

Mr. Chairman, Ranking Member and Members of the Committee, my name is Ron Bruno, and I am President of the Community Broadcasters Association (CBA), the trade association that represents the nation's Class A and low power television stations (LPTV). I am also the President of Bruno-Goodworth Network, Inc., a company based in Pittsburgh, PA. We own and operate 12 Class A stations in Pennsylvania, Ohio and West Virginia. I appreciate the opportunity to testify here today, and I look forward to working with the Committee in an effort to ensure that local programming and local broadcasters have the opportunity to flourish in the digital world.

As many of you may know, Class A television stations were created in 1999 by Congress because it recognized the inherent benefit of local programming. These stations are small businesses that boast the largest percentage of minority ownership in the television broadcasting industry. They agree to adhere to a strict set of regulations, one of which is to provide a minimum of three hours of local programming each week. In fact, Class A stations are the only stations mandated by law to provide local programming, and we are proud that the many of our stations exceed the mandated minimum requirement. Simply put, Mr. Chairman, long before "localism" was a buzzword in this industry, Class A stations were serving their local communities with local news, programs, sports, public events and political debates.

There are approximately 910 Class A and Class A Qualified television stations across the country providing local programming to underserved communities. Despite following the same regulations as full power stations, and providing the mandatory hours of local programming each week, these stations are not entitled to cable carriage rights with the exception of those in very small communities in rural areas.

As a result of this inequality within the broadcasting industry, my flagship station in Pittsburgh, WBGN, has recently been forced to lay off 75% of its staff. We have eliminated our local news segment; we have cut all high school sports; we have ceased in-house production of local programs. While WBGN was once thriving with more than 18 hours of local programming every week and drawing tremendous cumulative ratings of 10% of the market, we are now broadcasting less than 6 hours of local programming weekly, all of which is produced by outside, independent producers. My main purpose here today, Mr. Chairman, is to let this committee know that if the playing field between full power stations and Class A Stations is not leveled, mandated local programming and many small, community based broadcasters will cease to exist in the digital world. My story illustrates why this will be the case.

In 1982, more than 80% of television viewers in the country watched television over-the-air. Twenty-five years later, Mr. Chairman, that number is barely 12%. Broadcasting exclusively over-the-air, with no cable or satellite, is no longer a viable business model. As a result, Class A Stations have attempted to make private business arrangements with cable companies in an effort to obtain carriage. The demands of the cable systems have been too onerous and they are destroying Class A Stations and local programming. In my case, Comcast recently cancelled my original arrangement to be on their system, which was that I would pay Comcast a quarter of a million dollars annually to be carried. Their

new offer was for me to pay them \$2.4 million annually for carriage. As stated, we are a small business dedicated to providing local programming, but the numbers demanded by Comcast were simply too high for us or any other small business to pay. The result has been that we are now carried on less than half of the Comcast system in our market. The real tragedy in this is that Comcast isn't presenting anything else on the channel we used. They just display a slide on the screen where our station used to be that says "Leased Access Channel."

At the end of this year, our funds will run out, and we will no longer be able to afford to pay Comcast at all and they most certainly will turn us off and Pittsburghers will lose a local broadcast voice.

As I said earlier, my story is not uncommon. It has happened all across California, Texas, Washington state, Oregon, Massachusetts, Michigan, Florida, Georgia, Mississippi, New York, and New Jersey, only to name a few of the states. Local programming dies, jobs disappear and small businesses are destroyed. Class A broadcasters enjoy being real broadcasters, Mr. Chairman, and we enjoy providing local programming to our communities. We know that we will all be out of business unless Congress acts to level the playing field on carriage rights, and to that end, we have put forth a proposal that is simple and fair and would ensure that mandated local programming will continue to exist in the digital world.

Our proposal calls for willing Class A stations to immediately cease analog broadcasting and convert straight to single-channel digital-only operation. This will expedite the transition to nationwide digital TV service, as well as free up valuable analog spectrum for government use or auction. It also alleviates a variety of concerns regarding these stations being issued a second channel from the FCC, as at no time would they be utilizing separate analog and digital channels. In exchange for moving directly to digital on a single channel, releasing valuable spectrum and never utilizing a second channel, these stations would be granted carriage rights within their Grade B contour on the basic digital tier of the cable system.

Let me clear about this proposal, Mr. Chairman. It does not include carriage rights throughout the Designated Market Area (DMA), but only in the portion of the DMA that the stations reach over the air, in other words, reaching the same households to which these stations currently broadcast. No more. No less.

Mr. Chairman I appreciate this time today and look forward to working with you and the distinguished members of the committee.