

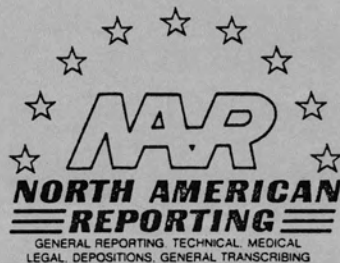
In the

Supreme Court of the United States

CBS, INC.,)	
)	
Petitioners,)	
)	
v.)	No. 80-207
)	
FEDERAL COMMUNICATIONS COMMISSION)	
ET AL.; and)	
)	
AMERICAN BROADCASTING COMPANIES)	
INC.,)	
)	
Petitioners,)	
)	
v.)	No. 80-213
)	
FEDERAL COMMUNICATIONS COMMISSION)	
ET AL.; and)	
)	
NATIONAL BROADCASTING COMPANY,)	
)	
Petitioners,)	
)	
v.)	No. 80-214
)	
FEDERAL COMMUNICATIONS COMMISSION)	
ET AL.,)	

Washington, D.C.
March 3, 1981

Pages 1 through 53



ORIGINAL

202/544-1144

1 IN THE SUPREME COURT OF THE UNITED STATES

2 -----:
3 CBS, INC., :

4 Petitioners, :

5 v. :

No. 80-207

6 FEDERAL COMMUNICATIONS COMMISSION ET AL.; and :

7 AMERICAN BROADCASTING COMPANIES: INC., :

9 Petitioners :

10 v. :

No. 80-213

11 FEDERAL COMMUNICATIONS COMMISSION ET AL. ; and :

12 NATIONAL BROADCASTING COMPANY, :

13 Petitioner, :

14 v. :

No. 80-214

15 FEDERAL COMMUNICATIONS COMMISSION ET AL., :

17 -----:

18 Washington, D.C.

19 Tuesday, March 3, 1981

20 The above-entitled matter came on for
21 oral argument before the Supreme Court of the United
22 States at 10:08 o'clock a.m.

23 APPEARANCES:

24 FLOYD ABRAMS, ESQ., Cahill Gordon & Reindel,
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on behalf of Petitioner National Broad-
casting Company, Inc.

STEPHEN M. SHAPIRO, ESQ., Assistant to the
Solicitor General, Department of Justice,
Washington, D.C. 20530; on behalf of the
Respondents, The Federal Communications
Commission and The United States

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MILLERS FALLS
ERASE
COTTON CONTENT

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on behalf of the Petitioners

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on behalf of the Respondent

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on behalf of the Petitioners

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P R O C E E D I N G S

MR. CHIEF JUSTICE BURGER: We'll hear arguments first this morning in CBS v. The Federal Communications Commission and the related cases. Mr. Abrams, you may proceed whenever you are ready.

ORAL ARGUMENT OF FLOYD ABRAMS, ESQ.,

ON BEHALF OF THE PETITIONERS

MR. ABRAMS: Mr. Chief Justice and may it please the Court:

This consolidated case comes to this Court on writs of certiorari to the U.S. Court of Appeals for the District of Columbia. It involves a decision of that court affirming two 4 to 3 rulings of the Federal Communications Commission that ABC, CBS and NBC violated Section 312(a)(7) of the Federal Communications Act by declining to sell one half hour of prime time on their networks to the Carter-Mondale Committee during a specified four-day period, during the first week in December of 1979 -- a time 11 months before the national election, 8 months before the Democratic National Convention, almost three months before the first primary, and over a month and a half before the first official contest of any sort in which there was voter participation -- the Iowa caucus. I wish to emphasize that this was not an application for time in Iowa, with respect to the Iowa caucus -- which was, as I've said, about a month and a half

1 away; this was for time from the national networks to be
2 broadcast on those national networks around the nation. And
3 it is the failure of the networks to sell the precise time
4 sought at the time it was sought that the Commission has
5 found in the statute's language, unreasonable; even though
6 CBS, for example, immediately offered to sell two five-
7 minute periods of time during the time-periods that it was
8 sought, and ABC offered to sell time in the first week of
9 January of 1980.

10 The facts of the case are easily stated and, I
11 think, not disputed. In October 1979, letters were written
12 on behalf of the Carter-Mondale campaign to each of the
13 three networks, seeking to purchase a half hour of time
14 during specified time-periods in the first week of December.
15 It was said in these letters that the needs of the Carter-
16 Mondale campaign were such that the time was required to
17 kick off the campaign. Each of the networks declined to sell
18 precisely the time that was requested, on the evenings that
19 they were sought. Each made a submission, first to the
20 Carter-Mondale campaign by way of response, and then to the
21 Commission. When a complaint was filed there, setting forth
22 their reasons, as I said -- CBS made an immediate offer to
23 sell two five-minute periods of time; ABC advised that it
24 would sell time in early 1980 and prior to the time the
25 Commission ruled, offered to sell time in the first week of

1 January, 1980. NBC initially declined to sell the half-
2 hour at the time that it was sought, and when a half hour
3 was sought in early January, NBC offered to sell it at that
4 time.

5 The length of time before the election and the
6 amount of potential requests for equal opportunities under
7 Section 315 of the Federal Communications Act, and other
8 requests for time were cited separately by each of the net-
9 works in their responses. ABC and NBC pointed, for example,
10 to the fact that they had not sold national network time in
11 the 1976 election until March and April of that election year.
12 CBS pointed to the fact that it had already received requests
13 from the Connally campaign on September 14th and the Reagan
14 campaign on September 21.

15 QUESTION: The statute involved here was not in
16 effect in 1976, was it?

17 MR. ABRAMS: It was in effect in 1976, it never
18 resulted in any litigation.

19 QUESTION: But it was in effect at the time that
20 the --

21 MR. ABRAMS: Yes. It was passed in 1972.

22 QUESTION: Passed in --

23 MR. ABRAMS: Seventy-two, the Federal Election
24 Campaign Act. On its face, this statute, which is Section
25 312(a)(7) is one of 7 subsections of Section 312(a) of

1 the Federal Communications Act, setting forth acts that
2 can lead to license revocation. The list is simple, of
3 course I won't read it, but it includes such things as
4 the making of false statements on the application for a
5 license, the violation of cease and desist orders of the
6 Commission, the willful or repeated failures to operate
7 substantially as set forth in the license and the like.

8 None of these imposed any new, substantive obli-
9 gations. All of them imposed the risk of sanctions upon the
10 networks or of the stations involved, broadcast stations,
11 it was said if there was violation. Our section, the one
12 at issue today as adopted in the Federal Election Campaign
13 Act prohibits the following: willful or repeated failure
14 to allow reasonable access to or to permit purchase of
15 reasonable amounts of time of time for the use of a broad-
16 cast station by a legally qualified candidate for federal
17 elective office on behalf of his candidacy.

18 If the Court please, it is now the position of
19 the Commission that the plain meaning of those words leads
20 inexorably to the conclusion that ABC, say, which offered
21 to sell time in January 1980 rather than December 1979, is
22 in plain violation of the statute. We maintain that that
23 is not so --

24 QUESTION: Mr. Abrams, do you deny that the
25 Commission could take that into consideration at the time

1 the station's license comes up for renewal?

2 MR. ABRAMS: We think that it was proper to take
3 into account a charge by a complainant at the time the
4 charge is made, Justice Rehnquist, the violation of Section
5 312(a)(7).

6 QUESTION: The same way any of the others
7 conditions for license renewal could be considered?

8 MR. ABRAMS: It's an appropriate thing to be
9 considered then; the fashion in which the Commission has
10 handled it is the fashion akin to the way its handled fair-
11 ness doctrine complaints, which is to say, on a case by
12 case approach, which we think is an entirely proper way to
13 approach it, we do not object to the fact that when a
14 complaint is made with respect to Section 312(a)(7), the
15 Commission makes a ruling then as to whether the complaint
16 is justified or not.

17 But I agree that if someone believes at license
18 renewal time that there is a violation of any portion of
19 Section 312(a), that's an appropriate thing to be considered
20 by the Commission.

21 QUESTION: Well what did the Court of Appeals
22 grant the Commission here? Or affirm the Commission's
23 doing here that was different from that?

24 MR. ABRAMS: Our objection to what the Court of
25 Appeals affirmed had nothing to do with the propriety of

1 a complaint being filed. Our objection is that we believe
2 the Court of Appeals and the Commission applied the wrong
3 standard in making its decision as to whether the networks
4 acted reasonably. So we don't come to you to say that a
5 candidate may not file a complaint in front of the Commission
6 alleging violation of what he says are the terms of the
7 Federal Communications Act. He may, and indeed that was
8 true long before Section 312(a)(7) was in the books; that
9 was true under the public interest standard as well, because
10 if one thing I think is common ground between us here, it
11 is that at least since this Court's decision in WDAY and
12 really long before, it has been clear that broadcasters
13 have been obliged under the public interest standard to sell
14 some time to candidates and that it would be a violation of
15 their public interest requirements if they refused to do so.

16 Now there was a different standard applied under
17 the public interest standard and that's one of the reasons
18 that I'm here today. But there was never any question
19 but that a candidate could file a complaint in front of
20 the Commission and indeed candidates did file complaints
21 in front of the Commission long before Section 312(a)(7)
22 existed and that the Commission would rule on the propriety
23 of the conduct of the station involved.

24 QUESTION: Mr. Abrams, how is the -- I take it
25 that it is possible for a network to violate 312(a)(7) by

1 certain kinds of conduct even within your construction of
2 it?

3 MR. ABRAMS: Yes, Mr. Justice --

4 QUESTION: How would the Commission go about
5 remedying that, you say there would be a complaint and
6 then adjudication?

7 MR. ABRAMS: A complaint would be filed, there
8 would be an adjudication --

9 QUESTION: And what would the Commission do then?

10 MR. ABRAMS: As a practical matter, the Commis-
11 sion would have to do no more than it did here, to make a
12 ruling that the network had acted, or that the language of
13 the statute --

14 QUESTION: Issue a declaratory judgment?

15 MR. ABRAMS: It is, as it were, a declaration --

16 QUESTION: It has no authority to issue a cease
17 and desist order or to order you to do anything, does it?

18 MR. ABRAMS: It has the power, under 312(a)(7)
19 only to revoke. It --

20 QUESTION: I wonder, is that what a complaint says
21 when it is filed with the Commission, the network has vio-
22 lated 312(a)(7) and therefore you should revoke its license?
23 Is that what it says?

24 MR. ABRAMS: No sir. What the Carter-Mondale
25 campaign said was that you should tell the network to sell

1 the time on one of the evenings that we are requesting
2 it and that is, in effect, precisely what the Commission
3 did. Now if that had not been stayed by the Court of
4 Appeals as it was and by the judicial process as it was, and
5 if the networks had violated that direction at the very
6 least they would have acted at considerable peril, surely
7 with respect to license renewal time, having violated a
8 direct command of the commission with respect to what their
9 obligation was. And that's the same way the Fairness
10 Doctrine worked -- the Fairness Doctrine --

11 QUESTION: Do you think -- I take it that right
12 on its face, that the Commission did violate -- if the net-
13 work did violate the 312(a)(7) and it was sustained in
14 Court, and as final judgment the Commissioner actually
15 could revoke the license without waiting for license renewal
16 time.

17 MR. ABRAMS: If there were a willful or repeated
18 failure within the meaning of the statute --

19 QUESTION: Right, right.

20 MR. ABRAMS: -- we would, I take it, be arguing it
21 was of course not willful nor repeated nor existing --

22 QUESTION: I understand, I understand that.

23 MR. ABRAMS: But what the statutory language
24 provides is that if that occurs that this is an allowable
25 sanction. And I don't quarrel with the fact that --

1 QUESTION: So really all the Commission does
2 is issue a declaratory judgment --

3 MR. ABRAMS: Yes, and the network -- the station
4 understands --

5 QUESTION: And then the network has to decide
6 what it's supposedly going to do about it.

7 MR. ABRAMS: Well it doesn't have an awful lot
8 of choice, Mr. Justice.

9 QUESTION: Oh exactly.

10 QUESTION: Mr. Abrams, is it conceivable that
11 over a period there would be a number of complaints, two,
12 three or four, by the candidates or committees, on which
13 the Commission would give no relief but then at the renewal
14 stage, under United Church of Christ, among other things,
15 examine whether there was a pattern of favoring one kind of
16 a candidate, or one candidate or one party and take that
17 into account in the renewal proceedings?

18 MR. ABRAMS: It's appropriate at the renewal pro-
19 ceedings for the Commission to take into account the conduct
20 of the broadcaster, including to be sure --

21 QUESTION: For the entire three-year period?

22 MR. ABRAMS: -- compliance -- yes sir, -- it's
23 compliance with its public interest obligation. And one
24 of the reasons I can say, easily, why the networks and
25 the stations much prefer, under the Fairness Doctrine and

1 under this system, the idea of case by case adjudication
2 is that it is to say the least, an uncomfortable sense
3 to be met for the first time at license renewal time with
4 a series of charges to the effect that there's a violation
5 of the public interest standard or some other obligations.
6 But I can't tell you, if somebody comes in and makes a
7 sufficient showing of failure to abide by the public
8 interest obligations of the station, that that's an improper
9 thing for the Commission to consider; it is indeed a
10 proper thing for the Commission to consider. But so far
11 as possible, it's best to do this on a case by case basis.
12 For one thing, it allows case by case curing of the prob-
13 lems if indeed stations are found to have violated any
14 obligations.

15 In a Fairness context, for example, it allows the
16 station to do something about that which it has been accused
17 of not serving the public about.

18 QUESTION: But I gather, Mr. Abrams, you do agree
19 that if there's a violation of 312(a)(7) that the Commission
20 finds and the only sanctions it may impose are immediate
21 revocation or wait until license renewal time. Are there
22 any other sanctions the Commission can -- impose?

23 MR. ABRAMS: I don't know of any other sanctions
24 which the Commission can impose, I think it fair to say as
25 a practical matter, as I suggested to Mr. Justice White,

1 that the conclusion by the Commission of a violation of
2 Section 312(a)(7) which is affirmed by the Courts or not
3 appealed to the Courts, would have more than a little
4 effect on the conduct of the station involved.

5 QUESTION: Well if the Commission, at the end of
6 its declaratory judgment it says we find that you have
7 violated the section but we don't propose now to revoke
8 your license, we'll just take it into account at some time
9 -- I take it there's never been any question that you can
10 get review in the Court of Appeals of that declaratory
11 judgment?

12 MR. ABRAMS: There's never been any question
13 about it, no sir.

14 QUESTION: And the Commission doesn't claim any
15 authority to go further and -- or -- require you at a
16 particular point to sell time? Or does it?

17 MR. ABRAMS: I think you'd do best to ask that
18 question to my friend on my right. The Commission to my
19 knowledge has not taken that position -- what it did do in
20 this case, for example, Mr. Justice Rehnquist, was to
21 direct the networks to inform the Commission how it intended
22 to comply with Section 312(a)(7) given the conclusion of
23 the Commission that there has been a failure to comply
24 by not selling the time on the nights which it was --

25 QUESTION: But I take it that would depend on

1 whether Carter-Mondale still wanted the time at the time you
2 were now required to give it to them.

3 MR. ABRAMS: It would depend, in this case, indeed
4 it did depend, Mr. Justice Brennan, because they withdrew
5 their request in light of the Iranian crisis, made a new
6 request for time which was granted by in fact, all of the
7 networks.

8 QUESTION: But the case is still a live case
9 because, I take it, you think the Commission has -- it
10 maintains its view and that you will be in trouble with
11 them again?

12 MR. ABRAMS: It is live in that sense, it is live
13 in the Southern Pacific sense, it is live in -- for another
14 reason, and that is that the Commission takes the position
15 in this very case with respect to these very networks that
16 there is "continuing legal and practical effect of their
17 ruling, without regard to the fact that they have not
18 imposed any sanctions" --

19 QUESTION: Well, as long as they are still ahead
20 at license renewal time the rule is there, isn't it?

21 MR. ABRAMS: Yes, well it is always there and of
22 course, as I said first, it is a recurrent controversy
23 and indeed it is a peculiarly recurring controversy in the
24 context of election campaigns. And as the Court suggested
25 just last week in the Wisconsin Primary case, that's even

1 a more special situation, in which parties have to have some
2 way to get to Court to have a resolution either prior to
3 election or after election, to find out what the rules of
4 the game are.

5 QUESTION: The statute, of course, talks about
6 individual stations --

7 MR. ABRAMS: Yes.

8 QUESTION: -- and the parties in this case are
9 networks, not individual stations. Now I -- I think the
10 networks do own a limited number of individual stations --

11 MR. ABRAMS: Mr. Justice Stewart, we argued that
12 below, we took the position below that Section 312(a)(7)
13 does not apply to the networks because it says what it says.

14 QUESTION: Yes, right.

15 MR. ABRAMS: And indeed, because in the ordinary
16 case it wouldn't make sense for it to apply to the networks.
17 Our example earlier is a useful one. The Commission held
18 and the Court of Appeals affirmed the proposition that it
19 did apply to networks. We have not pressed that point here,
20 but --

21 QUESTION: You haven't -- that isn't one of your
22 points raised?

23 MR. ABRAMS: No sir, it is not.

24 QUESTION: But still with all this discussion
25 with my brothers about the sanctions to be imposed, the

1 statute is very clear, it has no reference whatsoever to
2 networks, except insofar as they may be the owners of
3 individual stations, and I know they are, a limited number.

4 MR. ABRAMS: That is correct, and that was the
5 view that we took, as I've indicated -- we did not press
6 that point in this Court.

7 QUESTION: The networks' license could never be
8 revoked.

9 MR. ABRAMS: The networks don't have licenses.

10 QUESTION: Yes.

11 MR. ABRAMS: Yes. And that's -- that was one
12 of the things again, that we urged below, and I begin to be
13 sorry we didn't raise here perhaps.

14 QUESTION: Do the networks have an obligation
15 to obey the Fairness Doctrine?

16 MR. ABRAMS: The networks have been held by
17 Commission practice -- yes sir, to be obliged to obey the
18 Fairness Doctrine. And I believe the networks --

19 QUESTION: Do you question that?

20 MR. ABRAMS: No sir.

21 QUESTION: Well, individual stations do, and most,
22 many individual stations are affiliated with one network or
23 another.

24 MR. ABRAMS: Yes.

25 QUESTION: Are the statutory provisions related

1 to the Fairness Doctrine that apply to the networks as
2 opposed to licensees?

3 MR. ABRAMS: There are no distinct statutory
4 provisions. The only Fairness Doctrine requirement is in
5 Section 315, it is not couched in the same language as this,
6 but the Fairness Doctrine has been -- has arisen in a
7 variety of cases and controversies before the Commission.
8 Some bought by the networks after they had lost in the
9 Commission itself, and we have not taken the position and do
10 not take the position that it cannot apply to the networks
11 in that sense.

12 QUESTION: What happens, Mr. Abrams, as a practical
13 matter, between the network and the affiliated stations?
14 If the networks said, yes, we'll give you the hour but the
15 particular station said, no, we won't carry it; are they
16 free to do that?

17 MR. ABRAMS: Yes sir. Networks have no power
18 to require affiliated stations to carry it and can do
19 nothing and would do nothing to require the affiliates to
20 carry --

21 QUESTION: If half of the affiliates declined to
22 carry it, I suppose that would have something to do with the
23 cost of the time, wouldn't it?

24 MR. ABRAMS: No, the cost of the time would be
25 arranged beforehand-- would have to do of course with the

1 effect of the broadcast -- but the time of this sort would
2 be paid -- the amount would be paid to the network itself,
3 because the time would be purchased from the network itself. But
4 there's absolutely nothing the network can do, to require, for
5 example, that these advertisements -- if they were -- if the
6 networks have to carry them, be shown in Iowa. And one of the
7 things that we said from the start to the Commission was
8 -- and to the Carter campaign -- was, that if what you're
9 thinking about is the Iowa Caucus, which is what's coming
10 up close, why don't you go to the Iowa stations and seek to
11 buy time.

12 And it has always been our view that a very dif-
13 ferent kind of reasonableness standards would govern a
14 request brought 47 days before the Iowa Caucus in Iowa,
15 than would occur eight months before the Democratic National
16 Convention when a nationwide broadcast is sought.

17 I would like to turn briefly to the nature of the
18 statute as we see it. And to start out, by saying this, I
19 think it is common ground here that unless the statute sig-
20 nificantly changed the public interest standard as it
21 previously existed, we would not be here today and the
22 broadcasters would have prevailed at the Commission level.
23 I think my friends on my right would agree to that, it
24 is based on the case law, a correct proposition. And so it
25 seems to me that the first issue for consideration by the

1 Court is whether Section 312(a)(7) in fact changed the pre-
2 existing case law, and to the extent that it is asserted
3 by the Commission. We urge upon you, among other things,
4 the fact that this issue has to a considerable degree at
5 least, been before this Court before. In 1973, in the CBS
6 v. DNC case, this Court had occasion to analyze the nature
7 of broadcast regulation and to go through, at considerable
8 length, the fact that Congress had, in the Court's terms,
9 time and again rejected systems of mandatory access. The
10 Court in the course of demonstrating that Congress had
11 rejected such systems time and again, cited to this statute
12 and referred to it as a codification of prior practice.

13 The Court had the benefit at that time of a brief
14 amicus curiae filed by the United States and the FCC,
15 urging precisely that position upon it. We believe what
16 the Court said then, and I want to emphasize that it is not
17 just the footnote which refers to Section 312(a)(7) -- that
18 we rely upon here, but the text and the theme of the Court's
19 opinion there that we rely upon. The Court had before it
20 then the brief of the FCC, it had before it the statute and
21 the statute was then brand new. We believe what the Court
22 said in '73 in DNC, about this issue was correct notwith-
23 standing that has now been characterized by the Commission
24 as a decision which did not have the benefit of an inter-
25 pretation by the agency with the obligation of enforcing

1 it, even though there was a brief by that very agency
2 before it, and notwithstanding the fact that Judge Bazelon
3 for the Court of Appeals said that the Court had strayed
4 far from what was before it and had treated the issue in
5 a cursory fashion. I do not believe that is a fair state-
6 ment and I urge upon the Court the conclusions reached
7 on it before.

8 We believe the intent of Section 312(a)(7)
9 is clear and that it may be found in the single piece of
10 legislative history that one and all agree is the most
11 important piece and that is the report of the Senate
12 Commerce Committee which put this into the bill for the
13 first time. And they could not have made clearer that
14 what Congress was concerned about was that in the context
15 of the passage of the Federal Election Campaign Act of
16 1971, which limited campaign expenditures by all forms
17 of media, which was enacting a lowest unit charge pro-
18 vision, that Congress wanted to make sure that there would
19 be no diminution in the language of the Senate report in
20 the amount of coverage by broadcasters. The broadcasters
21 would not then say we don't have to carry political adver-
22 tisements. That was the purpose of the bill, was to codify
23 the pre-existing obligation of that sort and it was to
24 codify it and do more, it was to add a sanction in Section
25 312(a)(7), and that is precisely what it did.

1 What the Commission's decision does is, we
2 believe, entirely inconsistent, not only with the notion
3 of codification, but with the theory of broadcast regula-
4 tion and of political neutrality of the Commission, as we
5 have known it in this country. At the heart of the
6 Commission's decision is the notion that this is a kind
7 of candidates' entitlement bill, that this is legislation
8 which leads, as a first question to what does the candi-
9 date want and how can we give it to him. What the
10 Commission has done is to say that one issue which pre-
11 viously had always been decided as part of the reasonable-
12 ness standard applied in the context of public interest
13 cases, that is the question of when to start selling time
14 is not a factor at all; that that is a legal objective
15 fact and that the Commission will tell us hereafter ~~when~~
16 when a campaign is "in full swing". They have thus taken
17 out of the equation which used to govern the whole notion
18 of reasonableness any ability of the broadcasters to
19 factor in when, except to say, we will tell you when the
20 campaign is in full swing and once it is in full swing
21 then your legal obligations attach and then we will apply
22 a kind of equation of which the single most important
23 element is the candidate's needs.

24 It is the position of the Commission that we,
25 networks, and then they, the Commission, no less, are to

1 get involved in the question of what the candidate wants,
2 and to some extent at least, why he wants it. Now the
3 Commission has tried, in the latter stages of this case,
4 to retreat from that and to say that you can take the
5 candidates' needs as expressed by them. But the problem
6 is that the opinion of the Commission and the opinion of
7 Judge Bazelon below make very clear that what we are then
8 allowed to say, what we are almost obliged to say as
9 networks, is something like this: a candidate says he
10 wants two hours to do a program on foreign policy, to
11 express his views. We are then to look and see if he can
12 do that, a foreign policy speech, in something less than
13 two hours and we are supposed to get back to the candidate,
14 make a judgment, get back to the Commission, have a federal
15 agency no less, rule on the question of our reasonableness
16 in telling that candidate that two hours is longer than
17 he needs to make a speech.

18 I wish to refer the Court to one of the cases
19 cited in our brief, the Ed Clark case, a recent opinion
20 after the promulgation of the Carter-Mondale case, where
21 NBC -- from my personal knowledge -- was put in the position
22 where a third-party candidate for the Libertarian party
23 was saying I want 25-minute segments and NBC, trying to
24 comply with this new ruling which we come to you today to
25 seek to get reversed, was put in the position of saying

1 we think 5 five-minute segments, plus a series of shorter
2 segments, 30-second segments, et cetera, can accomplish
3 your stated ends of greater voter identification and raising
4 money. We never should have been in that position; the
5 Commission surely should never have been put in the position
6 of judging the reasonableness, and in that case, it said
7 NBC was reasonable in saying that back to Ed Clark. That
8 imports the Commission into the political process in a
9 way it has never been before and we think that it raises
10 the most significant constitutional questions as well.

11 If I may, I would like to reserve what little
12 time I have left for rebuttal, Mr. Chief Justice.

13 MR. CHIEF JUSTICE BURGER: Very well. Mr. Shapiro.

14 ORAL ARGUMENT OF STEPHEN M. SHAPIRO, ESQ.,

15 ON BEHALF OF THE RESPONDENTS

16 MR. SHAPIRO: Thank you, Mr. Chief Justice, and
17 may it please the Court:

18 The government's submission in this case has two
19 principal parts. First, we contend that Section 312(a)(7)
20 imposed a new obligation on broadcasters to afford reason-
21 able access to individual candidates for federal elective
22 office. Second, we contend that the Commission properly
23 found that Petitioners failed to afford reasonable access
24 on the facts of this particular case. I'd like to take up
25 each of these points in turn.

1 QUESTION: Mr. Shapiro, may I ask you first, why
2 did the Commission go after the networks rather than
3 stations, since networks aren't licensed?

4 MR. SHAPIRO: The networks are the sole owners
5 and operators of five licensed television stations in
6 the biggest television markets in the country. They are
7 broadcast stations, the Commission has always viewed them
8 as such prior to the enactment of this statute, and it
9 continues to view them as broadcast stations that do own
10 licensed television stations. So --

11 QUESTION: It would be only the licenses of those par-
12 ticular stations that would be subject to revocation?

13 MR. SHAPIRO: Only the licenses of those stations
14 could be revoked; the Commission has not yet determined
15 whether cease and desist orders, in addition to revocation,
16 could supplement its remedies in this area. That's a
17 possibility as well.

18 QUESTION: Nor has it been determined whether
19 if it did use cease and desist orders, whether the statute
20 would authorize it.

21 MR. SHAPIRO: That's correct. The Commission hasn't
22 passed on the available arsenal of remedies, because it
23 has not yet had occasion to impose sanctions on any station
24 in the last eight years. The question of remedy hasn't
25 arisen yet.

1 QUESTION: At some time, Mr. Shapiro, as you
2 develop this discussion of the new obligation, as you call
3 it, would you suggest hypothetically what would be the
4 situation if some of the committees -- and we read in the
5 paper that there are activities already developing right
6 in Washington for 1984 -- if some of these committees made
7 requests now for 15 minutes or 30 minutes, for May or July
8 of this year, or a year from now -- in other words, at
9 what point is the Commission authorized to say when the
10 campaign begins?

11 MR. SHAPIRO: At these early stages, I'm quite
12 sure that the Commission would conclude that the Presidential
13 campaign for 1984 is not yet in full swing. It looks to
14 a complex of factors; the nearness of the primaries and the
15 conventions and caucuses in the several states, the number
16 of candidates who have announced their intention to seek the
17 presidency, the existence of nationwide campaign activities
18 and campaign organizations -- it looks to a whole series
19 of such factors.

20 QUESTION: By the statute there has to be
21 a legally qualified candidate, whatever that means.

22 MR. SHAPIRO: That's correct.

23 QUESTION: There is none now, for 1984.

24 MR. SHAPIRO: That's quite true. To be legally
25 qualified, the candidate has to have, to be on the ballot

1 in ten different states for the forthcoming primaries
2 and to have announced his intention to seek the presidency,
3 so at this early stage you wouldn't even have a legally
4 qualified candidate.

5 QUESTION: That's why I emphasized hypothetically.
6 When does this begin after he is a qualified candidate,
7 after someone is a qualified candidate, and what is the
8 specific source of authority in the statute for the
9 Commission to fix that date?

10 MR. SHAPIRO: The source of authority in the
11 Commission's view, is in the statutory requirement that
12 reasonable access be afforded. And the Commission inter-
13 prets the term "reasonable access" to have a time component
14 as well as an amount component. And it of course has
15 explicit statutory authority to prescribe conditions that
16 give effect to other provisions in the statute. We quoted
17 that provision in our brief. It does have authority to
18 interpret provisions such as the reasonable access provision.

19 QUESTION: Do you think the statute would author-
20 ize the Commission to, at some point in the process, just
21 to announce that the campaign has now begun, without pur-
22 porting to sit in review of a network's judgment as to
23 when the campaign has begun?

24 MR. SHAPIRO: We believe that it would have that
25 authority, but it hasn't purported to proceed on that basis.

1 It waits for complaints to be filed and then determines
2 if the campaign is in full swing, if it's found to be in
3 full swing it then considers whether or not the denial of
4 air time has been reasonable.

5 QUESTION: Of course this statute applies not
6 only to Presidential elections, but to any federal elective
7 office, doesn't it?

8 MR. SHAPIRO: That's right. That's quite true.

9 QUESTION: Congressional races and Senatorial
10 races?

11 MR. SHAPIRO: That's right. Yes, Your Honor.

12 QUESTION: Any problems arisen under it in connec-
13 tion with such races yet?

14 MR. SHAPIRO: The statute has worked remarkably
15 well, even with respect to these races for a seat in
16 Congress. Principally because the parties negotiate,
17 resolve these questions on their own; there have only been
18 37 rulings under the statute in the last eight years. And
19 considering the fact that there have been 2500 races for
20 federal elective office in that period and there are almost
21 10,000 broadcasters are subject to this provision -- that's
22 a remarkably small number of interventions in the particular
23 cases.

24 QUESTION: Aren't the economic factors a natural
25 damper on these early requests?

1 MR. SHAPIRO: That's quite true, Your Honor.
2 The cost of this segment of time was \$186,000 on CBS.
3 There's a natural pressure not to make early requests or
4 to make unduly large requests for time. Quite expensive.

5 QUESTION: Mr. Shapiro, how many of these 37
6 rulings were before this ruling and how many after it?

7 MR. SHAPIRO: In our brief in opposition we note that
8 eight of them have come afterwards and all of those were
9 in favor of the broadcaster, save one; the rest of them
10 preceded the Carter-Mondale ruling here.

11 QUESTION: At the time of the Carter-Mondale
12 ruling, was that the ticket on the ballot in ten states?

13 MR. SHAPIRO: Yes. They made that demonstration
14 before the Commission, that they had substantial bona fide
15 campaign activities in ten or more states; that's an
16 alternative in addition to being on the ballot. And I
17 believe that's the route they use to show bona fide candi-
18 dacy, was existence of substantial campaigning in ten
19 different states.

20 QUESTION: That's their definition of a legally
21 qualified candidate?

22 MR. SHAPIRO: That's one component. There are
23 three requirements that are set forth in the Commission's
24 regulations. And one of them is, a specified amount of
25 activity in ten different states, or placement on the primary

1 ballot in ten different states.

2 QUESTION: Is there anything to prevent a network
3 from selling time next week to a 1984 candidate?

4 MR. SHAPIRO: If it chooses to do so, it's per-
5 fectly free to negotiate and that's the --

6 QUESTION: If he has \$186,000 for a half hour?

7 MR. SHAPIRO: That's right. Parties are always
8 free to strike whatever bargain they wish to, and that's the
9 Commission's expectation in this area: that its guidelines
10 and rules will facilitate private negotiations and mini-
11 mize the need for the government to get into the process.

12 QUESTION: Well, I take it you're going to tell
13 us how (a)(7) changes the law?

14 MR. SHAPIRO: Yes, Your Honor. The networks,
15 of course, argue that this Section imposed no new duty,
16 that it simply codified the previously existing public
17 interest standard.

18 QUESTION: And do you agree that if it hadn't imposed
19 a new duty, the Commission's order in this case would have
20 been infirm?

21 MR. SHAPIRO: Well that's quite true. Under the
22 old public interest policy, no individual candidate had-
23 a right of affirmative access. He could not obtain any
24 relief from the Commission no matter how many times he was
25 denied access. It guaranteed no reasonable access or

1 indeed, any access, to the individual candidate. It
2 required only some political programming during the three-
3 year term of the license. The broadcaster was at liberty
4 to pick and choose among the campaigns and decide which
5 were the most important and which it would sell time to,
6 and which it would not sell time to. For example, the
7 broadcaster could determine that the campaign for governor
8 in a particular year was more important than the campaign
9 for a seat in the House of Representatives, and withhold
10 time from all of the candidates in the Congressional race.
11 One need only compare this amorphous obligation with the
12 very specific obligation imposed by the new statute to
13 see that Congress was embarking on a new course.

14 Under this statute, 312(a)(7), Congress has
15 empowered the Commission to impose sanctions based on a
16 broadcaster's repeated or willful failure to sell reasonable
17 amounts of air time to an individual federal candidate. The
18 words chosen by Congress focus in squarely on the individ-
19 ual: a legally qualified candidate must be afforded the
20 specific use of a broadcast station to advocate his candi-
21 dacy. Under the statute, the broadcaster exposes himself
22 to the ultimate sanction of license revocation if he
23 unreasonably withholds air time on two or more occasions, or
24 if he does this willfully on even one occasion. In short,
25 as the Commission and the Court of Appeals both agreed,

1 this statute extends its protection to the individual fed-
2 eral candidate, a kind of protection that was wholly
3 unknown under the predecessor public interest standard.

4 In this connection the Court may reasonably ask
5 why, if Congress really meant to codify the public interest
6 standard why didn't it refer to the elements of the public
7 interest standard? Why didn't it say that the broadcasters
8 should review state and federal campaigns, should pick out
9 the most important ones, should give air time to some of
10 them and withhold air time from the others. These elements
11 of the public interest policy are simply not the elements
12 prescribed by Congress in 312(a)(7).

13 And the legislative history of this provision
14 far from contradicting its plain meaning, strongly supports
15 the literal interpretation that the Commission has given.
16 Section 312(a)(7) was a central part of Title I of the
17 Federal Election Campaign Act. Title I, according to the
18 Senate Commerce Committee, had two and only two purposes:
19 it's first purpose was to give candidates, and I quote,
20 "greater access to the media, so that they may better
21 explain their stand on the issues and thereby more fully
22 and completely inform the voters." It's second purpose was
23 to halt the spiraling cost of campaigning. Now Section
24 312(a)(7) doesn't have any direct relationship to the goal
25 of containing campaign costs, but it does have a direct

1 bearing on the goal of better informing the electorate, by
2 focusing in on the individual candidate it goes beyond the
3 old public interest standard and affords "greater access
4 to the media". Congress' intent is also reflected in its
5 contemporaneous amendment of another closely related statutory
6 provision.

7 Before 1972, Section 315 of the Act contained a
8 proviso which stated flatly that there was no duty to
9 give an individual candidate affirmative access. The pro-
10 viso read as follows: "no obligation is imposed on any
11 licensee to allow the use of its station by any such
12 candidate". But when Congress enacted Section 312(a)(7)
13 it recognized that this unqualified statement was no longer
14 correct; it was necessary for Congress to make what it
15 called conforming amendment, to bring Section 315 into
16 harmony with the newly enacted 312(a)(7).

17 As amended, Section 315 now provides no obligation
18 is imposed under this subsection on any licensee to allow
19 the use of its station by any such candidate.

20 QUESTION: And did that come out of the Conference
21 Committee?

22 MR. SHAPIRO: That came out of the Conference
23 Committee, that's correct, Your Honor. And it was necessary
24 for Congress to qualify its statement that there was no
25 duty to give affirmative access to individual candidates

1 and to make it quite clear that that statement applied
2 only under Section 315, precisely because the newly enacted
3 Section 312(a)(7) does obligate broadcasters to afford
4 affirmative access to individual candidates.

5 QUESTION: Well even if you are right in everything
6 you've said so far, the duty is only to allow reasonable
7 access or to permit purchase of reasonable amounts of time,
8 and somebody has to decide what that means.

9 MR. SHAPIRO: That's correct, and Congress dele-
10 gated the enforcement role to the Commission. And it gave
11 the Commission power to secure compliance by the broad-
12 casters. It never would have done this if it believed that
13 the networks and the broadcasters would have unlimited
14 discretion to withhold air time --

15 QUESTION: Well, but do they have discretion
16 to decide what's reasonable? That's the -- not unlimited
17 discretion.

18 MR. SHAPIRO: They -- if their discretion exceeds
19 the bounds of reasoning --

20 QUESTION: You mean, the word "reasonable"
21 must mean something, doesn't it? It doesn't mean absolute,
22 it means something less than that.

23 MR. SHAPIRO: It does indeed -- and the final
24 arbiter in a case of disagreement is the Commission,
25 because --

1 QUESTION: Well that's the -- wasn't that one
2 of the issues and an important issue in this case?

3 MR. SHAPIRO: I don't see how the language could
4 be interpreted to say that the final arbiter of reasonableness
5 is the regulated broadcaster, because the Commission has the
6 power to revoke its license if it behaves in an unreasonable
7 way.

8 QUESTION: But the initial decision is the network,
9 is that right?

10 MR. SHAPIRO: That's correct, that's correct.

11 QUESTION: Then what is the -- is there any indi-
12 cation of what is the scope of review of the Commission?
13 Is it like the clearly erroneous Rule 52 or anything
14 like that?

15 MR. SHAPIRO: It's quite similar, Your Honor, to
16 the kind of review that a Court of Appeals would extend to
17 an administrative decision, to see if the relevant factors
18 had been considered and whether there has been an abuse of
19 discretions --

20 QUESTION: Then it comes to the Commission with
21 a presumption of regularity and correctness, does it not?

22 MR. SHAPIRO: The Commission is disposed to agree
23 with the broadcaster in a close case; it's made that quite
24 clear, that it will defer to discretion unless there is a
25 clear abuse.

1 QUESTION: Surely there's a -- I know court, not
2 agencies, get away with all sorts of things. There's a
3 range of conduct that would be within their power?

4 MR. SHAPIRO: That's true.

5 QUESTION: And it wouldn't be just one thing, it
6 could be -- I suppose, a network might reasonably decide
7 that within -- on any day within three or four months that
8 a campaign had begun.

9 MR. SHAPIRO: In this case the --

10 QUESTION: And any one of them would be reasonable.

11 MR. SHAPIRO: In this case --

12 QUESTION: Even if the Commission thought that
13 it would have preferred the decision to be somewhere else.

14 MR. SHAPIRO: That's true. If the Commission
15 regarded the factual issues in a particular case as close,
16 it would defer to the broadcaster. But in this case the
17 finding of violation rested on what the Commission regarded
18 as a legal error, that is, that these networks applied
19 blanket rules in dealing with the candidate. That is,
20 they would not receive the individual request and analyze
21 it in its own particularized context.

22 QUESTION: Do you think that the networks would
23 be entitled to take into account in the total equation, what
24 Congress and the federal election law and other ways has shown
25 a concern about the mounting costs of campaigns and the

1 length of campaigns, does that fit into the equation along
2 with a judgment as to whether the public -- there's enough
3 public interest, say?

4 MR. SHAPIRO: In our view, Congress did not intend
5 that the networks deny or cut back requests for air time
6 from candidates on the view that this was too costly or
7 that it was contributing to mounting campaign costs. And
8 one reason --

9 QUESTION: Congress doesn't deal with these
10 problems in logic-tight compartments, does it? That over
11 in the elections law they are saying we are trying to shorten
12 campaigns and cut the costs down, but over in this other
13 area then totally ignore that.

14 MR. SHAPIRO: One reason for not allowing the
15 networks to engage in that kind of inquiry is that there is
16 no basis for asserting that granting air time to candidates
17 is going to increase costs. This is the most cost effec-
18 tive means of communication. If the Court were to compare
19 the \$186,000 price tag on this half hour to the cost of
20 stuffing envelopes --

21 QUESTION: Then you're quarreling with the Court's
22 opinion in CBS v. Democratic National Committee. That
23 was only 45 seconds -- spots, that were involved in that case.

24 MR. SHAPIRO: We quite agree with the decision
25 there. In that case, the vice in the access scheme was that

1 it had no Congressional sanction, whereas in this case
2 Congress has prescribed a specific access scheme for a
3 narrowly defined class of candidates, federal candidates
4 for office.

5 In the DNC case of course, the Court of Appeals
6 had constructed an access scheme virtually out of whole
7 cloth, there was no basis in statute or in prior Commission
8 precedent. And in fact, the statute contained a provision
9 -- Section 3(h) that militated against the access scheme
10 that the Court evolved on an ad hoc basis.

11 QUESTION: Well Mr. Shapiro, you think the
12 Commission in this case, in deciding there had been a
13 violation, asked the question was it reasonable for the
14 networks to decide that the campaign hadn't begun?

15 MR. SHAPIRO: The Commission takes the position
16 that in that area it will make its own judgment about
17 whether the campaign is --

18 QUESTION: So you -- I thought just a while ago
19 you talked -- I thought you agreed a moment ago that the
20 Commission should -- it should determine whether the net-
21 works judgment about when the campaign had begun was
22 reasonable.

23 MR. SHAPIRO: That is an area where the Commission
24 has said there is lesser discretion in deciding when the
25 campaign begins, it said it will listen to the positions

1 of the networks -- and the candidates, and make its own
2 judgment.

3 QUESTION: Well yes, but -- doesn't it nevertheless
4 have to conclude that the network made an unreasonable
5 decision?

6 MR. SHAPIRO: Yes, and it did just that, in light
7 of an abundance of evidence showing that the campaign was
8 in full swing in November --

9 QUESTION: Well, but it does that in a sense that
10 we're describing -- we're just going to decide for ourselves
11 when it begins, as a matter of objective fact, and if the
12 network chose a different date it was just wrong.

13 MR. SHAPIRO: If the evidence is against the
14 network, that's correct. And here it was clearly against
15 the networks because the campaign activities were in full
16 swing by anybody's definition except these networks. If the
17 Court looks at --

18 QUESTION: Was that bottom line, was it bottom
19 line then, or was it that the networks had acted unreasonably?

20 MR. SHAPIRO: Acted unreasonably in concluding
21 that the campaign wasn't in full swing.

22 QUESTION: Mr. Shapiro, was the so-called conform-
23 ing amendment to Section 315 contained in the same statute
24 at large as the 312(a)(7)?

25 MR. SHAPIRO: Yes, Your Honor it was. And it was

1 a sentence or two removed from 312(a)(7).

2 The Commission might have interpreted the statute
3 to require the offer of fixed quantities of time under a
4 particular time schedule to try to mitigate some of the
5 complexities that we're talking about, under highly specific
6 rules. And it sought the views of the networks on this kind
7 of a proposal in 1978. The networks vehemently opposed this
8 kind of an approach, urging the Commission to continue to
9 proceed on a case-by-case basis analyzing the reasonableness
10 of their conduct on an ad hoc basis, or a case-by-case basis.

11 In its comments to the Commission at that time,
12 NBC stressed the importance of individual treatment. It
13 stated in its brief, a copy of which I have lodged with the
14 Court yesterday, and I quote, "different candidates have
15 different campaign strategies. One will concentrate on
16 30-minute programs of prime time, another may want 10-
17 second spots during fringe programming. A third will seek
18 exposure ~~on around the~~ news and public affairs programming.
19 We believe it would be most difficult for the Commission
20 to promulgate any rule that could take all of these
21 diverse strategies and campaign needs into account."

22 The Commission essentially agreed with that
23 assessment. It concluded that it would be best to adopt
24 general guidelines under Congress' rule of reason, to
25 facilitate individual negotiations. And to minimize the

1 need for governmental intervention. One of the guidelines
2 of course, is that broadcasters need not extend any access
3 even if the federal candidate is legally qualified, unless
4 the campaign is fully underway as evidenced by objective
5 facts that we've been discussing. The second guideline is
6 that once the campaign begins, broadcasters may not enforce
7 across the board or blanket policies in rejecting requests
8 for time. They must be willing to negotiate and attempt
9 to accomodate --

10 QUESTION: If you could just stop there for a
11 moment, Mr. Shapiro. Why is a blanket rule -- say we don't
12 want anything for two weeks or three weeks, necessarily
13 arbitrary? It seems to me there is a certain element of
14 reasonableness in saying even though the campaign has
15 begun, we think in terms of interest and orderly programming,
16 and not getting too many obligations too soon, we'd rather
17 wait till -- for 30 days.

18 Why is it necessarily unreasonable --

19 MR. SHAPIRO: I can't state it any better than
20 NBC did in the passage that I just quoted. The different
21 campaign strategies that the candidates pursue are vitally
22 important to communicating their own message, and to adopt
23 a simple rule that only five-minute spots will be allowed
24 or you won't allow access in the month of December, that can
25 interfere fundamentally with the strategy of a particular

1 candidate.

2 QUESTION: Well it may not give the man the
3 strategy he wants but does it necessarily violate either
4 the requirement of reasonable amounts of time or reasonable
5 access?

6 MR. SHAPIRO: Well --

7 QUESTION: Those are the two requirements that
8 the networks must meet.

9 MR. SHAPIRO: It's the Commission's duty to
10 interpret the reasonable access standard and in its view --

11 QUESTION: Well, you would agree it doesn't
12 necessarily violate the reasonable amount of time require-
13 ment?

14 MR. SHAPIRO: No. It's the reasonable access
15 requirement --

16 QUESTION: Reasonable access. And the reasonable
17 access must always reflect what the candidate wants?

18 MR. SHAPIRO: Balanced against the legitimate
19 concerns of the broadcasters. The Commission has concluded
20 that there really are two interests here that have to be
21 weighed; reasonableness looks both ways, to the candidate
22 and to the broadcaster --

23 QUESTION: Well as I understand your point earlier,
24 it didn't look both ways, it said there's kind of a flat
25 ban against flat bans.

1 MR. SHAPIRO: It said that it is improper not
2 to weigh the needs of the particular candidate and the
3 particular case, but you also must weigh the legitimate
4 concerns of the broadcaster in the same balancing process;
5 that is, multiplicity of candidates or program disruption.
6 And this is the kind of accomodation of both of the
7 interests that the Commission believes best strikes the
8 balance of reasonableness under the statute.

9 QUESTION: But after weighing those, it did
10 come up with at least one per se rule, and that is that any
11 broadcaster's blanket refusal to sell any time to any
12 qualified candidate, even after the campaign had begun
13 during a certain period was, per se, unreasonable.

14 MR. SHAPIRO: That's correct. It's necessary
15 to weigh --

16 QUESTION: A broadcaster might say this is the
17 Christmas season and we have our own programming and we
18 don't want to accept anything until after the first of the
19 year.

20 MR. SHAPIRO: That's correct. It's necessary to
21 weigh the individual request.

22 QUESTION: But there is no, ever, after the weigh-
23 ing process was over they came up with this per se rule,
24 didn't they? The Commission did.

25 MR. SHAPIRO: Well no, the per se rule means that

1 you have to engage in an individual ad hoc way, and --

2 QUESTION: Right. And therefore that no blanket
3 ban is constantly reasonable?

4 MR. SHAPIRO: Is permissible -- that's -- that
5 is correct. And the networks expend a great deal of time
6 attacking this guidelines but I would submit that they have
7 not demonstrated that this approach is patently irrational
8 or that it conflicts with any provision of the Communications
9 Act.

10 QUESTION: Well that's turning the thing upside
11 down, isn't it? It's a reasonable -- the networks have to
12 give reasonable access and they, in the first instance
13 decide what's reasonable?

14 MR. SHAPIRO: And the Commission reviews that to
15 see if it really is within the bounds of discretion and
16 one of the standards that it has prescribed to make the
17 process conform in its view with the statutory requirement
18 is that no blanket rules may be prescribed. And the
19 question for a reviewing court is whether it's patently
20 irrational, arbitrary or capricious for the Commission to
21 adopt this approach, and we submit that it isn't.

22 QUESTION: So that, I take it then, you seriously
23 contend that Congress intended that the Commission play a
24 very central role, as a broker, in political campaigns in
25 deciding access to television?

1 MR. SHAPIRO: That's precisely the role Congress
2 has given the Commission, to sit as umpire in cases of
3 disagreement over reasonable access issues --

4 QUESTION: And in deciding what the needs of
5 candidates are and --

6 MR. SHAPIRO: Not deciding what their needs are.

7 QUESTION: Well, you just said they had to -- they
8 must take account of what the candidate's style is, of what
9 their approach is and what their needs are.

10 MR. SHAPIRO: The Commission's only review --

11 QUESTION: That the Commission, if it disagrees --

12 MR. SHAPIRO: -- with respect to that issue --

13 QUESTION: -- with the -- I take it, from what
14 you say, that if the Commission disagrees with the networks'
15 judgment about what the needs of the candidate are, they
16 haven't given him reasonable access?

17 MR. SHAPIRO: No sir. It's only role in review-
18 ing is to determine if the -- if the networks have considered
19 the request on an individual basis, and if so, if they have
20 weighed it against the factors that the Commission has
21 specified as counterveiling factors -- if the networks have
22 done that, they are home free. There's no violation.

23 QUESTION: Mr. Shapiro, in the Court of Appeals
24 opinion 4(a) of the Appendix, the Court of Appeals says that
25 -- describing the Commission proceeding, it ordered the

1 networks to comply with the requirements of the Act. Now
2 what would have been the sanction had the networks not have
3 complied with the orders of --

4 MR. SHAPIRO: The sanction that's expressly
5 prescribed is revocation of broadcast license, and each
6 of these networks is a licensee of five VHF television
7 stations. The Commission staff believes that in addition
8 to revocation there is a cease and desist remedy, cease and
9 desist order that's available, but that hasn't been liti-
10 gated.

11 QUESTION: Well, could it, right then , revoke
12 the license?

13 MR. SHAPIRO: The statute requires either repeated
14 or willful misconduct. Now, if there had been no petition
15 for appellate review and the Commission had entered the
16 order that it did and the networks continued to withhold
17 access, at that point, arguably you would have willful mis-
18 conduct. But it requires either willfulness or repetitive
19 misconduct.

20 QUESTION: Well doesn't a complaint have to
21 allege a willful violation, even to energize the Commission?
22 I mean, the statute says repeated or willful -- no question
23 here, there wasn't any question about repeated refusal, was
24 there?

25 MR. SHAPIRO: No. But it's essential that the

1 Commission adjudicate a specific complaint such as this
2 to see if in the future there is in fact a pattern of
3 repetition. That's why the Commission takes the first case.

4 QUESTION: You mean the Commission will take a
5 case if a claimant says this hasn't been repeated yet, this is the
6 initial instance and as far as I know, it isn't willful,
7 they are in perfectly good faith, they just haven't
8 interpreted -- you mean the Commission would get underway
9 right then?

10 MR. SHAPIRO: It would determine if there was --

11 QUESTION: Not even a claim of willfulness?

12 MR. SHAPIRO: That's correct. It would determine
13 if there was an unreasonable withholding, and then if there
14 was a second such adjudication, that would lead to the
15 imposition of sanctions under the statute. But it doesn't
16 determine the first--

17 QUESTION: Can you adjudicate the very first --
18 suppose there's no claim of willfulness, and the Commission
19 isn't looking for willfulness, the Commission will take on
20 the very first refusal because it may be -- it will be
21 repeated?

22 MR. SHAPIRO: Precisely. And the broadcasters
23 have urged the Commission to do just that.

24 QUESTION: Well from what I've read and heard
25 here today, I understand that the broadcasteters welcome

1 this position.

2 MR. SHAPIRO: They welcome this because it prevents
3 a pattern of misconduct from turning into something that
4 later would result in revocation. And that's precisely
5 why they urged us to follow this approach.

6 QUESTION: Would you --

7 MR. SHAPIRO: And the Courts of Appeals have
8 approved that approach.

9 QUESTION: Would you agree that the decision on
10 the part of the network could be erroneous, but -- in a
11 particular case, but still within the bounds of reason-
12 ableness? Or are they mutually exclusive?

13 MR. SHAPIRO: Well in -- the Commission has divided
14 up the issues, on the question of whether the campaign has
15 started it makes its own independent determination. But
16 on the question whether the broadcaster has balanced the
17 individual interest against the broadcaster's own counter-
18 veiling interests, in this area, they will not intrude unless
19 the decision is clearly erroneous, whether it's an abuse
20 of discretion --

21 QUESTION: Where do you get the "clearly erroneous"
22 in the statute? Clearly, now you're equating it something
23 to Rule 52(a). Where do you get the clearly, the adjective?

24 MR. SHAPIRO: This is the Commission's interpreta-
25 tion of the reasonable access requirement and it was

1 intended to confer greater discretion on broadcasters than
2 would otherwise exist if the Commission determined that
3 de novo. I see that my time has expired, and I thank the
4 Court.

5 MR. CHIEF JUSTICE BURGER: Very well. Do you have
6 anything further, Mr. Abrams?

7 MR. ABRAMS: Just one moment, Your Honor.

8 ORAL REBUTTAL ARGUMENT OF FLOYD ABRAMS, ESQ.,

9 ON BEHALF OF THE PETITIONERS

10 MR. ABRAMS: I'd just like to point out to the
11 Court if I may that the plain meaning of this statute has
12 never been as plain to the Commission as it is today. They
13 have issued reports in 1972, 1974, a primer in 1978, none
14 of which talked about this being a candidate's needs statute.
15 This matter of the Commission determining when as an objective
16 matter the campaign began did not come to the Commission's
17 mind until its second opinion in this case. In its very
18 first opinion they purported to say that the networks had
19 acted unreasonably in deciding when the campaign began. It
20 was not until page 124(a) of the appendix to the petition
21 where the Commission, in its second opinion on rehearing,
22 says in so many words that its determination was based on
23 its own independent evaluation of the status of the campaign.

24 Mr. Shapiro refers to Title I and its purposes and
25 I can do no more than to refer the Court to the briefs on

1 that. Title I of the statute said, in so many words, how
2 media access was to be expanded, it did not include and
3 the Commission's opinion says this, Section 312(a)(7) as
4 one means by which that expansion would occur.

5 And finally, a word on blanket rule. I don't even
6 understand why it is a blanket rule for ABC to say in
7 December we think it's appropriate for us to start selling
8 time in January. It is only by the Commission's process of
9 detaching the issue of when from factors that the networks
10 may consider and be judged on, in some reasonable way,
11 and by getting that out of the equation entirely, that it
12 makes it a blanket policy. That it's only that that makes
13 it "unreasonable" because that's not a subject in which the
14 networks have anything to say at all anymore.

15 QUESTION: Do you agree, Mr. Abrams, that they
16 -- that this process of undertaking these cases where there
17 is no claim of repeated violations, no claim of a willful
18 violation; only a claim of an unreasonable one and go at
19 it the very first time around?

20 MR. ABRAMS: Well, there's a claim, Mr. Justice
21 White, and there was a claim here of willful misconduct --

22 QUESTION: Yes, but there was never a claim --

23 MR. ABRAMS: -- the Commission --

24 QUESTION: Oh was there a claim of willful mis-
25 conduct?

1 MR. ABRAMS: The Carter-Mondale campaign said
2 that was so --

3 QUESTION: So you think --

4 MR. ABRAMS: -- and we think --

5 QUESTION: -- they ought to actually claim
6 a -- a willful misconduct?

7 MR. ABRAMS: A claim was made, I don't think the
8 Commission had any option but to rule on it at the time and
9 in the way that they did.

10 QUESTION: But I gathered Mr. Shapiro indicated
11 that they would undertake these adjudications even if there's
12 no claim of -- either of repeated or willful misconduct?

13 MR. ABRAMS: My impression, Mr. Justice White,
14 and I must say it is that, is that parties have come to
15 characterize their claims in this area within the statutory
16 language and so they say, at least when they file complaints,
17 that it is willful or --

18 QUESTION: Willful in the sense -- surely they know
19 what they are doing? Not unconscious.

20 MR. ABRAMS: In terms of the broadcasters, I mean
21 the worst thing of all would be to be confronted with a situ-
22 ation where the only punishment is capital punishment, li-
23 cense revocation, and the first time it comes up is at the
24 moment that your license is up for consideration.

25 QUESTION: Presumably if they moved to revoke the

1 license, there would be a hearing process, I take it?

2 MR. ABRAMS: I certainly trust so, Mr. Chief Justice.

3 QUESTION: Mr. Abrams, before you sit down, I'd
4 like to ask you just one question if I may. Your position
5 is that the amendment made no change in the statute, merely
6 codified it, the pre-existing law. And Mr. Shapiro suggests
7 that under pre-existing law, under the public interest stan-
8 dard you could have excluded entirely coverage for certain
9 minor campaigns, for example, but that now you could not do
10 that because of the legally qualified candidate language.
11 How do you respond to that argument?

12 MR. ABRAMS: We don't believe that we could have
13 refrained, under the public interest standard as it exists,
14 from making any use time available, say, in this Presiden-
15 tial campaign or in this Presidential primary --

16 QUESTION: No, he's talking about other campaigns.

17 MR. ABRAMS: Oh, in other federal races like that?
18 It -- this would be a different situation perhaps, if there
19 was a lower federal category than races for Congress, but
20 that is not the case. And it has always been our under-
21 standing that the public interest standard would not have
22 permitted a flat policy on behalf of a broadcaster of
23 declining to sell time totally to federal candidates. And
24 so to that extent as well, we think it is a codification.
25 Thank you, Mr. Chief Justice.

1 MR. CHIEF JUSTICE BURGER: Okay. Thank you,
2 gentlemen. The case is submitted.

3 (Whereupon at 11:10 o'clock a.m. the case in
4 the above matter was submitted.)
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CERTIFICATE

North American Reporting hereby certifies that the attached pages represent an accurate transcript of electronic sound recording of the oral argument before the Supreme Court of the United States in the matter of:

No. 80-207, No. 80-213 and No. 80-214

CBS, INC., AMERICAN BROADCASTING COMPANIES, INC., AND NATIONAL BROADCASTING COMPANY,

v.

FEDERAL COMMUNICATIONS COMMISSION,
ET AL.

and that these pages constitute the original transcript of the proceedings for the records of the Court.

BY: Will J. Wilson
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