

memorandum

DATE: March 28, 1978

REPLY TO
ATTN OF: Philip L. Verveer
Chief, Cable Television Bureau

SUBJECT: Nomination for Special Achievement Award

TO: Chairman, Awards Committee

I recommend Steven A. Zecola for a special achievement award for his work in the preparation of the draft Report of the Commission in Docket 21284.

This Docket was commenced as a Notice of Inquiry in June, 1977, to explore the economic relationship between television broadcasting and cable television. During my tenure as Chief of the Cable Bureau, from March 1, 1978 to the present, this proceeding has been the principal matter of business to which the Bureau has attended. The Inquiry was designed (a) to permit a thorough exploration of the economic assumptions which have underlain the Commission's regulatory efforts protecting commercial broadcasting from cable-aided competition over the past fifteen years and (b) to predict likely outcomes should the Commission's efforts at regulating intermodal competition be discontinued.

At the time the Commission initiated the proceeding, 65 FCC 2d 9 (1977), it was clear that the Economic Inquiry might well form the predicate for a substantial alteration in the Commission's regulatory approach. In response to its manifest importance, interested parties, and particularly those industries affected by Commission cable regulation, submitted a large number of comments, including some containing reasonably sophisticated quantitative analysis. The task confronting the Cable Bureau has been to analyze carefully the public comments and other relevant material, to prepare a draft report on the public interest (i.e., consumer welfare) implications of the existing regulatory program, and to make recommendations for change.

The Economic Inquiry had been pending almost a year when, in May 1978, I realized that a reorientation of the Bureau's efforts in this matter was urgently required if the Bureau were to meet its responsibilities to the Commission and to the public. At that point, I sought the assistance of a group of distinguished economists to serve as consultants to the Cable Bureau, obtained through the Office of Plans and Policy the assistance of Lou Silversin, an economist in that office, and reassigned the principal staff responsibility for the Inquiry within the Bureau to Mr. Zecola.

Prior to these actions, Mr. Zecola had been functioning as an industry economist in the Cable Bureau's Research Division and as a junior member of the group which had been responsible for preparing the Bureau's