

**WRITTEN STATEMENT**

**of**

**Jeff Corwin**

**On behalf of Litton Entertainment**

**before the**

**SUBCOMMITTEE ON COMMUNICATIONS AND TECHNOLOGY**

**U.S. HOUSE OF REPRESENTATIVES ENERGY AND COMMERCE**

**COMMITTEE**

**“STATE OF THE MEDIA MARKET PLACE”**

**September 27, 2018**

Chairman Blackburn, Ranking Member Doyle, and members of the Subcommittee, my name is Jeff Corwin, and I am here on behalf of Litton Entertainment. Thank you for the opportunity to discuss children's programming and how important it is for the future of the media market place.

### **Introduction**

The title of today's hearing is the *State of the Media Market Place*. I can't think of a better topic to discuss than the future of children's educational and informational (E/I) programming. How children access content is much different than it was 28 years ago when the Children's Television Act (CTA) was enacted - but the need for this Act couldn't be greater. Children are bombarded with violent and sexually inappropriate content every day, but parents and children can rely on over-the-air television as a safe haven of educational content. All parents need to do is look for the E/I bug on the screen and they can be comforted that their child is in a safe place. From their living room a family can be transported around the globe and learn about the natural beauty and wonders of our planet. Access to the world's most inspiring educational experts is the goal of the CTA. We need your help to ensure it continues to grow and thrive in the future.

When I was growing up, my dad worked as a printer by day, delivered donuts at night and took classes to become a police officer. My mom worked as a registered nurse. So I spent a lot of time in our city apartment by myself, and our television became a bit of a defacto babysitter. The shows I devoured back then - like *Animals Animals Animals* on ABC and the work of David Attenborough - made a significant impact on me. Not only did they teach me lessons about the natural world, they showed me men and women who were able to make science and zoology a career. They inspired me to become what I am today.

The television programs we create are loaded with that same inspiration - to become engineers, inventors, teachers, entrepreneurs, elected officials and creators of the next generation of scientific breakthroughs. I've had the good fortune to spend the last twenty years presenting shows from every continent for networks like Disney, Discovery, Animal Planet, CNN – but I'm most proud of the programs we create that fulfill the mandate of the CTA. Kids want to be curious. They have a thirst for learning. Address this curiosity and passion, and you'll start a conversation in the home that didn't exist before. You'll inspire kids for life.

### **Litton Entertainment Programming**

I've partnered with Litton Entertainment because they produce the highest quality programming in the market. They now produce all the educational and informational programming for ABC, CBS, NBC, CW and Telemundo. Their partnerships with the networks and affiliates are the best in the business. They see their relationship with broadcasters truly as a partnership. Litton was formed in 1987 by Dave Morgan, looking to provide original syndicated television programming to television stations. Litton teamed with zoologist Jack Hanna to produce three one-hour specials, reminiscent of "Mutual of Omaha's Wild Kingdom with Marlin Perkins."<sup>1</sup> With the passage of the CTA, Litton began producing "Jack Hanna's Zoo Life" as a weekly half hour series that quickly became the number one Nielsen rated weekly show in America. In the early days of the CTA, Litton was up against large Hollywood studios which were putting out shows like "Beakman's World," produced by Columbia Pictures/Sony and "Bill Nye, the Science Guy," produced by Disney. A testament to their commitment to quality is shown in Litton's E/I series which have won 17 Emmy Awards – including my first Litton project as

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<sup>1</sup> Appendix 1 Letter from Jack Hanna to Chairman Pai.

host and Executive Producer of *Ocean Mysteries* on ABC. Today I'm proud to host and produce Litton's *Ocean Treks* on ABC, now entering our third season.

Litton studied hard what Congress and the FCC said about production of quality E/I programming. Using sponsorship to help underwrite production costs, Litton has been able to offer its quality children's programming to stations free of charge – stations do not pay for the programming, but rather receive it in exchange for allowing Litton to sell limited, designated advertising within the programs.

When Litton began to produce E/I programming, it looked at the market and determined the largest demographic underserved with educational programming was teens (13-16 year olds). The success of "Jack Hanna's Zoo Life" emboldened Litton to produce additional content for teens. Beginning in 2011, Litton began producing a three-hour block (six half-hours) for ABC affiliates under the brand of "Litton's Weekend Adventure." That block of programs replaced mainly off-Disney cable channel programming, and within six months, ratings for those time slots increased by 73%. Litton works with award winning teachers, top child psychologists and pediatricians, broadcasters, and other experts to develop and review our programming to make sure that it meets their highest standards and the definition of core E/I programming. Over the past 30 years, Litton has gained valuable insight into what is impactful television and what doesn't work in delivering a positive educational message to children, and specifically to teens.

All of Litton's currently produced original programming is shot in high definition, is closed-captioned, and contains video description. Since 1990, Litton has produced approximately 3,340 original half-hours of E/I programming. In addition to the 17 Emmy Awards (and 50 nominations) Litton has been awarded 87 Parents' Choice Awards, 204 Telly Awards, and a variety of other accolades for its programming. They won these distinctions going head-to-head with all types of children's programming, not just E/I content.

More importantly, and contrary to the suggestions of some, Litton's programming *is* very popular. Last year, in total, Litton's programming alone has 1.5 **billion** views. Litton Network partners air 15 hours per week of E/I programming reaching an average of approximately 900,000 unique teens in the average month, nearly equaling the reach of PBS' 6-12 hours per day, seven days a week, nearly equaling the total reach of PBS' six to 12 hours of E/I programming per day. Litton's mission to reach at-risk teens is working:

- 50% of CBS viewers with children 12-17 earn a HHI of \$40K or less. They are 19% more likely to earn a HHI of \$40k or less.
- 56% of CW viewers with children 12-17 earn a HHI of \$40K or less. They are 33% more likely to earn a HHI of \$40k or less.
- 46% of NBC viewers with children 12-17 earn a HHI of \$40K or less. They are 8% more likely to earn a HHI of \$40k or less.
- 48% of ABC viewers with children 12-17 earn a HHI of \$40K or less. They are 13% more likely to earn a HHI of \$40k or less.

Equally as important, Litton has discovered its programming is also watched by parents with their teens and younger children ("co-viewing"). This co-viewing phenomenon gives parents a chance to open a dialog with their teens, strengthening family relationships and their children's futures. Many of these co-viewers are also educators:

- Women 18-49 viewers are 73% more likely to work in pre-school through high school education.
- Women 25-54 viewers are 51% more likely to work in pre-school through high school education.
- Adult 18-49 viewers are 69% more likely to work in pre-school through high school education.
- Adult 25-54 viewers are 28% more likely to work in pre-school through high school education.

Litton also provides its programming at no charge to the American Forces Network Broadcast Center ("AFN-BC") which is viewed by servicemen and their families in more than

170 territories and is included as part of the curriculum in Department of Defense Educational Administration (“DoDEA”) classrooms.<sup>2</sup>

In short, no one understands the requirements of the CTA or the market for E/I programming better than Litton.

### **The Federal Communications Commission’s KidVid NPRM**

In July, the Federal Communications Commission (FCC) released a Notice of Proposed Rulemaking (*NPRM*) which aims to reform the children’s programming rules. Litton supports a comprehensive review of the children’s television rules and supports a number of proposals aimed at lessening burdens on television stations and providing them more programming flexibility. However, we are opposed to allowing broadcasters to move E/I programming to multicast channels and rolling back the three-hour rule.

### **Reforms Litton Could Support in NPRM**

Litton supports many of the proposals contained in the *NPRM*. Outlined below are our perspectives on several of those proposals.

- Reducing paperwork burdens:<sup>3</sup> Removing the quarterly report filing requirement and replace it with an annual report, and eliminate the forward-looking reporting requirement;
- Expanding Core Programming Hours:<sup>4</sup> Litton supports expanding the current 7:00 a.m. to 10:00 p.m. time frame for airing E/I programming to provide broadcasters

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<sup>2</sup> Appendix 2 Letter from American Forces Network to Chairman Pai.

<sup>3</sup> *Children’s Television NPRM*, ¶ 29. Litton actually provides the substantive content for the Form 398 for all stations to which Litton provides programming.

<sup>4</sup> *Id.* at ¶ 22.

additional flexibility. Litton would support 6:00 a.m. to 11:00 p.m., or even 6:00 a.m. to midnight, even though doing so would mean fewer viewers are watching.

- Additional Flexibility Regarding Preemptions, Especially for West Coast Stations:<sup>5</sup>

Litton is well aware of the problems many stations have, especially those on the West Coast, with preemptions for sporting events. The current “fixed second home” has proven to be unworkable for many stations, especially if they are airing “wall-to-wall” event programming such as Wimbledon, The Ryder Cup, or the Olympics every other year. For these mega events, the FCC should provide more flexibility for stations, possibly expanding the airing window beyond that contemplated above. Litton can’t support allowing stations to move preempted programming to a multicast stream.

- Remove the Requirement to Air E/I Programming From Multicast Streams.<sup>6</sup>

Even though Litton provides EI programming to a number of diginets that are broadcast on stations’ multicast stream, since these streams are nearly bereft of any viewership, removing the requirement to provide three hours on each multicast stream would not harm children since so few actually watch programming on multicast streams.

- Remove the Requirement that All E/I Programming be a Minimum of 30 minutes

in Length: Litton is willing to support this proposal if there is ample scientific evidence produced in the record that outweighs the substantial studies done prior to the 1996 Order demonstrating that short-form programming has as much or

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<sup>5</sup> *Children’s Television NPRM*, ¶ 57.

<sup>6</sup> *Children’s Television NPRM*, ¶ 51.

more educational impact as 30 minute programming. Having said that, Litton is unsure providing such flexibility will have any ultimate impact. The current television market will not support the return of interstitials like “Schoolhouse Rock” and “In the News,” because there will be no relevant programming to place these into. In addition, stations create their schedules on a half-hour basis. It would be far more work (and far more burdensome) for stations to try and acquire a slate of 10, 15, or 20 minute programming to put together a grid that adds up to exactly three hours (in order to fit within the overall programming schedule), than it would for them to continue to acquire six half hour programming to meet their requirements under the CTA.

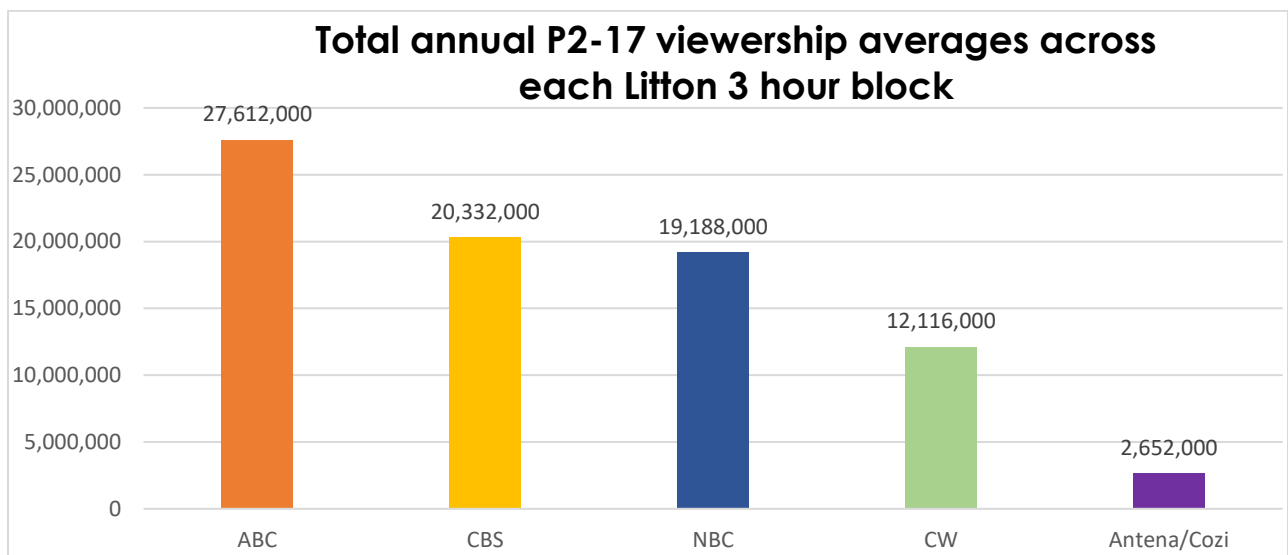
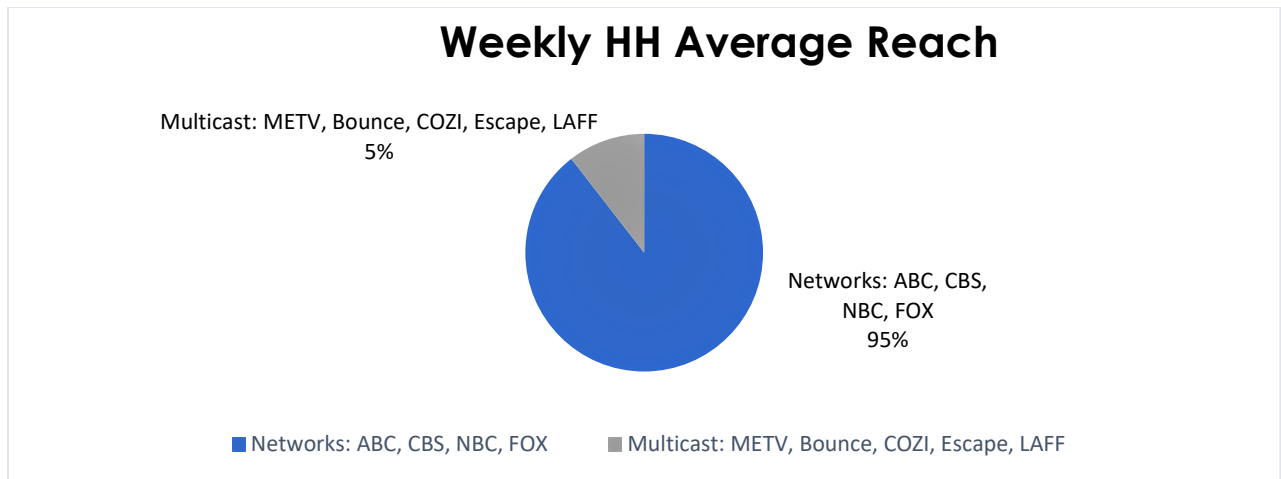
#### Litton Strongly Opposes Multicast Proposal

One of the proposals in the *NPRM* that Litton cannot support is permitting stations to relocate E/I programming from stations’ main channel onto one of its multicast channels.<sup>7</sup> Such a move would negatively impact and perhaps destroy the market for new quality E/I programming. Litton supplies programming to two diginets (Antenna TV and Cozi) that air on stations’ multicast streams. Viewership of that programming is 95% less than Litton’s E/I programming carried on station’s main channels.

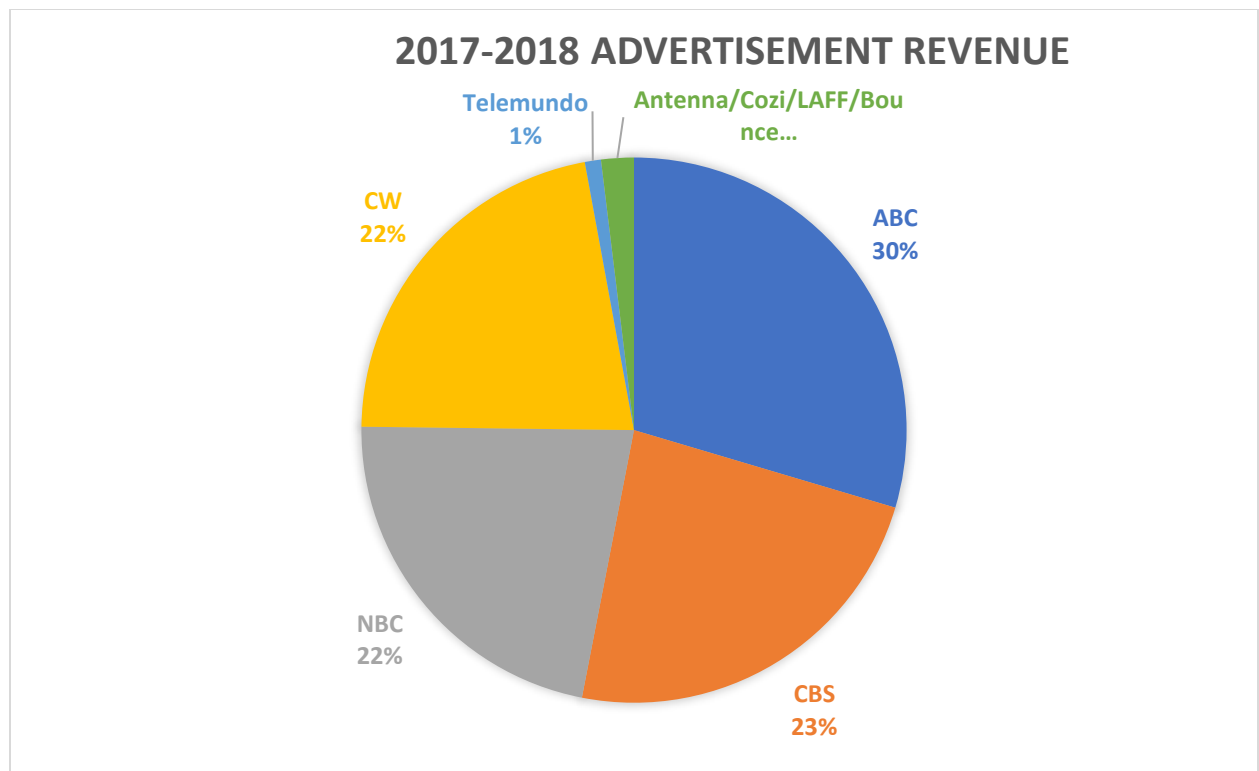
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<sup>7</sup> *Children’s Television NPRM*, ¶ 49-50.





Without viewers, both sponsorship and advertising revenues would dry up. Litton anticipates it would lose 98% of its advertising revenues from a program that is moved to a multicast stream. This observation is based on Litton's experience in providing E/I programming to multicast streams – this anticipation is not theoretical.



The reason for this is obvious: Multicast streams are not carried by many MVPDs. DBS providers do not carry multicast streams. The lack of DBS carriage alone represents an instant loss of 40 million television households. The cable systems which carry stations under the must-carry regime are not required to carry multicast streams. The bulk of Americans television households view children’s E/I programming on over the facilities of MVPDs or DBS providers.

Allowing stations to satisfy their E/I obligations by moving programming to a multicast stream will destroy the economics of producing E/I programming, resulting in producers relying on reruns and stale programming to provide to stations. New E/I programming would likely disappear, and any newly produced programming would be of greatly inferior quality. Look at what stations are using to satisfy the current requirement that all multicast streams have three hours of programming – reruns of E/I programming produced decades ago. The MeTV network’s current use of 1990s children’s programs “Bill Nye the Science Guy” and “Beakman’s World”

illustrates the strategy, a strategy no doubt many stations will employ if they are allowed to meet their public service obligations by airing E/I programming on one of their multicast streams.

Finally, and importantly, E/I programming aired on a multicast channel will not be broadcast in full high definition. Stations air their main channel in HD, but multicast streams are almost all in Standard Definition. The ATSC transmission standard does not have the capacity to carry two full HD streams at the same time.

Without viewers, without advertising dollars, and without sponsors, producers could never cover the costs of creating new E/I programming. Viewers will be left with an ever-aging library of reruns. There would also be serious secondary effects caused by moving E/I programming to multicast. First, currently all Litton programming is closed captioned. Even if some producer could find a way to create new E/I programming for multicast streams, they certainly couldn't afford the costs of closed captioning. The same thing would happen with video description. Children with disabilities would lose access to these vital ancillary services in a multicast world.

#### Litton Opposes Changes to Three Hour Rule

If the FCC were to conclude three hours per week is too much and reduced the amount of programming to something less than that,<sup>8</sup> the overall quality of children's E/I programming would decrease. There is a reason why in 1996 President Clinton, broadcasters, and child advocacy groups coalesced around three hours as the right fit for each station to broadcast.<sup>9</sup>

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<sup>8</sup> See *Children's Television NPRM*, ¶ 36.

<sup>9</sup> See <https://www.c-span.org/video/?73980-1/childrens-television> (CSPAN coverage of 1996 White House Conference on Children's Television). See also *1996 Report and Order*, ¶ 22 where the FCC made clear that the CTA's obligations relate to each broadcast station, not to a broadcast market as a whole ("Congress sought to accomplish this objective by placing on each and every licensee an obligation to provide educational and informational programming, including programming specifically designed to educate and inform children, and by requiring the FCC to enforce that obligation"). Compare this interpretation of the CTA with that proposed in the *NPRM* where the Commission would look to the marketplace as a whole for children's E/I programming. *NPRM*, ¶ 42.

There is a real “sweet spot” at three hours that allows producers to exercise economies of scale and spread both individual show production costs and overall overhead over six half-hour programs, and as mentioned above, be able to cross-subsidize the production costs of its most expensive programming, especially the programming that requires deployment of film crews.

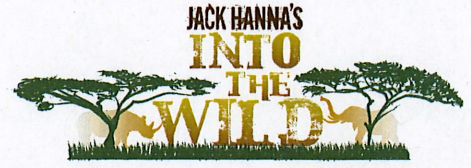
### **Conclusion**

We must account for what children need as we investigate the future of media. How can we use the broadcasting medium to educate and protect children from the dangerous corners of the digital age? We believe broadcasting continues to play an important role in this future. Litton supports many of the proposed rule changes offered by the FCC aimed at lessening burdens on television stations and providing them more programming flexibility. However, Litton opposes allowing stations to move E/I programming off to unwatched and largely unavailable multicast streams, or reducing the number of hours (three) that stations are required to dedicate to children (less than two (2) percent of a station’s programming schedule). Allowing stations to bury children’s programming on multicast streams or reducing the number of hours dedicated to E/I programming will upend the existing market for E/I programming making the future production of this important content in doubt.

## **Appendix 1**

### **Letter from Jack Hanna to Chairman Pai**





The Honorable Ajit Pai  
Chairman  
Federal Communications Commission  
445 12th Street S.W.  
Washington, D.C. 20554

Dear Chairman Pai,

As the Director Emeritus of the Columbus Zoo and Aquarium and Host of several educational television shows, I have devoted my life to educating children. Traveling the planet many times over, it has been an honor and pleasure to share my animal adventures with families across the country. This month I celebrate my 40<sup>th</sup> year living in Central Ohio and working for the Columbus Zoo. This once small zoo is now one of the top zoological organizations in the country. We're proud to welcome 2.3 million visitors a year, provide outreach programs throughout the region, and employ 295 full-time employees and over 1,200 seasonal employees.

My work at the Zoo led me to television - which is the world's largest classroom. It gives us a window into the homes of millions of children who have a thirst for the natural world. With more than 2 million viewers each week, *Jack Hanna's Wild Countdown* and *Jack Hanna's Into the Wild* are two of many great successes of the Children's Television Act (CTA). This important law gives us the opportunity to use TV programming to inspire children every day to be aspiring conservationists.

I am concerned that the Federal Communications Commission (FCC) may undo important rules that will harm both the reach of programs like mine and the economics which allow for the production of this programming. The FCC has circulated a Notice of Proposed Rulemaking (NPRM) that would dramatically change the CTA rules. These proposed rules would allow stations to move children's educational programming from a broadcaster's main channel (with the highest viewership) to one of its multicast streams which are difficult for over-the-air consumers to locate and unavailable to most who subscribe to cable or satellite. Multicast doesn't support high definition and has less programming that includes video description and closed captioning. Their proposed rules make the production of new high-quality content nearly impossible because multicast viewership is significantly smaller than a broadcaster's main channel. We are also concerned the FCC may rollback the current three-hour-a-week rule which would limit access to family-friendly educational programming.

While we are supportive of giving broadcasters greater flexibility to comply with the CTA, we believe the proposed rules go too far and will harm the current economics and visibility of children's educational and instructional programming. I've seen firsthand the power of inspirational and educational programming - I do what I do today because Marlin Perkins inspired me decades ago. If you have any questions, please call my office at (614) 645-3480 and thank you for your consideration.

Sincerely,

Jack Hanna  
Host and Executive Producer  
Jack Hanna's Into the Wild and Jack Hanna's Wild Countdown

Cc: The Honorable Michael O'Rielly  
The Honorable Jessica Rosenworcel  
The Honorable Brendan Carr

## **Appendix 2**

### **Letter from American Forces Network to Chairman Pai**



DEPARTMENT OF DEFENSE  
DEFENSE MEDIA ACTIVITY  
AMERICAN FORCES NETWORK – BROADCAST CENTER  
23755 Z STREET  
RIVERSIDE, CALIFORNIA 92518-2031

September 5, 2018

**VIA ELECTRONIC MAIL**

The Honorable Ajit Pai  
Chairman  
Federal Communications Commission  
445 12 Street S.W.  
Washington, D.C. 20554

Dear Mr. Pai:

The American Forces Network Broadcast Center ("AFN-BC") would like to express its sincere appreciation and gratitude to Litton Entertainment for its collective continued support of active duty, uniformed women and men along with their families based overseas serving their nation in more than 170 territories around the globe as well on ships at sea. The quality television programming provided by this company and licensed under gratis terms is an invaluable cornerstone to our core programming on AFN's channels scheduled throughout the year. Educational / Informational ("E/I") content is a direct match with viewers of all ages and in particular, with our younger, school-aged children whom attend Department of Defense Educational Administration ("DoDEA") schools located abroad. This programming supports academic and cognitive learning efforts present in DoDEA classrooms. It would be unimaginable to think that one day this genre of television programming might not be available due to a change in F.C.C. broadcast regulations. Please use this letter as evidence that E/I television programming and Litton Entertainment programming in particular is both cherished and appreciated by thousands of expatriate adults and children attached to military and diplomatic missions who watch the AFN television service all year long.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Scott", is located below the word "Sincerely,".

Andy Scott  
Industry Liaison Officer  
American Forces Network

Date: 9/4/18

cc: Mr. Peter Sniderman, Ms. Meg LaVigne, Litton Entertainment