

**Testimony of Tony May, Chairman
Pennsylvania Public Television Network Commission (PPTNC)
Before Senate Communications & Technology Committee
April 22, 2009**

Good morning Chairman Folmer, Senator Wozniak, other members of the committee and friends of non-commercial, public broadcasting.

My name is Tony May and I come before you as chairman of the Pennsylvania Public Television Network Commission, a creature of the Commonwealth created by Act 329 of 1968, titled the Pennsylvania Public Television Network System Law. I am pleased to submit these extended comments in writing for the committee's review. My oral comments will be brief.

Our purpose here today is to discuss the state's General Fund budget for 2009-10 which, as proposed by Governor Rendell, envisions closing out PPTN after 41 years and ending state government grants for the state's eight federally-licensed public television stations.

For the record, let me provide a brief summary of PPTN's history beginning in 1969 with the construction of a microwave network linking together the public television stations in Philadelphia, Bethlehem, Pittston, Hershey (now Harrisburg), State College, Erie and Pittsburgh with a Network Operations Center in Hershey.

That system stood until the mid-90s when it was replaced with a fiber-optic link, piggy-backing on the Commonwealth's new fiber network.

At the network's inception, there were two licenses in Philadelphia held by the same entity, the organization which today operates only WHYI-TV and WHYI-FM. It ceded its second license, formerly WUHY-TV, which now operates under separate and independent ownership as WYBE-TV or MIND-TV. Likewise, in Pittsburgh, two non-commercial licenses were – and continue to be – held by the same entity although only WQED-TV continues to be operated as a traditional, non-commercial public television station. The second station has been the subject of litigation over attempted sale of the license and currently broadcasts home shopping programming along with some non-commercial programming.

From the outset, PPTN also provided two categories of grants to the state's television stations that held Federal Communications Commission non-profit, non-commercial licenses. Grants were made to underwrite the cost of production of programs of perceived statewide viewer interest and to help cover station operating costs.

The enabling legislation stated that the commission's powers and duties "shall include" the power to "contract with or make plans with other agencies or individuals to program production and otherwise procure educational and public television programs for distribution to the noncommercial public television network." To the best of my knowledge – and I have been a member of the commission now during the terms of three consecutive Governors – the commission has never contracted for program production with any entity other than the eight public television licensees. Over the years, as state

appropriations have become more restricted, the vision of PPTN becoming a kind of state PBS – Public Broadcasting System -- fell by the wayside. For the past several budget cycles, the program grant line has remained static at \$211,000 statewide out of a total state appropriation of around \$12 million – about 1.6 percent.

This disparity between operating and programming grants was supported by the stations that were consulted from time to time about the grant mix. Stations, by the nature of their FCC licenses, are bound to a regional geography and most over the years have found their programming schedules to be constricted – 24 hours a day but with only four or five hours a night in PRIME time to reach mass audiences. Programmers were restricted by mandatory airing schedule prescribed by PBS and general resistance to civic discourse or government-oriented programming. PPTN's limited experience with state-funded news programming had mixed results. People in state government sometimes found themselves portrayed in a less than favorable light on the network's weekly news magazine. Stations, meanwhile, fought very, very hard to keep their editorial independence. (And, it's worth noting that PPTN's enabling legislation called upon the state network to champion and help protect that independence.) Stations, meanwhile, were disappointed in the audiences that statewide programming was able to attract.

Over time – but without express policy decisions by the network commission or the legislature – the grants program became largely an operating grant process. Stations got support for simply keeping the lights burning and the transmitters humming.

Thus, the need for the network – to link the state together – has become something of an anachronism. PPTN has tried as an institution to bring the stations into voluntary alignment as an entity committed to providing informational programming for the citizens of the Commonwealth as a whole but, frankly, we have failed – in part because of a growing competitiveness between the stations for a shrinking audience. We have one major overlay market within the state – Southeastern Pennsylvania – where citizens can receive two, three, four or even five public television signals over the air or on cable. Most get WHYI out of Philadelphia AND WLVT out of Allentown as well as the New Jersey Network out of Trenton and WYBE out of Philadelphia. Some even receive WNET out of New York City. The PBS portion of the programming is duplicative – with the exception of WYBE, the smallest of the stations, which airs no PBS programming.

In the central part of the state, some households can receive WPSU-TV and WITF-TV and WVIA-TV or combinations of the three. And there is overlap between WVIA and WLVT.

In the meantime, the state's cable operators established the Pennsylvania Cable Network (PCN) with a clear civic mission. You are most familiar with PCN as the entity that carries live and taped coverage of House and Senate sessions and hearings. These are program offerings that the state's taxpayer supported public television stations could never afford to carry because of conflicts with their regular broadcast schedules of PBS programming and some independent local programming.

Enter digital television. In the latter part of the 1990s, Governor Ridge and the General Assembly led the way among the states in providing state matching funding to help the state's public television licensees make the transition from analog to digital television. As you know, that changeover is virtually complete. The Commonwealth funded roughly half of the cost of purchasing digital transmitters – although there remain literally millions in non-subsidized costs as the stations retool their studios, cameras and editing suites.

One thing digital television DID change was the availability of airtime for non-PBS programming. Public television stations in the state have largely committed to a policy of airing High Definition TV signals in prime time but dividing up their broadcast spectrum in non-prime time to carry as many as four high quality digital channels – not high definition but still superior quality digital TV. In other words, stations which were limited to 24 hours of programming per day can now air up to 60 hours or more of programming each day. They also have the capability through equipment provided by the Commonwealth to datacast. Datacasting means the ability to transmit a specially encoded TV signal in addition to regular programming – using another part of the digital channel that is not fully utilized by HDTV – which is able to be viewed and heard only on receivers equipped with special decoder boxes (not unlike the decoders used by cable systems to block HBO and Cinemax signals to non-subscribers).

Stations are now scrambling to find suitable programming to fill this additional broadcast spectrum. There has been limited interest in carrying more programming about statewide issues and subjects but that interest is tempered hugely by a need for a funding stream to amortize the commitment of the surplus spectrum. Plus, station managers still want and need to exercise editorial control over the broadcast product.

With this historic context, let me move towards closure by making some specific observations and personal recommendations:

1. For all intents and purposes, the public television network concept that was established by law in 1968 is passé. It was a great and pioneering concept in its time. The network is made obsolete especially by the disinterest on the part of the stations to use an interconnect to help create lively, current, independent programming. As it is, locally-owned, locally-managed public TV stations produce fewer hours of local programming each week than their conglomerate-owned commercial TV competitors. Without the need for the interconnect as a production tool, the state should scrap the physical network and earmark those savings for more urgent needs.
2. The current recession has hit public television hard – very hard. Even before the recession, many stations around the nation found themselves on thin ice financially. If the Commonwealth provides no funds for local public television stations this year, it is my opinion that at least two of the eight

stations could be forced off the air. This would be a truly unfortunate situation because these two stations fill special niches in the community.

3. Failure to fund local public television stations will lead – inevitably – to layoffs across the state. Even WHYI-TV in Philadelphia, the best-funded of the stations, could not sustain a million-dollar loss in state funds without a significant impact on its operations. Local programming, already limited, will be impacted. Station managers may make the argument that national programming like NOVA, Sesame Street and Antiques Road Show, to name three, may be jeopardized by state funding cutbacks. Speaking as the chair of the STATE public television network, I do not believe that is the reason that the Commonwealth some 40 years ago established the network – to fund national programs.
4. Advocates of public television who demean the offerings of the 500-channel world of cable and direct satellite TV make the mistake of insulting their potential audience. Brian Lamb, CEO of C-SPAN, has compared cable and satellite TV to a public library containing hundreds of categories of books. Readers – and viewers – have the opportunity to pick and choose according to their tastes and just because some books are not “literature” is no reason the ban them from the library. Perhaps the quality of made-for-cable programming was inferior to PBS programming 20 years ago but it is simply not the case today. Today, National Geographic has its own cable channel. BBC programs are available on their own, distinct channel. A half-dozen non-subscription channels are offering the best quality dramas on TV today.
5. Another area of confusion seems to exist over public radio versus public TV. Since many public TV stations operate radio stations as well, there is a common assumption that Pennsylvania taxpayers contribute in some way to public radio. That is not true. By contract, public TV grants should not be used to underwrite radio operations. Any change would require an amendment to the PPTN legislation. Station managers, meanwhile, are reticent to seek such a change because (1) radio stations cost less to operate and generally are well funded by voluntary dollars and (2) if we amended the law to enable state underwriting of FCC-licensed public radio broadcasters, there would be many more than eight eligible to seek funding.
6. The question recurs: Should the General Assembly provide operating grants to public television stations this year? I think the answer is a qualified “yes.” I believe it would be incumbent upon the General Assembly to make the case that these grants can be funded without adversely affecting vital human services like health care, nursing home care, public safety and public education.
7. What is very, very clear to me, though, as chairman of the network, faced with the need to wind down network operations voluntarily by the beginning of the

next fiscal year is that this is a feat easier said than done. We would be punishing the stations inordinately to make them go from \$8 million to zero dollars in a single year. Even if you wanted to implement a policy of no state aid for public television, it would be desirable to phase the grants out to allow the stations time to find other funding sources without serious and permanent damage to their operations.

8. If the legislature would want to continue local grants going forward, I think that they would want to consider very carefully the way those funds can be used. We have a fairly restrictive station contract now but it was not until I became chairman and I received strong guidance from the Rendell Administration that we began to seek serious accountability from the stations. I think in the future, the Commonwealth will want to prescribe even more carefully how funds are used.

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