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**APPROVED**  
**DEC 16 1975**

*signed 12/16/75*

**THE WHITE HOUSE**

**ACTION**

**WASHINGTON**

**Last Day: December 20**

**December 16, 1975**

*To Archives*

*12/17*

*Post*

*12/17*

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON ~~✓~~

SUBJECT: S. 233 - For the relief of North Central Educational Television, Incorporated

Attached for your consideration is S. 233, sponsored by Senator Burdick, which would direct the payment of \$23,288.92 to North Central Educational Television, Incorporated as reimbursement for expenses caused by an error on the part of personnel of the Federal Communications Commission in connection with the Corporation's application for a television station.

Additional information is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign S. 233 at Tab B.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEC 12 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 233 - For the relief of North Central Educational Television, Incorporated  
Sponsors - Sen. Burdick (D) North Dakota and  
Sen. Young (R) North Dakota

Last Day for Action

December 20, 1975 - Saturday

Purpose

To pay \$23,288.92 to North Central Educational Television, Incorporated, in full settlement of its claims against the United States.

Agency Recommendations

Office of Management and Budget	Approval
Federal Communications Commission	Approval

Discussion

S. 233 would direct the payment of \$23,288.92 to North Central Educational Television, Incorporated (North Central) as reimbursement for expenses caused by an error on the part of personnel of the Federal Communications Commission (FCC) in connection with the Corporation's application for a television station. It also prohibits payment of any of the funds to an agent or attorney for services rendered in connection with the claim and makes violation of any of the provisions of the bill a misdemeanor.

In November 1971, North Central filed an application with the FCC to operate an educational TV station on Channel 2, which had been assigned to Grand Forks, North Dakota. The proposed



transmitter site, located 46.5 miles from Grand Forks, met the minimum mileage separation requirements relating to both domestic and Canadian channel allocations and station assignments. In April 1972, the application was placed in a pending file by the FCC until further financial data were received, including information on a potential HEW grant to North Central.

While the North Central application was pending, the Canadian Government informed the FCC of its proposal to allocate Channel 2 to Brandon, Manitoba. Pursuant to the Canadian -- USA Television Agreement of 1952, Canada requested the FCC's review as to its technical acceptability. The Canadian application included a proposal that any future Channel 2 transmitter sites be at least 190 miles apart. The FCC informed the Canadian Government in June 1972 that it had no objection to the Brandon application, without checking its pending file, which would have shown that the North Central transmitter site would be only 147 miles from the Canadian one, rather than 190 miles. Had that fact been noted, it would have provided a good reason for the Commission to object to the Canadian proposal.

Subsequently, the additional North Central financial information was received by the FCC, the application approved, and construction of the antenna at the transmitter site begun. Canada was notified of the assignment of Channel 2 to North Central in June 1973 and expressed its objection on the basis that the distance did not meet the requirements earlier agreed to by the FCC. Because of the Canadian objection, North Central was required to modify its original plans for its antenna system in order to restrict the effective radiating power in the direction of the Canadian station. This modification caused North Central to incur additional out-of-pocket expenses estimated by the FCC at \$23,288.92.

In its views letter on the enrolled bill, the FCC states that, "In short, this was a plain staff error -- simply a failure to do a thorough job under applicable Commission procedures."

*James M. Frey*  
Assistant Director  
for Legislative Reference

Enclosures

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

December 10, 1975

IN REPLY REFER TO:  
3200

Honorable James T. Lynn, Director  
Office of Management & Budget  
Washington, D.C. 20503

Dear Mr. Lynn:

This refers to your request of December 8, 1975, for the Commission's views on enrolled bill S. 233, an Act for the relief of North Central Educational Television, Incorporated.

S. 233 authorizes and directs the Secretary of the Treasury to pay to North Central Educational Television, Incorporated, the sum of \$23,288.92 in full settlement of all its claims against the United States for reimbursement of additional expenses incurred as a result of administrative error by personnel of the Federal Communications Commission in connection with that corporation's application for a television station. Section 2 of the Act prohibits use of any of the funds so appropriated to pay any agent or attorney on account of services rendered in connection with this claim and makes violation of any of the provisions of the Act a misdemeanor.

On November 24, 1971, North Central filed an application for a non-commercial educational television station to operate on Channel 2, assigned to Grand Forks, North Dakota. In checking compliance with the Commission's technical rules, an analysis showed that the proposed transmitter site, located approximately 46.5 miles WNW of Grand Forks, met all the minimum mileage separation requirements both as to domestic and foreign (Canadian) channel allocations and station assignments. The antenna was proposed to be mounted on the 1,461 foot antenna structure of Station WDAZ-TV, Channel 8, Devils Lake, North Dakota (at no cost to North Central).

A further engineering study revealed conflicting antenna data and on February 11, 1972, the applicant amended its application and the Commission completed its engineering study on March 22, 1972. Because the proposal did not provide the minimum required principal city signal over Grand Forks, the applicant required waiver of Section 73.685(a) of the Commission's rules. An examination of the legal and financial qualifications disclosed certain financial deficiencies which were disclosed to the applicant. In addition, further action had to be held up because the applicant was relying on funding of \$305,163 from the Department of Health, Education and Welfare. The application was fully processed in April, 1972, and was placed in a pending file to await additional financial data.

In a letter dated May 11, 1972, the Canadian Government advised the Commission of its proposal to allocate Channel 2 to Brandon, Manitoba, under the working arrangement pursuant to the Canadian-USA Television Agreement of 1952. This proposal was referred to the appropriate Commission staff for comments as to its technical acceptability. The staff indicated that there were no problems with the proposal and the Canadian Department of Communications was notified on June 14, 1972 that the Commission had no objection to the Brandon, Manitoba proposal.

The Television Applications Branch, which had processed the North Central application, should have considered that application in connection with the Brandon proposal because it was clear from the Canadian letter that it proposed that any future assignment on Channel 2 at Brandon would be no less than 190 miles from Grand Forks in order to maintain the minimum required co-channel spacing. The failure of the staff to refer to the pending file, which would have shown clearly that the proposed Grand Forks transmitter site was but 147 miles (or 43 miles short) from the Brandon reference point, was the immediate cause of the problem. That fact would have provided good cause for the Commission to object to the Canadian proposal. In short, this was a plain staff error -- simply a failure to do a thorough job under applicable Commission procedures.

On March 13 and March 27, 1973, the applicant filed additional financial data and on April 16, 1973, the Department of Health, Education, and Welfare advised that the sum of \$305,163 had been approved for North Central Educational Television, Inc. The construction permit was granted by the Commission on May 3, 1973. The Canadian Government was notified of the Grand Forks Channel 2 allocation on June 15, 1973, and by letter dated June 29, 1973, the Canadian Government registered its objections on the basis of the 43 mile short-spacing to the Brandon allocation.

The applicant's counsel was notified immediately and it was suggested that his client should be advised to suspend any construction or further expenditures in reliance on the May 3, 1973 construction permit. We also informed him that the problem was under study and that efforts were being made to negotiate some early and mutually satisfactory resolution of the matter with the Canadian authorities.

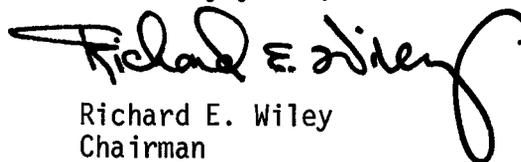
In the original construction permit, North Central was granted authority to operate on Channel 2 with a maximum visual effective radiated power of 100 kw utilizing an omnidirectional antenna system with an antenna height of 1,330 feet above average terrain. Following Canadian assignment of Channel 2 to Brandon, Manitoba, an agreement with Canada was reached whereby North Central could operate with 100 kw as proposed, provided the antenna height above average terrain was limited to 1,000 feet but would restrict the effective radiated power (ERP) in the direction of Brandon to 40 kw for an antenna height of 1,330 feet above average terrain. Upon being notified of the agreement, North Central filed an application, subsequently granted by the Commission, for use

of a directional antenna system with a maximum ERP of 100 kw. The radiation toward Brandon is restricted to 30.9 kw and the antenna height above average terrain is 1,340 feet. Presumably, it was this modification which caused North Central to incur additional expenses.

H.R. 11655, a predecessor bill in the 93d Congress, would have provided the sum of \$67,081.86 to North Central. The Commission, in comments to the House Committee on the Judiciary, indicated that we believe the sum of \$23,288.92 (provided for in S. 233) represents reasonable "out-of-pocket" costs incurred by North Central in connection with its application to modify its antenna system for operation on Channel 2 at Grand Forks, North Dakota.

I, therefore, recommend that the President approve S. 233.

Sincerely yours,

A handwritten signature in black ink, reading "Richard E. Wiley". The signature is written in a cursive style with a large, sweeping flourish at the end.

Richard E. Wiley  
Chairman

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEC 12 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 233 - For the relief of North  
Central Educational Television, Incorporated  
Sponsors - Sen. Burdick (D) North Dakota and  
Sen. Young (R) North Dakota

Last Day for Action

December 20, 1975 - Saturday

Purpose

To pay \$23,288.92 to North Central Educational Television,  
Incorporated, in full settlement of its claims against the  
United States.

Agency Recommendations

Office of Management and Budget	Approval
Federal Communications Commission	Approval

Discussion

S. 233 would direct the payment of \$23,288.92 to North Central Educational Television, Incorporated (North Central) as reimbursement for expenses caused by an error on the part of personnel of the Federal Communications Commission (FCC) in connection with the Corporation's application for a television station. It also prohibits payment of any of the funds to an agent or attorney for services rendered in connection with the claim and makes violation of any of the provisions of the bill a misdemeanor.

In November 1971, North Central filed an application with the FCC to operate an educational TV station on Channel 2, which had been assigned to Grand Forks, North Dakota. The proposed

To:  
J. Caranough  
12-12-75  
6 p.m.



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: December 12

Time: 700pm

FOR ACTION: Dick Parsons  
Max Friedersdorf cc (for information): Jack Marsh  
Ken Laarus Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: December 15

Time: 300pm

SUBJECT:

S.233 - For the Relief of North Central  
Educational Television, Inc.

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.  
For the President

THE WHITE HOUSE

WASHINGTON

December 15, 1975

MEMORANDUM FOR: JIM CAVANAUGH  
FROM: MAX L. FRIEDERSDORF *M.L.*  
SUBJECT: S. 233 - For the Relief of North Central  
Educational Television, Inc.

The Office of Legislative Affairs concurs with the agencies  
that the subject bill be signed.

Attachments

Date: December 12

Time: 700pm

FOR ACTION: Dick Parsons  
Max Friedersdorf  
Ken Lazaruscc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: December 15

Time: 300pm

SUBJECT:

S.233 - For the Relief of North Central  
Educational Television, Inc.

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection.

Ken Lazarus

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

JAN 12 1968  
708 01

Date: December 12

Time: 700pm

FOR ACTION: Dick Parsons  
Max Friedersdorf  
Ken Lazarus

cc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: December 15

Time: 300pm

SUBJECT:

S.233 - For the Relief of North Central  
Educational Television, Inc.

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*Recommended approval 12/15/75*  
*J-L May*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

JPM  
107

## NORTH CENTRAL EDUCATIONAL TELEVISION, INC

APRIL 17, 1975.—Ordered to be printed

Mr. BURDICK, from the Committee on the Judiciary,  
submitted the following

### REPORT

[To accompany S. 233]

The Committee on the Judiciary, to which was referred the bill (S. 233) for the relief of North Central Educational Television, Inc., having considered the same, reports favorably thereon, without amendment, and recommends that the bill do pass.

#### PURPOSE

The purpose of the proposed legislation is to authorize and direct the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to North Central Education Television, Incorporated, the sum of \$26,231.92, in full settlement of all its claims against the United States for reimbursement of expenses incurred as the result of administrative error by personnel of the Federal Communications Commission in connection with that corporation's application for a television station.

#### STATEMENT

A bill for this claimant (S. 2752) was introduced in the Senate in the 93rd Congress in the amount of \$67,081.06 and after careful consideration was amended by this Committee to pay \$26,231.92, the amount now provided by S. 233. The amended bill in the 93rd Congress was reported favorably by this Committee and was passed by the Senate but no action was taken by the House of Representatives.

The report of this Committee in the 93rd Congress set forth the reason for the amendment as follows:

The purpose of the amendment is to reduce from \$67,081.86 to \$26,231.92 the amount authorized to be paid by the Secretary of the Treasury in full settlement of all claims against the United States by North Central Educational Television, Inc. The bill, as originally drafted, provided compensation to North Central Educational Television, Inc., for estimated losses resulting from the error by the Federal Communications Commission as well as for "lost revenue" due to the delay in the "on-air" date which occurred because of construction modifications necessitated by the FCC error.

After careful review of the elements of the claimed loss, the Committee has determined that the appropriate amount is \$26,231.92. This reduced amount represents the actual direct losses by North Central T.V.; it includes a denial of certain elements of the original claim, as well as the deletion of certain estimated losses which have not, and will not, accrue. A detailed discussion of the losses is contained in the section titled **Determination of Damages** in this report.

In November, 1971, North Central Educational Television, Inc., a non-profit educational television network, incorporated in North Dakota, filed an application with the Federal Communications Commission for an educational television station to operate on Channel 2, assigned to Grand Forks, North Dakota.

North Central Educational Television is permittee of Station KFME-TV operated out of Fargo, North Dakota, and this application for expansion of its coverage was the result of many years of fund raising at the local level along with negotiations with the Department of Health, Education and Welfare for financial assistance in the amount of \$305,163 for construction of the new satellite station at Grand Forks, North Dakota. Approval of the application by the Federal Communications Commission was contingent upon successful negotiation with the Department of Health, Education and Welfare for the grant.

North Central's application was processed by the Federal Communications Commission and on January 6, 1972, was accepted as meeting the minimum mileage separation requirements both as to domestic and foreign (Canadian) channel allocations and station assignments. A further staff engineering study by the FCC revealed conflicting data and, after notification of this was forwarded to North Central, a revised application was submitted on February 11, 1972.

On March 22, 1972, the modified proposal was considered technically acceptable to the FCC engineering staff and was turned over to legal and accounting personnel for further processing. Although the application was fully processed by April, 1972, it was placed in a pending file until the Commission received further financial data, specifically, notification that the grant application had been approved by the Department of Health, Education and Welfare.

During this period, the Canadian Government advised the Federal Communications Commission of its proposal to allocate Channel 2 to

Brandon, Manitoba, pursuant to the Canadian-USA Television Agreement of 1952. This proposal was reviewed and accepted by the Broadcast Bureau staff of the FCC, and the Canadian Department of Communications was notified on June 14, 1972, that the Commission had no objection to their proposal for Brandon. Contained in the Canadian Government's proposal to the FCC was a clear specification that any future assignment on Channel 2 in the United States would be no more than 190 miles from Grand Forks in order to maintain the minimum required co-channel spacing from Brandon, Manitoba.

The Television Applications Branch at the Commission, which had already processed the North Central application, failed to review that application when giving its approval to the Brandon proposal. The proposed Grand Forks transmitter site was only 147 miles from the Brandon reference point. Had that been noted, the Canadian proposal would not have been considered acceptable to the Commission.

In early 1973, North Central filed additional financial data with the FCC, followed, on April 16, 1973, by an approval of their application for funding by the Department of Health, Education and Welfare. The Commission then granted a construction permit to North Central on May 3, 1973. On June 13, 1973, the Commission notified the Canadian Government of the Grand Forks Channel 2 allocation, and by letter dated June 29, 1973, the Canadian Government registered its objection on the basis of the 43 mile short-spacing to the Brandon allocation. North Central was advised of this immediately by the Commission and it was recommended that they suspend construction, which had been underway for approximately two months, while the conflict was under study.

It should be noted that the grant from the Department of Health, Education and Welfare to North Central was predicated upon the construction of an antenna, at no additional charge, on an existing 1,461-foot structure belonging to Station WDAZ-TV, Devils Lake, North Dakota. In the original construction permit, North Central was granted authority to operate on Channel 2 with a maximum visual effective radiated power of 100 kilowatts utilizing an omnidirectional (all directions) antenna system with an antenna height of 1,330 feet above average terrain. This was in conformance with their plans to use the antenna structure at Devils Lake.

In the negotiations with Canada, following the discovery of the FCC's error, an agreement was reached whereby North Central could operate with 100 kilowatts, as proposed, but the effective radiated power in the direction of Brandon would be restricted to 40 kilowatts for an antenna height of 1,330 feet above average terrain.

Inasmuch as North Central was limited in its choice of antenna height, being dependent upon the WDAZ-TV structure, they modified their application, upon being advised of the Canadian-FCC agreement, to include the use of a directional antenna system with a maximum effective radiated power of 100 kilowatts, with maximum radiation toward Brandon to be restricted to 30.9 kilowatts, and an antenna height above average terrain of 1,340 feet.

This modified proposal was subsequently approved by the Federal Communications Commission.

## FCC ACKNOWLEDGES RESPONSIBILITY AND LIABILITY

The Federal Communications Commission has accepted full responsibility for the error as a result of its failure to cross-reference the two Channel 2 proposals. The Commission, in a letter to Senator Quentin N. Burdick, dated August 6, 1973, signed by Chairman Dean Burch, said that "the Federal Communications Commission committed an egregious 'goof.'" In further correspondence from the Commission, addressed to Senator James O. Eastland, Chairman of the Judiciary Committee, and dated March 7, 1974, Chairman Burch wrote, "In short, this was a plain staff error, without the saving grace of being attributable to an error of judgment. It was simply a failure to do a thorough job under applicable Commission procedures."

The FCC also indicated in its letter of March 7, 1974, that it would not oppose a private relief bill for the payment of out-of-pocket losses directly arising as the result of this error.

## DETERMINATION OF DAMAGES

The original construction permit to North Central allowed for an omnidirectional antenna system, which, after the Canadian-FCC agreement, had to be modified to a directional antenna system. North Central had accepted the bid of Harris-Intertype Corporation, Contract No. 7305-085A, for the original television transmitting antenna, a Gates Model TY-404, which was unit priced at \$40,000.00. The modified antenna system, a Gates Model TY-404-A, is unit priced at \$56,000.00, for an increased cost to North Central TV of \$16,000.00. (Copies of Harris-Intertype Corporation Proposal and Acceptance are on file with the Committee.)

Under the agreement between Canada and the FCC, North Central is required to add precise frequency control to their transmitter. This control will reduce the problem of interference in the fringe area between the two stations operating on the same channel. Inasmuch as the Canadian station is not on the air at this time, precise frequency control has not been purchased and installed, however, this is expected to be completed at the time the Canadian station becomes operational. A quoted price from the Harris-Intertype Corporation lists the price of precise frequency control equipment at \$5,182.50. North Central has estimated shipping and installation costs at \$125.00 for a total of \$5,307.50 increased cost due to the necessity of adding this equipment. (On file with the Committee is a letter from Marmet Professional Corporation, attorneys representing North Central Educational Television, Inc., to the Secretary, Federal Communications Commission, confirming North Central's willingness to add precise frequency control equipment, and an invoice from Harris-Intertype Corporation to KFME-TV listing the price of the precise frequency control equipment is also filed with the Committee.)

Further costs incurred by North Central during negotiations with the Commission as a result of the modification of the original application required when the error by the FCC was discovered include: attorney's fees, directly related to resolving the dispute over Channel 2 and the license modification, at \$1,500 (copies of Marmet Professional Corporation billing, dated October 11, 1973, for services to North Central Educational Television, Inc., including service items

zations, are on file with the Committee); travel expenses incurred by the General Manager of North Central Educational Television, Inc., for a trip to Washington, D.C., to clarify and expedite a solution to the problem arising from the FCC error, at \$375.28 (copies of invoices are on file with the Committee); and telephone expenses for calls directly related to the required modifications, at \$106.14 (copies of telephone billings to North Central Educational Television, Inc., are on file with the Committee).

Finally, North Central suffered lost net revenue directly as a consequence of the FCC error. This lost revenue has been calculated as the difference between the expected revenue from signed school contracts to furnish educational programs during the 1973-74 school year (copies of school contracts on file with Committee) and the estimated operating expenses for the period from October 15, 1973 (the planned on-air date), and September 15, 1974 (the date on which new school contracts would begin generating revenue). Signed school contracts were in the amount of \$26,514. Since the on-air date prior to the FCC error was set at mid-October, North Central anticipated 8/9's of that amount, or \$23,568, as income from school contracts.<sup>1</sup>

The annual projected operating costs of Channel 2 are estimated to be \$22,500 (estimates on file with FCC). Since the school contracts constituted the major source of revenue to the station, the Committee determined the proper period for determining net lost revenue would be the 11 month period from October 1973, to September 1974, when new school contracts would begin. The operating expenses for this 11 month period would be \$20,625 (11/12 of \$22,500). Thus, the net revenue lost was calculated as \$23,568 minus \$20,625, or the sum of \$2,943.

## CLAIMED ITEMS DENIED

Several additional items constituting items of losses claimed in the original bill have been deleted. These include:

Staff Salary Costs at \$1,658.75 for period covering negotiations with FCC. This item represented an allocation of existing salaries for personnel of the parent station. It was denied because it did not represent an out-of-pocket loss.

Winter Construction Fees at \$5,600.00, estimated 10-day delay at rate of \$560 per day. The station determined to delay construction until the spring of 1974, thus it incurred no loss for winter construction fees.

Lost Revenue: Contributions at \$7,000.00, estimated voluntary contributions from listeners and community businesses and groups during the minimum 4-month delay period caused by the error. The estimate was based on a comparison with the parent station's \$60,000 in donations in 1972. This item was considered to be too speculative. In addition, it represented *voluntary* contributions, and the Committee questioned whether it should be considered an appropriate element of contractual loss.

Lost Revenue: Salary at \$4,500.00, representing 50% of the salary of one of the parent station's producers which the University of

<sup>1</sup> Although it would have been possible to undertake winter construction at an additional cost of approximately \$5,000 and to complete construction by February of 1974, the final portions of the educational programs would have been of little value to the schools at that stage of the school year. Thus, the amount of damages would not have been different even had North Central pushed to complete construction at the earliest possible date.

North Dakota had agreed to pay. Because the station did not go on the air as scheduled, it lost that salary assistance. The Committee denied this claim because the producer did not have to devote a portion of his time to the satellite station, his services were thus fully available to the parent station and no out-of-pocket loss occurred.

#### RECOMMENDATION

North Central Educational Television, Inc., has suffered losses directly because of an error of the Federal Communications Commission which has been acknowledged by the Commission. In agreement with the recommendation of the Federal Communications Commission, the Senate Committee on the Judiciary considers this bill to be meritorious and believes that the station should be reimbursed for its direct losses. The Committee, therefore, recommends that the bill do pass.

#### SUMMARY OF DAMAGES CLAIMED BY NORTH CENTRAL EDUCATIONAL TELEVISION, INC.

Item	Claim	S. 233 amount	Explanation
Antenna system.—Modified to conform to new FCC requirements.	\$16,000.00	\$16,000.00	
Precise frequency control.—Required to be added under terms of FCC-Canadian agreement.	6,085.00	5,307.50	Figure revised to reflect actual price quotation.
Attorney's fees.—Directly related to obtaining modified license required because of FCC error.	1,500.00	1,500.00	
Staff salary costs.—For period covering negotiations with FCC.	1,658.75	-----	This item represented an allocation of existing salaries for personnel of the parent station. It was denied because it did not represent an out-of-pocket loss.
Travel and telephone expenses.—Directly related to obtaining modified license.	478.11	481.42	Figure adjusted to reflect final telephone billings.
Winter construction fees—Estimated 10 day delay at rate of \$360 per day.	5,600.00	-----	The station determined to delay construction until the spring of 1974, thus it incurred no loss for winter construction fees.
Lost revenue: School contracts.—In the amount of \$27,292.50 had been signed. Since the station's on-air date prior to FCC error was mid-October, it anticipated 3/4ths of that amount, \$24,260, as income. Since the earliest projected on-air date, after a modified license was granted, was Feb. 1, 1974, this resulted in a loss of the total school income (there is little value in schools carrying the last 3 mo of sequential material).	24,260.00	2,943.00	The committee determined that the proper measure of damages was the difference between the income from school contracts (adjusted figure of \$23,568) and the operating expenses of the station (\$20,625), or \$2,943, reflecting the net revenue lost.
Lost revenue: Contributions.—The station estimated they would have received \$7,000 in voluntary contributions from listeners and community businesses and groups during the minimum 4-mo delay period this error caused. The estimate was based on a comparison with the parent station's \$60,000 in donations in Fargo, N. Dak., during 1972.	7,000.00	-----	This item was considered to be too speculative. In addition, it represented voluntary contributions, and the committee questioned whether it should be considered an appropriate element of contractual loss.
Lost revenue: salary.—The University of North Dakota had agreed to share 50 percent of the salary of one of the parent station's producers. Because the station did not go on the air as scheduled, it lost that salary assistance.	4,500.00	-----	The committee denied this claim because the producer did not have to devote a portion of his time to the satellite station, his services were thus fully available to the parent station.
Total.....	67,081.86	26,231.92	

Attached and made a part of this report is a letter, dated March 7, 1974, from Dean Burch, Chairman, Federal Communications Commission, to Senator James O. Eastland, Chairman, Committee on the Judiciary.

#### FEDERAL COMMUNICATIONS COMMISSION, Washington, D.C., March 7, 1974.

HON. JAMES O. EASTLAND,  
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of January 14, 1974, requesting the Commission's comments on S. 2752, a bill for the relief of North Central Educational Television, Inc., permittee of Station KGFE-TV, Channel 2, Grand Forks, North Dakota.

At the outset, we believe that a brief recital of the facts will be helpful. On November 24, 1971, North Central filed an application for a non-commercial television station to operate on Channel 2, assigned to Grand Forks, North Dakota. The application was processed and a study was made to determine compliance with the Commission's technical rules. The staff's analysis showed that the proposed transmitter site, located approximately 46.5 miles WNW of Grand Forks, met all the minimum mileage separation requirements both as to domestic and foreign (Canadian) channel allocations and station assignments. The antenna was proposed to be mounted on the 1,461 foot antenna structure of Station WDAZ-TV, Channel 8, Devils Lake, North Dakota (at no cost to North Central), and this was of particular importance to the education applicant.

A further engineering study revealed conflicting antenna data and the applicant's legal counsel was informed by telephone of this conflict on January 25, 1972. In response, the applicant amended its application on February 11, 1972 and the Commission's engineering study was completed on March 22, 1972. Because the proposal did not provide the minimum required principal city signal over Grand Forks, the applicant requested waiver of Section 73.685(a) of the Commission's Rules. The application was then referred to the legal and accounting personnel for further processing with the notation that the technical study was complete and the proposal satisfactory except for the matter of the waiver request.

An examination of the legal and financial qualifications disclosed that the applicant's financing plan was deficient and this fact was made known to the applicant. In addition, further action had to be held up because the applicant was relying on funding of \$305,163 from the Department of Health, Education and Welfare. The application was fully processed in April, 1972 and was placed in a pending file to await additional financial data.

In a letter dated May 11, 1972, the Canadian Government advised the Commission of its proposal to allocate Channel 2 to Brandon, Manitoba under the working arrangement pursuant to the Canadian-USA Television Agreement of 1952. This proposal was referred to the Broadcast Bureau staff for comments as to its technical acceptability. The staff indicated that there were no problems with the proposal and the Canadian Department of Communications was notified on June 14, 1972 that the Commission had no objection to the Brandon, Manitoba proposal.

The Television Applications Branch, which had already processed the North Central application, should have considered that application in connection with the Brandon proposal because it was clear

from the Canadian letter that it proposed that any future assignment in Channel 2 at Brandon would be no more than 190 miles from Grand Forks to order to maintain the minimum required co-channel spacing. The failure of the staff to refer to the pending file, which would have shown clearly that the proposed Grand Forks transmitter site was but 147 miles (or 43 miles short) from the Brandon reference point, was the immediate cause of the problem. That fact would have provided good cause for the Commission to object to the Canadian proposal. In short, this was a plain staff error, without the saving grace of being attributable to an error or judgment. It was simply a failure to do a thorough job under applicable Commission procedures.

On March 13 and March 27, 1973, the applicant filed additional financial data and on April 16, 1973, the Department of Health, Education and Welfare advised that the sum of \$305,163 had been approved for North Central Educational Television, Inc. The construction permit was granted by the Commission on May 3, 1973. The Canadian Government was notified of the Grand Forks Channel 2 allocation on June 15, 1973, and by letter dated June 29, 1973 the Canadian Government registered its objections on the basis of the 43 mile short-spacing to the Brandon allocation.

The applicant's counsel was notified immediately and it was suggested that his client should be advised to suspend any construction or further expenditures in reliance on the May 3, 1973 construction permit. We also informed him that the problem was under study and that efforts were being made to negotiate some early and mutually satisfactory resolution of the matter with the Canadian authorities.

In the original construction permit, North Central was granted authority to operate on channel 2 with a maximum visual effective radiated power of 100 kw utilizing an omnidirectional antenna system with an antenna height of 1,330 feet above average terrain. Following Canadian assignment on Channel 2 to Brandon, Manitoba, an agreement with Canada was reached whereby North Central could operate with 100 kw as proposed, provided the antenna height above average terrain was limited to 1,000 feet but would restrict the effective radiated power (FRP) in the direction of Brandon to 40 kw for an antenna height of 1,330 feet above average terrain. Upon being notified of the agreement, North Central filed an application, subsequently granted by the Commission, for use of a directional antenna system with a maximum ERP of 100 kw. The radiation toward Brandon is restricted to 30.9 kw and the antenna height above average terrain is 1,340 feet. Presumably, it was this modification which caused North Central to incur additional expenses.

It should be pointed out, however, that in its application to modify, the applicant incorporated by reference the financial data contained in its original application for a construction permit. This, in effect, informed the Commission that no additional expenditures would be involved in effecting the modification. In addition, no further information was submitted to the Commission detailing the out-of-pocket expenses involved in the modification.

The Commission, while having no objection to reasonable reimbursement, believes that the amount of recovery should be limited to the actual out-of-pocket expenditures necessitated by the modification. For this reason, the Commission suggests that the Committee may wish to obtain from North Central detailed information on that issue. The Commission would be pleased to aid the Committee in evaluating any such data received.

This letter was adopted by the Commission on February 21, 1974. Chairman Burch absent.

By direction of the Commission.

DEAN BURCH, *Chairman.*

**NORTH CENTRAL EDUCATIONAL TELEVISION, INC.**

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NOVEMBER 4, 1975.—Committed to the Committee of the Whole House and  
ordered to be printed

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Mr. MOORHEAD of California, from the Committee on the Judiciary,  
submitted the following

**REPORT**

[To accompany H.R. 2493]

The Committee on the Judiciary to whom was referred the bill (H.R. 2493) for the relief of North Central Educational Television, Inc., having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 1, line 6: Strike "\$26,231.92" and insert "\$23,288.92".

Page 1, after line 11, insert:

SEC. 2. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

**PURPOSE**

The purpose of the proposed legislation, as amended, is to pay to North Central Educational Television, Inc., the sum of \$23,288.22 in full settlement of all its claims against the United States for reimbursement of additional expenses incurred as the result of administrative error by personnel of the Federal Communications Commission in connection with that corporation's application for a television station.

**STATEMENT**

In a report on a similar bill in the 93d Congress, the Federal Communications Commission stated that it would have no objection to a bill providing for actual out-of-pocket expenditures. In a letter dated May 14, 1975, the Commission indicated no objection to the

current bill providing for reimbursement in the amount of \$23,288.92. This is the amount provided in the committee amendment.

As is outlined in the report of the Federal Communications Commission, North Central filed an application for a noncommercial television station to operate on channel 2, assigned to Grand Forks, N. Dak. The application was processed and a study was made to determine compliance with the Commission's technical rules. The staff's analysis showed that the proposed transmitter site, located approximately 46.5 miles WNW of Grand Forks, met all the minimum mileage separation requirements both as to domestic and foreign (Canadian) channel allocations and station assignments.

The antenna was proposed to be mounted on the 1,461-foot antenna structure of Station WDAZ-TV, Channel 8, Devils Lake, N. Dak., (at no cost to North Central) and this was of particular importance to the educational applicant.

A further engineering study revealed conflicting antenna data and the applicant's legal counsel was informed by telephone of this conflict on January 25, 1972. In response, the applicant amended its application on February 11, 1972 and the Commission's engineering study was completed on March 22, 1972. Because the proposal did not provide the minimum required principal city signal over Grand Forks, the applicant requested waiver of section 73.685(a) of the Commission's rules. The application was then referred to the legal and accounting personnel for further processing with the notation that the technical study was complete and the proposal satisfactory except for the matter of the waiver request.

An examination of the legal and financial qualifications disclosed that the applicant's financing plan was deficient and this fact was made known to the applicant. In addition, further action had to be held up because the applicant was relying on funding of \$305,163 from the Department of Health, Education, and Welfare. The application was fully processed in April 1972 and was placed in a pending file to await additional financial data.

The key factor to the question of relief in this instance is that in a letter dated May 11, 1972, the Canadian Government advised the Federal Communication Commission of its proposal to allocate Channel 2 to Brandon, Manitoba under the working arrangement pursuant to the Canadian-USA Television Agreement of 1952. This proposal was referred to the Broadcast Bureau staff for comments as to its technical acceptability. The staff indicated that there were no problems with the proposal and the Canadian Department of Communication was notified on June 14, 1972 that the Commission had no objections to the Brandon, Manitoba proposal.

The Commission, in its report, stated that an allocation of channel 2 to Brandon, Manitoba would not be consistent with the minimum required co-channel spacing with the North Central Educational Television site, and should have been so recognized by the Commission staff. This is clearly stated in the following paragraph from the Commission's report:

The Television Applications Branch, which had already processed the North Central application, should have considered that application in connection with the Brandon pro-

posal because it was clear from the Canadian letter that it proposed that any future assignment on channel 2 at Brandon would be no more than 190 miles from Grand Forks in order to maintain the minimum required co-channel spacing. The failure of the staff to refer to the pending file, which would have shown clearly that the proposed Grand Forks transmitter site was but 147 miles (or 43 miles short) from the Brandon reference point, was the immediate cause of the problem. That fact would have provided good cause for the Commission to object to the Canadian proposal. In short, this was a plain staff error, without the saving grace of being attributable to an error of judgment. It was simply a failure to do a thorough job under applicable Commission procedures.

North Central Educational Television, Inc., subsequently on March 13 and March 27, 1973, filed additional financial data and on April 16, 1973, the Department of Health, Education, and Welfare advised that the sum of \$305,163 had been approved for North Central Educational Television, Inc. The construction permit was granted by the Commission on May 3, 1973. The Canadian Government was notified of the Grand Forks Channel 2 allocation on June 15, 1973, and by letter dated June 29, 1973, the Canadian Government registered its objections on the basis of the 43 mile short-spacing to the Brandon allocation.

The applicant's counsel was notified immediately and it was suggested that his client should be advised to suspend any construction or further expenditures in reliance on the May 3, 1973 construction permit. The FCC also informed him that the problem was under study and that efforts were being made to negotiate some early and mutually satisfactory resolution of the matter with the Canadian authorities.

In the original construction permit, North Central was granted authority to operate on channel 2 with a maximum visual effective radiated power of 100 kw utilizing an omnidirectional antenna system with antenna height of 1,330 feet above average terrain. Following Canadian assignment of channel 2 to Brandon, Manitoba, an agreement with Canada was reached whereby North Central could operate with 100 kw as proposed, provided the antenna height above average terrain was limited to 1,000 feet but would restrict the effective radiated power (ERP) in the direction of Brandon to 40 kw for an antenna height of 1,330 feet above average terrain. Upon being notified of the agreement, North Central filed an application, subsequently granted by the Commission, for use of a directional antenna system with a maximum ERP of 100 kw. The radiation toward Brandon is restricted to 30.9 kw and the antenna height above average terrain is 1,340 feet. It was this modification which caused North Central to incur additional expenses.

Since the report of the Federal Communications Commission indicated that it would have no objection to the bill in the 93d Congress, H.R. 11655, providing for reasonable reimbursement on the basis of out of pocket expenditures necessitated by modifications required changed antenna requirements, the committee requested the comments of the Commission on the basis for the figure stated in the current bill, H.R. 2493. A bill passed by the Senate in the 93d Congress, S. 2752,

carried the same figure and the Congressional Record on the date of passage detailed the basis for the figure. Pages S. 17632 through S. 17634 of the Congressional Record dated September 26, 1974, indicate that the following items were cleared for legislative reimbursement under the provisions of S. 2752:

Increased cost of directional antenna system	\$16,000.00
Precise frequency control equipment	5,307.50
Legal fees	1,500.00
Travel expenses	375.28
Telephone expense	106.14
Lost revenue (net)	2,943.00
<b>Total</b>	<b>26,231.92</b>

As outlined in its letter of May 14, 1975, the Federal Communications Commission stated that it had reviewed the matter and, with the one exception, concluded that the outlays represented reasonable "out-of-pocket" costs incurred by North Central Educational Television, Inc. in connection with its application to modify its antenna system for operation on channel 2 at Grand Forks, N. Dak. The exception relates to the net "lost revenue" estimate which, in the opinion of the Commission, did not appear to represent a legitimate "out-of-pocket" item. The Commission also took the position that the \$2,943 item was essentially speculative since it pre-supposes that school contracts entered into by the permittee would have been fulfilled and the permittee could, in fact, have met the original target date for commencement of operation (October 15, 1973).

Accordingly, the Commission recommended that the \$2,943.00 item for lost revenue (net) be deleted and stated that it would have no objection to reimbursement of North Central Educational Television, Inc., in the amount of \$23,288.92. The committee agrees that the bill should be amended in this manner, and has recommended that the amount stated in the bill be amended to read "\$23,288.92".

It is recommended that the amended bill be considered favorably.

FEDERAL COMMUNICATIONS COMMISSION,  
Washington, D.C., March 7, 1974.

HON. PETER W. RODINO, Jr.,  
Chairman, Committee on the Judiciary,  
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of December 13, 1973, requesting the Commission's comments on H.R. 11655, a bill for the relief of North Central Educational Television, Inc., permittee of Station KGFE-TV, channel 2, Grand Forks, N. Dak.

At the outset, we believe that a brief recital of the facts will be helpful. On November 24, 1971, North Central filed an application for a noncommercial television station to operate on channel 2, assigned to Grand Forks. The application was processed and a study was made to determine compliance with the Commission's technical rules. The staff's analysis showed that the proposed transmitter site, located approximately 46.5 miles WNW of Grand Forks, met all the minimum mileage separation requirements both as to domestic and foreign (Canadian) channel allocations and station assignments. The antenna was proposed to be mounted on the 1,461 foot antenna structure of Station WDAZ-TV, channel 8, Devils Lake, N. Dak., (at no cost to

North Central) and this was of particular importance to the educational applicant.

A further engineering study revealed conflicting antenna data and the applicant's legal counsel was informed by telephone of this conflict on January 25, 1972. In response, the applicant amended its application on February 11, 1972 and the Commission's engineering study was completed on March 22, 1972. Because the proposal did not provide the minimum required principal city signal over Grand Forks, the applicant requested waiver of Section 73.685(a) of the Commission's Rules. The application was then referred to the legal and accounting personnel for further processing with the notation that the technical study was complete and the proposal satisfactory except for the matter of the waiver request.

An examination of the legal and financial qualifications disclosed that the applicant's financing plan was deficient and this fact was made known to the applicant. In addition, further action had to be held up because the applicant was relying on funding of \$305,163 from the Department of Health, Education, and Welfare. The application was fully processed in April, 1972 and was placed in a pending file to await additional financial data.

In a letter dated May 11, 1972, the Canadian Government advised the Commission of its proposal to allocate channel 2 to Brandon, Manitoba under the working arrangement pursuant to the Canadian-USA Television Agreement of 1952. This proposal was referred to the Broadcast Bureau staff for comments as to its technical acceptability. The staff indicated that there were no problems with the proposal and the Canadian Department of Communications was notified on June 14, 1972 that the Commission had no objection to the Brandon, Manitoba proposal.

The Television Applications Branch, which had already processed the North Central application, should have considered that application in connection with the Brandon proposal because it was clear from the Canadian letter that it proposed that any future assignment on channel 2 at Brandon would be no more than 190 miles from Grand Forks in order to maintain the minimum required co-channel spacing. The failure of the staff to refer to the pending file, which would have shown clearly that the proposed Grand Forks transmitter site was but 147 miles (or 43 miles short) from the Brandon reference point, was the immediate cause of the problem. That fact would have provided good cause for the Commission to object to the Canadian proposal. In short, this was a plain staff error, without the saving grace of being attributable to an error of judgment. It was simply a failure to do a thorough job under applicable Commission procedures.

On March 13 and March 27, 1973, the applicant filed additional financial data and on April 16, 1973, the Department of Health, Education, and Welfare advised that the sum of \$305,163 had been approved for North Central Educational Television, Inc. The construction permit was granted by the Commission on May 3, 1973. The Canadian Government was notified of the Grand Forks channel 2 allocation on June 15, 1973, and by letter dated June 29, 1973 the Canadian Government registered its objections on the basis of the 43-mile short-spacing to the Brandon allocation.

The applicant's counsel was notified immediately and it was suggested that his client should be advised to suspend any construction or further expenditures in reliance on the May 3, 1973 construction permit. We also informed him that the problem was under study and that efforts were being made to negotiate some early and mutually satisfactory resolution of the matter with the Canadian authorities.

In the original construction permit, North Central was granted authority to operate on channel 2 with a maximum visual effective radiated power of 100 kw utilizing an omnidirectional antenna system with an antenna height of 1,330 feet above average terrain. Following Canadian assignment of channel 2 to Brandon, Manitoba, an agreement with Canada was reached whereby North Central could operate with 100 kw as proposed, provided the antenna height above average terrain was limited to 1,000 feet but would restrict the effective radiated power (ERP) in the direction of Brandon to 40 kw for an antenna height of 1,330 feet above average terrain. Upon being notified of the agreement, North Central filed an application, subsequently granted by the Commission, for use of a directional antenna system with a maximum ERP of 100 kw. The radiation toward Brandon is restricted to 30.9 kw and the antenna height above average terrain is 1,340 feet. Presumably, it was this modification which caused North Central to incur additional expenses.

It should be pointed out, however, that in its application to modify, the applicant incorporated by reference the financial data contained in its original application for a construction permit. This, in effect, informed the Commission that no additional expenditures would be involved in effecting the modification. In addition, no further information was submitted to the Commission detailing the out-of-pocket expenses involved in the modification.

The Commission, while having no objection to reasonable reimbursement, believes that the amount of recovery should be limited to the actual out-of-pocket expenditures necessitated by the modification. For this reason, the Commission suggests that the Committee may wish to obtain from North Central detailed information on that issue. The Commission would be pleased to aid the Committee in evaluating any such data received.

This letter was adopted by the Commission on February 21, 1974. Chairman Burch absent.

By direction of the Commission.

DEAN BURCH,  
Chairman.

FEDERAL COMMUNICATIONS COMMISSION,  
Washington, D.C., May 14, 1975.

HON. PETER W. RODINO, JR.,  
Chairman, Committee on the Judiciary, House of Representatives,  
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of March 22, 1975, relating to H.R. 2493 for relief of North Central Educational Television, Inc. This bill provides for the payment of \$26,231.92 for (out-of-pocket) expenditures incurred by North Central Educational

Television, Inc. in connection with their application for a noncommercial television station to operate on channel 2, assigned to Grand Forks, N. Dak. Specifically, you have requested the Commission to review the proceedings as reported in the Congressional Record for September 26, 1974 when S. 2752 was considered during the 93d Congress, and to advise the Committee whether the items discussed therein conform to the recommendations made in our letter to you of March 7, 1974, on the same subject.

Pages S. 17632 through S. 17634 of the Congressional Record dated September 26, 1974, indicate that the following items were cleared for legislative reimbursement under the provisions of S. 2752:

Increased cost of directional antenna system.....	\$16,000.00
Precise frequency control equipment.....	5,307.50
Legal fees.....	1,500.00
Travel expenses.....	375.28
Telephone expense.....	106.14
Lost revenue (net).....	2,943.00
<b>Total</b> .....	<b>26,231.92</b>

We have completed our review of this matter and, with the one exception noted below, we believe that these outlays represent reasonable "out-of-pocket" costs incurred by North Central Educational Television, Inc. in connection with its application to modify its antenna system for operation on channel 2 at Grand Forks. The exception relates to the net "lost revenue" estimate which does not appear to represent a legitimate "out-of-pocket" item. Also, it is essentially speculative since it presupposes that school contracts entered into by the permittee would have been fulfilled and that the permittee could, in fact, have met the original target date for commencement of operation (October 15, 1973).

The Commission, therefore, recommends that the \$2,943.00 item for lost revenue (net) be deleted and would have no objection to reimbursement of North Central Educational Television, Inc., in the amount of \$23,288.92.

Should the Committee have need for any further information on this matter, the Commission would be pleased to be of assistance.

This letter was adopted by the Commission on May 13, 1975.

By direction of the Commission.

RICHARD E. WILEY,  
Chairman.

# Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,  
one thousand nine hundred and seventy-five*

## An Act

For the relief of North Central Educational Television, Incorporated.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to North Central Educational Television, Incorporated, the sum of \$23,288.92, in full settlement of all its claims against the United States for reimbursement of additional expenses incurred as the result of administrative error by personnel of the Federal Communications Commission in connection with that corporation's application for a television station.

SEC. 2. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

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*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*

December 9, 1975

Dear Mr. Director:

The following bills were received at the White House on December 9th:

- S. 233 ✓
- S. 364 ✓
- S. 1800

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder  
Chief Executive Clerk

The Honorable James T. Lynn  
Director  
Office of Management and Budget  
Washington, D. C.