



January 10, 2017

VIA ELECTRONIC MAIL

Ms. Mary Mitchelson
Inspector General
Corporation for Public Broadcasting
401 Ninth Street NW
Washington, D.C. 20004

Dear Ms. Mitchelson,

RE: Summary Report on Licensee Compliance with Communications Act and CPB Requirements

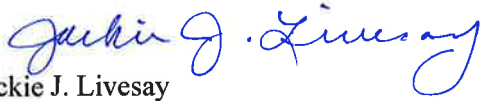
We appreciate the opportunity to comment on your report referenced above which summarizes previous audit findings that certain public broadcasting station licensees failed to comply with Communications Act and CPB requirements relating to their grants.

This report provides a compilation of past findings from audits of 69 licensees conducted by the Office of Inspector General (OIG) between October 1, 2005 and September 30, 2015. Based on its summary of those findings, the report concludes significant non-compliance by the stations audited and offers two recommendations for improvement.

The report's purpose, as stated on page five, was to "assess whether various CPB initiatives to address non-compliance over the years have had an impact on improving station compliance." The report's data actually shows that station compliance improved substantially, by 25%, yet we are concerned that its summary of non-compliance findings may be erroneously construed to reflect the performance of all public broadcasting stations. As the report discloses, "... *these licensees were judgmentally selected for audit on a risk basis. We did not randomly select licensees for audit on a statistical basis ...*" Moreover, 42% of the audits are from 2011, prior to our undertaking several initiatives designed to improve station compliance. The report, therefore, is not statistically relevant to system-wide compliance, and it could better emphasize that limitation to avoid misinterpretations.

The initiatives, which began in 2013, include revising the administrative grant requirements and providing stations with tools to improve their compliance with the Communications Act. We created a Compliance Hotline, developed a Compliance Checklist and began issuing periodic Compliance Alerts to stations. We believe that these improvements, together with changes now being implemented for the 2017 Community Service Grant program, are in the spirit of the report's recommendations and are appropriate to address today's compliance issues.

Best,



Jackie J. Livesay
Assistant General Counsel & Vice President, Compliance

CC: VIA ELECTRONIC MAIL

- William J. Richardson, Deputy Inspector General, CPB
- J. Westwood Smithers, Jr., Senior Vice President & General Counsel, CPB
- William P. Tayman, Jr., Chief Financial Officer & Treasurer, CPB