

**NOMINATIONS TO THE FEDERAL  
COMMUNICATIONS COMMISSION, CORPORATION  
FOR PUBLIC BROADCASTING, FEDERAL MARITIME  
COMMISSION, AND SAINT LAWRENCE  
SEAWAY DEVELOPMENT CORPORATION**

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**HEARING**

BEFORE THE

**COMMITTEE ON COMMERCE,  
SCIENCE, AND TRANSPORTATION  
UNITED STATES SENATE**

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

NOVEMBER 18, 2004

Printed for the use of the Committee on Commerce, Science, and Transportation



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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

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**NOMINATIONS TO THE FEDERAL  
COMMUNICATIONS COMMISSION,  
CORPORATION FOR PUBLIC BROADCASTING,  
FEDERAL MARITIME COMMISSION, AND  
SAINT LAWRENCE SEAWAY DEVELOPMENT  
CORPORATION**

THURSDAY, NOVEMBER 18, 2004

U.S. SENATE,  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,  
*Washington, DC.*

The Committee met, pursuant to notice, at 9:30 a.m. in room SR-253, Russell Senate Office Building, Hon. John McCain, Chairman of the Committee, presiding.

**OPENING STATEMENT OF HON. JOHN MCCAIN,  
U.S. SENATOR FROM ARIZONA**

The CHAIRMAN. Good morning. Our Committee meets today to consider the nominations of six individuals who have been nominated by the President to serve our country in very important posts. The Committee takes its advice-and-consent role very seriously, and I will note that each of the nominees has responded in detail to the Committee's request for biographical and financial data. I've had the opportunity to review your responses to the Committee questionnaire, and I look forward to moving these nominations quickly.

We have appearing before the Committee today John Adelstein, to be Commissioner on the Federal Communications Commission; Ernest Wilson, Claudia Puig, and Gay Gaines, to be members of the Board of Directors of the Corporation for Public Broadcasting; Harold Creel, to be a Commissioner of the Federal Maritime Commission; and James Simpson, to be a member of the Advisory Board of the Saint Lawrence Seaway Development Corporation.

I thank the nominees for being here. I know your nominations are a great honor, and I appreciate your willingness to serve.

And before we continue, I would like to do the most important part of the hearing, and that is to have the nominees announce and introduce their family members who are with them today so they can share in this moment.

And we'll begin with you, Dr. Wilson.

Dr. WILSON. Yes, thank you for the offer, Senator, but my wife is stuck in the taxi strike—

[Laughter.]

Dr. WILSON.—on the way down. So when—I hope, when she comes, we might be able to introduce her. Thank you, sir.

The CHAIRMAN. All right, sir. Maybe when she comes in, or we'll ask for you to be on the National Transportation Safety Board.

[Laughter.]

Dr. WILSON. Appreciate it.

The CHAIRMAN. Ms. Puig?

Ms. PUIG. Well, I'm very pleased today to have my husband, Richard Admonson with me.

The CHAIRMAN. Richard is——

Ms. PUIG. Richard, please stand up?

The CHAIRMAN. Welcome, Richard.

Ms. PUIG. And I also have Bob Cahill and Vicky Icemond, that are friends visiting.

The CHAIRMAN. Good. Please stand. Thank you.

Ms. Gaines?

Ms. GAINES. Senator, thank you for letting me introduce Stanley Gaines, my husband of 45 years, and my son, Ralph Gaines.

The CHAIRMAN. Welcome. Thank you.

Mr. ADELSTEIN. Mr. Chairman, let me introduce my wife, Karen Adelstein, who's put up with a lot as the wife of an FCC Commissioner——

[Laughter.]

The CHAIRMAN.—and our newest daughter, Lexi, and Adam, little Adam.

The CHAIRMAN. Where is he? Adam? We understand very well attention spans, so if you have—cannot stay for the entire hearing, we certainly understand. Thank you. Congratulations.

Mr. Creel?

Mr. CREEL. Senator, I have my friend, Tim Stites, from the great state of Virginia, here with me.

The CHAIRMAN. Tim, where are you? Welcome.

And Mr. Simpson?

Mr. SIMPSON. Good morning, sir.

The CHAIRMAN. Good morning. Do you have anyone?

Mr. SIMPSON. Not here today, sir.

The CHAIRMAN. All right.

Thank you. Again, I would like to welcome all the family members and friends here of the nominees. This is a wonderful time for them, and probably the brightest moment.

[Laughter.]

The CHAIRMAN. But, seriously, we are grateful that these nominees are willing to serve our country in very important positions of responsibility.

And, finally, before I turn to my colleagues, our intention is to try to get, off the floor, a quorum so that we can approve these nominations sometime before we have to leave. And we'll do our best to do that.

Senator Dorgan?

**STATEMENT OF HON. BYRON L. DORGAN,  
U.S. SENATOR FROM NORTH DAKOTA**

Senator DORGAN. Mr. Chairman, thank you very much. Those are unaccustomed sounds, but welcome sounds.

[Laughter.]

Senator DORGAN. First of all, thank you for holding this hearing. And it's my fond hope that we will be able to move these nominations. And I hope we can find time off the floor to proceed, and I hope that we can move them through the entire Senate.

It's my intention to support all of the nominees. I've looked at their backgrounds, and some of them are now serving in these capacities. I think all of them bring a great deal to commend them for public service, and I am proud to support them.

I do want to make one point, however. Mr. Chairman, you've heard me make this point before. In at least one of the circumstances today, a Democratic seat on the Federal Communications Commission, which is to be filled by a recommendation of the Minority Leader, was offered to the White House, now nearly 2 years ago. It was a year ago last February. And that was not sent down to the Congress, deliberately so, showing, in my judgment, an arrogance and a partisanship that is very unusual. And seldom is that sort of behavior so apparent and so appalling. I don't think that serves this institution well. I don't think it serves the White House well. And my profound hope is that, with respect to nominees that are both Republican-designated seats and Democratic-designated seats in these key agencies, that we'll be able to work together in the future and not have this sort of nonsense happen.

This was pure partisanship. It went on for nearly 2 years. And while I am pleased that we are finally going to see progress on it today, I must make the comment that those who engineered this at the White House, in my judgment, did no real service to public service as a result of their behavior.

Mr. Chairman, again, thank you for allowing us to proceed today. I know this is, in no small measure, due to your energy and your perseverance, as well, and I appreciate that.

The CHAIRMAN. Thank you very much.  
Senator Burns?

**STATEMENT OF HON. CONRAD BURNS,  
U.S. SENATOR FROM MONTANA**

Senator BURNS. I have nothing to say, other than to say thank you for stepping forward. The folks who are going on the CPB, we'll be watching you and what you're doing over there in public broadcasting.

And Mr. Adelstein, of course—very supportive of his nomination and his confirmation back to the FCC. He's been a tremendous help to all of us who have been tackling the rural issues in communications and universal service and those kind of issues, and we appreciate your support and working with us. We've still got some challenges ahead with universal service, and, of course, the e-rates, and the rural areas still are—and the buildout of broadband is still of concern to most of us.

But I thank you all, and you have my support.  
The CHAIRMAN. Senator Lott?

**STATEMENT OF HON. TRENT LOTT,  
U.S. SENATOR FROM MISSISSIPPI**

Senator LOTT. Thank you, Mr. Chairman, for having this hearing, even at, hopefully, the last two or 3 days of this session. I'm glad we're going to get these nominees considered, hopefully passed.

I want to say to Mr. Adelstein, in particular, I appreciate the fact that your papers have been processed and that you're here this morning. I have participated, over the years, in a little harassment of this gentleman, but my doubts have been absolved. He's done a good job at the FCC. And I've regretted that he had to be treated the way he has been in the process of being renominated. I think he's thoughtful and a good member, and I think he deserves to be reconfirmed, and I'll be supportive of that in every way I can be, as I have been in the past, and I think you know that.

To the Corporation for Public Broadcasting nominees, congratulations and good luck. You're gonna need it.

[Laughter.]

Senator LOTT. I have worked assiduously with people in public broadcasting in my state and with the CPB, because I believe that there were real problems that could be addressed internally by having good men and women on the Board and trying to carefully and slowly and thoughtfully and appropriately change the mindset, the bias, the negativity, the overall attitude of, you know, the entities you're responsible for.

I think we've failed at NPR. I'm getting real tired of having people crawl on my case everywhere I go about the continued attitude and arrogance and bias of NPR. Now, I'm going to have to go to another meeting, but I'd like to just lay the question out. What are you going to do about making the programming more balanced? I've got people really harassing—

The CHAIRMAN. Is that fair and balanced?

Senator LOTT. Fair and balanced, I didn't use that.

[Laughter.]

Senator LOTT. I don't propose to make it FOX.

[Laughter.]

Senator LOTT. But, I mean, the tears and the crying and the weeping and gnashing of teeth the day after the election just almost made me gag.

[Laughter.]

Senator LOTT. And so—you know, but the Public Telecommunications Act of 1992, under Section 19, says that there must be strict adherence to objectivity and balance in all programs, or a series of programs, of a controversial nature. It ain't been done. And I hope that you will, you know, work on that. And I'd like for you, in your testimony or in response, tell us what you're going to do. Because I've been supportive, but it's getting harder and harder to do so.

I think we've got good nominees, and I believe that you will work on this. I'm not saying take one particular point of view, or the other, but there are still huge problems out in the real world. Thank goodness, in my state, when the programming's bad, they don't run it.



So, at any rate, thank you, Mr. Chairman. I'm glad to have lobbed that into the mix.

[Laughter.]

Senator LOTT. I'm studying at the feet of John McCain—

[Laughter.]

Senator LOTT.—learning how to rattle cages.

[Laughter.]

Senator LOTT. I'm prepared to take action to back that up. Thank you, Senator McCain. And, Mr. Chairman—

The CHAIRMAN. Thank you.

Senator LOTT.—you've done a great job as our leader on this Committee.

The CHAIRMAN. Thank you, sir.

I'd like to mention, I did meet with the CPB nominees prior to the hearing, and I warned them that perhaps they might be addressing some issues of some controversy concerning both CPB and NPR, and I—look, I think those are legitimate questions. I think that when the taxpayers' dollars are involved, clearly we have an additional obligation than we do to any network or independent radio or television station, and I—so I think your points are well made.

Senator DORGAN. Mr. Chairman, what—

The CHAIRMAN. Senator Dorgan?

Senator DORGAN. It wasn't clear to me whether Senator Lott was alleging that it was too conservative or too liberal.

[Laughter.]

Senator LOTT. It makes no difference. Either, or both. This is paid for by taxpayers' dollars. Let's shoot it down the middle as much as we can. I don't want 'em to be a—you know, a Republican entity, or a Democrat.

The CHAIRMAN. But if you had a choice?

[Laughter.]

Senator LOTT. A little tilt one way or the other would, I'm sure, occur.

The CHAIRMAN. Thank you.

Senator BURNS. I'd just warn you, you may be moving into a hard-hat area.

[Laughter.]

Senator BURNS. You may have to consider that. I like—Ms. Gaines, I—I'll tell you what, I sell an auction every year out of Mt. Vernon. I think—you know, the—

Ms. GAINES. Absolutely.

Senator BURNS.—Historical Society.

Ms. GAINES. Yes, sir.

Senator BURNS. There's a lot of money out there.

Ms. GAINES. I'll come next time.

Senator BURNS. And—but I always am—on how come they got all excited about what's in our history books. I guess the guy out there that runs the Historical Society picked up his history book from a seventh-grade student, thumbing through it, they had a full page on Marilyn Monroe, but a quarter page on George Washington.

Ms. GAINES. That's right.

Senator BURNS. He felt like nobody—but she’s had a lot to do with that out there—Ms. Gaines, has—and——

Ms. GAINES. Well, I will have a lot to do with it.

Senator BURNS. Yes.

Ms. GAINES. I will.

Senator BURNS. So keep it—that ain’t fair and balanced. And I ain’t got nothing against Marilyn Monroe——

[Laughter.]

Ms. GAINES. I didn’t write that history book, Senator.

Senator BURNS.—but I don’t think she’s in the same league as George Washington, either. So——

Thank you.

The CHAIRMAN. We are pleased to have with us this morning Senator Tim Johnson, who would like to make some remarks about the nominee. And, also, I know that Senator Allen was here earlier, and he wanted to, of course, welcome our nominees, as well.

Senator Johnson?

**STATEMENT OF HON. TIM JOHNSON,  
U.S. SENATOR FROM SOUTH DAKOTA**

Senator JOHNSON. Thank you, Mr. Chairman, for calling this important hearing to consider nominations, including the renomination of Jonathan Adelstein to continue to serve as a member of the Federal Communications Commission.

Mr. Chairman, I’m pleased to be here this morning to introduce a fellow South Dakotan who has been selected by Senator Daschle and nominated by President Bush to continue his service as an FCC Commissioner.

Like Commissioner Adelstein’s original nomination to the FCC, this renomination is long overdue. But many of my colleagues on this Committee already know that, as at least 17 Members of this Committee have written to the President in support of Commissioner Adelstein’s renomination. The bipartisan support he received from this Committee is testament to Commissioner Adelstein’s hard work and dedication at the FCC over the past 2 years. I’m thankful for the support so many of you have shown, and I want to work with you to secure confirmation of Commission Adelstein’s nomination before the 108th Congress adjourns.

Commissioner Adelstein has been diligent in his work at the FCC, and he has added vitally important firsthand knowledge of the telecommunications needs of rural America to the Commission’s deliberations. I’m confident Commissioner Adelstein will continue to be a strong voice for rural America and will work with the other commissioners to determine telecommunications policy in a way that encourages telecommunications advances in rural areas of our country.

Jonathan is a native of Rapid City, South Dakota, graduated from high school at Phillips Academy in Andover. He went on to earn both undergraduate and graduate degrees from Stanford. Jonathan completed his education at the Kennedy School of Government at Harvard University.

Jonathan’s expertise, determination, and understanding of the issues has served him well over the last 2 years at the FCC, and all of those who work with Jonathan praise his pragmatism and

ability to maintain an open mind, as well as his ability to work in a bipartisan manner.

I personally bear witness to his dedication and dependability. And Jonathan is joined today by his wife, Karen, his two children, Adam and Lexi.

And, again, Mr. Chairman, thank you for holding this hearing. I look forward to working with you and my colleagues to quickly confirm this highly qualified nominee.

Thank you.

The CHAIRMAN. Thank you very much.

Mr. Adelstein?

**STATEMENT OF JONATHAN S. ADELSTEIN, RENOMINATED TO  
BE COMMISSIONER, FEDERAL COMMUNICATIONS  
COMMISSION**

Mr. ADELSTEIN. Well, thank you, Mr. Chairman. And thank you, Senator Johnson, for such a kind introduction to the Committee.

Of course, I've been here before. It's wonderful to be here. I appreciate all the Members before me who have done so much to make it possible for me to be here today. All of you that are on the dais now have been so supportive over the years. I've appreciated the guidance that you've given me, the leadership that you've shown in this Committee, and I've tried to be true to that in everything that I've done, both through my 2 years on the FCC, and it's also been great to work with many of you during the 15 years that I served as a member of the staff here in the U.S. Senate.

I'm especially indebted to so many of you for offering strong bipartisan support that, Senator Johnson, you referred to in that letter, which is certainly why I'm sitting before you here today.

One Senator who isn't here this morning, who's, I believe, in Little Rock, has gone to extraordinary lengths to make this possible, my mentor and my friend and one of the finest men, I think, ever to grace the U.S. Senate, Tom Daschle. He's had the confidence now to recommend me to the President twice. And for that, for his visionary leadership over the years and many kindnesses that he's shown me, I will remain forever in his debt. He's worked tirelessly, I think, to make sure that I, as the first commissioner ever to serve from South Dakota, or even the entire Upper Midwest, in the history of the FCC, could continue to help ensure that all consumers, including those in rural America, remain connected. In that effort, the bipartisan chorus of support we heard from our state is, "Join him."

And I'm grateful to our Governor, Mike Rounds, our chairman of our PUC, Chairman Bob Saar, and many others, for their support from our state.

These efforts, I think, say something special about rural America. Growing up a fourth-generation South Dakotan, with long winters and people scattered over large distances, I learned the value of people staying connected, both to each other and to the rest of the country. And that experience drives me to work hard to fulfil the Communications Act promise for innovative communications technologies and services that are widely available to everyone in this country. These goals become even more imperative as communications take an ever-more prominent role in our personal lives

and in our global economic competitiveness. With advances in technology and in today's security environment, I'll also continue to put the communications needs of our public safety and national security communities at the forefront.

I think the telecommunications industry is at a crossroads, and it's been driven there by the rise of broadband and its revolutionary implications. From distance learning to telecommuting to high-definition video to telemedicine, broadband breaks through geographic barriers and transforms communities. We must continue to encourage broadband deployment by increasing incentives for investment and by promoting competition. We can do both with a policy framework that is flexible and keeps pace with the rapid changes we're seeing in the technology.

To promote these benefits to everyone in this country, I have focused on improving spectrum management, on modernizing universal service, and protecting diversity, competition, and localism in our media.

First, to spectrum. It's really the lifeblood for much of this new communications landscape. I've set on an approach that I call "A Framework for Innovation." It establishes groundrules for issues like interference, while, to the greatest extent possible, allowing innovation in the marketplace to drive the development of spectrum-based services. My goal is to try to maximize the amount of communications and information that can flow over the nation's airwaves. And I think we have achieved remarkable results, on a bipartisan basis, by improving our spectrum management policy, I think, in dramatic ways over the last 2 years. And the marketplace has responded with an explosion of new opportunities for consumers, like WiFi and new licensed wireless broadband services.

Our whole country gains economic, social, and civic benefits from being connected to a seamless network of networks. I have worked hard to preserve and advance Congress's universal service programs. It's vital that these programs remain on a solid footing.

Increasingly, voice, video, and data will flow to homes and businesses over these broadband platforms. And in this new world, we've got to promote a comprehensive rollout to all Americans, including those from rural and other high-cost areas, Native Americans, and other minorities, people with disabilities, non-English-speakers, and low-income consumers.

As for the media, I've never forgotten that the airwaves belong to the American people and that it's critical to preserve their access to what the Supreme Court called "the uninhibited marketplace of ideas," something I think Senator Lott was referring to this morning. The FCC should continue to promote the priorities that have always formed the basis of our public-interest policy as envisioned by Congress and by this Committee—diversity, competition, and localism.

Congress has charged the Commission with ensuring that the American public stays well connected and well protected. If confirmed, I'll continue to work with each of you to implement these congressional imperatives.

And thank you, again, for holding this hearing today.

[The prepared statement and biographical information of Mr. Adelstein follow:]

PREPARED STATEMENT OF JONATHAN S. ADELSTEIN, RENOMINATED TO BE  
COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION

Mr. Chairman, Senator Hollings, and Members of the Committee, thank you for convening this hearing. I am grateful for the encouragement and leadership you have provided, both during my two years as an FCC Commissioner and also my fifteen years on staff in the Senate.

I am especially indebted to many of you for offering strong bipartisan support for my renomination, which is why I am sitting before you today.

One Senator you know well has gone to extraordinary lengths to make this possible: my mentor, my friend, and one of the finest men ever to grace the Senate, Tom Daschle. He has had the confidence to recommend me to the President for this position twice. For that and numerous other kindnesses over the years, I shall forever remain in his debt.

Senator Daschle worked tirelessly to ensure that as the first FCC Commissioner from South Dakota and the entire upper Midwest, I could continue to help ensure that all consumers, including those in Rural America, remain connected.

In that effort, a bipartisan chorus of support from our state has joined him, and I am grateful to Governor Mike Rounds, PUC Chairman Bob Sahr, and to many others for their support.

These efforts say something special about Rural America. Growing up a fourth-generation South Dakotan, with long winters and people scattered over large distances, I learned the value of all of us staying connected, to each other and to the rest of the country.

That experience drives me to work hard to fulfill the Communications Act's promise for innovative communications technologies and services that are widely available to everyone in this country. These goals become even more imperative as communications takes an ever more prominent role in our personal lives and in our global economic competitiveness. With advances in technology and today's security environment, I will also continue to put the communications needs of our public safety and national security communities at the forefront.

The telecommunications industry is at a crossroads, driven by the rise of broadband and its revolutionary implications. From telecommuting, to distance learning, to high definition video, to telemedicine, broadband breaks through geographic barriers and transforms communities. We must continue to encourage broadband deployment by increasing incentives for investment and promoting competition. We can do both with a policy framework that is flexible and keeps pace with rapid technological changes.

To promote these benefits for everyone in this country, I have focused on improving spectrum management, modernizing universal service, and protecting diversity, competition, and localism in our media.

Spectrum will be the lifeblood for much of this new communications landscape. I have set out an approach I call a "Framework for Innovation" that establishes ground rules for issues like interference, while, to the greatest extent possible, allowing innovation in the marketplace to drive the development of spectrum-based services. My goal is to maximize the communications and information that flow over the nation's airwaves. We have achieved remarkable results, on a bipartisan basis, by improving our spectrum management policy. The marketplace has responded with an explosion of new opportunities for consumers, like wi-fi and new licensed wireless broadband services.

Our entire country gains economic, social, and civic benefits from being connected to a seamless "network of networks." I have worked hard to preserve and advance Congress's universal service programs. It is vital that these programs remain on solid footing. Increasingly, voice, video, and data will flow to homes and businesses over broadband platforms. In this new world, we must promote a comprehensive rollout to all Americans, including those from rural, insular, and other high-cost areas, Native Americans and other minorities, people with disabilities, non-English speakers, and low-income consumers.

As for the media, I have never forgotten that the airwaves belong to the American people, and that it is critical to preserve their access to what the Supreme Court has called the "uninhibited marketplace of ideas." The FCC should continue to promote the priorities that have always formed the basis of our public interest policy as envisioned by Congress: diversity, competition and localism.

Congress has charged the Commission with ensuring that the American public stays well-connected and well-protected. If confirmed, I will continue to work with each of you to implement these Congressional imperatives.

## A. BIOGRAPHICAL INFORMATION

1. Name: Jonathan Steven Adelstein (Jon).
2. Position to which nominated: Commissioner, Federal Communications Commission.
3. Date of nomination: July 10, 2002.
4. Address: Home: Information not released to the public. Office: Federal Communications Commission, 445 12th Street, SW, Room 8-C302, Washington, DC 20554.
5. Date and place of birth: August 28, 1962, Rapid City, South Dakota.
6. Marital Status: Married to the former Karen Gail Brenner.
7. Name and age of children: Adam Fortis Adelstein, 3; Alexis Eve Adelstein, 1.
8. Education:
  - Harvard University, Kennedy School of Government, 1986–1987.
  - Stanford University, 1985–1986, M.A., History, 1986.
  - Stanford University, 1982–1985, B.A., Political Science, 1985.
  - Lewis & Clark College, 1980–1982.
  - Phillips Academy, Andover, 1977–1980, High School Diploma, 1980.
9. Employment record:
  - 2002–present: Federal Communications Commission, Commissioner.
  - 1995–2002: Senate Majority Leader Tom Daschle, Legislative Assistant.
  - 1989–1995: Chairman David Pryor, Senate Special Committee on Aging, Professional Staff Member; also served as special liaison to Senator Harry Reid.
  - 1987–1989: Senator Donald W. Riegle, Jr., Legislative Assistant.
  - 1987: Senator Richard C. Shelby, Intern.
10. Government experience: Commissioner, Federal Communications Commission, 2002–present; U.S. Senate staff for 15 years, 1987–present. In addition, I was appointed to the Clinton/Gore Presidential Transition Team in 1992 as a liaison to the Department of Health and Human Services.
11. Business relationships: None other than those listed above.
12. Memberships: Member, National Academy of Social Insurance, Washington, D.C.
13. Political affiliations and activities:
  - (a) Party offices held: none.
  - (b) Offices held and services rendered to political parties and election committees during the last 10 years: I took leaves of absences from the U.S. Senate to volunteer on the Senate campaign of Senator Harry Reid from October–November 1992, and on the Senate campaign of then-U.S. Rep. Tim Johnson from October–November 1996.
  - (c) Political contributions of \$500 or more during the past 10 years: Tim Johnson for Senate, \$1000, (2001); Tim Johnson for Senate, \$1500, (1996); Democratic National Committee, \$1000, (2000); Voters for Choice, \$850 total, (1996 and 1998); Rick Weiland for Congress, \$1000, (1996).
14. Honors and awards:
  - U.S. Senate Service Award, 1999.
  - Inducted into the National Academy of Social Insurance, 1999.
  - Graduated with Distinction (highest honors), Stanford University.
  - Phi Kappa Phi National Honor Society.
  - Pi Sigma Alpha Political Science Honor Society.
  - Outstanding Leadership Award, National Association for Music Therapy, 1991.
  - Alliance for Community Media, Director's Choice Award, 2003.
  - President's Award, Combined Federal Campaign of the National Capital Area.
  - Certificate of Appreciation, Comenius Foundation.
15. Published writings: "Disabled Yet Denied: Bureaucratic Injustice in the Disability Determination System" *Journal of Disability Policy Studies*, Volume 1, No. 4, Winter 1990, pages 57–80; Foreword for *Communication: From Hieroglyphs to Hyperlinks*, Houghton Mifflin Publishers, 2004.
16. Speeches: Formal speeches I have given are available on my FCC website at: <http://www.fcc.gov/commissioners/adelstein/speeches2004.html>. I have made a number of informal presentations, primarily on panels with other Congressional staff, in my capacity as a U.S. Senate aide. They have been extemporaneous remarks for which there is no written text.
17. Selection:
  - (a) Do you know why you were chosen for this nomination by the President?

I believe I was nominated by the President, upon the recommendation of Senator Daschle, primarily because of my experience in telecommunications policy and related fields, and also because my career in public service demonstrates my ability to work in a bipartisan fashion with the legislative and executive branches of government, with independent regulatory agencies, and with the many constituencies affected by Federal policy.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

For the past fifteen years, I have served in a number of senior staff policy positions in the United States Senate. That diverse and extensive experience culminated in Senate Majority Leader Tom Daschle's decision to make me his lead advisor on telecommunications issues and in several other key policy areas. In the many different capacities in which I served in the government, I have attempted to ascertain and promote the public interest by weighing the substantive policy arguments presented by an array of Members of Congress and their personal and committee staffs, powerful and often intensely competitive industries, public interest groups, Federal agencies, the White House and, perhaps most importantly, constituents with a direct stake in the outcome of Federal policy debates.

I have a long and proven record of working with Senators on both sides of the aisle to promote the public interest by developing legislation, influencing independent and executive agencies, conducting hearings and investigations and completing casework. This experience is ideally suited to developing the judgement required to ascertain Congressional intent and the public interest in complex regulatory proceedings, which often involve powerful opposing interests.

I have assisted a number of Senators in overseeing some of the largest and most complex Federal programs, as well as a number of regulatory agencies such as the FCC. This responsibility has provided me with an excellent background on the inner workings of the Federal Government and its impact on the many stakeholders affected by its actions. As a Senate staffer, I enjoyed access to the best information from leading experts in the field, interests with a stake in the outcome, members of the public with views on the issues and other players in Congress with differing policy and political agendas. Every day I have served the Senate has enriched my education in Federal policymaking. This has prepared me, should I be confirmed, to be an independent, impartial arbiter able to implement the statutes crafted by Congress in an accurate and equitable manner which serves the public interest.

In my service to Senator Daschle, I have worked extensively in every field of telecommunication policy overseen by the FCC, including common carrier, wireless, satellite and mass media issues. As Senate Majority and Democratic Leader, Senator Daschle has played a key role in every telecommunications debate to come before Congress. I have assisted him in taking a leadership role on a number of significant legislative and regulatory initiatives, including speeding the deployment of broadband to all Americans, including those who reside in rural areas. Our many bipartisan successes have prepared me to enhance communications and cooperation between Congress and the FCC.

#### B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate? Yes.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? No.

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization? No.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service? No.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? Yes.

#### C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers: None.

2. Indicate any investments, obligations, liabilities or other relationships which could involve potential conflicts of interest in the position to which you have been nominated:

I have disposed of all personal assets which could involve potential conflicts of interest in the position to which I have been nominated. My wife holds certain assets

that could raise conflict of interest issues, and she intends to sell or dispose of all of them prior to or upon my confirmation, consistent with an ethics agreement I am prepared to sign.

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated: None.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy:

As an employee of the U.S. Senate for more than the past 10 years, I have regularly engaged in legislative and policy activities on behalf of the Senators and the Committee for whom I have worked. I have not engaged in any such efforts on behalf of myself or any external agent or interest.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements):

I will resolve all potential conflicts of interest in a manner consistent with applicable laws and ethics rules. Specifically, I have already disposed of all personal assets that could involve potential conflicts of interest; my wife intends to divest or dispose of all assets of companies that engage in any business with issues before the FCC. I am consulting with FCC ethics officials and will follow their guidance regarding any possible conflicts that might arise from my wife's assets.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position? Yes.

#### D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? No.

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? No.

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in an administrative agency proceeding or civil litigation? No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination: None.

#### E. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your department/agency complies with deadlines set by congressional committees for information?

Yes. To the extent I can control the outcome if confirmed, I strongly believe that Federal agencies should always comply with congressional deadlines if at all humanly possible.

2. Will you ensure that your department/agency does whatever it can to protect congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.

3. Will you cooperate in providing the Committee with requested witnesses, to include technical experts and career employees with firsthand knowledge of matters of interest to the Committee? Yes.

4. Please explain how you will review regulations issued by your department/agency, and work closely with Congress, to ensure that such regulations comply with the spirit of the laws passed by Congress.

If confirmed, I will consider it my first obligation to ensure that any regulations issued comport completely with the letter and spirit of the law. I will maintain regular meetings, correspondence and telephone contact with Members of Congress and their staff, consistent with the Agency's procedural rules, to solicit their views and keep an open dialogue on all key issues.

5. Describe your department/agency's current mission, major programs and major operational objectives.



The FCC is an independent regulatory agency created by the Communications Act of 1934 to oversee emerging communications technologies by wire and radio. Its mission has been expanded by subsequent amendments to include television, satellite and cable. It is charged with carrying out the responsibilities conferred upon it by Congress to help "all the people of the United States" benefit from the best telecommunications system possible, and to do so at reasonable rates.

In short, the FCC regulates radio and television broadcasters, wire common carriers, wireless and satellite communications providers, as well as multichannel video programmers, and helps coordinate international and satellite policies. The FCC oversees the administration of universal service support programs, including high-cost and lifeline support, the E-rate and support for rural health care facilities. It enforces the Communications Act requirements in these fields and handles public inquiries and consumer complaints.

The FCC's mission, as detailed in the statute, is to facilitate competition, promote universal service and technological innovation, and to protect the public interest. Much of its recent activities has involved implementation of the Telecommunications Act of 1996. In addition, it faces the challenge of managing spectrum in an efficient manner.

Operationally, the FCC currently oversees a vast array of regulations that it must continually enforce and evaluate in light of changing market conditions and technological change. It must also respond to input from Congress, and to any changes that Congress enacts to its current mission.

6. Are you willing to appear and testify before any duly constituted committee of Congress on such occasions as you may be reasonably requested to do so?

Yes, I would welcome the opportunity to do so.

#### F. GENERAL QUALIFICATIONS AND VIEWS

1. How have your previous professional experience and education qualified you for the position for which you have been nominated?

As a staffer for Senator Daschle, I have been intimately involved in policy matters which fall under the FCC's jurisdiction. This experience has given me a working knowledge of the Commission, its functions, its organization and its employees. The Senate has provided an excellent setting in which to learn the details of the Communications Act of 1934, which defines the Commission's responsibilities, and its history as a living document which is constantly interpreted and reinterpreted by the Commission, the Courts, Congress and stakeholders.

I have worked with Senator Daschle and other Senators to take a leadership role on a number of telecommunications initiatives. Most recently, we worked on a bipartisan, bicameral basis to win enactment of a significant program to promote broadband deployment in rural areas. The legislation, enacted this year as part of the Farm Bill, will provide unprecedented levels of assistance each year in low-cost loans to providers so that they may offer broadband service to rural communities that lie beyond the reach of current deployments.

This achievement emerged from a long-term effort by Senator Daschle and other Senators, with my assistance, to promote more widespread broadband deployment to rural and other underserved communities. This included my taking the staff lead in spearheading and organizing a series of events that both studied and highlighted the need for Federal leadership to promote broadband. In September 1999, Senator Daschle hosted the "CEO Summit on Rural Telecommunications," attended by then-FCC Chairman Kennard and other FCC Commissioners, top CEOs from every segment of the telecommunications industry, and a number of Senators, their staff, members of the public and the press. That event was followed shortly thereafter by another bipartisan forum entitled "Going the Extra Mile: Bringing High Speed Internet to Rural America," which explored the efforts by rural telecommunications providers to meet the need for broadband deployment, the specific technological and economic challenges posed by distance and population dispersion in rural markets, the applicability of universal service support to the broadband context and the potential that certain wireless and satellite technologies could speed deployment of broadband to rural businesses and residences. The FCC Chairman gave his view of the FCC's role in fostering rural broadband deployment and a number of other leading experts and practitioners in the field offered their advice. These initiatives also involved numerous letters, meetings and other communications with FCC Commissioners and staff to ensure that additional attention was paid to the need to spur nationwide broadband deployment.

Senator Daschle also charged me with helping to develop a comprehensive congressional technology agenda which Senator Daschle and Representative Dick Gephardt unveiled live on the Internet in April 2001. It contained a detailed series of

proposals to spur innovation, productivity, economic growth and job creation. This effort required extensive consultation with each of the many Congressional committees that have jurisdiction over technology issues and the many Members of Congress with an interest in these issues. This exercise helped me establish a broad vision for promoting U.S. technological development in which the FCC, along with many other Federal agencies, plays an important role.

I have also worked with Senator Daschle on initiatives to promote efficient spectrum management, improve the availability of local-to-local television service to all regions of the U.S., and to establish the validity of electronic signatures and numerous of other telecommunications initiatives.

As Senator Daschle's leading banking and financial services advisor, I have also gained a solid understanding of the operations and structure of the capital markets, which remain crucial in the financing and development of the U.S. telecommunications infrastructure overseen by the FCC. For example, I worked on every aspect of the landmark legislation to revamp the financial services industry, the Gramm-Leach-Bliley bill. This experience provided me with great perspective on the latest developments in a field which plays a key role in the future of the telecommunications industry. Moreover, I have participated in the multi-year effort to enact bankruptcy reform, the commercial aspects of which are unfortunately playing an increasingly prominent role in the structuring of the telecommunications industry.

In my previous staff position for the Senate Special Committee on Aging, I undertook a number of in-depth investigations and organized a number of hearings, many of which led to changes in Federal law or reforms of executive agency practices and organizational structures. This experience in exploring the depths of complex issues, and learning how to conduct Federal investigations and organize fact-finding hearings will help me, if confirmed, to evaluate the complex field of telecommunications. Moreover, this oversight experience provided valuable insight into the management of large and complex Federal agencies and how to address bureaucratic problems that can have an adverse effect on the public which relies on those agencies. In this position, I also learned first-hand the importance of affordable telecommunications services to senior citizens and their families.

I served as the primary advisor to Senators Pryor and Riegle on some of the largest programs in the Federal budget which fall under the jurisdiction of the Finance Committee on which they served. This responsibility rapidly developed my ability to evaluate the effectiveness of Federal programs, initiate specific proposals for improving them and forge a bipartisan consensus in order to get changes enacted or otherwise approved by Federal agencies. This experience would aid me, if confirmed, in confronting the many challenges to the efficient functioning of the FCC.

My undergraduate and graduate education focused on how American history, political science, economics and public policy analysis could be employed to improve the functioning of government. My political science studies at Stanford, followed by my studies there to attain a Masters in history, helped me to better understand the context in which government decisions were being made. I furthered my studies at Harvard's Kennedy School of Government, where I gained valuable lessons in economics, statistics and public policy analysis.

In sum, I have had the privilege of studying and serving in capacities that have provided a unique level of experience, exposure and education about Federal Government processes, including those involving telecommunications policy. I have dedicated my career to public service in the United States Senate, working for some of its finest members. The Senate remains, in my view, the world's greatest deliberative body. I can imagine no greater training ground to prepare an individual for the enormous responsibility of implementing the complex and often disputed telecommunications laws enacted by Congress.

Public service has afforded me the opportunity to make some concrete contributions to what I, and the members I served, considered to be in the public interest. If confirmed, I look forward to new opportunities to continue to do so.

2. Why do you wish to serve in the position for which you have been nominated?

It is a great privilege to serve the Government of the United States. This country and my home state of South Dakota have given so much to me and my family that no amount of giving back in the form of public service can ever repay the gratitude I feel. My mother's family found safe haven here from the holocaust as they escaped Nazi-occupied Poland. My father's family found safe haven here from the pogroms in Russia around the turn of the century. My great-grandmother homesteaded near the Badlands of South Dakota, and my grandfather went on from there to found a business that became one of the largest employers in the state.

Now, based on the extraordinary opportunities and education I have been afforded in the Senate and at fine educational institutions, I would like to use my experience to promote the public interest as envisioned by Congress in its communications

laws. The FCC has before it perhaps the most exciting challenges of any agency in promoting the development of telecommunications and information technologies and services during a time of economic difficulty in the industry and security threats to our country. I would like to work toward achieving bipartisan solutions that maximize the ability of the Commission to contribute to productivity, economic growth and improved security for the entire country.

Having been born and raised in one of the most rural states in the country, South Dakota, and given my experience working on behalf of South Dakota for seven years in Senator Daschle's office, I see the value of quality communications and media services in people's lives. My experience has taught me that these services can make a positive contribution to economic development, education, public safety, and the quality of health care services available to people in need. In rural areas like the one where I was raised, the availability of the most advanced communications technology can determine whether a small community can offer an economic future to its citizens, and can even mean the difference between life and death in the case of medical emergencies. It is also clear that enhancing the quality of the nationwide telecommunications infrastructure improves the overall economy by increasing the productivity and efficiency of the entire Nation. If confirmed, serving at the Commission will provide me with an opportunity to promote the transforming power of communications and media services in people's lives.

The FCC has been charged by Congress with a key role in fostering competition, innovation and universal service. Advanced technologies can connect people to new opportunities and obliterate the distances between them. They can contribute to our quality of life, and keep this country competitive in the global economy. If confirmed, I will work with the other Commissioners and the many talented people at the Commission to help improve the telecommunications economy and promote the deployment of the most advanced technologies to every region and sector of American society, as envisioned by the Telecommunications Act of 1996.

3. What goals have you established for your first two years in this position, if confirmed?

If confirmed, my goals are to work toward expanding access to telecommunications services for all Americans, including broadband services, to help restore the economic vitality of the telecommunications sector, and to address emerging public safety and security needs. In pursuing these goals, I will strive to faithfully carry out the communications laws enacted by Congress, consistent with Congressional intent ascertained from a plain reading of the statute and its legislative history. In order to accomplish this most effectively, I will work to keep open and improve communications with Members of Congress and their staffs. Working firmly within that framework, I will seek to realize the goal of improving the economic climate of the telecommunications industry, which is currently witnessing an historic downturn, so that continued innovation, investment and deployment can improve the level of services available to consumers. This effort can be accomplished in part by working toward the statutory goal of the Act itself, which calls for extending the availability of advanced telecommunications technology to all Americans in all regions including the ubiquitous deployment of broadband. Finally, our country must have the most reliable and sound telecommunications infrastructure in order to meet new and emerging threats to our security. Addressing the needs of the public safety community must remain at the very forefront of the Commission's agenda.

4. What skills do you believe you may be lacking which may be necessary to successfully carry out this position? What steps can be taken to obtain those skills?

This Commission has a vast responsibility in a number of complex industries. It would be difficult for any individual to master the intricacies of all of those many areas of jurisdiction. Recognizing these difficulties, despite my years of experience in this field, I will examine even more intensively the many issues arising before the Commission, taking advantage of the greater access to information available to Commission members. I realize that many different challenges face the legislative branch and independent regulatory agencies of government. If confirmed, in making the transition to the FCC, I will need to reach out to the many experienced and skilled public servants within the Commission. Moreover, I will also draw on the experience of leading outside experts, including those in academia and public interest groups, and that of the many leaders in the telecommunications industry. I will also reach out to regular consumers and residents of rural areas to learn about their perspectives. Telecommunications is a rapidly changing field and I will need to refine my knowledge constantly to keep abreast of these changes. I am confident this can be accomplished by drawing on the seasoned Commission staff and leading technologists from outside the agency.

5. Please discuss your philosophical views on the role of government. Include a discussion of when you believe the government should involve itself in the private

sector, when should society's problems be left to the private sector, and what standards should be used to determine when a government program is no longer necessary.

The United States was founded upon a Constitution that carefully enumerates powers available to the Federal Government, and places limits on those powers. The American Revolution was largely a response to abuses of power by an unaccountable king. Emerging from this beginning, the U.S. has, historically and properly, retained a skeptical view of the role of government power. Most importantly, it vested responsibility for limiting the encroachment of government into the private sector and people's lives not only through the Bill of Rights, but through a sound democracy. Laws are established by the people through their representatives in Congress.

For officials in a regulatory agency such as the FCC, it is imperative not to exceed the authority delegated to the agency by Congress when applying regulations to the private sector. Congress has the power to regulate interstate commerce, and regulators must restrain themselves from using their congressionally delegated authority to exceed the limits of congressional mandates. When that happens, it is up to the courts to impose a further restraint upon regulators. I consider the necessity for such judicial action a failure to interpret congressional intent in implementing the law and, if confirmed, would strive to avoid such failure.

In my view, which happens to be consistent with the Telecommunications Act, competition is preferable to regulation as a means of encouraging innovation, lowering prices and improving the quality and availability of services to consumers. Some sectors of the telecommunications industry are already witnessing a competitive market, while others are still making the transition. Where competition thrives, the role of government should be highly limited. A greater government role may be needed to facilitate competition in less open markets, and government action may be necessary to stimulate service in other instances in which the market fails to address essential societal goals, such as the deployment of the advanced services to rural areas. In these exceptional circumstances, to make markets work best, the government should operate in a fair, clear and open manner, establishing frameworks that are technologically and competitively neutral. The goal must always be to get to the point where market forces and competition render governmental regulation unnecessary. Once that point is achieved, the regulatory environment should diminish deftly and appropriately.

In terms of when government programs are no longer necessary, section 10 of the Communications Act provides useful guidance. This provision authorizes the Commission to discontinue applying regulations that are no longer needed to prevent discrimination or other unjust practices or charges, or to protect consumers. This provision specifically requires the Commission to weigh whether or not eliminating a regulation could enhance competition. In general, I agree with the proposition that a program or regulation is no longer needed when the market failure it was designed to correct has been addressed.

The government has a role to play in furthering national goals. For example, the government has historically promoted universal service in areas such as postal service and telephone service. It has also established a national highway system, and promoted universal access to electricity. In these cases, government has worked in close cooperation with the private sector to accomplish laudable goals. Whenever possible, the government should attempt to work in partnership with the private sector to address policy goals in areas where competition or the market alone might not accomplish them to the satisfaction of policymakers in Congress. It is a core, bipartisan American value that the government should act to secure universal service for its citizens. This policy goal, when met, enhances the value of the telecommunications network for all who use it, whether as consumers or providers.

6. In your own words, please describe the agency's current missions, major programs, and major operational objectives?

The FCC is an independent regulatory agency created by the Communications Act of 1934 to oversee emerging communications technologies by wire and radio. Its mission has been expanded by subsequent amendments to include television, satellite and cable. It is charged with carrying out the responsibilities conferred upon it by Congress to help "all the people of the United States" benefit from the best telecommunications system possible, and to do so at reasonable rates.

In short, the FCC regulates radio and television broadcasters, wire common carriers, wireless and satellite communications providers, as well as multichannel video programmers, and helps coordinate international and satellite policies. The FCC oversees the administration of universal service support programs, including high-cost and lifeline support, the E-rate and support for rural health care facilities. It enforces the Communications Act requirements in these fields and handles public inquiries and consumer complaints.

The FCC's mission, as detailed in the statute, is to facilitate competition, promote universal service and technological innovation, and to protect the public interest. Much of its recent activities has involved implementation of the Telecommunications Act of 1996. In addition, it faces the challenge of managing spectrum in an efficient manner.

Operationally, the FCC currently oversees a vast array of regulations that it must continually enforce and evaluate in light of changing market conditions and technological change. It must also respond to input from Congress, and to any changes that Congress enacts to its current mission.

7. In reference to question number six, what forces are likely to result in changes to the mission of this agency over the coming five years?

The FCC's fundamental mission will change only to the extent that Congress amends the laws governing the agency, or that competition develops in a manner that obviates the need for regulation. Even if such fundamental developments do not occur, however, in certain areas the agency will confront the need to respond to technological innovation, and to accommodate rising demand for spectrum and new wireless technologies, as well as to respond to significant changes in the marketplace that may emerge.

8. In further reference to question number six, what are the likely outside forces which may prevent the agency from accomplishing its mission? What do you believe to be the top three challenges facing the department/agency and why?

While outside forces are presenting challenges to the FCC, I am hopeful none of them will prevent it from accomplishing its statutory mission. One great outside challenge now facing the agency is that changes in revenue streams are placing pressure on universal service, which may complicate efforts to ensure its sustainability and to encourage the deployment of advanced services. Secondly, increasing demands on spectrum are straining the ability of the agency to balance the need to promote the deployment of advanced wireless telecommunications services with the essential needs of national security and public safety. Third, the Commission will need adequate resources to carry out its mission as the telecommunications environment grows ever more technologically complex. It will be a challenge to attract and retain the best-trained specialists in the fields of telecommunications technology, economics, and law unless resources keep pace with the demands placed on the agency.

9. In further reference to question number six, what factors in your opinion have kept the department/agency from achieving its missions over the past several years?

The agency can improve communications with Congress so that emerging problems can be addressed in the most cooperative manner possible. In addition, the judicial review process has led increasingly to inconsistent interpretations of the law, in some cases due to inadequate efforts to provide objective justification for some of the regulatory positions the agency has taken. There is also a need to show more dedication to expeditiously and responsively addressing section 254 of the Telecommunications Act in light of the changing nature of the marketplace.

10. Who are the primary stakeholders in the work of this agency?

The primary stakeholders are residential and business consumers of telecommunications services. Congress, which created the agency, is also a primary stakeholder which is accountable and responsive to those consumers. Telecommunications businesses that provide services to consumers are, of course, key stakeholders. Others include the White House, related executive branch agencies, state regulators, and international governments.

11. What is the proper relationship between your position, if confirmed, and the stakeholders identified in question number ten?

The proper relationship varies in relation to the various stakeholders. The FCC is an independent regulatory agency. It must act to preserve its independence if its decisions are to be regarded as objective and fair. Given this position, the agency must always keep focused on its mission, as embodied in the Communications Act, to protect consumers and promote the public interest. As such, it is imperative that Commissioners maintain close communications with Congress so as to reflect most accurately its intentions with regard to the law and attend most efficiently to Members' concerns as raised by their various constituencies. Commissioners should work cooperatively with outside stakeholders, listen carefully to their concerns, and respond to those concerns in a manner consistent with the law. Commissioners should hear and consider fully the competing visions of the many providers of telecommunications services and evaluate what outcomes would best serve the public interest as intended by the Act. All stakeholders should be heard and treated fairly, but none should be granted any special treatment in terms of access or outcomes.

12. The Chief Financial Officers Act requires all government departments and agencies to develop sound financial management practices similar to those practiced in the private sector.

a) What do you believe are your responsibilities, if confirmed, to ensure your agency has proper management and accounting controls?

If confirmed, I will consider it my responsibility to work closely with and oversee agency management and administrative personnel, and help to ensure a clean audit. The Act specifies that the Chairman is to serve as the chief executive officer of the Commission, and the Commission has hired a Chief Financial Officer. At the same time, all Commissioners are responsible for overseeing and assisting with the management of the agency in order to comply with statutory mandates. I will seek to work closely with these officials to help establish the most effective organizational structure and the most efficient use of the budgetary resources provided by Congress. In terms of what will most closely fall under my purview if confirmed, I will employ diligence and careful scrutiny in administering the resources of my office.

b) What experience do you have in managing a large organization?

I have extensive experience in congressional oversight of large agencies, including committee oversight experience in evaluating the management of the over 60,000 employees of the Social Security Administration. I also have extensive experience in the congressional budget process involving the entire Federal Government, as I have assisted Senator Daschle with those responsibilities. While this differs from direct management experience of a large agency, if confirmed I will work closely with agency officials who manage the day-to-day operations of the Commission to refine the management skills I gained on the Hill in a manner consistent with its operations.

13. The Government Performance and Results Act requires all government departments and agencies to identify measurable performance goals and to report to Congress on their success in achieving those goals.

a) Please discuss what you believe to be the benefits of identifying performance goals and reporting on your progress in achieving those goals.

All successful organizations, and people for that matter, whether in government or in the private sector, must have a plan with measurable goals in order to maximize effectiveness. The GPRA, which requires a Strategic Plan and Annual Performance Plans, increases the effectiveness of Federal agencies by forcing them to adopt a structure by which to measure performance goals and to help set budget priorities. These measurable goals permit Congress, and the agency itself, to evaluate the progress being made toward achieving certain milestones. They also help direct human and financial resources to promote the most pressing priorities. Moreover, they can help determine whether certain programs and initiatives should get additional resources, fewer resources, or should be eliminated entirely.

b) What steps should Congress consider taking when an agency fails to achieve its performance goals? Should these steps include the elimination, privatization, downsizing or consolidation of departments and/or programs?

The appropriate response to agency failures would depend upon the size, significance and impact upon the public of those failures, and the degree to which it was due to factors under the agency's control, or upon external factors. Depending upon these circumstances, Congress is best able to determine the appropriate response based upon its investigative and oversight powers. While all the above options are available to Congress, the need for drastic measures can be minimized if the agency and Congress maintain effective communication so that would-be failures can be caught early and minimized through early corrective action.

c) What performance goals do you believe should be applicable to your personal performance, if confirmed?

In order to judge whether I fulfill my responsibilities, if confirmed I should be evaluated as to whether I have implemented the law consistent with congressional intent in a balanced, fair and impartial manner, and done so expeditiously and with thorough attention to the details of every issue that comes before the Commission.

14. Please describe your philosophy of supervisor/employee relationships. Generally, what supervisory model do you follow? Have any employee complaints been brought against you?

My view of managing involves identifying a core set of values and a vision, and communicating them clearly to employees. Foremost among these is a dedication to serving the public interest and doing what is right for the country. Setting a high standard for service in a public office, whether as an FCC commissioner or as a Senate staffer, serves to inspire employees to reach their full potential by making them realize that they are working for a cause much greater than themselves.

Supervisors should lead by example, both in terms of their work ethic and their communication of a vision that drives employees toward measurable goals. Supervisors should maintain an open door, be frank about both successes and shortcomings of employees' performance, and give regular guidance as to how to improve performance. These frank discussions are best accomplished in a collaborative setting, with incentives and opportunities to reward outstanding performance. Most importantly, employees should feel empowered to achieve their highest aspirations, and should be recognized and given credit for achievements. The message is always that we are all in this together, as a team, and that our successes and failures matter greatly because other people are depending upon us for our judgment and work product.

I have never been the subject of an employee complaint.

15. Describe your working relationship, if any, with Congress. Does your professional experience include working with committees of Congress? If yes, please describe.

I have served as a Senate staffer for the past fifteen years, advancing in positions of increasing responsibility from positions with a personal staff, a committee staff, and with a leadership staff. In each of these positions, I have worked regularly with congressional committees in both the Senate and the House. In the Senate, I have worked particularly closely with the Committee on Commerce, Science, and Transportation, the Committee on Finance and the Committee on Banking, Housing, and Urban Affairs.

16. Please explain what you believe to be the proper relationship between yourself, if confirmed, and the Inspector General of your department/agency.

The Inspector General must maintain independence from the Commissioners and all employees of the agency. If confirmed, were I to observe anything which appeared to involve improprieties, I would consider it my duty to report that matter to the IG and allow the IG to conduct an autonomous investigation. In addition, I would review any recommendations by the IG involving FCC activities and operations with great seriousness and act upon them to ensure compliance with statutory requirements. I would offer my full support and cooperation to the IG's office and urge cooperation throughout the agency as the IG carried out its responsibilities. I would not tolerate any impediments to the IG's efforts to investigate any and all operations of the Commission.

17. Please explain how you will work with this Committee and other stakeholders to ensure that regulations issued by your department/agency comply with the spirit of the laws passed by Congress.

I believe I currently enjoy an excellent working relationship with the Commerce Committee and its members on both sides of the aisle, and, if confirmed, I would strive to build upon those relationships. As I have stated, I see it as a fundamental priority to ensure that all of my activities comply with the spirit and the letter of the laws enacted by Congress. If confirmed, I pledge to maintain a regular dialogue with members of this Committee and their staff, consistent with the agency's procedural rules. I will seek regular guidance from them concerning how best to implement that statute as envisioned by the Committee and by Congress. I fully recognize that Congress sets the United States' communications policy and the FCC implements it, and will act accordingly in all of my relations with this Committee.

18. In areas under the department/agency's jurisdiction, what legislative action(s) should Congress consider as priorities? Please state your personal views.

I would not presume at this time to recommend any specific legislative actions regarding Federal telecommunications policy. If confirmed, I will view my role as carrying out the law as enacted. The agency remains involved in debating ways to carry out the substantial responsibilities vested in it by the Telecommunications Act of 1996. I would note that the Chairman has proposed strengthening the agency's enforcement authority, and his proposals have great merit and deserve the careful attention of Congress.

19. Within your area of control, will you pledge to develop and implement a system that allocates discretionary spending based on national priorities determined in an open fashion on a set of established criteria? If not, please state why. If yes, please state what steps you intend to take and a time frame for implementation.

If confirmed, I will work with the Chairman in order to set appropriate budgetary priorities and processes, and will seek to ensure the Commission has adequate resources to carry out its responsibilities to meet the national priorities established by Congress. I will begin work toward this goal immediately upon confirmation.

The CHAIRMAN. Thank you very much.  
Dr. Wilson, welcome.

**STATEMENT OF DR. ERNEST J. WILSON III, RENOMINATED TO  
BE A MEMBER, BOARD OF DIRECTORS, CORPORATION FOR  
PUBLIC BROADCASTING**

Dr. WILSON. Thank you very much, Mr. Chairman. It's a pleasure to be here the second time.

I did notice that the other Professor Wilson has arrived, so if I may ask her to stand, sir, I would appreciate it.

The CHAIRMAN. Glad you're here, ma'am, and I—we're having an investigation of the problem.

[Laughter.]

Dr. WILSON. Oh, dear. Thank you, Senator.

I do want to express my gratitude for your holding this hearing, Senator, and especially to the President for renominating me for another term on the Corporation for Public Broadcasting Board. It has been a real honor and a pleasure to serve on this board, which has been very bipartisan and very supportive of the purposes of the act.

When I appeared before you, more than 4 years ago, I noted that it was a very exciting time to be a part of public broadcasting. As I said then, our rapidly changing technology offers new opportunities to expand public broadcasting's educational mission and to reach even more diverse audiences than are already being reached today, two issues that I hold very dear to my heart.

Since then, CPB, with strong support from the Board, has worked to take advantage of these opportunities. And I think that one sees this especially clearly in one package that we put together, "Maya & Miguel," which is a new children's show, and I'd like to say a few things about that.

We all know that the demographics of the United States are changing rapidly, with Latinos as the fastest-growing group. In the 1990s, the population of Latinos in the United States grew 58 percent. But the impact of this change is even greater among children. Again, during the 1990s, Latino children accounted for more than half of the 8.7 million children added to the U.S. population. Clearly, learning to live and work in a multilingual, multicultural society must be a priority for us all.

And this is where "Maya & Miguel" comes in. It is designed to support education goals, and specifically English-language acquisition and usage, especially vocabulary. It targets an underserved children's audience, the six- to eight-year-olds who have graduated, if you will, from Sesame Street. And in keeping with our commitment to technology, the show is accompanied by a content-rich website, all resources available both in English and in Spanish.

In 2003, with the Board's strong support, CPB made a \$9 million grant to "Maya & Miguel," which is the largest in CPB's history to a children's multimedia project. The show premiered last month, and I think it's already justifying our confidence.

CPB may be unique in the breadth of its efforts to ensure that public broadcasting reflects the face of the entire American public. The organization funds five separate consortia to ensure cultural diversity in programming. They support extraordinary films and filmmakers, and we have supported a number of filmmakers who have won the MacArthur Genius Award.



Such efforts to tap into the technology and talent of the future, however, only hint at the opportunities before us. Digital television and radio, for example, offer the promise, not only of better technical quality, but of a range of new services that can offer information and education on an unprecedented scale, especially to local producers, and especially in rural areas.

As an educator, I take particular pride in the role that CPB plays in advancing the educational goals of all Americans. I have been involved in academia for 30 years and have taught in the United States and overseas, and now with the University of Maryland, and I believe that the educational role of CPB is primary.

I also believe that my experience and world view will continue to be useful as we seek to address, as a group, the cultural and other issues that challenge us as a nation and as a world. I have also worked with the United States Information Agency, Radio Free Europe, Radio Marti, and held a number of positions in the executive branch, on which I will draw in my service to CPB. Much of my recent career has been spent researching and analyzing the impact of the global information revolution on localities in the United States and around the world.

When I came to you 4 years ago, sir, I said I was a long-term admirer of public broadcasting. My experience on the Board since then has only strengthened my high opinion of my colleagues on the Board and throughout the public broadcasting community. I believe that noncommercial, educational broadcasting is uniquely powerful in its ability to reach so many segments of our population. In recognizing both what unites us and divides us, public broadcasting adds to the strength of our Nation.

I am deeply grateful for the opportunity to serve on the CPB board, and hope to be able to make a contribution in the future. Thank you very much, Senator, and to your colleagues.

[The prepared statement and biographical information of Dr. Wilson follow:]

PREPARED STATEMENT OF DR. ERNEST J. WILSON III, RENOMINATED TO BE A MEMBER, BOARD OF DIRECTORS, CORPORATION FOR PUBLIC BROADCASTING

Thank you, Mr. Chairman and Members of the Committee. I want to express my gratitude for your holding this hearing, and also to the President for nominating me for another term on the Board of the Corporation for Public Broadcasting. It has been an honor to serve, and I look forward to the opportunity to do more to advance public broadcasting's work for the American people.

When I appeared before you more than four years ago, I noted that it was an exciting time to be part of public broadcasting. As I said then, "Our rapidly changing technology offers new opportunities to expand public broadcasting's educational mission and to reach even more diverse audiences than are already being reached today."

Since then, CPB, with strong support from the Board, has worked to take advantage of these opportunities. Let me offer one example that brings all three concerns—education, diversity, and technology—together in one package, *Maya & Miguel*, a new children's show.

We all know that the demographics of the United States are changing rapidly, with Latinos as the fastest growing group. In the 1990s, the population of Latinos in the United States grew 58 percent. But the impact of this change is even stronger among children: again, during the 90's, Latino children accounted for more than half of the 8.7 million children added to the U.S. population. Clearly, learning to live and work in a multi-lingual, multicultural society must be a priority for all of us.

That is where *Maya & Miguel* comes in. It is designed to support education goals, and specifically English language acquisition and usage, especially vocabulary. It

targets an underserved children’s audience—the six-to-eight-year-olds who have “graduated” from *Sesame Street*. And in keeping with our commitment to technology, the show is accompanied by a content-rich website—with all resources available in both English and Spanish. In 2003, with the Board’s strong support, CPB made a \$9 million grant to *Maya & Miguel*—the largest in CPB’s history to a children’s multi-media project. The show premiered last month, and I think it is already justifying our confidence.

CPB may be unique in the breadth of its efforts to ensure that public broadcasting reflects the face of the public. The organization funds five separate consortia to ensure cultural diversity in programming. They all support extraordinary films and filmmakers, but I do think it is particularly notable that through the National Black Programming Consortium, CPB recognized the work of three MacArthur “genius” fellows, most recently, Stanley Nelson in 2003.

Such efforts to tap into the technology and talent of the future, however, only hint at the opportunities before us. Digital television and radio, for example, offer the promise not only of better technical quality, but of a range of new services that can offer information and education on an unprecedented scale. CPB is already soliciting proposals that can serve as prototypes for future efforts.

As an educator, I take particular pride in the role CPB plays in advancing the educational goals of all Americans. I have been involved in academia for 30 years, beginning my career as a teacher abroad in the Congo and eventually teaching political science at the University of California, Berkeley; the University of Pennsylvania; and the University of Michigan, Ann Arbor. Currently, I am on the faculty at the University of Maryland, College Park.

I also believe that my experience and worldview will continue to be useful as we seek to address the cultural and other issues that challenge us as a nation and a world. My resume includes work with the United States Information Agency (USIA), Radio Free Europe, and Radio Marti. I also have held numerous positions in the Executive Branch including the National Security Council and in the private sector with the Global Information Infrastructure Commission.

Much of my recent career has been spent researching and analyzing the impact of the global information revolution. I am deeply engaged in studying the educational possibilities of digital technology. I have worked on the subject of the impact of information technology on society with research groups such as RAND and the Center for Strategic and International Studies (CSIS), and lectured at Harvard, George Mason University (GMU) in Virginia, and abroad.

When I came to you four years ago, I said I was a long-time admirer of public broadcasting. My experience on the Board since then has only strengthened my high opinion of my colleagues throughout the public broadcasting community. I believe that non-commercial, educational broadcasting is uniquely powerful in its ability to reach so many segments of our population. In recognizing both what unites us and divides us, public broadcasting adds to the strength of our Nation. I am deeply grateful for the opportunity to serve on the CPB board, and hope to be able to make a contribution in the future.

Again, I appreciate the opportunity to appear before you, and I will be happy to answer any questions you may have. Thank you.

#### A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names or nicknames used.) Ernest James Wilson III; “Chico.”

2. Position to which nominated: Director, Corporation for Public Broadcasting Board.

3. Date of nomination: November 16, 2004.

4. Address: (List current place of residence and office addresses.)

Residence: Information not released to the public.

Office: CIDCM, University of Maryland, 0145 Tydings Hall, College Park, Maryland 20742.

5. Date and place of birth: May 3, 1948 in Washington, D.C.

6. Marital status: (Include maiden name of wife or husband’s name.) Francille Rusan Wilson, wife.

7. Names and ages of children: (Include stepchildren and children from previous marriages.) Malik Ernest Wilson (27); Rodney R.G. Wilson (19).

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

Capitol Page School, Washington, D.C. from 09/1963 to 06/1966.

Harvard University, Cambridge, MA from 09/1966 to 06/1970; B.A. 06/1970.  
University of California, Berkeley from 09/1972 to 06/1977; M.A. 06/1973, Ph.D.  
01/1978.

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

Professor, University of Maryland at College Park, 08/1995 to Present.  
Deputy Director, Global Information Infrastructure Commission, Washington, D.C., 07/1994 to 08/1995.  
Director of Policy Planning, U.S. Information Agency, U.S. Department of State, 02/1994 to 07/1994.  
Director, National Security Council, 01/1993 to 02/1994.  
Professor, University of Maryland at College Park, 07/1992 to 01/1993.  
Associate Professor, Department of Political Science, University of Michigan, Ann Arbor, MI, 08/1987 to 06/1992.  
Assistant Professor, Department of Political Science, University of Michigan, Ann Arbor, MI 08/1981 to 08/1986.  
Assistant Professor (on leave), Department of Political Science, University of Pennsylvania, Philadelphia, Pennsylvania (While on leave, was a Gilbert White Fellow at Resources for the Future, Washington, D.C. and Post Doctoral Fellow, Kennedy School of Government, Harvard University, Cambridge, MA 1980–1981.  
Assistant Professor, Department of Political Science and Energy Management and Policy Program, School of Public and Urban Policy, University of Pennsylvania, Philadelphia, Pennsylvania, 1977 to 1980.  
Acting Assistant Professor, Department of Afro-American Studies, University of California, Berkeley. “Afro-American Political Strategies” 1977.  
Editorial Assistant, The Black Scholar Magazine, Sausalito, CA 1976–1977 (graduate student, University of California, Berkeley, 1972–77).  
Teaching Assistant, Department of Political Science, University of California, Berkeley, 1974 to 1975.  
Field Research Worker, Survey Research Center, University of California, Berkeley; Conducted and assisted in the evaluation of social science survey in the Bay Area, 1972 to 1973.  
Legislative Assistant to Hon. Charles C. Diggs, Chairman, House Subcommittee on Africa, 1972.  
National News Desk, The New York Times, Washington Bureau, 1971 to 1972.  
Teacher, L’Ecole Secondaire Lapsley, Kasai Oriental, Zaire. Taught social studies in French, 1970 to 1972.

10. Government experience: (List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.)

Board Member, Corporation for Public Broadcasting. Nominated by President William Clinton, Confirmed by U.S. Senate.  
Advisor on Africa Policy (unpaid), Congressional Black Caucus, Washington, D.C.  
Consultant, Central Intelligence Agency, “Educating the Analyst of the 21st Century,” Washington, D.C.  
Advisor, Development Gateway Foundation, World Bank.

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational, or other institution.)

Chair, Technical Advising Panel, infoDEV, World Bank, 2003–2006.  
Advisor, Quincy Jones Listen Up Foundation, Los Angeles, CA, 2001–Present.  
Senior Advisor, Global Information Infrastructure Commission, Washington, D.C., 1996–Present.  
International Career Advancement Program, Aspen, CO, 2000–2004.  
Principal Investigator, African Telematics Project, USAID.

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Fellow, Center for Global Communications, International University of Japan, 2000–Present.

Member, Advisory Board, Office of International Affairs, National Research Council, 1999–Present.

Charter Invited Member, Pacific Council on International Policy, 1998–Present.  
Member, Council on Foreign Relations.

Editor-in-Chief, *Information Technologies and International Development*.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate: None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

1992—Volunteer, Clinton for President Campaign.

2000—Volunteer, Gore for President Campaign.

2004—Volunteer, Kerry for President Campaign.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$500 or more for the past 10 years.

\$1,000 to Gore for President, 1999.

\$250 to Elijah Cummings for Congress, 2004.

\$250 to Jamie Metzel for Congress, 2004.

\$250 to Kerry for President, 2004.

14. Honors and awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievements.)

Senior Visiting Fellow in Public Diplomacy, Annenberg School, University of Southern California, present.

Professor-in-Residence and W.E.B. Du Bois Lecture, George Mason University, 1998.

Fellow, Center for Global Communications, Tokyo, Japan 1997.

International Affairs Fellow, Council on Foreign Relations, 1985–1986.

Outstanding Young Men of America, 1983.

Grantee, “Public Sector-Private Sector Relations in Africa,” National Science Foundation, 1983–1986.

Gilbert White Fellow, Resources for the Future, Washington, D.C. 1980–1981.

Grantee, Rockefeller Family and Associates. “The Institutionalization of Alternative Energy Technologies in Africa,” 1979–1980.

Post Doctoral Fellow, Southern Fellowship Fund, 1980.

Ford Foundation Post Doctoral Fellow, Alternate, 1980.

Post Doctoral Fellow, J.F. Kennedy School of Government and Joint Fellow, Energy and Environmental Policy Center, and Center for Science and International Affairs, Harvard University, 1980.

Andrew W. Mellon/Aspen Institute for Humanistic Studies Fellow, 1979–1980.

Ford Foundation Doctoral Fellow, 1972–1976.

University Consortium for World Order Studies Fellow, 1975–1976.

Ford Foundation Middle East and Africa Research Fellowship for Afro-Americans, 1975.

First Prize, W.E.B. Dubois National Essay Award, 1975.

African American Scholars Council Grantee, 1973.

Ralph Bunche Fellowship, Finalist, 1973.

Graduate Minority Program (Berkeley) Fellow, 1972.

American Political Science Association, Fellow, 1972.

Michael Clarke Rockefeller Fellow, 1970.

Harvard Regular Scholarship, 1966–1970.

15. Published writings: (List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.)

## Books and Monographs

1. *Negotiating the Net: The Politics of Internet Diffusion in Africa*, Ernest J. Wilson III and Kelvin R. Wong, eds. Boulder, CO: Lynn Rienner Publishers, 2005.
2. *Governing Global Electronic Networks*, William Drake and Ernest J. Wilson III, eds. World Power and the Information Revolution series. Cambridge, MA: MIT Press, 2005.
3. *The Information Revolution and Developing Countries*, Cambridge, MA: MIT Press, 2004.
4. *Diversity and U.S. Foreign Policy*, New York, NY: Routledge Press, 2004.
5. "Assessing the Research Responses to Y2K: Boom or Bust?" National Research Council, forthcoming.
6. "Are Poor Countries Losing the Information Revolution?" with Francisco Rodriguez, infoDev Working Paper, The World Bank, Washington, D.C., May 2000.
7. *Globalization Information Technology, and Conflict in the Second and Third Worlds, A Critical Review of Literature*, Project on World Security, New York: Rockefeller Brothers Foundation, 1998.
8. *The United States and Africa: Toward A New Relationship*, with David F. Gordon, report of a study funded by the Ford Foundation, published by the Center for International Development and Conflict Management, College Park, MD, April 16, 1997.
9. Co-Editor, *National Information Initiatives: Political Vision and Public Policy*, Cambridge, MA: MIT Press, 1997 (with Brian Kahin).
10. *Does the Global Information-Highway Lead to Africa?* Center for Strategic and International Studies CSIS Notes, Washington, D.C., May 1996.
11. *The Decade of Energy Policy: Policy Analysis in Oil Importing Countries*, Ernest J. Wilson III and Paul Kemezis, New York: Praeger, 1984.

## Chapters in Books

1. "Le Origini della Razionalità nella Società della Conoscenza," in *Il Sonno della Ragione*, Vision I Libri de Reset, Rome, Italy, 2004
2. "The Intersection of Domestic and Global Determinants of Electronic Networks." Concluding Chapter in William Drake and Ernest J. Wilson, III, *The Governance of Global Electronic Networks*, Cambridge, MA: MIT Press, 2005.
3. "Introducing Interests and Action into the Study of Information and Communication Technology" in Wilson and Wong, *Negotiating the Net*, Boulder, CO: Lynne Rienner, 2005.
4. "What Social Science Theory Can Do For Policy Makers: The Relevance of Theory For Foreign Policy" in Miroslav Nincic and Joseph Lepgold, eds. *Being Useful: Policy Relevance and International Relations Theory*, Ann Arbor, MI: University of Michigan Press, 2000.
5. "Economic Governance in Africa: New Directions for the Organized Private Sector in Africa," in *Public Sector, Private Sector, and Economic Development*, Ademola Arriyo, Ibadan: Centre for Public-Private Cooperation, 1998.
6. "Can Business Associations Contribute to Development and Democracy?" with Richard Donor and Ben Schneider, in *Business and Democracy Cohabitation or Contradiction?*, Ann Bernstein and Peter L. Berger, eds. London: Pinter, 1998.
7. "The What, Why, Where and How of National Information Initiatives" in Brian Kahin and Ernest J. Wilson III, *National Information Infrastructure Initiatives: Vision and Policy Design*, Cambridge, MA: MIT Press, 1997.

## Journal Articles

1. "The Contribution of Leadership to the Information Revolution in China," Ernest J. Wilson III and Duan Qing, *Journal of Contemporary China*, forthcoming.
2. "What is Internet Governance and Where Does it Come From?" *Journal of Public Policy*, 2005.
3. "The Information Revolution in China: Critical Issues for Analysis" with Adam Segal, *Asian Survey*, forthcoming in 2005.
4. "The Status of the Information Revolution in Africa," Ernest J. Wilson III and Kelly Wong, *Telecommunications Policy*, 2003.

5. "Scholarship and Practice in the Transition to a Knowledge Society," *Items and Issues (SSRC)*, Vol. 4, No. 2-3, Spring/Summer 2003.
6. "Wiring the African Economy," *EM-Electronic Markets*, v. 10, No. 2, November 2000.
7. "Take Next Steps to Narrow the Global Digital Divide," *Computer News*, September 2000.
8. "Organizing Foreign Policy: A Pragmatic Approach to the Information Revolution," Information IMPACTS, <http://www.cisp.org/imp/>, May 1999.
9. "New IT and Social Inequality in Africa: Resetting the Research and Policy Agendas," with Rubin Patterson, *The Information Society*, 16 (1), 2000.
10. "Development of National Information and Communications Services, A Comparison of Malaysia and South Africa," *Journal of Developing Societies*. Vol. XV, April 1999.

16. Speeches: Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of on topics relevant to the position for which you have been nominated: None.

17. Selection:

(a) Do you know why you were selected for the position to which you have been nominated by the President? I believe my four years of experience on the Board of Public Broadcasting led the President to nominate me. In addition, I have experience working with Radio Free Europe, Radio Liberty, Voice of America and other international public broadcasting bodies, as well as my publishing and professional work on the information revolution.

(b) What in your background or employment experience do you believe affirmatively qualifies you for this particular appointment? I believe that my experiences with U.S. and international public broadcasting, my knowledge of digitalization and globalization, and my commitments to reducing the "digital divide" and to diversity qualify me for membership on the Board.

#### B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations, or business organizations if you are confirmed by the Senate? Not applicable.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? Not applicable.

3. Do you have any plans, commitments, or agreements after completing government service to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations? Not applicable.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service? Not applicable.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? I intend to carry-out my full term.

#### C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers: None.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated: None.

3. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated: None.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy: None.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.) I will consult with the appropriate officers at the CPB.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the

Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position? Yes.

#### D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county, or municipal law, regulation, or ordinance, other than for a minor traffic offense? No.

3. Have you or any business of which you are or were an officer ever been involved as a party in an administrative agency proceeding or civil litigation? No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be disclosed in connection with your nomination: None.

#### E. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your board/commission complies with deadlines for information set by congressional committees? Yes.

2. Will you ensure that your board/commission does whatever it can to protect congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.

3. Will you cooperate in providing the Committee with requested witnesses, including technical experts and career employees, with firsthand knowledge of matters of interest to the Committee? Yes.

4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

#### F. GENERAL QUALIFICATIONS AND VIEWS

1. How does your previous professional experiences and education qualify you for the position for which you have been nominated?

I believe that my professional and academic background qualifies me for the position on the CPB Board. My professional career encompasses more than 25 years of engagement with public and international affairs, in particular on globalization and information technology. I have just published a book with MIT Press on information technology and the digital divide in developing countries. My experience in broadcasting includes work with the United States Information Agency, Radio Free Europe, and Radio Marti on modernization and consolidation. I am also deeply engaged in studying the educational possibilities with digital technology, including distance education.

I have held numerous posts within the executive branch that will help me perform well on the CPB Board of Directors. I served as the Director of International Programs and Resources on the National Security Council, and Director of the Policy and Planning Unit, Office of the Director, USIA. In the private/NGO sector, I was Deputy Director of the Global Information Infrastructure Commission. My professional and academic career has taken me to live on the East and West Coasts and in the Midwest. I have a Ph.D. from the University of California, Berkeley and a bachelor's degree from Harvard University. I have a unique perspective on public policy issues based on my experiences.

I currently serve on the faculty at the University of Maryland, College Park. I have also held faculty positions at the University of Michigan, Ann Arbor and the University of Pennsylvania.

2. Why do you wish to serve in the position for which you have been nominated?

I want to serve the Nation in an area where I have expertise, particularly in the policy area of the emerging technology of digital media convergence. The technological changes now taking place are important to the United States. I believe my expertise in this area is well-suited for the position for which I have been nominated.

3. What goals have you established for your first two years in this position, if confirmed?

I am particularly interested in public broadcasting's role in digitalization, the digital divide, diversity, and education. I would like to help further public broadcasting's leadership in these areas and to help the CPB think strategically about these issues, including the area of public engagement.

4. What skills do you believe you may be lacking which may be necessary to successfully carry out this position? What steps can be taken to obtain those skills?

I believe I have all the skills necessary to successfully fill the position. At the same time, I look forward to expanding my knowledge of public broadcasting. For example, I intend to learn more about the broadcasting activities and contributions of local public television stations, as well as the non-broadcast services these stations provide to their communities.

5. Please discuss your philosophical views on the role of government. Include a discussion of when you believe the government should involve itself in the private sector, when society's problems should be left to the private sector, and what standards should be used to determine when a government program is no longer necessary.

I believe in partnerships, for example, public/private sector partnerships. The government should set the parameters and can contribute in instances where the private sector cannot. I believe in a competitive marketplace, but in some instances certain societal objectives cannot readily nor feasibly be achieved by the private sector. Government programs should be judged on their effectiveness and efficiency. If certain programs do not meet these standards, I do not believe they should be automatically extended. I write and lecture around the world on the importance of private-public-educational partnerships.

6. Describe the current mission, major programs, and major operational objectives of the board/commission to which you have been nominated.

CPB was established to facilitate the full development of programming of high quality, diversity, creativity, excellence, and innovation from diverse sources. CPB is committed to continued funding of the highest quality programming on television and radio. CPB has also made education, diversity, and conversion to digital technology its top priorities.

7. What do you believe to be the top three challenges facing the board/commission and why?

- (1) Declining public television market share.
- (2) Introduction of new technologies.
- (3) Enhancing our capacity to think strategically about these issues.

8. In reference to question number six, what factors in your opinion have kept the board/commission from achieving its missions over the past several years?

- (1) Inadequate funding.
- (2) Out-moded market-testing and production system.
- (3) Speed of technological changes.

9. Who are the stakeholders in the work of this board/commission?

Viewing/listening public; public television and radio stations.  
Educational institutions; elected officials.

10. What is the proper relationship between the position to which you have been nominated, and the stakeholders identified in question number nine?

The position holder should be sensitive and attentive to their concerns, while maintaining professional balance and integrity. One must also be aware of the growing opportunities for partnerships among the stakeholders.

11. Please describe your philosophy of supervisor/employee relationships. Generally, what supervisory model do you follow? Have any employee complaints been brought against you?

No complaints have been brought against me. I believe strongly that supervisors should view employees as partners in a common enterprise.

12. Describe your working relationship, if any, with the Congress. Does your professional experience include working with committees of Congress? If yes, please explain.

I worked actively on Capitol Hill as a Legislative Assistant, so I know Congress' important work. I have testified several times before Congress and respect its right to supervise boards and commissions. When at the White House, I consulted widely with Congressional staff.

13. In the areas under the board/commission jurisdiction to which you have been nominated, what legislative action(s) should Congress consider as priorities? Please state your personal views.

Increasing the level and support for funding public broadcasting.

14. Please discuss your views on the appropriate relationship between a voting member of an independent board or commission and the wishes of a particular president.



My experience on an independent board is to be respectful of the wishes and policies of the President, yet ultimately to be guided by my professional judgments and conscience.

The CHAIRMAN. Thank you, Dr. Wilson.  
Ms. Puig?

**STATEMENT OF CLAUDIA PUIG, RENOMINATED TO BE A MEMBER, BOARD OF DIRECTORS, CORPORATION FOR PUBLIC BROADCASTING**

Ms. PUIG. Thank you. I'm very honored to be here today.

Mr. Chairman and Members of the Committee, thank you for the opportunity to appear before you today to discuss my nomination to the Board of Directors of the Corporation for Public Broadcasting. I would also like to express my deep gratitude to the President for nominating me.

I was born in Havana, Cuba, and arrived in this country as an 8-year-old girl. It was shortly after the Bay of Pigs, where my father was executed by Castro's firing squad and my mother was imprisoned in their struggle to bring freedom to Cuba. My mother, brother, sisters, and I were given political asylum in this great country. Neither I nor my three younger siblings spoke a word of English when we arrived, in 1961.

As an immigrant, I understand very well the challenges of the newcomers that they face when they arrive in this country. Public broadcasting can serve as an important vehicle to help educate, inform, and serve the needs of this growing sector of the population.

My professional experience over the last 20 years has been in Spanish-language commercial radio, marketing, and promotions. As Senior Vice President Eastern Regional Manager of Univision Radio, I am responsible for all aspects of the operations, from programming to financial, of radio stations in key Hispanic markets, like in Miami, New York, and Puerto Rico. As you know, the Hispanic population is the fastest-growing segment of the U.S. population, and I have a great understanding of its needs, interests, and of the best way of reaching it.

This country has given me many wonderful opportunities, including the ability to serve actively on various boards, such as Florida International University Board of Trustees, United Way Board of Trustees, The American Cancer Society Hispanic Board, The Florida Broadcasters Association, The Orange Bowl Committee, New American Alliance, among others.

I truly believe that public broadcasting plays a unique role in education. It can transcend the limitations that are placed on commercial broadcast outlets and offer high-quality entertainment, information, and programs that enlighten, inform, and enrich our communities.

I am very much drawn to public broadcasting for its commitment to provide high-quality educational programming, and especially award-winning children's programs, from Sesame Street to Between the Lions, which helps children learn to read. Equally important, PBS provides educational opportunities to all members of the community by offering instructional, informational, and cultural programs.

Public radio also provides the American public with in-depth quality news and programming, day to day. As a board member for less than a year, I have become very impressed with the public's opinions about public radio as one of the most trustworthy and in-depth providers of news around the world.

This is a very exciting and challenging time to be part of public broadcasting. Technology is rapidly changing, making it possible for public broadcasting to reach more people and to empower new voices. I believe that digital technology offers public broadcasting even more opportunities to provide programs that reflect the diversity—culture of America. Through digital technology, both public radio and television stations will have more channels to broadcast simultaneously programs that appeal to different audiences, age groups, needs, and interests.

If confirmed to this position, I will work very hard to ensure that CPB continues to be a leader in responding to emerging technologies and developing multimedia platforms that are consistent with the public broadcasting criteria.

From emergency notification to emergency services, the opportunities are many. I would also work to ensure that the public broadcasting remains committed to the development of high-quality programming that represents all the segments of the public interest and means.

Serving Americans effectively requires public broadcasters to take advantage of new technology and to provide continued high-quality programming, but it requires something more, as well—a key understanding of how America is changing. Public broadcasters, like all broadcasters, face the challenge of an America that is growing increasingly diverse. As a Hispanic woman with years of experience in reaching diverse markets and years of experience in diverse workplaces, I believe that both my business experience and my personal life experience will help CPB to respond to the needs of an increasingly diverse population.

Thank you, again, for the opportunity to appear here before you today, and I'm happy to respond to any questions that you may have.

[The prepared statement and biographical information of Ms. Puig follow:]

PREPARED STATEMENT OF CLAUDIA PUIG, RENOMINATED TO BE A MEMBER, BOARD OF DIRECTORS, CORPORATION FOR PUBLIC BROADCASTING

Mr. Chairman and Members of the Committee, thank you for the opportunity to appear before you today to discuss my nomination to the Board of Directors of the Corporation for Public Broadcasting. I would also like to express my deep gratitude to the President for nominating me.

I was born in Cuba, and arrived in this country as an 8-year-old girl. It was shortly after the Bay of Pigs, where my father was executed by Castro's firing squad and my mother was imprisoned in their struggle to bring freedom to Cuba. My mother, brother, sisters and I were given political asylum to this country. Neither I nor my three younger siblings spoke a word of English when we arrived in 1961. As an immigrant, I understand well the challenges that newcomers face when they arrive. Public broadcasting can serve as an important vehicle to help educate, inform and serve the needs of this growing sector of the population.

My professional experience over the last 20 years has been in Spanish-language commercial radio, marketing and promotions. As Senior Vice President/Eastern Regional Manager of Univision Radio, I am responsible for all aspects of operations—from programming to financial—of radio stations in key Hispanic markets like in

Miami, New York, and Puerto Rico. As you know, the Hispanic population is the fastest growing segment of the U.S. population, and I have a great understanding of its needs, interests and to the best ways to reach it.

This country has given me many wonderful opportunities including the ability to serve actively on various boards including Florida International University Board of Trustees, United Way Board of Trustees, The American Cancer Society Hispanic Board, the Florida Broadcasters Association, the Orange Bowl Committee, New American Alliance, and others.

I truly believe that public broadcasting plays a unique role in education. It can transcend the limitations that are place on commercial broadcast outlets and offer high quality entertainment and information programs that enlighten, inform and enrich our communities. I am drawn to public broadcasting for its commitment to provide high quality educational programming and especially award winning children's programs from *Sesame Street* to *Between the Lions*, which helps young children learn to read. Equally important, PBS provides educational opportunities to all members of the community by offering instructional, informational and cultural programs.

Public radio also provides the American public with in-depth, quality news and programming day after day. As a Board member for less than a year, I have become very impressed with the public's opinion about public radio as one of the more trust worthy and in-depth providers of news around the world.

This is a very exciting and challenging time to be part of public broadcasting. Technology is rapidly changing, making it possible for public broadcasting to reach more people and to empower new voices. I believe that digital technology offers public broadcasting even more opportunities to provide programs that reflect the diversity and culture of America. Thru digital technology, both public radio and television stations will have more channels to broadcast simultaneously programs that appeal to different audiences, age groups, needs or interests.

If confirmed to this position, I will work to ensure that CPB continues to be a leader in responding to emerging technologies and developing multi media platforms that are consistent with the public broadcasting criteria. From emergency notification to emergency services, the opportunities are many. I would also work to ensure that public broadcasting remains committed to the development of high quality programming that represents all segments of the public interest and needs.

Serving Americans effectively requires public broadcasters to take advantage of new technology and to provide continued high quality programming. But it requires something more as well—an understanding of how America is changing.

Public broadcasters, like all broadcasters, face the challenge of an America that is growing increasingly diverse. As a Hispanic woman with years of experience in reaching diverse markets—and years of experience in diverse workplaces—I believe that both my business experience and my life experience will help CPB to respond to the needs of an increasingly diverse population.

Thank you again for the opportunity to appear before you today. I'm happy to respond to any questions that you may have.

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#### A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names or nicknames used.)

Claudia Puig.  
Claudia Amundsen.  
Claudia Cambo.

2. Position to which nominated: Member of the Board of Directors of the Corporation for Public Broadcasting.

3. Date of nomination: January 9, 2003 and again on January 21, 2004 after following recess appointment of December 26, 2003.

4. Address: (List current place of residence and office addresses.)

Residence: Information not released to the public.  
Office: 800 Douglas Rd., Annex Bldg., Suite 111 Coral Gables, FL 33134.

5. Date and place of birth: June 12, 1952, Havana, Cuba.

6. Marital status: (Include maiden name of wife or husband's name.) Married—Amundsen.

7. Names and ages of children: (Include stepchildren and children from previous marriages.)

Mario A. Cambo (29), son.  
Merideth Amundsen (21), stepdaughter.  
Richard G. Amundsen (26), stepson.

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

Miami Dade Community, 8/19/1975–7/19/1979—Graduated AA.  
Florida International University, 1980–1981—Business Admin./Mkt.  
Barry College—Furthering education.

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

2/2003 to Present: Senior VP/Regional Manager/East Coast—NY, Mia, PR  
Univision Radio (former HBC),  
800 Douglas Rd., Annex Bldg., Suite 111,  
Coral Gables, FL 33134.

4/01/1997–2/2003: VP/General Manager, Heftel Broadcasting Corp.,  
2828 Coral Way,  
Coral Gables, FL 33134.

11/1996–3/31/1997: General Sales Manager, Heftel Broadcasting Corp.,  
2828 Coral Way,  
Coral Gables, FL 33134.

6/1/1994–11/1996: General Manager, Spanish Broadcasting System,  
1001 Ponce de Leon,  
Coral Gables, FL 33134.

9/1991–6/1994: General Sales Manager, Spanish Broadcasting System,  
2828 Coral Way,  
Miami, FL 33145.

7/1990–8/1991: VP of Network, Spanish Broadcasting System,  
1001 Ponce de Leon,  
Coral Gables, FL 33134.

10/1985–2/1990: General Sales Manager, Spanish Broadcasting System,  
1001 Ponce de Leon,  
Coral Gables, FL 33134.

1981–1984: Sales Representative, Bellsouth Advertising Publishing Co.,  
1979–1980: Center for Latino Education.

1971–1978: Teller/Loan officer, Financial Federal Savings & Loan,  
57th & 7th NW Miami Beach Branch.

10. Government experience: (List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.)

Board of Directors, Corporation for Public Broadcasting, December 2003 to present.

Miami Mayor Manny Diaz' appointment to Arts and Entertainment Council, 2002 to present.

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational, or other institution.)

Besides my full time position at Univision Radio, all the other relationships are with civic organizations. I am currently involved in the following civic organizations: Pfizer Hispanic Board and Merrill Lynch Hispanic Board.

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Florida International University Board of Trustees, American Cancer Society Hispanic Board, United Way Board of Trustees, Orange Bowl Committee Member and Arts & Entertainment Council.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate: N/A.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years: Member of the Republican Party.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$500 or more for the past 10 years:

2004	George Bush
2004	Anitere Flores
11/02/02	Ileana Ros Lethinen
11/02/02	Mario Diaz Balart
08/11/02	New Republican Majority Fund
08/01/02	Jose Diaz Campaign
07/01/02	David Rivera
06/01/02	Ileana Ros Lethinen
05/07/02	Lincoln Diaz Balart
11/18/01	Friends of Katherine Harris
08/21/01	RCN
03/20/01	Joe Sanchez
01/29/01	Republican Party
07/22/00	AHR Pac
07/03/00	Katherine Fernandez Rundle
05/09/00	Friends of Giuliani
02/02/00	Alex Penelas
01/10/00	George Bush

14. Honors and awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievements.)

Miami Dade Community College Honor Society (PHI Theta Kappa).  
HBC General Manager of the Year 2002.  
Bellsouth Elite Sales Club.

15. Published writings: (List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written:) N/A.

16. Speeches: Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of on topics relevant to the position for which you have been nominated:

As VP of Univision Radio, I address my employees, make client presentations, and Wall Street presentation related to my position. In general, all executives are encouraged to maintain a low profile.

17. Selection:

(a) Do you know why you were selected for the position to which you have been nominated by the President?

I have a career of over twenty years of continued success in Spanish language radio in Miami and New York. My broadcast experience will perhaps be of service in this position.

(b) What in your background or employment experience do you believe affirmatively qualifies you for this particular appointment?

I have many years of radio broadcast experience and a strong advertising and promotional background. Specifically, I have a great understanding of the Hispanic market and how to reach it. The Hispanic market is the fastest growing market in the U.S.

#### B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations, or business organizations if you are confirmed by the Senate? N/A.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? N/A.

3. Do you have any plans, commitments, or agreements after completing government service to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations? N/A.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service? N/A.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? N/A.

#### C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers: N/A.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated: I am not aware of any possible conflict of interest.

3. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated?

I am not aware of any possible conflict of interest.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy:

To the best of my knowledge, I have not engaged in any activity which could represent a conflict of interest.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

If I become aware or perceive any future situation, which may create a conflict of interest, I would disclose it.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position? Yes.

#### D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county, or municipal law, regulation, or ordinance, other than for a minor traffic offense? No.

3. Have you or any business of which you are or were an officer ever been involved as a party in an administrative agency proceeding or civil litigation? If so, please explain?

My company and I, like my previous employers, by virtue of the nature of our business is regularly involved in civil litigation, which are business disputes, including collection of accounts receivable, which disputes are resolved if not settled by the civil courts. As the Manager, it is my responsibility to represent the interests of the company in such routine civil litigation. In addition, my previous employer and I were involved in a business dispute concerning a covenant not to compete. Also, because the company operates radio stations licensed by the Federal Communications Commission, we are involved in that agency's routine administrative licensing proceedings from time to time.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be disclosed in connection with your nomination. None.

#### E. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your board/commission complies with deadlines for information set by congressional committees? Yes.

2. Will you ensure that your board/commission does whatever it can to protect congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.

3. Will you cooperate in providing the Committee with requested witnesses, including technical experts and career employees with firsthand knowledge of matters of interest to the Committee? Yes.

4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

#### F. GENERAL QUALIFICATIONS AND VIEWS

1. How does your previous professional experiences mid education qualify you for the position for which you have been nominated?

Since 1984 I have been working in Spanish language commercial radio. In the last ten years I have been responsible for all aspects of the operations of radio stations

groups from programming to the profit and loss statements. I have taken various radio industry courses with the Radio Advertising Bureau, and Management training and coaching from Dr. John F. Kennedy of Notre Dame University. Today, I have a good solid understanding of the operations of a broadcast facility and have enjoyed a successful track record as an operator.

2. Why do you wish to serve in the position for which you have been nominated?

I believe in the unique role that public broadcasting plays as an educational element, that enlightens, informs and enriches our communities through entertainment and information programs that transcend the limitations, which are placed on commercial broadcast outlets.

3. What goals have you established for your first two years in this position, if confirmed?

If confirmed, I would like to become more familiar with how public broadcasting functions, the extent and nature of its resources and how funding decisions are made. In addition, I would possibly review other similar programs in the United Kingdom, Spain and Latin America and use all of this knowledge, together with my own experience in the broadcasting industry, to assess public broadcasting's needs, to identify possible new opportunities and to offer CPB appropriate advice.

4. What skills do you believe you may be lacking which may be necessary to successfully carry out this position? What steps can be taken to obtain those skills?

English being my second language, I believe my public speaking skills could stand improvement. I have taken a Dale Carnegie course to strengthen my abilities as a speaker and plan to continue seeking professional training to improve these skills. Also, increase my knowledge of Television acquisition and programming.

5. Please discuss your philosophical views on the role of government. Include a discussion of when you believe the government should involve itself in the private sector, when society's problems should be left to the private sector, and what standards should be used to determine when a government program is no longer necessary.

I believe that a government "govern best when it governs least." Government should be involved in the private sector only if there are manifest injustices or Public needs, which the market place cannot or does not meet. Government should not intervene where the private sector is able to resolve its issues, has effective and safe methods of dealing with such issues. Government programs are no longer necessary when the private sector develops the appropriate safeguards to regulate itself in an effective and fair manner. I believe that the government should use the following standards to determine if a program is no longer necessary: (i) what public interest does the program meet? (ii) Are the private alternatives reasonably accessible to the public? (iii) Are the costs of the program reasonable in relation to the need? (iv) Does the public interest continue to exist sufficient to justify government investment? and (v) Does the programming meet the manifested general public interest, including needs of those unserved or underserved?

6. Describe the current mission, major programs, and major operational objectives of the board/commission to which you have been nominated.

Continue to develop high quality programming that is representative of public interests and needs.

Strengthening the local role of public broadcasting stations as vibrant community institutions.

Developing multi-media platforms that are consistent with the public broadcasting criteria.

Increasing support for public broadcasting among opinion leaders.

Providing a public forum for broad based communication.

7. What do you believe to be the top three challenges facing the board/commission and why?

I believe the top three challenges to the Board are: (i) to support the development of relevant, credible well-done and exciting programming; (ii) to make sure that such programming is relevant to the emerging needs and demands of an increasingly segmented and ethnically diverse audience; and (iii) to ensure that there is a strong financial foundation for public broadcasting by assisting the public broadcasting system as a whole and individual stations in increasing economic stability with funding from multiple sources.

8. In reference to question number six, what factors in your opinion have kept the board/commission from achieving its missions over the past several years? I believe they are doing a very good job however, responding to market changes and trends is an ongoing process, or as the consumer/citizen base changes in ethnic diversity.

9. Who are the stakeholders in the work of this board/commission?

First and foremost, the American public, and, of course, the Nation's public broadcasting system and individual stations.

10. What is the proper relationship between the position to which you have been nominated, and the stakeholders identified in question number nine?

Neither I nor any person in my family has any personal financial interest in any public broadcasting station or program. I believe my job would be to help NPR stations in their fund raising efforts.

11. Please describe your philosophy of supervisor/employee relationships. Generally, what supervisory model do you follow? Have any employee complaints been brought against you?

My philosophy of supervisor/employee relationships is to create a harmonious and nurturing work environment where employee creativity, energy and growth are encouraged and rewarded. No complaints or grievances have ever been brought against me.

12. Describe your working relationship, if any, with the Congress. Does your professional experience include working with committees of Congress? If yes, please explain: My working relationship with the Congress extends to our South Florida Representatives, Ileana Ros-Lehtinen, Lincoln and Mario Diaz-Balart. I have never worked with a congressional committee.

13. In the areas under the board/commission jurisdiction to which you have been nominated, what legislative action(s) should Congress consider as priorities? Please state your personal views.

I am not familiar with the current legislative actions of the Committee, but if confirmed I will work to better understand those priorities.

14. Please discuss your views on the appropriate relationship between a voting member of an independent board or commission and the wishes of a particular president. A board member is a fiduciary of the public. The views of the President and the Congress must be given due consideration; however, in the end I must exercise independent judgment consistent with the provisions of the Public Broadcasting Act.

The CHAIRMAN. Thank you.  
Ms. Gaines?

**STATEMENT OF GAY HART GAINES, NOMINEE TO BE A MEMBER, BOARD OF DIRECTORS, CORPORATION FOR PUBLIC BROADCASTING**

Ms. GAINES. Mr. Chairman and Members of the Commerce Committee, thank you very much for the opportunity to appear before you today to discuss my nomination to the Board of Directors of the Corporation for Public Broadcasting.

I would also like to express my gratitude to President Bush for nominating me to the Board and for giving me this opportunity to serve the public.

I come to the board of CPB as someone who grew up all over the world, and who has lived all over the United States since marrying my husband, Stanley, in 1959. Wherever I have lived, I have been involved in civic and cultural endeavors that reflect my deep interest in education, American history, civic life, and the arts. Through these efforts, I have gained a broad perspective on the interests and needs of people across our great country. I know firsthand that the residents of big cities, which I have lived in, like Chicago and Los Angeles and Minneapolis, live differently than the people in towns like Hebron, Ohio, or Leadville, Colorado. Certainly, the remotest areas of Senator McCain's Arizona and Senator Stevens' Alaska present challenges that many of us can hardly imagine, where public broadcasting is the only link to news, information, and excellent children's and cultural programming. Public broadcasting offers tremendous service at the community level, respond-



ing to local differences and meeting local needs. Having attended this year's five board meetings, I can assure you that the CPB board values and respects this diversity.

Throughout the United States, public broadcasting is free of charge and devoid of commercial interruptions. This has been personally important to me, particularly with regard to children's programming. My four children watched Sesame Street, and the younger two, Mister Rogers, and now my eight, and soon to be nine, grandchildren are safely watching many of the same shows, as well. And I watch so many of us—like so many of us, have been entertained and informed and inspired by programs like Masterpiece Theater, Nova, and The News Hour.

If I am confirmed to the board of CPB, my goal would be to strengthen and support public broadcasting at every level. My commitment to diversity and values would be the same as my commitment to George Washington's home, Mount Vernon, where I was recently elected regent.

One of our most important goals at Mount Vernon is to teach the nearly one million annual visitors about the life and character of our first great President. In fact, as the Florida representative on the board, I raised the necessary funds that will allow 12 Florida school teachers to come to Mount Vernon for 1 week each summer, in perpetuity, to study Washington's life. I also partnered with the Palm Beach Post to pay for a Florida history lesson to be distributed to all fourth-grade students in Palm Beach County in 2003–2004.

I believe that knowing and understanding our own history is one of the most important ways we have to transmit American values. I am passionately interested in education, and have been for a long time. Education is the tool that opens minds and opportunities to all Americans.

If I am confirmed, I will be totally committed to public broadcasting's role of providing excellence in learning, not only for children, but for Americans of all age.

Although we live in dangerous times, Americans have the freedom to be risk-taking and creative and bold. The Corporation for Public Broadcasting can promote innovation and creativity while always remembering that public broadcasting belongs to the American people.

I would consider it an honor to serve on this distinguished board and to have the opportunity to bring a wide range of ideas to public broadcasting.

Mr. Chairman, thank you, and I'll be happy to answer any questions you may have.

[The prepared statement and biographical information of Ms. Gaines follow:]

PREPARED STATEMENT OF GAY HART GAINES, NOMINEE TO BE A MEMBER, BOARD OF DIRECTORS, CORPORATION FOR PUBLIC BROADCASTING

Mr. Chairman and Members of the Commerce Committee, thank you very much for the opportunity to appear before you today to discuss my nomination to the board of the Corporation for Public Broadcasting. I would also like to express my gratitude to President Bush for nominating me to the Board, and for giving me this opportunity to serve the public.

I come to the board of CPB as someone who has lived all over the world growing up, and who has lived all over the United States since marrying my husband Stanley in 1959. Wherever I have lived, I have been involved in civic and cultural endeavors that reflect my deep interest in education, American history, civic life, and the arts. Through these efforts, I have gained a broad perspective on the interests and needs of people across our great country.

I know first-hand that the residents of big cities in which I've lived, like Chicago, Los Angeles and Minneapolis, live differently than people in towns like Hebron, Ohio or Leadville, Colorado. Certainly, the remotest areas of Senator McCain's Arizona or Senator Stevens' Alaska present challenges many of us can hardly imagine, where public broadcasting is the *only* link to news, information and excellent children's and cultural programming. Public broadcasting offers tremendous service at the community level, responding to local differences and meeting local needs. Having attended this year's five board meetings, I can assure you that CPB board values and respects this diversity.

Throughout the United States, public broadcasting is free of charge and devoid of commercial interruptions. This has been personally important to me, particularly with regard to children's programming. My four children watched *Mr. Rogers* and *Sesame Street*; now my eight (and soon to be nine!) grandchildren are safely watching many of the same shows as well. But I, as well as so many of us, have been entertained and inspired over the years by programs like *Masterpiece Theater*, *NOVA* and *NewsHour*.

If I am confirmed to the board of CPB, my goal would be to strengthen and support public broadcasting at every level. My commitment to diversity and values would be the same as my commitment to George Washington's home, Mount Vernon, where I was recently elected Regent.

One of our most important goals at Mount Vernon is to teach the nearly 1 million annual visitors about the life and character of our first great president. In fact, as the Florida representative on the board, I raised the necessary funds that will allow 12 Florida teachers to come to Mount Vernon for one week each summer in perpetuity to study Washington's life. I also partnered with the *Palm Beach Post* to pay for a Florida history lesson to be distributed to all 4th grade students in Palm Beach County.

I believe that knowing and understanding our own history is one of the most important ways we have to transmit American values. I am passionately interested in education and have been for a long time. Education is the tool that opens minds and opportunities to all Americans. If I am confirmed, I will be totally committed to public broadcasting's role of providing excellence in learning not only for children but for Americans of every age.

Although we live in dangerous times, Americans have the freedom to be risk-taking, creative and bold. CPB can promote innovation, and creativity, while always remembering that public broadcasting belongs to the American people.

I would consider it an honor to serve on this distinguished board and to have the opportunity to bring a wide range of ideas to public broadcasting.

Thank you, and I will be happy to answer any questions you may have.

#### A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names or nicknames used.)

Gay Hart Gaines.  
Jacqueline Gay Hart.  
Mrs. Stanley Noyes Gaines.

2. Position to which nominated: Board of Directors for the Corporation for Public Broadcasting.

3. Date of nomination: Monday, November 17, 2003.

4. Address: (List current place of residence and office addresses:) Information not released to the public.

5. Date and place of birth: February 11, 1938; Toronto, Ontario, Canada.

6. Marital status: (Include maiden name of wife or husband's name:) Married; Stanley Noyes Gaines.

7. Names and ages of children: (Include stepchildren and children from previous marriages.)

Stanley Noyes Gaines, Jr. (43),  
Ralph Hart Gaines (42),  
Jacqueline Gaines Stitt (39),  
Laura Gaines Semler (34).

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

Kent Place School—1955: High School Diploma.  
Sweet Briar College—1955–1959: B.A..  
University of Minnesota—1973 (1 year, Interior Design).

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

President, Gay Hart Gaines, Inc. Interior Design, Winnetka, IL; Chicago, IL—1976–1986.  
Robert Lenox Associates, Interior Design, Minneapolis, MN—1974–1976.  
Freelance writer, Vogue Magazine—1975–1976.  
Television Performer, Member of AFTRA and SAG, Los Angeles, CA—1966–1968.

10. Government experience: (List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above:) None.

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational, or other institution:) President, Gay Hart Gaines, Inc. Interior Design—1976–1986.

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Historical Society of Palm Beach County, Member,  
2003–present.  
Preservation Foundation of Palm Beach County, Guardian Member,  
2003–present.  
National Trust for Historic Preservation, Member,  
2003–present.  
National Constitution Center, Member,  
2003–present.  
Jacob's Pillow Dance, Ted Shawn Circle Member,  
2003–present.  
Henry Morrison Flagler Museum, Palm Beach, FL, Member,  
2001–present.  
Mount Vernon Ladies' Association, (MVL), Vice Regent for Florida,  
2000–present.  
Norton Art Gallery, Palm Beach, FL, Member,  
2000–present.  
American Enterprise Institute, Member,  
1999–present.  
Hudson Institute, Board Member,  
1998–2002.  
Library of Congress, James Madison Council Member,  
1996–present.  
Best Friends Foundation, Board Member,  
1995–2000.  
Heritage Foundation, Member,  
1994–present.  
Empower America, Member,  
1994–1998.  
Palm Beach Civic Association, Member,  
1992.  
Juvenile Diabetes Foundation, Palm Beach Chapter, Board Member,  
1991–1997.  
Juvenile Diabetes Foundation, Palm Beach Chapter, Member,  
1991–present.  
Juvenile Diabetes Foundation, Palm Beach Chapter, President,  
1991–1994.  
National Review Institute, Chairman,  
1991–1997.  
Palm Beach Society of The Four Arts, Member,

1991–present.

McCarter Theater, Princeton, NJ, Trustee; Co-Chairman, Corporate Giving  
1986–1990.

New York City Ballet, Member International Board,  
1985–1990.

Auxiliary Board of Art Institute of Chicago, Trustee, (1980–1985); Treasurer,  
1981–1982.

Juvenile Diabetes Foundation, Chicago Chapter, Board Member,  
1978–1982.

The Guthrie Theater, Minneapolis, MN, Trustee,  
1974–1976.

American Diabetes Association, Minneapolis, MN, Board Member,  
1974–1976.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

President, Palm Beach Republican Club, 2002–present.

Board Member, Palm Beach Republican Club, 2001–present.

Palm Beach Town Council Candidate, 1991.

Republican County Committee Person, Mercer County, NJ, 1986–1988.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Palm Beach Republican Club, Member/President, 2002–present.

Republican Club of the Palm Beaches Federated, Member.

Palm Beach Civic Association, Member.

Palm Beach County Council of Presidents, Member.

Palm Beach County of Trustees, Member.

Republican Party of Palm Beach County, Member.

Republican Party of Florida, Member.

RNC, Member.

National Republican Congressional Committee, Member.

National Republican Senatorial Committee, Member.

GOPAC, Charter Member/Chairman, 1993–1997.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$500 or more for the past 10 years.

Abraham for Senate.

Ashcroft 2000.

Jeff Atwater for Senate.

Bailey for Congress Committee.

Baker for Congress.

Molly Bordonaro for Congress.

Bush-Cheney 2004, Inc.

Bush for President, Inc.

Tom Campbell for Congress.

Shelley Moore Capito for Congress.

Dick Chrysler for Congress.

Norm Coleman for U.S. Senate.

Ander Crenshaw for Governor.

Elizabeth Dole Committee, Inc.

John Dowless Campaign.

Dyson for Congress.

Ernie Fletcher for Governor.

Friends of Mark Foley for Congress.

Forbes 2000 Inc.

Forbes for President Committee. Inc.

Franks for Congress.

Bob Franks for U.S. Senate, Inc.

Gill for Congress Committee.

Friends of Newt Gingrich.

Friends of Giuliani Exploratory Committee.

Friends of Dylan Glenn.

Fran Hancock for State Committeewoman.

Friends of Katherine Harris.  
Heineman for Congress.  
Heintz for Congress.  
Pete Hoekstera for Congress.  
Nancy Hollister for Congress.  
Lisa Hughes for Congress.  
Alan Keyes 2000 Inc.  
Mark Kirk for Congress.  
John Kyl for Senate.  
Lazio 2000, Inc.  
Jean Leising for Congress.  
Fred Levering for Congress.  
Ron Lewis for Congress Committee.  
Martini for Congress.  
Mary McCarty for Palm Beach County Commissioner.  
Bill McCollum for U.S. Senate.  
Mitch McConnell for Senate.  
McKibben for Congress.  
Sharon Merchant for Florida Senate.  
Guy Milner for U.S. Senate.  
Citizens for Joseph Morris.  
Munster for Congress.  
Jim Nalepa for Congress.  
George Nethercutt for Congress.  
Bob Neumann for Palm Beach County Sheriff.  
Neumann for Congress.  
Committee to Elect Megan O'Neill.  
Pataki for Governor.  
Families for Pirozzi.  
Deborah Pryce for Congress.  
Quayle 2000, Inc.  
Bill Randall for Congress.  
New Mexicans for Bill Redmond.  
Tom Reynolds.  
Mitt Romney for U.S. Senate Committee, Inc.  
John Sununu for Senate.  
William Roth Senate Committee.  
Mark Sanford for Congress.  
Brett Schundler for Mayor.  
Schundler for Governor.  
John Shadegg for Congress.  
Friends of Clay Shaw.  
Bill Simon for Governor.  
Sutton for Congress.  
Talent for Governor.  
Terrell for Senate.  
Fred Thompson for Senate.  
John Thune for South Dakota.  
Pat Toomey.  
Kevin Vigilante for Congress.  
Watts for Congress.  
Daniel Webster for U.S. Senate.  
Friends for Rick White.  
Rick Wild for Congress Committee.  
Heather Wilson for Congress.  
Phil Wyrick.  
Dick Zimmer for Congress.  
21st Century Freedom PAC Federal.  
Anti-Tax Political Action Committee.  
GOPAC Incorporated.  
New Jersey Republican State Committee.  
National Republican Senatorial Committee.  
National Republican Congressional Committee.  
Republican National Committee.  
Republican National State Elections Committee.  
Republican Party of Florida.  
Republican Party of Palm Beach County.  
Palm Beach Republican Club.

I have contributed to multiple candidates who have won or loss over the last ten years. We moved on October 6th, 2003 and I cannot find all my records, which may be in storage. To the best of my memory, the above information is accurate. There may have been contributions to some additional candidates.

14. Honors and awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievements:) Distinguished Woman of the Year from Northwood University

15. Published writings: (List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written:) 2 Medical articles for *Vogue Magazine* 1 Fashion article for *Vogue Magazine*.

16. Speeches: Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years, which you have copies of on topics relevant to the position for which you have been nominated: N/A.

17. Selection:

(a) Do you know why you were selected for the position to which you have been nominated by the President?

I do not know the precise circumstances of how I was specifically chosen. I have extensive experience in public policy and am a staunch supporter of President, George W. Bush. I believe that I am qualified to be on the Board, and am thrilled to have the opportunity to serve the President.

(b) What in your background or employment experience do you believe affirmatively qualifies you for this particular appointment?

I have been involved in, and an advocate for education and enrichment programs in the field of arts and education for many years while serving on many boards: The Guthrie Theater, Minneapolis, MN, The Auxiliary Board of the Art Institute of Chicago, IL, McCarter Theater, Princeton, NJ, and presently on the board of Mount Vernon Ladies' Association, Mount Vernon, VA.

As a mother, I volunteered in all my children's schools when they were growing up. I helped faculty whenever necessary in leading class trips to museums, theaters, concert halls, fire stations, police stations and other government facilities.

I support the Palm Beach Historical Society and *Palm Beach Post's* outreach to teach Florida History to elementary school children in Palm Beach County. I raised \$500,000 to enable qualified Florida educators to participate in the George Washington Teachers Institute, a residential study seminar that explores the character of Washington and his impact on American History, every year in perpetuity. The weeklong program engages teachers in learning about Washington through lectures by well-known historians, individual research, group projects, and interactive learning exercises. By residing at Mount Vernon, teachers become truly immersed in the 18th century world of our Nation's First President.

I also raised the necessary funds to provide every fourth grade public school student in Florida with a George Washington biography lesson, which accurately teaches about the life of our First President, and has been distributed in the last two years.

#### B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations, or business organizations if you are confirmed by the Senate? Not applicable-appointment is for 60-day Board position.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain. Not applicable-appointment is for 60-day Board position.

3. Do you have any plans, commitments, or agreements after completing government service to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations? Not applicable-appointment is for 60-day Board position.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service? Not applicable-appointment is for 60-day Board position.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? Yes.

#### C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers: None.

2. Indicate any investments, obligations, liabilities, or other relationships, which could involve potential conflicts of interest in the position to which you have been nominated: None.

3. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated? N/A.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy.

None "directly," however, "indirectly," there are organizations to which I am a member (such as those listed in Section A, page 2, question 12) that do take positions on matters of public policy, i.e. The Heritage Foundation. I suppose one could say, I have "indirectly" influenced public policy, by my support of these organizations.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements:) N/A.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position? Yes.

#### D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county, or municipal law, regulation, or ordinance, other than for a minor traffic offense? No.

3. Have you or any business of which you are or were an officer ever been involved as a party in an administrative agency proceeding or civil litigation? No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be disclosed in connection with your nomination: None.

#### E. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your board/commission complies with deadlines for information set by congressional committees? Yes.

2. Will you ensure that your board/commission does whatever it can to protect congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.

3. Will you cooperate in providing the Committee with requested witnesses, including technical experts and career employees, with firsthand knowledge of matters of interest to the Committee? Yes.

4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

#### F. GENERAL QUALIFICATIONS AND VIEWS

1. How does your previous professional experiences and education qualify you for the position for which you have been nominated?

I feel my entire life's experience, having lived all over the United States, and been involved in community service and on boards everywhere I have ever been, qualifies me to be a responsible board member. It would be my privilege to help enable this institution to keep to its high ideals.

2. Why do you wish to serve in the position for which you have been nominated?

I look forward to the challenges, and to studying and learning everything I need to know in order to make a valuable contribution to the Board of Directors for the Corporation for Public Broadcasting, as well as to the American people. I think it is important that the Board follows its mission, and as a member of this Board I know we are ultimately accountable to the people who have elected our President, and to all taxpayers.

I feel CPB is an important educational and cultural voice in America. I would like to be a part of strengthening and improving the programming, especially in the areas of culture and entertainment, and help hold the Institution to its highest ideals.

3. What goals have you established for your first two years in this position, if confirmed?

I need to learn, in depth, about the Corporation for Public Broadcasting and to be fair, honest and responsible in all my dealings.

4. What skills do you believe you may be lacking which may be necessary to successfully carry out this position? What steps can be taken to obtain those skills?

While I have not been involved in the legislative history, nor been involved specifically in the day to day workings of CPB, I believe my relative experience and acquired skill sets will give me the tools necessary to be an effective board member. I have exercised responsibilities in many other opportunities in my life. I am a quick study and have no fear of mastering what I need to know.

5. Please discuss your philosophical views on the role of government. Include a discussion of when you believe the government should involve itself in the private sector, when society's problems should be left to the private sector, and what standards should be used to determine when a government program is no longer necessary.

I truly believe that the role of Government is an extremely important one, but should be limited to functions that would be inappropriate for the private sector. The most important role of Government is to provide National Security for the American people. create the finest Military capability, the finest Intelligence and the finest State Department in the world. The capture of Saadam Hussein is a remarkable example of the tenacity of our military. to defeat a dictator who threatened our national freedom, safety and prosperity, in order to protect the American people.

Our Government needs to uphold the Constitution and the rule of law. Americans should be assured of good Government regulation, i.e.: It should protect Interstate Commerce; it should uphold FDA standards so Americans, for example, can count on their beef at the supermarkets being of the safest quality; the FAA standards so that Americans know that a pilot in a cockpit will operate by government standards to keep passengers safe; uphold safety standards, so that Americans are driving the safest cars on the planet.

We are a compassionate society. The role of Government is to help people who are truly needy, the mentally ill, physically challenged, the elderly and people who have a short term need for assistance. However, we need to get as many people as we can to help themselves, by putting as many people back to work as possible, creating wealth, acquiring property and working toward the American dream. I also believe in the long time American tradition of Faith Based Initiatives helping the needy.

Government should bring high ideals and standards to American schools; no child should be left behind. In a free society, the benefit of the doubt belongs to the pursuit of freedom. Congress has sunset laws and Congress itself has regulations. All aspects of government should continually be reevaluated.

I believe that the private sector provides incentives to lower costs because of the market dynamic. The goal of the private sector should be high quality, low prices and more choices through competition, for the American people.

6. Describe the current mission, major programs, and major operational objectives of the board/commission to which you have been nominated.

"The mission of CPB is to facilitate the development of, and ensure universal access to, non-commercial high-quality programming and telecommunications services. It does this in conjunction with non-commercial educational telecommunications licenses across America."

7. What do you believe to be the top three challenges facing the board/commission and why?

I believe I can answer this question better when I have had experience on the Board. Obviously, programming needs to be of the highest quality, entertaining, informative, educational and competitive with private programming.

8. In reference to question number six, what factors in your opinion have kept the board/commission from achieving its missions over the past several years?

I honestly cannot answer this question because I do not have enough information about the inner workings of the Board, as yet.

9. Who are the stakeholders in the work of this board/commission? The stakeholders are the American people.

10. What is the proper relationship between the position to which you have been nominated, and the stakeholders identified in question number nine?



This is a perfect example of a public/private partnership. The partnership is between the people, who pay taxes and in this case, individual donors who give money directly to public broadcasting. They have a stake, and need to know that the government is holding public broadcasting to the highest standard.

11. Please describe your philosophy of supervisor/employee relationships. Generally, what supervisory model do you follow? Have any employee complaints been brought against you?

No organization can be strong without a regulating authority. You have to distribute responsibility as far as possible (given the candidates' ability) and require strict accountability.

No employee complaints have ever been brought against me.

12. Describe your working relationship, if any, with the Congress. Does your professional experience include working with committees of Congress? If yes, please explain.

My professional experience does not include working with any committees of Congress.

13. In the areas under the board/commission jurisdiction to which you have been nominated, what legislative action(s) should Congress consider as priorities? Please state your personal views.

I do not have any preconceived ideas in this area, and I need to learn more about possible legislative actions.

14. Please discuss your views on the appropriate relationship between a voting member of an independent board or commission and the wishes of a particular president.

I would listen to a President's views on all the issues, but always exercise my own independent judgment. I would not be unduly influenced by a President, unless his views were consistent with mine.

The CHAIRMAN. Thank you very much.  
Mr. Creel?

**STATEMENT OF HAROLD J. CREEL, JR., RENOMINATED TO BE  
COMMISSIONER, FEDERAL MARITIME COMMISSION**

Mr. CREEL. Thank you, Mr. Chairman.

Mr. Chairman, Members of this Committee, I appreciate the opportunity to appear before you and the Committee for yet a third time.

I'm joined today by my fellow commissioners, Chairman Steve Blust, Commissioner Rebecca Dye, and Commissioner Paul Anderson. Commissioner Brennan is unable to be with us today.

I'll be brief in my remarks.

I'm honored to have been nominated by President Bush for a third term as commissioner on the Federal Maritime Commission. If confirmed, I will strive to live up to his trust in my abilities.

Over the 10-years that I have been on the Commission, I've witnessed a tremendous evolution in the ocean shipping industry. Much of the positive change—most notably, the passage of the Ocean Shipping Reform Act of 1998—is due to the leadership of this Committee. As you know, the Reform Act created a much more market-driven and competitive ocean transportation industry. I'm pleased to note that these changes have far exceeded everyone's expectations, even those of its biggest skeptics.

As for the future, the maritime industry and the Federal Maritime Commission face enormous challenges. The most significant of these is container and port security. There is no foolproof answer for alleviating this threat. The best that we can do is to tighten the noose and reduce the opportunities for terrorists. And to do this, we need intelligence. What's being shipped? Who is shipping it? What do we know about them? And that's where the FMC comes in.

Now, although the FMC is not on the front line when it comes to security, we are fully committed to sharing the information we have with front-line agencies. By sharing our information on ocean carriers, non-vessel-operating common carriers, shippers, freight-forwarders, and marine terminal operators, we are contributing to the web of intelligence that will frustrate would-be terrorists.

Mr. Chairman, most people in this country have absolutely no appreciation of the importance that ocean shipping plays in their daily lives. Virtually everything that comes into this country comes, not on a plane, truck or train, but on a ship. If ocean shipping were to shut down by a terrorist act or by some other reason, international trade would come to a standstill.

Finally, Mr. Chairman, as you relinquish your chairmanship of this Committee, I want to thank you personally for your leadership on the many issues that have come under your purview.

And I also want to thank two men who have had a profound impact on my life for the last 15 years, and to whom I am most indebted. I want to thank Senator Hollings for teaching me the importance of integrity. I so admire his tenacity to stand for that in which he believes. Senator Breaux's craft of negotiation, working an issue, and finally passing legislation is not only admired by me, but probably is envied by most people in Washington. And Senator Lott, who was here earlier, I appreciate all of his leadership, as well, and—a champion of maritime issues in the U.S. Senate.

But I want to thank these—

The CHAIRMAN. Do you admire any Senators that are not from the South?

[Laughter.]

Mr. CREEL. Correct answer: Yes, sir.

[Laughter.]

The CHAIRMAN. Go ahead, please.

Mr. CREEL. But I want to thank these gentlemen for being statesmen, for being my mentors, and for being my friends. They and their leadership will be missed by the U.S. Senate and the people of the United States.

Mr. Chairman and Members of the Committee, I thank you, again, for the opportunity to appear before you today.

Thank you.

[The biographical information of Mr. Creel follows:]

#### A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names or nick names used:) Harold Jennings Creel, Jr. (Hal).

2. Position to which nominated: Commissioner.

3. Date of Nomination: October 1998.

4. Address: (List current place of residence and office addresses.)

Residence: Information not released to the public.

Office: 800 North Capitol Street, N.W., Suite 1000, Washington, DC 20573.

5. Date and place of birth: July 1, 1957, Florence, South Carolina.

6. Marital status: (Include maiden name of wife or husband's name:) Single.

7. Names and ages of children: (Include stepchildren and children from previous marriages.) None.

8. Education: (List secondary and higher education institutions, dates attended, degree received and date degree granted.)

University of South Carolina School of Law,  
Columbia, South Carolina,

Juris Doctor, May 1982.

Wofford College,  
Spartanburg, South Carolina,  
Bachelor of Arts Degree (Political Science), May 1979.

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

Chairman, Federal Maritime Commission,  
February 1996 to present,  
Washington, DC.

Commissioner, Federal Maritime Commission,  
October 1994 to February 1996,  
Washington, DC.

Senior Counsel, Merchant Marine Subcommittee,  
October 1989 to October 1994,  
Commerce, Science, and Transportation Committee,  
United States Senate,  
Washington, DC.

Attorney/Advisor, National Oceanic and Atmospheric Administration (NOAA),  
October 1983 to October 1989,  
Department of Commerce,  
Washington, DC.

Associate/Attorney, Courtenay, Forstall, Grace and Hebert,  
May 1982 to October 1983,  
New Orleans, Louisiana.

10. Government experience: (List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above:) None.

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution:) President, Madison Place Condominium Association

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable and other organizations:) Louisiana State Bar Association

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate:) None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years: None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$500 or more for the past 10 years.

1994 Clinton Gore \$500.

1996 Re-elect President Clinton \$1000.

1998 Re-elect Hollings \$700.

1998 Re-elect Breau \$200.

14. Honors and awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements:) None.

15. Published writings: (List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.)

Barrier Islands: The Conflict Between Federal Programs that Promote Preservation and Those that Promote Development." South Carolina Law Review (December 1981).

16. Speeches: (Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of on topics relevant to the position for which you have been nominated.)

Pursuant to a conversation with Virginia Pounds, I have enclosed a sampling of the speeches\* I have given over the past five years rather than supply copies of each speech. Given the large number of speeches I have given over that time I did not wish to burden the Committee with excess paper. I have, however, included a list of my other speeches.\* Of course, any of my speeches are available to the Committee should it so desire them.

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

I believe I was chosen for this nomination and my previous nomination by the President because of my background and experience in commercial ocean shipping. Prior to coming to the Commission I was Counsel to the Senate Commerce Committee for the Merchant Marine Subcommittee (now the Subcommittee on Surface Transportation and Merchant Marine). I was counsel at the National Oceanic and Atmospheric Administration (NOAA) for six years before coming to the Senate. Finally, immediately after graduating from law school I was an associate in an admiralty defense law firm in New Orleans. Literally, my entire career has been spent in the field of shipping or ocean law.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment? See above.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

I have no business connections other than those in my official capacity at the Commission.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? No.

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization? No.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service? No.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers: None.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated: None.

3. Describe any business relationships, dealing, or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated? None.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

None other than in my official capacity as counsel to the Senate Commerce Committee and as a Commissioner on the Federal Maritime Commission.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements:) I have no conflicts.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position? Yes.

D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? No.

\*The information referred to has been retained in Committee files.

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county, or municipal law, regulation or ordinance, other than a minor traffic offense? No.

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in an administrative agency proceeding or civil litigation? No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

I feel that my experience prior to coming to the Commission and as a Commissioner qualify me for this nomination. Also, I believe that my performance as a Commissioner and as Chairman of the Federal Maritime Commission warrant my nomination to the position.

#### E. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your department/agency complies with deadlines set by congressional committees for information? Yes.

2. Will you ensure that your department/agency does whatever it can to protect congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.

3. Will you cooperate in providing the Committee with requested witnesses, to include technical experts and career employees with firsthand knowledge or matters of interest to the Committee? Yes.

4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

#### F. GENERAL QUALIFICATIONS AND VIEWS

1. Please describe how your previous professional experience and education qualifies you for the position for which you have been nominated.

I have been a Commissioner with the Federal Maritime Commission since October 1994, and have served as Chairman of the agency since February 1996. In that time, I have become fully familiar with the various economic, commercial, and regulatory matters that affect the ocean shipping industry. I have established excellent relationships with key individuals in all sectors of the industry so as to better understand the important issues facing them now and in the 21st century. The Commission has been very successful in the recent past and has an excellent reputation for fair and effective oversight of U.S. liner shipping. My prior experience as senior counsel for the Senate Commerce Committee and as an attorney in a private maritime practice provided me with different perspectives and experiences regarding the industry the Commission regulates.

2. What skills do you believe you may be lacking which may be necessary to successfully carry out this position? What steps can be taken to obtain those skills?

I believe I could benefit from more in-depth knowledge and insight of the daily operations of the diverse companies that operate in U.S. ocean commerce, as well as the technological challenges they all face. I would hope to accomplish this by selected trips to the business sites of various regulated entities, budget permitting. I also would plan additional, focused meetings and discussions with appropriate industry officials, while being careful to avoid crossing the line that should be maintained between the regulator and the regulated entity.

3. Why do you wish to serve in the position for which you have been nominated?

I consider U.S. liner shipping to be an exciting industry that is extremely important to international commerce and the U.S. economy. Shipping is, after all, the means by which our international commerce is conducted. In fact, around 94 percent of that commerce is carried by ships. I believe I have been an effective and fair regulator and that I have a good deal to offer to ensure the continued appropriate oversight of this industry. I believe I can make worthwhile contributions that can both help to foster U.S. commerce and portray a positive image of the U.S. Government.

4. What goals have you established for your first two years in this position, if confirmed?

As Chairman, I directed completion of the agency's five-year strategic plan and its FY 1999 Annual Performance Plan, as required by the Government Performance and Results Act of 1993. Our initial FY 2000 Annual Performance Plan was just forwarded to OMB for its review. Our four strategic goals focus on: balanced enforcement; an efficient regulatory process; ensuring compliance with the shipping statutes; and enhancing our internal capabilities by improving organizational abilities and managerial leadership.

Our annual performance plan contains 21 specific performance goals. Certain of the more significant goals from this plan target expediting agency work processes, appropriately addressing clear cases of industry fraud, maximizing use of information technology; eliminating significantly anticompetitive concerted carrier activity, and facilitating the public's access to agency information. Specifically, my first goal, however, is to ensure that regulations are written to implement the Ocean Shipping Act Reform of 1998, should it be enacted this year. Additionally, I will continue to strive to ensure that foreign countries shipping treat U.S. carriers and entities as fairly as we treat their carriers and entities.

5. Please discuss your philosophical views on the role of government. Include a discussion of when you believe the government should involve itself in the private sector, when should society's problems be left to the private sector, and what standards should be used to determine when a government program is no longer necessary.

From a general standpoint, I believe that the role of government is to provide assistance and support where there is a strong consensus that it is required, and to do so without infringing on individual rights or placing unnecessary burdens on corporate operations. Government's involvement in the private sector is appropriate when industry activities clearly demonstrate a need for oversight or assistance. The private sector normally has the resources and creativity to address society's problems, but often requires some form of government oversight to ensure the necessary degree of fairness and efficiency. Appropriate standards for assessing the continued value of a government program would be costs versus benefits, the impact of technological advances, and the general sense of the citizenry.

With regard to an independent regulatory agency like the FMC, the appropriate role would be to take the initiative to encourage statutory compliance and foster U.S. commerce, initiate formal action to curb serious malpractices and remove trade barriers imposed by foreign governments, and serve as an impartial arbiter of informal disputes.

6. In your own words, please describe the agency's current missions, major programs, and major operational objectives.

The FMC's mission is to ensure that implementation of our statutory mandates and Administration/Congressional directives is met through an ocean transportation system that is efficient, free from discriminatory abuses, and is not impeded by unduly restrictive practices by our maritime trading partners. I believe it is of paramount importance that the FMC continue to take the actions necessary to ensure that its regulatory and legislative initiatives produce a competitive and nondiscriminatory trading environment in the U.S. ocean commerce that is in harmony with and responsive to international shipping practices. The FMC's major programs include addressing restrictive foreign shipping practices; ensuring that statutory proscriptions against certain unfair or unreasonable practices do not occur; prosecuting violations of such proscriptions and providing a forum for resolution of complaint cases; requiring licensing and bonding of transportation intermediaries; receiving and reviewing rate information in tariffs and service contracts; reviewing carrier agreements for compliance with statutory anticompetitive guidelines; and certification of financial responsibility of passenger vessel operators. Our operational objectives are to carry out our statutory mission as efficiently as possible, balancing the need to ensure a competitive, nondiscriminatory shipping environment with a minimum of regulatory intrusion. Our overall objective is to achieve compliance with shipping laws and ensure equitable trading conditions.

7. In reference to question number six, what forces are likely to result in changes to the mission of this agency over the coming five years.

The major force which will change the agency's mission is likely to be new shipping legislation, the Ocean Shipping Reform Act of 1998, which, if enacted, will become effective on May 1, 1999. While the overall policy objectives of the newly enacted law are essentially the same as our current statute, the new statute somewhat minimizes or alters regulatory requirements, while maintaining the agency's essential responsibilities. The biggest changes will be in overseeing privately maintained tariff publication systems, rather than providing a uniform system for filing with the agency, and in enforcing the proscriptions against unreasonable and unfair shipping practices in an environment of greater confidentiality and less transparency. Another change which may affect our mission is the extent to which ocean carriers use the legislation to effect new and varying operating arrangements.

8. In further reference to question number six, what are the likely outside forces which may prevent the agency from accomplishing its mission? What do you believe to be the top three challenges facing the board/commission and why?

I don't expect any outside forces to prevent the agency from accomplishing its missions. External factors will change only the nature and focus of our missions. The

top challenges facing our agency would be (1) to carry out our missions in an environment of decreased funding and resources; (2) to adapt to technological and operational changes in the industry (for example, keeping up with new varieties of concerted carrier arrangements); and (3) to be vigilant and responsive as market forces and changing economies require the agency to shift its focus and resources toward related issues and controversies (for example, the Asian financial crisis has created imbalances in supply and demand for cargo space, which has in turn created pricing and space allocation controversies in the Far East trades).

9. In further reference to question number six, what factors in your opinion have kept the board/commission from achieving its missions over the past several years?

Nothing has kept the Commission from carrying out its missions in the past several years. Our shrinking resources, however, have kept us from operating as efficiently and effectively as we might have. For example, we were forced to close our district offices and terminate the services of most of our field investigators. We adapted by keeping one individual in five different regions of the country. Through computer technology they have been able to maintain a Commission presence in the field thereby enabling us to continue liaison and investigative activities. While this hasn't prevented us from performing our responsibilities, our diminished presence and investigatory activity seem to have encouraged increased attempts at industry malpractices.

10. Who are the stakeholders in the work of this agency?

The stakeholders of the agency are the shipping companies, ports and marine terminal operators and their employees, the importers and exporters who rely on their services, the ocean freight forwarders and transportation intermediaries, the passenger vessel operators and their customers, and in a broader sense, the ultimate U.S. consumer.

11. What is the proper relationship between your position, if confirmed, and the stakeholders identified in question number ten.

I view our relationship as multi-faceted. As a regulator, I see my role as ensuring that the stakeholders are aware of the governing statutes and regulations and to encourage full compliance. Compliance, not enforcement, is our primary objective. We must also be receptive to industry complaints and suggestions about our regulatory system and how it can be better administered. Because the various stakeholders often have essentially competing interests, and because the agency serves as a forum for complaints brought by those stakeholders against each other, it is also imperative that a Commissioner not display favoritism among the maritime sectors. It must be borne in mind that the FMC is a regulatory agency; it was purposely separated from the Maritime Administration, which is charged with promotional responsibilities, in order to keep those regulatory and promotional functions discrete.

12. Please describe your philosophy of supervisor/employee relationships. Generally, what supervisory model do you follow? Have any employee complaints been brought against you?

I view the supervisory/employee relationship as a partnership. While clear lines of authority must be established, employees must be free to use the full range of their skills, knowledge and experience to help an organization achieve its established goals and objectives. I believe strongly in participative management. My preferred model is to frame the general approach or specific issues involved and explain my views on how they should be addressed. I then solicit and encourage subordinates to offer their views and ideas for discussion and consideration. I then believe it appropriate for me, the supervisor, to determine final action and make ultimate decisions.

I have had no employee complaints brought against me.

13. Describe your working relationship, if any, with the Congress. Does your professional experience including working with committees of Congress? If yes, please describe.

I have interacted regularly with our oversight and appropriation committees, as well as numerous individual members and their staffs, since becoming a Commissioner, and particularly in my almost three years as Chairman. I believe I have an excellent working relationship in all respects with the various staffers and members with whom I deal. This relationship is based on mutual respect and the knowledge and experience I have gained over the years. My relationships also benefit from the six years I served as a Committee staffer, particularly my time in service as senior counsel to the Senate Commerce Committee.

14. Please explain how you will work with this Committee and other stakeholders to ensure that regulations issued by your board/commission comply with the spirit of the laws passed by Congress.

I have a close working relationship with Committee staff, and we have worked well together in the efforts to reform the shipping statutes. We have also strongly encouraged stakeholders to have an active voice in contributing to our rulemaking processes. For example, we initiated a Notice of Inquiry to solicit views on the agency's responsibilities on tariff publication systems. I intend to continue to cooperate with the Committee and to forge a close working relationship with the industry.

15. In the areas under the board/commission jurisdiction, what legislative action(s) should Congress consider as priorities? Please state your personal views.

(a) assessment of the impact of the Ocean Shipping Reform Act of 1998 ("OSRA") and possible further changes; (b) appropriate funding levels for the FMC to carry out its statutory obligations; and (c) revision of passenger vessel statutory requirements dealing with financial responsibility for nonperformance or injury or death.

My personal views on each priority are: (a) OSRA will have significant impact on the maritime industry and the FMC. Assessment of that impact and consideration of further changes or corrections should be accomplished at the appropriate time; (b) The Commission has experienced drastic cuts in its appropriations for several years (22 percent over the last 3 years), with no reduction of authority. S. 414 maintains the majority of the Commission's functions and adds others. I believe it is time for the Commission to be fully funded so that we can do the job Congress and the President expect of us. I would encourage the Committee to support the Senate's proposed FY99 funding level for the Commission and whatever appropriation level the President submits for us for FY 2000. (c) We have written the Committee in the recent past detailing the specific changes we believe would be appropriate to ensure that the cruising public continue to receive adequate protection in cases of non-performance or injury. I continue to fully endorse the suggestions we have put forth in that correspondence.

16. Please discuss your views on the appropriate relationship between a voting member of an independent board/commission and the wishes of a particular president.

As an independent regulatory agency, the Commission and its members must maintain absolute independence from the Executive branch. We maintain excellent working relationships with the Executive departments, such as the Departments of State and Transportation, in the exchange, where permissible, of information, particularly in the area of restrictive foreign shipping practices. We also work closely with the Office of Management and Budget. But the agency's responsibility to act on its own is absolute and cannot be compromised. This has not happened and will not under my chairmanship.

The CHAIRMAN. Thank you.

Mr. Simpson, welcome. Pull the microphone over, please.

**STATEMENT OF JAMES S. SIMPSON, NOMINEE TO BE A MEMBER, ADVISORY BOARD, SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION**

Mr. SIMPSON. Mr. Chairman, Committee Members, good morning. I am pleased and honored to appear before you today.

I do not have prepared remarks, but would like to briefly state that if I am confirmed to the Saint Lawrence Seaway Development Corporation Advisory Board, I will do my best to ensure the goals and mission of the SLSDC are accomplished and that a safe, reliable, and cost-effective seaway is maintained for all of the stakeholders.

I welcome any questions the Committee has of me. Thank you very much.

The CHAIRMAN. Thank you, Mr. Simpson. Do you happen to know Mr. Molinari?

Mr. SIMPSON. Yes, I do, very well. He's been my mentor and godfather—and Susan, as well.

The CHAIRMAN. Does he still control every aspect of politics on Staten Island?

[Laughter.]



Mr. SIMPSON. No comment.

[Laughter.]

The CHAIRMAN. He's a wonderful man, and I had the privilege of serving with him in the House, and I know he was the—president there, and his daughter is—it's a wonderful family, and—

Mr. SIMPSON. Yes.

The CHAIRMAN.—I know you're pleased with your association.

[The biographical information of Mr. Simpson follows:]

#### A. BIOGRAPHICAL INFORMATION

1. Name: James S. Simpson.
2. Position to which nominated: Member of the Advisory Board of the Saint Lawrence Seaway Development Corporation.
3. Date of nomination: July 22, 2004.
4. Address:
  - Residence: Information not released to the public.
  - Office: 357 Targee Street, Staten Island, NY 10304.
5. Date and place of birth: March 19, 1956 (Brooklyn, New York).
6. Marital status: Divorced.
7. Names and ages of children: Allison E. Simpson—Age 24, Jillian V. Simpson—Age 22.
8. Education:
  - St. Johns University, Bachelor of Science Magna Cum Laude, Management and Economics (1979).
  - Fort Hamilton High School, Brooklyn, New York (1974).
9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)
  - 1976–Present: Victory Worldwide Transportation Inc., 357 Targee Street, Staten Island, NY:
    - 1990—Chairman of the Board and Chief Executive Officer.
    - 1980—President.
    - 1980—Vice President.
    - 1979—Sales Manager.
    - 1978—Salesman.
    - 1977—Clerk, Typist.
    - 1976—Driver, Local and Long Distance.
  - 1973–1975: American Telephone & Telegraph Company, 195 Broadway, New York, NY  
“Senior level clerk”
10. Government experience: (List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.)
  - Workforce Investment Board (2000–2001)  
Appointed by Mayor Rudolph Giuliani to the Board of the Workforce Investment Board for the City of New York in July 2000.
  - New York State Metropolitan Transportation Authority (1995–Present)  
In June, 1995, Governor George E. Pataki appointed, and the Senate confirmed, as a member of the Board of Directors of the Metropolitan Transportation Authority. In June 1997, appointed to a six-year term serving as Chairman of the Safety and Security Committee, Chairman of the Real Estate and Planning Committee, a member of the Finance Committee and the New York City Transit Authority Committee.
  - New York State Job Development Authority (1995–Present),  
Appointed by Governor Pataki as a member of the Board, which provides long term loans and guarantees aid to businesses relocating, expanding and improving employment opportunities in the State of New York .
  - New York State Financial Control Board (1993–2001)  
Appointed by the New York City Council Republican Leader as an Observer.
  - New York City Commission on the Redevelopment of Naval Station New York (1993–1996)

Commissioner appointed by Congresswoman Susan Molinari and Mayor David Dinkins, reappointed by Mayor Giuliani, Chairman, Committee on Public Affairs.

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational, or other institution.)

Victory Worldwide Transportation, Inc., Staten Island, NY (CEO).  
 Victory Van Lines, Inc., Staten Island, NY (CEO).  
 Victory Relocation Services, Inc. Staten Island, NY (Chairman).  
 J & A Movers Services Inc., Staten Island, NY (CEO).  
 Victory Worldwide Transportation Inc., (NJ), Jamesburg, NJ (CEO).  
 Liberty View Equities, Jersey City, NJ (President).  
 Staten Island Hockey, Staten Island, NY (Stockholder).  
 Simco Finance Inc., Staten Island, NY (President).

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Richmond County Country Club,  
 Member,  
 (1981–Present).

Staten Island University Hospital,  
 Board of Directors,  
 (1995–2001).

The American Parkinson's Disease Association, Inc.,  
 Board of Directors,  
 (1994–1997).

The College of Staten Island Foundation,  
 Board of Trustees,  
 (1994–1997).

New York City Partnership/New York City Chamber of Commerce,  
 (1993–2002):

David Rockefeller Fellows Admissions Board (1997–2002)  
 Member of the Board of Directors (1996–2002)  
 David Rockefeller Fellows Program (1994–1995)  
 Committee on Education (1994)  
 Drugs Don't Work Committee (1993–1994)  
 Summer Jobs Committee (1993)

Employee Relocation Council, Washington, D.C.,  
 Member,  
 (1989–Present):

The ERC examines key issues affecting the relocation industry for the benefit of corporations, government and individuals.

Industry Advisory Board, 1997–1998.

Distinguished Service Award, 1994, Recognition of continuous dedicated service and professional contributions.

Meritorious Service Award, 1989, Professional contributions to the ERC and the relocation business community.

#### Designations

Senior Certified Relocation Professional (1994).

Certified Relocation Professional (1991).

American Moving and Storage Association, Member,  
 (1985–Present),

At the 1993 Annual Convention, was the first recipient of the Employer of the Year Award; nominated by employees for leadership, professionalism and genuine concern for others.

Tri-State Relocation Services, Inc. (1990–Present)  
 Member,

A non-profit group I founded in 1990, to encourage education and professionalism among professional service providers, based in the State of New York, New Jersey and Connecticut. With over 200 members, the group is viewed as a leading relocation service organization.

Staten Island Economic Development Corporation (1990–1996) (Formally the Staten Island Partnership),

Board of Directors,

Chairman, Transportation Committee—As Chairman, led a task force with the NYPD, the NYC Motor Vehicle Bureau and the Insurance Industry to reduce auto crime on Staten Island.

Chairman, Big Apple Circus/S.I. Youth Night and Honorary Ringmaster (May, 1991). Gathered business people in New York to underwrite 2,000 seats for disadvantaged youths.

Testified at various TBTA and Port Authority hearings to fight toll increases and preserve the one-way toll on the Verrazano Bridge.

Snug Harbor Cultural Center (1985–1990),

A cultural center of Staten Island for the performing and visual arts with a two million dollar operating budget and five million dollar capital budget.

Class A Director-appointment by Mayor Koch,

Member of Architectural Review Committee.

Member of Planning Committee.

Vice Chairman (1989–1990).

Treasurer (1986–1987).

Resigned at the end of 1990 because of Chamber of Commerce commitment.

St. Vincent's Hospital (1985–1990),

Advisory Board.

Personnel Committee.

Long Range Planning Committee.

Finance Committee.

Chairman, Bell Society (1989–1990).

New York City Community Board #1—Member (1983–1985).

Staten Island Chamber of Commerce (1981-1993),

Chairman of the Board (1992–1993).

Vice Chairman, Organizational Affairs.

Member, Board of Directors.

Chairman, Transportation Committee.

Chairman, Economic Development Committee.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate: None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Guy Molinari's Republican Club.

Supported New York State and Richmond County Republican Party.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$500 or more for the past 10 years.

Bush-Cheney 2004 Compliance Committee	4/28/2004	\$2,000.00
Jeb Bush For Governor	2003	\$500.00*
Keep Our Majority PAC	10/6/2003	\$500.00
Donovan For District Attorney	8/27/2003	\$5,000.00
Dennis Hassert	4/1/2003	\$500.00
Bush-Cheney 2004	12/23/2003	\$2,000.00
Dennis Hassert	2003	\$500.00*
Peters for Assembly	8/22/2002	\$500.00
Mercaldo for Assembly	8/22/2002	\$1,000.00
Max Cleland For Senate	2002	\$2,000.00
Bush-Brogan 2002	7/5/2001	\$500.00
Friends of Pataki	6/7/2001	\$5,000.00
Arkansans for Rockefeller	2001	\$250.00
Rick Lazio for Senate	7/18/2000	\$1,000.00
American Moving and Storage PAC	5/22/2000	\$1,000.00
Staten Island Center Independents	4/30/2000	\$2,000.00
Richmond Republican Party	4/30/2000	\$1,500.00
Max Cleland For Senate	2/11/2000	\$2,000.00
Bush For President	2000	\$2,000.00*
McCain 2000 Inc.	12/7/1999	\$1,000.00
American Moving and Storage PAC	8/23/1999	\$2,000.00*
Rudolph Giuliani	6/10/1999	\$1,000.00

Friends of Giuliani Exploratory Committee	6/3/1999	\$1,000.00*
Friends of Giuliani Exploratory Committee	4/23/1999	\$1,000.00
Richmond County Political Pac	5/5/1998	\$1,000.00
Glen Yost for Assembly	5/5/1998	\$2,000.00
American Moving and Storage PAC	2/16/1998	\$1,000.00
Republican County Committee	2/5/1998	\$1,250.00*
Dennis Vacco for New York State Attorney	1998	\$5,000.00*
Committee Reelect John Fusco	9/15/1997	\$500.00
Vito Fossella for Congress	8/22/1997	\$1,000.00
Whitman for Governor	8/9/1997	\$500.00
NYS Senate Republicans	7/1/1997	\$1,000.00
The NY Republican	4/1/1997	\$6,000.00
Giuliani For Mayor	1997	\$5,000.00*
Vito Fossella	12/10/1996	\$1,000.00
Citizens for Gulotta	12/7/1996	\$2,000.00
New York Republican Campaign Committee	11/1/1996	\$500.00
Fiala for Assembly	9/13/1996	\$1,000.00
Committee Reelect Susan Molinari	8/30/1996	\$1,000.00
Bill Paxon for Congress	8/20/1996	\$1,000.00
Renew America PAC	7/1/1996	\$3,000.00
NY Salute 1996	6/24/1996	\$2,000.00
Susan Molinari for Congress	3/25/1996	\$1,000.00
New York Delegates for Bob Dole	2/23/1996	\$500.00
Max Cleland For Senate	1996	\$2,000.00*
Max Cleland	12/8/1995	\$1,000.00
Al D'Amato for Senate	12/4/1995	\$2,000.00
Bob Dole	11/1/1995	\$2,000.00
Unigroup Inc. Political Action Committee	7/28/1995	\$1,000.00
Guy Molinari for District Attorney	1995	\$5,000.00*

\* Could not locate records.

14. Honors and awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievements.)

American Red Cross Award for Philanthropy (1998) "Staten Island Chapter."

Congress for Italian American Organizations Man of the Year Award (1997), Presented by Mayor Rudolph Giuliani.

Johns Hopkins University, British American Project (1996-present), John Hopkins University School of Advanced Studies in Washington and the Royal Institute of International Affairs in London. The purpose of the British American Project is to create personal and professional friendships which will enrich the understanding of both cultures and improve the member's ability to make meaningful contributions in their professional, civic and international activities.

Center for Migration Studies Greek American Award (1996).

NYPD Honor Legion Appointed Honorary Member (1996).

Appointed Honorary Detective of the NYPD (1996).

Appointed Honorary Deputy Police Commissioner of the NYPD (1996).

David Rockefeller Fellowship Program (1994-1995), The David Rockefeller Fellowship Program helps rising business executives prepare to become active civic leaders. Through a rigorous schedule of meetings, seminars and site visits during their fellowship year, the Fellows are exposed to the wide range of critical issues that confront New York City, from housing and homelessness to education and health care, from criminal justice and community development to city infrastructure and budget issues, from state and Federal urban policies to immigration issues.

Staten Island Chamber of Commerce Citation of Honor (1994), Development of the organization and community as Chairman.

Ernst & Young/Nasdaq (1993), Semifinalist National Entrepreneur of the Year.

NYC Council Proclamation (1993), Awarded by John A. Fusco, Member of NYC Council, for dedication and service to the community.

NYC Council Citation (1993), Awarded by Jerome O'Donovan, member of NYC Council, for exemplary service to the community.

Congress of the United States Proclamation (1993), Awarded for dedication, commitment and effort on behalf of the community.

United Activities Unlimited Honoree (1993), Awarded for dedication and community service for the children of Staten Island.

NYPD Certificate of Recognition (1991), for outstanding community service.

Snug Harbor Cultural Center Resolution Award (1990), Honored for being a gifted and committed corporate and civic leader who shaped the Institution.

Dewar's Profile Award (1989), Nominated by the Chamber of Commerce for inspiration and leadership to the community through outstanding performance in business, civic, cultural and philanthropic activities.

Businessman of the Year (1988), Recognized for "business acumen, integrity, and commitment to the community."

NYPD Certificate of Appreciation (1988), Awarded for outstanding service to the police department and the people of the City of New York.

Merchant's Eye on Crime Award (1986), Awarded for partnering the New York City Police Department and Staten Island business owners to reduce crime in the Community.

Borough President of Staten Island Outstanding Citizenship Award (1985), Acknowledging Unique and Exemplary Service.

15. Published writings: (List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.)

Mobility Magazine (Official Publication of the National Employee Relocation Council).

*The ABC's of the International Household Goods Transportation*, February 1994.

*Financial Stability: A Key Element in Carrier Selection*, January 1988.

*The Purchase and Administration of Household Goods Relocation Services*, May 1987.

*Purchasing: A Function of Relocation*, July 1986.

*The Successful Office Relocation in a Nutshell*, March 1985.

16. Speeches: Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of on topics relevant to the position for which you have been nominated: None.

17. Selection:

(a) Do you know why you were selected for the position to which you have been nominated by the President?

My understanding is that I was selected because of my experience and background in transportation matters, including transportation matters affecting New York State, New Jersey and New York City.

Serving the United States of America and our President would be an honor and a privilege.

(b) What in your background or employment experience do you believe affirmatively qualifies you for this particular appointment?

My experience as the CEO of a private sector company (see question F1) and my background with New York State public authority corporations.

#### B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations, or business organizations if you are confirmed by the Senate? No.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, please explain.

Yes, remain CEO of Victory Worldwide Transportation, Inc. and related companies.

3. Do you have any plans, commitments, or agreements after completing government service to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations? No.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service? No.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? Yes.

## C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers.

Victory Worldwide Transportation, Inc. (Domestic & International moving).  
 Victory Van Lines, Inc. (Domestic & International moving).  
 J&A Movers Services Inc. (Carpentry related services).  
 Victory Relocation Services, Inc. (Office Moving).  
 Simco Finance, Inc. (Loans to Victory workers).

The above listed firms are all complementary to one another. I will remain as Chief Executive on a salary or dividend basis with each of the firms. All moving contracts with customers are awarded on a competitive bid basis. There are no conflicts of interest.

Liberty View Equities (warehouse development, Jersey City, NJ).  
 Victory Worldwide Transportation, Inc. of NJ (warehouse-Jamesburg, NJ).

The two above listed firms are real estate investments. Victory Worldwide Transportation Inc. of New Jersey owns a warehouse in Jamesburg New Jersey which it rents to Victory Worldwide Transportation Inc. Liberty View Equities is a warehouse under construction that Victory Worldwide Transportation Inc. will also rent. I will derive a dividend from each company.

Staten Island Hockey.

A company in which I made a \$125,000 investment as a stockholder. It operates an indoor hockey field for teenage children.

I have no deferred compensation agreements.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated: None.

3. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated: None.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy: None.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

There are no current conflicts of interest. Any potential conflicts of interest would be brought to the attention of the designated ethics officer at the SLSDC and/or the DOT.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position? Yes.

## D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county, or municipal law, regulation, or ordinance, other than for a minor traffic offense? No.

3. Have you or any business of which you are or were an officer ever been involved as a party in an administrative agency proceeding or civil litigation? If so, please explain.

Yes.

James S. Simpson,  
 Defendant, Matrimonial, Supreme Court, New York, NY (2003).  
 Plaintiff, Eviction Proceeding of a tenant, Civil Court, Staten Island, NY(2003).

Victory Relocation Services, Inc.,

Victory Relocation Services has been made a defendant in an action brought by a former employee, Mr. James Gargano, for payment of money due as a bonus. There are no claims of discrimination or other torts involved.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be disclosed in connection with your nomination. None.

#### E. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your board/commission complies with deadlines for information set by congressional committees? Yes.

2. Will you ensure that your board/commission does whatever it can to protect congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.

3. Will you cooperate in providing the Committee with requested witnesses, including technical experts and career employees, with firsthand knowledge of matters of interest to the Committee? Yes.

4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

#### F. GENERAL QUALIFICATIONS AND VIEWS

1. How does your previous professional experiences and education qualify you for the position for which you have been nominated?

As the president of Victory Worldwide Transportation Inc., a domestic and international moving and storage company, the experience I developed, such as management, leadership, marketing and finance, has prepared me for challenges such as the appointment for which I have been nominated. For over twenty years, I have been recognized by the Ernst Young/NASDAQ Entrepreneur of the Year awards program as one of four finalists for the National Entrepreneur of the Year, and was the first recipient of the Employer of the Year Award by the American Moving & Storage Association. I also received recognition by clients such as Lucent Technology, AT&T, Agere Systems and others as Supplier of the Year for Service Excellence.

My education and experience in the private sector provide me with broad experience and knowledge to work with the senior leadership of the SLSDC. The SLSDC, as a wholly-owned government corporation, operates much like a private sector company. I intend to use my experiences to help the agency meet its strategic, performance, and operational goals. Additionally, I have served Governor George Pataki on the Board of the New York State Metropolitan Transportation Authority (Chairman-Real Estate & Planning, Chairman Safety & Security, member of the Finance and the New York City Transportation Authority committees) and the New York State Job Development Authority since 1995. These experiences have given me tremendous insight into how public benefit agencies and all the stakeholders function.

2. Why do you wish to serve in the position for which you have been nominated?

I have always felt public service was something all responsible business people should experience during the course of their careers. I have made public service an integral part of my life. Serving the United States of America and our President is an honor and a privilege. Serving on the SLSDC Advisory Board would allow me to maintain my job and gives me the opportunity to serve at the same time.

3. What goals have you established for your first two years in this position, if confirmed?

My goals are to work with the SLSDC Administrator to ensure the long-term reliability and competitiveness of the St. Lawrence Seaway. The waterway is nearly 50 years old and has seen diminishing traffic results in recent years. If confirmed, I intend to work with my fellow Advisory Board members and the agency leadership to make recommendations to guide the waterway for the next 50 years.

If confirmed, I would review all financial and management reports of the SLSDC with a view towards increasing revenue and reducing operating costs and would examine the needs of the capital program to ensure the infrastructure remains in a state of good repair.

As a member of the advisory board, I would review, develop and support the DOT's, the Administration's and the SLSDC's strategic goals, programs and initiatives and ensure they were implemented and achieved.

4. What skills do you believe you may be lacking which may be necessary to successfully carry out this position? What steps can be taken to obtain those skills?

I need to develop a better understanding of the intricacies involved in commercial navigation on the St. Lawrence Seaway System. I realize that the SLSDC's status as a government corporation empowers it with a variety of legal flexibilities and that under the terms of an international agreement between the United States and Canada, the SLSDC jointly administers the operation and maintenance of the Seaway System and vessel operations with its Canadian counterpart.

Through interaction with agency staff, my fellow Board members, and the key stakeholders in the Great Lakes Seaway System region, I am confident that I would develop in-depth knowledge of the seaway and its operation.

5. Please discuss your philosophical views on the role of government. Include a discussion of when you believe the government should involve itself in the private sector, when society's problems should be left to the private sector, and what standards should be used to determine when a government program is no longer necessary.

The role of government is to provide the legal framework and certain basic services necessary for a successful and productive society and economy. By setting up a legal framework, government establishes rules and regulations by which we live and work. Through effective legislation, government can ensure the stability of society, maintain order and deter acts (i.e., discrimination, etc.) that are detrimental (socially or economically) to individuals or the larger community.

Government is also necessary to maintain a viable monetary system, stabilize the economy when necessary, provide for a fair mechanism for taxation, provide economic growth, protect individual rights and secure the Nation from foreign (and domestic) threats to its ideals and sovereignty.

There is little need for government intervention beyond the role of imposing broad legal limits on the exercise of individual choices and the use of private property as long as the social and economic benefits outweigh the costs.

Government intervention is needed in the private sector when there are shortcomings and abuses (e.g., pollution) which force the government to supplement and modify its operation for the public good. Also, government involvement is necessary when the private sector fails to produce certain goods or services that can be considered public or social goods like a highway system or public health services.

In our market economy, it is difficult to let the private sector solve society's problems without government intervention. Government can provide incentives to motivate the private sector in solving society's problems and needs to be the catalyst and ultimate authority in accessing and prioritizing problems and proposed solutions.

Government programs are no longer necessary when the costs (social and economic) to society are greater than the benefit or when the private sector can provide the program at a lower overall cost.

6. Describe the current mission, major programs, and major operational objectives of the board/commission to which you have been nominated.

The Saint Lawrence Seaway Development Corporation's mission is to operate along with its Canadian counterpart a safe, reliable, cost effective and environmentally friendly deep draft waterway between Montreal and Lake Erie, creating a seamless passage from the Atlantic Ocean to the western end of Lake Superior.

The SLSDC along with The St. Lawrence Seaway Management Corporation (Canadian) coordinates day-to-day operations, rules and regulations, traffic safety and management, operating dates and trade development programs particularly through the Great Lakes Seaway System. Recent initiatives have included the Canada/U.S. vessel inspection program to replace dual inspections, a traffic management system including an Automatic Identification System technology and an Internet site to provide users with weather reports and waiting times at all the locks.

Like any private sector company, the SLSDC is committed to customer satisfaction and a management philosophy of "continuous improvement," in the area of safety, reliability, efficiency and communications with its users. Additionally, with business volume down over the past several years the SLSDC is looking at other ways to attract new business and maintain its infrastructure in a state of good repair.

7. What do you believe to be the top three challenges facing the board/commission and why?

a. Increase utilization of the Seaway: Due to weak global economic conditions import and export business has been reduced. The SLSDC needs to find other sources of business to increase usage.

b. Maintaining Infrastructure in a "state of good repair": As the system ages, it needs more and more capital expenditures to keep the system operating. Our country has tremendous infrastructure requirements and the SLSDC must compete for limited resources.

c. Security against potential terrorist attacks of infrastructure and increased inspections of foreign vessels entering the Seaway: Following the September 11 at-



tacks, security must become the number one priority because the cost of failure is too great. As a result, SLSDC must review its allocation of resources and priorities. As an advisory board member, I will work with the Administration and Congress to ensure sufficient operations and maintenance funding for the agency.

8. In reference to question number six, what factors in your opinion have kept the board/commission from achieving its missions over the past several years?

I believe the SLSDC has achieved its mission over the past several years. The fact that business volume is down is due to a weakened global economy which is beyond the control of the SLSDC. The SLSDC has recognized this adverse situation and has taken action, through business development, to reverse this trend.

9. Who are the stakeholders in the work of this board/commission?

The stakeholders are a diverse group, including the millions of citizens in Canada and the United States, who benefit from products produced from the seven plus billion dollars of cargo passing through the seaway annually, the thousands of employees of the numerous industries along the Great Lakes (e.g., seventy percent of the U.S. steel capacity) and in the Midwest. Many ports along the seaway have created maritime and port jobs, which have created tremendous economic growth in cities along the Great Lakes and have positively impacted tertiary sectors of the economy such as restaurants, machine shops and warehousing among others. Steamship lines and related suppliers have also benefited from the seaway.

Also included are the communities adjacent to the seaway and their elected officials, environmental protection agencies on all levels, Congress and the Administration.

10. What is the proper relationship between the position to which you have been nominated, and the stakeholders identified in question number nine?

The proper relationship between an advisory board member of the SLSDC and the stakeholders is to have an "open ear" to all the stakeholders without prejudice and to ensure no party exerts undue influence or receives preferential treatment. Further, to ensure board members do not use their position for personal gain and to operate with the highest degree of moral and professional ethics.

11. Please describe your philosophy of supervisor/employee relationships. Generally, what supervisory model do you follow? Have any employee complaints been brought against you?

I have always operated in the supervisor/employee role in a participatory style of management. Specifically, having the employee participate and "buy into" the decision of what, who, when and how a project or task is to be achieved. This allows the employee to develop a sense of ownership of the action item. Once that is accomplished, follow up and success of the outcome is expected.

My style can also be considered as paternal as I have tried to manage as a "family business model" with concern for my employees' personal and job related problems.

In my role as an advisory board member of the SLSDC, I do not view my position as a manager/supervisor but as a policy advisor. I believe as a board member it is important not to become involved in the management of staff. No employee complaints have been brought against me.

12. Describe your working relationship, if any, with the Congress. Does your professional experience include working with committees of Congress? None.

13. In the areas under the board/commission jurisdiction to which you have been nominated, what legislative action(s) should Congress consider as priorities? Please state your personal views.

Following the September 11th attacks, security against potential terrorist attacks of infrastructure of the seaway and increased funding where necessary. As the seaway ages, adequate capital funding is required to maintain a state of good repair to ensure reliable usage.

14. Please discuss your views on the appropriate relationship between a voting member of an independent board or commission and the wishes of a particular President.

An appointee of a particular president should share many of the same, or appreciate philosophical views of government, defense, fiscal and monetary policy, the economy and other "macro" matters as that of the President making the appointment. Once the appointment is made, the President should allow that individual to freely make decisions that the appointee deems in the best public interest for that agency.

The CHAIRMAN. Mr. Adelstein, as you know, this Committee passed, and the Senate passed, indecency legislation that increased the fines, made it reviewable. In other words, it was basically a reaction to some of the things that have been on broadcast television,

right? You are aware of that legislation. It didn't go through the Senate. It was on a——

Oh, is Susan Molinari here today? Oh, Susan, welcome. Thank you. It's wonderful to see you.

And it was attached for a while to the Defense authorization bill, and then dropped in conference. My point is, it's not—the issue is not going away.

Now, explain to me this. ABC network broadcast the film *Saving Private Ryan*. If there's two films in recent years that I think every mature American should see, it's *Schindler's List* and *Saving Private Ryan*. I'm sure there are others, but those two are aspects of history that every American should be aware of so that we never have to repeat them, or there never be a repetition.

So *Saving Private Ryan*, which I happen to have introduced and said, "I want to warn everyone, this is for mature audiences," should not be shown to children, but is one of the most important lessons of history because of the incredible sacrifice made in American blood on the beach at Normandy.

So was it 15 ABC affiliates?—or 20—I've forgotten now—decided not to broadcast that film because they were worried about, in their words, "problems with the FCC." OK? Including the ABC affiliate in Phoenix, Arizona, where I live. So citizens of my valley that I reside in didn't get to watch *Saving Private Ryan*.

So prior to Monday Night Football last week, we see this disgraceful performance, which one of the NFL coaches has said, in his view, anyway, is racist in nature.

What's going on here, Mr. Adelstein? What in the world is going on?

Mr. ADELSTEIN. Well, first, I completely agree with you about the value of *Saving Private Ryan* as an artistic statement. I come from a family that's had three generations of United States Army officers. I recognize the sacrifice that Americans have made. I've never seen a film that more completely captures that, that has the artistic merit and deserves the full First Amendment——

The CHAIRMAN. I wasn't asking for a movie review.

Mr. ADELSTEIN. What I'm saying is, it shows how complicated this issue is. We have received thousands—my e-mail's been plugged up, on both sides. I've had thousands of complaints about the use of certain words in that movie, and I've had thousands of people send me e-mails saying that it should not be fined because it was so important as a film. We're going to have complaints coming in on that.

But I think it's important to note that twice the Bureau at the FCC has approved this exact same film. It's not gratuitous, it's not meant to shock. Even the Parents Television Council, which has ridden so hard on this issue, has said that it is completely appropriate——

The CHAIRMAN. Yes, Mr. Brent Bozelle commented on it, right?

Mr. ADELSTEIN. He did.

The CHAIRMAN. Yes.

Mr. ADELSTEIN. He did. And so, at the same time, there's another group that's come out and said that it's inappropriate to put that on.

The CHAIRMAN. Well, have you heard anything from these ABC affiliates—that thought that it would be wrong to broadcast *Saving Private Ryan*—about the broadcast of that ridiculous promo before Monday Night Football?

Mr. ADELSTEIN. Well, I have spoken recently to some people who represent ABC affiliates, and they made the decision not to air it. And it was their decision to do so, and they have the right to do that—under our rules, the right to reject a rule if they feel it's inappropriate. And it's really not my place, as an FCC commissioner, to say whether or not they do preempt on that basis. My only job is to determine if something is indecent, as charged by this Committee.

And I have said that context matters. I was very careful in what we called the Bono case, where there was the gratuitous use of the F-word, to say that this wasn't a *per se* violation. And we put that in the order, that it was a contextual decision, that cultural artistic merit are to be taken into account.

The CHAIRMAN. Well, I'm terribly uncomfortable with this issue, because I don't believe that I or, frankly, most Members of the Senate are able to judge what's suitable fare and what isn't suitable fare. And we all have our particular backgrounds and ideas and views on things. But it just seems to me the height of hypocrisy for, on the one hand, not show *Saving Private Ryan* because it might be shocking to people, and then this thing that was shown on Monday Night Football.

It seems to me that the lesson here is that—and maybe there's no answer to it, but it seems to me that we've got to look at this whole issue in—examine it more carefully and maybe come to some decisions about standards. Maybe it's what the Supreme Court said about child pornography, "You know it when you see it." I don't know. But it seems to me that the FCC is going to have to be more involved in this issue, as unpleasant as it may be, or others will be making those decisions. I think the FCC is probably most qualified to make those decisions, and I think all of us would agree, in light of the scenario that we just talked about, that we're not in a satisfactory position. Would you agree with that?

Mr. ADELSTEIN. I would agree with that. I'm very concerned about the chilling effect that we saw, in terms of the ABC affiliates making that decision based on what they weren't certain about, and I think we should work closely with this Committee. I'd like to work with you, if confirmed, to try to make sure that people are aware of what the regulations are.

The CHAIRMAN. Are you worried about media concentration?

Mr. ADELSTEIN. I'm very worried about media concentration. I think that we have to be careful to ensure that there continues to be a multiplicity of voices in this country heard over the airwaves, and I think we need to proceed carefully. The Third Circuit Court of Appeals has ruled that the FCC decision made on this issue that would have allowed further media consolidation was basically completely inconsistent, internally, and needed to be put on ice. And I agreed with that decision. We need to implement that decision and visit this again.

And I think next time we visit it, we need to be more inclusive, we need to work more closely with this Committee, and with com-

mittees in the other body. We need to work more closely with the public, and hold hearings about it.

A number of Members of this body asked us to wait and put out to the public what we did before we did it. The chairman and the majority decided not to do that. I think it was a mistake, that they would have been well-served to have had that decision further vetted. And this time around, I hope that we will do that, I hope that we will work closely with the American people, with Members of Congress, with this Committee, to ensure that we get it right this time and that we protect the public interest.

The CHAIRMAN. This summer, AT&T announced that they would cease marketing its phone services to residents in seven states due to the dispute over the fees carriers like AT&T pay to the Bell phone companies for the use of their networks. On the flip side, several new phone-service providers emerged over the past year, most being Voice over Internet Protocol, known as VoIP providers. Reflecting on these events, what do you believe is the current state of the telecommunications industry, particularly the wireline business? And what's your appropriate role?

Mr. ADELSTEIN. Well, there's real uncertainty out there as a result of some of the court decisions. I mean, our job is to implement the Act. It says to unbundle when we need to do so. Now we've gotten D.C. Circuit Court guidance on that. I think we need to move quickly to come up with rules. I'm hopeful that we can actually do that, to establish final rules at the upcoming December meeting of the Commission. And I hope that we can work together.

One thing that we learned on this and other decision that we made—the one I previously referenced, on media ownership—is that we're most vulnerable, and it leads to the most uncertainty, when we don't act as a Commission by consensus. We have, on so many occasions, done so, and I am hopeful that, again, this time in December, we can all come together unanimously to establish rules that everybody will know what they are, going forward, so that people know what they can do in the marketplace, and that we'll do so unanimously.

The CHAIRMAN. Thank you.

Mr. Creel, I just want to mention, there's no doubt in my mind that your agency has now assumed far, far greater importance than before 9/11. We probably have not paid as much attention to maritime security as we probably should have, and that may be the fault of this Committee, and also the Administration. But I want to assure you that there are many of us that are aware of the vulnerability that this Nation has, as far as port security is concerned, and that's a lot to do with your business. And I know you realize that, and we look forward to working with you in the future.

Mr. CREEL. Thank you, sir.

The CHAIRMAN. Senator Nelson?

**STATEMENT OF HON. BILL NELSON,  
U.S. SENATOR FROM FLORIDA**

Senator NELSON. Thank you, Mr. Chairman. And thank you to all of you for your public service.

Mr. Chairman, one of our jobs here is to give oversight to the various agencies. And your Committee, with no lack of passion, has

given that oversight, especially to agencies such as the Federal Communications Commission. And I just want to echo your intensity and your passion about the need for the FCC to get in and start issuing some rules of decency. The Chairman said it very well, but we have this thing completely upside-down, what has happened within the last week. This Committee has also tried to give the FCC some oversight and direction with regard to media ownership. The Chairman has just asked you about that.

I would ask you, specifically, now that the Circuit Court of Appeal has ruled, do you anticipate—and you're in the minority, Mr. Adelstein, I understand that—the majority of three there, do you anticipate that they are going to flesh out that Court of Appeals ruling and follow the ruling of the Court?

Mr. ADELSTEIN. Well, it's unclear to me whether or not there will be a decision made to appeal that to the Supreme Court. I don't feel there's a lot of grounds to appeal the decision. I think it would be better for everybody involved—and, I understand, even the industry, the media industry that's affected by this, believe that it might be preferable to go ahead and try to hash through that and to comply with the Third Circuit Court of Appeals ruling.

So I think we should move forward. I don't know whether they will do that. I think we need to hold a lot of hearings publicly. I think we need to do more studies, do a lot more research before we act this time. And I'm hopeful that we will do that.

I think we should start immediately. I'm planning on, if confirmed, heading out very soon to talk to the American people yet again about this issue and to see what kind of input we can get from them, from experts from around the country. We've really learned a lot from that process, and I think the Commission, as a whole, should go out and speak to the American people. Because, after all, the standard that was given to us by Congress was a public-interest standard, so I think it's extremely important that we hear from the public about their views about the media.

Senator NELSON. And I would encourage the FCC, in their deliberations, to remember that it was not only the sentiment expressed by this Committee, chaired by our great leader from Arizona, but it was also the entire Senate, in an overwhelming vote, that gave you direction on this issue of media ownership and then the tangential issue of the cross-ownership.

Let me ask you, what role do you see in wireless broadband for the future? Are we moving quickly enough with the digital transition to free up spectrum? And we have an additional incentive for freeing up spectrum; it's called the 9/11 Commission Report.

Mr. ADELSTEIN. I think that wireless broadband is really one of the most promising areas for competition in the field of broadband, one that the FCC has to do everything it possibly can to promote. As a matter of fact, I think we have done a lot, just in the time that I've been there. Working together, as I mentioned in my opening statement, on a bipartisan basis, we've really fundamentally changed the way that spectrum management is done in this country. We've made a lot more spectrum available for the purpose of broadband, both for 3G broadband—we made 90 megahertz of spectrum available in the 3G band. We've made two more gigahertz available, of spectrum, for CMRS, taken from MSS. We've come up

with 70, 80, 90 gigahertz fiber-like connections. You can get fiber-like connections for short distances, over wireless spectrum. And, of course, there's the spectrum that is now being employed by broadcasters that we hope to speed the transition in order to make that available for wireless broadband purposes, as well. I think that that's the new pipe into the home. And for all the talk about intermodal competition, I think that's the real frontier.

And it's amazing the kind of technology that is developed in short order, both WiFi and for licensed broadband purposes. And as we have changed our rules and opened up the use of spectrum, we've seen industry respond incredibly effectively, and the marketplace is working.

So we want to continue that, we want to continue to let the marketplace drive innovation, drive wireless broadband forward. And I think all Americans will be served, including those in rural areas.

Senator NELSON. Thank you. Speed on.

Mr. ADELSTEIN. Absolutely.

Senator NELSON. Mr. Chairman, since we have two of our distinguished citizens from my state here, I would want to pick up on Senator Lott's comments earlier that he's concerned the partisan and divisive nature that has gotten into this political discourse. And would the two of you comment on your views for objectivity in public broadcasting?

Ms. GAINES. Together?

Senator NELSON. As your—as you wish.

Ms. GAINES. Senator, I'm really pleased that you're here, as our Senator from Florida, and I would like you to convey to Senator Lott that I actually share his concerns. And I care a lot about objectivity and balance.

Since joining this board, in the very short time that I've been there, I have to tell you, I feel that the entire board is very diverse, and that they care a lot about substance and about objectivity. And having been on the Board for a year, the—if I am confirmed, I will hope that you can convey to Senator Lott that I will do everything I can to make him feel differently.

Ms. PUIG. And I also echo Mrs. Gaines' views. It is a very important issue to all of us in the board. And I note that the CPB has instituted—in the short time that I have been on the Board, I know that they have instituted several initiatives to reconcile any differences that there may be. The CPB has created a 1-800 number, e-mail addresses to solicit public feedback. We have also held a public forum, which I was able to partake in. And I know that, by law, the CPB is required to support programming that is objective and balanced, and that is of much importance to all of us in that board.

And, at the same time, I know that the CPB is prohibited from interfering with local station operations or directly controlling editorial content of these radio stations. But it is of utmost importance to all of us, and we will continue to pursue this very seriously.

Senator NELSON. I'm glad for your last comment there, because of my concern about media consolidation, and especially in public broadcasting, that there be some flexibility for local decision-making. And I want to encourage you to encourage objective locally oriented broadcasting.

Thank you, Mr. Chairman.  
The CHAIRMAN. Senator Cantwell?

**STATEMENT OF HON. MARIA CANTWELL,  
U.S. SENATOR FROM WASHINGTON**

Senator CANTWELL. Thank you, Mr. Chairman.

Mr. Adelstein, thank you for holding the March field hearings with Commissioner Copps, out in the Northwest, and I'm pleased to hear today that you are going to continue to have field hearings on the issue of media consolidation, or your comments about going out and talking to America. I assume you meant that you would continue to have hearings. I know that, in the Northwest, this is a very important issue, and I think you had, let's us say, a very raucous audience. In fact, I think that there were some members of the audience that printed your name, and Mr. Copps names, on signs and billboards, almost as if you were the rock stars they were expecting to save them on this issue of media consolidation. So I hope you take that seriously.

And I will come back to a question about cross-ownership, but I wanted to ask you—obviously, in the Northwest, the issue of rural communication competition and the various aspects of how we move forward in communication competition is very important to our state. I think we're probably further ahead of most people in broadband delivery to rural communities, just because we have a unique situation with the Bonneville Power Administration and a redundant backbone broadband service there that many people have used. But tell me, with the cost of fixed wireline, and the very high cost, and the large amount that universal service fund is a percentage of that, covering costs to those current providers, how do you expect to see competition play out in rural communities?

Mr. ADELSTEIN. Well, in rural communities, of course, competition is—it's the last place that it goes. That's why universal service has been so important. Where there's not competition, I think that Congress envisioned, in the Telecommunications Act, that universal service would supply the proper service, comparable services at comparable rates. That's under real challenge now, as the fund is based on interstate revenues, which are diminishing. At the same time, we're getting increased demands on the system by new carriers that are entering to provide service. We need to make sure that we keep universal service on a stable footing.

And it's essential, I think, for the development of broadband, as well. Even though it doesn't now directly fund broadband, our rules do allow for the network to be funded through universal service. And we find, in rural areas, that we would not have nearly the same quality of networks that are able to support broadband if we didn't have the kind of universal service support that we do have. It's not designed, I don't think, to promote competition; rather, it's designed to work where the marketplace falls short and there's no as much competition as there otherwise would be.

Senator CANTWELL. Well, how do you see that playing out in 10 or 15 years, I guess? Because we are going to see changes. I mean, my sense is that the next Congress will spend a fair amount of time, particularly on this Committee, talking about that issue. And I guess I'm concerned that, in the short term—I think you've been

quoted as saying government should not use the universal service fund to fund competition for competition's sake.

Mr. ADELSTEIN. Right.

Senator CANTWELL. And yet I think the wireless solutions in rural communities are starting to take hold. They are certainly starting to take hold in the Northwest. I don't want to see rural communities held hostage to one high, fixed wireline cost, when competition of services are going to continue to evolve in the short term. So I'm curious as how you see that in the near term, and what do you think this looks like 10 or 15 years from now?

Mr. ADELSTEIN. Well, in the near term, we have come up with a system of making sure that it's technological neutral. Universal service should be technologically neutral, meaning that wireless companies or wireline companies, anybody who's providing that service and truly using it to build out to their communities, should be approved for funding either by the FCC or by the states in the case of ETCs, eligible telecommunications carriers.

We have made a new policy now, trying to tighten up how those designations are made, and I have fully supported those efforts, working with my colleagues, because I think it's important that wireless carriers, for example, be funded in areas where they meet these benchmarks that we've laid out, that they are actually using all the funds for the intended purpose. As Congress laid out in the act, We need to use—every dime of universal service has to be used by carriers for the purpose of providing universal service, and to make sure that they're serving the entire service area—

Senator CANTWELL. Do you think individual states are making that challenge hard for wireless solution providers?

Mr. ADELSTEIN. We, in the joint board—I serve on the joint board on universal service, with my state colleagues, and we've tried to provide some guidance to the states, working in collaboration with them on the joint board, to try to come up with standards that are fair and that are—even across the country. Courts—states do vary, in terms of the flexibility with which they do permit eligible telecommunication carrier status for new entrants. We'd like to see it more standardized. That's why the FCC tried to take a leadership role in the Virginia cellular and the Highland cellular cases, where we did approve funding for wireless carriers, but did so very specifically, in targeted ways that ensured that the funds were only used for the intended purpose and that they were actually used to provide universal service to areas that otherwise wouldn't have it.

Senator CANTWELL. Do you think we need to do something here in Congress to clarify the other terms and conditions clause that states sometimes interpret in various ways—to use that as a hammer to prevent access in competition?

Mr. ADELSTEIN. Well, the Congress did a very good job, I think, in Section 254 of the act. It gave the Commission the flexibility that we need to try to come up with these standards. Of course, the government—the Congress did delegate to the states, largely, their role of determining whether or not—particularly carriers in ETC. And so you do see some of the variation that you've talked about here among states.

Senator CANTWELL. So do you think some states have gone too far?



Mr. ADELSTEIN. I do, actually, think that some states would virtually rubberstamp some of these applications without doing the kind of analysis they should. Other states have been very careful in how they determine ETCs. So it's varied some, and I think it's gotten better.

Senator CANTWELL. Have some states gone too far in not allowing competition and making it harder for the wireless solution providers? Have they overstepped on what was meant by Congress on terms and conditions, in your opinion?

Mr. ADELSTEIN. I think the tendency has been to be more liberal than conservative on this. I think the tendency of states has been that they see universal service as a Federal fund and that it's easy for them to, sort of, say, "Come on in, and we'll take more Federal funds in for the state." And I think they need to be careful, because—and they have, I think, stepped up and been more careful recently about this, as we've worked together with them on the joint board and through NARUC and tried to establish standards ourself at the FCC, through the Virginia cellular and the Highland cellular cases, to give some guidance to the states about how these funding decisions should be made. So we're at a point now where I think we've come up with a good framework. It's really up to the states whether or not they want to follow that framework, because they were given that flexibility by Congress.

Senator CANTWELL. I guess I'm not clear what you—whether you think the problem has been solved or you think you should just continue to give guidance or whether this body needs to have more discussion about this issue.

Mr. ADELSTEIN. I think that, given the Virginia cellular and the Highland cellular cases, that we've now given guidance to the states. The joint board's given some guidance to the states. The states are now implementing that, I believe, and our states are—have, sort of, a framework they can use. So I think currently the situation is somewhat stable. I am not sure there's a need for legislation in this area. I am not sure that the FCC could provide any more detailed guidance than we have in those cases. Although we're now reviewing and processing a number of ETC applications, and we are moving those forward. And in those cases, I'm making sure that each one adheres to the framework that we established in Virginia cellular. But, of course, most of these decisions are made at the state level, so it's yet to be seen whether or not the states are going to follow that framework or not. It's their decision.

Senator CANTWELL. Would you predict, in the next 5 years, that there would be a larger use of the universal service fund for wireless providers?

Mr. ADELSTEIN. It's been increasing at a rapid clip. We've seen a—of all the areas of universal service, the approval of CETCs, wireless ETCs, has been the fastest, as a percentage basis, growth in the fund. It's fairly small, still, as an overall percentage of the fund, but it's been the fastest increase. So it's something that we do want to watch. It's not something, necessarily, that we want to prevent. I mean, the wireless industry pays into this system far more than they get out. And, again, I—

Senator CANTWELL. My point, exactly.

Mr. ADELSTEIN. Right. And, again, you know, I think that we should be technologically neutral on how we allocate these funds, so that wireless carriers are fully eligible. At the same time, that also means that we need to apply the same strict guidelines to wireless carriers that we do to wireline carriers.

Senator CANTWELL. OK, thank you. I couldn't—I've taken more time, probably, Mr. Chairman, than 5 minutes.

The CHAIRMAN. Go ahead.

Senator CANTWELL. But if I could, just on the cross-ownership issue, I know people have talked about media consolidation, but I think we're, in the Northwest, one of the areas that was covered by a newspaper that is an independent family owned—I think it's only about 20 percent a newspaper. So why do you think it's critical to maintain the cross-ownership provisions?

Mr. ADELSTEIN. Well, I know—I've spoken to Frank Blethen, from the state of Washington. I came out, as you've indicated, on a couple of occasions. I have found that people in Washington are some of the most sophisticated, aware, and engaged in this issue of any I've seen anywhere in the country, and I really have enjoyed my sojourns out to Seattle. And it was an enthusiastic crowd, as you said.

The CHAIRMAN. Is that a travel advisory?

[Laughter.]

Mr. ADELSTEIN. You want enthusiasm, go to Seattle.

[Laughter.]

Mr. ADELSTEIN. Might get a few clouds, too, while you're at it.

But it's—I don't think it's appropriate for the FCC to assume, automatically, that every time that a newspaper wants to buy, you know, a broadcast outlet that it's OK. And that's essentially what was done in the decision made by the FCC. In places where 97 percent of the American population lives, we said it's OK for the newspaper to buy broadcast outlets. And I think we need to be very careful about that. I'm not saying that it's always inappropriate. There may be cases where they can make the case. But we need to look at the actual community. We need to see how the public would benefit.

I mean, if there is television outlet that's not providing any news at all, and the newspaper wants to come in and put news on that, and they're willing to make that commitment to the FCC and—maybe it's something we need to consider. But if they're going to swallow up an outlet, a broadcast outlet, that's doing a good job of providing news, you're losing a voice in the community and you're losing competition in the community. Instead of having two reporters chase after stories and try to get at what public officials are saying or what's happening in the community, you have just one, and you're going to tend to have that same story run on both. So it's something that we have to be extremely careful about, allowing newspapers to purchase broadcast outlets.

Senator CANTWELL. Thank you, Mr. Chairman.

The CHAIRMAN. Well, there's just one other aspect of that, too, Mr. Adelstein. If you get very large chains of newspapers, for example, their tendency is to—in order to save money, is to use one story that applies to all, or even borrow from other news services.

And that's an aspect of media concentration that I don't think we have paid as much attention to as we should have, as well.

I want to congratulate all of you again. We will move your nominations as quickly as possible. I think that the Congress is probably supposed to be out either tomorrow or Saturday sometime, and we'll try and get it done before then.

Thank you for your willingness to serve, and thank you for being here today, and we look forward to seeing again in the future. Thank you.

This hearing is adjourned.

[Whereupon, at 10:50 a.m., the hearing was adjourned.]

