

Male Voice: You going to sit down or stand up?

Brian Lamb: I'll sit down. I was in law school for orientation week. I did three days, and I left. The smartest thing I ever did. I would have never been able to [unintelligible].

Female Voice: They should graduate. They're almost there.

Brian Lamb: No. They have their legal mind. I don't have a legal mind.

Male Voice: Lisa and I have tried to sort of set the stage about the legal and political aspects of how cable struggled from [unintelligible] backyard industry with car dealers and drugstores and again it turned into a national medium. And you have reshaped not just cable, but much of how we think about broadcasting news and public affairs [unintelligible]. And so I think the most useful thing would be, if you would be willing, just to make some remarks that you think are [unintelligible] or interesting. And we encourage the class to be interactive. So, if at some point you'd sort of hold up your hand and [unintelligible] interrupted, that would be great.

Brian Lamb: Love it. I would ask you, if you don't mind it, I could get your names and what -- maybe where you're from. To start with.

Male Voice: [unintelligible] from [unintelligible] Chicago.

Female Voice: Courtney Anderson from Fairfield, California.

Male Voice: [unintelligible] from [Miami].

Male Voice: [unintelligible] from [unintelligible].

Male Voice: Mike [unintelligible] from [unintelligible].

Female Voice: My name's Bridget [unintelligible], and I'm from New York.

Female Voice: My name's Kim [unintelligible], and I'm from [unintelligible], Virginia.

Male Voice: And a few of the students got advance notice you were going to be here and skipped.

Brian Lamb: Skipped. [unintelligible].

Female Voice: You should be aware that some of the students here work with [unintelligible].

Brian Lamb: I was going to ask where you're working now. Who works on the Hill?

Female Voice: [unintelligible] from South Carolina.

Brian Lamb: Sure.

Female Voice: [unintelligible]

Brian Lamb: Hi.

Female Voice: Hi.

Brian Lamb: How are you?

Female Voice: Good. How are you?

Brian Lamb: Just in time.

Female Voice: Sorry.

Brian Lamb: Dr. [unintelligible]'s going to pass out money. Who else works on the Hill? What's your name?

Female Voice: Jamie [unintelligible].

Brian Lamb: And who do you work for?

Female Voice: Senator Allen.

Brian Lamb: Senator Allen.

Female Voice: George Allen.

Brian Lamb: [unintelligible] Virginia.

Female Voice: Yes.

Brian Lamb: I'm an old-timer. We had a Senator Allen from Alabama years ago who you've probably never heard of. I thought it might be useful -- you won't like this, but I'm used to [unintelligible] what I do. If I start with the very beginning -- because I think it's important as sophisticated as all this stuff's going to sound 30 years later -- when it all started, it was terribly unsophisticated, and I was one of those unsophisticated people. I worked on the Hill for a senator of Colorado by the name of Peter Donovan.

And I was 29 years old. And I wanted to get off the Hill badly. I didn't like it. I spent two years there, and I had it up to here with the egos and all that stuff. And I came out of it [unintelligible] where I was a disc jockey. I graduated from Purdue University, and I was in the Navy, and I came here, and I just didn't like what I saw on the news. It was not enough. And I used to go back home all the time, and people would say, what's going on in Washington? And I'd start to tell them, and they'd say, I never heard of any of that stuff. I ran into a woman who had worked for Senator Donovan, but she had left and gone down to the Nixon administration, by the name of [unintelligible]. And she worked for Cap Weinberger, who was the head of the office of [unintelligible] budget.

And I said, Toni, I've got to get out of here. And for one reason or another, she told this guy in December of 1970. And he said I'm looking for a media and Congressional representative for this little office he was setting up. And no doubt [unintelligible] has told you about the Office of Telecommunications Policy. And he called -- I called him, I think, and he said come on down and see me, which is [unintelligible] took until March for me to go to work for him. But when he offered me the job, I gladly accepted it.

And that really began a process of where -- which led to C-SPAN. It wasn't what I thought would happen. I did not have that actually -- that name or exactly what we ended up doing [unintelligible]. But as a generalist C student from Purdue University who graduated in speech, I went to work for him, and all of this that you're learning, I learned by osmosis. It was phenomenal. And I worked around a guy named Antonin Scalia [unintelligible] their general counsel, who I understand you're going to meet before the semester's over.

Henry Goldberg, who ended up being his general counsel, who's still to this day a very close friend.

Male Voice: He's coming next week.

Brian Lamb: He's coming next week. And lots of others. And they all had these high degrees that you're about to get, these law degrees and Ph.D.s, and all that. And I was the generalist that went in the middle. And so for me, it was like a Ph.D. That is exactly what it felt like. And when he came up with his Open Skies policy on the satellite, that's the only possible way that somebody like me could eventually do something like C-SPAN, because no one's going to pay very much money for what we do.

And he asked me yesterday for a title of this talk, and I said C-SPAN, colon, You Couldn't Do It Today, or something like that. And you couldn't. You could not do this today. It was a happenstance. It was luck, and it was timing and all that stuff. But if you all went out and tried to do this today, no one would buy it. You couldn't get underwriting for it. It's a very complicated process on how it worked. But it was very unsophisticated. And I spent 3-1/2 years with him in the middle of Watergate, which in itself was a tremendous education.

As a matter of fact, we were pretty loyal until we read the transcripts. And when the transcripts came out, that was it for me. I read stuff that I never thought that a President of the United States would say, especially in the [unintelligible]. But that's neither here nor there. But I went out in May of -- April, May of '74, and had no job. A guy called up and said, do you want to do a newsletter on the media? And I did, because I wanted to get back after some of the things that I read about what we had been doing.

So, we started our own little newsletter called The Media Report, and I was paid \$500 a month at that time to do these every two weeks. And then I picked up \$1,000 a month from a guy back in Indiana who had a cable [system]. That was the beginning of my education. I was chuckling when he was talking about the microwave. When I worked as a consultant, this guy in Indiana got a cable system. He had [50] in the state of Indiana. One day I came in to see him. He said, can you build me a [unintelligible] microwave? And I'm not that fast.

And I sat there, and I said to myself, I don't have any idea what he's talking about. I don't know what a microwave is. And I missed that -- I mean, I really didn't know how you build a microwave. It's a long story. I never had to build a [unintelligible] microwave. But I did admit to him -- I said, I said what's -- how do you build one of these things? What is it? And it literally turned out to be a stick every 30 miles with an antenna on it, looking at each other [in line of sight], and that's how we, in those days, transmitted all those signals around.

But you couldn't even dream -- and I was dreaming about doing something like C-SPAN, and I didn't know what it was going to look like. And he said -- and I -- this is one of the most important things I can say about this whole project. He ran this little UHF television station in my hometown. And I went in, and I kept saying, I want to do public affairs. And he was a wonderful guy. And he looked at me cross-eyed all the time, like, public affairs? Get real. You know, we make money here. We don't do public affairs.

And he said to me, if you'll build this [unintelligible] microwave, we'll start something called a target network. It made it, but it didn't make it very far. And it would string together all these cities in Indiana and the Midwest, all these little cable systems, and then you'd have a mass group

of people and be able to do something. And he said, you can run the target network, but you have to do stuff that makes money first, and then after all that's done, maybe a public affairs show once in a while. Well, I was young and naïve enough to say this sounds like it's important.

And I struggled through all this, and it just never made any sense to me. But his Open Skies policy that the satellite was going to be competitive was really the beginning of what we have today, 350 channels already operating on this cable system. There's so much on it you don't have the time to watch it. You may not want to do it, you may not like it. But there [isn't] enough there. You have no idea what's there. I spend my life looking at what's there, and there's a lot more there than you might think.

But C-SPAN started in probably at the Mayflower Hotel on an August day in 1977. Satellite was up there after he had engineered the whole thing through the Federal Communications Commission and the Congress. He will never tell you this, but that's what happened. Because the FCC was ready to do one entity, AT&T probably, and go to AT&T and say, how much is this going to cost me for my little satellite time? And it would have been extraordinary. I paid \$100 an hour for the first year for my satellite time. It was only day-time. AT&T's wouldn't have been anywhere near that.

You might have been able to carve out a public affairs thing, but you paid a lot more than that. But I was out doing programs on videotape and bicycling around the country with these cable systems. And nobody cared, and, you know, at the time, you didn't know any better. So, you just [kept] doing it.

Female Voice: Weren't they looking for content, though, to fill up their channels?

Brian Lamb:

That's the story. Home Box Office started and Showtime started and Turner Channel started in '77. Right in those -- '75 was Home Box Office and Showtime. There were only three, four. And something called WYAH in Portsmouth, Virginia. Anybody know what that is? Yeah, WYAH stands for Yahweh and was Pat Robertson's television station. He did the same thing Turner did right at the same time. Channel 27. Put it up on the satellite there.

First five things. Home Box Office, Showtime, WYAH, Turner. Let's see if I can get them all. And Madison Square Garden Network. And that's where I come in. In the early days -- the guy's a very close friend of mine today -- talked Madison Square Garden into giving the rights for everything that happened there except musical events. And he worked out a deal through the satellite with all these systems around the country for a penny or two a month -- it was probably more than that at the time, but not much more than that -- they could every night have whatever was in the Madison Square Garden arena.

Basketball, hockey, whatever it was. And I had been a reporter for four years for Cable [News] magazine, and this guy who ran something called, of all things, the Cable Satellite Access Entity, CSA -- a group of 40 cable operators, and they met all of the time, saying, we've [got] to [do] this satellite, we got the -- we need programming. And so they invited every clown they could find, meaning me and others, to come make a presentation. And this meeting, it was on a Saturday morning at the Mayflower Hotel, and I showed up, and they said you got 30 minutes.

And I stood up in front of them and said, here's my idea. And it had nothing to do with running the House of Representatives. It was the satellite channel, we're going to do public affairs and do hearings, this kind of stuff. And we'll get an alternative to what we have on the

networks. One guy [unintelligible], Bob Rosencrantz, and we have a room named after him, came up to me afterwards. He says, you know, I kind of like your idea. I said, let's talk.

And it started out by him saying I think I could [give you] \$150,000 -- no money, but money [??] -- if you want to try to start something. And I was over the moon. I mean, I thought this was the biggest deal that ever happened, because Bob Rosencrantz was the most respected man in the business. He had the Madison Square Garden Channel. He said, we'll just put it on in the daytime, we don't run anything in the daytime. At the time, we weren't talking about [unintelligible]. There wasn't any.

So, anyway, I went out and took a month and was all excited, and I was writing for these magazines and finally I said, you know, I'm going to quit and go do this. He called one day -- I was sitting in my office, in this little dinky office over in [Crystal City], and he said, I'm sorry to tell you, Brian, but this isn't going to work. He said, nobody wants it. More importantly -- and this is the message I want you to get -- nobody wants to pay for it. They think all this government stuff ought to be free. Well, I was destroyed. I mean, I thought I was off and running with this idea.

And just about the same time -- again, I was writing for the trade press -- I showed up, and a man who he knows well and is still alive to this day, a great guy, Lionel van Deerlin, who's chairman of the Communications Subcommittee in the House, and I was interviewing him one day. And in his office was a little black monitor. And the monitor had on it the closed circuit feed from the House of Representatives. And it was black and white. And I said, how's that going? Because it was only closed circuit. And he said, it's going okay, it's all right.

I said, when are they going to vote on whether or not to allow television cameras in the House? And he said, oh probably in two, three weeks. And I said, well, you know -- by that time, his Open Skies satellite policy had developed -- as everything is with the FCC, they all start out over-regulating, and they would only let you have these enormous 10-meter dishes in order to get a signal. And the industry kept saying to him, we don't need 10 meters. We can get a little dinky dish, and we can get the signal. And they kept saying, no, you've got to have specifications, there's got to broadcast [unintelligible].

They said, well, our customers will determine whether or not it's broadcast [unintelligible] by putting their bucks down on it. And these little dishes had just been approved. And they were 4.5 meter. Now, you're going to get the little tiny ones. But they were 4.5 meter, they were tiny, they were less expensive. And I said to him, I said, you know, Congressman, Senator, I mean Chairman, the House could be on television full-time. And you've got all these little dishes out there, and they -- about 3 million people around the country -- can see everything that's on satellite in these little small dishes.

And he said, really? I didn't know that. And I said, yeah, you can put the House on it. I said, I've got an idea. He said, would you write me a speech? Well, you've got the journalism that comes out [of?] your right [ear?] saying, me, write him a speech? And I thought -- I said, well, let me think about it. How much time do I have? And he said, you got a couple of weeks. So, I went back to my office, and I was by myself, there wasn't anybody else in the office, there wasn't anybody else there that worked there with me, and the phone rang.

It was noon, I was sitting there eating my lunch at my desk, and he said, Brian, this is Van Deerlin. I said, yes, Mr. Chairman. He said, you're not

going to believe this, but they're going to vote on this today. What were you telling me? And I gave him the statistics, and he wrote it down very quickly. And he walked down [to] the House, and he made the speech. This was the first time they'd ever thought about putting the House on television on a regular basis. Because the networks had been saying to them, we'll do it, but they weren't. And Public Broadcasting was saying, we'll do it, but they weren't going to do.

And he walked out there, and all that he said to them was if we do this -- and there were a lot of naysayers -- somebody's going to carry the whole thing. That's the turnaround, at that moment. That day, the vote was overwhelming, and at that moment -- I took that fact back to Bob Rosencrantz, and I said, Bob, I don't care about making money with this thing, how about we put the House of Representatives on? We'll put it on the daytime, on your Madison Square Garden Channel, and we'll charge them a penny and all that. And Bob, he said, that's a great idea. And I said, and furthermore, I don't care if we make money, let's make it non-profit, because if we take the money out of it, then people won't think I'm trying to make money or you're trying to make any money, it could be a public service.

And he said, good idea. And he said I'll write you a check for \$25,000. You take my name and my check and see if you can get anybody else to do this. And again, naïve as I was, I just started knocking on doors. And I remember the moments to this day, which was in 1978, when a human being that I would approach would say, you got my support. I can remember what it looked like. And guy, as an example, was a big guy by the name of Russell Carp. Big and intimidating. Six feet six.

Tom Whitehead: Very intimidating.

Brian Lamb: Very intimidating. I mean, a guy -- just a tough guy. Nice guy [unintelligible], but just tough. And he ran TelePrompTer Cable, and that's today Comcast. It's been sold four or five times going around. And I've been to see him on this whole project, and he said to me, no, we don't want to do anything like that. Not the House thing. No. Satellite dish stuff. And public affairs. I heard he was testifying on the Hill. And I camped outside. He's a hard guy to get to.

And he walked out of the hearing, and he walked over, and I said, Mr. Carp, could I see you for a minute? He said sure. He had no place to go, and he had to see me. And we walked over to the side, and I said, I have something I want to ask you. I said Bob Rosencrantz gave me a check for \$25,000, and he's committed to carrying the House of Representatives full-time on satellite to cable systems if I can get support. And it was like amazing, like the light bulbs went off. And he said I love that idea. You've got my support. And I'll write a check for \$25,000.

And then he made a political statement, which I had no idea he was political. He said, maybe if we had had that thing before the Vietnam War, we wouldn't have had the Vietnam War. Now, it doesn't prove out to be true, but it doesn't matter. He was very political. It turns out he got out of the industry and went into a human rights [unintelligible]. But at that time, that was the next check. And then I found a guy named Ralph [Peru], who started out at CBS and then went and ran their cable systems and then ran something called [Veacom], which is now Viacom, which owns MTV and [unintelligible][Comedy Central?].

And I met with him at the Madison Hotel, and I sat on the bed. I remember sitting on the bed, I was scared to death. Rob [Bruce] and another one of these guys was intimidating as hell to me. And I said Mr. Peru -- he was not Ralph to me -- I said I've got Bob Rosencrantz's

25,000, I've got Russell Carp's 25,000 -- I said, can I get your support? And he said absolutely, I will commit to you for three years, \$25,000 a year. Now, think about that. That's \$25,000 a year. That's not \$250,000, that's not 2.5 million. These companies today are \$50 million companies today. Still small. In those days, the total package that I raised was \$450,000.

From 22 men. All men. All running these cable companies. The least amount I got was \$1,500 from a guy who had a small system. That formed our original board of 22 members. Our first meeting was May of 1978 in New Orleans. It was the year of the flood in New Orleans. If you didn't get out a certain time, you didn't get out for two days. I'll still never forget. But that was the beginning of this, and what we have today -- and I'll shut up and get your questions and your observations -- is we have a small company of \$50 million a year, three full-time 24-hour-a-day channels. Network 1 goes to 90 million homes, network 2 to about 78 million homes, network 3 to about 10 million homes and growing.

And we have 10, 12 Web sites. We have a radio station here in town, which is another interesting story [unintelligible]. And we're carried on XM and Sirius satellite radio. And we're still non-profit. But you could not do this today. Because we were the sixth network. And they were looking for stuff. And everything else that you know and watch and all that stuff, including ESPN and MTV and all that stuff -- whatever you watch, the Discovery Channel -- all came after that. But that's how we got into this business. And if it hadn't been for the education I got working for him for 2-1/2 years, and more importantly, what he did to open this thing up so that little people like me could even dream about this kind of stuff, it would have never happened.

And of course you move forward in 2005 and see you all sitting out there with computers, that's what we used to dream about. It's really free. And it's unbelievable what [this] thing does. But this was the beginning of the revolution. The satellite was the beginning, and this copyright agreement, and putting the cable, as Senator [Fritz Holling] said, run free for a while, were the beginning of really giving us back these voices that we now have. So, anyway, that's my story.

Oh, and very important, I want you to know this. There's not a dime's worth of federal taxpayer money in this, period. Never has been, never will be. Totally done by private business. Totally. We've never asked Congress for a special favor. And they have messed with us. Not intentionally, but they've passed, on two occasions, laws that hurt us because of the nature -- which is another story. And it's amazing how tone deaf they are on some things, because the broadcasters would come in and say you're going to kill us.

Or the cable operators would -- you know, all the politicking that goes on in the lobby. And we're the ones that took the brunt of it, because we're non-profit, we don't make money for anybody, we have no -- we never have Nielsen, we don't know how many people watch us. Were you going to ask something?

Female Voice: Yes. So, you are -- you're cable network [unintelligible].

Brian Lamb: We are a non-profit co-operator of the cable television industry but sell everything we have to anybody that wants to buy, including satellite people, broadcasters, whatever. I mean, it's a public service.

Female Voice: So, you sell it to cable networks. So, that's how it works [unintelligible]?

Brian Lamb: You bet.

Female Voice: It was my understanding that -- I guess one of the arguments for treating cable broadcasting differently in regulations is that because broadcasters get their license from the government for free, they provide some public service in their programming. And that was the argument against cable as an alternative. So, if C-SPAN is essentially a public service, that the cable companies are all [unintelligible] to combine, does that undercut that argument? Is that something that the cable companies thought of when they were putting their money into C-SPAN?

Brian Lamb: Well, that is a great point. Bob Rosencrantz didn't care about that. Because he's a very good guy, and, you know, he cares about people and didn't -- he's not greedy. But if I got those 22 people in the room, that 22nd person down there was very greedy and only doing it because [of] Bob Rosencrantz and those other -- it's a pyramid scheme is what it is. And he was -- they literally -- and I will tell you a story, because -- I mean, I think it's very -- you never hear these stories, and I'd probably never do a book on this kind of stuff, but the biggest company in the business, or the second biggest at the time, I think, was TCI.

And TCI -- the last thing TCI ever cared about was public service. And it was run by a guy named Bob Magnus, who is deceased for many years, but it was also run by a guy named John Malone, who's still very much -- very prominent out there. He doesn't own cable anymore. They fought me all through the process. And they would not give me an answer as to whether or not -- they were big, too -- and they wouldn't give me an answer if they were going to get into this thing. And I remember, as this little guy sitting in this little office in Crystal City, and I'd talk to all these people -- I have to get an answer from them.

And I remember calling them, and I finally got an appointment to talk to both of them one day on the phone. And they were hem hawing around and talking about how this was important and you didn't have to do this. And I said, well, gentleman, the issue is -- and I still can't believe I did this -- the issue is whether or not -- I mean, this industry's going to do this. I've got 21 people that are signed up for this. So, we're moving ahead. And at one I said alright, are you in or are you out? And silence. You know, I'm thinking, oh my god, why did I do that? And Bob Magnus said count us in.

But Bob Magnus was the only guy that ever voted no on anything in the entire history of C-SPAN, and it was for a rate increase. They never got over it. They never, ever really thought it was significant and important. Because John Malone is all about money. And I don't begrudge him for that, but that -- but when you got down to that 22nd person, they were -- they're just right where you're talking. I've heard people say that. One of our biggest industry people, four or five years after we started, was at a public forum at Yale University one day, and he blurted out something that he thought was accurate and was just [unintelligible].

He said C-SPAN is a public relations gimmick. You know, I wasn't in the room, our general counsel was in the room, and he took him on at that point. But, you know, it was not a public relations gimmick. You've heard the story. It's that simple. I didn't give a damn. I've never -- I've made a nice salary, but I don't have any stock in it. I never owned any cable stock. It was what it was. But along the way we had all kinds of people say, oh, that's a good lobbying tool. And I had a very hard time with a lot of people in the industry because I wouldn't lobby for them.

But we're used all the time. I mean, that's fine. I mean, it doesn't matter that we're used, but it's not a lobbying tool, and it wasn't in the beginning.

And it's not a PR gimmick, and it wasn't a gimmick. But all through these years, we have been all those things to whomever was deciding for that day what we were. And the only reason that we survived all these years is because people on our board and in on board [unintelligible] cable operators, the ones that said to their own system operators, you're going to carry us. And believe me, if we were left to the local system operator, in many cases they'd say I need that channel.

Some of them are doing it right now with the digital. They want to capture the analog channels back. I don't know how much of this you talked to. And they want to move it all to digital, and they want us to be one of the channels. They wanted C-SPAN2 in particular. Then it moved over to digital. And if we do, we're going to lose audience right away. We won't lose money, but we'll lose audience. So, yeah. You put your finger on a very important thing. And the broadcasters, they'd always say that about me. There he goes again. He's nothing but a shill for the cable industry.

Well, I wasn't shilling for the cable industry. I was shilling for our existence. And if it happened to serve the cable industry, that's fine, because they were the ones that started it, and I've been very loyal to them. But at the same time, some of them haven't been loyal to us. Yeah?

Female Voice: Following up to that, I received a letter from [unintelligible]'s office expressing your opposition to multicast [unintelligible] in the upcoming [DTB bill] and [unintelligible] cable and satellite have these [unidigital] networks that don't have [unintelligible] problems, why are you opposed to giving broadcasters more carriage rights?

Brian Lamb: Well, the sad thing is they still have [unintelligible] problems. Satellite. And, look, that's a very important -- that's about the third letter we've ever

written to the [unintelligible]. In a lot of cases they won't be a problem. They have plenty of capacity. I'm opposed -- I'm personally opposed to multicasting just on the principle of it. Because the broadcasters that all along -- they got their money, copyright agreement. Now, they get retransmission consent, and they squeeze the business all the time. We are hurt. This public -- little public service is hurt every time a special favor is done for anybody.

And I get back to what I said earlier. I've never asked anybody in Congress to do us a favor, make us a must carry. The broadcasters come in and say, we're special. They are not special. They do not do anything special. If you want to watch a broadcaster, anybody in this country, all you have to do is put up an antenna. But they convinced the Congress -- and I know exactly how it works -- you know, the local news -- they don't even do you on the local news anymore. But they have convinced the Congress that if the sky is falling -- they've never paid a dime for their franchise. Cable operators pay 5 cents, 5 percent in every community.

It's automatic. Congress felt that there was a need. So, if you go in some of these [public] meetings around the country, that 5 percent adds up to a lot of money to help run the government. But broadcasters never paid a dime. And now they're insisting. They were the ones that started this whole digital thing. Back in 1983. We want a digital channel. And they convinced everybody that they should have a digital channel, and then the Congress said, then put your digital on. But they never did. They had to be forced all along. And now they're saying, all these years later, well, we need all that bandwidth so we can have six channels.

And then they did a phony ad this last week in Protocol magazine, where they showed six channels that they were offering. One of them was a community service channel. It's a joke. I don't know one broadcaster in

the country that's offering a digital channel on community service. And they -- but your folks are so busy up there, you don't know. And then we come along, and it looks like we're crying. We're saying don't do any special favors for us, but don't hurt us. Because we at least are doing what we said we'd do. And every time you give a cable operator an opportunity who is not as committed as they should be, they take us away. They'll say, well, if we've got take somebody away, let's just take C-SPAN away. They don't make money for us.

So, it's just a plea on our part to survive and to give [unintelligible] and others the opportunity to speak directly back to the constituents. That's all. Because we're guaranteed to do that. You don't get anything [unintelligible] other broadcaster [unintelligible] you're going to get.

Tom Whitehead: Would you take just one minute, because not everyone here is familiar with the multi-channel aspects of digital. And we have talked about must carry. But we haven't talked about the idea of must carry [unintelligible] digital channels put on by the over-the-air broadcaster. Just a [unintelligible].

Brian Lamb: Yeah. It can be really boring. Unless you're in the line of fire. Frankly. Unless you're about to lose something in the process. Every broadcaster analog channel is 6 mega Hz. They get that kind of bandwidth. Well, you move -- if you move that channel eventually, [which they're all] going to do to digital, you don't need 6 mega Hz. And the broadcasters are saying we demand 6 mega Hz. So, what we can do is our principal channel and six others. And they probably do more than that. They want to be guaranteed the bandwidth. And under the law, it's our position -- they weren't guaranteed the bandwidth, they were guaranteed the channel.

Female Voice: One channel [unintelligible].

Brian Lamb: One channel. And they're [going] to go out and cry and get on their hands and knees and beg and everything else and say the world's coming to an end for them if they don't get 6 mega Hz. And then what they're going to do -- I'll guarantee, I've seen it happen all my life -- they're going to take all over their bandwidth, and it's all going to be money oriented, and they're not going to be public service. I'll tell you -- I'll give you an interesting thing. No broadcaster has come to us ever in this game since 1983 and said how about us carrying C-SPAN [unintelligible]? If they were so interested in public service, they'd have been at our door.

They don't want to spend that money. And anybody that's ever watched any local news channel, a local newscast in the last ten years, knows exactly what you're getting. You're getting fire, murder, mayhem, and you're not getting public service. Your members of Congress aren't getting on there.

Male Voice: So, if the FCC and Congress say that the broadcasters are entitled to must carry for all six of their digital channels, in a community where you have four, let's say five channels, that's 30 channels of must carry. Why does that hurt C-SPAN?

Brian Lamb: Well, any time you -- it's not as serious as must carry for us. They're multicasting. Because it's a bandwidth thing. But any time you require -- I mean, you say that they deserve bandwidth, it doesn't -- what it does is it cuts down -- if digital's important, and digital's going to free up all the analog channels and digital's going to free up all this capacity, then we are there [unintelligible] everybody to do more. We were ready to do C-SPAN 1, 2, 3, 4, and 5 about six or seven years -- no, about ten years ago -- and then the must carry rule was passed, and we didn't get to do anything else for about five extra years.

And then finally we snuck in C-SPAN3, but it's a slow growth deal. Public service is not service that broadcasters today really think is their responsibility, and none of them have promised, that I know of anywhere, that they're going to do public service in the event that they get this whole 6 mega Hz or full six channels or whatever they get in the end. But every time you give anybody a big chunk of space, it hurts us. And others. It's not just us. But this is a -- yes?

Female Voice: Is that because you're that much more marginalized? Is that what you're saying?

Brian Lamb: Yeah. The opportunity to grow is less significant, but again -- here's my problem, is you've done a special favor for one part of the industry for what reason? For what purpose? What are they telling you they're going to do that's so important that you tell another industry they have to carry it? I mean, this is to our benefit -- I always thought telling the satellite people or telling us that we had to sell to satellite was un-American. I mean, can you imagine if *The Washington Post* didn't have George Will or Charles Krauthammer or E.J. Dionne or one of these exclusively, and *The Washington Times* got all of those columnists?

I mean, it doesn't make any sense to me. I know, there's [unintelligible] legal rights now, for all you lawyers, but it never made sense to me why you had to sell to another deliverer, like the satellite people, everything that we ever did. Everything that we do has to be sold to the satellite. Now, as I said earlier, our board voted before the satellite to agree to sell to everybody as a public service. I remember saying to them you don't want to get in the game of having to say, yeah, you're a public service, but only for you. And they went along with it. Which always surprised me.

Tom Whitehead: Lisa, did you have a question?

Lisa Sockett: I was just wondering -- I see that you don't want to ask for special favors for C-SPAN, but C-SPAN has become kind of an institution in our country that carries Congress. It does a lot of public affairs stuff. You know, some people may say even more so than the public broadcasting in some respects in terms of coverage of government. And I almost want to say, you know, maybe Congress, from a consumer's perspective, should pass a must carry for, you know, kind of a C-SPAN-like or a public affairs kind of thing on cable. Which is not to say that I think it's a burden on cable, either.

But in a way, I'm wondering if you were -- like the broadcasters, they must be [unintelligible]. So, I was wondering, well, maybe, this C-SPAN, maybe this cable public service program, should be carried by cable, by satellite, by any other, you know, kind of technology that comes along.

Brian Lamb: You know, you're right. You reminded me of something I wanted to tell you all, because I think it's a great example of why I don't like the idea. Or why -- what's happened in the country. Last night is a good example. C-SPAN3, which only about 10 million people can get -- more can get it, but only 10 million are on the digital service across the country [unintelligible]. Last night was a good example of what drives our business, including public broadcasting. John Roberts started testifying yesterday morning, it was 10:00. He finished last night at 20 minutes to 8.

At 6:00, we were the only channel to watch John Roberts on. Not C-SPAN1, not C-SPAN2. The House and Senate ran. And they went out, and we put it on C-SPAN1. But C-SPAN3 was the only place all day long -- you're guaranteed that the Chief Justice nominee could be seen by the American public. Public broadcasting dropped out at 6:00 to carry the

BBC and Baltimore to do the Lehrer show. Court-TV heralded themselves as this great spot for all of this dropped out earlier than that. All these networks start making money at 6:00. Big money. And if you're [Neil Cavuto] on FOX News at 4:00.

And see, the thing that's driving -- and I don't sound -- I don't want to sound bitter about this, I'm not -- it's just that the reality of this world we live in is money trumps all. And what we're saying, back to this multicasting thing, don't hurt us. We can expand. The first channel may cost 45 million, the second one cost 2 million, and the third one cost a million. We can expand. Now, the future -- I have no idea what the real future is -- probably on these PCs and streaming video. We stream everything we have free. Free. We're the biggest streamers in the world. You can watch all three networks and our radio station separately on your PC.

Tom Whitehead: It's a great resource, by the way, for those of you who haven't [unintelligible] see some of these hearings. You can get on, I think -- you can get on your computer today and watch John Roberts' [unintelligible].

Brian Lamb: Absolutely. But go back to the base here -- and he doesn't want me to do this, but everything you hear out of my mouth was learned working here. And that was my Ph.D. I learned the -- I mean, everything that I believe in -- I came to this thing as an old disk jockey and a speech degree in college. I had no sense of public policy or any of this stuff. And with the Scalias and the Goldbergs and all, and this guy, day after day for 3-1/2 years, it formed this whole idea of why, when I got in there, I was so firm about not wanting this government to tell me what I could do or couldn't do or determining whether it's carried or not carried, because I just philosophically believe in it.

I'll give you a reason, a very direct reason why. If that Senate and House tells us, tells the world, we're must carry, they're going to be -- they call me enough as it is. It's a very contentious relationship sometimes. I want my hearing covered. Understandable. I mean, I understand what's out there. I had a -- I'll give a story. It's not to be repeated. But people were in the studio when it happened. Just to give you an idea of what tension is among public service. Okay, and elected officials. One day I was interviewing, on a call-in show I do, [unintelligible]. Usually on Friday morning. But our guest was Warren Rudman, the former Senator from New Hampshire and the man responsible for bringing us David Souter.

Had a book. He was out of the Senate. And he had this book he had published, and he wanted this book on the show that I was doing called Booknotes. And he called me. And I said -- I don't take calls from members for programming things, because I don't have anything to do with it, I don't make decisions. So, I keep saying call the producer, because it just makes everybody mad. But I don't want to be one-stop shopping. I don't want to be the place you call. And finally he was a guest on the show, about six months after the book came out. And we're sitting at the table, the show's about ready to begin, he's about this far away from me.

We've got three minutes or four minutes before we go on. He goes into a rage right there. Why didn't you do my book! And I thought, oh, my god, he's furious with me. It's the best book ever written on the United States Senate and you didn't do my book! You know, I thought, this is going to be a great show, he's off the charts.

Tom Whitehead: This is a [unintelligible] example of a politician's [unintelligible] ego, you know.

Brian Lamb: Well, he actually is a very competent man. It's just that he was just furious with me. Well, he walked out of the studio sputtering about how mad he was that I didn't put him on, and he's a good guest and all that stuff. Well, six months later, he comes back with Gary Hart. And you might remember the book Gary Hart and Warren Rudman warned us about 9/11 way before it happened and no one paying attention. So, the two of them are sitting there -- Gary Hart's on this side, and Warren Rudman's on this side -- and all of a sudden he starts to erupt again about his book.

This is six months later. And Gary Hart looks at him and he says, Warren, what is wrong with you? You're about ready to go on the air, we haven't gone on the air yet. That just is one little tiny little capsule of how intense this stuff is. So, I don't want a call to come in from the chairman of such and such a committee saying you got to must carry so you do this for me. And they will do it. And they're entitled to do it. And we can say no, but it then begins this -- it just makes things worse. Yeah. Yeah?

Female Voice: How do you make your choices about which hearings to cover?

Brian Lamb: Like any editorial. I don't, and I got off that years ago, for the very reason I just explained. But there's a committee. There's a leader, who's vice president of programming. He has the last word. They meet every day twice a day. They bring the events to the table, and they keep records on who got into the balance thing. And they make a decision. And that's why I want networks 3, 4, 5, and 6 and have this availability on digital so that we can be a multi-channel service, not just a C-SPAN channel. So, that there's very little opportunity to play favorites. The more channels we have, the less power we have.

Think about that. You have one channel, and everything's funneled into that, enormous amount of power, and that's where CBS, ABC, and NBC

was, and they had -- it's just extraordinary. I work very closely with this man. He's still a very close friend all of these years. But I work very closely with him and travel with him all over the country, met with all these big shots in broadcasting, and he's got some stories. Talk about [unintelligible]. You will not do this. Or I'll go to Nixon, and we'll take care of -- I mean, these kind of threats were going on all the time, and they had power out the wazoo then.

And there's very little power left compared to what there used to be. They can go on these networks now, and nobody ever pays attention. Anyway.

Tom Whitehead: I'll just interrupt briefly with one of those stories. The president of NBC came to see me. You know, usually at a high level of government -- [unintelligible] people in Congress know about it -- when a meeting takes place [unintelligible] fairly high level people, there's always staff around, you know, and it's sort of a staid occasion. And this guy was always with me. He didn't trust me to meet with anyone without him. But in this case, the head of NBC asked for a private meeting, just the two of us, no staff.

And very unusual. We came in, and we just chitchatted. And he said to me, after we got through the chitchat, he said, you know, he said, we've been following closely what you're saying about this satellite and cable programming and lots of channels. And he said we firmly believe that's going to happen someday, and it'll be a good thing for the country when it does. And we think that we're pretty good and we'll do just fine with all that competition. He said, well, I want to make sure you understand something.

Right now, he said, I earn \$800,000 a year to make sure that things don't change. This was in 1972. Today it'd be \$8 [million]. And he said, do I make myself clear?

Brian Lamb: We used to call it --

Tom Whitehead: I said yeah. I said, yeah, I get paid 40,000 to change things. There are a jillion stories that he could tell and I could tell about the power of these --

Brian Lamb: Well, you folks work on the Hill. I don't know how old you are, but you're probably close to the age we were when we were in government. You know what it's like when you've got hot shots coming to the office that -- they've got millions and millions riding on all this, and they look at you and they think, huh, she's only 28 years old, and I have to put up with this? And he was 31 years old, 30 when he really started, 31 years old, and the head of the Office of Telecommunications Policy. They don't even know how to spell it let alone have to worry about it.

They really didn't. It was a new office that never happened before in history. It's sitting there in the White House, not physically, but part of the White House. And of course the FCC hated it. Unless we did their bidding for them. And this is a fabulous system we have. I wouldn't want it any other way. But we're all -- you know, everybody's scrapping for their piece of the pie. And there's nothing consistent, though, about the way any of this is regulated. Especially when Congress gets into it. Because it's just the nature of the beast.

There's the, you know, I'm your broadcaster in your home town, and [unintelligible] a favor. And I suspect that some cable operator's going to do the same thing. But there used to be a time when that local broadcaster had real power, and in those days they did do personal favors for members of Congress, and they could get their stories on the news because of that. [unintelligible], I was with him one day when he

appeared on the Today Show. You've got to think about this. Thirty-two years old, 33, those years, and he's dealing with changing the world.

Unleashing cable, putting the satellite up there, taking this \$800,000 executive's power away from them, and says [unintelligible] the Today Show. And he was interviewed by a very nice guy named Bill [Munroe]. We found out later from the producer, who is a good friend of mine -- told me at a dinner one night, and God rest his soul, she's long gone, was she was a Brit -- Molly Sharp was her name -- and she said you know that right before he interviewed [Laughlin] on the Today Show, he went over, and he was on the phone, and she said, you know who he's talking to?

And I said, no, who's he talking to? She said he's talking to [Julian Goodman], chairman of the board of NBC. And so here's a news guy saying that they're free and clear and there's a line drawn and it's journalism and all this stuff. Before he interviewed him, he got his fix on who Tom Whitehead was from the guy who had more to lose than anything else, and that was the kind of power that they had in those days. You do that today, nobody cares.

Tom Whitehead: Any more questions [unintelligible]?

Male Voice: How does -- or how would [unintelligible]?

Brian Lamb: Well, that's -- it might kill us. But it might not. I mean, the sky isn't falling, and I don't want to sound like it is. But what happened with a la carte -- do you all know what that means? I'm sorry. Instead of having to pay your \$50 a month for cable and getting all 7,000 channels, which you don't want, you'd be able to buy only those channels that you want. No one is really sure what the economics of that would be when all the dust settled, but in our case, we're probably one of the lesser viewed channels.

But the kind of people who watch us are incredibly important. They're the -- you know, I say they're the presidents of the high school classes, they're the chairmen of the bank board in the community, they're the editorial writer, they're just the average citizen who wants to be involved [unintelligible]. But --

Tom Whitehead: Let me [unintelligible].

Brian Lamb: Sure.

Tom Whitehead: Because that's true. And that accentuates to some extent the role and importance of C-SPAN in our society [unintelligible]. But it is not widely understood that C-SPAN is must see TV in every major network studio in this country. ABC, NBC, CBS, FOX, CNN all have people watching CNN -- I mean, watching C-SPAN. Why? Because they can't afford to miss something that might be there. So, C-SPAN is a vital part of the larger public affairs and news media. People on the Hill watch it, right? Yeah.

So, C-SPAN is must see TV for the entire community of people around this country who try to figure out what is the news, what is public affairs, who's saying something, who's important. Okay.

Brian Lamb: And remember, just to briefly go back to a la carte, our mission is that George Allen can walk to the Senate floor every day and get up and make a speech, and he doesn't have to ask permission except for the [unintelligible]. That's the mission [unintelligible] House or the Senate, and that's the mission of all the different lobbying groups and meetings that they have. It's uncut, unsponsored, gavel to gavel for everything. That's the mission. So, the people -- and that's what the computer of

course does for you now. [unintelligible] has an opportunity to make up their own mind.

A la carte would mean -- for instance, right now, we charge the cable operator 4.7 cents on average a month. ESPN charges \$2.70. You can see where the -- and I don't mean this the way it sounds -- that's where the value is in American society. The most expensive is ESPN [unintelligible] channel is \$2.70, and the least expensive, by and large, is us. You know, and it's just the fact. If you went to the a la carte, where you could buy whatever channel you wanted immediately, we would probably lose, we'd definitely lose -- we know this from our surveys -- 6 out of 10 customers on cable. Then it's a crap shoot from there on out, because 3 out of 10 of cable subscribers say they watch us periodically, and 1 out of 10 say they watch us all the time.

So, let's say -- let's just say for talking purposes 1 out of 10 ends up paying our bills. In order for us to get back to that 50 million, we might have to charge -- and I haven't done the math on this -- let's just say a couple dollars a month per customer. Well, that's when it really would get interesting. Could we appeal to that many people nationwide? And there's no way to know until it happens. What would really happen, I think, is that the cost of your cable bill would go up. Because you'd end up saying, well, oh, I don't really watch ESPN, but, gee, I ought to have it.

And I never watch ESPN. I'm not a sports fan. And I wouldn't carry it in my house. But a lot of people want everything. And so if you were paying \$50, you'd probably end up paying 75. So, in the end, it would probably end up benefiting everybody except the consumer. And I'm not talking for the industry, I'm talking for myself, because I don't shill for the industry. And the industry doesn't want the thing, but they probably, in the end, would benefit, because everybody would pay more rather than less. How

often have you ever seen, other than in -- I must say, and he had a lot to do with this, too -- the competition in long distance telephone prices? I mean, how much was it a minute back in our time?

Tom Whitehead: Oh, back in our time, a long distance call from Washington to L.A. was, in the evening, I recall, was \$4.50 a minute. That was back when \$4.50 was [unintelligible].

Brian Lamb: Yeah, so you can see [unintelligible]. And when he tackled that problem - - and you'll meet people this semester -- let me just tell you -- you all are interested in communications. You're going to have the most incredible group of people coming in here besides me this semester you can imagine. The next guy coming in here, Henry Goldberg, is probably the single best satellite lawyer in the country.

Tom Whitehead: The world.

Brian Lamb: Probably the world. He has been more successful. And it's not easy to get him to tell you a story. He just doesn't like to talk about himself. But you've got an amazing opportunity to see -- at a time when he put this all together, this was a button-down country that you paid \$4 whatever a minute on the phones. And that PC thing wasn't even anywhere near, and that's all a part of breaking up these monopolies or oligopolies. And we're back there in a lot of cases now, which is unfortunate. We have a consolidation of a lot of these businesses.

But there was this magic period of revolution where we now have all this choice. And I'm just -- philosophically a la carte sounds really good to me, because should you have to pay for something you don't want. It's like a newspaper. You may not want the sports section, but you pay for it

anyway. But it's the way it works. And I don't know whether they'll get there or not. But they might end up getting there through the PCs.

Tom Whitehead: It's a tough issue. I'm going to change the direction of the conversation a little bit, because we're starting to run out of time. One of the things that - Brian has changed a lot about the way public affairs news is seen and operated. He talked about his old days as a radio disc jockey when you'd call in the morning [unintelligible] *Washington Journal* just called him Red Fox. That was his radio disc jockey name. But he was involved in and knows a lot about talk radio. He's the guy who [unintelligible] started call-in television.

Nobody ever thought of doing call-in television. Call-in radio maybe. But call-in TV? C-SPAN was the first to do that. C-SPAN, as far as I know, was the first to show the newspapers in the morning on television [unintelligible]. Now, in the *Los Angeles Times*, [unintelligible] they showed you us. Which was a very valuable service, because if you only got one newspaper, what do you know? But if you can see this guy telling you what was on the front page in New Orleans or Los Angeles and Chicago [unintelligible]. And in that spirit, in today's *Wall Street Journal*, there is a [unintelligible] *Wall Street Journal* [unintelligible].

And it says when C-SPAN began broadcasting, I thought it was one of the greatest examples of American ingenuity. While the public has benefited from the knowledge gained and seeing our lawmakers in action, the public is now treated to lawmakers who constantly grandstand for the camera. With cameras rolling, Committee hearings have become an avenue for Senators and Congressmen to offer long introductory statements that demean or attack the nominee -- they're talking about Roberts -- and leave the Committee member little or no time for appropriate questions. Yes, John Roberts deserves a dignified hearing.

But with televising it, the chances are nil. Do you care to comment on that?

Brian Lamb:

Yeah. I think it's the biggest bunch of bull I ever heard. First of all, it's a very selfish letter. When this process is finished, a lot more people in this country will know who John Roberts is. He's incredibly capable of sitting before this Committee and dealing with this. It's interesting about -- the people -- most people, in my humble opinion, don't understand what government's all about. They don't understand the elected politics system that we have. These Senators sitting up there are teaching us.

I don't care how often they're --

End of recording.