GS&C/OLS Form (Rev 10/86)

CONGRESSIONAL RECORD
PROCEEDINGS AND DEBATES OF THE 100TH CONGRESS

HOUSE

BILL	DATE	PAGE(S)
H.R. 2848	Feb 17, 1988 13	H396-405

ACTION REMARKS BY MR OLIN, ET AL

TELEVISION PROGRAM ACCESS FOR SATELLITE DISH OWNERS

The SPEAKER pro tempore Under a previous order of the House, the gentleman from Virginia [Mr OLIN] is recognized for 60 minutes

Mr OLIN Mr Speaker, before I begin to say what I have to say tonight about the need for legislation to really take care of the needs of the people in rural America that have satellite dishes and for the last 2 or 3 years have been finding more and more of the programs that they enjoy scrambled, I would first like to make this unanimous consent request

GENERAL LEAVE

Mr OLIN Mr Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order

The SPEAKER pro tempore Is there objection to the request of the gentleman from Virginia?

There was no objection

Mr OLIN Mr Speaker, I would also like to make note of the fact that there were roughly 20 Members of Congress who had planned to be at this special order I am not so sure that we are going to have any of them showing up except myself, but I am prepared to cover the subject adequately, I think,

I would like to call attention to the fact that we were delayed this evening long beyond the time that we had expected and the Members who had intended to be here for one reason or another were called upon to meet prior commitments and are not here,

I would like to call attention to the fact that a large number of Members were here and a number of them submitted their statements The gentleman from Louisiana, Mr BILLY TAUZIN, was here, and the gentleman from Washington, Mr AL SWIFT, who has worked hard on that committee, the gentleman from Wisconsin Mr BOB KASTENMEIER, the author of another of the bills, the gentleman from Tennessee, Mr JIM COOPER the gentleman from Vermont, Mr JIM JEFFORDS, the gentleman from South Carolina [Mr SPRATT], the gentleman from New York [Mr MARTIN], and presiding tonight as Speaker is the gentleman from Kentucky, CARROLL HUBBARD Were that gentleman not sitting in the presiding chair, he would be speaking on this special order also

I will mention to those who are picking this program up off the satellite and watching it at home that we are going to schedule an additional special order on this subject in the next couple weeks to enable those Congressmen and women who wanted to be here and recognize this as a very important subject in their areas to have a chance to talk to you personally about it, so do not feel that you are not going to have a chance to hear from these Congresspeople, as well as to read what they had to say in the RECORD

Mr Speaker, this special order is for the purpose of calling to the attention of the Members of Congress and their constituents the need to move the legislation that would make it possible for rural America, those living in mountainous and remote areas, to be able to enjoy the benefits of the wide range of television programming enjoyed by our urban areas, and at a fair and reasonable price

I look forward to the comments of my colleagues who will be joining me at the next special order and would have been here this evening have to say I look forward to their testimony on how critical it is that we move the two bills that will help bring fairness and equity to the millions of rural Americans who have made substantial investments in their satellite dishes These Americans should not be denied the pleasure and educational value of the broad range of television programming that is now on the air

Now, let me review how this situation developed and how it appears to me that it can be alleviated Over the past decade, many rural Americans have invested, as we all know, in home satellite dishes This number has jumped even more dramatically in the last 4 or 5 years There are really two reasons for this One is that the dishes are now more affordable because of technological advances and of course by the increased use of satellite signals by broadcasters Tens of thousands of rural citizens began to enjoy the benefit of dishes, many of them were able to get programming for the first time They saw no harm in this because they knew that the United States had always believed that information broadcast over the air was free for all This was an American tradition, a tradition that went back into the early days of radio Never before has it been violated.

In order to get programming, rural families purchased dish equipment, spending generally between $2,000, $3,000 and $5,000 for their equipment This worked out fine, except that the producers of pay TV who had developed the business of selling their specialized programs, known as premiums, to local cable companies felt that the ability of the dishowners to obtain their programming free was unfair The premium programmers financed the cost of their business through the rents paid by cable subscribers not through the broad based advertising used by commercial stations These programmers feared that they would lose their business if dishowners were intending to get this programming free In order to prevent free access, the premium programmers encrypted or scrambled their signals The first programmer to scramble was the Home Box Office, the HBO, which began scrambling in January 1986 Other broadcasters soon did the same thing and scrambling created the issue that we are addressing today

Dishowners really only want to know what their options are They want to know how far scrambling will go They would like to know will their investments in dish equipment be wiped out Home dishowners have accepted the right of the private broadcasters who own copyright programs to receive payments for their products That is reasonable, but dishowners want the right to buy the programming and they want to be treated fairly in a manner similar to that of the cable customers, and not to have to pay more

Dishowners also want to be able to purchase packages of programs, like the cable customers, at an equitable price, and dishowners also want to be sure that the means of scrambling and descrambling signals is standardized so that they can purchase one descrambler box to descramble all the signals they want to purchase They do not want to have to buy 30 descramblers in order to get 30 signals

Mr Speaker, I am going to stop my story right here and welcome a gentleman who is joining us, the gentleman from New York [Mr MARTIN] I yield to the gentleman from New York,

Mr MARTIN of New York Mr Speaker, I want to thank my colleague, Representative JIM OLIN, for requesting time for this special order

so that we can draw attention to an issue of great importance to the hundreds of thousands of individuals across the country who are unable to receive normal television reception and have no access to a cable television system.

I heard the gentleman saying about the rural nature of his district From time to time, particularly the first year I was here in the Congress, people assumed that being from New York, I was from a large metropolitan area I want to point out that the 26th Congressional District in New York is somewhat bigger than 8 States in the Union, so by any standard we are considered rural.

The right of satellite dish owners to receive satellite signals was clearly set out in the Cable Communications Policy Act of 1984 That law provides a conditional statutory right to back yard dish owners to watch cable programming being carried by unencrypted satellite signals However, if the owners to the rights in such programming establish a marketing system to sell viewing rights the dish owners are obligated to purchase.

That may be all well and good—as far it goes The operative word here is "marketing system" Unfortunately, when popular satellite program services began to scramble their signals early in 1986, there was no effective marketing system in place At that time, along with a number of my colleagues, I became a cosponsor of legislation providing for a 2 year moratorium on the scrambling of satellite signals carrying cable programming Such a moratorium would have permitted a reasonable time period in which an effective marketing system could have been developed to permit private viewing of satellite transmissions at fair and reasonable rates.

When it became clear that such legislation would not be acted upon by Congress, and after considerable study, I became a cosponsor of another piece of legislation permitting the scrambling of satellite television signals only after certain conditions had been met Much to my disappointment, Congress again failed to take action to correct the situation.

Consequently, when new legislation was introduced early in 100th Congress, this Congress, I joined in supporting, through my cosponsorship, H R 1885, the Satellite Television Fair Marketing Act As introduced, the proposal is designed to ensure competition in the marketplace by requiring that those scrambling satellite services intended for private viewing must make those services available to home satellite dish owners and provides the Federal Communications Commission with the authority to establish uniform standards for encryption.

□ 1945

The FCC would be required to develop a proposal to facilitate the provision of network television signals to persons living outside the reach of broadcast stations and to investigate the pricing and distribution terms of sellers of satellite television programming to antenna owners to determine whether the marketplace is developing competitively It places prohibitions on the encryption of that part of the Public Broadcasting Service which is intended for public viewing television broadcast stations Persons harmed by a violation of the act would be permitted to bring a civil action in a U S district court

Tens of thousands of residents in my own nine-county rural Congressional District in northern New York are unable to obtain adequate reception of television broadcasts or unable to receive the services of cable television My constituents are not greedy They would willingly subscribe to cable service if it were available to them However, this is just not the case Take, for instance, the couple who wrote to tell me that "we invested in a satellite dish because the cable company which ends one-quarter mile from our home would not bring services to us" Or the individual who advised me that "many years have passed in the struggle to have cable TV up our rural road When the time did come, they stopped four-tenths of a mile down the road" Or the constituent who tells me that cable service is available to within a quarter mile of his home to the east and to three-quarters of a mile on the west, but that the local cable company says it would be too expensive to service the 14 houses between these points.

I certainly understand the cost I understand the line has to come from somewhere, but it is more than frustrating for somebody to be able to look out their window and see their neighbor is entitled to this service which they are paying for and for which this person is willing to pay for and they are just not able to bring it to them

What we are saying is give them the opportunity to get these services at a reasonable price These are not people looking for something for nothing They are merely seeking to have access to programming to which a vast majority of this country already has or will have and at fair and reasonable rates

I want to take this opportunity to strongly urge congressional action to address the situation and alleviate the problem and to take such action now I encourage approval of H.R 1885 or similar legislation which would make the rules fair I, and the thousands of satellite viewing constitutents which I represent, would be most appreciative

I want to thank my colleague and my good friend from Virginia [Mr OLIN] for taking out this special order this evening As to those who intended to be here, they have every good reason for schedules changing, and prior commitments, and I guess it is a way of life with us here when we do not know what will be happening in the next 10 or 15 minutes But for the gentleman from Virginia [Mr OLIN] who put this special order together, I salute him and thank him very much and I want to express my appreciation to the gentleman in the chair, the gentleman from Kentucky [Mr HUBBARD], who I know also supports what we are trying to do.

Mr OLIN Mr Speaker, I want to thank the gentleman from New York [Mr MARTIN] for his very, very fine statement I come from a mountainous and rural part of Virginia, but I know that there are mountainous and very rural parts of New York State as well

Mrs VUCANOVICH Mr Speaker, would the gentleman yield?

Mr OLIN Mr Speaker, I very much appreciate the opportunity to yield to the gentleman from Nevada [Mrs VUCANOVICH]

Mrs VUCANOVICH Mr Speaker, I am a strong supporter of the effort to ensure fair access to television programming for those who, like many in my district, live in rural areas where many cannot receive normal television transmissions and access to cable is limited or absent

Many of my constituents have invested literally thousands of dollars in satellite dishes so that they can enjoy the same television programming that urban dwellers take for granted

Several developments have made it difficult for the owners of home satellite dishes to view regular television programming Although satellites are used to transmit television programming to local stations, which in turn retransmit the programming to local viewers, these transmissions can also be received by home satellite dish owners In an effort to receive compensation for the viewing by home satellite dish owners, some satellite signals are scrambled, and then made available to home satellite dish owners for a charge Descramblers are sold to the home dish owners so that they might decode the scrambled programming.

Unfortunately, this system means that after viewers have paid over $1,000 for a home satellite dish, they must then purchase not one, but often three or four, separate descramblers to be able to view the programming they desire This is certainly prohibitive and seems patently unfair

I want my constituents to have access to these programs at a cost that is reasonable and fair I want a distribution system that does not discriminate in prices or in terms or conditions I want reasonable, affordable access, and I want fairness

Mr Speaker, I have joined as a cosponsor on legislation which would help to ensure that satellite dish owners, like my constituents in Nevada, would be able to have reasonable access to the television programming they wish to see I am here today to stress the importance of fair pro-

gram access and of this legislation designed to ensure it

Mr Speaker, the legislation I support is well thought out and fair to both programmers and to satellite dish owners like so many of my constituents For example, programmers who choose to scramble services which are otherwise offered to cable customers must be willing to sell programming to home dish owners.

Further, although programmers may continue to scramble, they will have to meet certain FCC standards so that home dish owners will not be forced to purchase a myriad of different decoders for different programs Also, standards for making programming available to home dish owners must be fair and reasonable.

Mr Speaker, although this legislation has 125 cosponsors, and is widely supported by our constituents, it has yet to move to the full Energy and Commerce Committee It is time to move this legislation to the floor I urge you, Mr Speaker to do all in your power to see that this legislation moves to the floor of the House so that we might have an opportunity for full debate and a vote We need a fair chance for satellite dish owners to access regular programming and this legislation will give it to them.

There is strong support for this type of legislation There is an urgent need to it, and our constituents deserve it There is no reason for any further delay We are anxious for the committee to finish its work with this legislation and move it to the floor of the House Mr Speaker, esteemed colleagues, let's get this legislation moving quickly, so we can act on it and pass it into law

Mr OLIN Mr Speaker, I want to thank the gentlewoman from Nevada [Mrs VUCANOVICH] for her fine remarks I would just comment that I hope that the result of this special order will be that we will have gotten the attention of more of the Members of the House, particularly the members of the two committees and two subcommittees that are involved on this issue so that they will really understand better the importance of moving this legislation. I think that there will be some people that are listening to this program via satellite on their home dishes and I hope that they will help us by trying to make known to their Congressmen or Congresswomen the importance of moving this legislation. Maybe out of this we can move these two bills that are not going to hurt anybody, but they are very much needed by people in rural areas.

Mrs VUCANOVICH Mr Speaker, I hope that that can happen. I certainly agree with the gentleman from Virginia [Mr OLIN]

Mr OLIN Mr Speaker, I would now proceed and continue the story that I was telling about the situation and then I want to talk about those two bills a little bit more,

Today the situation facing dish owners is slightly improved Most of the scrambling is being standardized using video cycle two system. Dish owners can buy some programs and some program packages are being put together but in many cases it is still very difficult to get those problems and packages, even get them at all And of course getting them at the proper cost, which is a cost comparable to what cable subscribers get, is still a little bit far away

Just last month Richard L. Brown, who represents the Home Satellite Television Association, testified before the Subcommittee on Courts, and he stated that dish owners have to pay between 800 and 1,000 percent more than the wholesale price paid by cable companies Of course to a broadcaster the homeowners, the rural dish, is not basically different than the dish of the cable company and as far as the broadcaster is concerned he has the same problem and one would think that the price paid by the cable company to receive the signal should not be too much different than the price paid by the homeowner to receive the signal But in many cases the price paid by dish owners is more than that paid by retail cable subscribers

One of my constituents compared the retail price between dish owners and cable customers in his area and found out that the dish owners were paying at least twice what cable subscribers were paying I have more to say on that with specific examples later in my special order

The issue for Congress is to make the policy changes needed to permit rural America to be treated fairly This is the reason for the two bills before Congress

As I have said, one of these bills is H.R 2848, the Satellite Home Viewer Copyright Act The second bill is H R 1885, the Satellite Television Fair Marketing Act These bills are complementary, and we need both of them passed Each bill does a little different thing If we get them both passed we are going to achieve some very, very meaningful objectives and my understanding of these bills is that they basically are going to accomplish the following policy goals

First, they are going to encourage development of a market structure that will enable people to put together program packages of more varieties and closer to the market for the home dish market

Second, they are going to encourage competition so that a reasonable pricing system will most likely develop

Third, they are going to protect the property rights of the copyright owners and establish a method for those copyright people to be paid.

Last, and perhaps most importantly, they are going to establish the principle that the dish owners have a right to buy programming, that that programming ought to be at a fair price

□ 2000

If we can get these two bills moved, passed by the House, passed by the Senate, signed by the President, we are going to go a long way towards bringing fairness in TV availability to rural America.

Now let me tell you a little bit more about these 2 bills They are complex, and I cannot get into the minute detail of them, but it is important to recognize some of their details

The first bill, which is Mr KASTENMEIER's bill, H R 2848 is in the Subcommittee on Courts, Civil Liberties and the Administration of Justice The gentleman from Wisconsin [Mr KASTENMEIER] has had hearings, and he is hoping to get this bill out of his subcommittee in 2 weeks, and he is reasonably confident that he will move it in the Judiciary Committee.

Now what this bill does is this This bill would modify the copyright law to ensure that superstation programming, which is retransmitted by common carriers, could be legally sold to dish owners It is very important Right now there is a big question about that It also provides a system by which the holders of copyrights will receive their due payment Since the network broadcasters are also planning to scramble in the future and they are negotiating with common carriers right how to market their programs, H R 2848 is all the more needed because this might be the only way to ensure that rural dish owners will have access to regular network broadcasting in the future after those signals are scrambled

This is a very, very important bill It established the right to buy, and it takes care of the question of reasonable and proper compensation of copyright holders It handles all the aspects of that

It does, however, only apply to superstations It does not apply, for example, to premium TV

Mr Speaker, the other bill, which is sponsored by BILLY TAUZIN, and BILLY very much regrets his inability to be here tonight, that bill basically is a bill that says this That if anybody broadcasts a signal and there encrypts that signal, in other words scrambles the signal, if he sells that scrambled signal to anybody, he has to be willing to sell it to everybody that asks for it That is the basic thing about that bill It also has a second provision, and that is that the Federal Communications Commission is given the authority to establish and monitor a fair pricing and pricing policies, and I would like to read a little bit out of this bill, H.R 1885 I will read the major parts This is on page 3 of the bill,

"(3) Any person who encrypts any satellite delivered programming for private viewing shall—

"(A) make such programming available for private viewing by home satellite antenna users,

'(B) when making such programming available through any other person, establish reasonable financial and character criteria under which distributors may qualify to distribute such programming to nome satellite antenna users and not discriminate in price terms or conditions among different distributors offering similar distribution services to the consumer

Mr Speaker, what this basically means is that, if the broadcaster who is sending our encrypted signals makes a signal available to anybody that wants to buy it, that that person that buys it, if it is another distributor, and of course the originator cannot discriminate in pricing materials or conditions between different distribution channels, so that would mean that the dish owner is going to get the same kind of a treatment that a cable subscriber gets, and that is really the gut of the bill That is one of the things that is wrong with what is presently in existence

Mr Speaker, those are the two bills, and now I am going to, before I get into the pricing, just read to my colleagues one thing I have received an awful lot of mail from my constituents with regard to this whole subject I have got thousands, and thousands and thousands of dishes in this area, and these are all people that live over the mountain, and they cannot get an ordinary broadcast signal But one of my cities is Clifton Forge, VA, and it is right in the center of the Alleghany Highlands, and I have got a lady that wrote to me on December 22, and I am not going to indicate her name, but I would like to read her letter It is interesting She is obviously an older woman, retired, and probably lives alone, and she says this Her language is sort of interesting

CLIFTON FORGE,
Friday, December 22, 1987

DEAR CONGRESS OLIN I am very Desopinted the way the goverment has let the people Scramble our chanels on our Seatlite As we are Senior Citisons and are on Social Securty And do not have that much money to waist We need Something to enjoy in our Old days After all our Tax dollords put those Salite up there

Now here come Cable Vision and other Station took that away from us Now they come up with got have 5 hundred For a Box to unscramble plus the monthy cost Which we do not have It sure(ought) to be look(ed) in to Preasheat(appreciate) any thang you can do about it A Conceran citison.

Thank you So much.

Mr Speaker, I thought that was very, very typical of the situation of people who are living in these areas They need and want this kind of television programming just like people who live in a more condensed urban area and have access to cable or the direct signals, and they do not object to paying a reasonable amount for what they get They are perfectly willing to do that They are willing to make the investment in their home equipment, which of course is far more than a subscriber to a cable network pays for And yet it is just aggravating that the marketplace and the people that are in the market and the Congress have been unable to come up with a scheme of handling this within the free enterprise system that results in real fairness and equity to these people who live in rural areas

Mr Speaker, this may be the last item I want to cover, but let me give you some examples of this pricing question Here is some information from the Roanoke, VA, area I am told that the cable, that is, an installed cable basic program, costs the subscriber $12 45 a month and, if you have a dish in that area the basic dish program is also priced at $12 40 a month But a dishowner can only get the same price as cable first by paying 1 year in advance, that is $12 45 times 12 in advance, and also the basic package for the dishowner only contains half as many programs as are basic for the cable, so in a sense maybe you can say that the dish people are paying twice as much When you are talking about premium programs, cable offers premium programs for $10 a month to buy them alone, and for the dishowner instead of $10 it is $14 to $15 50 depending on which premium program it is, and that money must be paid in advance for a year

Now constituents in the Waynesboro area, Waynesboro, VA, another mountainous area, they report that the cable basic price is $12 75 per month, and the dish basic price right outside of the town area is not $12 75, but $19 a month, and again the dish basic is available only if 1 year's advance payment is made of $228 Now if you have cable and you want an add-on package of 15 channels in Waynesboro, that costs $5 95 a month, but if you are a dishowner, your add-on package of 14 channels will cost you $20 a month, and again that is only available if you pay $240 in advance, a whole year's worth of pay

Mr Speaker, I am informed by the National Rural Cooperative Association, an agency trying to become a distributor in this business, that on the average around the country this cable service, the cable basic of 24 channels, costs about $13 a month On the contrary the dish basic involves only 8 channels It sells on the average for $17 95 a month, so that is about 50 percent more for one-third the channels and again a year's worth of rent of $192 must be charged, must be paid in advance, in order to get that service

Now these comparisons indicate that for one reason or another this market and the marketing scheme has not developed enough competition so that the price has found a reasonable level, and the purpose of these bills, if you take out all the special language, is to get that rectified We are not doing this by having the Government engage in direct price fixing One of these bills does have some guidance by the FTC, but basically we are looking at trying to improve the marketing structure and establishing the fundamental values that a rural dishowner should have and that value is basically that if there is a signal coming through the air that is being sold to anybody, this kind of a signal, that it needs to be sold to them, too, and that that sale must be without discrimination It must be fair

Mr Speaker, I am just hoping that through this special order and the interest that we know there is in the Congress on this subject that we can first of all, as I said a little earlier, get the attention of the Members of these key committees, and we are talking about the Energy and Commerce Committee and the Subcommittee on Telecommunications and Finance of that committee That is involved with bill No 1885 The Members of that committee have got to get this message better than they have got it before I hope we have helped them to do that

The second bill, which is 2848, that is in the Judiciary Committee, and it is in the Subcommittee on Courts, Civil Liberties and the Administration of Justice That bill needs to move Now it seems to be moving a little bit better, and maybe it will come out of committee this year, but let us not forget that even when we get these two bills out of the House that we have still got to get the Senate to act on them

Mr Speaker, let me just mention, and this may be as my last point, that the Senate does have a bill, S 889 which is sponsored by Senator GORE, and it is a companion to the House bill, H R 1885 That bill is actually out of the Senate committee It is out of the whole Committee on Commerce, Science and Transportation of the Senate Hearings have been held on the bill and the bill that was marked up, but it has not been reported to the Senate Chamber as a whole for a vote

So those of you that have Senators that are interested in this subject, if you could get them pepped up a little bit and get the Senate to put out and pass and send over to the House S 889, that would sure help us get a little movement on H R 1885 In fact we might be able to just take up the Senate bill and consider it, pass it

So that is the story of this special order We are hoping that those of you that may be watching this program over satellite on your home television will appreciate what we have said and recognize the need to write your Representatives, write your Senators and see if you cannot help get across the message that this is an inequity, it is a problem, it is unfair, and needs to be fixed The sooner we get it fixed, the better it is going to be

Mr DAUB Mr Speaker, I am pleased that my colleague from Virginia is taking this special order today so that Members can air their views on satellite communications legislation

As a strong supporter and cosponsor of H R 1885, I would like to add my comments to the record and urge quick action regarding

this legislation H R 1885, the Satellite Television Fair Marketing Act, is aptly named—in essence it deals with the issue of fairness

In the ideal world, sellers and buyers of a product naturally come to mutually agreeable commitments regarding the price and distribution of that product Unfortunately the satellite television industry falls short of this description Instead, we continue to find a lack of real commitment when it comes to the sellers of encrypted signals

This bill remedies the situation First, it gives dishowners, who reside in mostly rural areas, the ability to shop for signals in a more competitive and open environment By allowing third-party programmers to distribute a wider variety of packages at reasonable prices, dishowners can share in the benefits of this technology and be given equal access to satellite services at a fair price

Second, the bill authorizes the Federal Communications Commission to develop uniform standards of encryption and rulemaking that would extend network television beyond limited geographical areas

Public broadcasting remains public in a third provision, which prohibits both the encryption of PBS programming intended for public use and Armed Forces television and radio programming abroad

Finally, the bill allows citizens harmed by violations of this act to bring suit in a U S district court

In conclusion, passage of this bill will ensure that equal access to quality programming from more than just a few vendors will be maintained Thus, H R 1885 is a needed catalyst in a market with players that seem to be enjoying their freedoms to the detriment of millions of dishowners

Mr VOLKMER Mr Speaker, I am proud to add my support to those of my colleagues who are speaking on behalf of satellite dish owners We are one voice calling for fairness

There are many in my Missouri district who rely on their dishes for communication with the outside world I'm not talking about their desire to receive MTV, or old movies, or "The Honeymooners" I m talking about network news about weather reports, about educational television But for many these programs are not available without outrageous amounts of money to pay for additional fees and de scrambling devices

I support legislation, as many in this body do, that would allow dishowners to receive signals at a fair and reasonable price We aren't asking for handouts, for freebies, for special treatment We ask only for fairness

Many of my constituents have invested thousands of dollars in their satellite dish equipment so that they may receive the same television programming taken for granted by urban dwellers But scrambling has left the viewers in the dark, or facing these expensive additions and fees

What we want is simple We want to know that private viewing programming is made available to home satellite dish owners, that pricing and distribution of these services be studied, that public service broadcasting not be scrambled and that dishowners have a judicial avenue available if programmers violate these rights

It s simple, Mr Speaker Dishowners want to be treated fairly

Mr BARNARD Mr Speaker I would like to take a moment to address the issue of equal access to television programming Like many other Members of Congress who have taken an interest in this subject, I represent a district that is largely rural The satellite dish has allowed many of my constituents to benefit from television programming once available only to urban residents Scrambling of signals has endangered this access to programming and has threatened to render valueless all the equipment in which my constituents have invested so that they will have the same advantages as their counterparts in nearby cities

While the marketplace has resolved some of our earlier fears, the price and availability of decoders for example, dishowners still face enormous obstacles in their efforts to take full advantage of television programming Equal access for rural citizens increases in importance as our society becomes more dependent on broadcasting as a means of information gathering This reorientation is evidenced by the use of television as a primary means of communication during the current Presidential elections

Rural dwellers have traditionally been the last segment of our society to reap the advantages of technological advances The satellite dish reverses this unfortunate trend Equal access to television programming through the use of satellite dishes can prevent our rural constituency from being second-class citizens

Mr SYNAR Mr Speaker, I wish to thank you for this opportunity to address a topic of great interest and concern to me legislation to help those Americans who enjoy and rely upon home satellite television I also would like to thank Congressman OLIN for his effort in organizing this special order

The advent of the home earth station and direct satellite broadcasting has created the opportunity for all Americans, no matter how remotely located, to share in the great range of entertainment educational, sports, and news programming offered on satellite Previously, much of that programming had been accessible only by those living in our Nation's cities and towns I know that there are many in my homestate of Oklahoma who rely completely upon their home satellite dish for reception of television And, after having been involved with the issues surrounding satellite television for several years I can assure nearly all of my fellow Members that they too have constituents in like circumstances

However, the development and growth of this technology has not been easy, and the satellite television industry and its customers continue to face hurdles which can be overcome only with the help of Congress

One particularly dark cloud hanging over home earth station owners is the uncertainty of continued access to network programming and the independent, so-called, superstations In an effort to remove that cloud and guarantee that those television signals remain available, I have joined with Chairman KASTENMEIER, Mr BOUCHER, Mr MOORHEAD, Mr HUGHES, and Mr GARCIA in introducing H R 2848, the Satellite Home Viewer Copyright Act of 1987 This bill assures that TVRO viewers will continue to have access to the same programming as is enjoyed by those served by cable and off-air broadcast signals The bill is measured and balanced, reflecting concern for the rights of earth station viewers and recognition of need to fairly compensate the copyright holders

H R 2848 is of vital importance Not only does it further our Nation s interest in making communications services available to all the people of the United States, but it also helps to assure that direct satellite broadcasting will continue to grow and prosper, and thus become a viable and competitive system of television delivery

I call upon my colleagues to join me in recognizing the importance of this emerging technology and the rights of all Americans to share in the full wealth of communications which this country has to offer I urge them to lend their full support to H R 2848

Mr SUNDQUIST Mr Speaker, I want to thank the gentleman from Virginia for bringing the issue of satellite home-viewer rights before this body today It is high time that a fair and equitable solution be reached on this issue

Mr Speaker my district in middle west Tennessee is mostly rural The only access most of my constituents have to television service is with the assistance of a satellite dish However, their access is being limited by the scrambling of signals by cable companies and the networks

Let me point out that my constituents aren't looking to get something for nothing by using satellite dishes On the contrary, they are more than willing to pay for the programs, as indeed the programmers deserve payment But the conditions, terms, and prices must be reasonable and fair, and the only way to accomplish this is with a legislative solution that prevents monopolistic benavior by the cable industry, and ensures a competitive environment

My constituents are only seeking a service at a reasonable rate, that is not otherwise available to them because they reside in rural areas, beyond the reach of normal broadcast or cable signals

I would like to urge my colleagues—particularly the members of the Energy and Commerce Committee—to take quick and positive action on two bills I have cosponsored H R 1885—the Satellite Television Fair Marketing Act—and H R 2848—the Satellite Home Viewer Copyright Act

Both pieces of legislation present a fair and reasonable solution that will balance the needs of both the programmers and the satellite dishowners by assuring reasonable rates for superstation and other cable programming and by ensuring that fair marketing practices prevail for all encrypted satellite-cable signals

Mr STALLINGS Mr Speaker, I would like to thank my colleague from Virginia, Congressman OLIN, for sponsoring this special order today I also appreciate the work Congressman TAUZIN has done on this issue

I join with these gentlemen in expressing concern for the residents of our States who live in rural areas and do not have access to normal television transmissions or cable

Idaho, the State I represent in Congress, is a large, rural State Many of its residents do not live in towns and cities As one resident of my State said recently, residents of the remotest areas of our State receive the same telephone service as the residents living in Boise, our capital It is our responsibility, I believe to see that other services we deem as necessities are provided as well

Since coming to Congress a little more than 3 years ago, I have heard from many of the

more than 10 000 home satellite dishowners in Idaho who have expressed concern and frustration Many have invested thousands of dollars for satellite dish equipment to have access to basic local news programs as well as the incredibly diverse television programming previously available only to those wired to a cable system—but basic local news programs

When I first came to Congress, my constituents were worried about plans by cable programmers and networks to scramble their signals The overwhelming majority of these dishowners were willing—and continue to be willing—to pay a reasonable fee for satellite transmitted programming They recognized that they were receiving a service for which cable subscribers were paying As programmers began to scramble, concerns turned to the availability and cost of decoders Many believed that the costs to subscribe to these services would be significantly higher than those paid by subscribers in areas where cable service is available without dishes

In fairness I think it's important to realize that some of these concerns are being addressed Decoders, for instance, which were not in ample supply initially, now are being built into the dish Lease and purchase plans are available for existing dishowners Cable companies claim that the rates for packages for dishowners are now being offered at a rate less than is charged cable customers While that may or may not be the case, we must remember that satellite dish owners have had to make a substantial initial investment in hardware

I am a cosponsor of H R 1885—the Satellite Television Fair Marketing Act—to encourage fair marketing practices for satellite communications. While I believe the marketplace is working in some areas—and this is certainly the preferred route—we must continue to be sensitive to the concerns facing these residents of our States For example satellite dish owners in Idaho tell me one problem they continue to face is the necessity of calling several places to secure the services they want. Others are concerned about scrambling public broadcasting programs, intended for public viewing

In short, I believe we are beginning to see some progress made However, based on frequent discussions with Idaho dishowners, I know frustrations remain We must, as a body continue to look for responsible ways to help these residents of our States

Mr TALLON Mr Speaker, it is with great pleasure that I rise today to speak again on behalf of the many television satellite dish owners in the Sixth District of South Carolina.

This district, like many others across the United States, is a beautiful rural area, containing many farms and small towns In many of these towns, as is the case in outlying areas cable television is not available In fact, good reception of some nearby broadcasts is sometimes difficult This need for better reception and expanded programming has led to the great increase in satellite television dishes—well over 2 million units—at substantial cost to the rural viewer

Congress needs to act now to insure that the rights of the rural viewer and his investment are protected Residents of populated areas have long enjoyed extensive programming with good reception through their cable television hookups It is only right that residents of rural areas who own satellite dishes have similar programming available to them at a fair and comparable price

The technology is available for rural dish owners to receive this programming Legislation has been introduced to achieve this result Let's push for action on these important bills and stop depriving a large segment of American citizens the freedom to receive information simply because they live and work in rural areas The time has come to pass this home satellite television legislation

Mr CRAIG Mr Speaker, I would like to thank Mr OLIN for this special order today, to discuss an issue that is important to many Idahoans Access to television programs for satellite dish owners has been an ongoing concern both for the satellite dish industry and its customers The people in Idaho face a problem not uncommon in the West and in rural areas throughout the country access to television signals There is strong movement toward the scrambling of satellite programming, and many owners of dishes are concerned about their access rights People in remote areas cannot receive typical television transmissions they also have no access to cable The only alternative for them is to purchase a satellite dish Mr Speaker I can certainly understand the desire of satellite cable programmers to protect their satellite programming from unauthorized use I also understand their need to be compensated for dishes that receive their signals But the current marketing and pricing plans that cable programmers have developed have given rise to some very genuine concerns of home dish owners For example

First Noncable interests would like to distribute cable programming Why is it that no independent third-party distributor has been authorized to market the dozen or so scrambled services?

Second Are rates artificially high for programming?

Third Does the lack of manufacturers of descramblers create a slump in the home dish industry?

Fourth Why is there a lack of package programming for channels that are scrambled?

These are some of the issues that need immediate attention That is why I am here today to voice my support for a bill my colleague, Mr TAUZIN, has introduced, to ensure that the viewing rights of home satellite dish owners are protected and that dish owners are not locked out of receiving broadcasts

Although many Members in the past have expressed concern for the reasonable access and pricing of programming in the dish market no clear consensus has been reached on the issue I believe Mr TAUZIN's bill incorporates many of the good ideas that have been presented in the past The legislation is designed to ensure that programming will be made available to dish owners under a distribution system that does not discriminate in prices, terms, or conditions Home satellite owners should be able to gain access to pay services at a fair and reasonable price I also believe this legislation encourages a marketplace resolution It requires that the marketplace for purchase of such services be open and competitive

There are nearly 2 million home-satellite earth-station owners across the Nation They are in need of some action that will give them a fair shake on programming I appreciate the opportunity to help raise the issue today so that we can do something to remedy the problems that currently exist

I would again like to thank Mr OLIN for providing us this time to discuss this important issue

Mr SPRATT Mr Speaker when the gentleman from Virginia invited me to speak today in support of H R 1885, I welcomed the opportunity I know how important this bill is to the citizens living in rural areas of my district in South Carolina

A few weeks ago, I had the privilege of speaking to a high school class in my district about the U S Constitution And after spending a good 30 minutes explaining how the framers built into our Government a system of conflict between the executive and legislative branches, I opened the floor to questions My first question "Where do you stand on scrambling? '

Today over 2 million Americans receive their television programs directly from satellites They depend on these signals to bring them the TV programs so many of us take for granted For rural Americans, a satellite dish in the back yard is essentially important for these Americans, an antenna on the roof does little good and cable service stops at the city limit

The scrambling of satellite-transmitted TV signals is therefore a real and understandable concern dish owners are afraid they will be denied access to some programs altogether that they will have to pay unreasonable fees for others, or purchase more than one expensive descrambler

H R 1885 speaks to these concerns This bill would ensure that dish owners have access to scrambled programming—at fair and reasonable rates

Surely, access to television—at rates that are fair—is not too much to ask I urge the House Telecommunications Subcommittee to move swiftly in approving H R 1885

Mr ROTH Mr Speaker, I appreciate the opportunity to participate in this special order specifically to discuss fair marketing practices for satellite dish owners through the enactment of H R 1885, the Satellite Television Fair Marketing Act I am proud to cosponsor this legislation

Many of my northeast Wisconsin residents live in rural areas without access to cable television systems As a result many of them are investing in home satellite dishes, the only means available to receive the extensive programming services to which cable subscribers have access H R 1885 does much to ensure the rights of those dish owners and to see that they are not victims of discrimination

H R 1885 will prohibit the encrypting or scrambling of satellite programming from the taxpayer supported Public Broadcasting Service and the Armed Forces Radio and Television Service Further, it requires that any broadcasting service which encrypts programming for private viewing must make the same programs available to home satellite owners at a price not exceeding rates charged to cable subscribers

The need for this legislation stems from the continuing development of new and different decrypting devices needed to view a scrambled signal The programming industry commonly requires the purchase of these new decoders resulting in persistently rising costs for

satellite dish owners This is blatantly unfair and discriminatory

H R 1885 addresses this problem by seek ing the establishment of an FCC-approved en cryption system for all satellite television pro grammers Anyone scrambling commercial satellite programming would be required to en crypt it in line with FCC specifications This universal encryption system will expedite the creation and marketing of a standard signal decoder eliminating the need for satellite dish owners to constantly buy new decoders

This legislation will also require the Federal Trade Commission to conduct a study to de termine whether the programming market is developing competitively and to take neces sary steps to ensure competition This is a positive step

I urge my colleagues to join me in support ing this long-overdue protection for satellite dish owners, particularly those in rural areas who currently have no option but to accept the current restrictive practice by some com mercial programmers

Mr ROGERS Mr Speaker, I want to begin by thanking the gentleman from Virginia [Mr OLIN] for taking the time today to talk about this issue, which is extremely important to me and to many of my constituents

In particular, I want to speak about the need to pass a bill I have cosponsored for two Con gresses, H R 1885 This legislation is ex tremely vital for our satellite dish owners, and let me briefly explain why

First, this bill would guarantee that dish owners would not be denied access to satel lite programming It would prevent program mers from ignoring the satellite dish market and would authorize the setting up of distribu tion systems to make sure that these pro grams are available to all who want them

Second, this legislation will involve the FCC in making sure that a single descrambling device is used for all channels, and that any fees charged for watching satellite program ming are fair and reasonable This is very im portant in our rural areas, particularly for senior citizens who live on fixed incomes and who must depend on a dish for their link to the outside world

Finally, this bill would ensure access to the commercial networks and to public broadcast ing

Mr Speaker, I have heard from hundreds and hundreds of my constituents They live in rural Kentucky, in the mountains or in remote areas of the State Tney often cannot get cable service because of their location A sat ellite dish is their only hope of viewing televi sion programming We must do all we can to ensure that these people have continued access to satellite programming, and I would urge the Telecommunications Subcommittee to move as soon as possible to mark up H R 1885 This bill, along with its companion legis lation in the Senate, will provide us the means of solving many of the problems now faced by satellite dish owners in my district and all around the country

I again thank the gentleman from Virginia for his taking this opportunity on the floor to discuss this issue

Mr EMERSON Mr Speaker, residents who own satellite dish receivers in rural Missoun and across the Nation are asking for our help with an inequitable situation—they are being cut off from television programming by scram bled TV signals

In rura' Missoun—in towns like Thayer, Hayti, and Ellsinore—access to most televi sion program signals is limited if it is even available at all These residents cannot re ceive regular television programming the way most of the Nation can Moreover it is impract ical for cable companies to run cable into these very sparsely populated areas To remedy this problem, many of these rural resi dents have purchased, at great expense, a satellite dish to receive television programs, only to find out later that the television signals they were told they would be able to receive are not going to be scrambled

Satellite dishes are very often a necessity— not a luxury—to those in rural America who want to get network and news programming These people have bought their satellite dishes in good faith, only to find out that the equipment is virtually useless unless they now purchase additional descrambling devices— usually with a hefty price tag But they have no choice if they want to receive television news and entertainment programming

Many satellite dish owners believe—as I do—that the additional costs of purchasing descrambling equipment above a nominal fee is unfair Not surprisingly, this dispute has been delivered to the doorsteps of Congress and I think it's time that Congress respond to this situation

I have heard from hundreds of Missoun resi dents in the Eighth District who are concerned about the occurring and impending scram bling Eighth District satellite dish owners are willing to pay for the programs they receive However, they are not willing—and under standably so—to pay an unreasonable, inequi table price for the service available more cheaply to those who are able to subscribe to cable service—especially when they have al ready gone to the considerable expense of purchasing a satellite dish

It is time to get down to business and put the finishing touches on legislation that will protect the viewing options enjoyed by those who have purchased dishes Satellite dish owners are calling for congressional action on satellite dish legislation They are not asking for anything more than equity with those who are able to receive cable television at a rea sonable fee Satellite dish owners are asking for consumer protection under the law Let's stop our foot dragging in Congress, and finish the job I call on the chairmen and ranking members of the Energy and Commerce Com mittee and the Judiciary Committee to move forward with legislation to address the very le gitimate concerns of our satellite dish owners

Mr BLILEY Mr Speaker, I rise to express my concern over the satellite dish legislation being advocated today As my colleagues know this legislation is currently pending in the House Energy and Commerce Commit tee's Subcommittee on Telecommunications and Finance The Senate Commerce Commit tee recently reported similar legislation to the full Senate In an effort to provide some bal ance to the discussion I offer the thoughtful additional and minority views of Senators INOUYE and STEVENS, which were included in the Senate report on that bill, and associate myself with their remarks

ADDITIONAL AND MINORITY VIEWS OF MESSRS INOUYE AND STEVENS

Despite the efforts of the authors to make positive changes, S 889 the Satellite Televi sion Fair Marketing Act, is bad legislation. Its foundation rests on circumstantial anec dotal, and unproven claims Its edifice con tains ill-conceived and expensive remedies Its precedential value is troublesome We urge our colleagues either to improve it by amendment or reject it outright

The television receive only (TVRO) satel lite dish market was created by a decision of the Federal Communications Commission (FCC) about 10 years ago The Commission permitted persons to own these dishes but without any guarantee that reception would be protected from interference These TVRO owners moreover, still had to comply with the illegal interception lan guage in the Communications Act (section 705) and the copyright laws as well as other pertinent federal, state and local laws such as zoning requirements

With this decision and the lowering of TVRO prices, this market burgeoned and today there are about two million TVRO owners During this growth period the questions of illegal interception and copy right remained, and in 1984, the Congress in the Cable Telecommunications Act, passed a new section 705 that permitted the reception of unscrambled satellite program ming under certain conditions The ration ale for this law was that programmers should only be able to control products where they make the effort—by scram bling—to do so

Soon after this law was passed program mers either began to scramble or announce their intention to do so They could no longer afford to give their product away to such a large market without harming their basic business At the same time TVRO sales were escalating The difficulty was that many TVRO sellers were not telling buyers that scrambling was coming and that they were not entitled under law to receive such programming A recent survey in Satel lite Orbit magazine showed that over one half the TVRO owners said they were not so informed When these TVRO buyers were eventually informed, they were not surprisingly angry but not at the sellers who misrepresented the product Rather they were angry at the programmers who had a perfect right to scramble in order to protect their product It is this situation that the Congress has been called upon to address

There are also other related issues before the Committee The proponents of S 889 argue that the programmers and cable com panies are engaged in anti-competitive acts If such acts have occurred we would be greatly troubled and would be the first to urge governmental action But as we will discuss below the Committee has no proof of such acts

S 889 gives TVRO owners a right of access to cable programming delivered via satellite The authors of this legislation compare this to the compulsory copyright license that permits cable operators to import broadcast signals at certain rates In other words the proponents argue that cable operators have a government-given right to retransmit and air broadcast sig nals, and TVRO owners should be able to do likewise with cable programming delivered via satellite

This analogy has basic defects Broadcast signals are shown for free, without restric tion The local broadcaster has no intent to control its signal In fact, because it is ad vertiser driven, the larger the audience the better In contrast cable programming de livered via satellite is a wholsale product for use by cable systems There is a definite intent in this case to limit the audience The more appropriate analogy would be to tele vision network signals sent for use by affili

ates or other efforts to wholesale programming It is important to note that in the case of television network signals this legislation does not provide for a right of access

A second concern with the provision of a right of access is that it applies to programming delivered for use by cable systems and not to programming sent via satellite for other uses The sole exception to this policy is for public broadcasting and that is based on its government support The authors' rationale for not applying this policy to television network programming is the need to protect local television affiliates However this bill does not provide people living outside of local affiliates broadcast areas with a right of access to television network programming It only requires the FCC to look into this matter As for all other current and potential uses of satellites to deliver programming the bill is silent But what happens if the movie industry decides to send its films via satellite rather than ship copies to each theater? What about new technologies, such as direct broadcast satellites and their programming?

The authors' limited and somewhat arbitrary viewpoint in determining what programming TVRO owners should have a right to view leads to a fundamental problem with this bill Just because a signal goes via satellite the authors permit a right of access However, what if programmers choose to send their product via microwave or optic fiber cable? Should we give people a right to access these signals too? At one time, programming was sent by these media, and there are plans to resurrect them The Bell Telephone Companies are now considering an optic fiber system and may have it in place in 2 years Where will TVRO owners be in such an event?

To construct policy based on the type of transmission media used makes little sense Voice, data, and even video transmission sent through telephone circuits may go by landlines, terrestrial microwave routes or satellites yet, we have never constructed a different right of access policy for these transmissions depending upon the medium used While some may argue that telephone transmissions are intended to be private this misses the point After all cable programmers could then use the telephone circuits—even over satellites—and the right of access policy would not apply

This legislation rests on a distinction without a difference It bases its policy of a right of access on a transient market phenomena—that is cable programmers predominant use of satellite delivery—and not on what makes most sense over time In doing so it skews the marketplace by providing an incentive for cable programmers and only these programmers to use other transmission media.

RIGHT TO BECOME A DISTRIBUTOR

The heart of S 889 is the so-called third party distribution provision. This provision requires programmers who distribute through a second party to establish reasonable criteria for all other persons (third parties) to become distributors and not to discriminate between distributors The rationale for this provision is that no cable programmer currently uses a non-cable related distributor and that this results in higher prices and a lack of program packages. The authors believe that by forcing programmers to employ new distributors these problems will evaporate

As stated earlier there is a basic problem with the evidence used to support this provision. Just because programmers distribute either themselves or only through cable coperators does not mean that a competitive marketplace does not exist The evidence, in fact, is to the contrary

Program packages are available and the prices paid by TVRO owners are the same as if not less than those paid by cable subscribers For example the average monthly price paid by cable subscribers for a premium movie service is $10 31 A TVRO owner paying an annual fee can obtain this type of service for $9 72/month (HBO) If the TVRO owner does not wish to pay annually and chooses two premium movie services (HBO and Cinemax) the price is $19 95/month or $9 98/month/service If a TVRO owner wishes to subscribe to basic cable programming services a package of 10 services can be purchased for $10 95/month 14 percent less than the average monthly price paid by cable subscribers

It should be noted that cable subscribers must first subscribe to basic services before being able to buy premium services TVRO owners face no such requirement In addition, there are over 75 program signals that are unscrambled and that TVRO owners can receive free of charge

As for programming packages they are available from a number of sources including HBO Showtime, Netlink USA, Skycable, and Rural TV (Advertisements for some of these packages are included at the end of my views) Thus there is no evidence that TVRO owners do not have program choices or pay a higher price The evidence presented by the bill's authors that cable programmers and cable operators continue to control the offering of these services is not only not surprising—it is an accepted business practice—but also of circumstantial merit There is no hard evidence that anti competitive practices have occurred Under the antitrust laws such practices are not per se violations and evidence of harm must be produced A similar burden should lie here To impose the drastic remedy employed in S 889 is simply not warranted

In addition to lacking support, the third party distributor provision will result in numerous problems First it will foster endless litigation Imagine a person seeking to become a distributor being rejected because the programmer claims to already have a reasonable number of distributors or because the programmer is unsure of the person's financial or character qualifications Court is an obvious next stop particularly in light of the liquidated damages provision of up to $500 000 To determine what are 'reasonable financial and character criteria and what is "discrimination" will take many years and many lawsuits It is likely that these matters will still be unsettled when the provision terminates in five years We all know that the laws we enact end up in court from time to time but to create laws that are so prone to court challenge is something we should avoid It demonstrates that the law is vague and the remedy uncertain

Second while the objective of the authors is to create new program packages, the result may likely be just the opposite Rather than permitting their programming to be used in packages where they lack control programmers may decide to sell only directly Packagers with whom programmers may want to deal will then be unable to market this programming While some might argue that programmers will not take this route the decision for a programmer to market directly is not a remote possibility Many do so today

Finally the authors want to create competition to distribution by cable operators but the third party provision will in fact, strengthen the hand of cable operators who want to become distributors of certain programming While cable operators now distribute some programming to the TVRO market programmers have the ability to withhold their product. With S 889 programmers will lose this ability Moreover, since cable operators are now distributing programming to the TVRO market they will have a headstart over new distributors This advantage coupled with the financial resources of certain large cable operators may well result in these operators dominating the TVRO market which runs counter to the intent of the third party provision

It is clear from these problems that the third party distributor provision has fundamental flaws The authors seem to admit their approach has problems and have included in this legislation an investigation by the Federal Trade Commission on the very matter on which we are legislating We agree that an investigation by an expert agency is the proper route We can then know whether there is a genuine problem

CONCLUSION

There may come a day when we need to legislate in the area of TVRO's We supported the Congress's efforts to do so in the Cable Telecommunications Act of 1984 We would again support Congresssional intervention if, for instance, there was greater proof of anticompetitive conduct That however, is not the case here We are moving forward based not on what exists but on what some claim exist Such a foundation cannot long endure

Mr JEFFORDS Mr Speaker I commend the gentleman from Virginia [Mr OLIN] for reserving this special order today Access to reasonably priced satellite programming is an issue of utmost concern to thousands of dish owners in Vermont.

Satellite dish technology has opened up a whole new range of news, education and entertainment programs for residents of rural America Americans who never got any educational or network television broadcasts now have a wider selection of programming than many of their urban counterparts

I should point out that in Vermont one of the most rural States in the Nation, it is not a question of satellite dishes replacing cable television or displacing local network broadcasts In many areas of my State, residents are lucky to receive one or two channels Cable will probably never be available in these areas, so there are simply no alternatives other than satellite dishes

The promise of this new technology prompted numerous Vermonters to invest over $1,000 each on satellite dish receivers As de from movies and other entertainment satellite dishes brought news, C-Span, educational and artistic programming into their homes

Access to satellite programming however, is threatened as more and more programmers scramble their signals. When the scrambling movement caught on back in 1985 I received many letters from dish owners Almost across the board, they wanted access to programming at reasonable prices—prices which recognize the substantial investment that dish owners have already made

Satellite dish owners are not looking for a free ride They want to be treated fairly and that is what this issue is all about—fairness

I cosponsored legislation in the 99th Congress that would offer protection for satellite dish owners This legislation has since been refined and reintroduced by my colleague, Mr TAUZIN It is called—appropriately—the Satellite Television Fair Marketing Act

This legislation seeks to accomplish four main goals

First it requires programmers scrambling their services to make those services available to home dish owners

Second, it directs the Federal Communications Commission to establish uniform standards for encryption of signals

Third, in order to ensure the development of a competitive marketplace, H R 1885 requires an investigation of the pricing and distribution terms of persons selling satellite television programming to dish owners

Fourth, it prohibits the scrambling of Public Broadcasting Service or Armed Forces Television programming intended for public viewing by television broadcast stations

Legislation to protect home satellite dish owners has been pending before the Telecommunications Subcommittee since 1985 I join with others today in urging Chairman MARKEY to bring this legislation to the House for a vote

Rural Americans deserve to be treated fairly, and the Satellite Television Fair Marketing Act would help ensure that they are

Please join me in supporting this legislation

Mr SCHAEFER Mr Speaker it's time to let the marketplace work Too often we intervene in our economy at the first sign of difficulty, usually creating a worse problem than onginally existed We seem to forget that legislation should be a last resort—enacted only when a market has obviously failed Few times, however, have we been more premature than in our consideration of scrambling legislation

Scrambling is not a ploy to undermine the satellite dish industry it is a justifiable means for cable programmers to protect their product One need not be an economist to determine that a business will likely not flounsh if a good number of consumers receive its product free of charge It is true that scrambling provides the opportunity to deny programming to dish owners or to charge them exorbitant rates, in such cases, legislative intervention may be necessary The facts point out, however, that this is simply not occurring

Rather, a number of sources—including the Federal Communications Commission and the relevant committee in the other body—have concluded that cable programming can be purchased by dish owners at prices comparable or less than those being charged cable subscribers As for availability not only are all major networks available to dish owners, about 100 services are currently not scrambled and can be received by satellite dishes at no cost It is interesting to note that this includes nearly 50 cable networks which offer programming that subscribers pay for While it may be argued that not enough programming packages are currently available to dish owners, this can be attributed to the fact that so few services are scrambled As more programmers scramble, more packages will result

I would hope we all agree that without evidence of misconduct or harm to consumers, Government regulation is unwarranted I urge my colleagues to examine the facts before again intruding into the marketplace Mr Speaker, we are already faced with a shortened legislative session—let's not waste time considering issues which are better left to resolve themselves

Mr MONTGOMERY Mr Speaker, I want to thank Representative OLIN for taking this time to talk about television programming access for satellite dish owners This issue has sparked a lot of interest in my State, just as it has in other parts of the country

Many people across the State of Mississippi do not have access to cable television In order to tune in news, sports and movie channels, they bought satellite dishes and related equipment Now that they have invested a great deal of money in this equipment, they find that most of the channels have been scrambled Mr Speaker, Congress has an interest in making sure all Americans have the opportunity to receive the wide-ranging types of programming available by satellite

Most dish owners have said they are willing to pay a reasonable rate to be able to receive these services They simply want to have access to the same kinds of programming enjoyed by others who have chosen to live in more urban areas, where cable television is offered

The pending legislation will help restore fairness and will clear up confusion that has gone on too long The bill we have cosponsored provides for a competitive rate structure and will make sure the process meets government standards I hope Congress will be able to move ahead with this legislation in 1988

Mr UPTON Mr Speaker, there are over 56,000 people in the State of Michigan who have invested thousands of dollars in home satellite dishes Many of these people are from middle and lower income groups, and have very little extra money Most of these people live in areas that are unable to receive normal television transmissions and have no access to cable

Yet, because these people want to communicate with the outside world like the rest of us, their only recourse is to invest their hard-earned money in a satellite system They have to go to enormous effort just to receive the television coverage that most Americans take for granted However, even after taking the initiative to purchase a satellite dish, people are not assured of the television reception they desire

Because of a struggle among the big communications companies, many home dish owners still are denied the reception they thought they had purchased As the various programming industries argue among themselves about new technologies and market shares, the average satellite dish owner is left out in the cold

Whether we like it or not, television plays an extremely important role in our lives T V is the prime source for news and entertainment for most Americans It follows, then, that people who are unable to receive this service, are missing out on a vital aspect of American culture This just doesn't seem fair, and I believe Congress has a responsibility to explore potential remedies to this situation

That s why I support the efforts of the gentleman from Virginia [Mr OLIN] to address this situation That's also why I have decided to cosponsor H R 1885, the Satellite Television Fair Marketing Act The purpose of this legislation is to allow home dish owners to buy programming at fair prices It is not anticable, it merely allows programmers to be fairly paid for their services and gives satellite customers the opportunity to purchase the television services that the rest of the country enjoys

I pledge to do what I can to push for passage of this legislation, and I urge my colleagues to do likewise

Mr HAMMERSCHMIDT Mr Speaker, I join today with several of my colleagues to bring the plight of satellite dish owners to the floor of the U S Congress The people of northwest Arkansas, whom I represent, have a very strong interest in having access to the air waves My district covers a wide area which includes the Ozark Mountains and its accompanying valleys Most sections are quite removed from metropolitan areas As a result, they are unable to receive television signals from the larger cities

Many have come to rely on their satellite dish as their window to the world For example, in some areas there is a 3-day lagtime between publication and delivery of the daily newspaper However, with a satellite dish individuals are able to watch the nightly news that same day Others are seveal hundred miles from the nearest major league sports teams and their satellite dish provides a way for them to enjoy real time major sporting events Some are simply unable to receive the simple day-to-day programming that most of us take for granted

Conservative industy estimates place the number of satellite dish owners nationwide between 1 5 and 2 million However, those numbers represent households—in actuality that means 7 to 8 million individuals

This country has always held that access to the airwaves is a fundamental right To deny this right to a group of American citizens is wrong

When Congress enacted the 1984 "Cable Communications Policy Act," it was hoped that it would both ensure competition in the marketplace and thereby ensure program accessibility to the satellite dish owners However, this has not proven to be the case

Nevertheless, I understand that the broadcasters have legitimate concerns They have a right to sell their products, namely satellite transmissions and programs Further, they have a right to make a profit from their property

That is why I am a cosponsor of H R 1885, the Satellite Television Fair Marketing Act, which provides for a compromise between all sides involved The bill allows programmers to be fairly paid for their property, through scrambling and sale of their services, but the legislation further mandates that the marketplace be truly open and competitive For satellite dish owners, the bill mandates that broadcasters scrambling satellite services intended for private viewing make those services available to home television viewers This legislation does not prohibit scrambling However, it does require that programmers deal fairly with the dish owners

I would encourage my colleagues who serve on the Energy and Commerce Committee to continue their work on this bill and to report the legislation favorably as soon as possible

Mr NICHOLS Mr Speaker, about one-half of Alabama's Third Congressional District, which I represent, is located in the foothills of the Appalachian mountains Within this gorgeous terrain, areas exist where with a 100 foot antenna, one might receive one or two television stations In these mountains, our cable companies cannot operate profitably,

therefore, with the exception of some towns, cable television does not exist

The only way many of my constituents can receive national programming of the variety we get in this city, is to purchase an expensive satellite dish This represents quite an investment for a family and I have received hundreds of letters over the past 2 years from dish owners, complaining about the networks scrambling their signals and charging excessive fees for monthly access when decoders were not even readily available Our constituents believe, and correctly so, that their tax dollars financed the research that allowed the satellites to be launched in the first place They realize that certain satellites are owned by private enterprise but they also believe that they have every right to benefit from these satellites, and they are willing to pay a reasonable access fee for this service

I was hopeful that the Federal Communications Commission might mediate a solution to this problem some months ago but this has not been the case If the FCC is not going to take care of our constituents through regulation, then the Congress needs to act in providing some relief so that rural America may benefit from the television coverage that we here in Washington take for granted

For this reason, I join with other Members of Congress in cosponsoring legislation which permits dish owners to have access to the same programming that is available to cable television subscribers

I want to commend my friend and colleague, Congressman OLIN of Virginia, for organizing this special order so that we can express our concern for this real problem Mr OLIN'S district in the foothills and mountains of Virginia, is similar to the topography in my district in Alabama. Our people experience the same problems in television reception and I deeply appreciate his calling for this special order to address this problem Thank you

Mr BRENNAN Mr Speaker, I rise today as a cosponsor and strong supporter of H R 1885

H R 1885, the Satellite Television Fair Marketing Act, would ensure that scrambled satellite signals are provided to home satellite dish owners under fair terms and for fair prices This bill does not prohibit scrambling, it merely ensures that the market that the cable companies virtually control, develops competitively By allowing the cable companies control over the satellite market, we are denying the most needy people this service

Home satellite dish owners are being discriminated against. This problem is particularly prevalent in rural areas where there is no alternative access to cable or any other broadcasting service

Based on nationwide statistics, Maine has approximately 9,000 home satellite dish owners Many of these people live in rural areas of the State with no other broadcast signals They depend on access to these satellite signals I am concerned about these people and I believe that they have a right to access to broadcasting signals for a fair price Television should not be an unobtainable luxury for these people

I join with my colleagues in support of H R 1885 to ensure home satellite dish owners access to scrambled satellite signals