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Case file Number(s): 604390

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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: WHORM: Subject File

Archivist: mjd

File Folder: FI004 604390

Date: 3/12/97

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
letter case (604390)			
1. memo	from Joseph Wright, Jr. to the President re: Enrolled Bill H.R. 4118, page 4 (1p, partial)	10/30/88	P5 <i>12/13/00</i>
2. memo	copy of item # 1 (1p, partial)	10/30/84	P5

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

- C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

WHITE HOUSE STAFFING MEMORANDUM

FI004

DATE: 10/31/88

ACTION/CONCURRENCE/COMMENT DUE BY: COB 11/4/88

SUBJECT: H.R. 4118 -- PUBLIC TELECOMMUNICATIONS ACT OF 1988

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	HOOLEY	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KRANOWITZ	<input checked="" type="checkbox"/>	<input type="checkbox"/>
POWELL	<input type="checkbox"/>	<input type="checkbox"/>	MASENG	<input type="checkbox"/>	<input type="checkbox"/>
WRIGHT - OMB	<input type="checkbox"/>	<input type="checkbox"/>	RANGE	<input type="checkbox"/>	<input type="checkbox"/>
OGLESBY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RISQUE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAUER	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CRIPPEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
CULVAHOUSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUCK	<input type="checkbox"/>	<input type="checkbox"/>
DAWSON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
DONATELLI	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOBBS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide your comments/recommendations directly to my office by close of business Friday, November 4. Thank you.

RESPONSE:



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 30 1988

1988 OCT 31 AM 9:11

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4118 - Public Telecommunications
Act of 1988
Sponsor - Rep. Markey (D) Massachusetts

Last Day for Action

November 8, 1988 - Tuesday

Purpose

(1) Authorizes appropriations for the Corporation for Public Broadcasting and the Public Telecommunications Facilities Grant Program of the Department of Commerce; and (2) makes various other changes with respect to the Corporation for Public Broadcasting.

Agency Recommendations

Office of Management and Budget	Approval
Department of Commerce	Approval
Department of Justice	No comment (Informally)

Discussion

H.R. 4118, which passed both Houses by voice vote, would authorize appropriations for the Corporation for Public Broadcasting and the Public Telecommunications Facilities Grant Program of the Department of Commerce.

Corporation for Public Broadcasting

-- Background

The Corporation for Public Broadcasting (CPB) is a private, non-profit corporation organized under the laws of the District of Columbia. Under its current authorities, CPB has two principal activities. First, it directs payments to public radio and television stations to be used at the discretion of the stations for purposes related to program production or acquisition. Second, it supports the production or acquisition of radio and television programs for national distribution. CPB also assists in financing other activities, such as nationwide satellite interconnection services and the payment of music royalty fees.

Funds for CPB are both authorized to be appropriated and appropriated two years in advance of the normal Government timetable, in order to increase the ability of the public broadcasting system to plan for the future, as well as to facilitate the production of programs requiring a long lead time. This Office does not release appropriated funds, however, until the beginning of the fiscal year for which they are appropriated.

-- Amendments Made by H.R. 4118

The enrolled bill would authorize appropriations for CPB, as follows: \$245 million for FY 1991; \$265 million for FY 1992; and \$285 million for FY 1993. CPB's enacted appropriation for FY 1991 is \$242 million. The enrolled bill would also authorize \$200 million in additional appropriations for CPB for FY's 1991-1993 for a newly-established Satellite Interconnection Fund to replace the public radio and television satellite systems. \$57 million has been appropriated for this purpose for FY 1991.

Other key provisions of H.R. 4118 would:

- o Increase from \$2 to \$2.50 the amount of private funds that public broadcasters must raise for each dollar received from CPB;
- o Require CPB to report to Congress by March 1, 1990, on: the satellite replacement needs of public radio and television stations; the difference in cost between leasing satellite transponder capacity and buying such capacity; and the availability of private sector rather than Federal financing;
- o Delete a provision of existing law that prohibits public broadcasting stations from editorializing. (Endorsements of political candidates would still be prohibited, however.);
- o Require CPB to provide adequate funds for an independent program production service beginning in FY 1990;
- o Make various changes in the allocation of CPB's funding (e.g., by limiting the administrative expenses of the Corporation to 104 percent of the amount devoted to administrative expenses during the previous year and by codifying the current radio allocation formula used by CPB);
- o Require CPB to devote a substantial portion of its funds to children's educational programming and programming addressing the needs and interests of minorities;

- o Require CPB, prior to July 1, 1989, and every three years thereafter, to report to Congress on the needs of minority and diverse audiences and the plans of public broadcasting stations to address the needs of these audiences; and
- o Generally prohibit the Public Broadcasting Service from scrambling its signals, unless it maintains an unscrambled transmission that is reasonably accessible to home satellite dish receivers that are not equipped with decoders.

Public Telecommunications Facilities Grant Program

This program -- administered by the National Telecommunications and Information Administration in the Commerce Department -- was originally intended to provide "seed" money for public broadcasting stations to acquire new equipment. The Administration has regularly proposed zero funding for these grants on the ground that their original purpose was fulfilled long ago; however, Congress has consistently both authorized appropriations and appropriated funds for the grants.

The enrolled bill would authorize appropriations for the Public Telecommunications Facilities Grant Program, as follows: \$36 million for FY 1989; \$39 million for FY 1990; and \$42 million for FY 1991. The FY 1989 appropriation for this activity is \$20 million.

Administration Position to Date

On July 6, 1988, the Director of the Office of Management and Budget sent a letter to the House Committee on Energy and Commerce which stated, in part, that he would recommend disapproval of H.R. 4118 unless its funding levels were significantly reduced. At that time, the authorization levels for CPB and the Public Telecommunications Grant Program contained in the bill exceeded the President's budget request by \$737 million over the period covered by the bill. We sent a similar letter, also with a veto threat, to the Senate Committee on Commerce, Science, and Transportation on August 1, 1988, on S. 2114, the counterpart Senate bill, which contained identical funding levels. On August 12, 1988, the Commerce Department also sent a report to the Committee threatening a veto of S. 2114.

On October 6, 1988, this Office sent a letter to the Senate Commerce, Science, and Transportation Committee stating that OMB would not recommend veto if S. 2114 were amended to provide for lower funding levels (i.e., those now contained in the enrolled bill, which are \$267 million below the amounts contained in the earlier versions of the legislation), as well as other changes

(e.g., a study of the satellite replacement needs of public broadcast stations). The changes requested by this Office are included in H.R. 4118, as enrolled.


Agency Views

In its enrolled bill views letter, the Department of Commerce states that "[a]lthough the funding levels authorized in this Act exceed those recommended for CPB, and would continue the [Public Telecommunications Facilities Grant Program] which we have urged be terminated, we . . . recommend Presidential approval."

Commerce also expresses concern about the \$200 million authorization level for satellite replacement. According to Commerce, that "amount considerably exceeds reasonable cost estimates for any such replacement." Commerce observes, however, that H.R. 4118 would require a detailed cost-benefit analysis to precede spending on the replacement and concludes that "[i]t may thus be possible significantly to reduce the cost of that system."

Conclusion and Recommendation

Although the authorization levels in H.R. 4118 exceed your request, they are substantially lower than those contained in earlier versions of the enrolled bill. In the case of CPB, the 1991 appropriation authorization of \$245 million is actually lower than the already-enacted 1990 appropriation authorization of \$254 million. We agree with Commerce that the study requirement will provide an opportunity to reduce the cost of satellite replacement. Consequently, and consistent with the commitment we made to Congress in connection with this measure, we join Commerce in recommending approval of the enrolled bill.



Joseph R. Wright, Jr.
Acting Director

Enclosures

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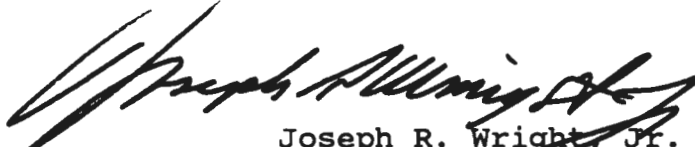
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Acting Director

Enclosures

FI004

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) / /

Name of Correspondent: Rhett Dawson

☐ MI Mail Report

User Codes: (A) (B) (C)

Subject: H.R. 4118 - Public Telecommunications Act of 1988

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
cuhol1	ORIGINATOR	88/10/31		88/11/24 CJ
cuat 24	Referral Note: R	88/10/31		88/11/10 CJ
	Referral Note: Nor 488 CDM memo to Rhett Dawson			
	Referral Note:			
	Referral Note:			
	Referral Note:			
	Referral Note:			

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet
to be used as Enclosure

I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:

A - Answered C - Completed
B - Non-Special Referral S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments:

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

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CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: _____ Individual Codes: _____

Prime Subject Code: _____ Secondary Subject Codes: _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C _____	_____	Time: _____	P- _____
DSP _____	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence

- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

CLn - First Lady's Correspondence

- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

CBn - Presidential & First Lady's Correspondence

- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

THE WHITE HOUSE

WASHINGTON

November 4, 1988

MEMORANDUM FOR RHETT B. DAWSON
ASSISTANT TO THE PRESIDENT FOR OPERATIONS

FROM: C. DEAN MCGRATH, JR. *WJCS*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4118, the "Public
Telecommunications Act of 1988"

Counsel's office has reviewed the above-referenced enrolled bill, and we have no legal objection to the recommendation of the Acting Director, Office of Management and Budget that it be approved and signed by the President.

Thank you for submitting this matter for our review.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/31/88

ACTION/CONCURRENCE/COMMENT DUE BY: COB 11/4/88

SUBJECT: H.R. 4118 -- PUBLIC TELECOMMUNICATIONS ACT OF 1988

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	HOOLEY	<input type="checkbox"/>	<input type="checkbox"/>
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OGLESBY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RISQUE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAUER	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CRIPPEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
CULVAHOUSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUCK	<input type="checkbox"/>	<input type="checkbox"/>
DAWSON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
DONATELLI	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
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88 OCT 31 AIO: 07



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 30 1988

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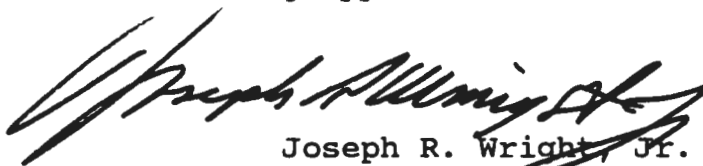
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Joseph R. Wright, Jr.
Acting Director

Enclosures

One Hundredth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-fifth day of January,
one thousand nine hundred and eighty-eight*

An Act

To amend and extend the authorization of appropriations for public broadcasting,
and for other purposes.

*Be it enacted by the Senate and House of Representatives of the
United States of America in Congress assembled,*

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Telecommuni-
cations Act of 1988".

PUBLIC TELECOMMUNICATIONS FACILITIES AUTHORIZATIONS

SEC. 2. Section 391 of the Communications Act of 1934 (47 U.S.C.
391) is amended—

- (1) by striking "and" after "1987,"; and
- (2) by inserting "\$36,000,000 for fiscal year 1989, \$39,000,000
for fiscal year 1990, and \$42,000,000 for fiscal year 1991," imme-
diately after "1988,".

CORPORATION FOR PUBLIC BROADCASTING AUTHORIZATIONS

SEC. 3. Section 396(k)(1)(C) of the Communications Act of 1934 (47
U.S.C. 396(k)(1)(C)) is amended—

- (1) by striking "and 1990" and inserting in lieu thereof "1990,
1991, 1992, and 1993";
- (2) by striking "50 percent" and inserting in lieu thereof "40
percent";
- (3) by striking "and" after "fiscal year 1989,"; and
- (4) by inserting before the period at the end thereof the
following: ", \$245,000,000 for fiscal year 1991, \$265,000,000 for
fiscal year 1992, and \$285,000,000 for fiscal year 1993".

PUBLIC BROADCASTING SATELLITE INTERCONNECTION FUND

SEC. 4. (a) Section 396(k) of the Communications Act of 1934 (47
U.S.C. 396(k)) is amended by adding at the end thereof the following
new paragraph:

"(10)(A) There is hereby established in the Treasury a fund which
shall be known as the Public Broadcasting Satellite Interconnection
Fund (hereinafter in this subsection referred to as the 'Satellite
Interconnection Fund'), to be administered by the Secretary of the
Treasury.

"(B) There is authorized to be appropriated to the Satellite Inter-
connection Fund, for fiscal year 1991, the amount of \$200,000,000. If
such amount is not appropriated in full for fiscal year 1991, the
portion of such amount not yet appropriated is authorized to be
appropriated for fiscal years 1992 and 1993. Funds appropriated to
the Satellite Interconnection Fund shall remain available until
expended.

U.S. WHITE HOUSE

“(C) The Secretary of the Treasury shall make available and disburse to the Corporation, at the beginning of fiscal year 1991 and of each succeeding fiscal year thereafter, such funds as have been appropriated to the Satellite Interconnection Fund for the fiscal year in which such disbursement is to be made.

“(D) Notwithstanding any other provision of this subsection except paragraphs (4), (5), (8), and (9), all funds appropriated to the Satellite Interconnection Fund and interest thereon—

“(i) shall be distributed by the Corporation to the licensees and permittees of noncommercial educational television broadcast stations providing public telecommunications services or the national entity they designate for satellite interconnection purposes and to those public telecommunications entities participating in the public radio satellite interconnection system or the national entity they designate for satellite interconnection purposes, exclusively for the capital costs of the replacement, refurbishment, or upgrading of their national satellite interconnection systems and associated maintenance of such systems; and

“(ii) shall not be used for the administrative costs of the Corporation, the salaries or related expenses of Corporation personnel and members of the Board, or for expenses of consultants and advisers to the Corporation.”

(b) On or before March 1, 1990, the Corporation for Public Broadcasting, on behalf of the public radio and public television licensees and permittees (or their designated representatives), shall submit to Congress a report by such licensees or permittees (or their representatives) detailing the satellite replacement needs of public radio and public television, the difference in cost between leasing satellite transponder capacity and buying such capacity, and the availability of private sector rather than Federal financing.

FINDING WITH RESPECT TO CERTAIN PROGRAMMING

SEC. 5. Section 396(a) of the Communications Act of 1934 (47 U.S.C. 396(a)) is amended—

(1) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(2) by inserting immediately after paragraph (5) the following new paragraph:

“(6) it is in the public interest to encourage the development of programming that involves creative risks and that addresses the needs of unserved and underserved audiences, particularly children and minorities;”

EXERCISE OF BUSINESS JUDGMENT BY CORPORATION

SEC. 6. Section 396(g)(2)(B)(ii) of the Communications Act of 1934 (47 U.S.C. 396(g)(2)(B)(ii)) is amended by striking “contract or”.

ALLOCATION OF CORPORATION FUNDING

SEC. 7. (a) Section 396(k)(3)(A)(i) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)(i)) is amended—

(1) by amending subclause (I) to read as follows:

“(I) \$10,200,000 shall be available for the administrative expenses of the Corporation for fiscal year 1989, and for each succeeding fiscal year the amount which shall be available for

such administrative expenses shall be the sum of the amount made available to the Corporation under this subclause for such expenses in the preceding fiscal year plus the greater of 4 percent of such amount or a percentage of such amount equal to the percentage change in the Consumer Price Index, except that none of the amounts allocated under subclauses (II), (III), and (IV) and clause (v) shall be used for any administrative expenses of the Corporation and not more than 5 percent of all the amounts appropriated into the Fund available for allocation for any fiscal year shall be available for such administrative expenses;";

(2) subclause (II) is amended to read as follows:

"(II) 6 percent of such amounts shall be available for expenses incurred by the Corporation for capital costs relating to telecommunications satellites, the payment of programming royalties and other fees, the costs of interconnection facilities and operations (as provided in clause (iv)(I)), and grants which the Corporation may make for assistance to stations that broadcast programs in languages other than English, and if the available funding level permits, for projects and activities that will enhance public broadcasting;"; and

(3) in subclause (III), by striking "clause (ii)(I)" and inserting in lieu thereof "clause (ii)".

(b) Section 396(k)(3)(A)(ii)(II) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)(ii)(II)) is amended by striking "for public" and inserting in lieu thereof the following: ", and in accordance with any plan implemented under paragraph (6)(A), for national public".

(c) Clause (iii) of section 396(k)(3)(A) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)) is amended to read as follows:

"(iii) Of the amounts allocated under clause (i)(IV) for any fiscal year—

"(I) 70 percent of such amounts shall be available for distribution among the licensees and permittees of public radio stations pursuant to paragraph (6)(B);

"(II) 7 percent of such amounts shall be available for distribution under subparagraph (B)(i) for public radio programming; and

"(III) 23 percent of such amounts shall be available for distribution among the licensees and permittees of public radio stations pursuant to paragraph (6)(B), solely to be used for acquiring or producing programming that is to be distributed nationally and is designed to serve the needs of a national audience.".

(d) Clause (v) of section 396(k)(3)(A) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)) is amended to read as follows:

"(v) Of the interest on the amounts appropriated into the Fund which is available for allocation for any fiscal year—

"(I) 75 percent shall be available for distribution for the purposes referred to in clause (ii)(II); and

"(II) 25 percent shall be available for distribution for the purposes referred to in clause (iii) (II) and (III)."

(e) Section 396(k)(3)(A)(iv)(I) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)(iv)(I)) is amended by striking "Subject to the provisions of clause (v)," and inserting in lieu thereof the following: "From the amount provided pursuant to clause (i)(II),".

(f) Subparagraph (B)(i) of section 396(k)(3) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)) is amended to read as follows:

"(B)(i) The Corporation shall utilize the funds allocated pursuant to subparagraph (A)(ii)(II) and subparagraph (A)(iii)(II) to make grants for production of public television or radio programs by independent producers and production entities and public telecommunications entities, producers of national children's educational programming, and producers of programs addressing the needs and interests of minorities, and for acquisition of such programs by public telecommunications entities. The Corporation may make grants to public telecommunications entities and producers for the production of programs in languages other than English. Of the funds utilized pursuant to this clause, a substantial amount shall be distributed to independent producers and production entities, producers of national children's educational programming, and producers of programming addressing the needs and interests of minorities for the production of programs."

(g) Section 396(k)(3) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)) is amended by striking subparagraphs (C) and (D).

(h) Paragraph (6)(A) of section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended to read as follows:

"(6)(A) The Corporation shall conduct a study and prepare a plan, in consultation with public television licensees (or designated representatives of those licensees) and the Public Broadcasting Service, on how funds available to the Corporation under paragraph (3)(A)(ii)(II) can be best allocated to meet the objectives of this Act with regard to national public television programming. The plan, which shall be based on the conclusions resulting from the study, shall be submitted by the Corporation to the Congress not later than January 31, 1990. Unless directed otherwise by an Act of Congress, the Corporation shall implement the plan during the first fiscal year beginning after the fiscal year in which the plan is submitted to Congress."

(i) Section 396(k)(6)(B) of the Communications Act of 1934 (47 U.S.C. 396(k)(6)(B)) is amended by inserting immediately after the first sentence the following new sentence: "The Corporation shall assist radio stations to maintain and improve their service where public radio is the only broadcast service available."

(j) Section 396(k)(7) of the Communications Act of 1934 (47 U.S.C. 396(k)(7)) is amended by inserting "(ii)(I) and (iii)(I)" immediately after "paragraph (3)(A)".

INDEPENDENT PRODUCTION

SEC. 8. Section 396(k)(3)(B) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(B)) is amended by adding at the end the following new clause:

"(iii)(I) For fiscal year 1990 and succeeding fiscal years, the Corporation shall, in carrying out its obligations under clause (i) with respect to public television programming, provide adequate funds for an independent production service.

"(II) Such independent production service shall be separate from the Corporation and shall be incorporated under the laws of the District of Columbia for the purpose of contracting with the Corporation for the expenditure of funds for the production of public television programs by independent producers and independent production entities.

"(III) The Corporation shall work with organizations or associations of independent producers or independent production entities to

develop a plan and budget for the operation of such service that is acceptable to the Corporation.

"(IV) The Corporation shall ensure that the funds provided to such independent production service shall be used exclusively in pursuit of the Corporation's obligation to expand the diversity and innovativeness of programming available to public broadcasting.

"(V) The Corporation shall report annually to Congress regarding the activities and expenditures of the independent production service. At the end of fiscal year 1992, the Corporation shall submit a report to Congress evaluating the performance of the independent production service in light of its mission to expand the diversity and innovativeness of programming available to public broadcasting."

NEEDS OF MINORITIES AND OTHER GROUPS

SEC. 9. (a) Section 396 of the Communications Act of 1934 (47 U.S.C. 396) is amended by adding at the end the following new subsection:

"(m)(1) Prior to July 1, 1989, and every three years thereafter, the Corporation shall compile an assessment of the needs of minority and diverse audiences, the plans of public broadcasting entities and public telecommunications entities to address such needs, the ways radio and television can be used to help these underrepresented groups, and projections concerning minority employment by public broadcasting entities and public telecommunications entities. Such assessment shall address the needs of racial and ethnic minorities, new immigrant populations, people for whom English is a second language, and adults who lack basic reading skills.

"(2) Commencing July 1, 1989, the Corporation shall prepare an annual report on the provision by public broadcasting entities and public telecommunications entities of service to the audiences described in paragraph (1). Such report shall address programming (including that which is produced by minority producers), training, minority employment, and efforts by the Corporation to increase the number of minority public radio and television stations eligible for financial support from the Corporation.

"(3) As soon as they have been prepared, each assessment and annual report required under paragraphs (1) and (2) shall be submitted to Congress."

(b) Section 398(b)(1) of the Communications Act of 1934 (47 U.S.C. 398(b)(1)) is amended by inserting, immediately after "recipients)", the following: "in accordance with the equal employment opportunity regulations of the Commission,".

PROHIBITION AGAINST EDITORIALIZING

SEC. 10. (a) Section 399 of the Communications Act of 1934 (47 U.S.C. 399) is amended by striking the first sentence.

(b) The heading of such section is amended by striking "EDITORIALIZING AND".

SCRAMBLING OF PUBLIC BROADCASTING SERVICE PROGRAMMING

SEC. 11. Section 705 of the Communications Act of 1934 (47 U.S.C. 605) is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

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(2) by inserting after subsection (b) the following new subsection:

"(c) No person shall encrypt or continue to encrypt satellite delivered programs included in the National Program Service of the Public Broadcasting Service and intended for public viewing by retransmission by television broadcast stations; except that as long as at least one unencrypted satellite transmission of any program subject to this subsection is provided, this subsection shall not prohibit additional encrypted satellite transmissions of the same program."

EFFECTIVE DATES

SEC. 12. This Act and the amendments made by this Act are effective on the date of enactment of this Act, except that the amendments made by sections 6 and 7(d) are effective on October 1, 1989.


Speaker of the House of Representatives.


~~Vice President of the United States and~~
President of the Senate. *pro tempore.*