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before

THE SENATE LEGISLATIVE OVERSIGHT COMMITTEE

on

Review of the Purposes and Organization of the
New Jersey Public Broadcasting Authority

February 18, 1986
State House Annex
Room 334
Trenton, New Jersey

New Jersey State Library

MEMBERS OF COMMITTEE PRESENT:

Senator Gerald R. Stockman, Chairman
Senator S. Thomas Gagliano

ALSO PRESENT:

Steven B. Frakt
Office of Legislative Services
Aide, Senate Legislative Oversight Committee

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SENATOR GERALD R. STOCKMAN (Chairman): I think we're about ready to begin this, the second hearing of the Senate Legislative Oversight Committee on New Jersey Public Broadcasting Authority. We are very fortunate to have with us this morning two witnesses with experience in public broadcasting, each a different experience but I think there'll be very helpful and valuable testimony. I had the benefit of having breakfast with them, and got a little forewarning of some of what they'll have to say.

I might suggest that we had hoped to hear from John Sheahan, who was the First Vice President, Friends of New Jersey Network, Inc., to talk to us a little bit about that organization's support for public television and their concerns with this issue of autonomy, and any other suggestions they'd have to the Committee as we look into this whole subject.

Unfortunately, Mr. Sheahan holds a significant position with Johnson and Johnson, and I think has been caught up in this Tylenol issue to a point where he, unhappily, had to advise us at the last minute he wouldn't be able to be here.

So, I think it's in order to invite our two witnesses to come forward. They've expressed an interest in testifying together since they have worked together on some of these issues, and the Committee is happy to have them do that. Ms. Holden and Mr. Cauthen if you would come on up, I'll try to briefly state and invite Senator Gagliano, to my right, to supplement, or amplify, anything I say.

But just for a minute to recall, we heard testimony at our first hearing from Dr. Edward J. Meade, Chairman of the Governor's Commission on Public Broadcasting for New Jersey, back in 1967/'68, And Dr. Meade discussed with us the history of public broadcasting in New Jersey, its origins, the high hope for public television in the area of educational efforts, and at least his perspective; a certain sense of unfulfilled mission in the area of educational efforts. And, he also

discussed, more generally, his feeling and strong opinion that public television is as much in need, or more in need, in 1986 to the people of the State of New Jersey as it was prior. And, he also acknowledged that there are strains and pressures on the public broadcasting system, especially in the area of news coverage, but he did not think that should dissuade us from continuing this operation, although I don't think he was opposed to exploring whether the station could be insulated somewhat further from any potential political pressure.

We also heard from Dr. Roger Johnson, Center for Public Policy Research, Ramapo College, and Dr. Johnson had done studies on the question of the amount of news coverage provided by Channel 9 to New Jersey, and it was evident from his studies -- at least in his opinion -- that there is not near the attention to New Jersey news that can be found on the New Jersey Network system, and that New Jersey suffers from perhaps an overshadowing by the Metropolitan New York community and its news attention, and, similarly, in the South Jersey/Philadelphia situation.

We finally heard from Professor Marsha Stern, a consultant with the New Jersey Coalition for Fair Broadcasting. Ms. Stern seemed also committed to the need for public television in New Jersey, but questioned whether we weren't, in our present structuring approach, attempting to really compete with private commercial stations. We perhaps would do better to contract out that aspect of public broadcasting -- perhaps for a fee -- to other stations to do, rather than have a full news network operation.

That's where we are, and you arrived just in time to bring us some interesting insights and information from your perspectives.

I think, first, I want to be sure if Senator Gagliano has anything to add to my comments. I would be happy to hear from him.

SENATOR GAGLIANO: Yes, Senator Stockman. With your permission, I, Ms. Holden and Mr. Cauthen, did not have the benefit of meeting with you earlier, and I'm very much interested in your testimony. I would appreciate it if you would sort of stress, if you would, your experiences with respect to the competition aspect; that is, the competition that is built in in a place like New Jersey, where we are between New York and Philadelphia. The competition is built in with a public television, public broadcasting system. I don't think you have that kind of competition in South Carolina or Wisconsin, but that's our situation here. It is extremely important, I think, that we address that.

Maybe the hearing started for a different reason, but we're getting into this area of autonomy and we also got into -- as the Chairman said -- the issue of competition. Just how far do we go in trying to compete with the major networks and their accounting of the news? We don't know the answer to that, and maybe you can help us. Thank you.

SENATOR STOCKMAN: The stage is yours to introduce yourselves, and perhaps give Senator Gagliano -- and perhaps the rest of those listening -- some sense of your background and experience, and take it from there.

J O A N H O L D E N: Perhaps I can just proceed. Part of my background is in my opening remarks, Senators. If that's fine I will proceed. I'd like to say it is very nice to be here in Trenton this morning, in the Capitol. My name is Joan Holden, and I live in a small city in the central part of the State of Wisconsin.

I am a former elementary teacher and principal, and presently I serve on several boards that deal with education and telecommunications.

I am here today as a member of a steering committee from a national committee of board chairs and executive directors who met in 1984 for the purpose of discussing and

promoting editorial integrity in public broadcasting. Editorial integrity, of course, has to do with all of the programming of the station.

I'm also the Chair of the State of Wisconsin Education Communications Board. The Educational Communications Board is the licensee of the Public Radio and Television Network. Our network consists of five television stations and nine radio stations.

Now that I've told you who I am here, I would also like to take a moment to tell you why I am not here. I am not here to make any judgments about the Governor of the State of New Jersey, the State Legislature, or the New Jersey Public Broadcasting Authority, the Executive Director of that Authority, or anyone else connected with the State of New Jersey.

I am here at the invitation of the Chairman of this Committee, Senator Gerald Stockman. The purpose of my invitation, as I understood it, is to share my thoughts on the reasons why governors and legislators can feel comfortable turning over those tax dollars to a board of trustees instead of directing the spending themselves, to share my thoughts on the different board structures, and on the responsibilities of trustees for promoting editorial integrity.

Now, when it comes to state contributions to public broadcasting, Wisconsin does provide a considerable sum. In fact, in fiscal year 1986, the State will contribute \$1,016,000 for its public radio; that is 42% of the radio budget. The State will also contribute \$4,571,000 towards its public television budget, and that is 60% of it. Altogether, that is over half, or 56%, of the public broadcasting budget.

Recently, I asked Wisconsin's State Representative, Marlin Snyder, the 16-year veteran and co-chairman of the Joint Finance Committee -- which is the budget-writing Committee for both revenue and appropriations -- how he could agree to

provide such sums for public broadcasting and, yet, have no direct say over the spending. His reply literally blurted out of his mouth, and this is what he said: "Because that's the way it has to be. Government say in broadcasting is what happens in Poland and Iran and other non-free societies." Then he chuckled and said: "Besides, it's not the role of public broadcasting, or the media in general -- but especially not of public broadcasting -- to make politicians comfortable."

SENATOR GAGLIANO: Is he in a safe district?

MS. HOLDEN: (laughs) Then the Representative went on to tell the story of a professor from the University of Wisconsin who, in 1893, taught a class on socialism. Some people became very irate and the professor was brought to trial before the Board of Regents. As it turned out, not only did the Board not fire the professor, but they came out with a statement which, to this day, appears on a plaque in Bascom Hall on our great University of Wisconsin. This is what the statement says: "Whatever may be the limitations which trammel inquiry elsewhere, we believe that the great State University of Wisconsin shall ever encourage that eternal and fearless sifting and winnowing by which the truth alone may be found." Then the Representative added: "In a free society we protect public broadcasting just like we protect academic freedom." That was the end of the discussion.

As to board structures, they do seem to vary all across this nation. I was appointed to the Board by the Governor, and confirmed by the Senate. I've been a member since 1978. The term of office is four years. I have been appointed, or reappointed, three times. I have served under three governors, two Democrats and one Republican.

I was elected Board Chair by the members of the Trustees themselves. I have served two years in that capacity, and, previously, I was the Vice Chair. Our Board has 16 members. Some are ex officio members from different

educational institutions, some are representatives of public and private education, others are members who have lots to say about where Wisconsin puts its dollars. Those members include four legislators, and a the Secretary of the Department of Administration. That is the Department which, among other things, acts as the Governor's chief policy advisor and financial manager in preparing Wisconsin's biennial budget.

Some people almost cringe when I tell them about our Board makeup. Now, while I would not encourage any governors nor any legislators to so heavily involve legislators and department heads on public broadcasting boards, I will also admit that those representatives on our Board do not try to dictate programing, and they do not try to pressure the rest of us members into not thinking for ourselves. The freedom of thought is very noticeable. It is expected, and it is appreciated, for then it allows for the views of all, and that really is what public broadcasting is all about, the views of all.

Lots can be said about a Board of Trustees structure, but no matter the structure, the Board will only be as good as the people themselves who serve on it, and as good as the amount of authority Boards are granted to be solely responsible for public broadcasting, because that's where I believe the integrity buck stops, with the Board of Trustees. And in my heart, in my mind, I firmly believe that any Board of Trustees who's worth a grain of salt will insist that they, and they alone, are responsible and accountable for editorial integrity. Boards ensure independence and integrity by serving the public interest. In doing that, they recognize that they are a policy-making body whose responsibilities include overall policies which give direction to the Executive Director and the professional staff on the day-to-day operations of the agency.

Giving the Executive Director the responsibility for everyday decisions means that he or she does have the direct

responsibility for the programing.

Yes, the Board sets all policies, including policies on programing. It then expects the Executive Director to make a professional decision that is within the policy guidelines. The Board must ensure that the Executive Director is adhering to those Board policies then. This should be an important part of the annual evaluation of an Executive Director.

If a board of trustees is given the responsibilities to set policies to guide the executive director, then that board of trustees, and that board alone, must be given the authority to hire, to fire, and to set compensation for that chief executive. It goes without saying that the compensation must be within the fiscal realities of the times and the market.

To follow through, boards should give the executive director the authority to set qualifications for the staff, qualifications which, again, are within the guidelines of the agency. The executive director should then have the authority to hire the staff.

When a board is setting policies, they should make certain that policies include a means for the public to give input into public broadcasting decisions, including the very programing itself. In obtaining input, boards should encourage and welcome input from governors, from legislators, from fellow board members, from underwriters, and from the rest of the people in the State. Those views, those preferences, those ideas are important, very important. In fact, again, it is what public broadcasting is all about, getting input from the public about their public network.

It is also extremely important that all this input is placed into the hands of the executive director, so that this information is combined with all the other comments, surveys, complaints, or whatever, so the executive director can make a professional programing decision based on the needs and interests of the people of the State. Influence is

appropriate. Undue influence is not.

To the Editorial Integrity Committee, undue influence is defined as any direct or indirect influence that seeks to leave the person with the assigned responsibility for programing no alternative but to comply. Board members must protect the executive director and his or her staff from undue influence.

I sadly admit that board members themselves can be some of the biggest violaters of undue influence on programing. It is then the responsibility of the rest of the board to stand up and be counted. They just have to do that. Yes, it is appropriate for board members to question any and all aspects of the programing schedule, but they question on the basis as to whether or not it is within the board's policies.

And a word of caution, especially for board chairs, people just like me: We must be certain that we do not try to use any more authority than the authority which has been granted us by the majority of the board. Above all, we must not try to play executive director.

If we've done our job, we've provided leadership for our board to hire a qualified professional who has the credentials and the experience in broadcasting needed to make sound, responsible, and knowledgeable decisions.

As I've said many times, it is indeed an honor to serve as a member of a Board of Trustees for public broadcasting, and it is even more of an honor to serve as Chair of that Board. As both a Trustee and a Chair, if I do my best to adhere to the counsel of the Editorial Integrity Committee. I will abide by the procedures and the recommendations which I have laid out. If I do that, and if all of the trustees across this nation do that, we will prescribe to all five principles of public broadcasting which the National Editorial Integrity Committee felt very strong that the public had the right to

expect.

Those principles are: To be responsible trustees of a public service; to establish credibility in programing; to operate within constitutional and statutory law and within the areas of free press and free speech; to provide programing based on the public's interest; to assure continued support and funding of the public broadcasting station or network by certifying to the public and to all the funders that such funds are used effectively and efficiently. That's the secret -- ascribing to all five of the principles -- because I believe that's how you ensure editorial integrity in Wisconsin. That's how you ensure editorial integrity in South Carolina. That's how you ensure editorial integrity in New Jersey. And, that's how you ensure editorial integrity all across this nation.

So, when it comes down to it, no matter who appoints trustees, no matter which political party is in power, no matter how long the trustees' terms are, it is just that whatever way you cut it, it is the responsibility of the board of trustees to protect public broadcasting from undue influence from anyone, whether that person be a governor, a legislator, another board member, an underwriter, or any member of the state; it just doesn't matter who, it still all boils down to the fact that the trustees are the ones responsible to protect the public interest. And that's the bottom line.

Thank you for letting me share that with you this morning, and I would be happy to respond to any questions.

SENATOR STOCKMAN: Well, Ms. Holden, thank you for that initial statement. We're obviously not going to let you get off that easy.

MS. HOLDEN: Great.

SENATOR STOCKMAN: Because listening to you, of course, sounds like the very basic principles, and it is evident that you feel them very deeply. You've had a lot of experience, and I think the Committee is small enough, and the

setting is such that we can be sort of informal. I'm not sure in my own mind the best way to proceed. It may be that Mr. Cauthen would like to give his statement, and then Senator Gagliano and I could sort of pepper both of you with questions and explore in more detail what you've had to say. Do you think that's a-- Or, should we focus first on Ms. Holden? Do you have a preference?

H E N R Y C A U T H E N: I think probably I can give my statement in a fairly brief form because Ms. Holden has covered some of the points that I wanted to cover as well. And I think perhaps if I gave my statement, that might be best.

SENATOR STOCKMAN: All right, and then we can go forth.

MR. CAUTHEN: Then you have a view both from a Board Chair and a Director of a network.

SENATOR STOCKMAN: All right. Fine.

MR. CAUTHEN: I'm Henry Cauthen, as I think you probably already have been informed, and President and General Manager of the South Carolina ETV Network. I have been in that position since 1965. I've been with the network since it began in 1958. So, I can give you, with some assurance, I think, the South Carolina experience. And I have had, at the national level, some experience with public broadcasting, serving on the PBS Board for about 12 years, and serving on the second Carnegie Commission, which took a look at the future of public broadcasting, nationwide.

So, I have had a great opportunity to see public broadcasting throughout the county, and the great diversity that it represents. And I, as Ms. Holden, would not presume to come here to tell you how you should formulate your system in New Jersey -- how you should structure your Board. There are so many versions that you could choose from that I don't think the structuring of it is so much the important point. It's the membership of the board, the type of people that are on it, and the kind of guidelines, and freedom, and insulation that board

has that's very important.

The South Carolina system is a little bit unusual in terms of the national structure, in that we have statewide coverage of broadcast television, with 11 broadcast stations; statewide coverage of--

SENATOR GAGLIANO: Excuse me, sir. You have 11 broadcast stations?

MS. CAUTHEN: Yes, we do.

SENATOR GAGLIANO: Go ahead.

MR. CAUTHEN: And we have seven FM radio stations that pretty well blanket South Carolina as well.

In addition to that, we began with a cable television system in 1960, with a six-channel capability going into our schools, higher education institutions, hospitals, and governmental agencies. That is now making a transition into what's called instructional television fixed service, which is a broadcast version of closed circuit. What I'm saying is, it broadcasts at the microwave frequency, which means you have to have special antennas and converters in order to receive it. The virtue that it has is that it can transmit, in our case, up to eight simultaneous different programs throughout the State of South Carolina. So, this gives a delivery system for education at all levels.

To be accurate in terms of the genesis of the South Carolina system, it began to serve educational purposes in our state: to serve the public schools first, higher education, technical education, medical education, State governmental services, business and industry. And, a variety of other needs have developed subsequently, and we provide something like 80 hours of transmission in a day for schools in South Carolina.

So it's a major delivery system. It has a major impact on South Carolina's educational needs, not just formal but informal as well. Public television activities have developed in terms of their service to South Carolina, to a

very high level. We have, in addition to our major production facility in Columbia, four regional production studios that serve the four sort of corners of the State, if you can have four corners of a triangular State. But, they give you sort of local-local coverage, and they do involve themselves, to some extent, in news coverage, maybe not the sort of news that you're dealing with in New Jersey, but they do provide news. And, we have a nightly news program of a statewide nature that covers the legislature when it's in session, which is about six months of the year.

Also, we provide-- And we don't compete with the commercial broadcasting industry in South Carolina, we cooperate with them. We provide the pool coverage for the State-of-the-State and statewide activities, such as that nature, and allow its free use by any commercial broadcaster within South Carolina. In fact, anything we produce and have the free copyright to, we make available, free, to any commercial station in South Carolina, as long as they use it on a non-commercial basis, because our objective is to get it to as many South Carolinians as possible. We don't care how they get it. It's the service we're interested in.

I know that news is a sensitive area. You have what I think is a unique situation, perhaps a unique opportunity in New Jersey, in that you do not have -- as I understand it -- statewide coverage by commercial broadcasting of your news activities. So, the people of New Jersey, unless your State system provides news coverage, is without statewide news coverage, at least at this time. Now, how you deal with that, I can't advise you, except that I do think you have a unique opportunity, maybe a unique opportunity to show the rest of the country how you might deal with what has proven to be one of the most difficult areas to deal with in public broadcasting, but at the national level. It's history that any study of history will indicate.

What I do think is that many states have really not taken a high enough view, or given a high enough priority to public broadcasting and educational television as to what it might do for a state, to the value it might have to a state. We are talking about what so frequently is called the most powerful communication device yet devised by man. Well, I think it is that, and to think that any state would not make maximum use of that to serve its people, to me, just does not make sense.

Our purpose in South Carolina was to devise a system that would allow South Carolina to make maximum use of this technology to serve people at all levels. We've done a reasonably good job of that from what other people tell us, and we have the most comprehensive -- as I mentioned -- delivery system of any state we know of at this point. And because of that, it's of great value to South Carolina, not just because I say that but because the State Legislature says it by appropriating \$15-1/2 million. And, for a State with only 3.2 million people, that's a per capita appropriation of close to \$5.00, which is one of the highest in the country.

But, it indicates a response to a level of service that our system is providing. For instance, you can get a master's degree in business administration through television in South Carolina, a master's degree in engineering -- in several phases of engineering -- through television in South Carolina. The University of South Carolina, right now, provides more master's degrees in business administration through television than they do on campus, and one of the engineering strands that-- Seventy percent of them get their degree off campus, through television.

So, the technology is there for us to use. There's not just one version of technology that might be available to you. There are a number of versions of technology that are available that are not really being made full use of in very

many areas of the country. And, if I were to urge anything upon you, it is that you take a good, hard, look at what you have available to you in technology and decide what it is New Jersey's priorities are, and how to make the best use of the technologies that are available to you.

Not very many states have done that thus far. South Carolina is unusual in the fact that we did start out first saying, "What are the objectives of the State? How can we meet these objectives?" and then designed the system to do that, rather than putting on stations and saying, "Well, what are we going to do with these now that we have them?"

If you look at our Commission, it's probably not a model for insulation from political interference or anything of that nature. We have a 12-member Commission. The Chairman is appointed by the Governor, at large. We have six other members appointed by the Governor to serve the congressional districts. They require no senate confirmation. We have five ex officio members. One of them is the Chairman of the Senate Finance Committee. Another is the Chairman of the House Ways and Means Committee, the Chairman of the House and Senate Education Committees, and the State Superintendent of Education. All of our ex officio members are elected officials. The State Superintendent is elected in South Carolina.

But, I must say we have never had any problem at all with improper influence by outside forces on the activities of the ETV system. And perhaps that's because we began with education and developed a strong sort of framework -- a strong foundation and respect -- within the State and within the political system that has given us a degree of insulation we might not otherwise have had. How you retrace history and create that if you don't have that foundation, you know, I don't know. But, what the gentleman said earlier about the work of the Editorial Integrity Board and the principles set up

by that Board, I think, are a good framework for any Commission to look at and to use as guidance in how to provide some level of insulation. Because she's absolutely correct, that a Board is no better than the people on it. You cannot design a framework that is tamper-free. You must count on the integrity of the people that serve on it, and you must give them some guidelines that will stand up to public and political scrutiny and pressure.

That Board must be accountable, obviously, to the public. It must be accountable to the Legislature, if it is receiving legislative funds, as we do in South Carolina. Seventy-five percent of our funding comes from the Legislature.

We, however, are heavily involved in public television. We are about the third largest producer of public broadcasting for the country right now. We have a number of major series going on in public broadcasting coming out of South Carolina. New York and Boston are the only two facilities that produce more national programming for PBS than does South Carolina, which comes as a surprise to a lot of people. But it means that a state, because it is isolated, doesn't have to be not a player in an important game.

And, why does South Carolina want to produce national programming? There are a number of reasons. First of all, it gives the State national visibility. It gives a credence to -- well, industrial development, for instance. If an industry is looking into a state, what is it they want to find? Well, they want to find cultural resources. They want to find a state that has some cultural background, some depth of cultural resources.

We-- When you see the South Carolina logo on television screens throughout the country on a regular basis -- when you see it connected with Great Performances -- we are one of the producers of Great Performances. We are one of the producers of American Playhouse. We have the Spetelo Festival

that originates in Charleston, South Carolina. We give daily coverage of that for the three weeks of its run. It goes nationwide. That festival has become a national treasure, really, in 10 years, and I think largely because of the massive television and radio coverage we've given it.

Business and industry looks very heavily to our ETV system for training in-plant, for management training, but also to provide for the people they want, our track to South Carolina, the kind of cultural undergirding of the society that they want and expect when they move into a state.

And that is kind of an overview of what South Carolina ETV is about. It's a broad-based, many-faceted operation, and it exists and gets support from the State because it provides service that the State finds valuable at many levels.

And the only advice that I am prepared to give you right now is to take a good, hard look at the editorial integrity policies that Joan spelled out a few minutes ago, because even though we have been free of any interference thus far in our 26-year history, when I go back home, at our next Commission meeting, I am going to urge upon my Board that they adopt those policies so that future boards will be protected.

Thank you very much for the opportunity to speak to you. Again, I will be happy to try to answer any questions you might have.

SENATOR STOCKMAN: Thank you very much, Mr. Cauthen. I suspect Senator Gagliano shares my reaction -- a very impressive reaction -- to the history of South Carolina and their efforts in the area of public television, especially on the side of educational television.

I must tell you that your observation-- With all due respect to the print media, this is the most powerful communication tool known to man; therefore, it seems almost too common sense to have to dwell on it. "It ought to be used aggressively and effectively in the educational efforts of a

State like New Jersey, or any other," is a very impressive statement, something I think we ought to think about and perhaps talk more about.

But, I've had the benefit of talking to you a little bit before and hearing some of this, and I think one of the points that you made -- and you made to me this morning -- was that South Carolina began and grew in terms of public television from an educational thrust and emphasis, and, more recently, expanded and developed its news coverage. And, in that sense -- as you point out -- it developed a certain amount of integrity and strength that perhaps served it well, and has 'till now on this question of potential interference.

It's interesting to me. My recollection is that Dr. Mead, who was sort of the father in certain ways of public television in New Jersey, when he testified, commented that at the very beginnings of our exploration of public television, we were innovative and out in the front on educational television use and effort. That probably was because back in the late '60s and beginning of the a'70s almost no one was in it at all.

But, he lamented that, in his own opinion at least, it did not appear that New Jersey stayed in the forefront of the utilization of public television in the area of education. Listening to you, coming all the way from South Carolina -- and we really appreciate that -- but listening to you describe South Carolina's efforts, it is obvious that there is room for New Jersey to really think seriously about the educational side of this whole effort.

As Senator Gagliano said, it's no secret that this hearing was started, in some ways and to some extent, out of a serious dispute over editorial integrity, and we want to get to that. I don't think necessarily that we should not listen very carefully, and seriously consider where we are with the use of public television in New Jersey, educationally, and whether we cannot learn a good deal from the State of South Carolina.

But I, rather than (inaudible) too much, I would invite Senator Gagliano-- I suspect he has some questions; I have some too. Why don't I turn to him, and maybe he can begin.

SENATOR GAGLIANO: Yes, if I may. I, first of all, again want to -- I guess I want to thank you for coming here today. It's kind of a dull day, and I'm sure that when you arrived in New Jersey that you weren't too impressed. But, it's a wonderful State; it's just a bad day.

We-- The last time we met, we had three or four witnesses. One of them was Mrs. Stern, who works out of Washington. Are you familiar with her -- either of you?

MS. HOLDEN: Just from the background that we had given to us.

SENATOR GAGLIANO: Well, in her testimony -- which was on January 29th -- she said, and I am referring now to page 57, "In my comments--" "In my written comments, which I will distribute to you later, you will see that what I really indicate is that I think New Jersey Public Television should no longer be under the aegis of the State. That is not to say that they should not derive funding from the State. I believe that they should. But, I believe that they ought to operate as an autonomous body." Then Senator Laskin said: "Similar to Channel 12?" and she -- 12 or 13, whichever, Philadelphia or New York -- and she said, "Yes, I would use the public television station model, and I would put together an independent board, without, forgive me, any legislators on it, without any Cabinet members on it. I would have the--" and then we went on.

She seemed to be very, very, highly qualified, and, frankly, when we left that day I thought that maybe she was right, that maybe New Jersey has too many political people too close to the overall operation of the Public Broadcasting System. Yet, in both of your cases-- And, I believe from what I've heard you say, both of your public broadcasting facilities

are successful. You do have appointments by the Governor, both of you. You do have legislators directly involved in Wisconsin, and in South Carolina.

MR. CAUTHEN: Yes.

SENATOR GAGLIANO: And, you have elected officials who are members, besides legislators. Then you have public members who I am sure do an excellent job. So, now I'm wondering whether or not Mrs. Stern is totally correct on that issue.

Certainly, what you say is the Board itself, once it's appointed-- Once a Board member is appointed, that Board member has to be totally independent and part of an autonomous, shall we say, mind-set, if not necessarily autonomous in the actual sense.

The problem I have is that since we've been in operation for so many years, and since the Board is made up as it is, I'm wondering how we can change that. Or, maybe if we suggest to the Legislature in general that we recreate the Commission, so to speak, so that we would broaden it and maybe have new guidelines for them to live by, that might be sufficient.

But, I guess my question is: How do you feel about an autonomous board? You don't have one in the sense that your people are politically motivated in many cases. How do you feel about the autonomous board, each of you?

MS. HOLDEN: It probably would be the freest, least politically involved of all. You also get into the problem that if you want state support, sometimes, for instance, the legislators on our Board -- what they have really been is extremely helpful. They understand more what we do with our funds, and they are supportive when it comes to the Joint Finance Committee and in the Legislature with receiving the money. It's been very helpful.

Again, it's as good as the people who are there. I might add that in Wisconsin the legislators and the agencies,

while they equal members on that Board, they cannot chair that Board. The chair has to come from the citizen members or the representatives of private education, or whatever it is.

The other thing is, our Board is the holder of the licenses, not the State of Wisconsin. Now, I'm not sure how the license is held here.

SENATOR GAGLIANO: We're not either.

SENATOR STOCKMAN: I'm not sure either, and I don't think our--

MS. HOLDEN: And that would have to be, I would assume, autonomous. That would have to be--

SENATOR GAGLIANO: Well, it's an Authority, and so I would -- subject to being corrected -- guess that the Authority is the holder of the licenses, not the State, as such.

MR. CAUTHEN: I would respond to the same question by saying that in South Carolina we look upon the licenses of the stations as a State resource, and that the Board and, back to the Legislature itself, are trustees of that resource, and should protect it the best they can for the use of the people of South Carolina.

How you would structure a board to do that, I would think an autonomous board would be the freest to operate, but perhaps you lose some of your trusteeship over a non-renewable resource, because once you give it away, it's gone; it's gone forever, likely.

In our case, the legislative involvement on our Board, as Joan has said, has been very supportive. We go into our budget hearings with the full understanding of the Chairmen of both Budget Committees of what our appropriation is about and what it's for. That doesn't necessarily mean they always agree with it, but at least they understand it.

They have, again, never interfered with it in any sort of negative fashion. I have no problems with the structure that we have as it is now operated, but I do think that the

more insulation you can build in -- such as the guidelines that come out of the conference on editorial integrity -- would be helpful.

SENATOR STOCKMAN: May I ask Ms. Holden a question? Mr. Cauthen has, I think, emphasized that the history of public television in South Carolina is a history beginning with an almost total interest in, or involvement with, or commitment to, education, and then a growing and strengthening of that in a rather dramatic way, and then more entry into what, by I guess everybody's admission, the most sensitive and challenging area of public television involvement, the news.

How about your State of Wisconsin? Is that more or less true there too, historically?

MS. HOLDEN: It grew out of the strength of education. As a matter of fact, our radio station, WHAM, Wisconsin, was the first public radio station in the nation, and it was the strength. It was a university station. Even the television station grew out of the strength of a university, teaching its strong educational background. As I would presume -- you, Henry, as an Executive would know -- I would presume most across this nation grew out of education strength.

MR. CAUTHEN: Yes.

SENATOR GAGLIANO: I think that's how they all started.

Let me ask a question: Absent cable television's involvement in either of your States, how many off-air channels do you get in, say, your Capitol city?

MR. CAUTHEN: In South Carolina, and Columbia, we get three network stations, one religious station, and the public educational station that we operate. I do not live in the Capitol city.

SENATOR GAGLIANO: Generally, though, how many off-air stations do you get? And I have a reason for this.

MS. HOLDEN: Probably three or four.

SENATOR GAGLIANO: See, in New Jersey, even back probably 25 or 30 years ago, we had eight or nine off-air channels which were either connected with networks or were independents. This was before cable. I think that probably had an inhibiting factor on public broadcasting because the airwaves were already filled with television.

In your case, you were in a great position to fill a void in television in general. I don't think we ever had that void probably from the beginning, when we first had television in the New York/Philadelphia metropolitan areas. So, I think -- and I'm getting back now to competition -- that our public broadcasting has had a tremendous amount of competition built in from the very beginning. Maybe because of that we should have stuck more to education, but as we get into the news areas, it becomes more difficult. I suppose with competition comes the desire on the part of the Board and the Executive Director to do more, maybe, similarly to what the networks do, but we end up not having the resources of the networks, and maybe we fall down there. I'm not sure.

Do you have any comment on that? Do you see what I am trying to say, that New Jersey, being the most densely populated State in the nation, has a different role for television than most places?

MR. CAUTHEN: I would comment, and try to draw what parallels I can out of South Carolina. While the capitol is well-covered by television, we have other areas of the state that are not. These are the areas where we locate our regional studios, so that they can provide a local service to those communities in the surrounding area, both in all areas of sort of public services, as well as news.

Now, where we have heavy commercial station availability, we do not have regional studios because we don't feel that need.

MS. HOLDEN: Seems like the public broadcasting

supporters are a little different breed of cat, too. Once you get tuned in and become the fan of public broadcasting, you just seem to stick with it. There are many who say, "If it is not on the public channel or the educational channel, then I don't watch it."

SENATOR GAGLIANO: My favorite, my absolute favorite thing to watch is Nature, and without public broadcasting, we wouldn't have it.

SENATOR STOCKMAN: If I might-- On this question of the Editorial Integrity Committee, which you are active on -- a national group-- I think you mentioned to me -- it would seem common sense -- that it grew out of some experience elsewhere. Can you tell us a little bit about that, and about the experience in any other states of alleged or actual intrusion into public television and radio? We don't have to worry about New Jersey. We're putting that aside for a moment. We know that kind of thing wouldn't happen in South Carolina or Wisconsin, but where else did it happen, and can you share with us for a couple of minutes--

SENATOR GAGLIANO: If it happened.

SENATOR STOCKMAN: --if it happened? Or to put it another way, why this Committee was--

MR. CAUTHEN: Well, I will share with you what I do know about that. Without being specific in terms of states, there have been several instances where there have been confrontations between the educational television authority, primarily, usually, the executive director, general manager of the system, and high elected officials, shall we say?

SENATOR GAGLIANO: Does the executive director always quit?

MR. CAUTHEN: No, the executive director does not always quit. In fact--

SENATOR STOCKMAN: Sometimes the elected official loses the election. (laughter)

MR. CAUTHEN: There have been cases of that, as a matter of fact. But, no, the executive director does not quit, but sometimes he almost comes down with a nervous breakdown, which maybe he should have quit. Apparently, the most serious problems occur when any single high public official can reach into the network and exert undue influence.

SENATOR STOCKMAN: And, I don't know whether you -- without identifying any states -- can suggest that your experience tells you that has happened more in states where educational television and the strength and development of it were not part of the history, or as much a part of the history as it was in your state.

MR. CAUTHEN: Not necessarily, but it has usually centered around programing that is not educationally based. It's usually centered around programing that is not educationally based. It's usually public affairs type programing.

SENATOR GAGLIANO: Supposing we did this? Supposing we recommended -- Senator Stockman and I and the rest of the members of this Committee -- that somewhere in our statute dealing with public broadcasting, we defined "undue influence," similarly to the way you have? And supposing we then said that any person who is elected or appointed in one of those positions in State government -- or any other part of government -- if that person is found to have exercised undue influence, that would be a matter of a violation of the Code of Ethics of the State of New Jersey. For example, we have a code where if we are lawyers, we can't appear before certain bodies. If we are contractors, and we're public officials, we can't work on projects where there would be a conflict.

Suppose we said, if you are found to be -- whether you're the Governor, or a member of the Legislature, or a member of the Cabinet, or someone who is the head of an

authority, or something like that -- attempting to, or if you do exercise undue influence over this Board, this Authority, that that will be a violation or breach of the ethics code? What would you think of something like that? Do you think it's necessary? Does anybody do it?

MR. CAUTHEN: There is one state where that is done, and I think it carries a \$1000 fine. I don't know that that has ever been exercised in any fashion, and I don't know that it was put in in that state because of bad past experience. I think it was more of a--

SENATOR STOCKMAN: Do you recall the state, incidentally?

MR. CAUTHEN: Kentucky, I believe it is.

SENATOR GAGLIANO: I guess the reason I raised that is that it's not so much the \$1000 fine, or a \$5000 fine; it's that the next time that person has to face the public, for example, for elective office, that the effect of having been found to be in violation of the Code of Ethics can be more devastating than any fine--

MR. CAUTHEN: Yes, absolutely.

SENATOR GAGLIANO: --or any other penalty that might come with it, because you would have to go back to the people and say, "Well, yes, I was found guilty by my peers of undue influence, or attempting undue influence over a board," which disseminated the news, for example.

MR. CAUTHEN: I think any code-- If you were to embrace this code that we have been working with as it now stands, a version of your own must have some teeth in it, or it is not going to really mean anything. The stronger you can make that, obviously the more effective it is going to be. I think if it is a high-visibility situation, where someone does exert improper influence, and it becomes a matter of public record and public scrutiny, then I think if you put in a degree of insulation, it would be very helpful.

SENATOR STOCKMAN: On this question of autonomy and integrity of the system, certainly you would recommend -- and we certainly will look carefully at and may well recommend to the Board of the New Jersey Public Broadcasting Authority -- that they adopt these principles.

Has there been any trend discernible that you can share with us about what is occurring on this front nationally? Are the designs of public television authorities undergoing major or minor changes in the mid-'80s as a result of this issue -- to your knowledge -- or not? Do you understand what I am getting at?

MS. HOLDEN: I know the editorial integrity principles are being passed by state boards across this nation right and left. That, I know. In fact, they were just finally prepared and ready to go in November, December, and January. They were just loaded on agendas, especially with boards, to do that. Our board just changed its structure somewhat.

SENATOR STOCKMAN: What was the impetus for that?

MS. HOLDEN: Part of it that came from it was some of the agencies, educational agencies -- for instance, the Department of Education, an elected official, the head of the Department of Public Instruction-- They are agencies saying, "How can you dictate educational programming, when we are to be the educational leaders in the state?" These types of things, the inter-agency--

SENATOR STOCKMAN: The redesign was to give the Department of Education of Wisconsin a little bit more say?

MS. HOLDEN: No, they did not-- They are just the different actors involved who think that they should have some more authority. The law did not change that. They left the authority the duty, the obligation of public broadcasting to the Educational Communications Board. But, some of the things that came out of it were a little bit of a change. For instance, the Department of Administration is new. Before

that, we had the Governor's press secretary on our board. He was an agency appointment.

SENATOR GAGLIANO: Boy, that would be a great one in New Jersey. (laughter)

MR. CAUTHEN: I think the trends I have noted have been similar in nature, in that they tend to go toward insulation. And the same passage of these sorts of, well, structures to provide insulation in the cases where there has been noticeable undue influence, I think, almost in every one where there has been high visibility of that, the person who was exerting the undue influence turned out to be the loser. So I think there is a feeling that everybody, somewhere down the road, may be faced with this kind of problem, and we ought to do something about it before it happens.

SENATOR STOCKMAN: The concern of the education community, I guess-- The Departments of Education of a state with their input into the educational aspects of public television, is a whole other issue, I guess, in itself. Mr. Cauthen, as South Carolina dealt with that, and I gather-- Is it a serious problem, or one that has caused a lot of debate in your state?

MR. CAUTHEN: Do you mean the part that television plays in education itself?

SENATOR STOCKMAN: Right, and whether your board -- the board you serve as Executive Director -- is criticized by the education community -- let's say the Department of Education of the state -- for having too much authority in setting educational policy or programing?

MR. CAUTHEN: We dealt with that head-on, 12 years ago, I guess it has been now, when, in the initial development of our system we had full authority for all of the programing. The State Department of Education felt that we were putting programing into the schools which they had authority over. So at that point, we sat down together and said, "Well, how do we

resolve this?" The resolution was to develop an Office of Instructional Television within the State Department of Education that determines the curriculum, and then we together produce the programs that go into the schools. We provide the artistic and technical support for the curriculum materials that they want to get into the schools.

SENATOR GAGLIANO: Yeah, you should be the conduit--

MR. CAUTHEN: That's right.

SENATOR GAGLIANO: --for the carrying of the information, correct?

MR. CAUTHEN: That's exactly right, and this is the way we function with every agency that we work with. When we work with Higher Education, they determine what curriculum materials they want. They come to us with varying degrees of expertise in how to use the medium. We help them to make their materials effective on television.

SENATOR GAGLIANO: But, you're the pipeline; you're not the creator of the educational process.

MR. CAUTHEN: That's exactly correct, and when we get into public television, it's a different matter.

MS. HOLDEN: I might add that when I say that we make the final determination-- Some of this comes through, that you just work closer with the educational agency, which we are doing and thought we had been before. But evidently it was not enough. We are working more-- But the thing is, someone has to be responsible for saying, "You may have so much time of the day," because the Vocational/Technical Adult District wants time, the university wants time. That is why I'm saying the ultimate decisions and the comeback as to who is going to get the programing time -- that is where the independent board can resolve that. Otherwise, we would probably all want it all day long.

MR. CAUTHEN: Yeah, we have the same situation. Even with the delivery system we have, we don't have enough time to

meet all of the needs. Our board determines -- other than the time specified for public schools -- who gets the other time and on what basis.

SENATOR GAGLIANO: May I -- one more?

SENATOR STOCKMAN: Sure.

SENATOR GAGLIANO: I want to introduce another issue here. I would like to know what, if any, involvement your board has with the various cable television companies that are in existence in your individual states. It is my understanding that New Jersey has the highest number of homes attached to cable -- either per mile or per population of 1000 people, or whatever -- and we do not have, I don't think, a close enough relationship between cable and public broadcasting. I don't know why, but I do think that there is an opportunity for a partnership evident that ought to be there, and instead, I think we are probably sort of going in different directions; at least, that is my sense of it. I wonder what your involvement is with cable companies on the public broadcasting level in your states.

MS. HOLDEN: We basically work with them and encourage them to carry our educational network. As you know, the FCC did have a ruling that it had to be carried. Now that has been taken away. I sit on a local Telecommunications Commission, in which part of the negotiated contract to the cable company was that they carry the educational channel. So those communities-- Sometimes that direction comes from there. As far as forcing or trying to do anything else, we do not. We appeal to them to take it and, to the best of my knowledge, the network is being picked up wherever the cable companies are in the community. We are very fortunate in Wisconsin.

MR. CAUTHEN: We have a similar experience, in that we don't really have a problem getting cable companies to carry our signal. They really want to carry it. They consider it one of their saleable items to the public.

SENATOR GAGLIANO: Well, I think they carry it. I think my-- I guess I would go one step further. I think they carry it. I was wondering whether or not there is any possibility that they could get together with respect to the creation of programing, or if there is anything like that.

MR. CAUTHEN: I don't know of any cable company in South Carolina that has the resources to have much impact on programing. Some of them do a little bit of local community service programing, covering city council meetings, but it's all on a very low technical and artistic level.

MS. HOLDEN: I know only of public access, really, types of programing in any of our cable companies. Nor do I ever see the interest of them to produce.

SENATOR GAGLIANO: I understand they're not interested. I am just trying to figure out how to make them interested.

MR. CAUTHEN: I don't know that they have yet developed a financial base -- at least in South Carolina -- to have much impact on that.

SENATOR STOCKMAN: Let me ask you this: Neither of you are experts on public television in New Jersey, and both of you made clear at the outset, understandably, that you are not here to tell New Jersey how to better operate and maximize the money it currently spends, or whether to spend more public moneys on public broadcasting -- public television. But, having said that, and knowing at least a little bit about the furor that occurred a while back around the Executive Director here, and knowing that New Jersey -- at least at the moment, in terms of what I have been able to pick up -- isn't identified as one of the handful of leading states in terms of the use of public television for educational purposes, do you have any suggestion or recommendation to this Committee as to what to do about that?

One thought I am beginning to have -- and I haven't

had a chance to talk to Senator Gagliano about it, or other Committee members for that matter -- is whether the time is right, for some of the reasons you touched on and perhaps some that you are sensitive about not touching on, for us to take a more studied, careful look at public television in New Jersey, not only from the perspective of this autonomy issue, but from the perspective of a commitment to this most powerful communication tool, educationally.

To do that, my own instinct is that a legislative committee of this sort, while it has a role perhaps in terms of developing some interest in that sort of thing, it would probably be up to a broader based, blue-ribbon commission or study group to do that. Do you think that kind of effort might make sense? Are you aware of that happening in any other states in the last few years, and out of it coming some good, new direction or thrust of public television?

MS. HOLDEN: Do you know if that Board is doing surveys or authorizing surveys in ways of getting input as to what are the public's interests in the State of New Jersey? What types of things do they want? And hitting upon all the people to find out, because, really, that is what public television is. What do the people want public television to be?

SENATOR STOCKMAN: Well, I'll tell you what I'm going to do. In a moment, I am going to take advantage of the presence of Gordon MacInnes, a good friend, and someone who has kindly agreed to take off from other responsibilities to come here and share some thoughts with us. Gordon is not the most recent Executive Director, but was Executive Director for a span of years into the '80s, I guess. He may be able to answer that. He may be able to give us some other testimony that I would be delighted to have you aware of, and perhaps, if not formally comment to this Committee on, talk to me or to staff about otherwise. So I'll answer it that way. I think that is an open question that at least ought to be kicked around.

Is there anything else perhaps before we hear from Mr. MacInnes that you would like to add, or not?

MR. CAUTHEN: I would just like to reemphasize my own bias, and that is, not only New Jersey, but a lot of states, need to take a very close look at this resource you have available to you and decide what it is you want to do with it. It can be lost if you don't, and an opportunity to serve the people at a very low cost, because our system -- and it is the most sophisticated in the country, it has the most delivery capacity of any in the country-- We can transmit 10 simultaneous signals throughout the State of South Carolina. The question always comes up, "How do you afford that in South Carolina? You are a poor state." Well, it's 1.2% of our state's education budget.

Now, if South Carolina can afford it, I think a lot of other states can.

SENATOR GAGLIANO: Did you say it's part of your education budget?

MR. CAUTHEN: It represents 1.2% of our education budget. It's not part of our education--

SENATOR GAGLIANO: It's not part of the education budget?

MR. CAUTHEN: No, it's not part of the education budget, but as a percentage it's only 1.2% of our state's education budget.

SENATOR STOCKMAN: Using the most powerful communication tool known to man, it takes up but 1%?

MR. CAUTHEN: That's right. So, it's the most efficient way to serve an awful lot of needs that you will not serve any other way.

MS. HOLDEN: I would just like to add that whatever you do out of this, I would really hope that whoever you make responsible for public broadcasting, whatever authority, whatever what comes out of this, that you do make that

commission or that authority or that board solely responsible for public broadcasting in the State of New Jersey. Give them the opportunity. Give them the opportunity to hire that person who is going to staff that. Give them free ride on that. I would encourage you to do that. Tell them, "We now give you the responsibility of running this agency in a responsible way. You got it. Here's your money. Go and do the best that you can for the State of New Jersey." I encourage you to please do that.

SENATOR STOCKMAN: Well, on behalf of the Committee, let me thank both of you for traveling a long distance, without compensation, to share with us, I think, some very valuable and interesting information. I just hope you can stay around for a while. I would like you to hear from our next witness, if that is possible. So, with our thanks, I would like to now invite Gordon MacInnes, who I assume is here not just to listen, but perhaps to share with us some of his own experience.

MS. HOLDEN: I might add, it might be a gloomy day, but it has been a very pleasant visit to New Jersey. Thank you.

MR. CAUTHEN: We have enjoyed being with you. Thank you.

SENATOR STOCKMAN: Grab a seat, Gordon. On behalf of the Committee, let me thank you. Frankly, I suggested that I wasn't sure whether you were going to be here or not. That was my fault because I hadn't had a chance to talk with Steve Frakt. I know you had expressed a willingness to cooperate, and I am delighted to see you here. Interestingly enough, I think you have heard from two people who have given some very helpful testimony to the Committee. You may be able to dovetail your comments with that, and then take it from there.

G O R D O N M a c I N N E S: Well, let me try it out on you. I was proposing to come in on really four questions. First was to look at the question of the need for the New Jersey network; second, to look at the question of journalistic

independence in the setting of the State system; third, the question of financial independence, which is closely related; and fourth, to comment on suggestions that there be created a freestanding, nonprofit corporation to operate public television. Does that meet with the Committee's needs?

SENATOR STOCKMAN: Yes, very much so.

MR. MacINNES: Okay, let me get started. I have prepared for this, but I do not have a prepared statement.

First, on the question of need, I go back a ways on this. Fifteen years ago, when I was the director of a grant making foundation, I set up the Coalition for Fair Broadcasting in response to a situation that prevailed at that time which I thought was critical -- and a lot of other people did too -- which was really that New Jersey had been bypassed by the television age, and this was becoming the single, most powerful source of information for people around the country and in New Jersey just in terms of the raw civic information you need to conduct a state. New Jersey wasn't getting it.

SENATOR STOCKMAN: Can I stop you for a minute--

MR. MacINNES: Sure.

SENATOR STOCKMAN: --and ask you, how can we keep the print media comfortable, relaxed, and very attentive to these hearings over a repeated comment of that sort?

MR. MacINNES: Later in my testimony, I get down to the central importance of the print media.

SENATOR STOCKMAN: All right.

MR. MacINNES: I also brought a newspaper with me to attest to my devotion to print.

SENATOR GAGLIANO: I'm sure that Adrian couldn't care less.

FROM AUDIENCE: That's right.

MR. MacINNES: What we found after conducting, really, monitoring tests, was that, particularly in the case of the New York stations, there was practically no attention being given

to the State of New Jersey. You may remember that in 1977 there was a poll taken of New Jersey residents, which showed that recognition of Mayor Beame and others contesting for the New York City mayoralty post in 1977 was higher among New Jersey voters than was recognition of Brendan Byrne, who was a four-year incumbent. You also recall that practically no challenger in that race had anything approaching the recognition like the top three or four candidates had for the post of New York City's mayor. This is just the kind of basic information that you have to have in order to, I think, carry on a vigorous and open civic life in New Jersey.

The consequences of having the Coalition and others get involved in this question, I think, have been beneficial to New Jersey. As a consequence of the actions taken before the Federal Communications Commission, all of the commercial VHF stations in both New York and Philadelphia now operate news bureaus in the State, which opens up the possibility of informed, consistent, systematic coverage of the State.

As a resident of the North Jersey area, where we rely on New York, I would say that coverage of North Jersey is adequate, say, for example, against coverage of Long Island, but in terms of coverage of the State and in terms of what happens in Trenton that affects people all over the State, I would say that New York coverage is little improved since 1971. I am not able to comment on Philadelphia, but every time I have looked at it, Philadelphia has always done a better job of covering New Jersey than--

SENATOR GAGLIANO: South Jersey.

MR. MacINNES: Yeah, but there is even a Philadelphia station here today.

SENATOR GAGLIANO: But, however, I won't be able to see that, unless I have cable.

MR. MacINNES: I won't be able to see it, and I do have cable.

There are a couple of other things that people mentioned. WOR, as a result of Senator Bradley's amendment, is now, or will soon be, fully located in Secaucus, New Jersey, instead of at 1440 Broadway. They have an eight p.m. news show. They do, in fact, cover New Jersey much more intensively than do any of the other commercial stations in New York City. They offer adequate time in what are very modestly produced public affairs programs to a large number of New Jersey office holders, and they have a lot of quantity in terms of their public affairs programming.

People have mentioned cable as a possibility. Cable, except for two or three major systems in the State, does practically no local programming, Suburban Cable Television being the largest exception to that comment. But the hope that cable would develop as a statewide medium for the exchange of news and information, I think, is not a hope that is going to be realized.

SENATOR GAGLIANO: May I interrupt on that, please, Mr. Chairman?

SENATOR STOCKMAN: Sure.

SENATOR GAGLIANO: Because this is something that I feel somewhat strongly about. Didn't the cable companies get together and form some kind of a group together, and didn't they then set up a microwave link system throughout the State of New Jersey, and isn't that in existence today?

MR. MacINNES: Yes, it is.

SENATOR GAGLIANO: How does that tie to public broadcasting, if at all?

MR. MacINNES: You would have to ask somebody with more recent experience to get a really definitive answer to that question, Senator. They were establishing the--

SENATOR GAGLIANO: I can't remember the name of it. It had a name.

MR. MacINNES: The New Jersey-- It was originally

called Interconnect--

SENATOR STOCKMAN: Any help from the audience?

MR. MacINNES: (after receiving prompting from a member of the audience) Cable Television Network. The original idea of that, if I could be-- I am going to assess intent, which is a dangerous thing to do. There was a proposal that was kicking around several years ago that the cable systems be assessed so that the State could set up a network. I believe the first, but not last, motivation for establishing the Cable Television Network was to avoid State sponsorship through fees. That came out of the Office of Cable Television in the Public Utilities Commission.

The second motivation, once the step was taken to establish the network, being that it was created by businessmen -- by businesses -- was to have their costs recovered -- at least recovered -- and they would like to see a return. The consequence of that became, at least from the little that I am able to see of it, that they give priority in determining what gets on to that cable network to those who can pay the most. Typically, that's not going to be some form of news information show; it's going to be religious broadcasting in prime time from my look at it -- movies and that kind of thing.

So that the understandable hope that the investment by the participating cable companies would be recovered, has led to programing other than what was originally contemplated.

SENATOR GAGLIANO: Then, in a sense, another opportunity for educational television is escaping, or has escaped?

MR. MacINNES: I don't know if that was ever such a terrific opportunity for educational television. I think it might have been an opportunity for providing information on things that the New Jersey Network could not cover because of budgetary -- because it affected too few people. I mean, you have to exercise judgment on these things, and so something

that could be terribly important to the Sussex County area of the State, because of a proposal there to build a new condominium village, or something, or because of a proposal to locate a toxic waste site, where you'd have a high degree of interest in that one part of the State, they could -- if the local cable systems were generating that kind of programing -- they could provide, at low cost, that information to people in other parts of the State who are facing precisely the same challenge.

SENATOR GAGLIANO: So it's not-- Then maybe what I said was not correct. I referred to it as educational, public broadcasting. It was an opportunity, I think, to marry public broadcasting -- the public broadcasting that we have, the Authority that we have -- and the Cable Television Network of New Jersey.

I mean between the two, if they ever got together, it would seem to me we would be able to get messages across -- public aspect -- to the entire State, immediately. That's what I'm saying. I've not seen that marriage, or partnership -- or whatever you want to call it -- and I wondered why. I guess--

MR. MacINNES: Okay. I would agree with you. That was an opportunity that was lost, and I was a participant in that, at least on the fringes. And I would say that it was -- that the people who had the strongest motivation to see it combined in terms of purpose, and funding, and serving a larger public purpose were the least well equipped to bring about that result. And the people who had other interests that had to do with having the first -- the pride of having the first -- interconnected cable network system in the country. It had to do with avoiding State operation of that network. Those people had a more direct interest, and were able to move faster, I would say, without demeaning that intention, or motive.

SENATOR GAGLIANO: I didn't mean to throw you off, but I've--

MR. MacINNES: No, that's all right.

SENATOR GAGLIANO: I've always felt strongly that these two should have been together, and, to my knowledge, even today they are not.

MR. MacINNES: I think you're right about that, and I think you're right that they should have been together. I think it would have at least have had some formal understanding that would have held up over the years that might have permitted some joint activity -- or insisted on it.

We've had-- I would mention, on the question of the underlying need, or lack of need, for the New Jersey Network, we've also had experience with Channel 13, the Public Broadcasting Station whose license is assigned to Newark, New Jersey, and which has operated as a New York State and City station since the early '60s.

The idea there was -- again, through the coalition bringing action before the FCC, and the FCC taking notice of it -- was to make their obligations to the State of New Jersey, as a whole, much more concrete than they had been prior to the litigation, and I think for a time that worked out. They were a co-sponsor of New Jersey Nightly News. Their participation permitted, I think, an important improvement in the quality of New Jersey Nightly News. But, most importantly, at the time, because of the lack of cable penetration -- when that agreement was first struck -- for a lot of people in northern New Jersey, the only way they would see New Jersey Nightly News was over Channel 13 -- which enjoyed the benefit of being VHF -- versus the problem of the network which transmits over UHF stations, where the experience in northern New Jersey for watching UHF at that time was practically nil.

Again, drawing a distinction with South Jersey where, for many years, the independent UHF stations have been the source of the Phillies and the Sixers and people have been accustomed to watching UHF in South Jersey, unlike North

Jersey. My quick assessment is that the need for publicly supported television in New Jersey continues, despite improvements by commercial VHF stations in their news coverage in New Jersey, despite increased penetration by cable in the State, and, in fact, increased penetration by cable, I think, represents the greatest benefit to the network than anything that has come along in the last 10 years has done in terms of improving the likelihood that somebody will be able to see the programming of the network.

SENATOR GAGLIANO: And not just North Jersey or South Jersey.

MR. MacINNES: That's right.

SENATOR GAGLIANO: That they can see--

MR. MacINNES: That's right.

SENATOR GAGLIANO: --simultaneously what occurs anyplace in the State.

MR. MacINNES: That's right. So that if there's an interest in South Jersey over what happens with new projects of the Sports Authority, they can get that information. It's not considered a North Jersey story; it's considered a New Jersey story.

So, I would strongly urge that the State continue to provide the support for New Jersey Public Broadcasting. I would add a caveat to that, and that is that there is, in my mind, a single justification for New Jersey Network, and that is that it fills the gap in news and public affairs programming that otherwise would not be available.

Sure, there are a lot of other things in New Jersey that can be covered, and should be covered: Sporting events, college basketball games. There are cultural events that should be covered. There is a lot of New Jersey history and lore which can be very well covered by the network, and has been covered by the network.

But, in the main, I would say that the central

obligation remains providing news and public affairs programming. And, that has got to be central; otherwise, if you think about it, the rationale for the network -- given the fact that we have all of the menu of public broadcasting's national offerings available to us from either Channel 12 in Philadelphia, or Channel 13 in New York, I think the rationale -- quickly disappears. So, I would say the rationale is solidly wedded to the idea of news, a daily news program and public affairs program.

Let me look at the question, if I could, of accountability and independence of the network in terms of its editorial integrity.

SENATOR STOCKMAN: Before you do that, Gordon, there's been a lot of discussion this morning about the educational side of public television, and you have not commented directly on that. Certainly, listening to the Executive Director of South Carolina's public network, I, for one, was very enthused and impressed with the potential there. Can you comment for a minute or two on that? Where are we with public television, educationally, in New Jersey?

MR. MacINNES: I think we run a-- In the last five years, I think we can say this: First of all, I think we run a very responsible schedule of educational programming for the schools in New Jersey. I think there's an awful lot of involvement of those most interested in seeing those programs, in selecting them, and in ensuring their distribution.

Secondly, I would say that we have done an awful lot more than was previously the case in terms of participating in the production of educational programming. I don't know what the recent experience is, but at least during my tenure at the network we got into that business for the first time in any sort of major, noticeable way. And, as I said, I don't know if that's continued.

In the end, I think you have a couple of questions.

The first is whether television, as it's used presently by those who produce programming for schools, is as effective as the original hope. I mean, I just don't know. I am agnostic about it because I think that it's a situation where it's not central, particularly in a State like New Jersey, to the instruction that a student is going to receive in the schools. That comes in the teacher/student relationship; it comes in the things that a local school system provides directly for people.

As a supplement, does it work? Does it work well enough? Does it do certain things especially well? You should check with somebody who has really looked at that question. I haven't. I raised it because I think it is a fair one to raise.

The concern for the independence of a network and of the intrusion of politicians is one that goes back a long way, and I don't need to rehearse any of that history. It's a favorite topic for politicians on occasion. It's a favorite topic for editorial writers. It's a favorite topic for people who work at the network and who serve on its Board, and it's an important question. And I think it's overdue, in fact, that the question be raised in the serious and public way in which it is being raised by this Committee, and for that I commend the Committee for taking this question up, and not only taking it up -- because, as I said, I think it deserves the airing -- but taking it up in such a serious way.

As a one-time and short-time member of the Legislature, I don't recall the Legislature taking its obligations of oversight quite as seriously as this Committee is taking them today, and I commend you for it.

First of all, there's an observation which is so obvious that I probably shouldn't waste your time making it, and that is that there is an inevitable tension between politicians and journalists. It doesn't make any difference who owns the vehicle of journalism, whether it's a television station, or whether it's a newspaper, or whether it's a news

magazine. Politicians are like most human beings, they love to have favorable recognition, and they dislike having unfavorable recognition. The difference between politicians and most other people is that their lives are much more dependent on the character of the news coverage they receive than is true of medical doctors or truck drivers. But, it should come as no surprise that politicians react strongly, quickly, negatively, to what they consider to be either inaccurate or unfair coverage.

And, it's an endless-- It seems to me it's going to be forever. The effort of a politician to secure better coverage and the effort of the journalist to provide what the journalist thinks is objective coverage.

I want to add something to your deliberations. I read, carefully, the Chairman's opening remarks from the first hearing by this Committee. The question of independence, of editorial integrity, will receive attention, and should receive attention. It's a terribly important question. It should be balanced, and I think the Committee should try and balance that question with the question of accountability, because there is something about the character of journalists which is not surprising and doesn't make them any different. They're just like doctors. They're like lawyers. They're like hairdressers. Journalists do not like other people intruding on their business. And, again, it's not surprising.

SENATOR GAGLIANO: May I say amen to that?

MR. MacINNES: It's not surprising because people who are organized and who have something in common pretty much react the same way in this society. They want to say, "Keep away from us. Don't look over our shoulder. If you are going to look over our shoulder, look over our shoulder on our terms." So, if it becomes necessary for the public health and welfare to license physicians, okay, we'll surrender on that point, but make sure it's physicians who do the licensing. And

journalists are not too different on that score.

And the question that, I think, deserves as much attention as independence, is the question of who is responsible for judging the accuracy, the fairness, and in -- and this is the toughest part -- in assessing the judgment exercised by the journalist?

Now that's a fair question for The Asbury Park Press, at any time, or for The Star Ledger, or for New Jersey Reporter magazine. The question limits asked by a politician of the New Jersey Network is different, because when it's asked by a legislator, or a governor, that politician has something directly to say about financial help of the institution. And that's, in part, what makes the question different when it's applied to the network. But I wanted to start by saying it is not much different than the tension that exists between politicians and journalists every place.

Mrs. Holden gave some, I think, excellent testimony on how you deal with the question of preserving independence and integrity in this system. And that is that the board of the authority has got to exercise that responsibility. It's a very simple, true answer. And in the setting of the New Jersey Network, I think it deserves a little elaboration.

Not only does New Jersey have the unique problem of needing a publicly supported public television network to provide it with a daily source of information about it. But New Jersey is also a State that operates with a constitution that makes the Governor the most powerful political figure in the State, and probably the most powerful governor in the United States in terms of all of the powers that he exercises.

So, the Governor is a little different than the Legislature, when we're talking about the problem of independence. The Governor appoints the board; the Senate confirms the appointment -- or doesn't confirm it -- but no one gets on there if the Governor doesn't say, first, that's

somebody I want on the board. The Governor has five cabinet officers, all of whom report to the Governor, who serve on the board ex-officio, in addition to the ten public members the Governor appoints. The Governor sets and proposes the budget for the network. Now, I know that the Appropriations Committee works hard, and I know that it pays careful attention to all the proposals that the Governor makes, and I also know that year after year after year, after all of the work that goes into that process, that the Appropriations Committee usually makes a net change of around 1% in what the Governor proposes, but the main ingredients of the budget are set -- in law, in the case of pensions or interest payment or state-aid -- and that the flexibility that in the end that is in fact exercised by the Legislature is slight. So, the Governor sets the budget, the Legislature approves the budget; but I don't want to say it is exactly the same thing.

The Governor also is responsible for ultimately approving the salaries of top people at the network. The Governor is responsible for determining the capital future of the network -- whether it is going to have an opportunity to replace antiquated production equipment, or it is going to have a new headquarters. Again, the Legislature shares in that, but it's the Governor who, I think, has the first and largest say in it. So that you have a situation where, while all politicians are equal, the Governor is more equal, and more powerful.

The Legislature must approve the budget, must approve the capital appropriations, and the Legislature sets the framework. Again, with the Governor, in that case, by saying, here's the statute under which the New Jersey Public Broadcasting Authority will operate.

All of those are important powers. My experience is that in the main, those are powers that are exercised in the case of both the Governor and the Legislature, with a regard

for the need for independence in the journalistic product of the network. That doesn't mean that there are not plenty of efforts at what a journalist might consider interference. There are. It happens all the time. If you do something that describes factually that the Democratic controlled Assembly passed legislation today which is going to benefit 800,000 elderly people in New Jersey, you might very quickly have a complaint from the Republican minority -- at the time, at least, when I was the Director -- saying that you didn't give enough time to the Republican spokesmen who were also in favor of that legislation -- that we got short-shifted on that; it's not fair. And you get to, very quickly, a question of having to judge both the accuracy and the fairness of what went on. Newspeople make mistakes, and it's the obligation of the executive director of the network to judge that every time a complaint comes in, and in some cases, to protect the newspeople. Just to not even notify them that a complaint comes in, so that they will operate more freely, and not have something chilling their coverage of a particular story. In other cases, you have to go directly to the newspeople to find out what was known and what the strength of the information is that provided the news story, and in some cases that will lead to a correction to a story that seeks, in the way it presents the information, to balance what had been presented on another day. That is a part of the daily job of the executive director, and I say, in the end, the most important part is to protect the news program.

In terms of the questions which are not daily, but over a longer run, in terms of the character of the news judgment being exercised, and the fairness of the news judgment, and the effectiveness of it, that is the board's obligation, I think. Not to pick it apart every day, and not to intrude to say, "I think you should have covered the hospital benefit that I was at -- that was an important event,"

-- although they will do that. But, to stand back and to say, in terms of the question of accountability, are we doing a good job of covering the news? Are we doing a fair and accurate job of covering the news? And if we're not, let's talk to the director about changing some things. Let's bring it to his attention that there's a problem. Let's have a sense of monitoring and accountability that's built into the operation.

Financial independence is the requirement for complete freedom from political intrusion. Last year, as I recall from reading the newspapers, the State provided about \$7 million to the network. Is that about right? (speaking to member of audience)

MEMBER OF AUDIENCE: That's about right.

MR. MacINNES: If you want complete independence, financially, the State could establish a nonprofit corporation, and endow that new nonprofit corporation with a corpus of about \$70 million, and be done with it. Let it go off and be free, have license responsibilities, have title to the property, and receive a one-time endowment from the State of about \$50 to \$70 million, say. And that would do it.

If that's a practical suggestion, then I think you have a serious possibility for establishing a nonprofit corporation on your list. If it is not a practical suggestion, then I think you're back to a more troubled, a more imperfect, a more fragile relationship. But, I think it's a workable-- It is one that can work, in the end, in terms of protecting the journalistic independence of the network.

SENATOR STOCKMAN: Does such an endowment exist in any other states, Gordon, to your knowledge, or to our other witness' knowledge?

MR. MacINNES: I don't know of one.

SENATOR STOCKMAN: All right. Thank you. I doubt it.

MR. MacINNES: Let me just move to the question of nonprofit pre-standing operation. Let's assume that the

circumstances of establishing a non-profit organization, which would be, primarily, to assure its independence and editorial integrity, carried with it, in the first couple of years, the same level of support from the State that it is now providing -- which is roughly 60%. Now, an executive director and everybody else can spend a lot of time raising that other 40%, and that other 40% is critical money for new programing, for improving what programing you have, for seeing new programing opportunities, and, in some cases, for just maintaining what you have, because the State, in its budgeting system, doesn't provide you enough to keep your equipment going.

So you now have a free-standing, non-profit corporation. One of the sources of income that is most typically tapped is the viewership. Viewership responds to some kinds of programing in terms of a willingness to stop and write a check, and doesn't respond so well to other types of programing. Our experience was that it didn't respond particularly well to New Jersey Nightly News, even though that was the single largest investment that we made in programing, and in terms of the facilities of the network, and everything else, that people sort of thought of that as a news program -- when they see a lot of news programs, some of them on commercial stations, some of them on the New Jersey Network -- and they just, I don't think, were prepared for the idea of having to pay for it that directly.

But a non-profit organization that is not as reliant on the State is going to have to be sensitive to what people want and also to what people who can write checks want. And there is a question there in terms of -- that I don't know the answer to, because I'm not sure there is an answer to a hypothetical question like this -- is to what would happen to the commitment to the news and public affairs programing if you had a free-standing, non-profit corporation running the New Jersey Network?

SENATOR GAGLIANO: And wouldn't you be competing with Channel 12 and 13 -- two of the better ones?

MR. MacINNES: In terms of the national programing, you would be competing directly with them, and you can't, because their signal's better and stronger, so what you do is you compete on different nights with them -- different schedule. At least that's what I think--

SENATOR GAGLIANO: I meant in terms of getting a check from them--

MR. MacINNES: Oh, it's tough.

SENATOR GAGLIANO: --you've seen it, and I know we've all seen it with Channel 13, when they put on an effort, they bring out world famous celebrities, and they all beg for money, and they have a tremendous program to get money. Now--

MR. MacINNES: They probably have five times more members in New Jersey than the New Jersey Network has -- or four times.

SENATOR GAGLIANO: Any effort that we might have would pale against that, and therefore, might be doomed, even before it starts.

MR. MacINNES: There's another question I would raise about the idea of a non-profit corporation, and that is, how is the board selected? It's, in fact, free-standing. The idea of Gubernatorial appointment, I don't think, would be carried forward. Therefore, you have two choices, I think, under New Jersey's non-profit law: It could be self-perpetuating, or it can be a membership-selected board.

SENATOR GAGLIANO: Or a combination?

MR. MacINNES: Or a combination.

SENATOR GAGLIANO: It could have some members appointed by the Governor, even some by the Legislature, and some by some public organization or a group.

MR. MacINNES: You could. If your object is what it appears to be, at least in the eyes of the people who are

proposing it-- Well, I won't get into that level of detail, Senator.

I just wanted to say that the questions of accountability for the commitment to news and public affairs programming, I think, get tougher the more distance there is. And I don't know how you assure -- I guess, in the end, you can't-- I don't know how you increase the probability that, in the event you have a non-profit organization, that that priority to news will remain -- and to quality, in terms of the accountability question.

SENATOR STOCKMAN: What about Senator Gagliano's suggestion that perhaps a strengthened ethics type law regulation prohibiting intrusion or interference with the operation of public television?

MR. MacINNES: Well, I guess I'd like to hear more. I think you're, in a way, tampering with the First Amendment rights of politicians. And I don't think, as a sometime or former politician, that you should do that, because I think that there is-- Let's ask the question. First of all, and very often, the idea of intrusion is the word used by--

SENATOR STOCKMAN: The eyes of the beholder.

MR. MacINNES: Of course. And in the eyes of the person who is intruding, it is a question of fairness, or accuracy, or of judgment. And there has to be an opportunity for ventilation of these things. It's got to be quick, because of the character of the news -- it can't go through some tortured proceeding. The question's got to be raised quickly; they've got to be answered quickly--

SENATOR STOCKMAN: Let me share with you an experience. I don't know whether Senator Gagliano, just for discussion's sake, has ever had occasion to talk to the executive director about any program on public television -- I did--

SENATOR GAGLIANO: I wrote to him.

SENATOR STOCKMAN: Okay. Mr. Niemann is here and will testify at our next hearing, and may have some comment on this, I don't know. But I can recall seeing a broadcast that purported to -- as a matter of fact, Jim Goodman's here, who commented, I think, on the flap over it as a viewer -- but there was a program dealing with New Jersey in an attempt to project the State, and where it is and where it's heading. And I watched it and I was offended, and I became more increasingly offended as I talked to some friends and supporters about what I perceived to be an insensitivity to the image and the appearance of minorities on that program. Those who were on, for the most part, were not very attractive figures. As a matter of fact, were anything but, and those who weren't in settings where it seemed pretty evident that it would have been easy for them to be, were not there. And it was public money that was invested, it's an issue that, I think, is a troublesome one in 1986, perhaps more so than at an earlier time -- the question of a projection of that sort and the impact of race. And so, I quickly wrote to, and/or talked to Mr. Niemann, and suggested that I was offended enough that I would support an effort in the Senate to, by resolution, sanction, or at least put pressure on the station to try to balance that. In discussion and reflection, my instinct was rather than emphasize the negative, what about sort of a mandate that they try to do right by? And be more sensitive.

SENATOR GAGLIANO: Yeah, but that's telling them what to do. That's telling them--

SENATOR STOCKMAN: Well-- And I'm telling this story because I, you know-- And here it is, it's reality, and maybe if your law were in place, maybe I would have wound up sanctioned publicly and have to deal with that in the next campaign. But there was a response at of one sort or another, and there was a resolution, I think unanimously passed by the Senate, criticizing and suggesting that the network attempt to

do something positive, to develop a program that would project the richness, and the strength, and the vitality, and the contributions of minorities in the State. I, frankly, am not sure-- I don't really think that the letter of that resolution unanimously passed by the Senate was ever carried out. But I do think out of it came some increased efforts -- and, again, Mr. Niemann may be in a better position to comment on this at his testimony -- in that direction, and there's some programing going on.

I just share that with you because I suppose, as you point out, Gordon, that at that time, you know, one could argue it was an intrusion. You know, who am I, a Senator, to be hassling the executive director over the quality or design of particular program? Doesn't it raise basic questions?

MR. MacINNES: Yeah, it does raise basic questions, and I think that I'm familiar with that program -- it started when I was Executive Director.

SENATOR STOCKMAN: Yeah, it was suggested you should have taken some of the heat over it.

MR. MacINNES: Well, I didn't have responsibility for the final product, so I wasn't willing to do that. But let me suggest some thing about that. It's a perfect example, incidentally, because what do you have? You have a Senator representing a district that -- what's the percentage of your voting public that is minority?

SENATOR STOCKMAN: Of those who vote for me, or of the voting public within the district?

MR. MacINNES: Of you.

SENATOR STOCKMAN: In the district I suppose, the minority population -- 18 to 20%.

MR. MacINNES: Eighteen to twenty percent.

SENATOR STOCKMAN: I suspect I do a little bit better in terms of my vote, but I don't want to get into partisan discussions here.

MR. MacINNES: What you have is an understandable expression by somebody who represents a significant percentage of people who may have been offended by the program, expressing their thoughts, which is what representative government is all about. A perfectly understandable reaction. And it may lead to a perfectly terrible result. And the result might be that people who are looking at trying to present the truth might next time say, "Oh-oh, if we say this--"

SENATOR GAGLIANO: Stockman will call.

MR. MacINNES: "--Stockman will call, or Gagliano will call, or somebody will call, depending on the truth that we are telling." Now, I notice that Bill Moyers has just been through the same experience, recently, on the same question. He produced a two hour documentary on the black family in America. He went to Newark, New Jersey -- because of convenience, I suppose -- but also because, I guess, it had plenty of examples of the point he was trying to make, to talk about the break-down in the black family. And if you looked at that you would say that the black family is in worse shape than the white family in America. And if you looked at it you would say that a higher percentage of black babies are born to single mothers than are white babies born to single mothers. And if you looked at it you would say that there's a connection with poor, uneducated people who are not participating in the labor force, and those who have a disproportionate number of these children. And it was all true. And the response was the same as yours: this is unfair; it's not balanced. Well, of course it's not balanced. You can't have a balance in every half hour program, or one hour program, or two hour program. But it was telling the truth. Or it was trying to tell the truth.

And I much prefer a system where people who are in a position to tell the truth, are free to tell the truth. Now, if they tell it in a way where it turns out to be shaded for reasons or motives--

SENATOR STOCKMAN: That's what that program was, incidentally, but I don't want to get into it.

MR. MacINNES: But I think that that's an excellent example of the problem. And I would hope that the board and the executive director would say, "Well, there's some truth to this, and maybe down the road there will be an opportunity to balance the point of view in terms of exploring the quality of life among New Jersey's black middle class, where those things are not true." But when you look at the problems we face in this society, to say that all is well with the black family, or that blacks are participating in the economic revival in New Jersey like whites are, isn't to tell the truth. So, what are you going to do about that? You're going to tell the truth.

SENATOR GAGLIANO: Gordon, if I might?

MR. MacINNES: Yes?

SENATOR GAGLIANO: You know, referring back to that idea that kind of popped into my head on the testimony before. Of this issue of holding someone accountable for undue influence, let's say that Senator Stockman, at the time, was upset enough about how that depicted the minorities and how he felt about it, so that he not only called the executive director or member of the board, but he further said, "You know what? I happen to be a member of the Joint Appropriations Committee, and you've got to be before me within the next three months on your budget for next year. And I'm very upset."

SENATOR STOCKMAN: I think I said something like that. I'm not sure.

SENATOR GAGLIANO: See, that's where I wonder whether we should, by law, draw the line. I know I had a personal experience with public broadcasting-- I don't watch it all the time, but I did sense -- I sensed, as Minority Leader -- that, after a session, the Democrats were being interviewed. Now, sure, the Democrats were chairmen of the committees; Democrats had 75% of the bills that passed through the houses; however,

we had people who I feel had expertise on the Republican side, and in order to have a balance, whether we were for or against the legislation, it seemed to me that both sides ought to be interviewed as soon as possible.

SENATOR STOCKMAN: That's what Karcher is saying now about the Assembly.

SENATOR GAGLIANO: Now he sees differently. But that's why I wrote to the executive director and I said, we have experts on our side, we would appreciate more balance. And I think we got more balance. I didn't follow up on it, I didn't scream about it after that, I just wrote a letter and got a response, and I feel that there was more balance in the reporting, and I feel that that -- I felt -- was perfectly acceptable and was not infringing on anybody's rights for me to express on behalf of my 17 colleagues how I felt we were being treated or not treated. But, if on the other hand I said, and I have spoken to my representatives on the Joint Appropriations Committee, or whatever, and we're going to see to it that you don't have what you had last year in terms of financial support in the State. That, to me, would be undulant. I don't know where to draw the line.

SENATOR STOCKMAN: You see, the line gets narrow. If I had suggested to Dricks - and I'm fuzzy, and he can, again, he may have better notes and/or recollection -- but if--

SENATOR GAGLIANO: The statute of limitations hasn't run yet.

SENATOR STOCKMAN: Yeah. If I'm a member of the JAC, you know, the question of whether I say to him, incidentally, I'm a member of the JAC, or not, and what that weighs, Tom, in this issue, you know, becomes very, very difficult.

SENATOR GAGLIANO: But it's very important, because he's not only worried about his own salary, but his staff, and maybe he's got a capitol program in there.

MR. MacINNES: Sure.

SENATOR GAGLIANO: He needs new cameras, and just like that you can knock that out.

SENATOR STOCKMAN: Oh yeah, but I'm saying one could argue that, look he knows -- or arguably knew -- who I was, in terms of having appeared before the JAC. I, in turn, would feel that if my instincts persuaded me that the public television station, for whatever reason, was not sensitive to an issue of that sort, it would begin to undermine my inclination to be, as a representative, supportive of that system.

Now, you certainly can, quickly, get to an element of heavy-handedness if, out of an isolated incident, a threat of major fiscal proportions in the JAC process, Tom-- And, again, it gets to be very much a difficult question of degree. If the broad cross-section of the people who put together programs of that sort were insensitive to minorities, and were producing not only that program, but, indeed, other news or other material, that is a very serious and troublesome issue that, it seems to me, could justify a legislator, at some point, in saying, "I am not going to support that kind of an operation, or at least, at a reduced rate."

SENATOR GAGLIANO: You have every right to say that publicly, and even to ask public broadcasting to cover that.

SENATOR STOCKMAN: I am.

SENATOR GAGLIANO: I don't think you can call the executive director or board members and say this is my threat. Do you follow what I am saying? You can make a public statement; you can say it on the floor -- and you did.

MR. MacINNES: I think that you're going to have -- and this, I think reveals the difficulty of trying to put it in the code of ethics, or something. I mean, it would be enforced like the littering laws. And I think it would be troublesome, because, first of all, it does deal with an area that is not subject to a brick wall. It's not subject to a clear black and

white definition. The reason: you have competing rights here. And that's what makes it interesting as a question, and difficult to answer. You have the right of representatives of constitutional officers -- I mean members of the Legislature -- who cannot delegate away their responsibility for raising taxes and spending the revenues, who are elected to speak for themselves and their district. How can you say to that person that it is impossible that they could, on the one hand, disagree with the character of programming at the network so strongly that they think they should cut the budget for it, and in some way get that all down so that you could enforce what would be seen as improper action.

I received all sorts of calls from people, some of which might have been veiled, in terms of what they were really saying to me, but I never took it that way. I mean I took it that there was a problem that could be addressed. That somebody had a right, and no greater right, incidentally, than a citizen who might have been a participant in some news story and said that's not what happened at all, and called in, but no lesser right, certainly, then they call up and they say exactly the same kind of thing: the coverage is this or that. I asked a couple of things: Is the coverage of that story in the newspapers the following day more or less the same, or radically different, in terms of reporting on what happened in Trenton? If it's radically different, and it's radically different in every newspaper, then there might be a question of news judgment. If they report the facts much differently than was reported on the network, then there might be a question of accuracy. And if they select a small tangent to go off on, when nobody else saw that and it turns out to be trivial but mean-spirited, then you might have a question of judgment. But people ought to be free to raise those questions.

SENATOR STOCKMAN: All right, how about some suggestions for us? How about some suggestions?

SENATOR GAGLIANO: How do you handle it?

MR. MacINNES: Well you handle it-- I think it's going to remain a messy question to handle.

SENATOR GAGLIANO: Can't you have a procedure? Could you have a procedure of, for example, contact a board member who, in turn, would somehow relay the issue to the person who runs it on a day-to-day basis, or contact two board members?

MR. MacINNES: I think the board's role is a very important one and needs to be emphasized more than it has in the past. And the board itself needs to emphasize its own role more than it has in the past, and again, I'm unfamiliar with what's gone on in the last two and a half years or so. That is -- excuse me-- I think, the best step that can be taken, is to build the board. I found the board to be interested, effective, and supportive in the main, and it covered appointees from three different governors.

SENATOR GAGLIANO: Let me ask a question. If the Governor or Legislative President of the Senate, or the Speaker of the House, called you and laid you out on some issue--

MR. MacINNES: Right.

SENATOR GAGLIANO: I mean, literally, laid you out.

MR. MacINNES: Yeah, it happened.

SENATOR GAGLIANO: Okay. And you felt your coverage -- whatever it was -- was fair?

MR. MacINNES: Yes.

SENATOR GAGLIANO: You didn't agree?

MR. MacINNES: Right.

SENATOR GAGLIANO: Was the board the kind of board that would have backed you up? Were they the kind of board who would have said -- maybe one of them said -- you know, "the Governor appointed me, and I play tennis with him, I'm going to pick up the phone and tell him he's wrong to call here, or that he ought to take another look at that before he says any more." Did you get that kind of backup, and is the board that

strong, that they would stand up to the Governor?

MR. MacINNES: When I needed it, I did. And, in fact, if you will recall -- maybe you don't -- but the most effective-- I think I can make this statement, Senator. I had lots of questions, suggestions, criticisms, and you could use stronger words, made to me by politically influential people while I was the Executive Director. Some of them were good, some of them were not so good, all of them received attention. But I don't think any of them in any improper way affected what went on the air. And that's the test in the end. Can you-- Does the system shield from that kind of undue influence? I think it can be used to work that way.

SENATOR STOCKMAN: It may take a near nervous breakdown--

MR. MacINNES: Absolutely.

SENATOR STOCKMAN: --or a resignation, but it works.

MR. MacINNES: The one example where that was not the case was when Rich McGlynn, running for Governor, brought a case before the New Jersey Supreme Court, and the New Jersey Supreme Court, acting quickly, handed down a bad decision. A terrible decision. And when the full question was heard with time, they reversed their decision in that case. But, basically, they said this: "You either give Richie McGlynn the same amount of time you're giving to the other major candidates in your news judgment, or don't run anything." And who's my attorney in that case? The Attorney General. Try and get the Attorney General to tell you that you shouldn't obey a direct order of the New Jersey Supreme Court. Maybe I shouldn't have, anyway, but I certainly wasn't going to find any advice in that direction. And we did not run the news story that night, about what we-- The front-runners in the gubernatorial race were saying on an issue of environment -- of whatever it was -- was that helpful? No. Did it-- Were we wrong to have excluded Rich McGlynn? Yes. I mean we -- newspapers and journalists --

have to exercise that judgment. It's unfair. All right, it's unfair.

SENATOR GAGLIANO: In other words, you take a noncontender, and make him more of a noncontender by ignoring him.

MR. MacINNES: It's unfair. It's unfair. You have certain measures, in terms of fund-raising and political support that a newsperson can use, and should use. And we were talking about a week before the primary, so that you had plenty of evidence. It wasn't so far in front of the election that you were going to bias it by preselecting the field. It was at the end.

It's a matter of economy. It's a matter of judgment. And that's what journalists are paid to do, exercise judgment. Sometimes they make mistakes. But if you want a news program that's called a news program, they've got to be able to continue to exercise that kind of judgment. If you want something else, if you want public access, then that is a different kind of programming. The people who will watch it will be the candidate and his immediate family, and not many others. They'll be satisfied that they got on the air. But have you ever tried to sit through a two hour presentation where every candidate gets six and a half minutes to present their vision of the future, and there are twenty candidates? Nobody sits through programing like that. And that's the only way you can do that fairly. So you say, fairness by itself is not the sole standard which will determine what gets on the air. We're going to use judgment in what gets on the air. And it will lead to unpleasant results for some people. And we can be wrong, and we need to have a system and the ventilation to find out when we are wrong, but we don't need the court, or the Governor, or the Senator telling us before the fact that we're wrong. That certainly will never work.

SENATOR GAGLIANO: So the court really infringed upon

your rights, didn't they?

MR. MacINNES: I thought so. And they also violated what was the Federal Communications Act which superseded their jurisdiction.

Let me make a couple of specific suggestions. I'd say dust off the legislation which was passed by both houses in 1981 and vetoed by Governor Bryne in his last day in office, which is another example of how Governors can use their authority to affect your life, if you're the executive director of the New Jersey Public Broadcasting Authority. This was administration legislation, incidentally, and I'm told after the fact that he vetoed it-- I mean, what was on the record was he vetoed it because he wanted to give the new Governor a chance to review what was a complicated situation. I've heard suggestions that he was so unhappy with the way we covered the naming of an arena up in North Jersey that he, you know, never quite recovered. I don't know if that's true.

That legislation did some things which I think were important for the efficiency of the operation of public broadcasting, and in sending a signal on the questions that you're looking at. And you can-- There are variations of it. The first thing it does is to take all or most of the cabinet members off the board. There are five cabinet members on the board -- one third of the board are ex-officio members of the Governor's Cabinet. The Governor has plenty of other avenues of influence in this operation that he doesn't need to have a full third of the board sitting there and responsive at any one meeting. I think it sort of casts a shadow over the operation of what's to be primarily a public board.

Second thing that that legislation did was to permit much greater flexibility in purchasing and in job categories. The cameraman is exempt from Civil Service competitive exams to get his job, and so is the sound engineer. That's an acknowledgement that, first of all there's only one operation

of this kind, and it would be fairly expensive for the Civil Service Commission to draw up an exam and test it for five camera people, or whatever. But, secondly, it's an indication that they recognize further that this is a technical, scientific operation -- engineering operation. But there is still the approval of job categories which sometimes gets into the technical specifications of the job, and where, frankly, I don't think the network benefits one iota from having it reviewed and held up by Civil Service. And I would think that you should remove the entire operation from Civil Service. That quickly leads to the question of a lump-sum appropriation. The money that is provided by the State is not so great that anybody who is responsible for running the network can waste it. You've got to have that be a very business-like operation. It's not like a bureaucratic function that you might find in the Department of Commerce or the Department of Labor, it's a television function, and there are lots of models for efficient operation of television stations; most of them are commercial. But there are plenty of benchmarks around for assessing whether you have an efficient operation. What the lump sum appropriation would do would be to provide greater efficiency by allowing those funds to be used in the most cost-effective way, rather than by having them used in ways that 15 years ago might have been thought of as the most cost-effective way, and spending an inordinate amount of time and energy and everything trying to get that changed.

And I would also say that that legislation should include a reaffirmation of the role of the board. And perhaps a reaffirmation of the role of the board on particular questions of journalistic independence, because, when the Authority was established -- as Ed Meade testified -- the people who wrote the legislation thought of it primarily as an educational television investment, and not as news and public affairs investment. And that's a very different kind of

operation, and therefore, this would be a good occasion to revisit the affirmation of the Legislature on the question of both independence and accountability.

SENATOR STOCKMAN: And, perhaps, incorporate the suggestions of Mrs. Holden in terms of the-- (pause) Is that it?

MR. MacINNES: I've reached the end of my outline.

SENATOR STOCKMAN: Senator, do you have any questions?

SENATOR GAGLIANO: I want to thank you, Gordon. I think that's some of the best testimony I've ever heard.

MR. MacINNES: Oh, thank you.

SENATOR GAGLIANO: And the 1981 legislation, I think, we should look at.

MR. MacINNES: I think Assemblyman Codey was the cosponsor of it -- I think he was still an Assemblyman. It was bipartisan; it was an administration bill; it was carefully reviewed by the board, at the time. I went over it carefully with the Governor before we submitted it and drafted it. I don't know what the present Administration's view of it would be, but it has to be administration legislation, because you're--

SENATOR GAGLIANO: At the present time, under the current law, the authority members choose the executive director, isn't that correct?

MR. MacINNES: That's correct, subject to the approval of the Governor. Now, that is the Governor can veto the choice of the board. The Governor may not select, and place on the board, but the Governor can veto the choice of the board.

SENATOR GAGLIANO: So that means, in effect, the Governor is the appointing authority.

MR. MacINNES: No, it doesn't. It means that the Governor and the board--

SENATOR GAGLIANO: Well, it's a negative--

MR. MacINNES: No, I'll tell you, it does not mean

that. I'll tell you this, it means that the Governor is with influence on the choice. I don't want to go into it, because I know it is unimportant at this stage, but I know for a fact it does not mean that the Governor is the appointing authority, in fact.

SENATOR GAGLIANO: Well, what I mean is a practical matter.

MR. MacINNES: I mean as a practical matter.

SENATOR GAGLIANO: What I mean as a practical matter.

MR. MacINNES: That's what I mean, too. (laughter)

SENATOR GAGLIANO: The Governor-- If, let's say, there are five top choices, as a result of interviews or whatever, there are five people who are felt to be qualified, and as the name comes up, the Governor says, no, until he gets to number five. That's the one that the Governor likes, and the Governor doesn't say no anymore, so that person gets the job. I'm not saying that it's bad, I'm just saying that in a negative way it gives the Governor the power of appointment, and--

MR. MacINNES: Gives the Governor the power of shared-appointment. If the name doesn't get to the Governor-- I'm not quibbling, because I know that it has happened that the Governor's first choice was not selected.

SENATOR GAGLIANO: Okay. Now, if we had an opportunity to build the board better, besides the fact that you would have less impact on the board by the members of the Governor's Cabinet, how else would you suggest we provide for the choosing of the members of the board?

MR. MacINNES: You mean, as to--

SENATOR GAGLIANO: For example, let's say we allowed -- we continued to allow higher education -- two people, say higher education and education, to continue to be members of the board, but we take off, whoever, the Secretary of State, the Attorney General, whoever else is involved. We get rid of

them.

MR. MacINNES: Right, Treasurer, Attorney General, and Community Affairs.

SENATOR GAGLIANO: We take them out. We leave the two educational people on there. And let's say we continue with the 15 member board, how would you propose that we choose these people? How do we find them? Can we get them from recommendations for various groups?

MR. MacINNES: You could do that. I-- In the legislation that we had suggested, the Governor retained appointment to the board. I don't know. I think, if the Governor acts in the best interest of the Authority, he will seek people of standing, of reputation, of character and judgment to serve on the board. Those are the kinds of people you want. And in the main, I think those are the kinds of people that we've had. So, I don't know how to change that. You know, I haven't followed, and I don't know, personally, the appointments that have been made since I have left.

SENATOR GAGLIANO: You don't advocate that, for example -- just picking it out of the air -- that the school boards association would make a recommendation to the Governor. That--

MR. MacINNES: No. I advocate-- In fact, I would advocate strongly that they not be given any authority to make such a recommendation.

SENATOR GAGLIANO: Well, I'm not just talking about school boards--

MR. MacINNES: I understand. No, I think--

SENATOR GAGLIANO: I don't care whether it's AFL-CIO, or any other group.

MR. MacINNES: No. I would not. I think that you-- No, I would be opposed to that. I think it would-- I mean, this is even a different situation than when you are talking about director's board, for example, where you have alumni

representation. Or where that may be written into the laws and encouraged. That's different. I think that you have a desire in this case to appoint people who are going to act as trustees, exercise fiduciary responsibilities, both financially to ensure the State that the money is spent according to law, and for approved purposes, and in terms of the public trusts.

SENATOR GAGLIANO: Is there an advisory board at this time?

MR. MacINNES: There is a-- I don't know that. There is a friends board, and there are -- and I don't know in the--

SENATOR GAGLIANO: There's no statutory advisory board, I don't think.

SENATOR STOCKMAN: No, I don't think so.

MR. MacINNES: No. In the last-- I don't know what's happened in the last two and a half years, Senator. We operated a lot of informal-- For example in the area of instructional television, we operated in informal -- well, it was more than informal -- but I mean, it was an advisory board of the people who were most directly informed and affected by the decisions, and that worked well.

SENATOR STOCKMAN: Gordon, a couple of questions, because we're almost out of time, and I want to exercise my prerogative a little bit with you on a couple of things.

One thing that was suggested to me a while back by someone was that, really, the critical problem of New Jersey Network is that it has no real constituency, or if it does, it's made up of the Governor and the Legislature. And that was said a little bit facetiously, but, what about that? Is New Jersey Network -- does it have a real constituency out there? Is it growing, shrinking, or sort of standing still?

MR. MacINNES: No, I think it does have a constituency. It's constituency may not be as powerful as I would like, or as large as I would like, but it is growing. And I think, given the few numbers that I've seen in the last

two and a half years that those numbers have improved substantially under Dricks Niemann's leadership. And other indicators, such as corporate support-- I mean, there was practically no corporate support for the network when I arrived. I mean, virtually none. And if you look at the track record over the last eight years or so -- is that how long it's been? My God. If you look at that track record, you'll see the participation of dozens and scores of New Jersey corporations, from the largest to the middle-sized--

SENATOR STOCKMAN: Do you see any problems there, although that might even--

MR. MacINNES: Sure, sure I do. There are potential problems there, just as with politicians. And I would say that you have-- The potential is greatest where you have the intersection of someone who is a public figure in his own right -- like Mr. Brennan at First Jersey Securities -- who is also a sponsor of the news program. And I would think that that would be the first area where you'd want to be certain that the guidelines on removing corporate influence would be observed. And I expect that they are observed. I don't know, I just bring that up as a-- But, you know, there is somebody who is very visible.

SENATOR STOCKMAN: I don't think-- I take it you haven't advocated any radical surgery to New Jersey Network -- if I can summarize a little bit -- and you're supportive, basically, now as much or more than ever of the need for public television in New Jersey. What about a broader look, say by a blue-ribbon commission of some sort at the issues that you very articulately focused and I think helped the Committee discuss, but also this educational potential or capability of public television in New Jersey. Do you think that the time is right for that kind of thing? Do you think any much good would come out of that, or do you think it's a matter of too much study or--

MR. MacINNES: No, I think it's always -- I think we can always benefit from careful reexamination. I mean, I think this isn't the only function that is supported by State government, where there would be a benefit to having a real reexamination. However, let me just say, I guess, Senator, that, as I said, it's messy, and it's fragile, and it's workable. And I don't know what my answer would be if there was a simple vision of economic independence -- of financial independence for the network. I don't know. I guess I would worry that with the financial independence, that the emphasis on news would lessen over time. And I think that would be a great trim.

SENATOR STOCKMAN: Well, there is everywhere we look, I guess, evidence of a desire to get away from politicians and political influence. But everywhere we look that they are fewer in number, and less able to exercise the responsibility, I think, are the greater tragedies to society. And we can point to countries and places.

So, I tend to agree with what I think you're saying, that you can only go so far with that, and it is a balance between independence and accountability. And I join Senator Gagliano in suggesting that I have been very impressed with your testimony, and I think the public is indebted to you for coming here today, and sharing that testimony with us. Unless Senator Gagliano has any other questions--

SENATOR GAGLIANO: No, I don't have anything.

SENATOR STOCKMAN: --I think it's a good time, and place, and note on which to end this hearing. Thank you very much. Thank you.

(HEARING CONCLUDED)

APPENDIX



HENRY CAUTHEN REMARKS BEFORE NEW JERSEY LEGISLATIVE COMMITTEE

It would be presumptuous for me or anyone else not familiar with the development of public broadcasting in your state to suggest how you can best organize your system. As an outsider I can perhaps share with you some of what I have observed of the development of public broadcasting elsewhere in the country and my own State of South Carolina in particular.

When we began our educational television system in South Carolina 26 years ago, we began with a clean slate. There was no existing station or system. This was a great advantage because we could design a system to meet a full range of State needs from elementary education through graduate education and beyond. We had no turf problems to contend with. All we had to consider was how best to meet the needs of our State and its people then and into the future.

We did this through the establishment of an independent agency governed by a 12-member State commission--seven members appointed by the governor and five ex officio members (the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of both the Senate and House Education Committees, and the State Superintendent of Education). The Governor appoints the Chairman-at-large and all regular members serve six-year staggered terms. The Commission selects the Chief Executive Officer, or President and General Manager as the position is titled in South Carolina.

I have been with the network since its beginning and have served as CEO for 21 years, thus I can comment with some degree of knowledge about the development and operation of the system and the political environment that surrounded its development and operation.

I give you this detail because many people would say this is a structure fraught with the potential for improper political influence and interference. I can say without equivocation that we have not had that

problem in South Carolina. The structure certainly is not impervious to such influence. Why then has South Carolina been free of the problems that have plagued some other states?

The fact that we concentrated on meeting important educational needs in the beginning as our first priority and only in the later years did we venture into "public broadcasting" at the state and national level. By the time we moved into the potential more controversial areas we had established a high level of respect and trust within government and with the public. This provides us with the necessary degree of insulation. The public, the press, and the vast majority of the Legislature simply would not have tolerated improper influence in an institution that has become valuable to our State in so many ways.

I guess my message here is that you can't create history and you probably can't design a governance structure that is completely insulated from political influence. What you can do, however, is review what you want your system to be and what services you want it to provide and design a governance and financing structure that will help establish these services with the maximum insulation from improper pressure or influence.

Lest this be misinterpreted, it is not to imply that it should be without proper governance and oversight. You are the guardians or trustees of a very valuable resource that is nonrenewable. Once it is lost, it is gone forever.

As I understand it, there have been a few questions raised as to whether New Jersey could afford the \$7 or \$8 million a year required to operate the New Jersey Network. Television has been acknowledged as the most powerful communications device yet developed by man. The real question may be can New Jersey or any state afford to do less than make

full use of such a powerful tool. Certainly allowing such a resource to slip through your fingers and be lost to your state forever is unthinkable.

You have a unique opportunity in your state, for I know of no other which must rely to such a high degree on its public television system to provide news and information to its citizens. I can assure you that the rest of the country is watching closely to see how you deal with the pressures and opportunity provided by being the only statewide television news service available to your state. You can set an example for the rest of the country. You who are in position to make these decisions are guardians of a public trust. You are dealing with a resource that once lost cannot be renewed.

No state is going to progress and prosper in the remaining years of this century and into the 21st without a sophisticated and efficient telecommunications system. The increased need for education and reeducation and information dissemination is going to require an ever increasing need to communicate. Any state without this capacity will be greatly handicapped.

There is no one magic board structure that will guarantee the oversight, accountability, artistic freedom, and journalistic integrity. That will come only through the hard work and dedication of a properly selected and motivated board and staff, and they must be armed with a strong set of guidelines and principles that can withstand public scrutiny. Such a set of guidelines and principles is contained in "The Editorial Integrity in Public Broadcasting" Statement of Principles. Even with the long history of independence from political interference South Carolina ETV has enjoyed, these principles will be presented to our Commission for adoption at its next meeting to insure continued freedom and independence for future commissions.

OVERVIEW OF SOUTH CAROLINA'S PUBLIC BROADCASTING SYSTEM

South Carolina has made a commitment to serve education at all levels--preschool through higher education and beyond. That decision led to the creation of a unique system--the nation's first statewide multi-channel closed circuit network--first through cable and now through Instructional Television Fixed Service (ITFS). This multi-channel closed circuit system serves as the foundation for a statewide broadcast television and radio system.

Today, through these combined technologies, more than 80 hours of instructional programs are transmitted each day. At the public school level more than 140 courses are offered each year--math, science, history, English, foreign languages--virtually every area of study at every grade level.

Every South Carolina teacher can continue his or her education by upgrading certificates, getting advanced college credit, or simply improving their teaching skills. More than 5600 South Carolina teachers took advantage of this opportunity last year alone. And they did it without having to leave their own classrooms.

In other areas of higher education we offer 88 courses each semester. Nearly 4000 students are enrolled. Many of these are adults already in the workforce. They take the courses at centers near their homes in the afternoons and evenings. In this way they can earn their degrees without having to leave job and family. Without ETV, in most cases, they simply could not have continued their educations.

An analysis of what is happening here shows a remarkable trend. Today the University of South Carolina is awarding 65% of their graduate degrees

in Engineering and Business Administration to students taking their courses off campus through ETV. And the trend is continuing in that direction. Again, many of these people simply could not have continued their educations if it had not been for our ETV system.

This is just an indication of what could happen throughout the country if every state were willing to make the necessary commitment. We are just beginning to learn how to use television in this country. It's a powerful resource whose full value has not been recognized in many areas of the country.

Today in South Carolina, in addition to what I have already told you about, we are providing continuing education at 44 hospitals and health care centers throughout the State. Doctors, nurses, lab technicians and health care professionals of all types receive more than 29 hours of special training each week. Last year 8100 medical professionals improved their skills keeping up with the latest techniques and developments in medicine.

Add to that, 4500 law enforcement officers who receive monthly training, firemen throughout the State, and there is special training of all types of State workers. To aid the State's businesses and industries there is a variety of training available for managers, supervisors, and other employees. This initiative is particularly very valuable to our State's industrial development efforts.

There are many other services the network offers including special programs to meet the needs of minorities. Among these are our Emmy award-winning "Job Man Caravan" that has for the past 16 years helped our State's black youth find jobs and training. But, this is just a small sampling of the many, many services we offer.

A key question, obviously, is what does all this cost? There is no question that South Carolina has by far the most advanced educational communications system in the world. Well, the people of South Carolina (one of the least wealthy states in the country) are investing \$15.7 million this year--that's \$4.90 per capita.

Does that sound like a lot? Perhaps it does when you look at it compared to most other states. But when you look at it from another perspective, it represents only 1.2% of our State's education budget. Yes, only 1.2% and look at all you get for this small investment. It undergirds and strengthens all of education at every level.

Another interesting figures is that today one of every six South Carolinians are enrolled in some formal course of instruction through ETV. One of every six! It is the best investment we can make in education. No other service does so much for so many for so little!

Substantial progress has been made in a number of other areas. Unlike the commercial networks, public broadcasting has no central source of programs. They are all produced or presented by individual stations. There are nearly 200 such stations in the country. Over the last five years, South Carolina has become the third largest supplier of programs for the country. . . headed only by New York and Boston.

This has helped ETV and the State in a number of ways. In addition to the enormous positive promotion it has brought to our State, it has also made possible the acquisition of many programs for South Carolina schools that would not otherwise have been available, and it has generated significant funds for the production and presentation of additional programs.

Because of our growing national reputation, we have been successful in securing a number of major grants. These include funding for the following:

"Heart of the Dragon" (a 12-hour series on the history of China)	\$ 3 million	General Electric
"Pride of Place" (a look at American architecture)	\$ 2 million	Mobil Oil
"Tales of the Unknown South" (a trilogy of works by three Carolina authors)	\$ 375,000	National Endowment for the Humanities
"The Public Eye" (an examination of American values as seen through media)	\$ 275,000	AT&T
"Voices & Visions" (a look at the life and works of American poets)	\$ 2.7 million	variety of sources
"TV Businessman" (examines how TV depicts the American businessman)	\$ 400,000	Mobil Oil
"Woodrow Wilson and the Great War" (60-minute documentary)	\$ 400,000	Annenberg Fund
"Roanoak" (a 3-part miniseries for American Playhouse dealing with the first contact between English settlers and the Native American Indian)	\$ 4.2 million	variety of sources
"The Energy Cube" (examines all the world's sources of energy from the most primitive to the most futuristic)	\$ 900,000	Exxon
"The World" developed by the British media giant Gold Crest (a monumental 26-program series on the history of the world)	\$ 8 million	variety of sources

According to the formula used by the State Development Board, the money in these projects which total over \$21 million will turn over a number of times and will have an economic impact on our State of more than \$60 million.

And we again have secured funding to provide nationwide radio and television coverage of our State's Spoleto Festival. ETV's daily national coverage has helped make the Festival one of our country's national treasures in less than ten years and has put South Carolina in the national and international spotlight. It has demonstrated the depth of our State's cultural resources and our strong commitment to the arts, something that is becoming increasingly important in the highly competitive recruitment of business and industrial development projects.

These are only examples of what your public television system can do for your state given proper support. Your state network gives you the foundation from which you can build such activities and services.

The following are excerpts from a report to the State on South Carolina's Public Broadcasting System from Governor Richard Riley, former Governor Robert E. McNair, several South Carolina businessmen, and the Chairman of the State Development Board.

GOVERNOR RICHARD W. RILEY

South Carolina is committed to developing an environment in which business and industry can flourish in our State, for only in that way can our people have the jobs to enable them to lead happy and productive lives. You see, our State through the years has made a major commitment to developing a firm foundation upon which new industry can build and the existing industry can continue to flourish. Only through innovation and forward thinking can a state keep up with the demands put upon it by a rapidly changing society. A prime example of this kind of forward thinking, I think, has been South Carolina's commitment to developing the nation's most modern and comprehensive educational communications system. This system serves all sectors of South Carolina's society--certainly including business and industry. When you invest in South Carolina, you can be assured you are investing in a sound future.

MICHAEL G. KAZEEF, VICE PRESIDENT, ALUMAX OF SOUTH CAROLINA, INC.

You might be interested in knowing that South Carolina has an international reputation for its outstanding educational communications system. In fact, it is considered to be the finest in the world. Having worked abroad and for international companies in the United States, I know that ETV is revolutionizing the meaning of education and training. It relates them to industry's most important resource--the skilled people who are working for it in a unique way.

ETV's new transmission system will make it possible for employees to benefit from on-the-job training in their own working environments right in a plant such as Alumax. It's quite an accomplishment. But then, it is not the first time South Carolina ETV is plowing virgin territory in telecommunication training.

Quite possibly ETV is playing an important role creating a favorable impression on people who are contemplating moving to South Carolina and discovering that cultural programming exists and is doing well. This kind of forward thinking--this kind of special resource--can tip the scales in favor of South Carolina with new industrial prospects. We are all better because of it.

HUGH M. CHAPMAN, CHAIRMAN OF THE BOARD, CITIZENS & SOUTHERN NATIONAL BANK

Key to the economic and industrial growth of a state is an educational system that makes it possible for young working professionals to pursue degrees in higher education. South Carolina ETV has made this a reality. Over the last five years, the University of South Carolina has granted 670 Masters Degrees in Business Administration. Forty percent of those degrees were earned off campus through ETV.

Our State is the only state in the nation where working professionals can get a Masters Degree in Engineering without leaving the smaller communities to attend a major university. For example, last year more Masters Degrees in Engineering were awarded to students around the State studying through ETV than to students working on campus in Columbia.

The University assures us the quality of training is equal to that of on-campus instruction. And the trend continues. . . with current enrollment figures showing that 70% are enrolled through ETV and only 30% are enrolled in the traditional campus environment.

It is quite remarkable that this unique system encourages industrial professionals to earn graduate degrees without having to quit their jobs or spend time and money commuting to Columbia. Business and industry can find this asset only in South Carolina.

ROBERT E. McNAIR, FORMER GOVERNOR OF THE STATE OF SOUTH CAROLINA

ETV's teleconferencing system answers the needs of government, business, and industry for improved communications at reduced cost, particularly in these times of escalating travel expenses. In South Carolina, top managers conduct training, exchange information, and make

decisions through ETV--with tremendous savings in time and money. ETV became a national leader in teleconferencing two decades ago when it began applying telecommunications technology to medical education. Now ETV is a leading producer of both statewide and national teleconferences. Using its extensive satellite transmission and receiving facilities, ETV is the gateway for South Carolina businessmen to receive information about the latest developments in management and high technology training.

South Carolina ETV was chosen by the American Management Association to produce its first national teleconference. ETV has served the Institute of Electrical and Electronic Engineers by transmitting up-to-the minute information on the constantly changing field of robotics.

Within the State, one of the biggest users of the ETV teleconferencing system has been the State Election Commission. Prior to each general election, every poll worker is trained through ETV. This service saves the State \$1.2 million every election year--and that's just one of the many agencies ETV serves every year.

The ETV teleconferencing system is undoubtedly the most economical and effective training resource any state has available to it. The doctors, lawyers, government leaders, business managers and others who use the system promote and stimulate the economy of South Carolina while improving their own educational and professional standing.

Thousands of South Carolinians improve their professional lives through ETV every year--and South Carolina, as a State, is richer for it.

DR. ALBERT B. SABIN, MEDICAL UNIVERSITY OF SOUTH CAROLINA
(discovered oral polio vaccine)

During the many years of my association with South Carolina Educational Television, I have had an opportunity to observe the important contributions it has made to continuing medical education. This remarkable communications network links the major teaching hospitals in Charleston, Columbia, Spartanburg, and Greenville with each other and hospitals and health centers across the State by means of two-way video and audio capability. South Carolina's pioneering medical teleconferences on such subjects as heart disease, new techniques for visualizing lungs by radioactive gases, and new techniques for the treatment of cancer have also reached out to participants from the American midwest to Puerto Rico. This continuing medical education is absolutely essential for providing the best medical care for the people of South Carolina, and South Carolina ETV has been playing an important role in it. However gratifying the achievements of the past, there is much more that ETV can do in the future not only in this field but also in improving the quality of general education in many of South Carolina's elementary, middle, and high schools.

DR. CHARLIE G. WILLIAMS, STATE SUPERINTENDENT OF EDUCATION

Education means business. That's a basic equation which means South Carolina's economic growth and educational quality are going hand-in-hand. The continuing industrial development of our State depends strongly on the

ability of our schools to provide a well-educated, reliable and competent workforce. Our rate of industrial development and the educational level of our citizens will continue to be a delicate balance. That critical balance will also determine how successful we are in providing good jobs for the people of South Carolina. South Carolina's educational television system offers a unique and powerful resource to help us deliver educational programming of high quality throughout our State.

JOHN G. WELLMAN, PRESIDENT, WELLMAN INDUSTRIES

When I was President of the South Carolina Chamber of Commerce, we cited ETV as one of the only three State agencies that contribute more to the economy of our State than they take from it. That becomes really clear when you take a close look at what ETV has to offer. Higher education, technical training, improved law enforcement, business and industrial training, early childhood education, cultural programming, medical education, and teleconferencing are all programs which contribute to the quality of life in South Carolina.

Staying on top of communications technology and knowing how to apply it to real user needs have made it all possible. ETV is building even better ways to open up new dimensions for industrial and high technology training, including direct transmission into plants and offices. ETV helps South Carolina's economy because it is such an attractive resource to business and industrial executives worldwide.

MAX HELLER, CHAIRMAN OF THE BOARD, STATE DEVELOPMENT BOARD

Here in South Carolina, both the Development Board and local governments are working hard to stimulate and sustain our economy by importing a variety of business and industrial investments. And South Carolina ETV is one of the most important tools we have to do our job. Only South Carolina has an educational communications system which has been designed to meet business and industry training needs. Our ETV surpasses what any other state has to offer. In this area, we have a "hands down" advantage over all of our competitors.

ETV meets the needs of financial and corporate investors through improved education for their families, improved training for their employees, improved cultural vitality in all communities in which they live, and in plant or in office, educational opportunity for management as well.

I'm proud to be selling South Carolina to the world. And, I can tell you right off, our lead in ETV can be the key to answering a variety of concerns businessmen have when they consider a location for their operations and for their employees. The success of ETV and the industrial progress of our State are completely and totally linked. People like to invest in leaders...and with ETV, South Carolina leads without any question.

ROBERT E. MCNAIR

South Carolina is a leader. Much of the credit for that leadership belongs to our Legislature--the Legislature that created ETV twenty-five years ago and the Legislature that continues to support ETV and progressive programs like it.

The constant support of ETV, especially the commitment to build its new transmission system, demonstrates the stability and strength of the legislative, political, and business commitment to excellence in South Carolina. Our political leadership is determined to make South Carolina the number one location for business investment in the country. ETV epitomizes that commitment to excellence and to industrial progress.



