, to include general interest programming and it began to be known by its present name. As noted by Kennedy Maize in an article entitled "Broadcasting's Deregulated Future":

Public broadcasting grew out of * * * (a) * * * 1952 FCC licensing plan, which also set aside 242 non-commercial channels across the country to serve educational purposes. They were not envisioned as competitors to commercial broadcasting. Educational television limped along for 15 years, until the first Carnegie Commission concluded: 'Since the technology of television lends itself readily to uses that increase the pressure towards uniformity, there must be created a means of resisting that pressure, and of enlisting television in the service of diversity.'

With the passage of the 1967 Public Broadcasting Act (47 USC 396 et seq.), which established the Corporation for Public Broadcasting and greatly increased federal funding for non-commercial TV, educational broadcasting became public broadcasting. (14:178)

1. National Level Public Broadcasting Organizations

Public broadcasting at the national level is composed of the Corporation for Public Broadcasting (CPB), the Public Broadcasting Service (PBS) and National Public Radio (NPR). Public television stations have also formed the National Association of Public Television Stations (NAPS) to promote their interests, prepare various informational material, and to lobby before the Congress of the United States.

a. Corporation for Public Broadcasting

The Corporation for Public Broadcasting is a non-profit, quasi-public, corporation that serves, in part, as a passthrough organization to provide federal funding to public television and radio stations and to National Public Radio and its counterpart, the Public Broadcasting Service. (14:318) Although it is not a government body, the Corporation for Public Broadcasting's 10-member board is appointed by the President with the advice and consent of the Senate. Besides receiving and spending money appropriated by Congress, the corporation, whose duties are specified in federal law, establishes criteria for grants to nonpublic radio and nonpublic television stations.

b. National Public Radio

National Public Radio functions as a network. The producers send scores of programs each week to over 240 noncommercial radio stations across the country. These programs include a radio drama series called "Ear Play," a music series, "Jazz Alive," and an adaptation of "Star Wars" in 13 weekly installments. National Public Radio also transmits over its satellite relay system a Spanish language show, special broadcasts for the blind, and a host of public affairs and cultural programs. The network's centerpiece is its critically acclaimed nightly newscast, "All Things Considered," which began in 1971 and now attracts over 1 1/2 million regular listeners. The program's morning counterpart, "Morning Edition," has also won critical praise. (13:325)

Because it does not have to answer to commercial sponsors, National Public Radio is able to broadcast programs that commercial radio stations cannot. NPR made history in 1977 when it opened its microphones to the U.S. Senate and broadcast debate on the Panama Canal Treaty. This was the first time that any electronic medium was permitted to broadcast a Senate debate as it happened. (13:325)

c. Public Broadcasting Service

According to information provided by the Public Broadcasting Service:

The Public Broadcasting Service is a private, nonprofit corporation owned and operated by the Nation's public television stations. PBS's mission is to provide quality, educational, cultural, public affairs and children's programming to the 300 noncommercial television stations in 49 states, Puerto Rico, the Virgin Islands, Guam and Samoa.

In addition to providing public television's national programming during prime time and daytime hours, PBS operates an Adult Learning Service which, in partnership with public television stations and over 600 colleges and universities, offers college-credit television courses on a nationwide basis to more than 75,000 tuition-paying students.

The PBS stations comprise the largest television service in the world. They are interconnected by broadcast television's first and most extensive satellite system.

Today, public television stations reach 96 percent of all U.S. television households. The majority of the Nation's television homes (44 million) tune into their local public television stations every week. The public television audience, which mirrors the Nation in educational level, income, racial composition, and place in the work force, continues to grow each season.

PBS was organized in 1969 by the public television stations, with the assistance of the Corporation for Public Broadcasting, the

recipient of federal funds for public broadcasting, and was reorganized in 1973 as a station-owned entity. PBS's 35-person board of directors is elected by the public television stations. (71)

The Public Broadcasting Service does not produce programs, but acquires them from public television station production centers throughout the United States and from independent producers and other television systems throughout the world. Public broadcasting programs include the much honored, long-running children's series "Sesame Street," "The Electric Company," and "Mr. Rogers' Neighborhood," and adult series, such as the "MacNeil/Lehrer Report," "American Playhouse," "NOVA," "Frontline," "Great Performances," "Masterpiece Theater," "Wall Street Week," "Washington Week in Review," William F. Buckley's "Firing Line," the "National Geographic Specials," "Live from Lincoln Center," "Live from the Met," and many more.

Public broadcasting programs are funded by the public television stations, the Corporation for Public Broadcasting program fund, and underwriting funds from corporations, foundations and endowments. The underwriting funds come primarily from the National Endowments for the Arts and Humanities and the National Science Foundation.

In order to generate additional revenues for public television and to expand the system's services, the Public Broadcasting Service performs a number of additional services such as:

- STATION INDEPENDENCE PROGRAM/DEVELOPMENT SERVICES - helps stations raise nonfederal funds;
- CONFERSAT - provides national teleconferencing services via satellite to various companies and organizations;
- PBS VIDEO - promotes the sale and rental of programs on video cassettes to schools, libraries, hospitals and other organizations;
- FARM MARKET INFODATA SERVICE - offers farm price, crop and weather information via teletext; and

- CLOSED CAPTIONING FOR THE HEARING IMPAIRED - a system developed by PBS engineers that makes it possible for those with hearing problems to enjoy television programs. (71)

2. Public Broadcasting Activities in Other States

As discussed in the National Association of Public Television Stations' 1984 publication entitled Public Television and Radio and State Governments (67), state governments have played a key role in bringing educational and cultural services of public broadcasting to their residents. The states have provided financial support, operated public broadcasting stations and statewide systems, and often coordinated state planning efforts. The publication says:

There are 269 full-service public radio stations, and 176 public television stations, serving people throughout the United States that are qualified to receive funds from the Corporation for Public Broadcasting (CPB). State governments provide a significant percentage of the total income for public broadcasting, of which a small but growing amount goes to public radio. In fiscal year 1983, thirty-one percent of all qualified public radio stations (84 stations) received state funds as did eighty-three percent of all public television stations (252 stations). In that year, state governments spent a total of \$151.5 million in support of public broadcasting activities, \$9.2 million in support of public radio, and \$125.7 million for public television.
* * *

State governments vary in how they have structured their roles in public broadcasting. In some states, the state government actually holds broadcast licenses from the Federal Communications Commission and operates those stations. Twenty-five states, mostly in the South and in the Midwest, hold television licenses, and seven states hold licenses to both radio and television stations. In no case, does a state hold the licenses for radio stations only. Some state governments provide financial support to stations that are licensed to communities and educational institutions. Eighteen states, including New York, Ohio, and Pennsylvania, fund stations but do not hold any licenses. Still other states contribute to the development of public broadcasting by examining operations for its future structure and funding; in some of these states, public broadcasting stations do not receive funds from the state governments.

States also shape public broadcasting through statutory and regulatory guidance. Such statutes and regulations usually function to authorize the relevant state agency to become involved in public broadcasting. The statutes and regulations prescribe conditions that stations must meet in order to receive state financial support. For example, many states prohibit stations that receive state income from expressing editorial opinions.

There are two principal ways in which state governments organize and administer their activities in public broadcasting. Many states establish independent agencies in the form of commissions or authorities to manage public broadcasting activities. Such commissions are likely to receive policy guidance from a governing board whose members are appointed by the governor. Twenty-five states have established such independent agencies, although specific state-level administrative relationships with other state institutions vary. As an alternative to an independent agency, many states delegate administrative authority to a division or bureau within an existing state agency. For example, bureaus within a state department of education, within the postsecondary educational system, or in the office of the governor, could assume administrative responsibility for public broadcasting. When states choose this alternative, public broadcasting policy becomes a part of that particular agency's overall policy agenda. However, this separate administrative bureau often is served by a special advisory committee or subcommittee devoted to public broadcasting concerns.

Allocating funds is an important function of the state agencies charged with overseeing and supporting public broadcasting. When a state holds the license to a station, state funds are used to operate the station and provide programs and/or to connect stations with one another. State funds for public broadcasting are most likely to come from general revenue, although several states have issued bonds to pay for facilities construction.

State governments use several methods to allocate funds to stations. Some states provide an equal share of the total available appropriation to each station. Other states proportion money by a set formula to account for such factors as need, population served, and evidence of local financial support. States also provide supplemental support by directly purchasing services from stations.

* * *

State governments make a significant contribution to the public broadcasting system. Their role in public television has a long history; their increased involvement in public radio during the last fifteen years suggests greater commitments in the future. The growth of state involvement in public broadcasting is likely to be linked closely to financial imperatives. (67:vii-viii)*

3. Public Broadcasting Activities in Nevada

This section reviews the activities of public radio and public television stations in Nevada and gives a brief description of the now defunct educational communications commission.

a. Educational Communications Commission

One of Nevada's early formal efforts to assist educational broadcasting was the passage of Senate Bill 306 (chapter 475, Statutes of Nevada 1967). That measure, among other things, created the educational communications commission to advise the governor on matters relating to educational communications. It also charged the commission with promoting noncommercial educational television facilities and programs, noncommercial educational radio, and all other noncommercial educational electronic communications devices and systems used in formal education at all levels of instruction and in the general distribution of information to the citizens of Nevada.

Before it was abolished in 1977 by a measure restructuring several state boards and commissions, the educational communications commission prepared a report proposing the creation of the Nevada educational television network.

*Appendix A to this report contains selected portions of Public Television and Radio and State Governments including portions showing funding by state governments, governance, activities by state agencies, criteria to receive community service grants and other detailed information. It is suggested that those wanting more detailed information on those topics read Appendix A or read the entire publication which is available in the research division library of the legislative counsel bureau.

The commission was involved in taping and transporting educational television programs among several schools in Nevada. The commission also participated in an experimental program which provided for the transmission of live television programs by satellite from Denver, Colorado, to schools in Nevada and other Western States. This experiment enabled students in Nevada to have two-way communications with classes in other Western States.

b. Public Broadcasting Stations

The actual development of public broadcasting in Nevada, in relation to the rest of the country, has been a fairly recent event with most of the growth in Nevada's four full-service public broadcasting stations occurring in the last 5 years. Nevada's first public television station, KLVX Channel 10-TV in Las Vegas, began operating in March 1968. The first public radio station in Reno, KUNR-FM, started operations in 1963, as a low-power, largely student-run operation. With upgraded programming and staffing, it became a full-service, public broadcasting station in 1971. The Las Vegas public radio station, KNPR-FM, began transmitting its signals in March of 1980. Reno's public television station, KNPB Channel 5-TV, started operations in September 1983.

Each of Nevada's four public broadcasting stations developed independently of each other and reflect the diversity of the national Public Broadcasting System. Two stations, KNPR-FM radio in Las Vegas and KNPB Channel 5-TV in Reno, are licensed to non-profit community corporations. One station, KUNR-FM radio in Reno, is licensed to the University of Nevada board of regents. Las Vegas' public television station, KLVX Channel 10-TV, is licensed by and receives funds from the Clark County School District. As discussed later in this report under the heading "Funding of Public Broadcasting Operations in Nevada," no state funds are provided directly to any of Nevada's public broadcasting stations.

The two television stations, KLVX and KNPB, are affiliates of the Public Broadcasting Service. The radio stations, KUNR and KNPR, are affiliates of National Public Radio. All four stations have met rigorous standards concerning budget, staff, broadcast

facilities and program services in order to meet the Corporation for Public Broadcasting's qualifications.

(1) Program Services

(a) Radio

As noted in Appendix B, both KNPR, Las Vegas, and KUNR, Reno, broadcast an average of 20 hours a day, 365 days a year. This combined broadcast schedule accounts for more than 14,000 hours of annual program service.

Much of the programming is local in nature. Local programming is diverse and dedicated to those areas unserved or underserved by commercial broadcasters. Classical music, news and public affairs and jazz are the predominating ingredients of both stations' programming with special audience programs like blues, bluegrass, radio drama and bilingual programming included as additional offerings. In most cases, public radio is the sole source in each community for the type of programming they broadcast.

Both public radio stations are very active in supporting the arts and cultural activities of their service areas. In 1983, KUNR broadcast the Reno Philharmonic and produced a legislative series that was distributed throughout the state to both commercial and noncommercial stations. In Las Vegas, KNPR has helped local artists and musicians and expanded arts' audiences by providing theater and concert previews and reviews, events' promotion and by broadcasting live classical, jazz and bluegrass performances from its studios.

The public radio stations in Nevada provide much of the programming, noted earlier, offered by National Public Radio and other national sources including "All Things Considered," "Songs Jumping in My Mouth," "Prairie Home Companion," "The Bob and Ray Public Radio Show," and cultural specials,

live events coverage and exclusive documentaries.

Nevada's efforts to increase tourism and diversify its economic base have been aided by public radio's national program production. Over the summer of 1983, KNPR distributed 13 1-hour jazz performances, with big-name jazz stars, from the Four Queens Hotel via satellite to 83 public radio stations throughout the country. After the success of that initial series, "Jazz Night from Las Vegas" is back in production with funding from the Four Queens, the American Public Radio Fund, and the National Endowment for the Arts. Canadian and international distribution is also being pursued.

Both KUNR and KNPR are reaching out to outlying communities to extend public radio's service to 48,000 additional Nevadans. In Las Vegas, KNPR applied in January 1984, for funding to extend its signal to the southern Nevada communities of Glendale, Indian Springs, Moapa, Overton, and Pahrump. It wishes to improve service to Boulder City and Henderson and triple its station's power in the Las Vegas metropolitan area. In Reno, KUNR is also extending its signal, via translator, to Incline Village and Winnemucca.

Both the radio and television stations, use a core of paid professional staff, augmented by community volunteers. Volunteers are active in a wide variety of station activities, including announcing, fundraising, public relations, program production and administration. Volunteers are an indispensable part of public broadcasting and a telling indicator of community acceptance of the media.

Audience acceptance of both radio stations has been good. Audience sampling statistics show that KNPR's audience has grown from

9,000 weekly listeners to almost 20,000. Reno's public radio (KUNR) audience has shown similar growth and reaches an audience of almost 20,000 adult weekly listeners. (50:2-3)

(b) Television

Over 12,000 hours of public television are transmitted to Nevada residents each year by Channel 10 in Las Vegas and Channel 5 in Reno. That programming includes the national programming mentioned earlier including, "Mr. Rogers' Neighborhood," "The Electric Company," "Reading Rainbow," "Sesame Street," "Masterpiece Theater," "American Playhouse," "NOVA," "Nature," the "National Geographic Specials," the "MacNeil/Lehrer Report," and business shows like "Wall Street Week."

Nationally acquired programs are supplemented by local production, designed to reflect the community to itself. "Nevada Week in Review" surveys the past week's headlines with analyses by local journalists, and "Washington Quarterly" features Nevada's elected representatives in Washington, D.C., interacting with a studio panel discussing current issues of interest to the community.

Channel 10's program entitled "Real to Reel" has helped enhance Nevada's image and promote tourism. It is a series of documentaries, provided through the Pacific Network to the Public Broadcasting Service, which has been seen in such cities as Denver, Colorado; Phoenix, Arizona; San Diego and San Mateo, California; Seattle and Spokane, Washington; and Tucson, Arizona. Some of the titles of the series are: "The Show Must Go On: Entertainment Trends Along the Strip"; "Fast Cars, Big Bucks: Grand Prix Racing Comes to the Las Vegas Strip"; "The Big Pitch: Marketing Las Vegas"; "Las Vegas Stars: Play Ball!"; and "Fremont Street, Las Vegas: Glitter Gulch in the 80's." (50)

(c) Instructional Television

Another important element of public television in Nevada is its instructional programming. Presently, KLVX Channel 10, Las Vegas, offers a full, in-school, instructional television (ITV) schedule on four closed circuit instructional television fixed service (narrowcast) channels and morning and daytime instructional programs on another channel. The ITV is integrated into the curriculum and used by 75 percent of the classroom teachers.

Channel 5 (KNPB) in Reno is offering two college courses in cooperation with local community colleges. In Las Vegas, KLVX is offering eight college-credit courses through the University of Nevada, Las Vegas (UNLV), and the Clark County Community College. These courses are part of a cost-effective, national trend towards increasing public television's service to out-of-school adults interested in continuing their education.

Despite financial restraints and the proliferation of competition through cable and paid television, public television's audience is at its highest level ever. Reno's public radio station, KNPB, after only 1 month on the air, was ranked 85th among over 300 public television stations in audience reach. One out of every three households in the Reno area is a public television viewer. In Las Vegas, 36 percent of metropolitan households, in survey responses, reported being tuned in to KLVX sometime during the viewing day. (50)

c. Rural Public Telecommunications

Approximately 3 years ago, the University of Nevada, Reno, initiated a project to bring public telecommunications services to seven rural communities in Nevada. When the planned system is completed, Elko, Ely, Fallon, Incline Village, Lovelock, Tonopah, and Winnemucca, will be able to receive public television signals through satellite-fed low-power television

installations. Each of these rural so-called "mini-stations" are independent and licensed to nonprofit corporations or local governments. Funding for construction was made to these stations by federal grants matched by local funds.

Now at various stages of development, these rural, low-power television stations will eventually be capable of receiving Public Broadcasting Service programs directly from a satellite, carrying programming from KLVX and KNPB, or purchasing programs from syndicated sources. They will also have the ability to originate local programming to serve their communities.

4. State Communications System*

Chapter 233F of the Nevada Revised Statutes provides the statutory framework for a state communications system of microwave equipment and associated facilities leased or used by state agencies. The system, which was initiated by executive order in 1972, is controlled by a three-member board appointed by the governor. The communications system was established to aid state communications during times of emergency and to assist the state in conducting its regular business in an economic fashion.

The system is supervised by the coordinator of communications, who is in the Nevada highway patrol division, department of motor vehicles. The equipment is maintained by three microwave technicians.

The microwave equipment is capable of furnishing 480 channels or "point-to-point" communication paths. One hundred and thirty-four of the channels are currently in use (69 for radio transmission, 51 for telephone use, and 14 for other forms of data transmission).

*As mentioned earlier in this report, Senate Concurrent Resolution No. 24 of the 1983 session directs the study to include "ways in which existing state facilities for telecommunications might relate to or be connected with systems for public broadcasting." A brief description of that system, therefore, is provided here. Additional narrative is found in Appendix H, "Various Documents Pertaining to the State System of Communications," and under the headings "Expanded Use of State Telecommunications System" and "Expansion of State Communications Board."

5. University of Nevada, Reno, Office of Communications and Broadcasting

The University of Nevada at Reno, through its office of communications and broadcasting, operates an audio interactive teleconferencing system called UNITE which interconnects 17 northern Nevada communities through centrally located educational centers. The system is also capable of interconnecting persons using telephones from anywhere in the United States.

The so-called "learning centers" in the 17 communities in Nevada are equipped with audio/visual equipment, and 10 have color videotape and monitoring equipment.

The UNITE system has been used to teach college-level courses, conduct meetings, deliver health information to multiple sclerosis patients scattered throughout Nevada from a physician specialist in New York City, New York, and to conduct personal interviews for recruitment purposes.

The subcommittee used the system to receive testimony from witnesses in Alaska during its December 13, 1983, meeting in Reno.

II. FINDINGS AND RECOMMENDATIONS

The following sections of this report represent the subcommittee's recommendations and legislative proposals pertaining to public broadcasting in Nevada, including ways in which present and future facilities and programs for public broadcasting may be used effectively to serve the state and its residents, and ways in which existing state facilities for telecommunications might relate to or be connected with systems for public broadcasting. The recommendations pertain to: (1) the creation of a Nevada commission on public broadcasting, (2) expanded use of the state telecommunications system, (3) increasing the membership of the state communications board, (4) the feasibility of the state using the Donrey Media Group microwave system to transmit public broadcasting signals, (5) funding of public broadcasting operations in Nevada, (6) creation of information programs about issues affecting Nevada, (7) interconnecting the state's system of communications with another state to aid in transmitting public broadcasting signals in Nevada and to other states, (8) interconnecting telecommunication operations in Nevada, and (9) long-term planning for telecommunications in Nevada.

A. CREATION OF NEVADA COMMISSION ON PUBLIC BROADCASTING

As discussed in the National Association of Public Television Stations' publication entitled Public Television and Radio and State Governments (67), many state governments have agencies whose primary functions are devoted to public broadcasting or that include public broadcasting activities among their day-to-day operations. Many state agencies were created to administer funds which are allocated to public broadcasting stations. Others were established in response to federal provisions that require public broadcasters seeking federal funds to submit their proposals for review and ranking by a state agency. (67:xxiii)

State agencies involve themselves in public broadcasting functions in four primary areas. Some hold the license to operate the stations or their interconnection, such as the University of Nevada does for KUNR-FM in Reno. Some fund stations not operated by the state. Some coordinate public broadcasting development on a statewide basis; and others are involved in instructional television programming.

As detailed later in this report, the subcommittee believes the state should provide matching funds, on a restricted basis, to public broadcasters in Nevada to enable them to extend their signals, replace worn or obsolete equipment, and to assist the public broadcasters in carrying out their ongoing activities.

The subcommittee feels it would be in the best interest of the state to create a commission to determine those broadcasters who should be eligible to receive the matching funds. Such a commission is also needed to study the possible interconnections of the stations in Nevada with other states and to plan for the future of public broadcasting in Nevada. As noted in the public television document:

Over the past 20 years, almost all states at some point have issued a study of, or a plan for, the development of public broadcasting in their respective states. These plans and studies have been conducted by state agencies, especially created state organizations, or nonprofit organizations of community leaders, educators and public broadcasters. (67:xxiii)

The subcommittee feels that the commission should be given advice and assistance by those persons who are most familiar with the topic, public broadcasters, and persons familiar with telecommunications in Nevada.

The subcommittee believes the logical agency to provide administrative and staff service to the Nevada commission on public broadcasting is the commission on economic development. The commission on economic development has a broad range of responsibilities including promoting the state and formulating programs to promote the filming of motion pictures in Nevada.

The subcommittee, therefore, recommends:

- The statutes be amended to create a three-member Nevada commission on public broadcasting, appointed by the governor for 3-year staggered terms. One member of the board should qualify for his position because of knowledge of the television or radio broadcasting industries, one member should be from an educational institution in Nevada, and one member should be a representative of the public who has demonstrated interest in or knowledge of public broadcasting operations. The board should elect its chairman and otherwise provide for its organization. Board members should be permitted to be reappointed. The subcommittee recommends further:
 - a. The board adopt regulations governing eligibility of the public broadcasting operations in Nevada to receive funds from the state as a match to funds received by the operations from other sources and consider other matters relating to the granting of those matching funds.
 - b. The distribution of funds by the commission be based on each operation's needs, as determined by the commission, the merits of the request by the public broadcasting operations for the matching funds, each operation's demonstrated efficiency of operation, each operation's success in raising new amounts of revenues from other sources, and each operation's growth in the number of its subscribers.
 - c. The executive director of the commission on economic development serve as the nonvoting secretary to the Nevada commission on public broadcasting.
 - d. The members of the Nevada commission on public broadcasting receive compensation, travel and per diem expenses in the manner and amounts provided by law.
 - e. The Nevada commission on public broadcasting meet at least quarterly and at such times and places as specified by call of the chairman.

- f. The executive director of the commission on economic development furnish to the Nevada commission on public broadcasting such administrative and clerical services and such meeting space, furnishings, equipment, supplies, stationery, books and other things which the commission thinks may be necessary or desirable in carrying out its functions.
- g. The governor appoint a seven-member advisory committee, composed of two representatives of public radio, one from the northern portion of the state and one from the southern portion of the state; two representatives of public television, one from the northern portion of the state and one from the southern portion of the state; one representative of a small station which receives public broadcasting signals in Nevada; and two representatives of the University of Nevada System (UNS) to assist the Nevada commission on public broadcasting. Members of the advisory committee should serve without compensation or reimbursement for per diem and travel expenses.
(BDR 33-111)

B. EXPANDED USE OF STATE TELECOMMUNICATIONS SYSTEM

As noted in the introduction, chapter 233F of the Nevada Revised Statutes provides for a state communications system governed by a three-member board appointed by the governor. The board, aided by advisory persons who the governor may appoint, oversees the state's microwave system. That system has 480 channels, approximately 134 of which are currently in use.

Day-to-day administration of the state communications system is provided by the coordinator of communications. The coordinator of communications, who served as an advisory committee member to the subcommittee, told the subcommittee that the state could realize a substantial savings in its telephone usage expenses. These savings could occur if certain of the intrastate long distance telephone communication service now provided to the state government, including the legislature, by the telephone industry were to be provided by the state communications system.*

*See Appendix I, for an analysis of the funds the state communications coordinator believes the state could save if further use were made of the state communications system for intrastate long distance telephone communications.

The rapidly increasing costs of long distance telephone service is a well-known fact. If the state can reduce the cost of telephone service while maintaining the quality of that service by making increased use of its microwave system for telecommunications, it should make greater use of the system.

The subcommittee, therefore, recommends:

- The state communications board, with the assistance of the department of general services, immediately undertake a study to determine the savings which can be achieved if certain of the telecommunication services, equipment or facilities now provided to the State of Nevada by the telephone industry are provided by the state rather than through the telephone industry. The subcommittee recommends further that the study include (a) replacement of the 46 Carson City to Las Vegas lines now provided to the state by the telephone industry with equivalent service on the state system of communications; (b) the replacement of lines now provided to and from Elko with equivalent service on the state system of communications; (c) replacement or expansion of existing long distance intrastate communication service between Carson City and Las Vegas now provided to the legislature by the telephone industry with equivalent service on the state system of communications; and (d) providing public broadcasting stations with service on the state system of communications.
- That the interim finance committee approve any proposal by the board for the state rather than the telephone industry to provide telecommunications service, equipment or facilities, if the committee determines that essentially equivalent service will be provided with a concomitant saving to the state.

C. EXPANSION OF STATE COMMUNICATIONS BOARD

Senate Concurrent Resolution No. 24 of the 1983 legislative session directs that the study of public broadcasting in Nevada include ways in which existing state facilities for telecommunications might relate to or be connected with systems for public broadcasting. The subcommittee and its advisory members spent considerable time on this topic and determined that it would be premature for it to make specific recommendations for use of the state system of telecommunications by the public broadcasters until other matters such as funding and the availability of other potential

techniques to interconnect the signals of public broadcasters in Nevada are resolved. The needs and future use of the university's teleconferencing system also need to be explored.*

The subcommittee feels, however, that the state's microwave system is a resource which should be made available to the university, the public broadcasters, and other potential users. The body overseeing this operation, therefore, should be composed of persons with divergent backgrounds and interests, and not just those persons who happen to be current users. A board composed of persons with different backgrounds might be able to determine ways in which the state's microwave system can complement or assist public broadcasters' signal transmission efforts, be interconnected with satellite uplinks, or be used with audio or video teleconferencing and computer-assisted instructional activities.

The subcommittee, therefore, recommends:

- The statutes be amended to expand the membership of the state communications board from three to five members. (BDR 18-112)
- That one of the additional members on the state communications board represent the University of Nevada System, and the other represent a public broadcasting operation in Nevada.

D. FEASIBILITY OF STATE USING DONREY MEDIA GROUP MICROWAVE SYSTEM TO TRANSMIT PUBLIC BROADCASTING SIGNALS

During the course of this study, it came to the subcommittee's attention that the Donrey Media Group has applied to the Federal Communications Commission to reactivate its microwave system which extends from Reno to Las Vegas.

In the past, the microwave system proved to be an asset to Nevada. Because of the generosity of the Donrey Media Group, the state and its university system substantially used this system at no cost to the taxpayers.

*See recommendation relating to this topic under the heading of "Interconnection of Telecommunications Facilities Within Nevada."

The subcommittee contemplated the use of the Donrey Media Group microwave system, in addition to Donrey's purposes, by state government to transmit information between the northern and southern portions of Nevada. This system, or other means of teleconferencing, as discussed under the heading "Interconnection of Telecommunications Facilities Within Nevada," might prove to be an economical means of providing education to students who find it difficult, because of lack of financial resources or geographic distance, to attend traditional classroom settings. The system might also be capable of providing continuing education to teachers and other professional groups. The system could assist Nevada's public broadcasters by offering a low-cost opportunity to them to transmit their signals to other regions in the state.

As of this writing (May 1984) the Federal Communications Commission has not acted upon the Donrey Media Group's request to reactivate its microwave system. The subcommittee believes that one of the initial tasks of the Nevada commission on public broadcasting, when that body is formed, should be to review the possible use by the state of the Donrey Media Group microwave system.

The subcommittee, therefore, recommends:

- The Nevada commission on public broadcasting study the feasibility, viability and costs and benefits to the state of the state and the public broadcasting operations in Nevada using the Donrey Media Group microwave system between the northern and southern portions of the state. The subcommittee recommends further that the study include the use of the system by the University of Nevada System and public broadcasters and the cost to the state for refurbishing and the rental of the microwave equipment.

E. FUNDING OF PUBLIC BROADCASTING OPERATIONS IN NEVADA

According to data compiled by the National Association of Public Television Stations, state funds constitute the largest source of nonfederal income for public broadcasting in the United States. In fiscal year 1983, 19 states provided money to public radio stations, and 45 states funded public television. The total amount of direct support to the public broadcasters by the states was approximately \$151,564,000 during the 1983 fiscal year. (67:xvii)

In 25 states, the state government licenses and operates the stations and is, therefore, the direct funder of the public

radio and television stations. The allocation of funds to stations not licensed to the states takes various forms. In some states, such as Florida, the funds are divided equally among the eligible stations. Other states, such as Minnesota, New York and Pennsylvania, use a formula to disburse grants that are based upon local stations' fundraising efforts, the size of the community served, the amount of production each station carried out, the cost of each station's operation, and the size of each station's budget. According to Public Television and Radio and State Governments:

In New York, public television stations receive a base grant of \$450,000, plus a match of \$1 from the state for every dollar of private donation received up to \$10,000, per donor, and one state dollar for every two contributed by a municipality.

In Minnesota, public television stations receive block grants of \$34,000 per station and matching grants based on non-state income. The Minnesota public radio stations receive only matching grants. The matching funds are allocated on a dollar-for-dollar basis until the total amount appropriated by the state for this purpose has been distributed equally among eligible applicants. This formula provides proportionately more funds to stations with smaller budgets, particularly if the total state appropriation is low, and it provides absolutely more funds to stations with larger budgets.

Alaska uses a three-tiered grant allocation system. At the first level, stations are eligible for support for basic minimum service, defined as operation of a full-service public radio or television station 18 hours per day. Those grants are calculated by adding the similar costs that stations throughout the state encounter, such as expenditures for electricity and production materials, adjusted for the cost of living in each station's community of service. At the second level, stations can receive additional support for the provision of service delivery to remote areas unable to support a full-service station. These are mainly radio translators. The third funding level provides support to local-access repeater stations originating some local programming. (67:xiii-xix)

Certain states provide funds to public television by purchasing air time for instructional television programming.

A number of states also provide capital support funds to the public broadcasting stations to replace or improve obsolete equipment. Others provide funds for interconnect support.

State governments support public broadcasting by funding programs of statewide interest:

Several states provide funds for live or taped-delayed coverage of their legislatures when in session. Some states support the production of public affairs programs on state government and statewide issues. For example, station KBDI-TV, Colorado, received a special grant of \$112,000 in FY 1983 from the Colorado Department of Energy to assist in the production of a television program on energy. (67:xx)

Table 1, "State Government Appropriations by State, FY 1983 (to nearest \$1,000)," is a compilation of state and territory support for public broadcasting. As can be seen, Nevada does not provide any direct support to its public broadcasting operations.*

The subcommittee firmly believes that the time has come in Nevada for the state to stand up and be counted among the supporters of public broadcasting operations. The services the broadcasters provide are valuable and needed. Other states have recognized that need and offered their financial support. The subcommittee also believes, however, that funding for the stations should not be given without stringent requirements and demonstrated efforts by the stations to provide for their own well-being and support.

As noted under "Creation of Nevada Commission on Public Broadcasting," the subcommittee believes the distribution of funds should be based on each operation's needs, the merits of the request, each operation's demonstrated efficiency of operation, each operation's success in raising new amounts of revenues from other sources, and each station's subscriber growth.

State support to public broadcasters, the subcommittee believes, should include a one-time appropriation (1) for

*Certain of the stations do receive some tax-based support. Approximately 50 percent of KLVX Channel 10-TV's budget in Las Vegas comes from the Clark County School District. The University of Nevada provides about 21 percent of KUNR-FM's (Reno) budget and allocates space to KNPB Channel 5-TV (Reno) in return for services provided to the university by that station.

Table 1
State Government Appropriations by State
FY 1983 (to nearest \$1,000)

State	TOTAL PUBLIC BROADCASTING STATE APPROPRIATION			PUBLIC TELEVISION STATE APPROPRIATION			PUBLIC RADIO STATE APPROPRIATION			No. and % of stations ^a receiving \$	
	Amount	Rank	per capita ^b	Amount	Rank	per capita ^b	Amount	Rank	per capita ^b		
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Radio	TV
Alabama	\$1,909,000 ^a	25	48	\$1,742,000	24	44	\$167,000	10	04	1 (25%)	9 (11)
Alaska	8,510,000 ^a	3	19.43	2,508,000	19	5.73	4,132,000	1	9.43	13 ^a (93%)	3 (1)
Arizona	0		0	0		0	0		0	0 (0%)	0
Arkansas	1,739,000	27	76	1,900,000	22	82	0		0	0 (0%)	5 (11)
California	0		0	0		0	0		0	0 (0%)	0
Colorado	459,000 ^{en}	38	15	459,000	37	15	0		0	0 (0%)	2 (1)
Connecticut	1,075,000 ^f	31	34	1,075,000	29	34	N/A		N/A	0 (0%)	4 (11)
Delaware	150,000	43	25	150,000	42	25	0		0	N/A	2 (11)
District of Columbia	0		0	0		0	0		0	0 (0%)	0
Florida	7,928,000 ^d	4	76	6,123,000	6	59	1,120,000	2	11	11 (92%)	10 (5)
Georgia	3,999,000	17	71	3,999,000	13	71	0		0	0 (0%)	9 (5)
Hawaii	1,315,000	28	132	1,315,000	27	132	0		0	0 (0%)	2 (11)
Idaho	608,000	37	63	608,000	36	63	0		0	N/A	3 (11)
Illinois	0		0	0		0	0		0	0 (0%)	0
Indiana	320,000	40	06	320,000	38	06	0		0	0 (0%)	7 ^a (11)
Iowa	5,677,000	10	195	5,366,000	8	185	311,000	6	11	3 (27%)	8 (11)
Kansas	634,000 ^a	36	26	624,000	35	26	10,000	17	004	1 (20%)	4 ^a (11)
Kentucky	7,197,000 ^f	6	196	7,197,000	3	196	0		0	0 (0%)	15 (5)
Louisiana	4,145,000	16	95	4,075,000	12	93	70,000	13	02	3 (100%)	7 (11)
Maine	1,216,000	30	107	961,000 ^b	31	85	255,000 ^b	8	22	2 ^a (100%)	4 (6)
Maryland	6,357,000	8	1.49	6,357,000	5	1.49	0		0	0 (0%)	6 (11)
Massachusetts	265,000	42	04	265,000	40	04	0		0	0 (0%)	2 (6)
Michigan	60,000	45	006	40,000	44	004	20,000	16	002	4 (31%)	2 (12)
Minnesota	396,000 ^a	39	09	289,000	39	07	107,000	11	02	5 ^a (45%)	5 ^a (11)
Mississippi	6,084,000	9	2.38	6,084,000	7	2.38	0		0	0 (0%)	8 (11)
Missouri	87,000	44	02	87,000	43	02	0		0	0 (0%)	4 (11)
Montana	0		0	0		0	0		0	0 (0%)	N/A
Nebraska	4,602,000	14	2.90	4,602,000	11	2.90	0		0	0 (0%)	9 (11)
Nevada	0		0	0		0	0		0	0 (0%)	0 (1)
New Hampshire	769,000	34	81	769,000	33	81	0		0	0 (0%)	3 (11)
New Jersey	5,170,000 ^a	11	69	5,150,000	9	69	20,000	18	002	1 (50%)	4 (11)
New Mexico	2,433,000 ^a	21	1.79	2,185,000	21	1.61	0		0	0 (0%)	3 (11)
New York	16,791,000 ^a	1	95	15,750,000	1	89	720,000	4	04	12 (86%)	9 (8)
North Carolina	5,017,000 ^f	12	83	5,017,000	10	83	0		0	0 (0%)	9 (9)
North Dakota	310,000	41	46	250,000	41	37	0		0	0 (0%)	6 (11)
Ohio	6,575,000 ^a	7	81	6,509,000	4	80	66,000	14	006	14 (100%)	12 (11)
Oklahoma	1,904,000 ^a	26	60	1,724,000	25	54	0		0	0 (0%)	4 (11)
Oregon	2,286,000 ^a	22	86	1,478,000 ^a	28	56	633,000 ^a	5	24	2 (29%)	4 (8)
Pennsylvania	7,441,000	5	63	7,441,000	2	63	0		0	0 (0%)	8 (11)
Puerto Rico	2,800,000	19	87	2,632,000 ^a	18	82	168,000 ^a	9	05	2 (66%)	2 (11)
Rhode Island	1,049,000	32	1.09	1,049,000	30	1.09	N/A		N/A	N/A	1 (11)
South Carolina	12,309,000	2	3.84	N/A		N/A	N/A		N/A	2 ^a (100%)	10 (11)
South Dakota	1,946,000	24	2.82	1,856,000	23	2.68	90,000	12	13	1 ^a (100%)	8 (11)
Tennessee	2,754,000	20	59	2,754,000	16	59	0		0	0 (0%)	6 (11)
Texas	1,271,000 ^a	29	08	1,233,000 ^a	28	08	0		0	0 (0%)	8 (8)
Utah	2,191,000 ^f	23	1.41	2,191,000	20	1.41	0		0	0 (0%)	1 (5)
Vermont	907,000	33	1.76	907,000	32	1.76	0		0	0 (0%)	4 (11)
Virginia	4,725,000 ^f	13	86	3,825,000	14	70	50,000	15	009	4 (100%)	9 (11)
Virgin Islands	733,000	35	7.71	733,000	34	7.71	0		0	N/A	1 (11)
Washington	0		0	0		0	0		0	0 (0%)	0 (1)
West Virginia	3,016,000 ^f	18	1.55	2,716,000	17	1.39	300,000	7	15	1 ^a (100%)	3 (11)
Wisconsin	4,435,000	15	93	3,421,000	15	.72	1,014,000	3	21	2 ^a (33%)	6 (7)
Wyoming	0		0	0		0	0		0	0 (0%)	0 (1)
TOTALS	\$151,564,000	64^a		\$125,738,000	54^a		\$9,253,000	04^a		84	252

NOTE: Totals for television (Column 3) and radio (Column 5) equal less than the total appropriation for public broadcasting (Column 1) because: (a) some facilities are shared and no cost breakdown are available; (b) some administrative costs at the state level are not allocable between TV and radio; and (c) some state totals include appropriations for technologies which apply to neither public television nor radio.

^a Population figures from U.S. Bureau of the Census, Current Population Reports, Series P-25, Number 930 April 1983. State figures are for July 1982. Puerto Rico and Virgin Islands figures are from U.S. Census, 1980.

^b CPB-qualified originating stations plus repeater-transmitters.

^c Does not include special grant to selected entity (see state entry).

^d Includes special capital appropriations.

^e Does not include non-CPB-qualified stations that receive direct station support.

^f Includes ITV allocation where utilization is funded directly.

^g State funds stations located in adjacent state because signal overlaps a significant portion of the funding state.

^h 5 TV stations and 1 translator station.

ⁱ Amount reduced from original appropriation.

^j These states have made significant financial commitments to public radio and/or television in FY 1983.

^k Receives biennial appropriation of capital funds every even year.

^l Does not include cost-of-living increase for Agency for Public Telecommunications nor special program grant of \$126,000 to increase broadcast scheduling for 1983-1985.

^m For ITV services only.

ⁿ Reimbursed to PTV stations and 4 ITFS systems for ITV services.

^o This represents the total state appropriations divided by the total population of the USA (radio & breakdown adjusted for lack of South Carolina data).

^p FY 1983 breakdown figures not available; figures were estimated based on FY 1979 percent breakdown data.

the replacement of obsolete or worn equipment, and (2) to enable the stations to extend their signals to communities in Nevada which do not receive signals. Ongoing annual support should also be provided for the stations' operations.

The subcommittee believes the ongoing annual financial support for the public broadcasters should come from the commission on economic development whose budget is augmented by taxes on aviation fuel to promote, in part, the production of motion pictures in Nevada.

The subcommittee, therefore, recommends:

- The 1985 session of the Nevada legislature allocate funds to match those funds, on a ratio of 25 percent state funds to 75 percent funds from other sources, provided by the Corporation for Public Broadcasting (CPB) or other private or governmental sources to public broadcasting operations in Nevada to enable those operations to extend their signals to communities in Nevada which currently do not receive signals of public broadcasting operations in Nevada. The subcommittee recommends further that the 1985 session of the Nevada legislature also appropriate funds on a matching basis, on a ratio of 25 percent state funds to 75 percent funds received from other sources, to assist public broadcasting operations in Nevada to replace worn or obsolete equipment used by those operations.
- The commission on economic development provide an annual allocation of \$300,000 to the Nevada commission on public broadcasting to distribute as matching funds, on a ratio of a minimum of 25 percent state funds to a maximum of 75 percent funds received from other sources, to other funds received by public broadcasting operations in Nevada to assist those operations in carrying out their activities. The subcommittee recommends further that the distribution of funds by the commission be based on each operation's needs, as determined by the commission, the merits of the request by the public broadcasting operations for the matching funds, each operation's demonstrated efficiency of operation, each operation's success in raising new amounts of revenues from other sources, and each operation's growth in the number of its subscribers. (Intent of legislators clarified through telephone conversations on June 18-20, 1984.)

F. INFORMATION PROGRAM PERTAINING TO THE ISSUES AFFECTING NEVADA

During the course of the study, the subcommittee heard presentations about the ability of public broadcasters to provide

in-depth, balanced coverage of news events relating to state and local governments and to issues affecting Nevada.

As discussed in the introduction, certain of that programming already exists. The subcommittee believes, however, that expansion of issues programming by Nevada's public broadcasters would certainly benefit the state's residents and provide a forum for the comprehensive and fair coverage of issues such as the quality of public education, taxation, health care, corrections, disposal of radioactive wastes, economic development, and other topics of interest to Nevadans. The public broadcasters may be able to sell this programming to commercial stations to assist the public broadcasters in generating other revenues.

The subcommittee, therefore, recommends:

- The 1985 session of the Nevada legislature adopt a resolution urging the public broadcasting operations in Nevada to prepare half hour weekly news and information programs pertaining to the issues affecting Nevada.
(BDR 113)

G. INTERCONNECTING THE STATE'S SYSTEM OF COMMUNICATIONS WITH ANOTHER STATE

The subcommittee was told that several of the states which are contiguous to Nevada, such as Arizona, California and Utah, have so-called satellite "uplink" systems which provide for the transmission of broadcasting signals by communication satellite to other states or intrastate to small receiving stations, similar to the rural public broadcasting service stations in Nevada described in the "Introduction and Overview of Public Broadcasting and Telecommunications" section of this report.

The subcommittee felt that the feasibility of the public broadcasting stations in Nevada being interconnected by the state's microwave system to a neighbor state's satellite uplink system should be explored. Such an interconnect, if it proves to be cost-effective, could provide a means to transmit the signals of Nevada's public broadcasters to virtually any location in Nevada. It possibly could also provide a means for the direct distribution of programs originating in Nevada to other states. This would help promote Nevada as a destination for tourists and provide a mechanism for Nevada's public broadcasters to generate revenue from the sale of the programs they produce.

The subcommittee, therefore, recommends:

- The Nevada commission on public broadcasting explore the feasibility, viability and costs and benefits of the state's system of communications being interconnected with a similar system in another state, such as Arizona, California or Utah, so that the "satellite uplink facilities" in one of those states may be used to transmit public broadcasting programs originating in Nevada.

H. INTERCONNECTION OF TELECOMMUNICATIONS FACILITIES WITHIN NEVADA

The subcommittee was advised by experts from Alaska and Utah about the benefits and cost savings derived from using teleconferencing systems for educational purposes and meetings of governmental agencies. It was pointed out that two-way teleconferencing can bring instructional programming into classrooms or civic centers in the state. Continuing education for citizens designed to upgrade their competencies, especially for relicensing or reclassification, can be readily available through teleconferencing.

It is possible to create a community college program where students come to central locations anywhere in the state, and not just locations with existing campuses, to receive instruction. Telecommunications may be an alternative to partially offset the potentially large financial commitment by the state to meet the future demands of higher education.

Examples of potential uses of teleconferencing systems using satellites for the transmission of signals were provided to the subcommittee by Charles S. Hickman, operations manager for the Learn/Alaska Network in Anchorage, Alaska.* He advised the committee that the system is used for the following purposes:

Government of the State of Alaska. The governor uses the network for his weekly "chat" with the residents of the state. The legislature uses it for holding public hearings. Each week, Monday through Saturday, there are different "town" meetings with each legislator having a prearranged time slot for receiving calls from constituents. The department of administration, department of

*See the minutes of the subcommittee's December 13, 1983, meeting.

fish and game, department of education, and others communicate with their rural offices and conduct conferences, management meetings and training sessions, using either the video/audio or just the audio network.

Educational community. The schools receive television programming 24 hours a day, 7 days a week. Most of the educators videotape the programs and air them at more convenient times in the classrooms. The University of Alaska presents live instructional courses and audio courses either for credit or noncredit, and "long life" learning courses. The educational programs involve national organizations and various universities throughout the United States, whose programs are "downlinked" for later broadcast to certain regions or the entire state.

Professional groups. Various medical practitioners in Alaska use the audio conferencing and the audio/video network, to provide training courses for public health nurses, midwives, and other health aides who live in remote areas. The attorney general uses the system to conduct training sessions for his professional staff members. The Federal Government and other groups, such as the national firefighters and petroleum industry, use the system for training programs and to hold conferences.

As noted in the introduction, the University of Nevada, Reno, now uses a form of two-way conferencing through project UNITE.* The subcommittee believes, however, that there is greater potential for two-way teleconferencing in Nevada. It believes the committees of the legislature which are responsible for educational matters should review that potential.

The subcommittee, therefore, recommends:

- The assembly committee on education and the senate committee on human resources and facilities of the 1985 session of the Nevada legislature conduct an analysis of the costs and benefits to the state of interconnecting the facilities of telecommunications in Nevada. The subcommittee further recommends that the analysis cover (a) adding a system of teleconferencing at the University of Nevada at Reno to the state system of communications and

*Both the introduction to this report and Appendix J contain material describing the university's UNITE system.

complementing the audio interactive capabilities of the system with computer graphics and facsimile; (b) upgrading the state system of communications to enable high quality two-way audio transmission between Carson City, Las Vegas and Reno; (c) expanding the state system of communications to include two-way video between Carson City, Las Vegas and Reno; and (d) expanding the state system of communications to provide for a "full duplex" system of communication providing low-cost higher education opportunities through the National University Consortium to students who cannot attend college classes because of limitations of resources or geographic distance from college facilities.

I. LONG-TERM COMMUNICATIONS PLANS

With the divestiture of the telephone industry and the potential growth in state government's telecommunications needs, it is imperative that the state develop medium- and long-term telecommunications plans. Development of such plans is not only good business but critical considering the growing costs of long distance telephone calls.

The state communications board in the department of general services should work cooperatively and jointly to plan for future state government communications.

The subcommittee, therefore, recommends:

- The state communications board prepare 5- and 10-year telecommunications plans.

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V. APPENDICES

	<u>Page</u>
Appendix A - Selected Portions of the National Association of Public Television Stations' <u>Public Television and Radio and State Governments</u>	43
Appendix B - Issue Paper No. 1 - Public Broadcasting Programs and Services	79
Appendix C - Coordination of the Systems of Public Broadcasting and State Telecommunications in Nevada	85
Appendix D - Public Television Governance and Funding ..	94
Appendix E - Proposal for State Supported Programming for Nevada	103
Appendix F - Final Report - Temporary Commission on Alternative Financing for Public Telecommunications	106
Appendix G - Letter, Dated April 12, 1984, from Donald A. Rhodes, Research Director, Legislative Counsel Bureau, to the Federal Communications Commission, Urging the Commission to Act Favorably on the Application of Donrey Media Group to Fully Reactivate its Microwave System Which Extends Between Reno and Las Vegas	117
Appendix H - Various Documents Pertaining to the State System of Communications	120
Appendix I - Letter, Dated April 3, 1984, from Gene E. Oakley, Coordinator of Communications, State Communications Board, to Donald A. Rhodes, Research Director, Legislative Counsel Bureau, Concerning Placing Additional Telephone Lines on the State's Microwave System	128
Appendix J - Information on University of Nevada, Reno, Teleconferencing System Called UNITE	133
Appendix K - Suggested Legislation	136

APPENDIX A

Selected Portions of the National Association of Public Television Stations' Public Television and Radio and State Governments

Public Television and Radio and State Governments

March, 1984

Kathleen Weber
Editor

Assistance for the publication
of this handbook came from
Corporation for Public Broadcasting
National Public Radio

National Association of Public Television Stations • Washington, D.C.

State funds have constituted the largest single source of nonfederal income for public broadcasting since before the passage of the Public Broadcasting Act of 1967, as amended. In fiscal year 1983, 19 states funded public radio, and 45 states funded public television. This analysis of the extent to which state governments are involved in public broadcasting is designed to document the growing interest and support of public broadcasting at the state level.

The user of this handbook will find information on the following:

- . amount, source, and allocation of state government funds for public radio and television;
- . state agencies that administer those funds, plus descriptions of their mission, governance, and related operations;
- . legislation that authorizes state funding and related activities (see Volume II for statutes);
- . statewide interconnection systems for public broadcasting stations;
- . statewide organizations of public broadcasting stations;
- . state plans and studies that deal with the role of the state in public broadcasting; and
- . the public radio and television stations in each state.

ORIGINS OF THIS REVIEW

The National Association of Public Television Stations (NAPTS) is publishing this review in order to update, and now include public television in, the earlier 2-volume handbook, entitled Public Radio and State Governments. It was published by National Public Radio (NPR) in 1981.

Information about legislation, agencies, funding formulas, regulations, and operations in each state is a valuable tool for public broadcasters, and state administrators and legislators. It can help each understand the role of local government in the public-private partnership of public broadcasting.

This handbook on Public Television and Radio and State Governments has been organized into three sections: "Overview"--a review of state-level activity; "State Descriptions"--information on the activities of each state government; and "State Statutes"--authorizing legislation for state government activity. The third section has been compiled as Volume II.

METHODOLOGY

Information for this handbook was obtained through telephone interviews and correspondence with administrators of the state agencies involved in public broadcasting and with at least one public broadcasting station manager in each state to obtain additional background information.

Volume II includes the most recent statutes available at the time of printing.

ADVISORY NOTES TO THE READER

Because of increased activity at the state level, the reader is advised to note the particular fiscal year for which data are provided and to read carefully about the on-going activities in each state. Specific advisory notes follow.

Financial data. All financial statistics are for FY 1983 (as defined by each state) unless otherwise noted. Not all state agencies supplied budget figures to the same degree of precision, i.e., some gave budgets to the nearest \$100,000 while others indicated every dollar. It is important to note that these figures do not include funds provided by state arts and humanities councils, or other state agencies not usually involved in public broadcasting, for specific projects, nor do they include support of stations licensed to state universities unless broadcasting policymaking, operations, or funding occurs at the state level rather than at the campus or institutional level. Funding for instructional television is included only if it was provided to a public broadcasting station. The cost of administration of a state public broadcasting agency is included in the total for each state.

State agencies. A description of a state government agency is included in this handbook if the agency funds public broadcasting stations, if it is the designated state educational broadcasting agency for NTIA/PTFP purposes (see subsection "State Agencies"), or if it plays an important role in public broadcasting in the state. In the last case, some agencies, such as boards of regents of state university systems and departments of education, have been included for some states but not for others, depending on their roles.

Public radio stations. Each state section includes a list of public radio stations. There are more than 1,000 noncommercial educational radio stations licensed by the FCC, of which public radio comprises a smaller, more highly defined group. CPB, which administers federal support to public broadcasting, grants funds only to those noncommercial radio stations that meet a set of qualification standards developed by CPB. These standards, or criteria, are designed to ensure that the stations receiving funds are providing a professional public radio or television service to their communities of license and that limited federal dollars are allocated judiciously to develop a strong public broadcasting system (see Appendix D). CPB-qualified radio stations are commonly referred to as public radio stations. Some states have chosen to fund noncommercial radio stations in addition to those that are CPB-qualified. The state listing of public radio stations

includes, with appropriate notation, these non-CPB-qualified, noncommercial stations, that receive state funds. In a few states, the public radio station list will also include non-CPB-qualified and non-state-funded stations that may be seeking CPB qualification or were funded by the state in the past.

Membership in National Public Radio is separate from CPB qualification, but the criteria for membership are nearly identical to those for CPB qualification. NPR is the nonprofit, noncommercial organization that provides interconnection and program services to more than 240 full-service public radio stations and that represents them in developing a viable and diverse public radio service to the American public. A few stations, called "Associated Stations", are members of NPR but are not CPB-qualified. These stations usually have limited local program origination, if any, and the expense of their operation is included within the budgets of the larger NPR-member stations with which they are associated. Membership in NPR is indicated on the state charts in the state sections.

Public television stations. A list of public television stations is also included in each state section. There are 304 public television stations. Of these, 302 (120 VHF and 182 UHF) are member stations of the Public Broadcasting Service (PBS), the nonprofit, noncommercial organization that provides satellite interconnection and program services to its members. (The two non-PBS UHF public television stations are in Virginia.) The total number of public television stations (304) includes originating stations and repeater-transmitters.

CPB provides financial support in the form of Community Service Grants (CSG's) only to those public television stations that meet a set of qualifying criteria established by CPB as prescribed in federal law. In 1983, there were 176 public television (originating) stations qualifying for federal financial support; they operated 304 transmitters. (See Appendix E.)

Interconnection. Each state description contains a summary of interconnection systems in that state. This summary does not include national-level interconnection.

State associations. Each state description contains the name and address of the state association of public broadcasting stations. It does not contain information on membership of stations in regional or national organizations. In a few unusual instances, the names of other relevant state organizations are included.

What follows is a nationwide overview of state government activity in public broadcasting. It is organized by types of state agencies, state funding, legislation, regulation, interconnection, studies and plans, and state associations.

STATE AGENCIES INVOLVED IN PUBLIC BROADCASTING

State governments have agencies that are either devoted solely to public broadcasting or that include public broadcasting activities among their missions or both. When the term "state" is used in this handbook, it includes the District of Columbia, Puerto Rico, and the Virgin Islands. Thus, there are 53 "states".^{1/}

A number of states have more than one state agency involved in public broadcasting.

State agencies involved in public broadcasting exist for many reasons. Many state agencies were established to administer state funds directed to public broadcasting stations. A few states provide funds directly from the states' general treasuries to the recipient stations, with no intermediary. Other state agencies were developed in response to federal requirements dating from 1962 that require applicants seeking federal funds for public broadcasting facilities to submit their proposals for review and ranking by state agencies.^{2/} Thus, even though a state does not provide financial support to public broadcasting, it may still have an agency involved in some type of public broadcasting activity.

State agency activity in public broadcasting can be viewed from two perspectives: similarity in function or similarity in governance structure.

Functions. State agencies perform functions in public broadcasting that fall roughly into four categories. They hold the license to and operate public broadcasting stations or their interconnection, fund stations not operated by the state, coordinate public broadcasting development in the state

^{1/}Public television stations outside the range of the operational PBS satellite include KGTF-TV, Guam and KVZK-TV in American Samoa. These two stations are not included in the statistics and summaries of this report.

^{2/}Section 392(a) of the Communications Act of 1934, as amended by the Educational Television Facilities Act of 1962; as amended by the Public Broadcasting Act of 1967 and as reauthorized by the Public Broadcasting Financing Act of 1975; as amended by the Public Telecommunications Financing Act of 1978, and as amended by the Public Broadcasting Act of 1981.

(particularly by reviewing PTFP applications), or are involved in instructional television programming often through the state board of education. Many agencies engage in a combination of the four kinds of activities. Table 1 shows which states are involved in each basic function.

Licensees--Many state governments hold the licenses to public broadcasting stations. They own and operate them. However, ownership of noncommercial broadcasting stations by public or private, nonprofit organizations differs substantially from commercial ownership of a station by a for-profit company. While a state government, university, community corporation, etc., may hold the broadcast license and the deed to the facilities of a noncommercial station, the institution or organization "owns" it on behalf of the public. Owners of noncommercial stations do not raise the funds for operating the station through the sale of advertising, nor does the station generate a profit for the licensee. Throughout the handbook, when an entity is said to "own" a station, that entity holds the FCC license for that station.

A total of 25 state governments are licensees of public television stations. Of these, seven are licensees of both public radio and public television stations, or joint licensees. In no situation is a state government the licensee of only a public radio station.

The most common organizational structure of a state licensee is a commission or authority that operates a centralized educational television network. Although there are variations among the systems, usually one station--the flagship or network-center station--originates the program service and is interconnected to repeater stations throughout the state. The repeater stations usually do not have much, if any, local programming capacity. Such ETV networks are most common in the South and the Midwest.

Most of the state government public radio licensees operate their radio stations in centralized networks as well. Several centralized state public broadcasting systems have at least some local production capability at their non-flagship stations. Others have multiple production centers around the state, often headquartered at universities, which produce programming that is fed over the network, as in Alabama and North Carolina, for example.

Interconnection--States that own and operate centralized public broadcasting networks own (or lease) and operate the interconnection systems that connect the stations within the network. In addition, several state governments own (or lease) and operate interconnection for stations not licensed to the state (see "Interconnection" for more information on this topic, page xx).

Granting of funds--Twenty-two states fund public broadcasting stations that are not licensed to the state. Most of these states do so as an alternative to having the government operate the stations. A few states which hold licenses for public broadcasting stations, notably Louisiana and Tennessee, also provide funds to stations not licensed to the state. A discussion of how much and in what manner state governments fund public broadcasting can be found in the "Funding" subsection, page xvi.

Coordination--Several states have agencies that coordinate public broadcasting development. Most of these agencies exist to review and rank applications for PTFP funds. In some states, this review activity is performed by agencies other than the one that operates a public broadcasting station or network in order to avoid conflict of interest (e.g. Oregon). A few states have no designated state educational agency for NTIA/PTFP purposes because those states have decided that review of PTFP applications is not an important activity or that the possibility of conflict of interest negates the benefit of such activity. Some coordinating agencies have been established to plan for the building or funding of public broadcasting stations.

Instructional television--Most state agencies involved in public television engage in instructional television (ITV) activities. In a few states, the state governments have made a commitment to instructional radio as well (e.g. South Carolina and Virginia). Several states house ITV activities in an agency, such as a state education department, which is separate from the agency active in public broadcasting. Instructional television activities often include production and acquisition of ITV programs, participation in consortia funding of ITV productions, provision of ITV support services to local school districts (e.g., guides, teacher training), and purchase of broadcast time from local public television stations not licensed to the state. Agencies that perform the latter function, or ITV agencies that have been designated the state educational broadcasting agency for NTIA/PTFP purposes, are included in the state descriptions. This handbook does not provide a comprehensive review of all state ITV agencies.

Governance. State agencies involved in public broadcasting have a variety of governance structures. Table 2 organizes the states by type of agency.

Independent agencies--Those agencies whose missions are limited to public broadcasting usually take the form of independent authorities or commissions. An authority is often a government-chartered corporation; that is, it is an agency which can sue and be sued, contract and be contracted with, have a corporate seal, and so forth. Not all authorities are corporations (for example, the Hawaii Public Broadcasting Authority). Further, some government corporations are involved in public broadcasting but are not authorities, (for example, the North Carolina Agency for Public Telecommunications). An authority theoretically is more independent than a commission, but the power actually vested in either depends on the agency's enabling statute. The term council or committee usually refers to the same kind of agency as the term commission, although the former are more often used when the agency's role is limited to an advisory one.

The governing boards for independent public broadcasting agencies, i.e., authorities and commissions, range in size from seven to twenty-seven members. Most contain statutorily designated members such as the superintendent of public instruction or a representative of the state university system. Most members are appointed by the governor and confirmed by the state senate.

Other agencies--Many states do not have separate public broadcasting authorities or commissions. Instead, state government public broadcasting activity is carried out by offices, bureaus, or departments of existing agencies. Such agencies include:

- . state education departments;
- . state systems of higher education and boards of regents, state university systems;
- . governors' offices; and
- . state administrative agencies.

Public broadcasting policy in these agencies is determined by their governing board or officers, as mandated by relevant legislation. Such agency governing boards often have special subcommittees or appointed advisory committees devoted to public broadcasting. For example, a few states (Maine, New Hampshire, North Carolina, Utah, and Vermont) have public broadcasting networks licensed to and operated by state university systems. The networks have the administrative status of a separate campus or institution of the university system; that is, the director of the network reports directly to the president or central administration of the university system.

In New Hampshire, North Carolina, and Vermont, special governing boards have been established to govern the network because the university system governing board, technically the licensee, cannot devote sufficient attention to the network. In every case but New Hampshire, the state university networks are authorized by state statute and receive direct appropriations from the state legislature.

For purposes of this summary, a distinction is made between two types of "university" stations: ones that are licensed to state universities, and ones licensed to private universities. The former are categorized as "state-owned" if they are part of a statewide network, receive direct appropriations from the state legislature, and if the network is mandated by state statute (e.g., Maine, Nebraska, Utah, Vermont, etc.). However, those licensed to private colleges and universities are categorized as "university" licensees. This helps show the breadth of state funding of public service broadcasting, even when not "owned" by the state itself (see para. "Stations not licensed to the state.").

A few states, such as Massachusetts and Alaska, have agencies that are part of larger agencies and, at the same time, have separate governing boards. While it is common for public broadcasting offices or departments that are part of larger agencies to have advisory boards or councils, offices with their own policymaking boards are rare.

FUNDING OF PUBLIC BROADCASTING BY STATE GOVERNMENTS

Financial support of public broadcasting by state governments falls into two broad categories: the provision of funds to stations licensed to the state, and to those not licensed to the state.

The total amount of direct support provided to public broadcasting by state governments in FY 1983 was approximately \$151,564,000.

Excluding radio and television sums for South Carolina, which are not available, public radio received \$9,253,000 of this total. This represents \$.04 per capita nationwide. Thirty-one percent of all CPB-qualified public radio stations (84 stations) received direct state support. By comparison, 242 public television stations received a total of \$125,736,000, representing \$.54 per capita. Eighty-three percent of all public television stations, including some repeater-transmitters (252 stations), received direct state funding.

Stations licensed to the state. In 25 states, the state government is the licensee and operator and, thus, the funder of public radio and television stations (see Table 1). The total amount of funds provided to these stations in FY 1983 was approximately \$88,245,000. When examining the statistics, the reader should not overestimate the number of fully staffed and locally programmed stations in the country. Most stations licensed to states are part of centralized networks. This is the case particularly in public television, but less so in public radio. In public television in FY 1983 there were 25 state licensees operating 34 originating stations and 119 repeater-transmitters. In public radio in FY 1983 there were six state licensees operating eight originating stations and 24 repeater-transmitters.

Stations not licensed to the state. Many state governments provide funds to stations that are not licensed to the state. They include stations which are licensed to a variety of institutions. These are nonprofit community corporations (e.g., KQED/San Francisco), private colleges and universities (e.g., KAMU/American University, Washington, D.C.), municipal authorities (e.g., WNYC/New York), and school districts (e.g., WDCN/Nashville). State governments provide funds to these stations for several purposes:

- . general operational support;
- . establishment of new stations so that all the citizens of a state will be served by a public radio or television station (the licenses for these stations are sometimes turned over to local institutions such as community groups, state universities, or a consortium of institutions);
- . replacement or improvement of equipment;
- . statewide programming such as capital news bureaus, broadcast of state legislative proceedings, or production or acquisition of other programs of statewide interest; and
- . interconnection and related services such as tape delay or tape duplication.

Ten states provided \$6,315,000 in FY 1983 to 74 public radio stations not licensed to state governments. By comparison, 21 states provided \$50,713,000 to 107 public television stations and transmitters not licensed to state governments--plus 4 ITFS systems in Texas. Total state

appropriations in FY 1983 to non-state-owned stations (74 radio stations and 107 television stations plus 4 ITFS systems) were \$57,028,000. (Totals do not include special grants to selected entities such as KBDI/Colorado's programming grant for a series on energy.)

Table 3 provides information by state on the total state appropriations for public broadcasting and specifically for public radio and public television, the per capita appropriation for each, and the number and percentage of radio and television stations receiving state funds.

In almost all cases, the state funds provided for the purpose outlined above come from appropriations made by the state legislature from general tax revenues. However, a few states, including Kentucky, Maine, and Oklahoma, have issued bonds for public broadcasting. The revenue from the bonds was used to provide capital funds for the construction of the state networks.

In 1978, California considered, but did not pass, a bill that would have established a dedicated sales tax on television and stereo equipment to support public broadcasting. With no public broadcasting appropriation for FY 1984 from the California legislature, the specially appointed California Public Broadcasting Task Force is studying the bill and hopes to have it reintroduced during the next legislative session.

Currently, in New York, the total annual state appropriation for operational support of public television is determined by multiplying the number of residents of the state by 75 cents. In FY 1983, that appropriation totalled \$13,680,000. The New York State legislature, upon recommendation of the governor, will again be considering an increase in the per capita appropriation (from \$.75 to \$1.00) for public broadcasting during the winter 1984 legislative session. In addition, New York appropriates capital funds for the television stations and operational support for the radio stations.

Allocation of operational assistance. The allocation of funds to stations not licensed to the state takes a variety of forms. In some states, notably Florida, the total amount of funds available for station assistance grants is divided equally among all the eligible stations. This method of allocating funds avoids any political competition among stations for dollars, and it makes possible long-range financial planning by the stations. However, this method does not provide incentives for local fundraising, nor does it reflect the differences in the audiences served or the amount of services provided by stations of different sizes.

Because of this, some states, notably Minnesota, New York, and Pennsylvania, have evolved a disbursement formula for station assistance grants that reflect a station's local fundraising efforts, the size of the community a station serves, the amount of production a station does, the cost of operation of a station, or the size of a station's budget.

In New York, public television stations receive a base grant of \$450,000, plus a match of one dollar from the state for every dollar of private donation received up to \$10,000 per donor, and one state dollar for every two contributed by a municipality.

In Minnesota, public television stations receive block grants of \$34,000 per station and matching grants based on non-state income. The Minnesota public radio stations receive only matching grants. The matching grant funds are allocated on a dollar-for-dollar basis until the total amount appropriated by the state for this purpose has been distributed equally among eligible applicants. This formula provides proportionately more funds to stations with smaller budgets, particularly if the total state appropriation is low, and it provides absolutely more funds to stations with larger budgets.

Alaska uses a three-tiered grant allocation system. At the first level, stations are eligible for support for basic minimum service, defined as operation of a full-service public radio or television station 18 hours per day. Those grants are calculated by adding the similar costs that stations throughout the state encounter, such as expenditures for electricity and production materials, adjusted for the cost of living in each station's community of service. At the second level, stations can receive additional support for the provision of service delivery to remote areas unable to support a full-service station. These are mainly radio translators. The third funding level provides support to local-access repeater stations originating some local programming.

Several states provide funds to public television by purchasing air time for instructional television programs. Some states provide these funds to local school districts, which contract with local stations for air time. Other states calculate "station rates," or cost of operation per hour, by dividing the station's total operation budget by the number of hours on the air. The state then multiplies this cost per hour by the number of hours of instructional programs aired, giving the amount of the state subsidy. Virginia has developed a novel approach to reimbursing public television stations for production of instructional television: the state government, rather than local school districts, contracts with stations for production of programs. Those contracts include support for station overhead and growth.

In some states the individual station grants differ in amount due to the history of state support of public broadcasting. Some stations were able to win more support from the legislature during that initial funding process. Subsequent increases in state support are divided equally but are added to the differing base grants.

Allocation of capital support. In addition to providing funds for operational assistance to stations not licensed to the state, some state governments provide capital support. This support is in the form of grants to existing stations for replacing or improving obsolete equipment, and grants to organizations or institutions for establishing public broadcasting stations. Capital funding by state governments for replacing equipment occurs throughout the country mostly on an ad hoc basis. Those states with state-licensed stations and established operational funding of stations generally are more likely to provide this kind of capital support--for example, New York, Pennsylvania, and Florida.

However, a notable exception is New Mexico which established by statute in 1978 an educational television equipment replacement fund. The Act was amended in the 1983 legislative session to provide that appropriations to the

fund shall not revert to the general fund at the end of any fiscal year unless expressly directed in the appropriation.

Several state governments, including North Dakota and Ohio, have built or helped build stations and then turned them over to community corporations, private or state universities, or consortia of organizations.

Allocation of programming support. State governments also support public broadcasting by funding programming of statewide interest. Several states provide funds for live or taped-delayed coverage of their legislatures when in session. Some states support the production of public affairs programs on state government and statewide issues. For example, Station KBDI-TV, Colorado, received a special grant of \$112,000 in FY 1983 from the Colorado Department of Energy to assist in the production of a television program on energy.

Allocation of funds for interconnection support. Several states fund interconnection systems for non-state-owned stations. The state builds the system, and in a few states, provides staff to operate the network. When the state provides grants to stations for operational support, the total cost of the interconnection services is counted by stations as part of their nonfederal income for matching purposes for grants from CPB. Of special note is the state of Washington, which provided no appropriation for public broadcasting's operational support in FY 1983, but did, however, allocate \$1.5 million to Washington State University in Pullman for the construction of an interconnection system.

INTERCONNECTION

Interconnection, the linking of stations usually through electronic means to transmit or share programs serves two basic purposes at the state level. In those states that have centralized networks, interconnection allows the programs originating at the network center to be broadcast at stations having no local origination capacity. In states where the stations are locally controlled or programmed, decentralized interconnection allows for program trading and for simultaneous broadcast of programs of statewide significance. (Table 4 lists the states that have centralized and decentralized interconnection systems, as well as the states that have interconnections not owned by the state.)

Twenty-four states have centralized interconnection networks. Most of these states have state-owned, centralized public television networks. Six states have centralized public radio networks. In Minnesota, Connecticut, and Massachusetts, the station interconnection is owned and operated by a community corporation licensee, which also owns the stations in the centralized networks. In North Dakota, the system is jointly owned by the state and Prairie Public Television, Inc.

Some states have interconnection for locally programmed stations not licensed to the state. Two developments among these states are important. In Ohio and Pennsylvania, a state commission operates a two-way, microwave television interconnection system in hub-and-wheel configurations. The network operations center is the hub to which stations--the spokes--are

linked. The commission also operates tape delay and duplication facilities at the network center so that programs of statewide interest--provided either from a source (station) within the state or from a national distribution network such as NPR or PBS--can be delayed or duplicated to fit the needs of the individual stations.

The second development in statewide interconnection is the current construction of satellite uplinks and microwave interconnection systems in a number of states including Arizona, Colorado, Idaho, Illinois, Mississippi, Washington, and West Virginia. Nationally, both the public radio and television systems are interconnected by satellite. Each station has a receive terminal allowing it to obtain programs transmitted from the various regional uplinks scattered throughout the country. By building satellite uplinks, these state governments have linked all the public broadcasting stations within the state.

Statewide interconnection systems, regardless of whether they are used for simulcasting over centralized networks or for exchanging programs, use one or more of the following technologies: microwave, satellite, leased telephone lines ("long lines"), or off-air relay (i.e., the reception of the signal of one station by another and its rebroadcast). These facilities are either leased from local private companies or national companies, or owned by the state government or other relevant entities.

LEGISLATION AND STATE STATUTES

Forty-eight states have legislation addressing public broadcasting. Most of that legislation authorizes the activities of the state agencies discussed above. In a few cases, legislation serves other purposes such as authorizing local school districts and other entities to contribute funds to local public television stations in order to secure instructional television services. Other state legislation exempts stations from certain state tax laws.

State public broadcasting statutes follow similar forms throughout the country. In those states that have agencies solely devoted to public broadcasting activity, the statute establishes the agency, delineates its governance (particularly if it has a governing board), and enumerates its powers and duties. In states where an agency with another mission is also responsible for public broadcasting activities (e.g., an education department), the relevant statutes simply add the broadcasting functions to the agency's other duties.

The actual provisions of state statutes already have been reviewed in the section addressing the functions of state agencies. Not mentioned in that section were the unusual powers of the Oklahoma and Kentucky Educational Television Authorities, which were authorized to issue bonds and given powers of eminent domain (i.e., the power to confiscate private lands for public use with appropriate compensation provided to the owner). These powers related to the original construction of the state-owned, centralized public television networks. Descriptions of the prohibitions or regulations placed on public broadcasting activities by state legislators follow in the next section on regulation.

A compilation of state public broadcasting statutes can be found in Volume II of this handbook.

REGULATION

All broadcast licensees, noncommercial as well as commercial, are required by the FCC to be responsible for the operation and programming of their stations. State government regulation of public broadcasting, therefore, takes two distinct forms: policies and procedures governing state licensees, and regulations applicable to stations not licensed to the state government but that receive state funds. No state governments regulate stations for which they neither hold the license nor fund.

Editorializing. Regulations applying to stations licensed to state governments often are mandated by statute--particularly in the case of editorializing and political programming. At least six states forbid stations licensed in the state from editorializing. Two states, Florida and New York, prohibit editorializing by any public broadcasting station that accepts state funds. Such editorializing restrictions currently duplicate federal law.

Section 399 of the Communications Act of 1934 prohibits all noncommercial licensees from endorsing or opposing political candidates or proposed legislation. The U.S. District Court for the Central District of California, however, has ruled that this proscription is unconstitutional. The FCC has been granted review of this decision by the U.S. Supreme Court, FCC v. League of Women Voters of California.

One state, Maine, has already addressed the issue of editorializing. Until 1970 the statute authorizing the operation of the University of Maine's public broadcasting network had included a clause that prohibited the network from advocating or opposing any candidate for public office or any specific government program. The state government interpreted that clause to preclude broadcast news coverage of the June 1970 primary elections in Maine. The issue went to court and the Maine Supreme Court ruled in 1970 that the clause in the state statute violated the supremacy clause of the U.S. Constitution. The court said the operator of an educational television system (radio was not added to the University of Maine network until 1971) could not obey the rigid censoring requirements of the statute and at the same time satisfy the terms of its federal license to provide programs that are in the public interest.

Frequency allocation. In a few states, including Mississippi and Alabama, legislation has been passed giving a state agency the power to control and supervise the allocation of all non-commercial radio and television frequencies assigned to their state by the FCC. Whether a state agency can legally exercise such power was considered in an action before the FCC.

The Mississippi Broadcasters Association (MBA), an organization of commercial broadcasters, petitioned the FCC to deny the application of the Mississippi University for Women for a noncommercial radio license on the grounds that the college did not obtain prior approval of the Mississippi

Authority for Educational Television (MAET)--the agency authorized by state statute to supervise allocations of frequencies for noncommercial use in the state. The MAET opposed the action of the MBA arguing that such allocation is a matter of federal and not state jurisdiction. The FCC ruled that allocation is indeed a federal matter.

Other regulation of stations not licensed to the state. Several state governments regulate public broadcasting stations not licensed to the state by attaching conditions to the receipt of state money. In Alaska and New York, regulation of stations receiving state funds is not only indicated in state statutes but also in formally promulgated rules, i.e., similar to rules and regulations issued by independent federal regulatory agencies such as the FCC. In both of these states, the regulation of public broadcasting stations receiving state funds is extensive.

The Alaska Public Broadcasting Commission (APBC) requires that stations receiving APBC funds include an agent of the APBC as an ex officio member on their governing boards, that the governing boards not include any employee of the stations, and that the managers and engineers of such stations be chosen from a list approved by the APBC. In addition, stations receiving state funds must provide information to the APBC on station objectives, proposed programs, personnel, budget, and station operation and performance.

In New York, stations receiving funds through the Public Broadcasting Program of the State Education Department are prohibited from editorializing. The Board of Regents, through the Commissions and the office of the Public Broadcasting Program, has the power to revoke, amend, or suspend the charter, or the articles of incorporation, of a licensee organization, approve the appointment of a member of the governing board of a station and remove any member of a governing board or employee of a station after a hearing for misconduct, neglect of duty, or incapacity. Stations also must submit extensive financial, operational, and programming reports.

STATE STUDIES AND PLANS

Over the past 20 years, almost all states at some point have issued a study of, or a plan for, the development of public broadcasting in their respective states. These plans and studies have been conducted by state agencies, specially created state organizations, or nonprofit organizations of community leaders, educators, and public broadcasters.

State-level planning in public broadcasting takes on a wide variety of forms because plans must respond to the local political and economic environment, and to the history of relevant activity in the state. Planning has ranged from engineering and policy considerations for the extension of public broadcasting coverage to all parts of a state, to the goals and objectives of a state-owned, centralized public television network.

Recent impetus for state-level planning in public broadcasting and telecommunications has been the availability of funds for that purpose from NTIA. The trend among nonprofit organizations to engage in formal, long-range planning also has spurred state-level planning. The greatest

incentive for such planning, however, appears to be the development of rationales for state support of public broadcasting. State appropriations for such planning activities often precede actual long-term financial support. However, such appropriations for planning sometimes are substitutions for significant commitments of support.

STATE ASSOCIATIONS

Several states have statewide organizations of public broadcasting stations. These organizations foster cooperation and information sharing among stations, represent the interests of their member stations before relevant state agencies and the public, and sometimes coproduce, sponsor, or manage programs of statewide interest--particularly coverage of state legislative and governmental affairs.

There are 29 state associations of public broadcasting stations. Of those, ten are public radio station associations, ten are public television station associations, and nine are for both radio and television stations (see Table 5).

TRENDS AND OBSERVATIONS

Public broadcasters are constantly involved in raising funds from every available source. That public broadcasting continues to grow and to bring television and radio products of high quality to American audiences in the face of rising costs and shrinking budgets is proof that they do so successfully.

By now, nearly everyone has had first-hand experience with the various on-air appeals which stations employ to solicit funds from the viewing public. Most are also aware that the Federal government is a contributor towards helping stations pay for equipment and meet programming costs. In addition, however, many outstanding programs carry underwriting credits which indicate that corporations and foundations are part of this public service system.

Curiously, however, the largest single source of financial help for public broadcasting throughout its history--the states--has often gone unheralded and unnoticed.

It is state tax dollars which often provide the core support of public broadcasting stations. Many stations are largely built and/or equipped with state money. Even though Federal programs may provide up to 75% matching funds for public station facilities, about 80% of the total bill among state licensees has been borne by state funds. Administrative services, electricity bills, office space, engineers, accountants and other salaries and operating costs--the critical mass of many station budgets--are often financed by state agency and state university licensees. In all, about one-third of the total cost for the massive enterprise of 300 television, and almost as many public radio, stations has come consistently from the state tax-base over the years.

During the ten years prior to 1983, as the Federal government and the general public have contributed larger sums to public broadcasting, the overall state share has fixed at about 30%. In absolute dollars, the state share has increased from a total of \$106 million in 1973 to more than \$250 million in 1982--a rate of increase of about 10% per year. During the same period, other revenues for the system rose at a combined rate of about 16%. State support for radio did increase with other funders--at just over a 15% per annum--while growth in state support of public television averaged about 8% annually (see Table 6).

At the time this report is being written, a number of indicators suggest an improvement in the national economy in the years ahead. The nation, however, has not yet emerged from a difficult economic period, and this seems to have affected contributions to public broadcasting, as it has many other nonprofit and charitable enterprises. During the economic fluctuations of the last twenty or more years, the states have maintained a stalwart position in support for public broadcasting. With the public television system now largely in place, however, it remains to be seen whether or not the states will play the same role of prominence in maintaining the systems and services they built in the 60's and 70's. At the same time, a great deal of the country remains without public radio service.

As in the past, many states will continue to foster the growth and development of public broadcasting with foresight and enthusiasm. (Forty-five states contribute to public broadcasting today.) Most states place a high premium on the value of the public broadcasting resource and therefore will continue to be major contributors to its survival and improvement. In all likelihood, the best record of future development, and exploitation of public service television and radio, will appear where those with zeal and energy and knowledge make the necessary effort with their legislatures and their fellow citizens.

TABLE 1
Activities of State Agencies

Licensees & Operators of Public Television Stations	Licensees & Operators of Public Radio Stations	Directly Fund Public Broadcasting Stations Not Licensed to the State	Interconnect Non-State-Operated Stations	Have Advisory Coordinating Agencies	ITV Agencies Involved ^a in Public Broadcasting
Alabama	Alabama	Alaska	Alaska	Arizona	Alaska
Arkansas	Mississippi	Colorado	Florida	Colorado	California
Georgia	Oregon	Connecticut	Idaho	Illinois	Colorado
Hawaii ^b	Puerto Rico	Florida	Indiana	Iowa	Connecticut
Idaho ^b	South Carolina	Indiana	Louisiana	New Mexico	Florida
Iowa	West Virginia	Iowa	Maine	New York	Illinois
Kentucky	Wisconsin	Kansas	New Mexico ^c	North Carolina	Indiana
Louisiana		Massachusetts	New York	Ohio	Iowa
Maine ^b		Michigan	Ohio	Oregon	Massachusetts
Maryland		Minnesota	Pennsylvania	Rhode Island	Missouri
Mississippi		Missouri	Virginia	Tennessee	Ohio
Nebraska		New Mexico	Wisconsin	Utah	Pennsylvania
New Jersey		New York			Texas
North Carolina ^b		North Dakota			Utah
Oklahoma		Ohio			Virginia
Oregon		Pennsylvania			
Puerto Rico		Tennessee			
Rhode Island		Texas			
South Carolina		Utah			
South Dakota		Virginia			
Tennessee ^d					
Vermont ^b					
Virgin Islands					
West Virginia					
Wisconsin					

^a This category includes states with instructional television involved with public broadcasting. The involvement is diverse and not consistent among states. This is not meant to be a comprehensive list of all state ITV agencies in the U.S.

^b State university licensees are categorized as "state-owned" if they are part of a statewide network, receive direct appropriations from the state legislature, and if the network is mandated by state statute.

^c Only funds system.

^d Agency to be phased out by 1986--see state entry.

TABLE 2

Types of State Agencies

Independent State Public Broadcasting Agency	State Education Department	State Higher Education System	State Administrative Agency or Governor's Office	Other*
Alabama	Alaska	Arizona	Colorado ^a	Connecticut
Alaska ^a	California	Idaho	Minnesota	District of
Arkansas ^a	Colorado	Indiana	Missouri	Columbia
Georgia	Connecticut	Iowa	Montana	Michigan
Hawaii ^a	Florida (2)	Maine	New Mexico	
Idaho	Idaho [#]	New Hampshire	Virginia ^a	
Iowa	Illinois	New York		
Kansas	Indiana	North Carolina		
Kentucky ⁺	Iowa	Ohio		
Louisiana ⁺	Massachusetts ^a	Utah		
Maryland	Missouri	Vermont		
Mississippi	Nebraska	Wisconsin		
Nebraska	New York			
New Jersey ^{a+}	Ohio			
North Carolina ^{a+}	Pennsylvania			
North Dakota	Puerto Rico			
Ohio	Tennessee			
Oklahoma	Texas			
Oregon (2)	Utah			
Pennsylvania ⁺	Virginia			
Rhode Island ⁺				
South Carolina				
South Dakota ^a				
Virgin Islands ⁺				
West Virginia				
Wisconsin				

NOTE: A number of states have more than one agency.

* In Connecticut and Washington, D.C., private, non-profit corporations are the designated state educational broadcasting agencies for NTIA/PTFP purposes. In Michigan, the Office of Community Development acts as a conduit for state funds to PTV and is the designated state agency for NTIA/PTFP purposes.

^a Under the auspices of a larger agency for administrative purposes.

[#] In Idaho, the Board of Education and the Board of Regents for the University of Idaho are the same entity.

⁺ Could be considered a government chartered corporation.

TABLE 4
State Interconnection Systems

Centralized State-Owned or Funded		Decentralized State-Owned or Funded		Non-State-Owned	
<u>Radio</u>	<u>TV</u>	<u>Radio</u>	<u>TV</u>	<u>Radio</u>	<u>TV</u>
Maine	Alabama	Florida	Alaska	Alaska	Connecticut
Mississippi	Arkansas	Indiana	Florida	Connecticut	Florida
Oregon	Georgia	Iowa	Idaho	Minnesota	Massachusetts
South Carolina	Hawaii	New Mexico	Indiana		Michigan
South Dakota	Iowa	Utah	New Mexico		Minnesota
Wisconsin	Kentucky	West Virginia	New York		
	Louisiana		Ohio		
	Maine		Pennsylvania		
	Maryland		Virginia		
	Mississippi				
	Nebraska				
	New Hampshire				
	New Jersey				
	North Carolina				
	North Dakota*				
	Oregon				
	Oklahoma				
	Puerto Rico				
	South Carolina				
	South Dakota				
	Utah†				
	Vermont				
	Wisconsin				

* The interconnection system is jointly owned by the state and the community licensee.

† The state university public television station has a translator system that extends the station's signal throughout much of the state.

TABLE 6

Growth in Public Broadcasting Income
FY 1973 - 1982
(In Thousands)

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>AVG.</u>
Total System Income	266,538	297,973	369,813	415,800	482,094	552,325	603,466	704,857	768,895	845,214	
Percent Increase		11.8	24.1	12.4	15.9	14.6	9.3	16.8	9.1	9.9	13.8
Total TV Income from STATE Sources	*	*	*	*	*	146,617	164,977	186,500	185,155	203,769	
Percent Increase							12.5	11.5	(0.8)	10.1	8.3
Total Radio Income from STATE Sources	*	*	*	*	*	27,329	30,777	37,402	41,321	48,002	
Percent Increase							12.6	21.5	10.5	16.2	15.2
Total STATE Sources	106,454	112,844	129,468	140,943	154,519	173,946	195,754	223,902	226,476	251,771	
Percent of Total	39.9	37.9	35.0	33.9	32.1	31.5	32.4	31.8	29.5	29.8	
Rate of Increase		6.0	14.7	8.9	9.6	12.6	12.5	14.4	1.1	11.2	10.1
Total ALL OTHER Sources	160,084	185,129	240,350	274,857	327,575	378,379	407,712	480,955	542,419	593,443	
Percent of Total	60.1	62.1	65.0	66.1	67.9	68.5	67.6	68.2	70.5	70.2	
Rate of Increase		15.6	29.8	14.4	19.2	15.5	7.8	18.0	12.8	9.4	15.8

* Accurate division of income between television and radio not available before 1978.

Source: Public television and radio station financial data as reported to CPB.

TABLE 7

PUBLIC BROADCASTING INCOME¹ BY SOURCE
FISCAL YEARS 1972 - 1982

(Current Dollars in Thousands)

Source of Income	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982
Corporation for Public Broadcasting	\$35,000	\$35,000	\$47,750	\$62,000	\$96,000 ²	\$103,000	\$119,200	\$120,200	\$152,000	\$162,000	\$172,000
(Percent of Total)	(14.9)	(13.7)	(16.4)	(17.0)	(22.2)	(21.4)	(21.6)	(19.9)	(21.6)	(21.1)	(20.4)
Federal Grants & Contracts	24,812	20,585	19,255	30,341	34,146	32,269	41,562	43,029	40,540	31,669	25,625
(Percent of Total)	(10.6)	(8.1)	(6.6)	(8.3)	(7.9)	(6.7)	(7.5)	(7.1)	(5.8)	(4.1)	(3.0)
State & Local Tax-Based ³	107,705	127,275	139,056	156,570	175,870	191,269	218,183	245,544	271,595	277,492	301,038
(Percent of Total)	(46.0)	(50.0)	(47.9)	(42.9)	(40.6)	(39.7)	(39.5)	(40.7)	(38.5)	(36.1)	(35.6)
Private	66,790	71,904	84,324	115,880	127,284	155,556	173,380	194,693	240,722	297,734	346,551
(Percent of Total)	(28.5)	(28.2)	(29.0)	(31.8)	(29.4)	(32.3)	(31.4)	(32.3)	(34.2)	(38.7)	(41.0)
Total Nonfederal Income	\$174,493	\$199,179	\$223,380	\$272,450	\$303,154	\$346,825	\$391,563	\$440,237	\$512,317	\$575,226	\$647,589
(Percent of Total)	(74.5)	(78.2)	(76.9)	(74.7)	(70.0)	(71.9)	(70.9)	(73.0)	(72.7)	(74.8)	(76.6)
Total Income	\$234,307	\$254,764	\$290,385	\$364,791	\$433,300	\$482,094	\$552,325	\$603,466	\$704,857	\$768,895	\$845,214
(Percent)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

¹ Income from FY 1976 to FY 1982 includes both broadcast and nonbroadcast income.² Income from the Corporation for Public Broadcasting for FY 1976 includes the transition quarter appropriation (\$17.5 million).³ State and local tax-based sources include income received from state colleges and universities and, for FY 1979 to FY 1982, from other tax-supported colleges and universities.Source: Corporation for Public Broadcasting
Policy Development and Planning
December 1983

TABLE 8

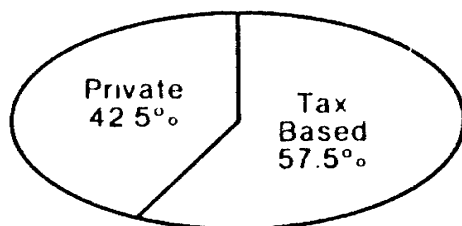
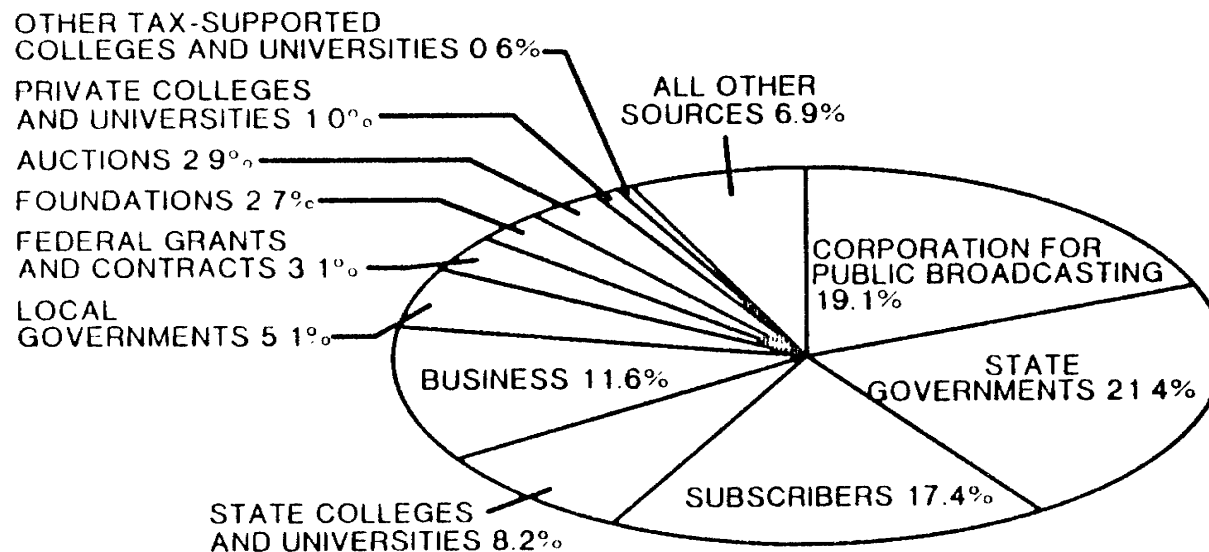
PUBLIC BROADCASTING INCOME BY PUBLIC TELEVISION AND
RADIO SYSTEMS, AND BY SOURCE
FISCAL YEARS 1981 - 1982

(Current Dollars in Thousands)

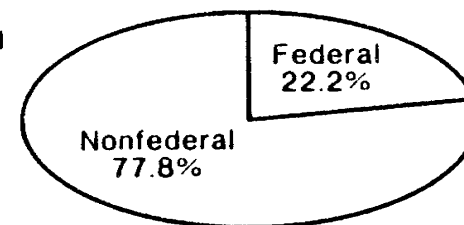
Source of Income	System ¹	FY 1981	Percent of Total	FY 1982	Percent of Total	\$ Change FY 81-82	% Change FY 81-82
Corporation for Public Broadcasting	PB	\$162,000	21.1%	\$172,000	20.4%	+\$10,000	+6.2%
	PTV	122,465	19.6	129,370	19.0	+6,905	+5.6
	PR	39,535	27.7	42,630	25.9	+3,095	+7.8
Federal Grants and Contracts	PB	31,669	4.1	25,625	3.0	-6,044	-19.1
	PTV	25,891	4.1	20,764	3.1	-5,127	-19.8
	PR	5,778	4.0	4,861	3.0	-917	-15.9
Local Governments	PB	44,401	5.8	42,353	5.0	-2,048	-4.6
	PTV	35,519	5.7	33,685	5.0	-1,834	-5.2
	PR	8,882	6.2	8,668	5.3	-214	-2.4
State Governments	PB	144,510	18.8	166,515	19.7	+22,005	+15.2
	PTV	134,472	21.5	152,623	22.4	+18,151	+13.5
	PR	10,038	7.0	13,892	8.5	+3,854	+38.4
State Colleges and Universities	PB	81,966	10.6	85,256	10.1	+3,290	+4.0
	PTV	50,683	8.1	51,146	7.5	+463	+0.9
	PR	31,283	21.9	34,110	20.7	+2,827	+9.0
Other Public Colleges and Universities	PB	6,615	0.9	6,914	0.8	+299	+4.5
	PTV	4,265	0.7	4,222	0.6	-43	-1.0
	PR	2,350	1.7	2,692	1.6	+342	+14.6
Private Colleges and Universities	PB	12,197	1.6	12,870	1.5	+673	+5.5
	PTV	6,720	1.0	7,645	1.1	+1,925	+28.6
	PR	5,477	3.8	5,225	3.2	-252	-4.6
Foundations	PB	19,253	2.5	22,108	2.6	+2,855	+14.8
	PTV	15,018	2.4	17,917	2.6	+2,899	+19.3
	PR	4,235	3.0	4,191	2.6	-44	-1.0
Business	PB	86,845	11.3	100,486	11.9	+13,631	+15.7
	PTV	77,161	12.3	83,700	12.3	+6,539	+8.5
	PR	9,684	6.8	16,786	10.2	+7,102	+73.3
Subscribers	PB	110,775	14.4	142,076	16.8	+31,301	+28.3
	PTV	95,117	15.2	120,124	17.6	+25,007	+26.3
	PR	15,658	11.0	21,952	13.3	+6,294	+40.2
Auction	PB	20,063	2.6	20,392	2.4	+329	+1.6
	PTV	19,376	3.1	19,702	2.9	+326	+1.7
	PR	687	0.5	690	0.4	+3	+0.4
All Others	PB	48,601	6.3	48,619	5.8	+18	0.0
	PTV	39,433	6.3	39,844	5.9	+411	+1.0
	PR	9,168	6.4	8,775	5.3	-393	-4.3
Total Nonfederal Income	PB	\$575,226	74.8%	\$647,589	76.6%	+\$72,363	+12.6%
	PTV	477,764	76.3	530,608	77.9	+52,844	+11.1
	PR	97,462	68.3	116,981	71.1	+19,519	+20.0
Total Income	PB	\$768,895	100.0%	\$845,214	100.0%	+\$76,319	+9.9%
	PTV	626,120	100.0	680,742	100.0	+54,622	+8.7
	PR	142,775	100.0	164,492	100.0	+21,697	+15.2

¹ PB, PTV, and PR, refer to total public broadcasting as a whole, public television and public radio, respectively.Source: Corporation for Public Broadcasting
Policy Development and Planning
December 1983

SOURCES OF PUBLIC TELEVISION INCOME FISCAL YEAR 1982



TOTAL INCOME = \$676.5 MILLION



APPENDIX D

CORPORATION FOR PUBLIC BROADCASTING
1111 Sixteenth Street, NW
Washington, D.C. 20036

January 13, 1984

Statement of Qualifying Criteria for
Radio Community Service Grants

A. DEFINITIONS

(1) Eligible Grantee - For the purpose of this grant criteria statement, an "eligible grantee" shall be defined as an on-the-air (AM or FM) station operating under a noncommercial educational license granted by the FCC, which meets all the criteria set forth below.

(2) Non-Federal Financial Support (NFFS) - Current federal law, enacted in the Public Telecommunications Financing Act of 1978, defines NFFS as follows: "The term 'non-Federal financial support' means the total value of cash and the fair market value of property and services (including, to the extent provided in the second sentence of this paragraph, the personal services of volunteers) received-

"(A) as gifts, grants, bequests, donations, or other contributions for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution or dissemination of educational television or radio programs and related activities, from any source other than (i) the United States or any agency or instrumentality of the United States; or (ii) any public broadcasting entity; or

(B) as gifts, grants, donations, contributions, or payments from any State, or any educational institution, for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution, or dissemination of educational television or radio programs, or payments in exchange for services or materials with respect to the provision of educational or instructional television or radio programs.

Such term includes the fair market value of personal services of volunteers, as computed using the valuation standards established by the Corporation and approved by the Comptroller General, but only with respect to such services provided to public telecommunications entities after such standards are approved by the Comptroller General and only, with respect to such an entity in a fiscal year, to the extent that the value of the services does not exceed five percent of the total non-Federal financial support of the entity in such fiscal year."

B. CRITERIA

- (1) **LICENSING AND POWER:** The station must be licensed by the FCC as a noncommercial, educational radio station. The station must have transmitter power sufficient to provide a primary signal (1 mv/m for FM; 0.5 mv/m for AM) to the community of license.
- (2) **MANAGEMENT AND STAFF:**
 - (a) A minimum of five full-time professional radio station staff must be employed on an annual (12 month) basis. At least three full-time staff members should be employed in managerial and/or programming positions. Minimum staff cannot be paid with CSG funds.
 - (b) Full-time, professional, radio station staff includes permanent personnel with demonstrated skill and expertise in the management, programming, production, promotion, development, or engineering areas of radio station operation, paid no less than the minimum federal hourly wage plus regular benefits, whose terms of employment require the exercise of full-time duties in one or more of these areas.
 - (c) Custodial and clerical staff, students whose student status is a condition of employment, interns and trainees, do not meet the definition of this criterion, nor do personnel teaching more than one three-hour credit course per semester.
 - (d) Persons employed on a non-permanent basis, such as on a public service employment training program grant, or a CPB training grant, cannot be considered full-time professional radio station staff to meet this criterion.
- (3) **FACILITIES:** A station must have sufficient, professionally equipped on-air and production facilities to allow for broadcast of programming of high technical quality including the capability for simultaneous local production and origination. In addition, sufficient office space must be provided.
- (4) **BROADCAST OPERATIONS:** The station's minimum operational schedule must be 18 hours per day, 365 days per year. However, any station which is restricted in its hours of operation by the terms of its license to less than the minimum required by the CPB policy will be eligible for assistance if all other criteria are met.
- (5) **PROGRAMMING:**
 - (a) The station's daily broadcast schedule must be devoted primarily to programming of good quality which serves demonstrated community needs of an educational, informational, and cultural nature, within its primary signal area. Such programming should be intended for a general audience.

- (b) A program schedule designed to further the principles of particular religious philosophies does not meet the definition of this criterion.
 - (c) A program schedule designed primarily for in-school or professional in-service audiences does not meet the definition of this criterion.
 - (d) New applicants in areas already served by a CPB-qualified station must propose a substantially different program service from the existing CPB-qualified station(s) in the area, and clearly identify the varying needs and interests of the audience to be served. For the purpose of this criterion, counter-scheduling of programs does not constitute a substantially different service.
 - (e) The station must originate a significant, locally produced program service designed to serve its community of license.
- (6) **NON-FEDERAL INCOME:** Each grantee must have a minimum non-Federal annual income of \$130,000.

7. JOINT LICENSEES:

- (a) Joint AM/FM or FM/FM stations operated by the same licensee in the same community may be individually qualified for CPB assistance under the following conditions: (i) Each station must provide a separate and distinct program service for the community of license, comparable in length to at least the minimum required for CPB-qualified stations. (ii) Each station must meet all other criteria for determining assistance eligibility.
- (b) AM/FM stations and FM/FM stations operated by the same licensee in the same community may combine capabilities of both stations in order to qualify one of the stations.

C. SPECIAL PROVISIONS

(1.) Each station must maintain financial books and records in accordance with generally accepted accounting principles, and certify its eligibility to meet the foregoing criteria by submitting an eligibility criteria statement along with a Community Service Grant application, and must complete the CPB annual financial survey by the deadlines specified by CPB. No grant payments will be made to any station until all of its required applications and surveys have been audited and approved.

QUALIFICATION PROCEDURES

Stations which meet the minimum requirements of the criteria outlined herein may contact CPB for a qualification survey.

Qualification surveys are accepted for review throughout the year, however stations wishing to be included in the next coming grant year which begins October 1 and ends September 30, must submit a qualification survey by May 1.

For further information or to request a qualification survey, contact:

Broadcast Services
Corporation for Public Broadcasting
1111 Sixteenth Street N.W.
Washington, D.C. 20036
(202) 293-6160

APPENDIX E

CORPORATION FOR PUBLIC BROADCASTING
1111 Sixteenth Street N.W.
Washington, D.C. 20036

January 13, 1984

Statement of Qualifying Criteria
For
Television Community Service Grants

A. DEFINITIONS

(1) Eligible Grantee - For the purpose of this grant criteria statement, an "eligible grantee" shall be defined as an on-the-air (UHF or VHF) station operating under a noncommercial educational license granted by the FCC, which meets all the criteria set forth below.

(2) Non-Federal Financial Support (NFFS) - Current federal law, enacted in the Public Telecommunications Financing Act of 1978, defines NFFS as follows: "The term 'non-Federal financial support' means the total value of cash and the fair market value of property and services (including, to the extent provided in the second sentence of this paragraph, the personal services of volunteers) received-

"(A) as gifts, grants, bequests, donations, or other contributions for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution or dissemination of educational television or radio programs and related activities, from any source other than (i) the United States or any agency or instrumentality of the United States; or (ii) any public broadcasting entity; or

"(B) as gifts, grants, donations, contributions, or payments from any State, or any educational institution, for the construction or operation of noncommercial educational broadcast stations or for the production, acquisition, distribution or dissemination of educational television or radio programs or payments in exchange for services or materials with respect to the provision of educational or instructional television or radio programs.

"Such term includes the fair market value of personal services of volunteers, as computed using the valuation standards established by the Corporation and approved by the Comptroller General, but only with respect to such services provided to public telecommunications entities after such standards are approved by the Comptroller General and only, with respect to such an entity in a fiscal year, to the extent that the value of the services does not exceed five per-cent of the total non-Federal financial support of the entity in such fiscal year."

B. CRITERIA

(1.) **MANAGEMENT:** Each grantee must have a staff headed by a manager or other chief executive officer who:

- (a) has the responsibility and authority to determine when and what material shall be broadcast over the station; and
- (b) has the responsibility and authority to administer disbursements under a budget authorized by the governing board of the licensee.

(2.) **JOINT OR DUAL LICENSEE:** When more than one grantee is operated by one licensee, each such grantee in addition to the above, must be headed by a manager or other chief executive officer who reports directly to the governing board of the licensee; or in the case of university licensees, each general manager should report on an equal basis to the next level of governing superiors.

(3.) **STAFF:** Each grantee must have no less than five full-time staff, one of which is the manager or chief executive officer, and the equivalent of five additional full-time personnel. The term "full-time" will be understood to be the number of hours that constitute the normal acceptable work week at each institution or station. Likewise, each "equivalent full-time" position will mean equal to the number of hours for a normal work week at each station.

(4.) **NONFEDERAL INCOME:** Each grantee must have a minimum non-federal annual income of \$300,000.

(5.) **STUDIO/PRODUCTION FACILITIES:** Each grantee must have studio and production facilities and regularly produce and broadcast locally originated programming.

(6.) **PROGRAMMING:** Each station must meet the following broadcast minimums:

- (a) for stations beginning on-air service after the adoption of these criteria, during the first full year of on-air operation commencing on the October 1st immediately following issuance of Program Test Authority, broadcast on a minimum schedule of six days per week, fifty-two weeks per year, for a total of at least 2,500 hours; and
- (b) for all stations during the second such full year of operation and in all succeeding years, broadcast on a schedule of seven days per week, fifty-two weeks per year, for a total of at least 3,000 hours.

The station's daily broadcast schedule must be devoted primarily to programming of good quality that serves demonstrated community needs of an educational, informational and cultural nature, within its primary signal area. A program schedule designed to further the principles of particular religious philosophies does not meet the definition of this criterion.

(7.) **NONDUPLICATION:** CPB will provide CSG assistance to all eligible television stations that meet current criteria regardless of overlapping broadcast signals. However, a grantee seeking qualification in a market where a CPB-qualified television station already exists must demonstrate the intention to provide a substantially different program service or a new service to a substantial number of unserved homes. For the purpose of this criterion counter-scheduling of programs does not constitute a substantially different service.

C. SPECIAL PROVISIONS

(1.) Each station must maintain financial books and records in accordance with generally accepted accounting principles, and certify its eligibility to meet the foregoing criteria by submitting an eligibility criteria statement along with a Community Service Grant application, and must complete the CPB annual financial survey by the deadlines specified by CPB. No grant payments will be made to any station until all of its required applications and surveys have been audited and approved.

QUALIFICATION PROCEDURE

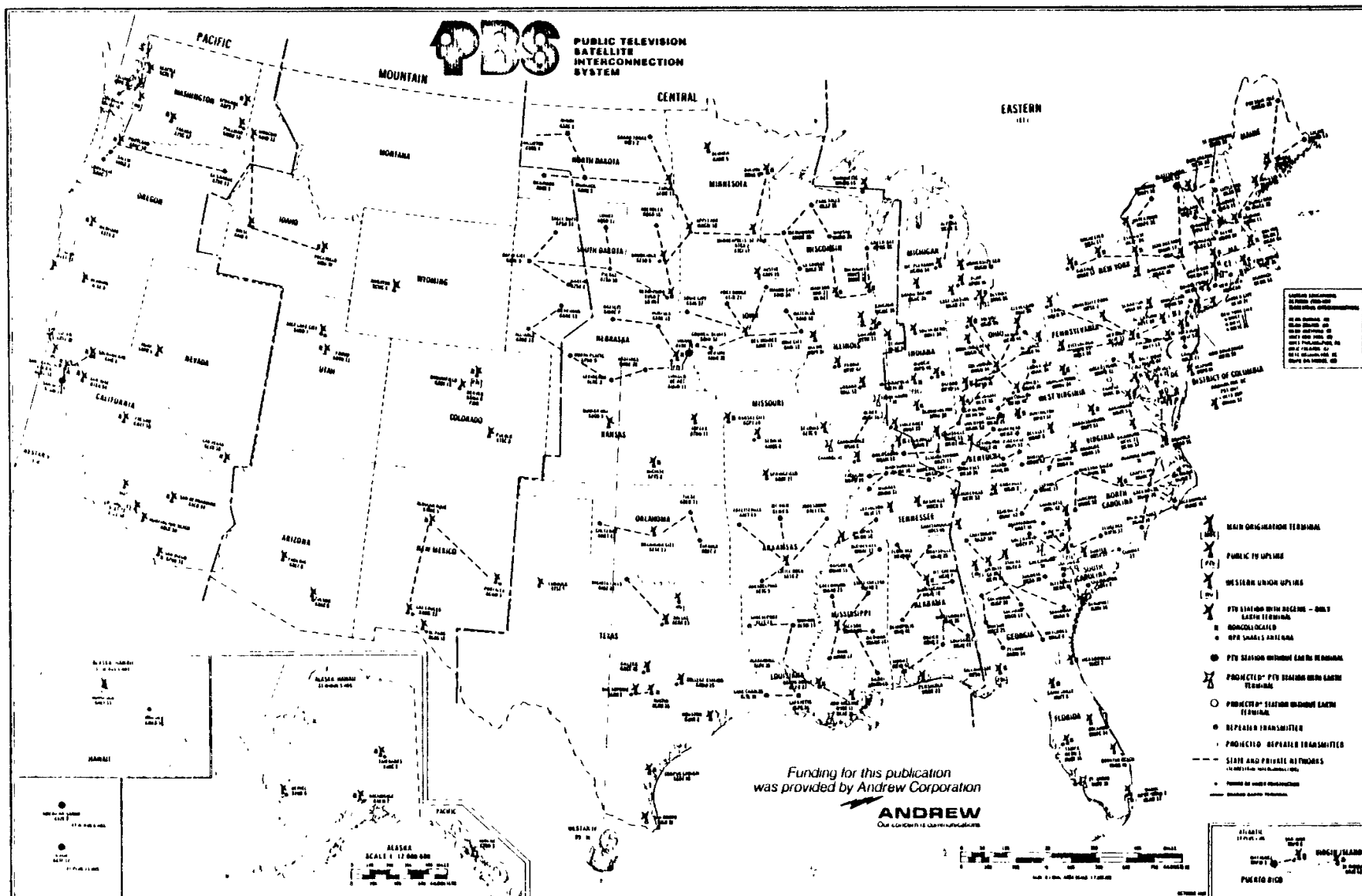
Stations which meet the minimum requirements outlined herein are eligible to apply for CPB Qualification by submitting a qualification survey.

For further information, or to request a qualification survey, contact:

Broadcast Services
Corporation for Public Broadcasting
1111 Sixteenth Street N.W.
Washington, D.C. 20036
(202) 293-6160

APPENDIX F

NPR INTERCONNECTION MAP

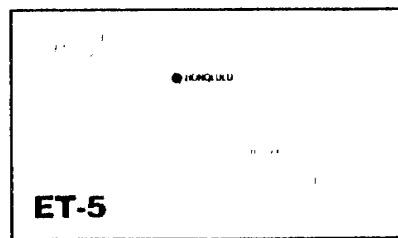
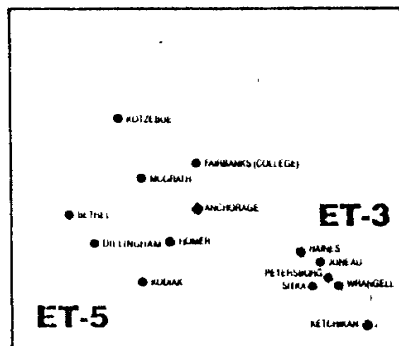
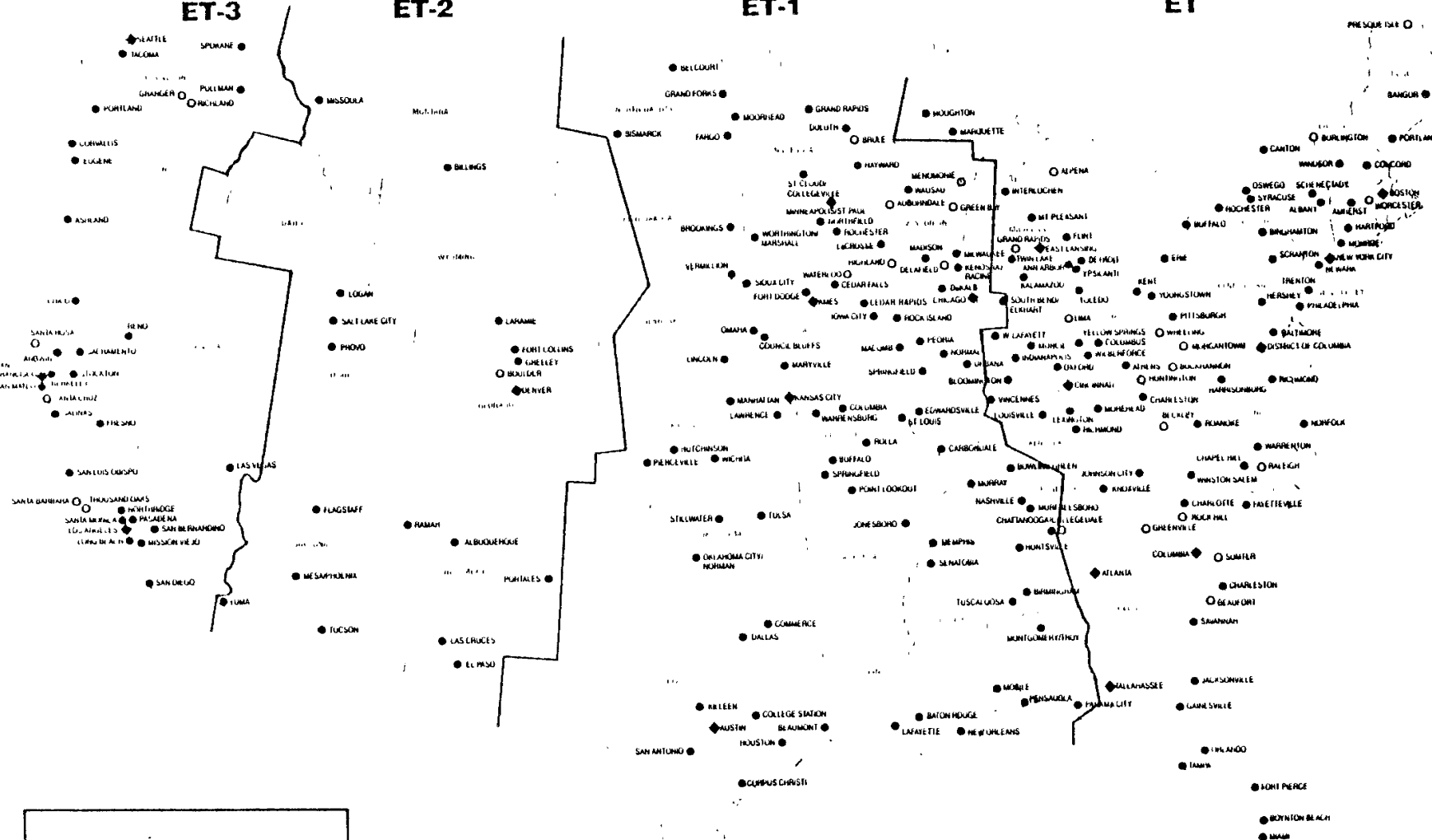


PACIFIC TIME
ET-3

MOUNTAIN TIME
ET-2

CENTRAL TIME
ET-1

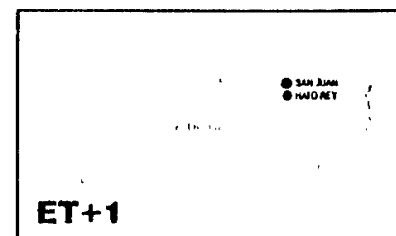
EASTERN TIME
ET



◆ STATIONS WITH SATELLITE
TRANSMIT/RECEIVE TERMINALS
(UPLINKS)

● STATIONS WITH SATELLITE RECEIVE
TERMINALS

○ STATIONS WITHOUT SATELLITE
TERMINALS



APPENDIX B

Issue Paper No. 1 - Public Broadcasting Programs and Services

ISSUE PAPER NO. 1

PUBLIC BROADCASTING PROGRAMS AND SERVICES

Introduction

The history of public broadcasting is as old as broadcasting itself. Known initially as "educational" radio and television, it was for many decades limited and primarily instructional. By the late '50's and early '60's public broadcasting had broadened its mission to include general interest programming and began to be known by its current title. With the passage of the Public Broadcasting Act and the inception of Federal support in 1967, public radio and television entered its modern era and began to rapidly expand to new markets and new audiences.

In relation to the rest of the country, the development of public broadcasting in Nevada has been a very recent phenomenon, with dramatic growth occurring only in the past five years. Each of Nevada's four full-service public broadcast stations, KLVX Channel 10 and KNPR-FM in Las Vegas and KNPB Channel 5 and KUNR-FM in Reno, developed independently of each other and their license holders reflect the diversity of the national system; two stations are licensed to non-profit, community corporations, one is licensed to the university system Board of Regents, and one is licensed to a local school district.

KLVX and KNPB, the two TV stations are affiliates of the Public Broadcasting Service (PBS). KUNR and KNPR are affiliates of National Public Radio (NPR). Ely, Elko, Winnemucca, Lovelock and Incline Village have received construction permits from the FCC and will soon begin low-power transmission of PBS and other programs. Tonopah is already providing public television via cable and Fallon may also join the system. KLVX, KNPB, KUNR and KNPR have met rigorous national standards related to budget, staff, broadcast facilities and program services in order to attain qualification from the Corp. for Public Broadcasting. (CPB)

Millions of dollars in Federal and local funds have been invested to equip, house and staff these stations to serve their communities. They are an important local communications, educational, civic and cultural resource, a growing community institution, and increasingly important factors in attracting new businesses to our state.

Public broadcasting is in a period of transition. Stations have been faced with rapid technological change within the telecommunications field, deregulation, and severe financial constraints caused by Federal withdrawal of funding, hampered further by economic recession and its ripple effect. Results of these financial shortages has led to local program production, staff and equipment cuts in public broadcasting, both here in Nevada and throughout the national system.

The most damaging effect of funding shortages has been the reduction of local program production, the backbone of local public broadcast stations. The tools remain in place for active local production to resume. All that is wanting is the resources.

PROGRAM SERVICES

RADIO

Both KNPR, Las Vegas and KUNR, Reno broadcast an average of 20 hours a day, 365 days a year. This combined broadcast schedule accounts for more than 14,000 hours of annual program service.

.....Local programming--- Local programming is diverse and dedicated to those areas unserved or underserved by commercial broadcasters. Classical music, news and public affairs and jazz are the predominant ingredients of both stations programming with special audience programs like blues, bluegrass, radio drama and bi-lingual programming included as additional offerings. In most cases, public radio is the sole source in each community for the type of programming they broadcast.

.....Arts and Cultural programming---Both stations are very active in supporting the arts and cultural activities of their service areas. KUNR broadcasts the Reno Philharmonic and produced a legislative series in 1983 that was distributed throughout the state to both commercial and non-commercial stations. KNPR has helped local artists and musicians and expanded arts audiences by providing theatre and concert previews and reviews, events promotion and broadcasting live classical, jazz and bluegrass performances from its studios.

.....National programming---Programming provided by National Public Radio (NPR) and other national sources, include the multiple award-winning news magazines Morning Edition and All Things Considered, children's radio dramas like Star Wars and Songs Jumping in My Mouth, comedy from Prairie Home Companion and The Bob and Ray Public Radio Show, plus cultural specials, live events coverage and exclusive documentaries.

.....Tourism and Economic Development--- Nevada's efforts to increase tourism and diversify its economic base has been aided by public radio's national program production. Over the summer of 1983, KNPR distributed 13 one hour jazz performances, with big name jazz stars, from the Four Queens Hotel via satellite to 83 public radio stations. After the success of that initial series, Jazz Night from Las Vegas is back in production with funding from the Four Queens, the American Public Radio Program Fund and the National Endowment for the Arts. Canadian and international distribution is also being pursued.

.....Service Extension--- Both KUNR and KNPR are reaching out to outlying communities to extend public radio "first service". KNPR applied in Jan. 1984 for funding to extend its signal to the southern Nevada communities of Pahrump, Indian Springs, Overton, Glendale and Moapa, to improve service to Henderson and Boulder City and triple the stations power in the Las Vegas metropolitan area. Through this project, 48,000 more people will be served by public radio. KUNR is also extending its signal, via translator, to Winnemucca and Incline Village.

.....Volunteers---Each station, both radio and television, utilize a core of paid professional staff, augmented by community volunteers. Volunteers are active in a wide variety of station activities, including announcing, fundraising, public relations, program production and administration. Volunteers are an indispensable part of public broadcasting and a telling indicator of community acceptance.

.....Audience---Audience acceptance of both stations has been good. Arbitron statistics show KNPR's audience has grown from 9,000 weekly listeners to almost 20,000. KUNR's audience has shown similar growth and reaches a similar weekly audience of almost 20,000 adult weekly listeners.

TELEVISION

Public television is justifiably proud of its well-deserved reputation for diverse programming of the highest possible quality. Over 12,000 hours of public TV is beamed to Nevadans annually by Channel 10 in Las Vegas and Channel 5 in Reno.

.....National programming---Children's programming continues to be a high priority for public television and one in which it excels. Programs like Mr. Roger's, The Electric Company, Reading Rainbow and Sesame Street are unquestionably the best children's programs on television. Annually over 1500 hours of programming are devoted by public television to this special audience. Also contributing to public TV's success are performance programs like Masterpiece Theatre and American Playhouse, science shows NOVA, Nature and the National Geographic specials, television's only news hour The McNeil /Lehrer Report, and business shows like Wall Street Week.

.....Local programming---Nationally acquired programs are supplemented by local production, designed to reflect the community to itself. Channel 10's documentary series Reel to Reel takes a weekly look at important state and local issues and interests, Nevada Week in Review surveys the past week's headlines with analysis by local journalists, while Washington Quarterly gives southern Nevadans a live view from the Potomac by their elected officials.

.....Tourism and Economic Development--- At present, the Reel to Reel series is being provided through the Pacific Mountain Network, a western regional network, to PBS and is being seen throughout the country, giving Nevada and particularly Las Vegas, a treatment helpful in dispelling the "image problems" that we suffer.

.....Instructional television--- Another important element of public television is its instructional programming. Presently KLVX offers a full in-school instructional television (ITV) schedule on four closed circuit ITFS channels, as well as morning and daytime instructional programs on the main channel. In Clark County, ITV is integrated into the curriculum to the extent that 75% of its teachers utilize it in the classroom. Besides the K-12 services, adult education is also served. KNPB, Reno is offering two college courses in cooperation with local community colleges. KLVX is offering 8 college credit courses through UNLV and the Clark County Community College. These local activities are part of a cost effective, national trend toward increasing public TV's service to out-of-school adults interested in continuing their education.

.....Audience—Despite financial restraints and the proliferation of competition through cable and pay TV, public televisions audience is at its highest level ever.

KNPB in Reno, after only one month on the air, was ranked 85th among over 300 public TV stations in audience reach. One out of every three households in the Reno area were public television viewers.

In Las Vegas, 36% of metropolitan households reported to be tuned to KLVX at sometime during the day.

RURAL TV PROJECT/MINI-STATIONS

When the planned system is realized, Ely, Elko, Winnemucca, Lovelock, Incline-Village, Tonopah and Fallon, through satellite-fed low-power television installations, will provide public televsion to their communities. Each of these rual, "mini-stations" are independent, and licensed to non-profit corporations or local governments. Funding for construction has been made available by Federal grants matched by locally generated funds.

Now at various stages of development, these rural, low-power TV stations will eventually be capable of receiving and broadcasting PBS programs directly off-satellite, carrying programming from KLVX & KNPB, or purchasing programming from syndicated sources. They will also have the ability to originate local programming to serve their communities. With the completion of this innovative system, virtually complete coverage of Nevada by public television will be accomplished, thereby assuring a delivery system capable of reaching % of Nevada's population.

CONCLUSIONS AND RECOMMENDATIONS

After a 18 month study, the congressionally appointed Temporary Commission on Alternative Financing for Public Telecommunications issued its Final Report in October, 1983. A portion of their findings are directly relevant to SCR 24's direction to include "...special consideration of state support for the operation of systems of public broadcasting." These relevant conclusions are as follows:

1) Public broadcasting clearly has the potential to maintain, enchance and expand the reach of its audience.

Public broadcasting entities in Nevada play a vital role in public service and in providing education to their listeners and viewers. Yet more and better services can be provided. On the TV side, the realization of the mini-station system will give virtual complete coverage of Nevada by public television. The delivery system will be in place but the resources to creatively and efficiently use the system is still missing. We are only utilizing a small part of the potential that presently exists.

2) Significant increases in revenue are essential if public broadcasting is to be maintained, enhanced and expanded.

In 1983, KLVX, the station that initiated television legislative coverage in Nevada could not cover the session due to lack of funding. So the future, in many cases, is to recapture lost ground. With additional resources, however, live daily radio reports from the legislature

could be produced and distributed statewide. A legislative news service could also be established. Public TV could also substantially increase its ITV and college level credit program and other local productions. With additional resources and access to the state microwave system, public radio could link the two major population centers and via translator, complete coverage of Nevada by public radio.

3) Balance and diversity in funding sources are essential to the unique character of public broadcasting services.

Unlike commercial broadcastings almost total reliance on advertising, public broadcasting financing is a mixture of government appropriations, voluntary private contributions and station generated income. The addition of some state support would strengthen Nevada public broadcasting by fostering independence from any single funding source and encourage the provision of program production that serves many different purposes and audiences.

Now, therefore our recommendations are as follows:

1) That the State of Nevada join with stations, the Federal government, business and corporations, foundations and individuals in the financial partnership that supports public broadcasting.

2) That such support be provided through an annual "Community Production Fund", such funding to be utilized to produce programs of community and/or statewide significance.

3) That such funding be provided only to those public radio and television stations who meet certain standards of qualification.

4) That such funding be structured so as to provide the optimum incentive for local stations to generate additional revenue.

APPENDIX C

Coordination of the Systems of Public Broadcasting and State Telecommunications in Nevada

COORDINATION OF THE SYSTEMS
OF PUBLIC BROADCASTING
AND
STATE TELECOMMUNICATIONS
IN NEVADA

INTRODUCTION

Senate Concurrent Resolution No. 24 directs the legislative commission to study "ways in which existing state facilities for telecommunication might relate to or be connected with systems for public broadcasting".

Factors influencing the development of Nevada's public broadcasting and telecommunications systems include:

Expansive and mountainous terrain

Two major population centers separated by nearly 500 miles, small communities scattered statewide

Several different public entities have used diversified approaches to meet Nevada's public telecommunications needs

No current means for channeling state financial support for operational, programming, and equipment budgets

Availability of funding from Department of Commerce (NTIA) has resulted in recent support for equipment in several Northern Nevada communities

This paper will briefly describe our current status with regard to telecommunications facilities and its primary utilization throughout the state. Recommendations will then be presented regarding "ways in which existing state facilities for telecommunications might relate to or be connected with systems for public broadcasting".

CURRENT FACILITIES AND UTILIZATION

I. State Communications System

The State Communications System, sometimes called the State Microwave System, serves nine cities and towns within the State of Nevada. There are twenty-eight sites used in the communications system, twenty-one of these sites are on mountain tops (see map).

This system is managed by a Coordinator of Communications, maintained by three microwave technicians and governed by a three-man board called the State Communications Board. The three-man board is governor appointed. The agency responsible for the communications system is the Communications Subdivision of the Nevada Highway Patrol.

The System is capable of furnishing 480 channels, or point-to-point communication paths.

Presently there are 134 channels in use:

- 69 for radio control
- 51 for telephones
- 14 for data transmission

Examples of users include the Highway Patrol, University Computer Center, Employment Security Department, Department of Transportation, and the Department of Motor Vehicles.

II. University of Nevada, Reno

The Office of Communications and Broadcasting, UNR, operates an audio interactive teleconferencing system which interconnects 17 rural sites (see map). The control center which is located at UNR is capable of also interconnecting telephone participants from anywhere in the country.

The "Learning Centers" in the seventeen rural communities are equipped with AV equipment, ten having color videotape and monitoring equipment.

Examples of use include:

- College credit courses in Medical Technology, Nursing, and Economics

- Statewide planning meetings by College of Agriculture, Rural Health (Medical School), Silver State Reading Association, University of Nevada, and the State Department of Education

- Delivery of health information to Multiple Sclerosis patients scattered throughout the state from physician specialist in New York City

- Personnel recruitment and interviewing during national searches for staff

III. Public Television

- A. KNPB/Channel 5, Reno, has recently completed installation of a \$1.2 million state-of-the-art broadcast facility.

- The facilities include television recording and post-production equipment. Three broadcast quality studio/hand-held configuration color cameras, and a fully computerized editing system are used for local production.

Stereo simulcasts are easily produced due to "across the half" adjacency to KUNR, the Public Radio station in Reno.

PBS network programming is received via a 10 meter satellite antenna on the outskirts of Reno, and is interconnected to the studio by microwave.

- B. KLVX/Channel 10, Las Vegas, has resided within their television center since 1979. The facility has two 60' x 60' studios with separate video and audio control rooms for each studio. The PBS network program feeds are received by a 10 meter satellite antenna at Southern Nevada Vocational Center, interconnected to the studio by a two step microwave system.

The transmitter is located atop Black Mountain in the southern end of the valley. The Channel 10 signal is translated to Goodsprings, Indian Springs, Pahrump in Nye County; Pioche, Panaca, Caliente, Urisine in Lincoln County; and East Ely, Ely, Ruth, and McGill in White Pine County. The Channel 10 signal is also carried by cable and translator by several communities in California and Arizona.

Listed below are highlights regarding use of public television in Nevada.

Channel Five and Channel Ten jointly provide more than 12,000 hours per year of non-commercial public television programming for Nevadans.

Channel Five and Ten jointly provide 10 college credit courses over the air.

Channel Ten provides extensive Instructional Television programming for school children (K-12).

Channel Five will begin K-12 ITV this fall.

Channel Ten produces more than 150 hours of local programming per year. (7 programs per week)

Both Channel Ten and Channel Five participate in Internship programs with the University. The facilities are used as learning laboratories for broadcast students in the community.

IV. Instructional Television Fixed Service (ITFS)

Definition: A special broadcast service which allows transmission (narrowcasting) of programming on "closed-circuit" channels which is received by down converters at the site of the learners.

- A. This service is licensed to the Clark County School District. There are 8 transmitters with 4 channels allocated to the "C" group, and 4 to the "E" group.

Most schools in Las Vegas are cabled providing access to four ITFS channels as well as an additional fifth channel for local school instructional productions.

This system provides more than 5,000 teachers and 90,000 students with a five channel Instructional Television Service.

- B. Northern Nevada has applied to the FCC through a cooperative agreement between Channel Five and the University of Nevada, Reno, to bring ITFS distribution services to the Reno/Carson City and surrounding area.

V. Public Radio

- A. KNPR FM-89 has studio facilities in Las Vegas at 5151 Boulder Highway. This is a full service public radio NPR (National Public Radio) affiliate with three production/on-air studios, recording studio, news room, music library, master control room, and office area (see attached floorplan).

From the radio studio the signal is transmitted via STL (studio to transmitter microwave link) to a 5,000 watt transmitter at Black Mountain, 10 miles south of Las Vegas.

A 4.5 meter satellite antenna is located adjacent to the studio facility, capable of receiving 12 channels of audio from Westar IV.

KNPR applied in January 1984 to the Department of Commerce, NTIA/PTFP for a grant to increase power to 21,000 watts and to install four translators to extend KNPR's signal to Pahrump Valley, Indian Springs/Mercury, Orono/Glendale, and Henderson/Boulder City.

- B. KUNR FM-88 has studio facilities at the University of Nevada, Reno. A full service public radio NPR affiliate, the facility has an on-air control room, production room, music library, news area, and master control room.

The signal from the studio is sent via STL to McClellan Peak, approximately 18 miles south, to a 20,000 watt transmitter. Translators in Winnemucca and Incline Village will soon be activated to serve those rural communities.

A 4.5 meter satellite antenna is located north of the College of Education Building, capable of receiving 12 channels of audio from Westar IV. This antenna is also equipped to receive video for instructional uses.

Listed below are highlights regarding use of public radio in Nevada.

The two major public radio stations (KNPR and KUNR) provide 14,000 hours per year of programming to listeners. Classical music, jazz, news and public affairs is the primary program content.

University-level and adult education materials are also available through public radio stations.

The facilities are also used as learning laboratories for high school and University students interested in broadcast careers.

VI. Rural Public Telecommunications

This project to bring public telecommunications services to seven of Nevada's rural communities was initiated by the University of Nevada, Reno, three years ago. The following communities have been approved for facilities funding from the Department of Commerce:

Tonopah has become operational with cable-only service awaiting their construction permit to broadcast via low power transmitter.

Fallon is waiting receipt of construction permit.

Ely, Elko, Winnemucca, Lovelock, and Incline Village have received the FCC construction permit, and have ordered equipment.

All communities are approved for the following equipment:

+A 4.5 meter satellite antenna aimed at Westar IV which is capable of receiving one of the 24 channels of video from the satellite. Also received from Westar IV are computer data impulses which provide control information and computerized messages.

+A control center adjacent to the satellite antenna houses computer equipment which automatically "operates and switches" the facility, a videotape player, and a character generator.

+The character generator allows the community to broadcast local, regional, road condition, weather, emergency, community events type messages at each station break. The character generator is computer driven allowing the community to input messages from computer terminals located in the community. The technical design provides for the insertion of messages from other communities, or from anywhere in the state.

+The television signals received from the satellite (PBS, college credit courses, instructional), programs from videotape, and local productions are sent via microwave from the control center to a UHF low power 100 watt transmitter.

The primary purpose for these facilities includes:

Delivery of public television, college credit courses, and instructional programming to seven Nevada rural communities.

Provide a means for the community to broadcast local, regional, statewide messages regarding local information, weather and road conditions, meetings, and local emergencies.

To broadcast local programs live or videotape distributed from Nevada PBS stations, tape libraries, University, or shared between communities.

RECOMMENDATIONS

1. It is recommended that state funds be allocated for the purpose of extending public broadcasting signals to unserved Nevada communities, and to replace out-of-date facilities currently providing service.

TELEVISION:

Although most Northern Nevada communities have recently received funding from the Department of Commerce and their respective communities for new equipment, the facilities at Channel 10 in Las Vegas require upgrading.

There are also several rural areas still without the means to receive public television.

RADIO:

The primary need in public radio is to extend coverage to unserved rural areas throughout the state.

2. It is recommended that revisions be made in the Nevada Revised Statutes which will encourage the expanded utilization of the State Communication System for public telecommunications activities.

There has been much discussion regarding expanded use of the State Communication System for two-way video and audio, especially to interconnect Las Vegas and Reno.

Potential expanded use includes two-way interconnection between the Universities, Community Colleges, public broadcasting facilities, major medical centers, libraries, convention centers, and legislative meeting rooms. Several issues, including establishment of priorities for use, revenue generating activities by users, and expansion of the system need review and action.

Revisions in the statutes are needed to expand representation on the State Communications Board, and to provide the mechanism for a significant increase in utilization of the system.

3. It is recommended that planning funds be provided to conduct a market analysis, and to determine potential cost benefit to the state for the interconnection of telecommunications facilities throughout Nevada, reporting results to the next legislative session.

Examples of future expansion and uses include:

Expand the State Communications System for state telephone service resulting in savings for toll calls between the major cities.

Add the University of Nevada/Reno teleconferencing system to the State Communications System, complementing the audio interactive capabilities with computerized graphics, and facsimile, which would enhance use of the system for legislative hearings, statewide meetings, exchange of emergency medical information, and continuing education.

Upgrade the State Communications System for high quality two-way audio transmissions between Reno and Las Vegas improving public radio's statewide coverage of legislative events, ability to exchange cultural programming, and to provide more comprehensive news coverage statewide.

Expand the State Communication System to include two-way video between Las Vegas and Reno/Carson City. Potential uses include conducting legislative hearings, delivery of instruction by state educational entities (University of Nevada, Desert Research Institute, State Department of Education), exchange of programs by public television stations, and holding meetings between groups based in Las Vegas and Reno/Carson City.

Add satellite uplinking capability to the system in Las Vegas for video and audio distribution. Potential use includes distribution of video/audio information from Nevada to anywhere in the United States via satellite, distribution of television programming to rural communities, and marketing the facility to export entertainment, sports, and convention activities.

APPENDIX D

Public Television Governance and Funding

INTRODUCTION

Our society stands on the threshold of a new era, an era which has no comparison in history. This new era is based to a large degree on communication.

In his book, Megatrends: Ten New Directions Transforming Our Lives, John Naisbitt looks at the emerging trends in our society.

His first Megatrend deals with the movement from an industrial to an informational society. How does government cope with this change? In looking at the ten new directions which he identifies, seven of them deal with some type of communication.

How can society handle the changes that are emerging especially in light of the required communication?

It probably will not be accomplished without a healthy viable Public Broadcasting System.

This is why the State of Nevada should look seriously at supporting Public Broadcasting in Nevada.

The State of New York does not look at how much Public Broadcasting cost, but rather how much out-of-state revenue it generates. (See Attachment #1)

ATTACHMENT #1

Public Broadcasting Generates \$4 in Out-of-State Revenues for Every Dollar of State Support

	FY'78	'79	'80	'81	'82
Out-of-State Revenues*	\$33.3	37.0	43.9	43.7	44.3
State Funding*	7.5	9.9	9.9	9.7	14.7
Ratio of Out-of-State \$ to each \$ of State Support	4.44	3.74	4.43	4.50	3.01

Five-Year Average = \$4.02 in Out-of-State Funds for Each Dollar of State Support

*In millions

Public Broadcasting is New York's Only Educational or Cultural Organization Substantially Supported by Out-of-State Funds

Since 1975 out-of-state dollars have paid for over half the cost of operating New York's public broadcasting system, including capital expenses. Out-of-state dollars as a percentage of total expenses have ranged between 49 and 65 per cent and have averaged 55.7 per cent over the eight-year period.

Public Broadcasting Brings Millions of Out-of-State Dollars into New York — \$275 million since 1975; \$44.3 million in FY 1982.

The FY 1982 out-of-state funds came from eight sources:

Operating grants from the Corporation for Public Broadcasting	\$9.5 million
Facilities grants from the U.S. Departments of HHS and Commerce2 million
Federal grants for program production	4.3 million
Grants from national corporations for program production	14.0 million
Grants from national foundations for program production	4.0 million
Sale of New York-produced TV programs in the U.S. and abroad	5.7 million
Contributions from viewers in Canada, CT, VT, NJ, MA, and PA	6.0 million
Federal training grants and Miscellaneous6 million
Total	\$44.3 million

PUBLIC TELEVISION GOVERNANCE AND FUNDING

Governance

The Federal Communications Commission Regulations state that the holder of a television or radio station license is responsible for the operation of the station. This responsibility can be delegated but not transferred.

This has created some problems in government but not to any great degree. States have continued to support Public Broadcasting.

The governance of Public Broadcasting at the state level is as diverse as the number of states involved. In those cases where states governments are the licensee it is simple. The state agency holds the license and the state legislature provides the operating funds. A good example of this are the public television stations in Arizona and Idaho.

In those states where a local entity holds the license, such as the public television station in Denver, Colorado, an appropriation is made for both public television and instructional television. The licensee is accountable for the use of the funds and their disbursement to the State of Colorado.

Certainly if there is direct state support for Public Broadcasting there should be some type of oversight, this was agreed in the subcommittee of the subcommittee.

How would this be accomplished? It would appear that, in order to keep expenditures to a minimum, this responsibility should be absorbed by an existing state agency such as the State Communications Board, for example. The membership of the board would be expanded and additional operating funds for the board would be provided from Public Broadcasting funds of the state legislature.

This type of governance is a proven method having been used by the States of Idaho, Colorado, Arizona and Washington.

Funding

Funding for Public Broadcasting has historically been considered in three general areas.

1. Funds for operating cost
2. Funds for equipment cost
3. Funds for production cost

A case can be made for each of the three categories. The funds for operating expenses are generally speaking the most sought after funds. There are few strings attached to them and they will assist in the total budget. The funds for equipment are welcomed by broadcasters because these funds are for large ticket items, for which stations have a difficult time generating funds.

The last area, funds for productions, are sought after by stations because of their high visibility. The tax payer sees the product that his tax dollars went toward. The programs, generally of a public service nature, are also liked by the legislators allocating the funds.

Funds for Public Broadcasting in other states are allocated in several ways. In the state of New York, funds for Public Broadcasting are generated by a per capita allocation of .75--raised this year to \$1.00. (See Attachment #2) These funds are then allocated to each station with an established dollar guarantee (450,000) plus a match for local contributions to the station.

In the State of Florida, each television station receives \$500,000 in state support; radios \$85,000.

The State of Ohio provides state support from two sources. The Ohio Public Broadcasting Network provides \$3 million for the network, plus \$100,000 for each station for instructional television.

These three examples are certainly not typical but neither are they the most ideal situation. The State of South Carolina provides in excess of \$13 million for Public Broadcasting.

There are other unique and creative methods to provide support for Public Broadcasting. The State of California has a unique approach to funding Public Broadcasting. In a bill pending in the legislature it is proposed that a dedicated sales tax on audiovisual equipment be set aside as a revenue source to support Public Broadcasting.

Another approach is the New Mexico Commission on Public Broadcasting, a nonstatutory organization created by the

Funding contd

Governor, that coordinates all noncommercial broadcasting within New Mexico. This agency has no control over the stations and is only a coordinating commission. They do make recommendations on how the Public Broadcasting equipment funds in the Governor's office budget will be allocated.

One thing should be pointed out to all participants: state government dollars have been the single largest provider of support for Public Broadcasting since the Public Broadcasting Act was passed in 1967.

ATTACHMENT #2
STATE OF NEW YORK

S. 3979

A. 5502

1983-1984 Regular Sessions

SENATE—ASSEMBLY

March 1, 1983

IN SENATE -- Introduced by Sens. LOMBARDI, BARCLAY, ANDERSON, AUER, BAB-BUSH, BARTOSIEWICZ, BERMAN, BERNSTEIN, BOGUES, BRUNO, CALANDRA, CONNOR, DALY, DUNNE, FARLEY, FLOSS, FLYNN, GALIBER, GAZZARA, GOLD, GOODMAN, HALPERIN, JOHNSON, KEHOE, LACK, LAVALLE, LEICHTER, LEVY, MARCHI, MARKOWITZ, MASIELLO, MENDEZ, MONTALTO, NOLAN, PADAVAN, PERRY, RUIZ, SOLOMON, STACHOWSKI, STAFFORD, TRUNZO, TULLY, VOLKER, WEINSTEIN, WINIKOW -- read twice and ordered printed, and when printed to be committed to the Committee on Higher Education

IN ASSEMBLY -- Introduced by M. of A. McCABE, SIEGEL -- Multi-Sponsored by -- M. of A. ABRAMSON, BARRAGA, BECKER, BEHAN, BENNETT, BIANCHI, BRANCA, BRODSKY, BURROWS, BUSH, BUTLER, CASALE, CATAPANO, CHESBRO, COCHRANE, CONNELLY, CONNERS, CONNOR, COOKE, COOMBE, D'AMATO, D'ANDREA, DAVIS, DeLORO, DUANE, DUGAN, ENGEL, EVE, FELDMAN, FERRIS, FLANAGAN, FREDA, FRIEDMAN, GANTT, GOLDSTEIN, GORSKI, GOTTFRIED, GRABER, GRANNIS, GREEN, GREENE, GRIFFITH, HALPIN, HANNON, HARENBERG, HAWLEY, HEALEY, HEVESI, HIKIND, HINCHEY, HOBLOCK, HOCHBRUECKNER, HOYT, JACOBS, JENKINS, KEANE, KELLEHER, KOPPELL, KREMER, KUHL, LAFAYETTE, LANE, LARKIN, LASHER, LENTOL, LEVY, LIPSCHUTZ, MacNEIL, MADISON, MARSHALL, MAYER-SOHN, McCANN, McNULTY, McPHILLIPS, H. M. MILLER, M. H. MILLER, MURPHY, MURTAUGH, NADLER, NAGLE, NEWBURGER, NINE, NORMAN, NORTZ, O'NEIL, ORAZIO, PARMENT, PAROLA, PASSANNANTE, PATTON, PAXON, PILLITTERE, PORDUM, PROUD, RAPPLEYEA, RETTALIATA, RIVERA, ROBACH, ROBLES, RUGGIERO, A. W. RYAN, SANDERS, SAWICKI, SCHIMMINGER, SEMINERIO, SERRANO, SHEFFER II, SILVER, SLAUGHTER, SPANO, STAVISKY, STRANIERE, E. C. SULLIVAN, P. M. SULLIVAN, TALLON, TALOMIE, TEDISCO, VITALIANO, WALDON, WALSH, WARREN, WEINSTEIN, WEPRIN, WERTZ, WESLEY, WILSON, WINNER, YEVOLI, ZIMMER -- read once and referred to the Committee on Higher Education

AN ACT to amend the education law, in relation to providing assistance for public television and public radio stations

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [] is old law to be omitted.

LBD03184-01-3

1 Section 1. Paragraphs a and d of subdivision four of section two hun-
2 dred thirty-six of the education law, as amended by chapter three hun-
3 dred eight of the laws of nineteen hundred eighty-one, are amended to
4 read as follows:

5 a. There shall be annually apportioned, as assistance for approved
6 operating expenses of public television corporations governed by the
7 provisions of this section, an amount not exceeding the total of
8 [seventy-five cents] one dollar multiplied by the number of residents of
9 the state as determined from the nineteen hundred [seventy] eighty
10 decennial federal census. Such amount shall be allocated to each such
11 corporation in accordance with a formula and schedule of payments
12 developed and approved by the commissioner and the director of the divi-
13 sion of the budget.

14 d. There shall be annually apportioned, as assistance for approved
15 radio programming operating expenses, an amount not exceeding [sixty]
16 eighty thousand dollars to each public television and radio corpora-
17 tion, governed by the provisions of this section, and to each public
18 radio station, as defined in paragraph f of this subdivision and paid in
19 accordance with a formula and schedule of payments developed and ap-
20 proved by the commissioner and the director of the division of the
21 budget. Recipients of assistance shall render a fiscal report to the
22 board of regents not later than October first of each year upon such
23 matters as the regents may require and shall furnish annually such
24 other fiscal reports as the regents may require.

25 § 2. This act shall take effect immediately.

CHANNEL 10 EQUIPMENT NEEDS

1.	Channel 10 Transmitter	(\$350,000)
	Local Match	\$ 87,500
2.	Satellite Uplink	(\$500,000)
	Local Match	\$125,000
3.	Two 1" Videotape Machines	(\$150,000)
	Local Match	37,500
4.	Two-way Reno-Las Vegas Microwave Link	(\$500,000)
	Local Match	125,000

RATIONALE

1. Our transmitter has surpassed the life expectancy established by the broadcast industry two years. Also, a new transmitter will extend our coverage.
2. With a satellite uplink we could begin to develop a traffic of users that would eventually bring revenue that would help to defray our operating costs.
3. The videotape machines would begin to replace our current machines that have outlived their expected useful life.
4. This system would be a real asset to the State of Nevada. It would also generate revenue and tie the two public television stations together.

APPENDIX E

Proposal for State Supported Programming for Nevada

PROPOSAL FOR STATE SUPPORTED PROGRAMMING FOR NEVADA

Goal: Half hour weekly news/information program on the affairs of Nevada to be distributed statewide by non-commercial and commercial television stations.

Background: Depending upon their geographical location, Nevadans rely upon out-of-state sources for their news. Western Nevada relies on California stations, Eastern Nevada on Salt Lake City, etc. There is no one broadcast voice for the state of Nevada. No Nevada produced news covers the entire state.

We propose a regular news show which would be produced in Nevada about happenings in the state, and which could be made available to all Nevadans via the station in their area.

Besides the commercial stations now serving portions of the state, there are currently two PBS affiliates serving the metropolitan areas of Reno and Las Vegas. By the end of the year, 1984 (it is expected), seven Nevada communities will have operating PBS "mini-stations". These communities will have the capability to receive and broadcast regionally generated programming as well as PBS offerings.

It will be possible to then distribute Nevada based programming to the entire state, including the now unserved rural areas. Using this "network", a regular news program produced in Nevada could be available to nearly all Nevadans.

Program Format: First fifteen minutes might deal with issues important to whole state

Last fifteen minutes could focus on issue in particular locale

Some communities could contribute "B" role, etc., depending upon local equipment and skills

Clips from commercial stations might be used in exchanged for providing them with the program, if they wished

Cost Proposal:	Program Producer (full-time)	30,000
	Part-time production personnel	22,500
	Production equipment rental	40,000
	Studio time rental	10,000
	ENG rental	30,000
	Satellite Distribution	
	(350/hr x 50 hours)	17,500
	Misc. travel, tape, film, etc.	50,000
		200,000

Assuming fifty programs per year, the cost would average about 4,000 per program. The funds requested would provide for basic programming costs. Some underwriting could be encouraged to provide additional funding.

The program would be produced using facilities of existing Nevada PBS stations and possibly commercial stations in Nevada.

Summary: This project will provide funds to produce and distribute a timely and informative program series that would be distributed on a weekly basis to most viewers in Nevada. Satellite distribution will provide the series to the "mini-stations" in small communities statewide, the two PBS stations (5 & 10), and the commercial stations which serve Nevada.

This series will make it possible to present current Nevada information to all Nevadans simultaneously, and will provide for program input from all geographical areas in Nevada.

APPENDIX F

Final Report - Temporary Commission on Alternative Financing for Public Telecommunications

Final Report Temporary Commission on Alternative Financing for Public Telecommunications

October 1, 1983

Executive Summary

Congress charged the Temporary Commission on Alternative Financing for Public Telecommunications to explore financing options to maintain, enhance, and expand public broadcast services to the American people. As part of its responsibility, the Temporary Commission oversaw an experiment in which some public television stations were permitted to broadcast advertisements under restricted conditions.

This Final Report of the Temporary Commission considers the context in which funding decisions for public broadcasting must be made, describes the Advertising Demonstration Program, and presents the following conclusions and recommendations to Congress:

Conclusions of the Temporary Commission

A. Public broadcasting clearly has the potential to maintain, enhance, and expand the reach of its services, as suggested in the Temporary Commission's mandate from Congress.

Public broadcasting's services are now available to virtually all of the American people without subscription fee. More than half of American families actually use public broadcasting's services weekly and audiences are growing, helped in part by cable distribution of local broadcast signals. In addition, the public's regard for public broadcasting services, as evidenced by opinion polls, is high.

B. Significant increases in revenue are essential if public broadcasting is to be maintained, enhanced, and expanded.

Despite growing audiences, public broadcasting's buying power barely grew in the period 1978-1982. For public television, losses in purchasing power from government and foundation sources offset rapid gains in business and individual giving, causing total buying strength to decline. Buying power for the public radio system increased somewhat over the five-year period, but expansion in national coverage (encouraged by Congress in 1978) absorbed purchasing-power gains for individual public radio licensees. Substantial federal budget cuts at the end of this period intensified reliance on voluntary sources of income for both systems. Financial shortages led to program production, staff, and equipment cuts in public broadcasting.

C. Venture activities will not become a substantial source of system-wide revenue in the foreseeable future.

Auxiliary business ventures are increasingly employed by public broadcasters. However, they have produced little discretionary income for public service purposes. Venture activities may provide helpful revenues for certain stations, but they are not expected to generate substantial net revenues system-wide.

D. Limited advertising could be a significant supplemental business revenue source for certain public television stations. However, many public broadcast stations would not carry advertising, and the significant financial risks associated with advertising cannot be quantified in advance. Further, these risks could extend to public broadcasting stations—both television and radio—which decide not to air limited advertising.

The Advertising Demonstration Program showed that limited advertising added significant net revenues to participating television stations' budgets under conditions where unions and copyright holders waived the right to renegotiate existing agreements. The demonstration program also discovered no negative impact on viewing patterns, numbers of subscribers, or contributions except that the data did raise a question concerning a possible adverse impact on the average contribution per subscriber. Also, under the conditions of the experiment, the Commission found no advertising-related effect on programming.

Most public television stations would not carry advertisements because of legal restrictions, local economic considerations, or concerns about advertising's impact on the character of public broadcasting. Advertising benefits would most likely accrue mainly to VHF stations in major markets and other stations well-situated to compete for advertising dollars. While this could generate capital for development of new programs, it appears that at least some of the risks associated with permitting limited advertising could not be restricted solely to the advertising stations. Relatedly, while the demonstration program allayed the worst concerns about the impact of advertising on other funding sources for public broadcasting, no experiment could show that offsetting reductions of subscriber, underwriter, or legislative support would not result eventually due to the presence of advertising.

Should Congress choose to authorize limited advertising, options for mitigating some potential effects include:

- Limiting duration and placement of advertisements;
- Ensuring continued diversity of funding sources in order to sustain programming independence;
- Maintaining compulsory licensing of copyrighted material for stations airing limited advertisements;
- Clarifying tax policy by specifying that all public station expenses could be deducted from any advertising revenue.

The demonstration program helped to define the costs and benefits associated with limited advertising, but only narrowed the range of uncertainty. The results of the demonstration program do not answer the question of whether authorization of limited advertising ultimately could produce gains for public broadcasting that would outweigh its costs. Despite the uncertainties, however, the Temporary Commission does conclude that at this time the benefit that some public broadcasting stations might gain additional revenues from the authorization of limited advertising does not balance the potential risks identified in this report. In sum,

the demonstration program indicated that potential revenues from advertising are limited in scope, while it did not show that significant risks to public broadcasting clearly would be avoidable.

E. Broadened guidelines for on-air credits for program underwriting (or general support grants) would provide additional revenue for public broadcasting.

The demonstration program showed that expanded underwriting credits generated additional revenues for participating stations. Gross revenues for individual stations would be substantially less than for limited advertising; however, acceptance of revised guidelines among public broadcasting stations would be far broader, and thus it is much more likely that expanded credits could be associated with nationally distributed programming. Additionally, expanded underwriting credits would pose fewer risks to other cost areas.

F. Balance and diversity in funding sources are essential to the unique character of public broadcasting services. Federal support stimulates other sources of revenue and is an indispensable part of public broadcasting's financial base.

Public broadcasting relies on a mixture of private voluntarism, discretionary government appropriations, and relatively minor earned-income devices. Federal support helps maintain the crucial balance in funding sources which is essential to maintaining the unique character of public broadcasting. Federal support, through matching incentives, stimulates other sources of revenue. Also, when it provides stable funding, federal support permits the long-term, investment necessary for production of quality programs. While public broadcasting has become increasingly self-sufficient and should continue actively to pursue such a course, there is no substitute for continued federal support.

Recommendations to Congress*

1. Renew public broadcasting's authorizing legislation for a minimum of three years (1987-1989) and maintain the advance appropriations procedures that afford insulation and aid program planning.

2. Set a target level of federal funding during this period that provides a strong base that allows public broadcasting to maintain, expand and enhance the reach of its services.

3. Structure federal funding so as to provide the optimum incentive for local stations to generate nonfederal funds.

4. Continue the existing prohibition on advertising unless it can be established clearly that:

■ Overall benefits to public broadcasting will exceed the costs; and

■ Stations that do not choose to carry limited advertising will not share the risks associated with advertising while not receiving direct benefits.

5. Further stimulate nonfederal revenue sources through the following actions:

A. Direct the Federal Communications Commission to modify its policies concerning underwriting acknowledgments to permit public broadcasters to identify supporters by using brand names, trade names, slogans, brief institutional-type messages, and public service announcements.

B. Repeal the unrelated business income tax penalty incorporated in the Public Broadcasting Amendments Act of 1981 and direct the Corporation for Public Broadcasting to make refunds to stations that have returned money as a result of this provision.

C. Reinforce support for regulatory policies that promote the effective distribution of public broadcast signals.[†]

* The Temporary Commission has determined not to make recommendations to Congress concerning either establishment of a trust fund or a national tax credit for contributions to public broadcasting. (See the first report of the Temporary Commission, *Alternative Financing Options for Public Broadcasting* at 71-72.) While these ideas warrant further consideration in the future, we have concluded that there is insufficient interest at this time to warrant efforts at the national level. Public broadcasters may wish to pursue adoption of tax credits at the state level similar to the system in Michigan that has proved helpful.

† Senator Packwood's representative dissented to the adoption of this recommendation.

† Senator Packwood's representative and Senator Hollings' representative dissented to the adoption of this recommendation.

I. Introduction

In 1981, Congress created the Temporary Commission on Alternative Financing for Public Telecommunications and charged it with exploring financing options that would help public radio and television "maintain, enhance, and expand the reach" of their services to the American people. It specifically directed the Temporary Commission to submit two reports on the feasibility of various financing options. The Temporary Commission's first report, which analyzed over 30 financing options, was forwarded on July 1, 1982. This is the second and final report.

In defining the Commission's responsibilities, Congress carefully directed it to ensure that no proposed new funding device would present an unacceptable risk of compromising the quality or content of public broadcast programming. A financially healthy public broadcast service was declared to be in the public interest, but financing that service in a manner that jeopardized its public service character, was not.

Several distinguished panels have preceded the Temporary Commission in studying public broadcasting's financing needs. This commission, however, is distinct from those bodies in several respects: it has a statutorily-imposed mandate and reporting requirement; it was granted special authority to test an un-

conventional funding device (advertising); and it includes regulatory agency, congressional, and other government members. These factors provide an enhanced degree of authority to its findings while imposing special responsibilities to consider the needs and interests of all concerned parties.

Discharging those responsibilities required the Temporary Commission to resolve two fundamental questions:

■ Does public broadcasting have the potential to grow as a public service, as Congress has urged?

■ If so, must Congress take any actions to stimulate that growth?

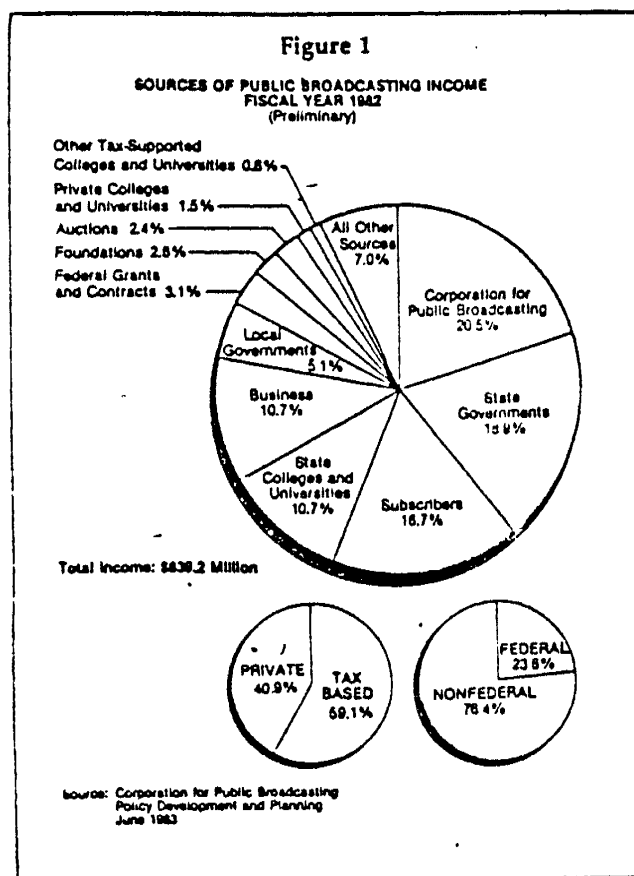
The answer to both questions is "yes." The congressional mandate itself, and the American people's growing consumption of public broadcasting services, provide persuasive evidence that public broadcasting has strong potential to expand its services, broaden its reach, and enhance its value to the public. The available evidence, nevertheless, indicates clearly that private voluntarism and auxiliary business ventures, given current regulations, will not provide new net revenues fast enough, nor in sufficient quantity, to meet intensified financial requirements. Unless actions are taken to address this problem, the congressional goal of a "maintained, enhanced, and expanded" public broadcast service will not be realized.

Once these fundamental questions are resolved, the question

then becomes: "What measures must be taken to achieve the congressional objectives for public broadcasting?"

In its first report, the Temporary Commission urged a number of regulatory changes to encourage new revenue-raising opportunities, and the Federal Communications Commission and the National Telecommunications and Information Administration acted promptly to implement those recommendations. The Temporary Commission concluded, however, that none of the auxiliary revenue devices it examined would be able to supply enough revenue to replace federal funding "for the foreseeable future." This second report confirms that finding.

This report first examines the existing financing structure of public broadcasting in order to provide essential context for assessing new revenue-raising methods. It then presents the Temporary Commission's findings concerning the use of limited advertising and expanded underwriting credits. Finally, in accord with Congress' direction that the Temporary Commission propose appropriate legislation, we submit conclusions and recommendations for action that, in our view, are necessary to fulfill Congress' stated objectives.



II. Financing for Public Broadcasting

A. Essential Characteristics of the Financial Structure

American public broadcasting financing is unique among the world's electronic media systems, public or commercial. Relying upon no household license fees, no mandatory subscription fees, and no commercial advertising revenue,¹ it is a mixture of discretionary government appropriations, voluntary private contributions, and relatively minor earned-income devices. (See Figure 1.)

This uncommonly diverse financial structure stands in sharp contrast to commercial broadcasting's near-total reliance on advertising sales. In our view, the pluralism of those who invest in public broadcasting plays a key role in preserving the unique character of this service by: (1) fostering independence from any single funding source; and (2) encouraging the provision of programming that serves many different purposes and audiences. Whether it would strengthen or weaken this essential financial diversity is an important factor to consider in the analysis of any new funding device for public broadcasting, particularly limited advertising.

Another factor to consider is the key role federal support plays in stimulating nonfederal revenues for public broadcasting. This federal "matching" incentive is a conscious element of federal policy² that has promoted greater financial diversity and self-sufficiency. For example, the size of the Community Service Grant distributed annually by the Corporation for Public Broadcasting to each qualified public broadcast licensee hinges in large part upon that licensee's success in attracting nonfederal support. These grants thus give stations an extra economic incentive to mount effective fundraising efforts, and give potential funders an added reason to lend their support. In this way, Community Service Grants and other federally-appropriated funding sources have contributed strongly to the size and diversity of nonfederal sources within public broadcasting's interdependent financial "partnership."

B. Recent Financial Trends

1. The 1978-82 period. In 1982, public broadcasting's buying power (revenue adjusted for inflation) was virtually the same as in 1978. While the public broadcasting system's buying power rose 2.8 percent from 1978 to 1982, an 18 percent increase in the number of public broadcasting licensees (which Congress encouraged in 1978 to expand population coverage) more than absorbed the slight gain. Within public television, for example, the average licensee's spending power dropped nine percent.

The total revenue base also shifted toward greater reliance on private, non-tax-based revenue sources. Business and subscriber contributions alone accounted for half of public broadcasting's income growth during the period and assumed greater prominence in the financial mix, increasing from 21 percent to 29 percent. Tax-based sources continued to supply the majority of public broadcasting's income in 1982 (59 percent) but steadily lost ground to inflation over the period even though both state and federal support increased in current (i.e., non-inflation-adjusted) dollars.

2. More recent changes: 1982-83. Near the end of the 1978-82 period, federal agency grant and contract support (i.e., funding from sources other than the Corporation for Public Broadcasting) began a sharp decline, decreasing 17 percent from 1981 to 1982. These reductions were followed by a 20 percent decrease in appropriations to the Corporation for Public Broadcasting from 1982 to 1983 (from \$172 to \$137 million), in 1984, appropriations to the Corporation are scheduled to drop an additional \$7 million. These reductions intensified public broadcasting's reliance on the private sources which supplied most of the previous five years' revenue growth. Financial shortfalls led to program, staff, and equipment cuts throughout public broadcasting.

Particularly relevant to this report are recent trends in business support for public broadcasting. At the end of the 1978-82 period, the rate of growth of business support began to slow; public broadcasting's income from business sources increased only 3.5 percent from 1981 to 1982. System-wide business income figures for fiscal 1983 will not be available until several months from the date of this report; however, business grants supporting programming distributed nationally via the Public Broadcasting Service declined \$800,000 from 1982 to 1983, from \$35.6 to \$34.8 million. This decline, coupled with a \$12.5 million decrease in federal funding for such programming, reduced the total Public Broadcasting Service programming investment eight percent from 1982 to 1983.

C. Auxiliary Venture Activities.

Some public broadcast stations have profited from entrepreneurial activities. For example, public television stations in both Chicago and Connecticut use spare production capacity to produce programs for cable television; WFYI, Indianapolis, leases its satellite uplink for commercial purposes; and public radio stations are signing agreements to lease excess satellite distribution capacity for commercial paging purposes.

Profits, however, are relatively small. A 1983 survey by the National Association of Public Television Stations found that net revenue from all venture activities exceeded one percent of station gross revenue in only seven of 53 stations. In no case did it exceed six percent of a station's revenue. The Corporation for Public Broadcasting's 1982 financial survey reports public television's gross revenue from commercial activities at \$14 million, about two percent of total system revenue for the year.

Success has been limited for the auxiliary public broadcasting ventures the Temporary Commission evaluated in 1982, and prospects appear dim for them to generate substantial discretionary income for the foreseeable future. Nevertheless, these activities can provide important supplemental revenue, and they should continue to be encouraged through federal law and policy.

Section 396(k)(8) of the Public Broadcasting Amendments Act of 1981 stands out as a barrier to increased entrepreneurial activity by public broadcasters. It requires that a public telecommunications entity paying taxes on income earned from activities unrelated to the its tax-exempt purpose must refund to the Corporation for Public Broadcasting an amount equal to the tax it pays. This, in effect, "double-taxes" stations that earn such unrelated business income.

Section 399B of the Public Broadcasting Amendments Act of 1981 authorizes stations to engage in commercial activities so long as they do not interfere with the provision of public telecommunications services, and the legislative history of that act strongly encourages such activities. Although floor language in the House specified that only tax paid by stations themselves would invoke the unrelated income penalty, it is not clear that establishing separate profit-seeking subsidiaries will afford adequate relief. Therefore, the penalty has the potential to discourage activities otherwise encouraged by the Congress.

III. The Advertising Demonstration Program³

A. Objectives and Limitations

The objective of the Advertising Demonstration Program was to reduce the uncertainty about the advantages and disadvantages accompanying public broadcast stations' use of limited commercial advertising or expanded underwriting credits. Experience in a variety of markets was necessary to evaluate:

- The response of individual viewers and contributors;
- The response of advertisers under marketplace conditions;
- The ability of public broadcasting station managers to conduct effective sales efforts; keep their communities, audiences and financial supporters informed; handle advertising-related influences on their programming decisions; and develop effective standards and practices for advertising content;
- The reaction of station governing boards and other public licensees; and

■ The reaction of organizations outside public broadcasting with whom the stations must deal regularly, such as independent program suppliers, program production talent, national program underwriters, audience research services, state and local government supporters, and commercial broadcasters.

The Advertising Demonstration Program could not assess conclusively all the advantages and disadvantages of limited advertising and expanded underwriting credits. The following factors also affect evaluations of the demonstration program results:

- Public radio stations did not participate;
- The participating television stations volunteered for the program and may not be fully representative of stations that would carry advertising if it were authorized on a regular basis;
- Forming a network of public television stations carrying advertising likely would increase advertising revenues above the levels reached in the demonstration program which utilized only a small number of stations;
- Revenues from expanded underwriting credits also likely would increase if public broadcasters used them widely for programs produced for national distribution;
- Stations' performance during startup, in an activity new to public broadcasting and of limited duration, may be expected to differ from their performance if commercial advertising or expanded underwriting credits should become a part of normal operations;
- This relatively brief demonstration could not explore long-term effects; and
- Some of the potential costs to participating (and nonparticipating stations) were not accounted for in the demonstration program.

The Advertising Demonstration program did yield new evidence to help interested parties assess some of the costs and benefits of limited advertising and expanded underwriting credits. The demonstration program allayed the worse concerns of many regarding the effects of limited advertising, (e.g., that there would be a severely adverse audience reaction to advertising and that subscriber contributions would drop precipitously). It is not possible, however, to say that the demonstration program alone can forecast accurately what would occur if advertising or expanded underwriting credits were used regularly.

B. Implementation

The Temporary Commission held discussions with representatives of union and copyright licensing organizations before it decided to proceed with the demonstration program. Their cooperation was needed to avoid violations of current contracts premised in part on public broadcasting's noncommercial character. Upon express assurance that their response would not constitute a precedent if limited advertising were authorized, these organizations agreed to the demonstration program without renegotiating existing agreements.

It became clear to the Temporary Commission, meanwhile, that National Public Radio member stations would generally decline to participate in the demonstration. Thus, in January 1982, the Commission chose to accept only the proposals of the television stations: WHYY-TV, Wilmington, Delaware (Philadelphia, Pennsylvania); WIPB-TV, Muncie, Indiana; WNET-TV, Newark, New Jersey (New York City); WPBT-TV, Miami, Florida;

Table 1: The Advertising Demonstration Program Stations At-a-Glance

Name, (Channel) License Type	Location	/TV Households (rank)	ADP approach	1st ad/ expanded credit aired	Fiscal Year 1983 Net Proceeds ¹	Net Station Total Revenue ²	Proceeds as % of Station Revenue
WTTW (11) Community	Chicago, IL	2,979,670 (3)	Ads	6/14/82	\$1,309,358	\$13,428,114	9.75%
WMYY (12) Community	Wilmington, DE/ Phila., PA	2,425,640 (4)	Ads	6/1/82	\$813,403	\$8,746,980	9.30
WPBT (2) Community	Miami, FL	1,148,390 (13)	Ads	5/24/82	\$375,297	\$7,333,904	5.12
WYES (12) Community	New Orleans, LA	608,250 (34)	Ads	3/26/82	\$346,562	\$4,356,153	7.96
KCSM (60) College	San Mateo/San Francisco, CA	2,009,820 (5)	Ads	5/21/82	\$214,459	\$1,840,879	11.65
WIPB (49) University	Muncie, IN	223,789 (98)	Ads	6/2/82	\$61,270	\$1,292,857	4.74
WQLN (54) Community	Erie, PA	150,180 (138)	Ads	9/9/82	\$13,891 <u>\$3,134,240</u>	\$1,819,876 <u>\$38,818,763</u>	0.76 8.07%
WNET (13) Community	Newark, NJ/ New York, NY	6,471,390 (1)	Expanded credits	11/21/82	\$745,467	\$58,530,671	1.27%
WQED (13) Community	Pittsburg., PA	1,213,030 (12)	Expanded credits	10/1/82	\$141,609 <u>\$887,085</u>	\$18,806,454 <u>\$77,377,125</u>	0.75 1.15%

¹ Fiscal Year 1983 is the period from July 1, 1982, to June 30, 1983, or the last four quarters of the five-quarter demonstration program; Net proceeds = gross billings for cash and non-program barter less direct costs of sales or special development efforts.

² Total station money and in-kind income less development and fundraising expenses.

Source: Station reports submitted to the Temporary Commission

WQED-TV, Pittsburgh, Pennsylvania; WQLN-TV, Erie, Pennsylvania; WKPC-TV, Louisville, Kentucky; WSKG-TV, Binghamton, New York; WTTW-TV, Chicago, Illinois; and WYES-TV, New Orleans, Louisiana.

In March, the Temporary Commission authorized the stations to proceed. Later that month, the Louisville station withdrew and was replaced by KCSM-TV, San Mateo, California. In January 1983, the Binghamton station withdrew from the experiment and was not replaced, leaving nine participants. WQLN, Erie, due to management and staff changes, did not participate actively in the Advertising Demonstration Program after November 1982.

The stations largely developed their own procedures, standards, and practices for the experiment. Basic guidelines were provided in the authorizing legislation:

- No advertisements were to interrupt programs, except as part of station identification or similar breaks in programs running two hours or more;

- Advertisements were not to be broadcast consecutively for more than two minutes, nor was there to be more than a single cluster of commercials broadcast during any 30-minute period; and

- No advertisements could promote religious interests, political candidates, or opinions on matters of public interest.

Two stations—WNET, New York, and WQED, Pittsburgh—chose to accept only expanded underwriting credits rather than regular advertisements.⁴ WQED established written guidelines, while WNET was more flexible in distinguishing between expanded credits and advertisements. To distinguish between the two types of messages in correspondence with outside authorities, the Temporary Commission eventually evolved a working definition of "enhanced underwriting" as permitting product identification along with a brief institutional-type message.

The Temporary Commission hired a survey research firm to measure public reactions to advertising and expanded underwriting credits in each market, plus one "control" market, before and during the experiment.⁵ The research firm analyzed changes in attitudes among regular viewers, public television subscribers, and members of the public who were at least aware of their local public television station's existence.

Additional research conducted by the Temporary Commission staff or its consultants included interviews with a small selection of advertisers, underwriters, advertising agency media buyers and station advertising representatives,⁶ as well as analysis of historical financial data reported annually by the stations to the Corporation for Public Broadcasting. The Temporary Commission also secured financial and viewing data from 17 nonparticipating stations as a control group and consulted participating and nonparticipating licensees, unions, copyright holders, independent experts, public interest groups, trade organizations, and the Internal Revenue Service.

C. Findings

The findings of the Advertising Demonstration Program are reported according to the following categories: revenues and expenses; impact on programming; audience and subscriber reactions; broadcast advertising purchases; and impact on underwriting.

1. What Direct Revenues and Expenses Did the Advertising Demonstration Program Generate?

Limited advertising and expanded underwriting credits both generated revenues in excess of reported expenses. (See Table 1.) The seven stations carrying advertising had gross billings of about \$4.5 million for fiscal year 1983. The two stations carrying expanded underwriting credits had extra gross underwriting income of slightly more than \$1.1 million. Particularly because of

the variance in the dates stations began carrying either limited advertising or expanded credits, any comparisons of revenue performance should be given very limited weight.

Net proceeds for the seven stations carrying limited advertising (after subtracting direct costs that amounted to just under 30 percent of the gross) totaled \$3.1 million. This equaled about 8.1 percent of the stations' total net income (i.e., gross income minus fundraising and development expenses). With one exception, net proceeds from advertising ranged from 11.7 percent of net station income at KCSM, San Mateo, to 4.7 percent at WIPB, Muncie. WQLN, in Erie, posted a much poorer performance (0.8 percent of net station income) because they abandoned advertising efforts at the local level in November 1982, following a management change and the departure of most station personnel involved in the demonstration program. However, WQLN did continue to air limited advertising sold as a part of a multi-station advertising buy.

WNET in New York and WQED in Pittsburgh realized \$0.9 million in net proceeds from expanded underwriting credits during fiscal year 1983. This amounted to about 1.7 percent of their total net income prorated for the period during which they carried expanded credits. Direct costs of special development efforts at the two stations averaged 20 percent of gross billings. Limitations of the experiment restricted WNET and WQED to carrying expanded underwriting credits only for local underwriters of programs and station operations, not for national program production underwriting.

2. What Were the Effects of the Advertising Demonstration Program on Public Television Programming?

The participating stations appear to have made programming decisions independent of advertiser interest. Information about the impact of advertising on programming is limited, however, since participating stations continued to receive the bulk of their programs through the Public Broadcasting Service, regional networks, and other sources that were not subject to influence by advertising in the test markets.

Samples of participating stations' programming during the demonstration program were compared with samples from the previous year, as well as with programming from a control group of nonadvertising stations. These samples, plus reports from the participating stations themselves, all indicate that carriage of limited advertising or expanded underwriting credits did not influence the program selection process.

Only in relatively few instances did advertising have any effect on program selection. In several cases, advertising revenues permitted stations to acquire specific programs that they otherwise could not have afforded to purchase. Two stations also bartered advertising time for the rights to present programs. The reported motivation in both instances was to use advertising revenues to obtain a program the licensee already wanted to air.

The demonstration program could not address whether limited advertising or expanded underwriting would affect programming if either should become a source of revenue on which stations depend. The demonstration program did, however, suggest that (at least where advertising or expanded underwriting revenue is only one source among many) no movement toward programming changes resulted.

3. How Did Audiences and Public Television Subscribers React to the Broadcast of Limited Advertising and Expanded Underwriting Credits?

Most of the data collected, including the reports from participating stations, showed no significant changes in viewer attitudes or station revenues during the experiment. Several findings, however, do suggest that a cautious approach is warranted.

The demonstration program took place at a time when public television audiences were growing rapidly, and audiences continued to increase during the course of the demonstration program.⁷ The public opinion polls conducted for the Temporary Commission showed that all the groups surveyed reacted more favorably toward advertisements as a funding source after their local public station began carrying advertisements or expanded underwriting credits. Also, while most subscribers and regular viewers reported initially that they would watch less public television if advertisements were present, the second wave of the survey showed no differences in the amount of time these groups reported watching.

Although a first wave response which suggested that 20 to 40 percent of public television subscribers might reduce their contributions, the second wave of the opinion poll showed no significant differences in the overall amount of giving reported. Additionally, the poll showed an increase in the number of subscribers who reported that they would continue to contribute to public television.

The polls indicated that some of the largest contributors may have increased or reduced their gifts to the public television stations which carried limited advertising. This could be the result, however, of other factors besides the presence of advertising, and, in fact, a survey conducted exclusively among lapsed subscribers indicated that advertising was not a significant factor in subscriber attrition.

Separate analyses of stations' audience ratings and actual subscription revenue suggest the possibility that the participating stations did differ in some respects from a control group of nonparticipating stations. The rate of increase in full-day cumulative weekly audiences for the participating stations was significantly less than that for the control group. No such reduction was apparent, however, for participating stations' prime-time audiences. Other differences between stations besides the presence of advertising or expanded credits could account for these observations. For example, two-thirds of the participating stations are VHF stations, but 50 percent of the control stations are UHF.⁸

Analysis of subscription revenues at participating stations showed:

- An increase in total number of subscribers and contributions at all stations compared with the previous year;
- No significant differences in total number of subscribers or total contributions compared to the control group; but
- A significant decline in average contribution per subscriber at advertising stations compared to the control group.

The apparent decline in average subscriber contributions—coupled with the public opinion poll results discussed above—suggests that carriage of limited advertising may have affected giving by large contributors. The decline, however, also could reflect an influx of new subscribers contributing smaller amounts to the stations involved.

4. How Did Businesses Respond to the Opportunity to Carry Advertising During the Demonstration Program?

Businesses and advertising agencies reacted positively to the opportunity to place advertisements in the less cluttered environment of public television. Businesses that chose to advertise for the most part used the same criteria they employ for purchasing time on commercial television. The advertisers surveyed characterized public television as providing high quality programming. This perception, however, generally did not allow the demonstration stations to charge a premium over commercial advertising rates. Indeed, some stations offered discounts from standard rates.

The types of businesses that purchased time included enterprises that are not typical underwriters, such as other communications media, local recreational attractions, and retail establishments, as well as traditional underwriters. Even those businesses whose presence as underwriters is more typical, such as financial services companies, chose to promote specific services in their advertisements rather than to continue the accustomed "image" emphasis of program underwriting credits. Firms marketing products that typically command a large share of the advertising time on commercial television (e.g., brand foods and beverages, personal care products and nonprescription drugs) purchased only a small share of limited advertising time.

5. What Were the Effects of the Advertising Demonstration Program on Program and Station Underwriting Support?

The two stations carrying only expanded underwriting credits broadened their underwriting support. The presence of limited advertising on the other seven participating stations did not appear to affect underwriting support significantly during the course of the demonstration program.

Underwriting income fluctuates from year to year at any single station. Because of the variety of underwriting arrangements and stations' different accounting procedures, it is not possible to gauge precisely what happened to overall underwriting during the demonstration program. Nevertheless, the narrative reports from station managers participating in the demonstration program and from the Key Informant Survey provide partial answers to the question of limited advertising's impact on underwriting.

On the advertising stations, switching from underwriting to advertising was limited. Only three stations reported that underwriters dropped underwriting support in favor of buying advertisements, and each of these stations reported only one such event. It is not known whether these switches represented net gains or losses in station revenue. On the other hand, several participating stations reported that underwriters supplemented their underwriting credit exposure with advertising. One underwriter opposed the concept of limited advertising appearing adjacent to underwritten programs.

The two stations carrying expanded underwriting credits found increased interest by those who had not previously underwritten public television programming. Existing underwriters also expressed interest in expanded underwriting credits. Practical problems which limited the profitability of expanded underwriting credits include:

- Advertising is a known quantity while underwriting is more difficult to justify as a business decision;
- Underwriting traditionally has appealed to a more limited class of businesses than advertising (i.e., traditional underwriters have been more interested in promoting an "image" rather than a particular product); and
- Creating new messages or even reediting existing commercials to meet standards set for expanded underwriting credits is often expensive.

D. Other Possible Effects Related to the Presence of Limited Advertising and Expanded Underwriting Credits

Even before the demonstration program commenced, it became clear that the direct results from the experiment would not include all the elements that could affect the viability of limited advertising or expanded underwriting credits as alternative funding sources. This section discusses some potential effects that must be considered.

Members of the Temporary Commission

James H. Quello, commissioner, FCC
 Ron Bornstein, acting president, NPR
 Frederick Breitenfeld, Jr., (then) executive director, Maryland Center for Public Broadcasting
 Bruce L. Christensen, president, National Association of Public Television Stations
 Ernest F. Hollings, U.S. senator
 William H. Kling, president, Minnesota Public Radio, St. Paul
 Robert W. Packwood, U.S. senator
 Edward J. Pfister, president, CPB
 Kenneth Robinson, policy adviser to the assistant secretary, National Telecommunications and Information Administration, U.S. Dept. of Commerce
 Al Swift, U.S. congressman
 Thomas J. Tauke, U.S. congressman

Staff of the commission

Kenneth C. Howard, staff director (FCC)
 Brian F. Fontes, staff coordinator (FCC)
 Marcia F. Glauberman, Jonathan D. Levy (FCC)
 Edward Coltman, Richard Grefe, Barbara S. Schiltges (CPB)
 John B. Ford (NAPTS)
 Robert M. Pepper, Paul S. Sieracki (NTIA)
 Carol R. Whitehorn (NPR)
 Daniel B. Phythyon, Thomas W. Cohen (U.S. Senate)
 Scott Johnson, Edward Senn (U.S. House of Representatives)
 Support staff: Brenda Blocker, Margaret J. Medley, Ruth E. Omonijo, Deborah Young

Acknowledgements

The Temporary Commission thanks the following persons who contributed to the completion of this final report:

- Former members of the Temporary Commission: Hartford N. Gunn, Frank Mankiewicz
- Independent attorneys who volunteered their expert assistance: R. Bruce Rich of the law firm Weil, Gotshal and Manges, New York, N.Y.; and Thomas A. Troyer and Frank M. Chapper, of the law firm Caplin and Drysdale, Washington, D.C.
- Former staff of the Temporary Commission: Richard Moss, Karen B. Possner and Steve Symonds.

1. Union Labor Costs

Public television's current national program contracts with most union employees are premised in part upon public broadcasting's noncommercial status. These agreements feature:

- Talent and production staff fee schedules that are somewhat lower than the fees charged to commercial producers; and
- Program rights agreements that allow public stations to air four "releases" of a program within a three-year period, without paying residual fees to union employees.⁹

Since it is not possible to predict how labor negotiations would proceed, the extent of financial risk to program producing entities and to the system as a whole cannot be estimated. Informal contacts with leaders of one major union do suggest that underwriting credits could be expanded without impact on the negotiating structure itself (*i.e.*, the release pattern provision). Beyond that, the impact of limited advertising on union costs would appear to depend on the perceptions of the negotiating parties at the time of contract discussions.

In discussions with the Temporary Commission staff, representatives of the five major unions involved with program production have indicated that they may seek "commercial" rates and rights agreements from public broadcast stations that air limited advertisements and from producers whose programs are used by stations broadcasting advertisements. For example, union-affected budget items account for 13 percent of the total budget of those programs public television stations purchased in 1983 through their Station Program Cooperative (SPC). Among the individual programs in this sample of public broadcast programming, union-affected cost levels vary widely, from zero to 71 percent of a program's budget. The relative size of union-affected cost items throughout public television could not be established because this figure would be influenced by the many non-SPC programs for which statistics were not available.

If union fees should rise due to the presence of limited advertisements on some stations, it appears that the performance type of program would be most vulnerable to the cost increases because they typically feature higher union-cost components. In such a situation, stations broadcasting advertisements would have to decide whether to:

- Pay extra fees;
- Broadcast some programs less frequently; or
- Refuse to carry some programs.

The first choice would erode advertising profits. The second would change the composition of local station schedules and could affect program selection. The third would change schedule content and reduce the number of stations using these programs; fixed national production costs then would be spread over a smaller number of public television licensees, and each station's share of production costs would rise proportionally. Also, less than national coverage might reduce the attractiveness of national program underwriting. Thus, it is evident that the risks are not limited to advertising stations alone.

It is also possible that any new negotiations between producers/stations and unions could yield small or no cost increases. Public broadcasters could argue, for example, that being nonprofit, depending on many other income sources, and airing only a limited number of advertisements, would justify maintaining noncommercial rates and program rights agreements. If this occurred, the problems outlined above would diminish.

Another issue concerns the use of programs produced for public television in prior years under agreements that presumed "noncommercial" use. In order for stations broadcasting advertisements to "repeat" these programs, they would have to obtain consent from the talent and unions involved; renegotiation of contracts might ensue with a possibility of increased cost.

Significant union cost increases—and particularly the disproportionate changes in costs for performance-type programs—clearly could affect public broadcast programming. Nevertheless, the extent of such increases that unions might seek or obtain is unknown.

2. Copyright Costs

Existing contracts between public broadcasting stations and copyright organizations for use of certain copyrighted materials (*i.e.*, published, nondramatic music) do not apply to the use of music in programs from which advertising revenues are derived. Copyright-owners' representatives have suggested they would seek higher payments from stations that broadcast advertisements and from producers whose programs are used by stations broadcasting advertisements. While the Temporary Commission is not in a position to forecast whether or how much fees might increase, it is clear that carriage of advertisements is a relevant factor to the copyright holders.

The existing negotiating structure (fostered by Section 118 of the Copyright Act of 1976) is generally perceived as helpful to public broadcasting negotiations, but it does not isolate the copyright costs associated with particular stations. Negotiations are conducted on behalf of public broadcasting as a whole, and costs are not directly related either to the amount of copyrighted material presented or to the number of stations represented. Thus, the share of copyright costs which should be borne by advertising stations is not calculable under this structure.

So long as costs are not isolated, risks to nonadvertising stations cannot be eliminated. Even if advertising stations negotiated separately, additional expenses could accrue to nonadvertising stations because then fewer stations would remain in the nonadvertising public station negotiating pool to share the burden. Further, such fractionalization might threaten the negotiating structure and thus result in an overhaul of public broadcasting's copyright liability.

A separate but related risk associated with advertising is the threat to existing special provisions provided public broadcasting by the Copyright Act of 1976. These include:

- An "automatic" right to use published nondramatic music and visual works under a "compulsory license";
- A special exemption from making payments to record companies for the broadcast-related use of sound recordings; and
- The right to have the Copyright Royalty Tribunal set rates and terms for use of copyrighted nondramatic music and visual works either if negotiations with copyright owners fail or if the works are not covered by voluntary license agreements.

If stations that choose to carry advertising should lose their ability to resort to these statutory provisions, their copyright costs could increase.

Finally, public broadcasting is not afforded any special statutory treatment regarding some types of copyrighted works (*e.g.*, unpublished music, dramatic works, and use of film clips); however, the copyright owners as a rule grant discounts for noncommercial use. Advertising, perceived as a substantial new income source, might also create pressure to increase these fees.

3. Unrelated Business Income Tax

A nonprofit organization granted tax-exempt status under Section 501 of the Internal Revenue Code must pay federal income tax on net income earned from activities that bear little or no relationship to its tax-exempt purpose (*i.e.*, "unrelated" business income). Nonprofit community licensees and state and private college licensees in public broadcasting are subject to that tax, while government/agency (*e.g.*, state and school board) licensees are exempt under an intergovernmental immunity clause.

Under the present tax law, should limited advertising be authorized, unrelated income tax would be payable at corporate rates if:

- Advertising revenues are judged to be "unrelated"; and
- The station realizes income above its expenses from its unrelated activities.

Currently, if a nonprofit entity receives more than an "insubstantial" portion of its revenues from unrelated activities, its

nonprofit tax exemption may be jeopardized. Loss of the exemption would result in tax liability for all activities of the entity; however, such a result does not appear likely for public stations because of limited advertising's apparently limited revenue potential.

Perhaps the major issue in this area concerns the expenses public stations may charge against advertising revenues. Informal consultation between the Temporary Commission, an independent tax specialist, and the Internal Revenue Service demonstrated that answers are not available under existing laws and Service guidelines. Congressional direction on this issue might be necessary if limited advertising were authorized.

Taxation of advertising revenues would, of course, reduce any net benefit to public broadcasting. To the extent that the "double-taxation" policies remain in effect for public broadcasters with unrelated business income (see Section 11.C., *supra*), tax liabilities could discourage development of limited advertising as a viable source of revenue.

4. Other Costs

Since public broadcast stations do not now broadcast commercials, public stations pay much less than commercial station rates for audience rating services. These services inform stations quarterly about the size and make-up of their local audiences. Given the connection between audience rating data and advertising rates, it may be expected that fees for public stations airing limited advertising would be higher than current rates. Nevertheless, these rates should not approach the rates commercial broadcasters pay because, for example, public broadcasters would have a smaller advertising "inventory."

Other services that might also be affected include the wire services and syndicated program distribution. Public broadcasting now obtains favorable rates in both of these areas.

Finally, it is relevant to consider how commercial broadcasters and others would perceive public broadcasting in the event limited advertising were authorized and how that perception would be communicated to local governments, state legislatures and Congress. The Temporary Commission's public opinion polls showed no significant differences in any surveyed group's attitude toward government (or private) funding for public television after participating stations began carrying advertisements or expanded credits. The National Association of Broadcasters, however, has stated that it opposes advertising on public broadcasting, and long-term public reaction to such advertising could not be tested. Local and state governments, which provide nearly 36 percent of total public television income, might respond to carriage of limited advertising by reducing appropriations. For some stations, such a loss might be greater than the potential gain from limited advertising revenues.

5. Possible Negative Effects of Limited Advertising on Public Radio

Because public radio stations did not participate in the demonstration program, no data were obtained concerning the direct costs or benefits to public radio of limited advertising or expanded underwriting credits. The following possible indirect effects nevertheless warrant consideration:

- Given that overall operating budgets of public radio stations are smaller than those of most public television stations, any additional transaction costs from negotiating individual contracts with union or copyright organizations would have a disproportionate impact;
- The presence of advertising on some public broadcasting stations could influence attitudes toward the compulsory license, and the automatic access to the repertoire of music licensing organizations provided by that license is of particularly great significance to radio stations; and
- Should copyright fees rise above a threshold level due to public television advertising, public radio stations might be forced to contribute to these increased fees through reductions in their community service grants even if no radio stations carried advertising.¹⁰

6. Summary of Potential Indirect Costs

Copyright and union labor costs play a relatively larger role in the budgets for dramatic and performing arts programs. Increased union and copyright fees, if they occurred, could thus discourage production of these types of programs and could create an economic disincentive for individual stations broadcasting advertisements to purchase and broadcast such programs. A result of such changes might be a shift in the mix of programming available to the public on public broadcasting. The likelihood of this sequence of events actually occurring cannot now be determined.

It is also possible that some programs with substantial union labor or copyright budget components could become more expensive to all stations, whether or not they earn advertising revenues. This might result in stations being able to afford less of certain types of programming. Any renegotiation of union costs could affect replays of programming already produced, as well as new programs.

Finally, any increased tax liability or increased costs from various service fees would further erode net returns from advertising.

While none of the studied factors individually would appear to warrant rejection of limited advertising as a revenue-raising tool, collectively they have some potential to erode advertising revenue and perhaps affect nonadvertising stations. If Congress chooses to permit limited advertising, additional expressions of its intent, particularly concerning the copyright and tax questions raised, could influence the extent to which risks can be contained.

It also is conceivable that use of expanded underwriting credits would affect perceptions of public broadcasting, but any risks associated with this change appear minimal in comparison to those associated with limited advertising.

7. Possible Indirect Benefits from Carriage of Limited Advertising or Expanded Underwriting Credits

One obvious system-wide benefit is that stations could use any increased revenues from limited advertising or expanded underwriting credits to produce additional programming or to expand production values of existing programs.

Stations that carried limited advertising could benefit indirectly themselves by increased contacts in the business community and perhaps by increased opportunities to produce advertisements. In addition to the direct revenues such productions would bring, stations could gain from a more efficient use of production personnel and equipment. The limited duration of the demonstration program did not permit an accurate assessment of the value of these efforts.

Conclusions and Recommendations

(Here, the formal TCAF report repeats the conclusions and recommendations from the Executive Summary.)

Editor's note: Thanks to Kathleen Weber and John Ford of NAPTS and Ken Howard of the FCC for helping prepare this printing of the TCAF report in Current.

¹ Under the Public Broadcasting Amendments Act of 1981, public broadcasting stations are permitted to broadcast paid announcements promoting not-for-profit enterprises.

² Introducing his administration's proposal for long-range financing of public broadcasting in 1975, President Gerald R. Ford stated, "To assure that Federal support does not dominate public broadcasting, and to encourage continued non-Federal contributions, the Federal funds would be provided on a matching basis." Subsequent legislative authorizations of funds for public broadcasting all have featured matching provisions.

³ Appendix I contains the complete analysis of the Advertising Demonstration Program data.

⁴ Existing law and Federal Communications Commission regulations permit underwriting credits to include the on-air display of corporate logograms, but limit how products may be identified. See Policy Concerning the Non-Commercial Nature of Educ. Broadcast Stations, 90 FCC 2d 895 (1982).

⁵ Appendix II contains the executive summary of the results of the public opinion polls conducted by the ELRA Group.

⁶ These interviews constitute the "Key Informant Survey." Appendix III contains a summary of these interviews.

⁷ One element that encourages audience growth is cable distribution of public television signals. A.C. Nielsen and Electronic Media Tracking Service data both support the fact that cable enhances viewing of public television by making UHF signals receivable to more households. In this regard, it appears that the Federal Communications Commission's must-carry rules requiring local cable carriage of broadcast signals are a significant aid to audience and subscriber growth for public television.

⁸ While the control group stations were chosen for their comparability with participating stations, there was an insufficient number of major market VHF public stations left to make up an adequate control. This UHF/VHF disparity may have been a factor in the differences in rate of audience growth because the UHF service as a whole is outpacing VHF growth due in part to increasing cable penetration and improved receiver performance.

⁹ One "release" constitutes an unlimited number of broadcasts within a seven-day period. Under standard commercial agreements, the "release" does not exist; each telecast invokes a residual payment.

¹⁰ In this regard, it is also possible that advertising on public radio could affect public television stations in a similar manner.

Sept. 27, 1983—Current—

APPENDIX G

Letter, Dated April 12, 1984, from Donald A. Rhodes,
Research Director, Legislative Counsel Bureau,
to the Federal Communications Commission,
Urging the Commission to Act Favorably on
the Application of Donrey Media Group
to Fully Reactivate its Microwave
System Which Extends Between
Reno and Las Vegas

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627
JAMES I. GIBSON, *Senator, Chairman*
Arthur J. Palmer, *Director, Secretary*
INTERIM FINANCE COMMITTEE (702) 885-5640
ROGER BRENNER, *Assemblyman, Chairman*
Daniel G. Miles, *Fiscal Analyst*
Mark W. Stevens, *Fiscal Analyst*

ARTHUR J. PALMER, *Director*
(702) 885-5627

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5622
DONALD A. RHODES, *Research Director* (702) 885-5637

April 12, 1984

Federal Communications Commission
Washington, DC 20510

Dear Sirs:

The Nevada Legislature, through an interim study subcommittee created by Senate Concurrent Resolution No. 24 of the 62nd session, is currently studying public broadcasting in Nevada. The Chairman of the subcommittee is Senator James H. Bilbray. Other members are Senator Nicholas J. Horn, Assemblyman Bob Coffin and Assemblyman David D. Nicholas. The legislative members of the subcommittee are being assisted by an advisory group composed of private citizens, educators, and representatives of public broadcasting operations in Nevada.

During the course of the study, it has come to the subcommittee's attention that the Donrey Media Group has applied to the Federal Communications Commission to fully reactivate its microwave system which extends from Reno to Las Vegas. The subcommittee strongly urges the commission to act favorably on the application.

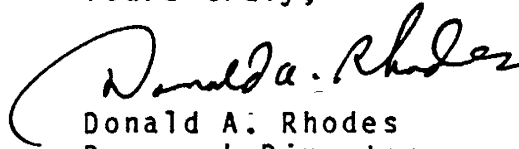
In the past, the microwave system proved to be an asset to Nevada. Because of the generosity of the Donrey Media Group, the state and its university system substantially used the system at no cost to the taxpayers.

It is contemplated that the system, in addition to Donrey's purposes, could be used by state government to transmit information between the northern and southern portions of Nevada. The system could be used as a more economical means of providing education to those students who find it difficult because of the lack of financial resources or geographic distance, to attend traditional classroom settings. The system could be used to provide continuing education to teachers and other professional groups.

Finally, the system could assist Nevada's fledgling public broadcasting operations by offering a low-cost opportunity to them to transmit their signals to other regions of the state.

We thank you very much for your consideration.

Yours truly,



Donald A. Rhodes
Research Director

DAR/en
SCR24-2:LTR9-10

cc: Chairman and Members of the Legislative
Commission's Subcommittee to Study
Public Broadcasting in Nevada

APPENDIX H

Various Documents Pertaining to the State
System of Communications

COMMUNICATIONS BOARD HISTORY

IN APRIL 1972, GOVERNOR O'CALLAGHAN BY EXECUTIVE ORDER, CREATED THE COMMUNICATIONS BOARD CONSISTING OF THE DIRECTORS OF THE FOLLOWING DEPARTMENTS VITALLY CONCERNED WITH A RELIABLE COMMUNICATIONS SYSTEM:

CIVIL DEFENSE

DEPARTMENT OF GENERAL SERVICES

STATE HIGHWAY ENGINEER

DEPARTMENT OF FISH & GAME

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DEPARTMENT OF MOTOR VEHICLES

DEPARTMENT OF LAW ENFORCEMENT ASSISTANCE

THIS BOARD WAS CHARGED WITH THE RESPONSIBILITY OF DEVELOPING AN EFFICIENT RELIABLE COMMUNICATIONS SYSTEM FOR JOINT USE BY DEPARTMENTS AND AGENCIES OF THE STATE AND TO CONSOLIDATE AND COORDINATE ALL COMMUNICATIONS FUNCTIONS OF THE STATE GOVERNMENT.

IN 1972, THE CRIME COMMISSION AND THE DEPARTMENT OF LAW ENFORCEMENT ASSISTANCE FILED AN APPLICATION WITH THE FEDERAL LAW ENFORCEMENT ASSISTANCE ADMINISTRATIONS FOR \$ 548,680.00 IN FEDERAL FUNDS TO ASSIST IN COMPLETING THE BACKBONE MICROWAVE SYSTEM WITH PARTICULAR EMPHASIS ON THE LAW ENFORCEMENT ASPECT OF THE SYSTEM.

AFTER CONSIDERABLE CONTROVERSY AND WITH THE ASSISTANCE OF OUR CONGRESSIONAL DELEGATION, THE AWARD WAS MADE IN 1974.

THE STATE AT THAT TIME HAD ALREADY INVESTED ONE AND ONE-HALF MILLION DOLLARS IN THE SYSTEM. THE HIGHWAY DEPARTMENT AND THE HIGHWAY PATROL HAD ALREADY COMPLETED TWO SEPARATE PORTIONS OF THE MICROWAVE SYSTEM.

IN AUGUST 1973 THE BOARD VOTED TO OBTAIN THE OWNERSHIP AND MANAGEMENT OF ALL MOUNTAIN-TOP RADIO FACILITIES FOR THE PURPOSE OF A MORE EFFICIENT OPERATION. AT THAT TIME THE HIGHWAY DEPARTMENT TURNED OVER TO THE BOARD 15 COMMUNICATION SITES FOR THE BOARD TO MANAGE.

ASSEMBLY BILL NO. 161 AND SENATE BILL NO. 140 ENACTED INTO LAW THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER DURING THE 1975 LEGISLATIVE SESSION. THESE BILLS WERE PRINTED IN CHAPTER 233F OF THE NEVADA REVISED STATUTES.

IN APRIL 1979 SENATE BILL 475 WAS PASSED WHICH GAVE OPERATIONAL CONTROL OF THE MICROWAVE SYSTEM TO THE NEVADA HIGHWAY PATROL. THE NEVADA HIGHWAY PATROL COMMUNICATIONS SUBSECTION WAS THUS FORMED. THE BILL ALSO CHANGED THE NUMBER OF BOARD MEMBERS FROM 7 TO 3. THE BOARD MEMBERS FUNCTIONS ARE TO ESTABLISH AND ADMINISTER POLICY RESPECTING THE DEVELOPMENT, ADMINISTRATION AND OPERATION OF THE STATE COMMUNICATIONS SYSTEM, AND TO PROVIDE SUFFICIENT NUMBERS OF MICROWAVE CHANNELS FOR USE BY STATE AGENCIES.

THE BOARD PRESENTLY HAS 28 SITES FOR THE MICROWAVE SYSTEM SERVING THE FOLLOWING CITIES:

LAS VEGAS	WINNEMUCCA
RENO	TONOPAH
CARSON CITY	WELLS
ELKO	AUSTIN
ELY	

WE ALSO OWN OR MANAGE 12 ADDITIONAL SITES USED FOR RADIO COMMUNICATIONS.

THE FOLLOWING 7 V.H.F. SITES HAVE BEEN CONSTRUCTED DURING THE LAST TWO YEARS AND ARE AVAILABLE FOR USE BY ALL STATE AGENCIES:

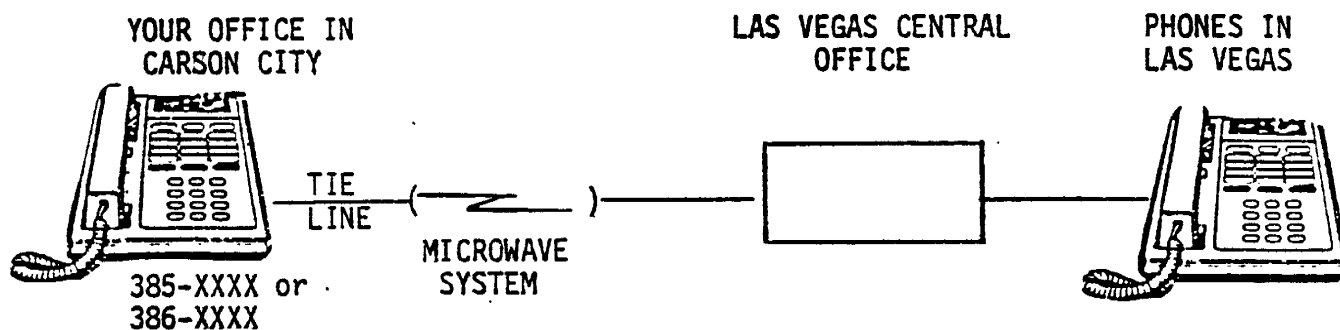
ALAMO PEAK.....	LINCOLN COUNTY
CALIENTE HILL	LINCOLN COUNTY
CURRENT SUMMIT	WHITE PINE COUNTY
FAIRVIEW PEAK	CHURCHILL COUNTY
PILOT PEAK	MINERAL COUNTY
TURNER STATION	ELKO COUNTY
SMOKEY VALLEY T.V. DISTRICT.....	ELKO COUNTY

STATE OF NEVADA
STATE COMMUNICATIONS BOARD
555 Wright Way
Carson City, Nevada 89711
(702) 885-5125

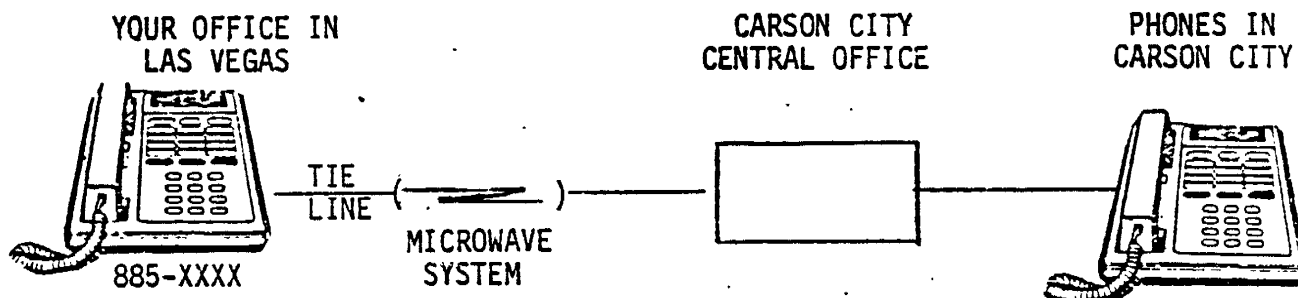


RE: USE OF THE STATE MICROWAVE SYSTEM FOR POINT-TO-POINT COMMUNICATION:

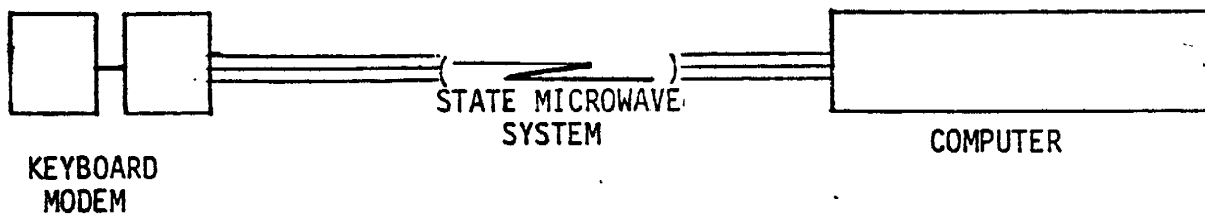
1. LAS VEGAS TELEPHONE EXTENSION IN CARSON CITY:



2. CARSON CITY TELEPHONE EXTENSION IN LAS VEGAS:



3. DATA LINK OPTION BETWEEN TWO CITIES:



COSTS

1. CHANNEL RENTAL 7/01 THROUGH 6/30 IS \$ 2,000 PER YEAR; COSTS ARE PRORATED TO THE PORTION OF THE YEAR USED.
2. TIE LINE COSTS AVERAGE \$ 48.30 PER MONTH.
3. INSTALLATION COSTS AVERAGE \$ 215.
4. MICROWAVE CHANNEL PARTS COSTS FOR A TELEPHONE CIRCUIT IS \$ 2,288.

COST SUMMARY

ANNUAL RENTAL COSTS

CHANNEL RENTAL	\$ 2,000
TELEPHONE RENTAL	206
TIE LINE	<u>580</u>
TOTAL ANNUAL RENTAL	\$ 2,786

ONE TIME EXPENDITURES - CATEGORY 4

CHANNEL PARTS,	\$ 2,288
TELEPHONE INSTALLATION	<u>215</u>
TOTAL	\$ 2,503
DIVIDED BY 4 YEARS	626

YEARLY COSTS FOR THE FIRST FOUR YEARS: \$ 2,786 + \$ 626 = \$ 3,412.

THEREFORE, IF YEARLY COSTS FOR TOLL CALLS BETWEEN TWO POINTS EXCEED \$ 3,500 PER YEAR (\$ 292 PER MONTH), USE OF THE STATE MICROWAVE SYSTEM WILL SAVE MONEY FOR YOUR AGENCY.

STATE COMMUNICATIONS BOARD

CUSTOMERS

The State Communications Board provides microwave service to the following agencies:

- Nevada Highway Patrol
- Department of Transportation
- Community Health Services
- Department of Wildlife
- Department of Motor Vehicles - Automation
- Division of Forestry
- Division of Emergency Management
- Employment Security
- University of Nevada System - Computer Center
- Department of Motor Vehicles - Drivers License
- Gaming Control
- Department of Taxation
- Department of Motor Vehicles - Investigations
- Department of Motor Vehicles - Registration
- Nye County Sheriff's Office
- University of Nevada at Reno - Dept. of Agriculture
- Purchasing Division
- Governor's Office

The State Communications Board provides radio rack space to the following agencies:

- Community Health Services
- Nevada Highway Patrol
- Department of Wildlife
- Department of Motor Vehicles - Investigations
- Division of Forestry
- Division of Emergency Management
- Division of State Parks
- Nevada Youth Training Center
- University of Nevada at Reno - Dept. of Agriculture
- University of Nevada at Reno - Police Department
- Taxicab Authority
- Gaming Control Board
- F.B.I.
- Department of Justice/Drug Enforcement
- United States Forest Service-Humboldt
- Nye County, Esmeralda County, Lander County, Storey County, Pershing and White Pine County Sheriffs' offices
- Eureka County T.V. District
- Lyon County Fire Department
- Lyon County Senior Citizens of Dayton

APPENDIX I

Letter, Dated April 3, 1984, from Gene E. Oakley, Coordinator
of Communications, State Communications Board,
to Donald A. Rhodes, Research Director,
Legislative Counsel Bureau, Concerning
Placing Additional Telephone Lines
on the State's Microwave System

STATE OF NEVADA
STATE COMMUNICATIONS BOARD

555 Wright Way
Carson City, Nevada 89711
(702) 885-5125



April 3, 1984

Donald A. Rhodes, Research Director
Legislative Counsel Bureau
Legislative Building
Capitol Complex
Carson City, Nevada 89710

Dear Mr. Rhodes:

As requested by the Chairman of the Committee to Study Public Broadcasting in Nevada, Senator James Bilbray, I am forwarding the results of my study to use the State Microwave System in the state's telephone system. Not included in this study are the "800" numbers used throughout the state. According to General Services personnel, the "800" numbers are being discontinued except in Las Vegas where they will be rerouted on the 46 tie-lines described in recommendation number one.

I spoke to Terry Sullivan, Director of General Services, and Michael Meizel, Supervisor for Buildings and Grounds, about hiring a telephone engineer to look at the state's telephone system to make recommendations so the state can plan for the future. Both of them are against any studies at this time. I am in disagreement with them, I believe the state should have a ten year telecommunications plan. I am alarmed at the number of agencies installing their own telephone switches without an overall plan and at the present and projected future costs of telephone services. I believe we should have a five year and a ten year plan for our state telephone system. After an initial investment of equipment and materials, a great amount of money could be saved by the state owning its own telephone system. I am also puzzled as to why General Services has contracted to Nevada Bell to oversee its (the states) telephone equipment purchases and to do their planning.

Please forward a copy of this letter and study to Senator Bilbray. If you or the Senator have any further questions or need any more information, please do not hesitate to call.

Very truly yours,

Wayne R. Teglia, Chairman

A handwritten signature in cursive script that reads "Gene E. Oakley".

By: Gene E. Oakley
Coordinator of Communications

Encl.

USING THE STATE MICROWAVE SYSTEM IN THE STATE TELEPHONE SYSTEM

The following are the results of a study to replace some of the lines now on the public telephone system and place them on the State Microwave System:

1. It is recommended that the 46 Carson City to LasVegas tie lines now furnished by AT&T be replaced by 46 tie lines on the State Microwave System.

General Services yearly costs for 46 tie lines using AT&T
at \$5,833 each line.....\$268,320*
*includes Centel's line charges

General Services yearly cost for 46 tie lines using the
State Microwave System, each line \$2,589.....\$119,094

Charges Itemized

Bell lines	\$ 16,008
Centel lines	11,086
State Microwave Rent	<u>92,000</u>
	\$119,094

Yearly savings to the State (installation and parts charges
are not included).....\$149,226

One time installation and parts costs

Line installation - Centel	\$ 2,944
Line installation - Bell	4,968
Channel parts	<u>84,275</u>
Total one-time charges:	\$ 92,187

General Services could save \$57,039 the first year by putting their 46 Centrex tie lines (Carson City to LasVegas) on the State Microwave System. Each year thereafter, the savings would be \$149,226. This figure does not include an expected rate increase proposed by AT&T.

2. Replace the 2 WATS lines in Elko with 2 Carson City Centrex numbers:

The yearly charges for WATS lines in Elko (2 lines) is \$37,380. It is recommended that these lines be replaced with 885-XXXX Centrex numbers. The cost to provide two lines using the State Microwave System is \$4,816 yearly. Since the total cost of these lines is known, the cost to use the System can be charged back to each using agency. The telephone operator in Elko could then make calls throughout the remainder of the state by using an agency identifier when utilizing the WATS lines out of Carson City. Out-of-state WATS could be used in the same manner; however, out-of-state calls run only \$160/month. About 70% of the calls from Elko are to Carson City. This means that \$26,166 in calls were made from Elko to Carson City. This would indicate a savings of \$21,713 per year, not counting the one-time charges of \$4,583 for installation and parts.

Because of the present backlog of calls that are going out of Elko, usually about a twenty minute wait, it is recommended that an additional line be installed for a total of three outgoing lines. The savings would still be appreciable: \$14,489 with a one-time parts and installation cost of \$6,874.50.

Incoming lines to the Elko switchboard could also be furnished for the same per line cost. Any agency in Carson City or Reno could call the 885-XXXX number and be connected to the switchboard. A programming change would have to be made to computer program to bill an agency calling Elko. If the outgoing calls to Elko are about \$26,166 yearly, the incoming calls must also be in the neighborhood.

It is recommended that two incoming lines be installed to the switchboard. A possible savings of at least \$20,000 per year may be realized:

Charges Itemized

Yearly charges, Each line to or from Elko

Channel rental	\$ 2,000
C.P. National lines	210
Bell Centrex lines	<u>198</u>
	\$ 2,408

One-time charges, Each line to or from Elko

Channel parts	\$ 2,090.00
C.P. National installation	60.50
NV Bell installation	<u>141.00</u>
	\$ 2,291.50

Using the State Microwave System in the State Telephone System

3. Nevada Bell has proposed a least-cost-routing system to the State. This would be a computer based program in the Centrex office that would pick the least cost routing for toll calls. The State Microwave System could be utilized in this system, any or all of the following towns or cities could be called using the State System:

1. Carson City
2. Reno
3. Winnemucca
4. Elko
5. Wells
6. Ely
7. Austin
8. Las Vegas
9. Tonopah

For example, if an Ely number is called, the computer would check to see if the State System is available to route the call. If the State System were busy, it would be routed to a WATS line or direct dial.

This system would require programming costs to be paid to Nevada Bell to implement the system. The programming costs might be costly, but the overall savings to the state over a five-year period could be substantial.

SUMMARY

	<u>First Year</u>	<u>Each Year Thereafter</u>
1. 46 tie line savings.....	\$ 57,039	\$ 149,226
2. 885-XXXX call out lines from Elko.....	\$ 17,130	\$ 21,713
3. 885-XXXX call to lines to Elko.....	\$ 16,000	\$ 20,583*
Total savings, first year.....	\$ 90,169	
Total savings after first year.....		\$ 191,522

*This is an estimated savings, programming changes for billings is not included. Calls to Elko are estimated

APPENDIX J

Information on University of Nevada, Reno,
Teleconferencing System Called UNITE



UNITE Is Used for

Education

Northern Nevada communities have access to the UNITE network through conveniently located education centers for credit and enrichment courses. Participants can be involved in higher education in their communities without having to travel long distances. They can also ask questions of the instructors and talk to students located in other communities throughout the state. Instructors can even invite a guest speaker to join the class from any business or private telephone — anywhere.

Additionally, UNITE is used to expand faculty development for the University of Nevada-Reno through extension, research, seminars and meetings.

UNITE

Off Campus Programs
Continuing Education
University of Nevada-Reno
Reno, NV 89557
(702) 784-4633

Government and Industry

Government and industry also use the UNITE network for meetings, seminars, staff development and research for a nominal cost-sharing fee. Conferences can be held at the strategically located UNITE centers or even in the offices of an organization, all interconnected by the UNITE network. Users are not limited to the confines of the state, but may extend the dialogue to offices throughout the country.

UNITE reduces travel costs and increases personnel productivity to:

- * assist STATE AGENCIES wishing to engage in meetings and discussion throughout Nevada and save both the time and expense of transportation
- * enable HOSPITALS and BUSINESSES to provide standardized training for staff and to hold meetings
- * give PROFESSIONAL and SERVICE organizations the ability to meet regularly at low cost on a regional or statewide basis
- * provide FEDERAL AGENCIES the opportunity to solicit information from local constituents through meetings and discussions



Sponsors

Office of Communications and Broadcasting
Division of Continuing Education
University of Nevada-Reno

UNITE

Office of Communications and Broadcasting
University of Nevada-Reno
Reno, NV 89557
(702) 784-6083

• • SAMPLE TELECONFERENCE MEETING • •

ELY: Joseph Thiele
Adult Ed Coordinator
White Pine County Schools

ELKO: Paul Billings, Supervisor
Curriculum and Instruction
Elko County Schools

WINNEMUCCA: Sherry Allen
Library Director
Humboldt County Library

TONOPAH: Florence
Robinson
Administrative Asst.
Nye County Schools

INCLINE VILLAGE

ZEPHYR COVE

CARSON CITY:
Joe Anderson, State Librarian
of Nevada
Jack Porter, Director of State
Department of Museum and History

RENO: Mary Jo Antunovich, Management Asst.
Chancellor's Office
Neil Ferguson, Dean of Continuing Education, UNR
LAS VEGAS: Mike Stowers, Director of Audiovisual Services

Learning Centers in Northern Nevada

Any telephone can be interconnected to the system

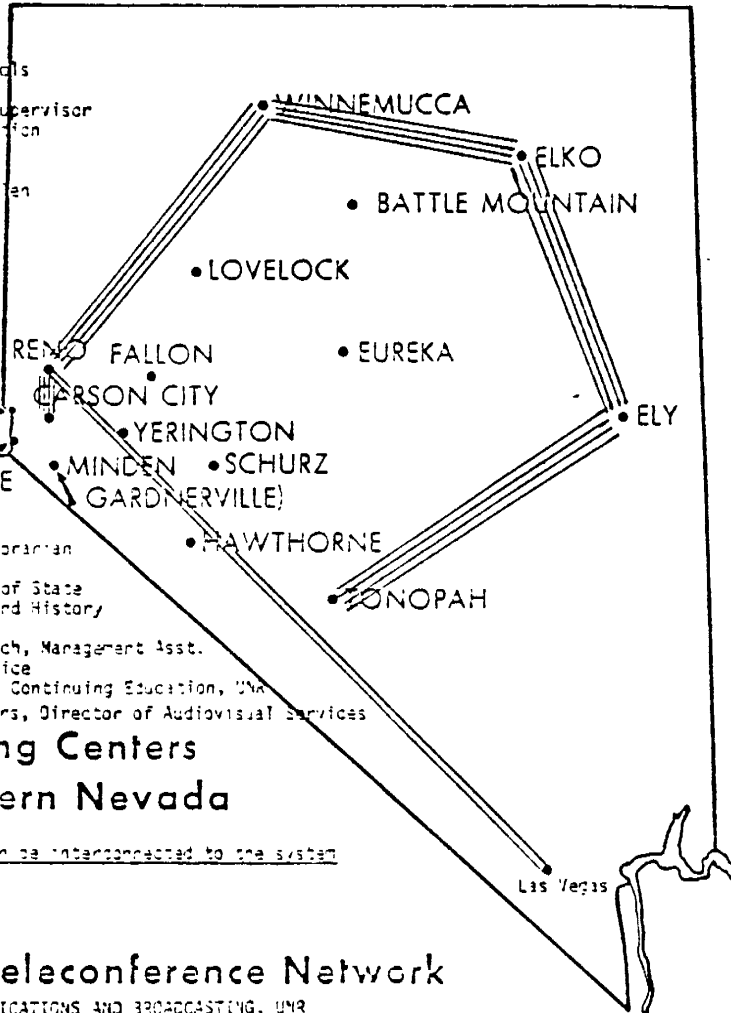


UNITE Teleconference Network

OFFICE OF COMMUNICATIONS AND BROADCASTING, UNR
702-734-8083

Daniel J. Tona, Director

Configuration reflects teleconference for Board of Regents Meeting 3-29-81



APPENDIX K

Suggested Legislation

	<u>Page</u>
BDR 18-112.... Enlarges membership of state communications board	137
BDR 33-111.... Creates commission on public broadcasting	138
BDR 113..... Urges production of informational programs by public broadcasters in Nevada	143

SUMMARY--Enlarges membership of state communications board. (BDR 18-112)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to the state communications system; enlarging the membership of the state communications board; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 233F.090 is hereby amended to read as follows:

233F.090 1. The state communications board is hereby created. The board consists of a chairman and [two] four members, who:

(a) Are appointed by the governor from among those using the state communications system.

(b) Serve at the pleasure of the governor and are responsible to him.

2. The governor may appoint additional persons to act in an advisory capacity to the board.

SUMMARY--Creates commission on public broadcasting.
(BDR 33-111)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial
Insurance: Yes.

AN ACT relating to public broadcasting; creating the commission on public broadcasting; authorizing it to administer grants of money to aid public broadcasting; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Title 33 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. 1. There is hereby created within the division of economic development the commission on public broadcasting composed of three members appointed by the governor:

(a) One of whom has demonstrable knowledge or experience in the business of radio or television broadcasting;

(b) One of whom is employed by an educational institution in this state; and

(c) One appointed as a representative of the general public who has a demonstrable interest in or a knowledge of the operations of public broadcasting.

2. The governor may remove a member from the commission for neglect of duty or malfeasance in office.

Sec. 3. 1. The commission on public broadcasting shall select annually one of its members to serve as chairman. It shall meet at least quarterly and may meet more often at times and places specified by the chairman.

2. The executive director of the division of economic development shall serve as the secretary of the commission. He shall provide the commission with the clerical, administrative or other services necessary to perform its functions.

3. Each member of the commission is entitled to \$60 for each day or part of a day spent on the commission's business and to the per diem expenses and travel allowance provided for state officers and employees.

Sec. 4. 1. The commission on public broadcasting may, from such money as is allocated to it for the purpose, award a matching grant to a public broadcaster for the support of its operations that does not exceed one-third of its money obtained from other sources.

2. The commission shall establish by regulation the procedure for the preparation and submission of applications

for matching grants and the standards that it will use in considering whether to award a grant to an applicant.

3. The commission shall adopt standards which reflect the following criteria:

(a) The applicant's needs, as determined by the commission;

(b) The merit of the applicant's request for the matching grant;

(c) The applicant's demonstrated efficiency of operation;

(d) The applicant's success in raising money from other sources; and

(e) The applicant's success in enlarging the number of persons who support its operations through annual subscription.

4. As used in this section, the operations of a public broadcaster include:

(a) The production or acquisition of noncommercial programs of an educational or cultural nature;

(b) The broadcasting of such programs;

(c) The interconnection of public broadcasters to effectuate the distribution of such programs; and

(d) The acquisition, maintenance, repair and replacement of equipment used by a public broadcaster in connection with the activities mentioned in this subsection.

Sec. 5. To be eligible to apply for a matching grant, a prospective applicant must:

1. Be licensed by the Federal Communications Commission to operate:

(a) A noncommercial radio station for educational broadcasting; or

(b) A noncommercial television station for educational broadcasting; and

2. Unless it is a noncommercial television station for educational broadcasting that is licensed to broadcast only on low power, be qualified to receive financial support from the Corporation for Public Broadcasting.

Sec. 6. 1. There is hereby created the advisory committee on public broadcasting composed of seven members appointed by the governor:

(a) One representing public radio from southern Nevada;

(b) One representing public television from southern Nevada;

(c) One representing public radio from northern Nevada;

(d) One representing public television from northern Nevada;

(e) Two representing the University of Nevada System; and

(f) One representing public television broadcasters licensed to operate in Nevada on low power.

2. For purposes of this section:

(a) "Southern Nevada" means Mineral, Esmeralda, Nye, Lincoln and Clark counties.

(b) "Northern Nevada" means the remainder of the state.

3. The members of the advisory committee are not entitled to compensation or the reimbursement of their expenses.

4. The committee shall advise the commission on public broadcasting from time to time concerning the status and needs of public broadcasting in the state and on such specific subjects concerning public broadcasting as the commission may request.

Sec. 7. 1. In appointing the first members of the commission on public broadcasting, the governor shall appoint:

(a) One member to a term of office expiring on June 30, 1986;

(b) One member to a term of office expiring on June 30, 1987; and

(c) One member to a term of office expiring on June 30, 1988.

2. In appointing the first members of the advisory committee on public broadcasting, the governor shall appoint:

(a) Three members to terms of office expiring on June 30, 1986;

(b) Two members to terms of office expiring on June 30, 1987; and

(c) Two members to terms of office expiring on June 30, 1988.

SUMMARY--Urges production of informational programs by public broadcasters in Nevada. (BDR 113)

CONCURRENT RESOLUTION--Urging the public
broadcasters in Nevada to produce weekly programs of
news and information devoted to issues affecting the
state.

WHEREAS, An informed public which is aware of the issues affecting Nevada is necessary for effective representative government; and

WHEREAS, The public broadcasters in Nevada have often expressed their special commitment to providing the citizens of Nevada with timely news and information concerning the issues which affect the state and its citizens; now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE

CONCURRING, That public broadcasters in Nevada are urged to develop, produce and broadcast programs of at least 30 minutes' duration weekly devoted to news, information and current events affecting the citizens and government of Nevada; and be it further

RESOLVED, That a copy of this resolution be transmitted by the legislative counsel to each public television and public radio station in Nevada.