ADDITIONAL VIEWS OF THE HONORABLE DAVID R. OBEY AND JOSE E. SERRANO

In crafting the FY 2004 Commerce, Justice, and State appropriations bill, the Chairman was forced to work with an inadequate and irresponsible request from the President that cut roughly $1.2 billion of funding to State and local first responders. An insufficient allocation based on the House's irresponsible budget resolution and the shortfall in the President's request forced the Chairman to make exceptionally hard decisions. We commend the Chairman for working with us to address our priorities in a fair and open manner. The bill fully funds many critical agencies and activities, including the Federal Bureau of Investigation; the UN Educational, Scientific, and Cultural Organization; the Legal Services Corporation; and international peacekeeping and diplomatic security initiatives. Important increases over the President's request are provided for drug enforcement programs and state and local law enforcement.

We also commend Appropriations Committee members on both sides of the aisle for adopting an amendment that overturns the FCC decision to expand the national audience reach that television networks may acquire. The FCC decision would have further concentrated power in the hands of a few media giants and undermined community standards.

Five media conglomerates--Viacom, Disney, AOL Time Warner, NewsCorp, and General Electric--now control a 70 percent share of homes watching during prime time. And new technologies expand the reach of these media giants. The networks are guaranteed carriage to cable subscribers. In fact, they own most of cable. There are 91 major cable networks, 80 percent of which are owned by the same media conglomerates. The cable news networks are all owned by AOL Time Warner (CNN), NewsCorp (Fox News), and General Electric (MSNBC and CNBC). The top twenty Internet news sites are also largely owned by the same media giants.

This media concentration is a threat to democracy. The public owns the airwaves, but the Supreme Court has held that it is in the public interest to grant exclusive private licenses because `the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public.' In other words, democracy will flourish only when its citizens have access to a diversity of sources of news and information. Having the capacity to read the New York Times in print or online is useful but it does not increase the diversity of sources of news. As William Safire has argued, `Why do we have more channels and fewer real choices today? Because the ownership of our means of communication is shrinking. Moguls glory in amalgamation, but more individuals than they realize resent the loss of local control and community identity.'

In addition to threatening democratic practices, media concentration leads to programming inconsistent with local community standards. At network-owned stations, program decisions are made by network executives in cloistered corporate headquarters. Local managers run affiliates. They live in the communities they serve and are held accountable for program decisions by their neighbors and acquaintances. As a result, affiliates occasionally preempt national programming to meet the needs of their communities. For example, when some affiliates refused to air certain liquor ads, NBC abandoned the idea. No network-owned stations even threatened not to air the ads. In another well-publicized instance, the network-owned stations all showed the Victoria's Secret Fashions Show in the same early evening time slot. In contrast, several locally-owned stations aired it at a later time slot, after young children could be expected to be asleep. In another example, one network would not let its stations air a political debate because it would have preempted a season premiere. The fact is, no network-owned and operated station has ever refused to run a network program.

Locally-owned stations are an endangered species. The percentage of stations that are network-owned and operated is growing and the FCC's decision would have allowed the networks to reach an even wider audience. A single entity could own stations that reach 45 percent of TV households under the FCC's new regulations. If networks own a larger portion of the stations, they can ignore the local concerns of their few remaining affiliates with impunity. The networks might even punish stations that refused to run network shows, or changed their time slot or content. As the national cap has weakened. affiliates preempt networks less. From 1991 to 1995, when the cap on national audience reach was at 25 percent, affiliates on average preempted 48 hours of network programming per year. With the cap at 35 percent, affiliates preempted only 36 hours.

By adopting this amendment, the Committee took an important stand to protect our democratic institutions and local communities. We look forward to working with the Chairman to get this provision enacted into law. In addition, we would like to work with the Chairman to address several other important issues as this bill moves forward. These issues are described in more detail below.

First Responders: As was noted previously, the President's request cut $1.2 billion in State and local law enforcement grants. This included the

elimination of Byrne grants, the Local Law Enforcement Block Grant, and the COPS Hiring program, all of which provide essential funding for first responders. The Chairman has done an admirable job restoring funds for most of these programs to the FY 2003 levels, with the notable exception of the COPS Hiring program. However, flat funding for homeland defense is not acceptable.

A report issued by the Council on Foreign Relations and chaired by Warren Rudman stated, `America will fall approximately $98 billion short of meeting critical emergency responder needs over the next five years if current funding levels are maintained.' Over the past two years, House Democrats have consistently proposed additional funding to address first responder needs. We must continue to help State and local law enforcement prepare for potential terrorist attacks. This will be costly. We must accept this conclusion and make the investments necessary to provide for our homeland defense.

Corporate Oversight: For the past two years, we have been confronted with stories of corporations collapsing in value, devouring investors' savings, and destroying the retirement hopes of thousands and thousands of workers. Despite recent investments that have been made in the Securities and Exchange Commission, the Federal Bureau of Investigation, and the US Attorneys to better regulate business and protect American investors, it is important that we do not become complacent. One of the government's chief responsibilities is making sure that businesses are honest and play by the rules, and that is an everyday job. Two of the most important agencies in performing this function are the Federal Trade Commission and the Justice Department's Antitrust Division. We are concerned about the possible impact of cuts in the House bill to these agencies and will continue to seek sufficient resources to ensure appropriate corporate oversight.

Economic Growth and Development: The United States economy has underperformed and been mired in recession for several years. Unemployment is currently at an unacceptable 6.4 percent. The key to reversing these trends will be small businesses. The House bill proposes deep cuts to current operating levels for important programs such as the Manufacturing Extension Program, the Advanced Technology Program, the Economic Development Administration, and the Small Business Administration. To help provide businesses with the resources and assistance to turn the economy around, we will continue to advocate for sufficient funding in these and other business and development programs.

Other areas of concern include maintaining an adequate diplomatic presence abroad; fully funding legitimate Federal debts owed to State and local governments for diplomatic and homeland security activities; protecting the environment; and transitioning public television to digital broadcasting. However, we would once again commend the Chairman for the openness and fairness with which he has dealt with concerns we have raised. As this bill moves through the House and into Conference negotiations, we look forward to continuing our close working relationship, securing additional funds for key priorities, and enacting media ownership rules that protect fundamental principles of democracy and community decency.

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