



CORPORATION FOR PUBLIC BROADCASTING

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TO: CPB Board of Directors
 FROM: Dennis James McIntosh *DJM*
 RE: Legislative Update
 DATE: May 20, 1988

PROPOSED SENATE AMENDMENTS TO PUBLIC BROADCASTING ACT

Late Thursday, the Senate Communications Subcommittee staff revealed several drastic proposed amendments to the Public Broadcasting Act. These amendments are designed to remove most of CPB's discretion over programming and other funds. The Senate amendments would:

1. Codify the current division of CPB radio funding: 70% of the radio portion for radio community service grants (CSGs); 23% for radio national program production and acquisition grants (NPPAGs); 7% for Radio Program Fund (administered by CPB).
2. Create a statutory division of TV funding similar to that of CPB's radio funding: 75% of TV funds for CSGs; 20% for the PTV version of NPPAGs; 5% for CPB's TV Program Fund.
3. Restrict CPB's remaining TV Program Fund funding as follows: a) no program could be funded for more than four years; b) programs funded must meet one or more of the following criteria: 1) serve unserved or underserved audiences, 2) involve creative risks, 3) have difficulty obtaining other funds, or 4) involve innovative formats; and, c) funding could be provided only in the form of grants, not contracts.
4. Limit increases in CPB's administrative expenses to 104% of the previous year's budget.
5. Include interest obtained from CPB's appropriation in the allocation formula.
6. Limit CPB's support of fixed public broadcasting system expenses to 6% of the appropriation and eliminate the interconnection finance trigger currently in the law.

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7. Require that stations which constitute the only broadcast service to a community (not the only station in a community but the only signal received in a community) receive some sort of CPB funding, regardless of whether they would otherwise qualify for CSGs.

The staff explained that these amendments have been driven by mistrust of CPB as an institution (based on the turmoil on CPB's Board in recent years) and the ongoing threat of political intrusion into CPB's programming decisions. The staff has concluded that the best means of responding to these concerns is to remove programming discretion from CPB.

CPB staff is analyzing the implications of these amendments and assisting Government Affairs in preparing a response to the Subcommittee proposals. Donald Ledwig and Howard Gutin have scheduled a telephonic Board meeting for next Tuesday, May 24, at 11:30am EST to discuss these amendments.

cc Donald Ledwig