

The National Rural Cable TV Development Task Force:

A Case Study of a "Coordinative Approach"

To Federal Policy and Program Implementation

by

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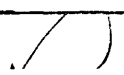
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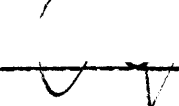
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THE NATIONAL RURAL CABLE TV DEVELOPMENT TASK FORCE:

A CASE STUDY OF A "COORDINATIVE APPROACH"

TO FEDERAL POLICY AND PROGRAM IMPLEMENTATION

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William Gaston Polk, Jr.

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requirements for the Degree of Doctor of Philosophy in
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ABSTRACT

This dissertation reviews the impact of "coordination reforms" on improving public service delivery to disadvantaged groups. It describes and analyzes the significant issues, problems, and advantages connected with a coordinative approach to federal policy and program implementation. This study asserts that coordination, properly structured by task force relationships and interagency agreements among federal agencies (both laterally--across different agency boundaries and vertically--between different levels of government, i.e., federal, state, and local) can provide disadvantaged groups with bargaining advantages for overcoming bureaucratic barriers--fragmentation, bureaucratic inertia ("red-tape"), resistance to change, inadequate resource allocation (i.e., limited staff, funds, technical services, etc.) to individual agencies--that hinder the use of federal programs to solve contemporary problems. A case study approach is used to investigate this thesis.

The research examines a case study dealing with developing and operating a National Rural Cable TV Development Task Force to coordinate and implement more effectively federal policies and programs in communications and economic development. This particular task force is significant because it was conceived and initiated by an advocacy organization, to support their clients in acquiring public services. A major case study of this Task Force effort was possible because I served as a principal staff member of the Task Force. My role as a staff member placed me in a unique position to be a participant-observer of the Task Force's entire development and operation.

The case study reveals that special coordination mechanisms can help increase the chances of disadvantaged groups (i.e., any disenfranchised group that feels powerless in dealing with public bureaucracies--including ethnic minorities, the poor, and rural inhabitants) receiving public services; by attacking bureaucratic barriers i.e., disjointed program activity, unresponsiveness, untimely delays, etc. encountered in

public program implementation. The study concludes that successful coordination strategies by special groups, e.g., advocacy organizations, minorities, etc. require: the use of regularized government action channels e.g., a task force, interagency agreements, etc. to mobilize project support by key "inside contacts" and other political actors; a designated task force "coordinator" empowered to enforce compliance with mandated objectives; pre-coordination assessments of agency cultural determinants that prescribe organizational behavior (i.e., ways of doing things) that may have to be violated and based on this analysis, and the timely involvement and motivation of key holders of organizational power (e.g., career civil servants) to support the process.

The information in this study indicates that coordinative mechanisms can be a desirable supplement to the activities of advocacy organizations seeking to insure disadvantaged groups greater leverage in public program implementation. Coordination mechanisms provide disadvantaged groups with the ability to exert greater influence upon the public service delivery process, under circumstances where normally such groups occupy a passive role, with little participation in decision making and with little or no access to redress mechanisms to control service delivery inequities. Finally, this study offers some basic notes toward a theory of coordination. These notes, as well as the study in its entirety, are meant to serve as a general reference for forming some basic theoretical assumptions about the wider application of coordinative approaches to improving public policy and program implementation. It is hoped that this study will lead to greater understanding, planning, and development of this implementation strategy.

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With deepest humility, I would like to thank my mother and my sister, whose unyielding support and comfort, through my darkest hours, have served as the beacon to light the path toward my success.

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DEDICATION

With deep reverence, I humbly dedicate this dissertation and the effort toiled in its creation to the loving and fond memory of my father, William G. Polk, M.D. A man who understood all the world and its complexities, idiosyncrasies, and inconsistencies better than the world understood him . . . but alas such is the fate of true genius.

As a venerable old country doctor he improved the health and well being of his patients like he enriched the lives of his family, not just with his medical skills but with his good humor, compassion, and his heart. If I can maintain one tenth of the tenacity, strength, and courage that fortified my father through a life and times a thousand times more bleak and perilous than the life he allowed me to know, I can stand proud and be worthy to be his son. Thanks for the memories dad.



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INTRODUCTION

INTRODUCTION

Problem

Disadvantaged groups have not fared well in successfully lobbying the government system for a "fair share" of services. This is especially true in comparing such groups with the more politically powerful groups, who exercise great influence and persuasion over public programs by virtue of their possession of certain bargaining advantages--owed political favors, a network of government contacts, position, wealth, etc. Professional observers--politicians, scholars, public advocacy organizations, et al of the public sector--have noted that governmental fragmentation (i.e., the proliferation of a confusing web of federal programs and agencies) and the disjointed behavior of agencies precipitate and exacerbate the inability of disadvantaged groups to gain access to public services without support.

It has been recognized that there are too many separate federal programs, all at the same level and among different agency levels, offering support for services of the same kind, or for the same clientele, all with varying funding sources, eligibility rules, application procedures, allocation formulae, expiration dates, review arrangements, and administrative guidelines.

This maze of conflicting programs, policies, and procedures is simply too overwhelming for disadvantaged groups without "power," organization, or support to lobby effectively. In addition, few of these individual programs have sufficient resources--staff, funds, technical assistance, etc.--to serve more than a fraction of those eligible. This assures that certain powerless groups will be consistently overlooked or ignored in their quest for public services. This inequity is further exacerbated by the fact that few public officials are given to interpreting and implementing national policy, program guidelines, and project eligibility criteria in any consistent, coordinated, or coherent fashion.

Given these circumstances, this dissertation is directed at examining the impact of government coordination reforms on removing the bureaucratic roadblocks which consistently exclude certain groups from the benefits of public programs.

Significance

Studies and research concerned with the improvement of the functioning of American government, as this dissertation is, must confront the central problem of coping within the federal system with the stresses and strains of competing objectives--at the same level and among different levels of government. Of the numerous studies throughout history that have aimed at reform or reconstitution of the federal system, most have taken the view that one appropriate response to this problem is to push for more coordination, i.e., overcoming red tape by streamlining and/or synchronizing bureaucratic procedures. This is because, in large part, coordination is seen as a significant aid in unraveling the "bureaucracy problem" which is frequently discussed in terms of "red tape," fragmentation, inefficiency, duplication, unresponsiveness, and resistance to change.

Various federal reports, papers, memoranda, evaluations, recommendations, etc., have, in one form or another suggested that in a large number of program areas, federal, state, and local agencies should work together to establish coordinated mechanisms for the implementation of program strategies. Generally, it is believed that with better coordination, federal programs would be more effective, federal expenditures would yield greater returns, and the government process would operate more smoothly.

This study is significant because the subject of coordination continues to be a recurring theme within various government administrations, as well as among various government observers. Also, over time, it has become increasingly clear that part of the major problem facing government programs is not just a lack of resources, but the inability to use existing resources efficiently and effectively. This, in fact, was a major overtone of the Carter administration's government reorganization

plans. Specifically, the President's major injunction to his urban advisors had been to "concentrate on improving the utility of programs already in existence, rather than designing 'bold new initiatives.'"¹

Simply said, the administration is interested in making what exists in terms of government programs operate more effectively and efficiently rather than attempting to tack on costly "new" replacement approaches (which most often differ only in contrived names from previous approaches and not in increased impact achieved). Thus, rather than waste more money, effort and time (not to mention risking the disruption of current services to the public trying to reinvent "the wheel," or a new public service delivery machine, the administration deems it more productive to overhaul and reconstitute the preexisting program machinery by solving some of its inefficiencies.

For example, insufficient coordination within federal agencies and between public programs is often seen and acknowledged as a universal complaint about the malfunctioning of the federal sector in general. The politically attractive features often attached to the clarion call sounded for "better coordination" are: its universal acknowledgement as a common governmental deficiency, its seemingly simplistic nature in terms of solution, and to paraphrase Eugene Bardach, its presumed "little cost" to carry out.² The present Administration has vocalized publicly and internally that its basic goal in reorganizing the government is to minimize duplication, overlap, and jurisdictional conflict between Federal Departments/Agencies by streamlining and coordinating certain functions. Apart from the typical political rhetoric usually associated with such remarks there remains a real problem to be dealt with. Thus, there is a definite need to understand, or at least to appreciate, what range of bureaucratic elements or administrative factors should be considered in public policy decision making and implementation, with regard to improving the impact, and not the volume count, of mechanical operations delivered by governmental programs to the public (i.e., recording how many individual clients screened as opposed to how many actually helped) through "better coordination."

The perpetual interest of scholars and politicians in bringing

greater order, uniformity, and precision into public policy decision making and implementation, thereby increasing public program impact, has been reflected in such administrative approaches or management control systems as: Cost Benefit Analysis; Planning, Programming, and Budgeting Systems (PPBS); Systems Analysis; Implementation Estimation;* Management by Objectives; and Zero-Based Budgeting.³

Too often, such techniques are developed only in theory and do not affect the practices of government. More importantly, when new government reform techniques are tried, seldom are they initiated by disadvantaged groups and/or public advocacy organizations working face to face with government program decision makers. Consequently, little is known about what impact reforms initiated by public groups or organizations might have on ameliorating the interface between agency levels, and among different government programs, or in ultimately improving public service delivery to disadvantaged populations.

Federal agencies still tend to be audited more in terms of operations performed, than in terms of results achieved. Thus, despite continual testimony to the need for more effective implementation of federal programs via greater coordination, little has changed to improve public service delivery to disadvantaged groups. Consequently, there is a need for research and investigations, to fill the void in empirical knowledge about attempts by public advocacy organizations to institute government coordination reforms to improve public service to disadvantaged groups, and about the impact of disadvantaged groups' use of regularized government action channels to forestall bureaucratic snafus.

Focus

This dissertation deals with how a public advocacy organization used the established government concern for more coordination, and regularized government action channels (e.g., task force, interagency

*Forecasts of implementation consequences for use in designing new programs or reorganizing existing agencies. This is a new thrust being followed by Harvard's Kennedy School of Government and The Urban Institute's Institutional Analysis Program.

agreement, etc.) to create a power-process for overcoming the bureaucratic barriers that hinder public service delivery to disadvantaged groups. This study illustrates a coordinative approach to the basic problem of coping within American government with the stresses and strains of competing objectives and demands for limited resources--at the same level and among various different levels of government. Specifically, this research describes how advocacy organizations and disadvantaged groups can work within the bureaucracy to use the government push for coordination to their advantage, in calling for: the elimination of wasteful actions and procedures (i.e., duplicative requirements, sequential versus simultaneous reviews, unnecessary personnel, etc.); the forestalling of communications problems (i.e., policy misinterpretations, project eligibility confusion, uninformed publics and bureaucrats, etc.) and the focusing of existing resources on a target problem (i.e., cable TV development). Overall, this is a research effort developed to study: the bureaucratic dynamics of public policy implementation; the influence of public advocacy group intervention; and outcomes resulting from attempts to "streamline" the delivery of public services to disadvantaged groups through the use of coordinative mechanisms. There is an emphasis in this study on identifying the kinds of knowledge that appear to be significant in enhancing the use of coordination strategies by disadvantaged groups as leveraging mechanisms.

A case study of the formation and operation of a National Rural Cable TV Development Task Force will be used to explore the significant issues, benefits, and problems (e.g., feigned acquiescence by career officials) connected with the use of a coordinative approach to public program implementation.

The main body of this research details the history of a National Rural Cable TV Development Task Force developed by the Cablecommunications Resource Center as a support system for disadvantaged groups outside the mainstream of those powerful groups who are most able to influence bureaucratic action and decision making. The Cablecommunications Resource Center (CRC) was a public advocacy organization, funded by the Office of Minority Business Enterprise (OMBE), and mandated to provide

technical assistance to disadvantaged groups interested in organizing cable TV businesses.

CRC's staff discovered in their early dealings with government agencies that these agencies tended to be insensitive and resistant to disadvantaged group's needs for business loan funds. Many government officials automatically reacted negatively to disadvantaged groups' projects no matter how feasible or credible, they were. Such projects were often viewed, or stereotyped, by career bureaucrats as very risky. Hence, government loan program officials were usually ultraconservative in their attitudes toward dispensing funds to disadvantaged groups and, historically, either overlooked or underfinanced their projects. CRC's staff was aware also that most disadvantaged groups historically distrusted government programs because they were too stringent, too slow, and tangled in red tape.

Overall, CRC's leadership realized that many frustrations and time-consuming difficulties were involved in trying to negotiate funding for clients' projects from resistant government agencies, on a project by project, or piecemeal basis. This realization led them to the decision that there was a need for some type of coordinative approach to improve the chances of their clients' receiving funds from government programs. A Task Force (made up of various agencies able to fund cable TV projects) seemed a convenient and accepted government vehicle for pursuing, in a comprehensive fashion, the elimination of bureaucratic barriers to project funding. Some of the bureaucratic problems that the Task Force and its interagency agreement were created to forestall were: duplication of client efforts in validating to agencies the eligibility of their projects; foot dragging by agency officials in processing project applications; communication problems surrounding project eligibility, based on misinterpretations of existing national or agency policy directives; and the lack of total resources in any one agency to meet total funding and technical assistance needs of target groups.

CRC's staff, with the support of OMBE representatives, orchestrated the formation on February 4, 1975, of the National Rural Cable TV Development Task Force. The Task Force was made up primarily of

government agencies with a broad commitment to economic business development among disadvantaged groups. The Farmers Home Administration (FmHA), the Small Business Administration (SBA), the Economic Development Administration (EDA), and OMBE were the key agencies that agreed to coordinate their efforts, resources (e.g., business loan programs, technical assistance services, etc.) and staff in supporting the development of cable TV businesses by disadvantaged groups in various rural areas.

The early meetings of the Task Force illuminate the bureaucratic difficulties involved in getting all the participating government agencies to sign a mutually agreeable, yet substantive, interagency agreement that formally recorded their support of the Task Force effort. This formal document was viewed by CRC's staff as: a key coordinating tool for substantiating the commitment of agencies to the Task Force effort; a tangible device to be used to clearly communicate and convince remote field offices of National Office knowledge and support of cable TV development; and a control mechanism against agency "lip-service" or renegeing on verbal commitments of support. The leadership of CRC theorized that, if need be, greater outside concern, support, and intervention could be aroused against agencies that reneged or violated the tenets of a formally signed document than could be aroused if the commitments were only general verbal statements of support.

The operational history of the Task Force focuses on the support and assistance provided Tele-Vu, a Chicano-owned cable TV business in New Mexico seeking business loan funds from SBA, and Gary Communications Group (GCG), a black-owned cable TV business in Gary, Indiana seeking business loan funds from EDA. The background accounts of each of these experiences outlines the bureaucratic problem(s) encountered with each given agency, the actions taken by Task Force members, the extended outside support systems developed, and the final outcomes of attempts to resolve bureaucratic snafus via leverage through the existence of the Task Force and its agreement.

This study chronicles the utility of coordination strategies and mechanisms in providing disadvantaged groups with leverage for mobilizing

support to promote projects, as well as to save projects entangled in bureaucratic snafus. The study's examination of the Tele-Vu and GCG experiences also provides illustrations of the limitations of the "coordinative approach" as a vehicle for automatically triggering the complete bureaucratic responsiveness desired. This study records the coordinative approach's particular vulnerability to sabotage techniques of career bureaucrats, unforeseen events, and faulty pre-planning. Fundamentally, the study records the successful utilization of coordination mechanisms to save the Tele-Vu project, the shortcomings of CRC's initial strategies to coordinate more effectively, and the coordination process failure in the GCG experience.

A summation of learned lessons and generalizations about coordination, that need to be appreciated and heeded by others interested in this approach to public program implementation, are included in this study's "Notes Toward a Theory of Coordination." This part of the study endeavors to order some of the knowledge developed by this work along with the conventional wisdom found in other government studies, research, and investigations on the subject.

Research Equation

This study will first review and discuss some basic theoretical perspectives and concepts significant to understanding the bureaucratic process in general and the notion of public agency coordination specifically. Within this broad discussion, there will also be a summary of the importance and the need for leveraging mechanisms by disadvantaged groups to deal with government business loan programs, that have historically distributed uneven service to powerless groups. It will then describe the genesis and historical development of a particular coordination strategy aimed at improving the delivery of public service to disadvantaged populations. My basic research equation involves the analysis of the impact of coordination reforms as an independent variable acting to influence the dependent variable of public program output or service delivery to target communities. Essentially, I will be concerned with what real utility or impact "coordination reforms" have in enhancing or improving

the level of public program service delivery to certain disadvantaged groups.

Many public administrators, scholars, and politicians have begun to realize that the translation of policy into workable action programs by public officials is an imperfect art, little understood and seldom practiced successfully or the same way twice. Paul Berman ("The Study of Macro and Micro Implementation," Public Policy, 1978), and Robert Levine (Public Planning: Failure and Redirection, 1973) have both recorded the tendency of the separate segments of bureaucracy found at various federal, state, and local levels to generate program mutations (to borrow Berman's terminology) that often drastically change the original character, form, and focus of public programs. Such mutations are most often exemplified by the arbitrary and capricious manner in which bureaucrats at various levels of the government system choose to interpret or misinterpret program guidelines and project eligibility criteria. Few applicants can successfully satisfy the complicated criteria set by government programs; and especially not disadvantaged groups, when there is no clear continuity or consistency found in the way complex bureaucratic requirements set for projects are applied at different levels of government (federal, state, and local). The common result of such mutations is that the statutory eligibility criteria for certain programs can become overly stringent and incompatible with proposed projects, especially when ruthlessly applied by unsympathetic bureaucrats.

Robert Levine (Public Planning, 1972) has cited examples of programs such as aid to dependent children, urban renewal, aid to education and manpower training, all of which are altered and adapted to meet the needs of local officials; which he suggests, is something significantly different from adaptation to meet the needs of local populations. Likewise, Paul Berman has recorded that the mutation phenomenon (i.e., the adaptation of a project to its organizational setting during implementation) has also been reported in studies of educational reform (Paul Berman and Milbrey W. McLaughlin, "Implementation of Educational Innovation," The Educational Forum, 1976), bail reform (Lee S. Friedman, "The Evaluation of a Bail Reform," Policy Sciences, 1976), and Medicaid (Gary

Brewer and James S. Kahalik, Improving Services to Handicapped Children: Summary and Recommendations, Rand, 1974).

Eugene Bardach (The Implementation Game: What Happens After a Bill Becomes a Law, 1977) has also outlined some thoughts on this same general phenomenon. He states that the goals embodied in a policy mandate typically undergo some change during the implementation phase. Furthermore, he suggests that the politics of renegotiating goals can often lead in several directions: trimming them back, distorting or preventing them, and even ultimately adding to them in such a manner that eventually leads to unsupportable political burden. Finally, he asserts, in what he calls the "piling on" process, that as onlookers or public officials see a "new program begin to move in its intended direction, some see it as a new political resource, an opportunity to throw their own goals and objectives onto the heap. The net effect of a large number of additional objectives being added to the heap," Bardach states, "may be to topple it."⁴

The propensity of organizations to seek to maintain the status quo in terms of general work routines, or to remain the same in respect to program changes or innovations, has been highlighted in various ways from Herbert Simon's early notion of organization "satisficing" (i.e., organizations prefer to satisfice or optimize rather than maximize and to rely upon existing repertoires and routines to meet new problems rather than to learn anew about reality and adapt internally in each case) and Donald Schon's concept of "dynamic conservatism" (the tendency to fight to remain the same) to Eugene Bardach's recent "Implementation Game Theories." Yet, the literature has not drawn from the history of experience the full implications of such realities for public policy decision making and program implementation. Most of the existing literature on such areas has been content with just building or contributing to a resifting of normative organizational theory, but has not articulated clearly the prerequisites for successful public policy implementation that grow out of these analyses. For example, it is part of the conventional wisdom dealing with bureaucracies that by definition they strive to maintain the conditions necessary for their stability and expansion (i.e., survival).

Bureaucracies are "essentially neutral, aligned with neither class nor party, except as such alignments serve jurisdictional claims or determine the availability of necessary resources."⁵ They distribute public benefits in response to organizational power or control over resources. "The influence of any group upon bureaucracies ultimately depends on its role in this process--either contributing resources and supporting jurisdictional claims, or threatening the attainment of these objectives."⁶

Important Questions

If these realities hold true, as they appear to do in most bureaucratic settings, then what chances of receiving real benefits from public programs by impacting upon them in any significant way do certain disenfranchised groups (e.g., minorities) have? Disadvantaged groups obviously have very few chances for such services when they are essentially powerless or largely perceived as such by bureaucracies (i.e., populations to be acted upon as opposed to being responded to as a real constituency or power base) and their general ranks are often pervaded by a sense of anomie. The real question then becomes what power or leverage mechanisms can be employed by such groups to improve their chances of receiving a fair share of benefits from the public system in comparison to powerful vested interest groups that expertly lobby and wield great power in bureaucratic circles? It is also important to discover what bureaucratic dynamics seem to precipitate and continuously perpetuate such inequities (i.e., the consistent exclusion of certain groups from the benefits of government programs) even when reforms are initiated? And when does coordination appear to work to solve such problems? Research into such questions as these is significant to the interests of public administrators, policy makers, government scholars, and public interest groups concerned with minimizing the inherent bureaucratic problems engendered by a highly fragmented and erratically disjointed, politically entangled, multi-leveled federal-state-local delivery system that tends to attenuate, distort, or even inhibit the transfer of program benefits to certain disadvantaged populations.

These questions are also of particular interest to public-sector organizations and officials concerned with mobilizing coordinated action among public organizations more effectively to cope with social problems too complex for any one agency to solve by itself. A basic assumption being pursued here is that many of the complex problems focused on by individual public agencies can be more effectively (i.e., more significant impact generated) and efficiently (i.e., less waste of time, money, effort, and manpower) dealt with through joint interagency planning and programming. This is because the resources and expertise needed to cope with such problems are often contained within a wide array of autonomous organizations, public agencies, and special advocacy groups.

Purpose

The purpose of my proposed investigation is to identify through a broad historical analysis of the development and operation of a National Federal Agency Coordinative Task Force, an optimal framework, or theory, for maximizing the utilization of coordination strategies by disadvantaged groups to influence public service delivery. I plan to call widely upon the available literature in: organizational behavior, public administration, intergovernmental relations, and public policy implementation to formulate a theory about coordination, both laterally (across different agency lines) and vertically (between different agency levels, i.e., federal, state, and local). Specifically, I will seek to identify what kinds of knowledge from these and other areas appear to be most significant to coordinating the delivery of a social program. The underlying premise on which this research rests is the assumption that coordination mechanisms can serve to help increase the chances of disadvantaged groups in lessening many of the typical bureaucratic roadblocks (i.e., fragmented and disjointed program activity, unresponsiveness, "red tape," etc.) encountered in public program implementation.

General Hypothesis

My major hypothesis is that properly structured coordination can

provide added power or leverage for disadvantaged groups seeking to shape the distribution of outputs of public programs to meet their needs. The fundamental premise being that special coordination mechanisms can help to increase such groups' chances of overcoming the typical bureaucratic barriers (i.e., red tape, fragmentation, etc.) experienced in program implementation.

Primary Concepts

There are two primary concepts whose preferred meanings are essential to the total comprehension of the basic research of this study. The first concept that has crucial significance to this study is the whole notion of coordination itself. In general, coordination can be taken to mean many things--from simple resolution of conflicts through harmonious interaction to complex symbiotic government arrangements. Coordination is both a "process" and a "task" orientated phenomenon.

A significant part of the dynamics of coordination centers around the communications process--the act of informing. The act of informing within coordination, however, may run the gamut from simple declarations and requests, to bargaining and negotiations, or to coercion and exertion of power. Jeffrey L. Pressman and Aaron B. Wildavsky, in their classic work Implementation, view coordination as being the process of "compelling federal agencies and their component parts to act in a desired manner at the right time, when achieving this purpose is precisely what you cannot do" under normal circumstances.⁷ James L. Sundquist's book, Making Federalism Work, suggests that:

In terms of process, coordination may be lateral--consultation, sharing of information, and negotiation among equals, a type of coordination that has been labeled "mutual adjustment." Or it may be the settlement of a conflict by the decision of a "coordinator." Or it may be a combination of these--a process in which lateral coordination is expedited, facilitated, and even coerced by leadership and pressure from an independent or higher level coordinator.⁸

In a very simplistic sense, the coordination process can be summarized as the politics of reaching agreement. This synopsis of coordination has been derived from Erwin C. Hargrove's Urban Institute work on the implementation of social policy (The Missing Link: Study of the

Implementation of Social Policy, 1975). On a similar plane, Aaron Wildavsky in his work entitled The Politics of the Budgetary Process states that coordination can be understood as the extent to which participants in a process simply take into account what others do.⁹

It is important to note and understand that there are many competing "process" and "task" definitions for the term coordination. This review of "process" interpretations of the word coordination illustrates the illusiveness of coordination as both a term to define and as a process to achieve. The actual "task" objectives for coordination are more definable. The task objectives of coordination are represented by a wide range of improvements in interagency, intergovernment, interprogram, and interproject relationships--"indeed, almost any change in organization, relationships, policies, practices, projects, or programs that will resolve whatever conflict or hiatus in the federal-state-local chain of relationships with which the user of the term may happen to be concerned."¹⁰ The most dominant "task objectives" or themes for improving government operation via coordination are:

1. Elimination of wasteful practices or repetitious patterns of action--i.e., unessential personnel, duplicative requirements, sequential versus simultaneous reviews, etc.
2. Elimination of competing or conflicting programs, policies, and processes--e.g., government support for tobacco and government's anti-smoking campaign; Corps of Engineers trying to dam rivers while Interior and EPA are trying to save them; Department of Commerce Office of Telecommunications generation of reports calling for more government support of the growth and development of new communication technologies like cable TV while the Federal Communications Commission maintains restrictions that impede cable TV's growth (1974-1975).
3. Combining a related set of existing resources in a focused attack on a particular problem--i.e., the uniting of several different programs, with similar objectives, to concentrate their efforts on enhancing the position of a target population relative to others. Usually accomplished through the creation of a new bureaucratic enterprise or structure to oversee all relevant activities under some form of central regulating authority.
4. Forestalling of communication problems within agencies, among different agencies, and between agencies and the public--i.e., avoid the turndown of projects because of project eligibility

confusion, policy misinterpretations, uninformed publics and bureaucrats, etc.

This study is concerned with coordination in a limited "process" and "task" oriented sense. For this study's purposes, coordination is viewed as a process in which government agencies are brought together to form a collective effort, under the leadership of a central coordinator to accomplish the following "tasks:" eliminate wasteful practices and repetitious actions; concentrate efforts in attacking a particular problem or in focusing existing resources on enhancing the position of a target population relative to others; and forestall communication problems on project eligibility within agencies, among different agencies, and between agencies and target groups.

The second concept of significance is the notion of "bureaucratic behavior." This is the broad area which coordination as an implementation strategy seeks to impact upon in improving the delivery process of social programs. Thus, for the purposes of this dissertation, "bureaucratic behavior" represents those negative organizational patterns or individual "routines" and acts that serve to impede, hinder, block, or otherwise thwart expedient responsiveness by public service systems. For example, career civil servants often used a wide array of "red tape" gambits to thwart policy directives or counteract their superiors' efforts to control their activities.

There are a number of classic examples of the bureaucratic gambits used by subordinates to counteract control from top-level officials. Robert K. Merton has indicated that if a top-level official "seeks to dominate too fully, and thus violates the sentiment of self-integrity of the bureaucrats, he may have documents brought to him in such numbers that he cannot manage to sign them all, let alone read them."¹¹ Another work, The Private Government of Public Money, pulls from the British Civil service experience a similar observation/imperative. . . "The surest way of incapacitating a minister is to tie him up in detail so that he cannot get loose to deal with other matters." (This reference goes on to note that ministers (top-level officials) perhaps could take a more objective view of the uses and abuses of civil servants if they were not required to

depend on them so completely.)

Even if they do not suspect their civil servants of sabotage, indeed, even if they have every reason to believe civil servants are doing everything to help them, the nagging doubt remains that a more sympathetic advisor would have done better by them. It is less a question of officials refusing to follow the dictates of a given policy and more of excluding from debate the kinds of ideas and follow-through that the minister might have favored if only he had known about it.¹²

Thus subordinates often react to pressure from above with the power of omission--not making known certain technical knowledge or "intelligence" that they have.

Relevant Literature

Given the history of coordinative attempts already recorded in the current literature (W. Brook Graves, American Intergovernmental Relations, 1954; James L. Sundquist, Making Federalism Work, 1959; Jeffrey L. Pressman and Aaron B. Wildavsky, Implementation, 1973; Bernard J. Frieden and Marshall Kaplan, The Politics of Neglect, 1975; etc.) it would be redundant and wasteful to embark upon a research effort simply to substantiate the reality that the coordination process is often as difficult to achieve as the problems it seeks to ameliorate. Rather, it would be more productive to approach a case study of coordination with an eye toward describing some rules or guidelines for improving practice. Such is the intent of this research. Toward this end it is both necessary and prudent to construct an "ideal-rational-typical" model of coordination operation.

One such general frame of reference from which to judge what exists is offered by Charles E. Lindblom in his book the Intelligency of Democracy, 1965. Lindblom's book offers a classic analysis of the methods and comparative advantages in various circumstances, of two general types of coordination processes--"central coordination," or coordination by a decision maker, and "mutual adjustment," or lateral adaptation in the absence of a central decision maker (plus, of course, combinations of the two).

Overall, Lindblom has identified four general types of coordination: central coordination; mutual adjustment; cooperative discussion; and partisan mutual adjustment. In central coordination, individual

decision makers adapt to one another on instructions from a central regulating authority. At the other extreme is mutual adjustment, a process in which no central mind or decision maker exercises any coordinating responsibility. The most familiar mutual adjustment process is negotiations among independent agencies. The third basic type of coordination that Lindblom identifies is cooperative discussion among decision makers in which the group as a whole plays the role of the central regulator. In this form of coordination, decision makers are in substantial agreement on criteria for resolving their problems, and they cooperate rather than bargain or negotiate with each other (this form of coordination is often typified by a "task force" approach to coordination). This form of coordination requires the participants to agree on common values and purposes and to maintain that agreement over time.¹³

The most significant form of coordination that is discussed at length by Lindblom is partisan mutual adjustment. This form seems to be especially useful as a theoretical base for case study analysis because it not only raises the most interesting questions while presenting the most common dilemmas but it also appears to be the most widely practiced and observable form of coordination in the federal sector. In this form of coordination, each participant makes decisions calculated to serve his own goals, not goals necessarily shared by other interdependent decision makers. He may make decisions counter to his own goals only to the extent that he is, in turn, controlled by other partisans or by central supervision. For this process to work, the participants need only agree on a course of action at a particular time. They do not have to reach consensus on goals or values in order to reach an agreement on what to do. Each may subscribe to a common decision for his own reasons.¹⁴

Overall, Charles E. Lindblom appears to have mapped out in general terms a very useful framework for observing, analyzing, and classifying federal coordination. In fact, close scrutiny of other models of interagency coordination seem to reveal that they usually are general variations on the basic themes set forth by Lindblom. For example, Lindblom's Partisan Mutual Adjustment formulations are also identifiable in other theoretical circles as basic tenets contributing to what is

termed a Conflict and Bargaining model approach to implementation by Richard F. Elmore ("Organizational Models of Social Program Implementation," Public Policy, 1978). The essence of Richard F. Elmore's bargaining model is embodied in several major propositions:

1. Organizations are arenas of conflict in which individuals and subunits with specific interest compete for relative advantage in the exercise of power and the allocation of scarce resources.
2. The distribution of power in organizations is never stable. It depends exclusively on the temporary ability of one individual or unit to mobilize sufficient resources to manipulate the behavior of others. The factors that determine the distribution of power among organizations includes: specialized knowledge, control of material resources, and the ability to mobilize external political support.
3. Decision-making in organizations consists of bargaining within and among organizational units. Bargained decisions are the result of convergence among actors with different preferences and resources. Bargaining does not require that parties agree on a common set of goals, nor does it even require that all parties concur in the outcome of the bargaining process. It only requires that they agree to adjust their behavior mutually in the interest of preserving the bargaining relationship as a means of allocating resources.
4. Implementation consists of a complex series of bargained decisions reflecting the preferences and resources of participants. Success or failure of implementation cannot be judged by comparing a result against a single declaration of intent, because no single set of purposes can provide an internally consistent statement of the interests of all parties to the bargaining process. Success can only be defined relative to the goals of one party to the bargaining process itself.¹⁵

In sum, Elmore asserts that in his Conflict and Bargaining model, each participating agency is involved in pursuing its own special interest. Consequently, implementation does not progress from a single declaration of intent to a result, but is instead characterized by constant conflict over purposes and results and by the pursuit of relative advantage through the use of bargaining.

A composite of Lindblom's and Elmore's conceptualizations will represent the basic theoretical framework used to guide my case study evaluation of coordination. For my theoretical insight into the issue of bureaucratic behavior I will draw liberally from the vast well of

knowledge watered by the literature on organizational behavior: Herbert A. Simon and James G. March, Organizations, 1958; public administration, Luther Gulick and Luther Urwick, "Papers on the Science of Administration," 1937; intergovernmental relations, Paul Berman, "The Study of Macro and Micro-Implementation," 1978; and public policy implementation, Graham T. Allison, Essence of Decision: Explaining the Cuban Missile Crisis, 1971, etc.

Research Approach

Human experience inside organizations is a temporal process which forces all empirical evidence of any testable significance to be historical by nature. Although no past event can be identically similar to any present or future event in all respects, past events provide the only possible experimental evidence--reliable evidence if careful account is taken of the factors which distinguish one circumstance from another and if the relevant and irrelevant elements are differentiated. Furthermore, organizational history does not start and stop in the past; past experience constantly reaches forward to become the moving present in which problems are identified and solutions applied by new perceivers of old situations. Nowhere is this more applicable than as in the area of public policy implementation by bureaucratic organizations. The translation of policy and theory into workable action programs is, as stated earlier, an imperfect art form that is little understood and seldom practiced successfully. Hence, nowhere is the gap between theory and useful action more apparent than in the field of public policy implementation within bureaucracies. Therefore, I plan to use a basic case study approach for building and researching my dissertation subject area.

I am aware that the common criticism often leveled at case studies in social science is that one cannot be sure if they are completely representative of larger patterns or even what such patterns might look like under different circumstances. Yet, it is not clear how broad knowledge about implementation can be secured without many case studies. Graham T. Allison has noted that we need case studies which are performed

with "theoretical alertness" to the possibility of developing generalizations. Erwin C. Hargrove, within his comprehensive study of the implementation of social policy (The Missing Link--Urban Institute, 1975), has similarly suggested that there is still a relative empirical lacuna in terms of research that charts general patterns of institutional behavior and chronic implementation problems.

Although there are many different implementation patterns according to particular problems and programs, only one general theme has been repeatedly recorded in the prevailing literature (e.g., Martha Derthick, New Towns-In Town; Pressman-Wildavsky, Implementation; Bernard Frieden and Marshall Kaplan, Politics of Neglect, etc.)--federal rhetorical overkill and program disappointment, i.e., unrealistic raising of public expectations beyond a rational margin of actual obtainment. Hargrove does not discount the significance of studying such program failures and analyzing fallout problems (i.e., disillusionment, erosion of basic credibility and faith in public programs to solve problems, etc.) involved in major contradictions between government promises versus performance for the public. In fact, one can assume that such current analysis has helped bring into proper focus the significance of the classic consequences resulting from major discrepancies in program promises versus performance.

However, Hargrove has wondered out loud about what different types of institutional patterns are observable in program successes. Specifically, he has posed the question: "Are not patterns different in cases in which well organized interest groups or militant publics are involved?"¹⁶ My case study investigations will attempt to address such issues as raised by Hargrove while attempting to maintain the "theoretical alertness" as specified by Graham T. Allison. My aim is to pinpoint some general patterns of institutional behavior and chronic implementation problems as uncovered by the individual circumstance of success and failure recorded by my case study.

Case Study Method

I intend to use a case study method of analysis which will be

empirical, deductive, and diagnostic in terms of evaluating the public policy implementation experiences that I have observed and participated in. Basically, I will perform a major case study of an attempt to coordinate the policy and program activities of a group of federal agencies (Farmers Home Administration, Small Business Administration, Economic Development Administration, and Office of Minority Business Enterprise) that have been found to have both the legislative mandates and funding programs which could enable them to finance or offer technical services supportive of the development of cable TV systems. My research will attempt to review and analyze the efforts involved in trying to organize and systematically structure the interaction of this select group of federal agencies toward a common goal of economic business development in disadvantaged areas with the creative organizing vehicle being cable TV.

The main focus of the case study will be on the development and operation of a National Rural Cable Development Task Force, which has attempted through a multi-agency agreement, to eliminate some of the problems associated with the lack of communication between and coordination among various federal programs. Such problems include the overlap and duplication of programs, effort, and staff; red tape and foot dragging in processing paperwork; the operation of field offices unaware of their ability to finance projects or unwilling to support new projects; lack of informed communication with certain local communities about programs that do exist; lack of technical assistance to groups interested in developing projects, but unsophisticated in dealing with federal programs, etc.

The National Rural Cable Development Task Force experience is significant both in terms of what it attempted to accomplish and how it managed to get federal agencies to the conference table using the lure of cable TV technology. The realm of telecommunications or more specifically the financing of cable TV systems is an important issue around which to study public policy implementation, coordination, and administration of federal agencies because it has been a significant topic before White House Policy Groups, the Congress, the Federal Communications Commission (FCC), the Communications Industry, City Governments, and various Public

Interest Organizations (local as well as national).

In my case study I will try to recount the genesis, development, and operation of the National Rural Cable Development Task Force. Acting from the vantage point of a participant observer I will be able to report in detail from "inside" knowledge the historical development and operation of the National Rural Cable Development Task Force. Having been a major participant in the Task Force development process, I will be able to give special insights into why certain problems occurred, what "hidden agendas" existed among participants, what games of power politics were played, what below the surface actions were taken in contradiction to public positions, and what unforeseen events changed the course of developments and program outcomes.

Research Process

My basic research and data gathering activities will be carried out in four operational phases. Phase I - Analytic Framework Development will first establish the definitional complexities, dynamic properties, pros and cons, and historical significance of the concept of public policy coordination. This phase will also focus on building a background framework of theoretical perspectives and models for analysis of the case study to be reviewed. Phase II - Historical Background Building will trace the seeds of development and growth of a National Rural Cable TV Development Task Force as a coordinative mechanism arising from the bureaucratic frustrations experienced by a small, underfunded national technical assistance program for minorities (Cablecommunications Resource Center) which was attempting more effectively to utilize federal programs to meet the needs of their client communities.

Personal interviews with key participants (i.e., federal agency personnel, client groups, public interest organizations, politicians, etc.) of the Task Force and field observations of the operation of said Task Force over a period of more than two years (November 1974-April 1977) will form the basic research foundation of this segment of my study and the entire study on the whole. Also careful searches of the files and records of the public agencies, community development

organizations, and the central quasi-public advocacy organization (CRC) involved in the total process will form an integral part of the data gathering effort. Specifically, this segment of the research approach will focus on the retrieval and analysis of public information bulletins, press notices, policy statements, memoranda, newspaper articles, etc., as well as special agency file documents (not normally available for public release or scrutiny) that deal with the development and operation of the Task Force. The major aim of this effort is to gather material that will provide a basic chronological outline of significant developments of the Task Force's operation based upon major communiques released and exchanged between, among, and within agencies and organizations involved with the Task Force. Special efforts will be made to identify past agency records that show contradictions between past actions and present ad hoc policy stances, that serve as bureaucratic impediments to change in relation to Task Force objectives.

The Phase III - Case Study Analysis part of my research effort will involve the review and analysis of the bureaucratic behavior observed in my "Task Force" case study as based upon the theoretical models and constructs developed in the first section, my own empirical background of experience, and "ground-zero" intuitive insights into why certain processes failed while other succeeded. Fundamentally, I will be concerned with reviewing and piecing together from the agency file data (i.e., interagency memoranda, policy statements, private communiques, etc.) generated by the various organizations and agencies connected with the Task Force--both the formal and behind-the-scenes informal whys and wherefores that explain the interorganizational dynamics and the ultimate outcomes observed.

In the final section of my research, Phase IV - Summary and Recommendations, I will attempt to draw certain theoretical conclusions from the learned lessons highlighted in my case study analyses and point out certain recurring "roadblocks" to successful interorganizational coordination that must be anticipated and remedied, to make future efforts more fruitful. Furthermore, an attempt will be made to form certain organizational behavior prescriptions and recommendations for guiding

similar public policy implementation initiatives. Essentially, this section will synthesize the theoretical enlightenment and empirical revelations culled from the analyzed Task Force experience; by developing some general notes toward a theory of coordination.

CHAPTER I

FEDERAL AGENCY COORDINATION: SOME THEORETICAL PERSPECTIVES

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Historical Overview

Throughout various periods of history, analysts of federal programs have called attention to the need for and the problems of coordination. So much so that it has become inextricably ingrained into the political fabric and dialogue on government program implementation. The theme of coordination has come to be accepted as a regularized means of taking action in overcoming bureaucratic problems and improving government effectiveness and efficiency. Evidence of this is offered by historical government publications, the periodic establishment of intergovernmental study commissions or coordinative mechanisms, and the words and actions of men in their capacity as federal and state government officials. For instance, during the years preceding World War II, the Roosevelt administration made two attempts to coordinate federal programs involving intergovernmental relations.

In the first, James McReynolds of the White House staff was assigned the task, while in the second the assignment went to Guy Moffatt. No official record of either attempt has been located but both were short-lived, partly because the administration did not back the efforts of the coordinators and partly because of the almost unlimited ingenuity of department and agency administrators in finding means of resisting any attempt to develop uniform policies and procedures and to coordinate programs.¹⁷

Such internal resistance is often a recurring "roadblock" to successful coordination.

In 1945, the Pacific Coast Board of Intergovernmental Relations was set up. It was continued during the postwar period as an agency for the discussion of governmental problems by officials at all levels. A grant was obtained from one of the foundations for a small staff and incidental expenses. Its purposes were clearly stated in its Principles of Organization:

This Board is created purely on a voluntary cooperative basis for the purpose of mutual discussion and cooperation in administrative efforts to solve problems affecting people, and most especially such problems as are the responsibility of governments during the postwar readjustment period. Such mutual discussion and cooperation will strive for the elimination of duplication in the execution of local, State, and Federal laws and regulations, the pooling of facts regarding economic and social conditions, especially those due to industrialization, and the planning of local, State, and Federal governments for dealing with these matters constructively.

Membership, on a purely voluntary basis, was confined to local, state, and federal governments, care being taken that no one should be over-represented in relation to the others:

From each State the membership shall be the Governor of the State, the Chairman of the State Commission on Interstate Cooperation, an official representative of the League or Association of Cities or Municipalities, and an official representative of the State Association of County Supervisors or Commissioners.

From the Federal government membership shall be Field Chiefs of Federal agencies, selected by the Pacific Coast Federal Regional Council, and shall be less in number than the combined total of representatives of the other jurisdictions.¹⁸

Frequent regular meetings were held, usually at the capitals of the participating states, with the Governor of the state presiding . . . although the conclusions of the Board were purely advisory, participants reported that ways and means for cutting through red tape and obtaining effective action through the cooperative efforts of all levels of government were developed in the discussions. Uniform policies on many problems were also developed. The organization continued to function until, with a change of administration and in the interests of "economy," the field offices of the Bureau of the Budget were discontinued in 1953.¹⁹

During the late 1940s, a Hoover Commission Report on Federal-State Relations was presented to Congress. The brief report concluded that improvement in intergovernmental relations was the key to maintenance of our Federal System, and recommended that:

. . . a continuing agency on Federal-State relations be created with the primary responsibility for study, information, and guidance in the field of Federal-State relations. In 1953, President Eisenhower called for a complete review of intergovernmental relations. Congress responded by authorizing the establishment of a temporary commission composed of persons appointed by the President, and designated members from both houses of Congress. This Commission came to be known by its Chairman, the late Meyer Kestnbaum of Chicago.²⁰

Thus in 1955, a major bench mark in federal program coordination was reached with the establishment of President Eisenhower's Commission on Intergovernmental Relations (Kestnbaum Commission).

The Kestnbaum Commission issued the most comprehensive review of intergovernmental relations since the adoption of the Constitution. The Kestnbaum Report covered not only the philosophical aspects of federalism, but also a wide variety of specific recommendations on the allocation of functions and responsibilities between the National Government and the States.²¹

The Commission warned that:

. . .without careful administrative coordination at the national level, federal programs might produce confusion at the local level, might fail to provide mutual support, or in extreme cases, might work at cross purposes. It found "some evidence that these results have occurred in the past," and recommended a Presidential staff agency on intergovernmental relations to avoid such results in the future.²²

After the House Intergovernmental Relations Subcommittee had studied the recommendations of the Kestnbaum Commission, the subcommittee agreed upon a bill to create a permanent Advisory Commission on Intergovernmental Relations.

Hearings on this bill were held before a subcommittee of the Senate Committee on Government Operations. A companion measure was sponsored in the Senate by Senator Muskie (Maine) and by 25 other senators. These bills culminated in the enactment of Public Law 380 in the first session of the 86th Congress.²³

In 1959, the Advisory Commission on Intergovernmental Relations (ACIR) came into being. ACIR was:

. . .the brainchild of those who believed that cooperative federalism was a fact of life, a doctrine of unity, and a panacea to many of the country's social and economic ills. Daniel Elazar, in a Later Public Administration Review article, reported that ACIR was the handiwork of those who wished to unwind the Federal System to restore the states' autonomy, and those who wished to preserve the states' integrity within the cooperative framework. He continued by saying that ACIR's creation marked significant changes in the direction of informed thought on the subject. First the notion of unwinding the cooperative system was abandoned in favor of learning how to live within its framework. Second, the idea that an improvement in the federal balance must come from retrenchment in Washington was modified, to incorporate the notion that states had a primary role to play by assuming new responsibilities. At the same time demands for new forms of government action to meet the needs of the postwar period were about to bear fruit in the return of an activist Democratic administration to national power.²⁴

The major findings of the Kestnbaum Commission over the need for greater administrative coordination within the public sector were largely accepted as established facts by 1961. In fact after:

. . .the newly established Advisory Commission on Intergovernmental Relations studied the impact of federal grant programs in metropolitan areas it observed: "The fragmented and conflicting impact at the State and local level of disparate Federal programs concerning urban highways, urban renewal, housing, airport and sewage facility construction, and so on, are well known." In sharper language, the Advisory Commission emphasized that intergovernmental relations with respect to urban affairs were "unnecessarily impaired because of inadequate coordination of Federal programs;" it urged prompt and effective steps to improve the situation.²⁵

Primarily the concern over coordination was prompted by a perceived need to improve the administration of federal programs. It was believed that with better coordination:

. . .programs would be more effective, federal expenditures would yield greater returns, and the process of urban development would become more efficient. As a later Advisory Commission report put it, "Coordination among Federal programs is essential if the objective of orderly urban development is to be attained." This assessment was directed mainly at problems of waste, duplication, and misuse of resources and strongly appealed to widely held public and Congressional concern with government efficiency and economy.²⁶

By the mid 1960s public concern, academic scrutiny, and congressional interest in coordination reached a new peak. During this time period (March 1966), Senator Edmund S. Muskie of Maine, chairman of the Senate Subcommittee on Intergovernmental Relations, presented a detailed analysis of the coordination problem at all levels of government and a series of proposed remedial measures, which he said had grown out of a three-year subcommittee study. He told the Senate:

We found substantial competing and overlapping of federal programs, sometimes as a direct result of legislation and sometimes as a result of empire building. Similar competition and duplication were found at the state and local levels. We learned that too many federal aid officials are not interested in, and in fact are even hostile to coordinating programs within and between departments, and that they are reluctant to encourage coordination and planning at state and local levels. These conditions frequently and predictably result in confusing and conflicting requirements which discourage state and local participation, and adversely affect the administrative structure and fiscal organization in these jurisdictions. . . .

In short, we found conflict between professional administrators at the Federal level and less professional administrators at the state and local levels, between line agency officials and elected policymakers at all levels, between administrators of one aid program and those of another; between specialized middle-management officials and generalists in the top-management category, and between standpat

bureau heads and innovators seeking to strengthen the decision-making process at all levels.

The picture, then, is one of too much tension and conflict rather than coordination and cooperation all along the line of administration - from top federal policy-makers and administrators to the state and local professional administrators and elected officials.²⁷

During the same period John W. Gardner, Secretary of Health, Education, and Welfare told the Muskie subcommittee:

. . . coordination among Federal agencies leaves much to be desired. Communication between the various levels of government - Federal, State and local - is casual and ineffective. State and local government is in most areas seriously inadequate.²⁸

Such criticism continued throughout the sixties.

In March 1968, for example, Mayor Henry W. Maier of Milwaukee, appearing on a national television show, protested that "a whole maze of some thirty possible agencies involving the city, the county, the state, and the Federal Government, and yes, the private sector" might be dealing with the welfare problems of a single family, and went on: The thing is duplicated from top to bottom. We have now a general in HUD, we have a general in OEO, we have a general in HEW, at the top, and each one of these generals goes down the line to deal with the generals at the county level, the city level, the private sector. And I think that what we ought to have is. . . something that parallels a Joint Chiefs of Staff, starting at the top, some models of coordination going down to the bottom. . . .²⁹

And later in that year both party platforms took cognizance of the administrative problems. The Republicans promised "a complete overhaul and restructuring of the competing and overlapping jumble of Federal programs to enable state and local government to focus on priority objectives." The Democrats pledged to "give priority to simplifying and streamlining the processes of government, particularly in the management of the great innovative programs enacted in the 1960s." Acknowledging the existence of "duplication, administrative confusion, and delay," the platform pledged to "seek to streamline this machinery by improving coordination and management of federal programs."³⁰

That was in the late sixties. During the late seventies the present Carter Administration in its early reports and plans for reorganization of the government reactivated many of the old key "buzz words" and phrases often heard before, i.e., promote coordination, streamline administration, improve manageability, minimize duplication and overlap, etc.

In a specific memorandum on the administration of the grant-in-aid system (September 9, 1977), the President first noted that "as programs have proliferated, (the system) has grown increasingly irrational, inefficient, and insensitive to the various local needs and idiosyncracies it was originally designed to accommodate."³¹ The President then in the same memorandum asked the ACIR to "suggest, after one year, appropriate ways to further streamline federal aid administration practices."³²

In March of 1978 the American Society for Public Administration appointed a Special Task Force on Intergovernmental Management to examine the needs for the improvement of managerial techniques in such intergovernmental areas as program evaluation, measurement and enhancement of productivity and effectiveness, personnel management, and red tape cutting. The task force goal was to help ensure that "responsible officials at the national, state, and local levels join together in planning with care and thoroughness how public programs should be administered."³³ The task force after a year's study and operation noted in its final report titled Strengthening Intergovernmental Management: An Agenda for Reform, April 1979, that "vital domestic programs are severely handicapped and sometimes fail because of the frequent failure to provide effective coordination and management at each level of the Federal system."³⁴ Overall, it seems nothing much has changed through history except that there are now new perceivers of old problems. Yet, it is clear that the theme of coordination has emerged as an "action channel" or regularized means of taking action in overcoming bureaucratic problems and improving government effectiveness and efficiency.

Dynamic Properties

Historically then, no phrase seems to express as frequent a complaint about the federal government as does "lack of coordination." Nor does there appear to be a suggestion for reform more common than "what we need is more coordination."³⁵ Similarly, no term seems to be as simple in intent and sound but as complex in definition and execution as coordination.

Aaron Wildavsky quite profoundly summarizes the "coordination

dilemma" in his work entitled, The Politics of the Budgetary Process. He states that:

. . .as long as the lack of coordination is the result of ignorance of other people's activities or the complexity of organization, there is a good chance of overcoming it by dedicated staff work or some formal mechanism to accomplish the intended result. But in many cases, lack of coordination is a result of conflicting views about policy that are held by men and agencies that have independent bases of influence in society and in Congress. The only way to secure coordination in these cases is for one side to convince or coerce or bargain with the other. When it is understood that "coordination" is often just another word for "coercion," the full magnitude of the problem becomes apparent.³⁶

Perhaps Wildavsky is too extreme in viewing coordination as being synonymous with "coercion." Hopefully, coordination in its early stages attempts, through amicable means, to achieve mutually advantageous ends among organizations or agencies not necessarily in conflict--just oblivious to each other's activities or potential for supportive interaction. The "catch 22" of coordination may be that its achievement is often just as complex and burdensome if not more so than the problems it seeks to ameliorate in the federal sector. In other words, the solution becomes a problem because of the nature of the problems it seeks to solve and the nature of the arena in which it must be implemented.

The fact that many journalists, scholars, and politicians have given great attention to the problems of securing agreement among contending groups, attests to both the significance, and the complexity of the coordination process.³⁷ The central theme in such unresolved interest appears to be the belief that greater knowledge of how successful coordination of federal agencies can be achieved could improve the design of initial program implementation strategies and enhance the successful administrative operation of programs.

Literature Review

In terms of defining planning in relation to coordination, a HUD document entitled State Planning: Intergovernmental Policy Coordination notes the Utah State Planning Advisory Committee's concept of agency planning coordination as very significant. The philosophy of the Utah approach is as follows:

If planning is not coordinated it is not comprehensive; it is therefore functional (where functional planning is that planning oriented toward a response to a single problem or set of problems). Such planning involves a single-agency perspective, and most often due to its rather restricted scope, is incapable of dealing with the complex causes underlying any problem and largely responds merely to symptoms. Functional planning is incapable of providing the basis for truly effective government which requires a far more comprehensive understanding of problems, accumulation of data, and formulation analysis of alternatives as a minimum requirement. A coordinated approach to such matters among all agencies is a necessary element of comprehensive planning and a rational decision process.³⁸

In a very simplistic sense, as stated earlier, coordination can be best summarized as the politics of reaching agreement. This is a view of coordination derived from Erwin C. Hargrove's Urban Institute work on the implementation of social policy. Similarly Aaron Wildavsky in his work entitled The Politics of the Budgetary Process states that coordination can be understood as the extent to which participants in a process simply take into account what others do. Wildavsky sees coordination as largely including those great many adjustments made in public programs in "anticipation" of what other participants are likely to do. Specifically he states:

To some the procedure by which agencies try to gauge 'what will go' (in terms of new programs) can be defined as coordination. Consequently the justification for certain programs becomes based on the subjective interpretations of signals from the environment and is directly linked to the fact that they are deemed desirable by others. What is often overlooked is that these informal procedures are also powerful coordinating mechanisms. When one thinks of all the participants who are continuously engaged in interpreting the wishes of others, who try to feel the pulse of Congress, the President, interest groups and special publics, it is clear that a great many adjustment are made in anticipation of what other participants are likely to do.³⁹

Finally, Charles E. Lindblom's (an often quoted original thinker on government and organizational issues) tentative definition of coordination implies that "a set of interdependent decisions is coordinated if each decision is adapted to the others in such a way that for each adjusted decision, the adjustment is thought to be better than no adjustment in the eyes of at least one decision maker."⁴⁰

In general, the objective of coordination has come to embrace in

public consciousness and discussion, a wide range of improvements in intergovernmental relationships:

Indeed, almost any change in organization, relationships, policies, practices, projects, or programs that might resolve whatever conflict or hiatus in the federal-state-local chain of relationships the user of the term may happen to be concerned with. A term whose meanings are so broad, so loose, and so varied may seem virtually without meaning at all. But this is a problem--recognized by Presidents, cabinet members, governors, mayors, and observers of every station.⁴¹

The use of a single term to so comprehensively describe the potential solution to a whole array of bureaucratic problems is a recognition that, in all its many and varied aspects there is still only a single problem to be dealt with. Thus "coordination" serves the purpose of a convenient shorthand for a range of concepts related to bureaucratic functioning.

Basically, the concept of coordination appears to be predicted on the assumption that participants enmeshed in a common enterprise, linked by a common framework or seeking similar ends whether by design or happenstance may act in a contradictory or antagonistic fashion because of ignorance. However, it is assumed that when informed of their place in the scheme of things, they may be expected to interact more harmoniously. The essence of coordination then appears to be embodied in the "communication process" the act of informing.

My research definition for coordination is more specific and narrow in scope. I view coordination as an accepted governmental process in which Federal agencies are brought together to form a collective effort to: expedite project processing by eliminating wasteful practices or repetitious patterns of action; combine their related sets of existing resources to focus on a particular problem or target population's needs and forestall communication problems on or discrepancies over project eligibility among different agencies and between different levels of the same agency.

Operational Frameworks

Just as complex and challenging as the basic definition of coordination, is the array of operational frameworks or classifications of

types of coordination to be observed. Several illustrations should make the case in point. However, the following illustrations do not represent the entire universe of possibility but rather reflect the general substance of reality (what exists).

James D. Mooney

One early operational perspective on coordination has been offered by James D. Mooney in an essay found in a 1937 public administration document entitled "Papers on the Science of Administration" by L. H. Gulick and L. Urwick. Mooney specifies five "principles:" (1) perpendicular coordination; (2) horizontal coordination; (3) leadership; (4) delegation; and (5) authority as significant to understanding organizational interaction. The main body of his writing rests on describing two forms of coordination, the perpendicular and the horizontal. He states the principle of perpendicular coordination is expressed in the single word authority. Specifically, he adds that authority must have a clearly defined process through which it projects itself throughout an entire organization, so that everyone in the institutions participates in the exercise of this authority according to the nature of his duties.⁴²

Perpendicular Coordination

Thus perpendicular coordination operates through leadership and the delegation of authority. This form of coordination seems to revolve around the control of operations by some central authority or acknowledged decision maker. Hence, the exercise of power decisions or accommodations is strictly a top-down phenomenon with precise follow through on delegated responsibilities by subordinates mandated from above.

Horizontal Coordination

On the other hand horizontal coordination operates not through authority and the function of command, but through the universal service of knowledge. A key factor connected with horizontal coordination is that of "indoctrination in the common purpose, which is essential to the true

intelligence of concerted effort."⁴³ Mooney states that horizontal coordination is:

. . .the principle that indoctrinates every member of the group in the common purpose, and thus insures the highest collective efficiency and intelligence in the pursuit of the objective. It is not the leader alone who has things to make known to his subordinates through the usual channels of staff service. These subordinates may likewise have something important to tell the leader; things that he should know in the exercise of his leadership. They may also have important things to tell each other, and this mutuality of things to be made known extends upwards, downwards, and sideways, from the very top to the bottom of the organized structure.⁴⁴

Essentially Mooney's principle of horizontal coordination embraces the notion that effective lines of communication dictate the capacity of an organization to maintain a complex, highly productive and efficient pattern of activity. In a larger view, horizontal coordination insures productive involvement in a process through effective communication of a common purpose or goal and the internalization of said objectives by all participants.

Charles E. Lindblom

Mooney's theories of perpendicular and horizontal coordination seem to be early formulations that might have laid the foundation of thought for later theoretical frameworks like that of Charles E. Lindblom. The most indelible imprint on the thinking of political scientists with regard to interagency relationships appears to have been made by Charles E. Lindblom and his book The Intelligence of Democracy. Lindblom's book offers a classic analysis of the methods and comparative advantages in various circumstances, of two general types of coordination processes--"central coordination," or coordination by a decision maker, and "mutual adjustment," or lateral adaptation in the absence of a central decision maker (plus of course, combinations of the two).

Overall, Lindblom has identified four general types of coordination: central coordination; mutual adjustment; cooperative discussion, and partisan mutual adjustment. In central coordination, individual decision makers adapt to one another on instructions from a central regulating authority. At the other extreme is mutual adjustment, a process in

which no central mind or decision maker exercises any coordinating responsibility. The most familiar mutual adjustment process is negotiations among independent agencies. The third basic type of coordination that Lindblom identifies, is cooperative discussion among decision makers in which the group as a whole plays the role of the central regulator. In this form of coordination, decision makers are in substantial agreement on criteria for resolving their problems, and they cooperate rather than bargain or negotiate with each other (this form of coordination is often typified by a "task force" approach to coordination). This form of coordination requires the participants to agree on common values and purposes and to maintain that agreement overtime.⁴⁵

Partisan Mutual Adjustment

The most significant form of coordination that is discussed at length by Lindblom is partisan mutual adjustment, which appears to be the most typical interagency relationship to be found in the federal government. In this form of coordination, each participant makes decisions calculated to serve his own goals, not goals necessarily shared by other interdependent decision makers. He may make decisions counter to his own goals only to the extent that he is in turn controlled by other partisans or by central supervision. For this process to work, the participants need only agree on a course of action at a particular time. They do not have to reach consensus on goals or values in order to reach an agreement on what to do. Each may subscribe to a common decision for his own reasons.⁴⁶

Overall, Charles E. Lindblom appears to have mapped out in general terms a very useful framework for analyzing or viewing federal coordination. In fact, close scrutiny of other models of interagency coordination seem to reveal that they usually are general variations on the basic themes set forth by Lindblom. For example, the San Francisco Federal Executive Board-Oakland Task Force published a 1968 report, An Analysis of Federal Decision Making in Urban Areas that offers three coordinative models termed "central direction," "mutual interaction," and "adaptation." The first model seems to be a renaming or slight word

modification of Lindblom's central coordination concept, while the last two models appear to be subtypes of Lindblom's "mutual adjustment" model.

The San Francisco Federal Executive Board (SF/FEB) coordination model largely reflects the consolidation of information and knowledge drawn from a self-critique of federal involvement in Oakland and then offered as a basic insight into federal decision making in urban areas in general. Although the Oakland study focuses on discussing many of the impediments to interagency coordination, its major contribution to the present discussion is its development of a very simplistic typology for classifying types of coordination. For example, Central Direction, according to the SF/FEB typology is a form of coordination which is usually carried out through some type of executive mandate or formal order and whose participants or players as a prerequisite must share some kind of defined common purposes. The SF/FEB contend that Central Direction is illustrated by efforts at overall departmental planning or synoptic long and short range planning. The SF/FEB views Mutual Interaction as a form of coordination when interaction between participants is represented by a general sharing of information, goal advancement through persuasive behavior (i.e., verbal attempts to win over the support of different players to the cause at hand by appeals to reason) and nonviolation of some code of ethics (i.e., playing by the rules of the game, however they may be defined). In Mutual Interaction there are some shared defined purposes and some degree of mutual understanding as to inter-and intra-departmental objectives. Mutual Interaction is illustrated by both functional short and long range planning. Finally in Adaptation, the SF/FEB sees the coordination process as involving negotiation, bargaining, and chance. In this form of coordination, participants often may only minimally share defined purposes or have limited knowledge of other departments' or agencies' purposes. In fact, to some degree there may exist competing purposes between participants. This form of coordination is largely personified by ad hoc or short range planning such as found in coalitional structures. The coordination models used in this typology primarily represent abstractions from the various types of coordination observed in the Oakland experience. It is possible that various combinations and

permutations incorporating one or more of the characteristics of each model may be observed in analyzing other coordinative processes. However, despite problems of achieving a pure typology, this basic classification system offers a means to identify and measure coordination tendencies in different situations and among different agencies.⁴⁷

Problems and Promises

Problems

The FEB/Oakland study provides some useful examples of problems and lessons to be learned in coordinating federal agencies. The FEB/Oakland study was essentially an introspective analysis of federal processes, federal decision makers, and federal programs in Oakland. The general mission of the Oakland Task Force (initiated in July 1967) which worked in cooperation with the mayor and city council was to: evaluate the federal tools then available in terms of the total problems in Oakland, design a more coordinated mix of these tools, and propose priorities for federal investment in Oakland.

The FEB/Oakland study besides chronicling some of the common impediments to interagency coordination (i.e., complex variations in: agency mission and objectives; sign-off processes, application processing systems; program routing systems; program eligibility and funding requirements, as well as differing patterns of authority) identifies some common failings in approaches taken to develop coordinative process from which some learned lessons might be drawn. For example, the study notes that two programs (the Concentrated Employment Program and the Neighborhood Center Pilot Program) reflected attempts to develop a common federal strategy via different approaches.⁴⁸

Both programs were premised on an interventionist strategy, that is, both programs were introduced into Oakland without their being asked for by the city. Conversely, other programs reflected a federal strategy premised on response. The city of Oakland prepared and filed an application asking for program funds before it was designated as a recipient of said assistance. The inference that might be drawn here is that

coordinative approaches which tend to be the result of "outside planning" and impinge (i.e., do not seek or invite preliminary participation, consideration, advice, or discussion with consumers or key facilitators of the process) run the risk of alienating key segments of the bureaucratic delivery system.

My experience with federal agencies greatly supports this thesis. Seemingly when coordination planning originates outside the closed circle of key agency program facilitators (i.e., career civil servants) then automatic barriers are set up. This is especially true if "structured participation" opportunities are not created to at least give the illusion of democratic involvement. The most dramatic illustration of the need to have some sensitivity to the "up front participation" problem in coordination decision planning is given by some NCPP dialogue drawn from the Oakland experience. One city official stated the following:

Look, we didn't ask for the program. It came to us. Now they tell us funds are being cut back, and they're changing the rules of the game. If we had known this was going to happen, we wouldn't have gotten involved. Why accept the headaches? The program doesn't really solve our problems anyway.⁴⁹

Promises

The positive implications of federal agency coordination are often based on an imprecise set of general objectives and/or anticipated results. For example, some of the common objectives or incentives that are used to bring agencies to the coordination conference table are: to control fragmented and disjointed program activity; to eliminate duplication and inefficient efforts; to curtail the nonstrategic use of limited resources; to decrease red tape and untimely delays in project development; to decrease complicated and vague communications on programs to the public, within and between agencies, and/or to clear up misleading policy stances that are counterproductive to interagency cooperation. Most often, however, the federal case for coordination is stated in terms of the need to avoid the development of strategies and programs that are inconsistent, duplicative, or in conflict with one another.⁵⁰

Basically, the coordinative process implies a decision making

system which illustrates conscious and purposeful interaction between two or more decision makers. An assumption is made that the results of a common strategy and a coordinative process will be more satisfactory to one or more of the decision makers than individual action taken by any one of them, without a common strategy and a coordinated process. Put more succinctly, a coordinated decision would be a "decision which, at best, is in harmony with other decisions, and at worst, is not inimical to other decisions."⁵¹

The interrelatedness and interdependencies of federal-state-local government operation should make the necessity for coordination evident to anyone involved in public policy formulation or program administration. Hence a formal purpose for federal agency coordination can be stated as being to harmonize relations, activities, and objectives within and between governmental units to improve the intergovernmental delivery of services.⁵² The real challenge or promise of coordination is to evolve a uniform approach to attacking and managing specific problems in a manner that reflects administrative priorities of a number of agencies.⁵³

One of the key promises of coordination, from the perspective of disadvantaged target populations, is its potential to overcome the problems of piecemeal implementation of new programs or projects. For example, the need to overcome such problems was a major motivating factor behind the development of a National Rural Cable TV Development Task Force as a coordinative mechanism (I was significantly involved in the development of this task force while working for the Cablecommunications Resource Center). CRC, in developing this task force, had gleaned one highly important fact from its past experience with federal agencies and that was the piecemeal or "cafeteria shopping" approach to finding financial support for new minority ventures was a difficult undertaking fraught with endless and repetitive tasks, bureaucratic red tape, and basic communication problems surrounding just defining and qualifying new projects like cable TV as fundable ventures under different program guidelines. Furthermore, the project-by-project approach, besides being cumbersome and time consuming, often resulted in delays which discouraged clients, and ultimately resulted in the dissipation of well conceived

projects because of loss of carefully recruited participants. Sar A. Levitan echoes these same realities on the project-by-project approach in his book Federal Training and Work Programs in the Sixties, 1969.⁵⁴

In a certain sense the key to successful coordination rests in the communication of priorities or mandates along a network of organizational units. This notion supports a "communications theory" of coordination in which a lack of coordination is viewed as the result of ignorance of other people's activities or the complexity of organizations that subvert immediate information flow or action. Within a "communications theory" of coordination, anything that slows down, impedes, or distorts the communicative process, i.e., bureaucratic "red tape", would be seen as "noise" or interference.

Although basic communication among agencies about common goals, objectives, or projects is a necessary part of coordination, it is not sufficient unto itself. Effective coordination requires a formal procedure for putting people who need to talk to one another in a position of having to talk to one another. In addition, they must work to identify and understand their areas of mutual interest and conflict, and then must cooperate in pursuit of common interests and in negotiating their differences.⁵⁵ A formal multi-agency planning process often provides the proper environment for integrating common interest and the framework for negotiating individual differences. A major coordinative mechanism that can help to create a forum for such communication is an ad hoc multi-agency task force.

Coordinative Mechanisms

Task Force

The utilization of coordination structures such as task forces usually offers the opportunity of creating a forum or positive environment for mediating interagency program conflicts, opening lines of communications, facilitating jointly-funded projects, and prodding slow moving bureaucrats.

Business firms and government agencies resort often to task

forces to respond to crisis. In industry, the emergency may be due to the loss of production capacity, to the threat of competitive innovation, or to drastic change in the economic climate. In public affairs new problems affecting the community may urgently require solution. In all these cases, answers of adequate scope obviously call for coordinated, consolidated efforts and conclusions of a composite team of specialists and decision makers.⁵⁶

In a hypothetical public crisis situation after some internal or external prodding, a chief official usually calls together senior representatives from major agencies or departments to organize a crash attack on some significant issue. The problem is analyzed, possible remedies are weighed, and a plan of action is adopted. High priority is assigned to the program. The diverse skills, experience, manpower, political clout, and financial resources of the participating organizations are mobilized, coordination of all activities is exerted by a task force leader, and in due course, the selected response to the crisis is put into operation. Eventually an open forum for communication is created.

This is a basic scenario for a coordinated task force attack on a major problem. The emphasis is on drawing upon the collective talents and resources of various agencies to solve the problem at hand. The significance of the problem or issue presumably demands or calls forth vigorous efforts from agency representatives and top administrators. Initiative and creative thinking are encouraged. Channels of communication are forced open among operating departments and staff groups. In essence, task forces are those entities in which the efforts of the group are coordinated toward the solving of a defined task.⁵⁷

Too often, however, attempts at coordinating federal activity through the activation of task force structures can become ineffectual beyond providing a forum for discussion of mutual problems. This is because such mechanisms do not possess (or more precisely do not seek to establish) any real power for administratively expediting newly proposed project development priorities among involved agencies. Basically, most task force structures lack control over funds (present budgets and future appropriations) or contracting procedures of member organizations and

hence lack "power" to promote compliance through budgetary rewards or to discourage foot-dragging through cutbacks. As a result the success of such coordination processes is usually dependent upon the personal resources and effectiveness of task force members, some appointed for their ability and others for their availability.⁵⁸ Too often the latter case tends to supercede the former, resulting in only lip service being paid to proposed initiatives. In fact the functional capacity of task force mechanisms to mediate interagency disputes, unclog lines of communication, finesse jointly-funded projects, and/or prod slow-moving bureaucrats is usually inextricably linked to the participation and commitment of top level career agency officials and decision makers in the task force process.⁵⁹

Interagency Councils

Besides basic ad hoc task force structures there are several other mechanisms that can provide an "active forum" for promoting the high level of communication and dynamic interaction needed to achieve successful coordination. In some instances formal interagency and intergovernmental councils provide the mechanism for communication among certain agencies and ensure coordination. For example, the focal point to mobilize federal departments and agencies to support minority entrepreneurs is the Interagency Council for Minority Business Enterprise (IAC). Chaired by the Under Secretary of Commerce, IAC members include under secretary level officials of almost every federal agency. The Council works through task forces for procurement, concessions, education and training, and data; and it meets periodically to review progress and to develop new initiatives. Interagency activities are coordinated locally by Minority Business Opportunity Committees (MBOCs). MBOC members are officials of various federal agencies who are based in the field.⁶⁰

On a regional level within the government there are Federal Regional Councils (FRCs). FRCs have been in existence since 1969, but they were first given official status by an Executive Order issued in February 1972. This order established an FRC for each of the ten standard federal regions. Council members include the regional director,

administrator, or secretarial representative of each of the eleven member agencies and two ad hoc member agencies:

Department of the Interior
 Department of the Agriculture
 Department of the Commerce
 Department of the Labor
 Department of the Health, Education, and Welfare
 Department of the Housing and Urban Development
 Department of the Transportation
 Community Services Administration
 Environmental Protection Agency
 Federal Energy Administration
 Law Enforcement Assistance Administration
 Civil Service Commission (ad hoc)
 Appalachian Regional Commission (ad hoc)

The overall purpose of the FRC is the effective coordination of the grant-making activities of the Federal government. If effectively accomplished, the end result will be more productive use of federal dollars, better relations between federal, state, and local units of government, and greater responsiveness to the needs of the people. The Executive Order which established the FRCs prescribed eight functions that should be performed to accomplish these goals:

1. The development of short-term regional interagency strategies and mechanisms for program delivery.
2. The development of integrated program and funding plans with governors and local chief executives.
3. The encouragement of joint and complementary grant applications for related programs.
4. The expeditious resolution of interagency conflicts and coordination problems.
5. The evaluation of programs in which two or more member agencies participate.
6. The development of long-term regional interagency and intergovernmental strategies for resource allocations to better respond to the needs of states and local communities.
7. The supervision of regional interagency program coordination mechanisms.
8. The development of administrative procedures to facilitate day-to-day interagency and intergovernmental cooperation.⁶¹

Interagency Agreements

Another tool used to formalize the coordination process is the interagency agreement. On the programmatic level of day-to-day operation, a number of ad hoc interdepartmental agreements have been negotiated between various agencies. In practice such written agreements help to: formalize the commitment of an agency to a specific undertaking; serve as a program leveraging tool (an agreed upon mandate to be used to prod slow-moving segments of the agency when needed) to elicit positive responses from administrative agency personnel in processing new project materials and developing a yardstick of responsibilities by which compliance to agreed upon goals and objectives can be measured. Overall, the general intent of such agreements is essentially to protect agency jurisdictions and, as all treaties among equals, these agreements are subject to revocation by either party. Nevertheless, they have provided for joint operation of programs, transfer of funds, or the purchase and exchange of services. There have been several hundred ad hoc interagency agreements drawn up between agencies that can be defined as either joint funding or coupling contracts for specific projects. Under the former, one or more federal funding sources transfer funds to a single agency which acts as sponsor of a local project. Conversely, the coupled contracts involve negotiations by a local agency with a number of funding sources for the operation of a single project.⁶²

A 1976 research report, Economic Development Through State Planning, published by the U.S. Department of Commerce made a survey of 48 states' utilization of various kinds of program coordination mechanisms. Within the findings of this survey the largest number of states (25) mentioned interagency cabinets, councils, commissions, and task forces as the coordinative mechanisms used the most. The second highest number of states (20) mentioned the review of agency plans and programs as one of their modes for program coordination. Interagency contract participation as a coordination mechanism was among a group of mechanisms used with the least amount of frequency by the states surveyed (see exhibit 1 for detailed summary of responses).⁶³ Overall this study lends further support to the realization that coordination is both an accepted

EXHIBIT I*

Number of states
listing each
mechanism

By what institutional or program mechanisms does the state planning agency link Policy and Coordinative Planning (presumably done by the state planning agency) with the Functional and Management Planning activities of state agencies:

25	Interagency cabinets, councils, commissions, and task forces
20	Review of agency plans and programs, and MBO
18	A-95 review
9	State comprehensive plan
9	Informal relationships
7	Written policy guidance
3	Special research and issue papers
3	Intergovernmental relations council and substate regional councils
3	State budget and capital programming process
3	Technical assistance
3	Futures commissions and goal-setting processes with public participation
1	Uniform data base
1	Integrated Grants Administration (IGA)
1	Multi-state regional organizations
1	Imposition of planning requirements
1	Program implementation by state planning agency
1	Formulation and review of legislation
1	Environmental Impact Statement process
1	Governor's office
1	Interagency contract participation

SOURCE: David K. Hartley, Economic Development Through State Planning (Washington, DC: U.S. Department of Commerce Economic Development Administration, August 1976):31, chart 3.

*Responses to State Survey, question III(6)

goal or pursuit within government operation and a regularized process for handling bureaucratic interface problems as evidenced by the varied mechanisms chronicled in use.

Coordination: An Established Government Action Channel

A review of the extensive history, various theories, detailed literature, and different mechanisms for coordination attest to the reality that despite the fact that coordination is a difficult process to achieve, it has emerged institutionally as an accepted or regularized means of taking governmental action in handling certain bureaucratic problems. Graham T. Allison, in his book Essence of Decision has defined any regularized means of taking governmental action as an "action-channel." Allison indicates that action-channels structure the government game by "preselecting the major players, determining their usual points of entrance into the game, and distributing particular advantages and disadvantages for each game."⁶⁴ In a simplistic sense, the major activity from which government decision and action (e.g., arbitrating the beneficiaries of scarce resources) emerge can be best characterized as bargaining along various regularized channels among individual members of the government and outside interest groups or power forces.⁶⁵ If one accepts the notion that government is a more or less complex arena for internal bargaining among different bureaucratic elements, political personalities, and external vested interest groups that collectively, but disjointedly comprise its working apparatus--then government action can be viewed as the political resultant or product of their interaction. The influence that any target population has over receiving benefits from this system are based on the bargaining advantages that any group possesses and their ability to enter the circle of key players in the decision making process. Thus, "what moves the chess pieces in the government game is not simply the reasons that support a course of action, or the routines of organizations that enact an alternative, but the power and skill of proponents and opponents of the action in question."⁶⁶

Coordination: Addressing the Uneven Power Balance

Studies and research concerned with the improvement of Federal policy and program implementation via coordination or other means make some prior assumption about the need for and desirability of such improvement. Furthermore, in making this assumption one cannot and should not sidestep the issue of the distribution of political power, since the idea for improving government service takes the notion of uneven distribution of power among competing interests for granted.⁶⁷ Basically, the public administrative process can be conceived in terms of a continuous arbitration over the distribution of scarce resources among conflicting interests who possess, and exercise, uneven power or influence over such government decision making.

Persons in powerful positions, corporations with professional lobbyists, and organizations in a position to influence the media often outmaneuver, outbargain, and outcommunicate disadvantaged groups that lack clear channels, platforms, money, and influence with which to amplify their voices and concerns.⁶⁸ A newspaper blurb in The Washington Post (March 9, 1980) has recorded that many congressmen have noted that the public good is often ignored by many public officials under the influence of big business. Specifically, the article chronicles the fact that Representative Richard Nolan (D-Minnesota) has decided to retire after only three congressional terms upon observing that "Justice, public need and truth are too often ignored, compromised and trampled on through the excessive and abusing influence over public policy by big money and multinational corporations."⁶⁹ Consequently, government policies and programs often militate against disadvantaged groups, who are less well organized and less vociferous than other more politically powerful groups.

Walter E. Williams, in a 1977 Policy Review article titled "Government Sanctioned Restraints That Reduce Economic Opportunities for Minorities," has indicated that many if not most of the problems encountered by minorities in entering the mainstream of society are "due to the excessness of governments dominated by politically powerful interest groups."⁷⁰ Williams goes on to suggest that in the governmental/political arena "the decision-making criteria approximates majority rule.

Almost by definition competition in the political arena is one where a minority group is going to be most handicapped."⁷¹ He further states that while "occasionally the majority will take measures that will benefit minorities, most often the majority (those in positions of power for decision making) will act in ways that it perceives as being in its own best interest, which may not coincide with minority interests."⁷²

When the allocation of resources occurs through a politically power-bias system, the peculiar (often arbitrary and capricious) interpretations and execution of "the rules of the game" spell disaster for certain segments of the population. Most often the way the "rules of the game" are played produce adverse effects for minorities in such areas as housing, education, economic development, and other public services.⁷³

Business Loan Programs: An Example of Uneven Service

Disadvantaged populations without power, informal influence, or significant bargaining advantages have not fared well in successfully lobbying the government system for their fair share of services. Nowhere has this reality been borne out more than in disadvantaged populations' attempts to access funds and receive due process from various government business loan programs such as those of the Small Business Administration (SBA) and the Economic Development Administration (EDA).

Negative Attitudes and Stigmas

Studies that have dealt with the politics of business loan programs have recorded the negative attitudes held by loan officials against disadvantaged groups. Pressman and Wildavsky's book Implementation, has recorded some of the prevailing philosophies that have often guided business loan officials to automatically react unfavorably to project applications submitted by disadvantaged groups. For example, most EDA business loan officers are of the opinion that "if a man needed a great deal of assistance he couldn't be a good businessman."⁷⁴ Business loan officials' low expectations for disadvantaged groups' success even with assistance has been sarcastically summarized as follows:

You start with poor borrowers. Then the poor borrower has to hire the world's poorest work force. Then we expect him to compete with rich businessmen with experienced work forces.⁷⁵

Furthermore, in the minds of most loan officials the process of just applying for government funds casts an added negative stigma on disadvantaged groups. It is generally felt that anyone who applies for a government loan because he cannot get financing through commercial channels must be a bad risk.⁷⁶

Sar A. Levitan and Robert Taggart's book, The Promise of Greatness, has recorded that a prevailing opinion which has surfaced among SBA officials since its creation is that business development in low-income communities and support of minority entrepreneurship are very risky ventures.⁷⁷ In consequence to this belief, SBA tends to be just as conservative if not more so than traditional banking institutions. Furthermore, a double standard seems to exist where disadvantaged entrepreneurs with legitimate needs are often sidetracked or completely ignored while more attractive majority businesses gain fluid access to SBA funds. A New York Times article dated Sunday, May 28, 1978, has chronicled that:

. . .there were charges leveled against SBA, at Senate hearings in 1977 that the program was used for political purposes. Witnesses contended that, as the 1972 election approached, Government contracts for minority businesses were awarded as fast as possible to make the Republican party look good.⁷⁸

The article goes on to indicate that the failure rate of Section 8-A minority businesses ran as high as 80 percent. Testimony at the hearings also disclosed that "many minority companies in the program were really fronts controlled by white businessmen, who siphoned off the profits."⁷⁹

There have been other documented cases of questionable actions taken by SBA. In 1978, The Washington Post, Jet Magazine, and the New York Times, among a number of publications, carried the story that a white TV host (Tom Brokaw) of the NBC, "Today Show" received a "minority" loan to purchase a radio station in South Dakota. To quote one article directly: "The original intent of the SBA minority loans was to stir interest among minorities to purchase broadcast properties."⁸⁰ Brokaw, in 1978, earned a yearly salary of \$259,000 and owned a home in Washington, D.C. valued at more than \$250,000. But, as the head of "Tom Tom Communications," he was

loaned the cash to buy the station.⁸¹

"A spokesman for the SBA said that the agency thought Brokaw's company was 'an indian enterprise.'"⁸² Government insiders realize that such a statement is a complete farce since all applicants for SBA loans must file forms that list complete business and personal information on every member of the corporation.

The Washington Post article on the brouhaha indicated that SBA's special broadcasting loan program "was designed to help potential minority businessmen."⁸³ Yet, "only 7 of the 32 firms that have received the first loans or loan guarantees from the Small Business Administration" have been owned by minorities. An FCC Commissioner, Tyrone Brown, who was asked to comment on the situation stated that the Brokaw transaction "certainly does not fall into the category of assistance to entrepreneurs from disadvantaged and minority groups which was announced with much fanfare in January (when the SBA program was first announced)."⁸⁴ What was most ironic about the situation, but not reported in the papers, was the fact that the SBA special broadcasting loan program only came about after various minority groups (lead by CRC) and the FCC (again prompted by CRC) convinced "SBA to reverse its long-standing policy of not loaning or guaranteeing money for broadcasting outlets."⁸⁵

Overlooked and Under Financed

Much of the literature on SBA and EDA programs relate a history of either funding projects of non-disadvantaged groups that really do not have a valid need for a loan (meaning they could have gotten money from other sources, e.g., commercial banks), or when lending money to disadvantaged groups, making critical errors that have increased their failure risk. Pressman and Wildavsky's book, Implementation, has offered a past example of the first reality in reporting EDA's funding of a Colombo Baking Company. The book indicates that the Colombo Baking Company, a majority owned company, used an EDA loan "to finance expansion and automation rather than employment positions."⁸⁶ EDA's own internal report on the loan indicated that "it is apparent that Colombo did not need a loan from EDA. Clearly, Colombo was in a financial position to seek and get

commercial money or possibly finance the proposed expansion itself."⁸⁷ The internal EDA report also chronicled the fact that Colombo Bakery only minimally contributed to job creation for minorities.⁸⁸

Disadvantaged entrepreneurs that have gotten government business loan assistance, historically have tended to be under finance, often leading to their ultimate demise. SBA, for example, has a reputation of letting money out, that it does give to minorities, "in drips and drabs," or in such a fashion that it significantly under capitalizes and seriously undermines the chances for success of a business.⁸⁹ The common SBA pattern and practice of not giving out the entire working capital loan needed by a minority business, but to dispense it in small amounts makes it very difficult for such businesses to operate effectively. Such conditions make business development a hazardous enterprise, and often lead to structured failure.

Surveys of minority businessmen have reinforced the reality of SBA's dysfunctional practices that adversely affect the disadvantaged. For instance, Robert J. Yancy's 1974 book, Federal Government Policy and Black Business Enterprise, has reviewed several studies which have evaluated federal programs to assist minority business enterprise. Within one group of studies performed under contract to SBA and based on interviews with loan recipients, banks, SBA officials, and community organizations, it was revealed that:

Fifty-six percent of the loan applicants believed that they had received less money than they needed because their operating costs had been underestimated by SBA officials. Seventy-four percent of them also said that they had received no assistance from the participating banks.⁹⁰

In support of this second finding, a Yale Journal study ("Commercial Banks and Minority Entrepreneurship", 1971) has concluded that "banks exercise a great deal of conservatism even in making SBA guaranteed loans to minority businesses."⁹¹

Most of the studies reviewed by Yancy's book coincided in pointing out the inadequacy of funds made available to the businesses assisted and mention the lack of management and technical assistance as being significant factors.⁹² Furthermore, these studies and Yancy's book have

observed a pattern of SBA funding of "mom and pop" operations (small enterprises) rather than concentrating on new market opportunities (i.e., unsaturated or unexploited markets) for large scale growth and profitability. Other business scholars have observed this trend within SBA and have cautioned against the expenditure of scarce federal funds to prop up only marginal businesses.⁹³

In a March 1970 report, "Improving the Prospects of Small Business: The Report of the President's Task Force on Improving the Prospects of Small Business," J. Wilson Newman (Chairman of the task force and member of the financial committee of Dun and Bradstreet, Inc.) made the following assessment of SBA business assistance:

With regard to the lending functions of SBA, they have not had great impact, even considering that they have been directed at marginal situations. Also, they are variously criticized as being too stringent, too slow and tangled in red tape.⁹⁴

Robert J. Yancy's book, Federal Government Policy and Black Business Enterprise, reviewed the 1970 Task Force study among several studies that evaluated federal programs' assistance to minority business enterprise. Yancy concluded in his analysis of these studies that they pointed up "the failure of federal programs to be of significant assistance to the businesses they were designed to serve and that federal programs are not directly related to improvements in the status of black business enterprise."⁹⁵

Conflicting Interests and Demands

A great deal of the inequity surrounding the administration of government business loan programs stems from the fact that loan programs involve deeply rooted conflicts of interests. Thus, business loan program decision rules are very complex in order to take into account such competing interest.⁹⁶ The net effect, however, is few applicants can successfully satisfy the criteria set by such programs and especially not disadvantaged groups who also often lack the resources (i.e., finances, time, expertise, etc.) needed to outlast dilatory tactics and overcome complex bureaucratic requirements. Most significantly, business loan programs often involve a sequence of "catch 22" problems. "The statutory

criteria for eligibility of borrowers are often overly stringent and incompatible" when ruthlessly applied by unsympathetic bureaucrats.⁹⁷ Furthermore, it is often difficult for a potential borrower to demonstrate that his firm would provide new employment in an area that did not compete with existing business. It is often even more "difficult for a borrower to show that he could not finance his proposal through private lending facilities (which meant that he was considered a poor risk), while convincing the EDA and SBA that he would not default on his loan."⁹⁸

Most often, the central business of government is big business-- either helping start businesses, assisting existing businesses, regulating industries, bailing out bankrupt industries (e.g., Chrysler Corporation), and in general setting policies that affect the future growth and development of big business. Politicians and public officials in their rhetoric to the general public often express a will to help people in areas of low employment by attracting new industries or expanding old ones. But they do not want to subsidize competitors (often the disadvantaged who have lacked major involvement in business ownership) against their "own people." When their constituents complain that government funds are being spent to support business competitors, the congressmen naturally write in provisions stating that aid to industry must not compete with existing firms. Since most conceivable enterprises compete in some way with others, the dilemma is passed on to the administrators who discover that they cannot apply the criteria with any consistency. This was one moral of the EDA business loans program as recorded by Pressman and Wildavsky in their book.⁹⁹

Pressman and Wildavsky explain further that the use of public money to stimulate private enterprise has considerable appeal for many congressmen and their constituents. But in practice such programs soon cause resentment among that same constituency because they inevitably subsidize, or in other ways assist, some firms while ignoring others.¹⁰⁰ Those "others" most often ignored or rebuffed by bureaucratic delaying tactics are usually the disadvantaged populations that need funds the most, but do not possess the political influence or power to make the system work in their favor.

Scarce Resources, Unequal Power Groups, and Government Choice

Sar A. Levitan and Robert Taggart's book, The Promise of Greatness, in reviewing EDA's business development programs, indicates "that because their funds have been so widely and thinly spread, the economic effect has been marginal and therefore difficult to discern except in a few isolated cases."¹⁰¹ Levitan and Taggart suggest it is problematic how to equitably allocate scarce resources among numerous competing areas, needs, and demands.¹⁰² Eugene Bardach in his work The Implementation Game captures the reality behind why the business loan funds of agencies like EDA are so often thinly spread in his notion of the "Pork Barrel" game.

Scarce financial resources are often diverted and dissipated through the venerable political game of Pork Barrel. The Pork Barrel aspects of a program often come to define expectations and to legitimize demands. An excess of such demands may undermine the ability of the program managers to focus and concentrate resources up to some supposed threshold point below which any expenditures at all are likely to be ineffective.¹⁰³

Bardach elaborates further by indicating that:

. . .when EDA was created out of the ashes of the Area Redevelopment Administration (ARA), in 1965, every consultant to EDA recommended that projects be concentrated in a single growth center in each district. The consultants recommended in vain, however, because congressmen had to gain support from constituents all over, the resources were spread.¹⁰⁴

Everyone can't participate in the political spoils of the system even when spread thin. Quite obviously, critical choices have to be made and priorities set as to who an agency's perceived clientele are--in short, who is in and who is out of the game. For career officials or "street-level" bureaucrats, who most often face such choices, decisions are made based on what sub-populations or groups they perceive assistance rendered to will return rewards that both promote the agency's long range goals as they understand them and also insure their own personal advancement. Levitan observes that "much of the criticism of the EDA has focused on such choices."¹⁰⁵ A Brookings Institution's book, Bureaucratic Politics and Foreign Policy, by Morton H. Halperin generally notes the prime motivations that move career officials to take action or make choices. Halperin suggests that:

The desire for promotion will lead a career official to support the interests of the organization of which he is a member, since he recognizes that promotion will, in large measure, depend on the individual being seen as advancing the interest of his organization. For immediate purposes he tends to demonstrate loyalty to the particular subgroup that is believed to be the source of promotion.¹⁰⁶

Generally, powerless disadvantaged populations are not usually regarded as being part of such subgroups. Consequently, their needs and requests are seldom prioritized to the same degree as more politically influential groups. Delbert A. Taebel, in an Administrative Review article titled "Strategies to Make Bureaucrats Responsive," clearly notes that "when the gap between the bureaucrat's capability and the client's demand become too great, the bureaucrat devises various defense mechanisms that result in unequal client treatment which penalizes minorities and the poor more severely."¹⁰⁷

Michael Lipsky, in his work on "Street-Level Bureaucrats" has developed the concept of bureaucrats' use of defense mechanisms to the detriment of the disadvantaged more comprehensively. He indicates bureaucrats "develop defense mechanisms, in order to reach accommodation and resolution of stress tendencies that result in a distortion of the perceived reality."¹⁰⁸ One such reaction is the tendency to segment psychologically, or fragment conceptually, the population which the bureaucrat considers his clientele. Basically, bureaucrats reduce their own stress by defining certain groups (mostly the disadvantaged) as being outside their service clientele (i.e., beyond help or needing more assistance than they are willing or able to give) usually because of a perceived lack of disadvantaged groups' power to help career bureaucrats or hurt them politically.¹⁰⁹

Development of perceptual simplifications and subtle redefinitions of the population to be served -- these phenomena significantly affect both the perception of the bureaucrats and the reactions of clienteles to the bureaucracies. Perceptual modes which assist bureaucrats in processing work and which, though not developed to achieve discriminatory goals, result in discriminatory bias may be considered a manifestation of institutional as opposed to individual racism.¹¹⁰

But does it matter to disadvantaged groups if you kill their hopes with the revolver of institutional bias rather than the gun of racism, when the result is the same? Lipsky points out that there must be a clear

distinction between institutional routinized procedures which result in bias and personal prejudice. But, who can judge where one starts and the other stops. This distinction is not always so clear to either its victims, or its perpetrators.

Government Choice

Much of the literature on the theory of government choice and realistic expectations about government behavior suggests that when people turn to the government, or when businessmen must make decisions in the light of the government's functioning, they need to have some feeling about what to expect. Most references like James W. McKie's book, Social Responsibility and the Business Predicament, conclude that "one should not naively assume that government will automatically behave in accordance with one's own concept of the public interest."¹¹¹ More specifically, it has been suggested that governments, like business firms, consist of individuals who make choices and take actions centered around their own "self-interest." The self-interest goals of government bureaucrats have been well documented in the literature on public administration. Bureaucracies strive chiefly to maintain the conditions necessary for their stability and expansion. They are essentially neutral, aligned with neither class nor party, except as such alignments serve jurisdictional claims or determine the availability of necessary resources. The influence of any group upon bureaucracies ultimately depends on its role in the process of either contributing resources and supporting jurisdictional claims, or threatening the attainment of these objectives. Public agencies strive to maintain themselves with the least possible internal stress and change and therefore try to use their organizational capacity to limit both the occasion and the extent of their vulnerability to outside groups. Organizational equilibrium and enhancement are, in short, the compelling forces in bureaucratic action.¹¹²

Perhaps the "utility-maximizing" model of government behavior best captures the reality for predicting bureaucratic behavior in making service delivery choices between competing, but unequal power groups. The emphasis of this model is on the "various costs and rewards that

confront bureaucrats as they try to maximize utility."¹¹³ The general idea is that anything that alters a person's abilities to capture net gains (nonpecuniary as well as pecuniary) will affect behavior: individuals, in government no less than elsewhere, will shift toward activities that become more rewarding or less costly to those individuals and away from activities that become less rewarding or more costly to them.¹¹⁴

Power Profile

Similarly, a monograph titled Understanding Urban Government, published by The American Enterprise Institute for Public Policy Research, indicates that:

. . .both public officials and professional public servants may be quite insensitive to the discrete interests and problems of citizen-constituents or citizen-clients. Public officials are likely to identify their interests with majority coalitions and to presume that majority votes provide the basic justification to guide their decisions.¹¹⁵

This analysis seems to support career public servants' adoption of a "power image" or profile for deciding who is inside or outside their perceived service community, and who will and will not benefit from their services.

The individuals or groups that are able to influence government action are usually better connected or "politically endowed" with the proper bargaining tools, advantages, and resources than disadvantaged groups. Those who find themselves in the "old boy network" of government power wielders usually have a "power profile" made up of a wide assortment of different elements:

1. Influential political contacts who owe them favors.
2. Established network of relationships with government agency officials.
3. Established track record and expertise in their business of record or profession.
4. Background knowledge about government programs.
5. Inside information on the inner workings, routines, performance patterns, pressure points, etc., of government programs.
6. Skill, experience, and expertise in handling and massaging

government forms through various procedural steps.

7. Financial margins to acquire specialized assistance (i.e., legal, accounting, etc.) as needed.
8. The lure of some form of "quid pro quo" arrangement to compensate contacts for deference paid to their concerns.
9. An acknowledged image of wealth, power, and/or position.

This, of course, is not an exhaustive list of potential elements, rather it is illustrative of the types of characteristics that are usually helpful or significant in bureaucratic bargaining situations, and that tend to set politically influential groups off from most disadvantaged populations.

Historically, disadvantaged groups have not been perceived (a distinction which will become clear later) as fitting any "power profile" used by career officials to simplify their decision making routines, especially, if one accepts Graham T. Allison's definition of power in government. Graham states that "power (i.e., effective influence on government decisions and actions) is an elusive blend of at least three elements: bargaining advantages, skill and will in using bargaining advantages and other players' perceptions of the first two ingredients."¹¹⁶

In the past, disadvantaged groups have not had access to major bargaining advantages (e.g., important business or political positions, industrial wealth, control of inside information, etc.) that fuel government action. Thus, disadvantaged groups have not been allowed to cultivate the skills or build the requisite expertise in using them, and consequently, have not been perceived on the whole as powerful. Oft times perception in government interaction can be everything. If a group is not immediately perceived as a power force to be dealt with, they will not even be given a legitimate chance to sit at the bargaining table to vie for what they need. More often than not, career bureaucrats count on being able to rebuff or put off with their dilatory tactics most groups they perceive as powerless and/or without the "staying power" (i.e., time, financial resources, expertise, etc.) needed to outlast their blocking maneuvers. Thus, even the most casual observer of government business loan programs' uneven service to disadvantaged groups would have to conclude, that some sort of support

system is needed to bolster and undergird the efforts of those groups that largely perceive themselves as defenseless against a recalcitrant bureaucratic system, that generally perceives disadvantaged groups as uninfluential or powerless.

Coordination: A Vehicle for Support System Building

In 1974, the Cablecommunications Resource Center (a public advocacy organization) was confronted with a complex set of realities related to many of the broad themes previously outlined. Primarily, CRC's leadership had become concerned and perplexed over the numerous difficulties involved in assisting disadvantaged groups obtain funds from government agencies to build cable TV businesses. First of all, they realized that while businesses are traditionally built with other people's money, minorities have not had equal access to these sources of capital.¹¹⁷ Discrimination against minorities in securing credit and the difficulties of minority businessmen in breaking into national markets because of discrimination by financial institutions (plus the continuing down turn of the economy) have forced minorities, or the disadvantaged to look ever increasingly to the Federal government for help, despite the equally formidable hardships posed by this decision.¹¹⁸

Second, economic development programs of the Federal government have been largely directed to rural areas and smaller cities. Disadvantaged groups are often unaware that potentially helpful programs exist in large urban areas, let alone isolated rural locales. Third, CRC's leaders, through their own experience and the public record, recognized that local and state officials of the Federal departments and agencies administering government programs often exhibit negative attitudes toward disadvantaged groups that seek assistance and use practices that undermine their obtainment of services. It is common knowledge that many local and state programs "promise to conform to Federal equal opportunity guidelines in order to obtain Federal funds but later ignore their promises and the Federal guidelines once funds are obtained."¹¹⁹ For example, such

. . . factors undoubtedly relate to the fact that in Tennessee, in the year ending June 30, 1973, a total of 329 SBA loans amounting to

\$19,647,000 were made; of this total, 35 loans amounting to \$690,000 went to minority businesses. For the period July 1, 1973-April 30, 1974, in Tennessee, 157 loans for \$12,096,000 were made, of which 14 loans amounting to \$483,000 went to minority businesses. . . .For the entire nation, in fiscal year 1974, through May 31, a total of 24,821 loans amounting to \$1,762.6 million were made, of which 6,081 loans for a total of \$251.1 million went to minority businesses.¹²⁰

Finally, and perhaps most importantly, CRC fully understood that there had developed among disadvantaged groups a distrust of, and disillusionment over government programs' ability to meet their needs. Disadvantaged groups were reluctant to become involved with public programs that historically had been insensitive and resistant to disadvantaged groups' attempts at lobbying for needed business loan funds. Case in point, Robert J. Yancy's book, Federal Government Policy and Black Business Enterprise, reports on a field study of the problems of minority businesses which was carried out in Atlanta, Georgia in 1972. The survey revealed that half of the respondents indicated no interest in receiving assistance under SBA programs.

They indicated their distrust of federal programs, and the delay and red tape, as the major reasons for not wanting to become involved in the programs. Distrust included the refusal to believe that the programs were genuinely designed to help them in their businesses.¹²¹

Thus, CRC realized it needed to take certain measures to assure and safeguard the chances of disadvantaged groups receiving due process at the hands of government business loan programs. Without such protective measures, disadvantaged groups could not be convinced to participate because they would feel that once again "outsiders" were raising their level of expectations beyond the range of reasonable obtainment.

The essential theme behind the consideration of alternative means for assuring disadvantaged groups due process at the hands of government agencies is empowerment. One of the most debilitating results of increased bureaucratization is a feeling of powerlessness by disadvantaged groups who face institutions controlled by people they do not know, do not trust, and whose values they often do not share.¹²² Upper-income people and powerful organizations have ways and resources for influencing the actions of government megastructures. Disadvantaged populations have not traditionally held, perceived themselves as holding, nor consequently been perceived by

others as holding such powers.¹²³ The notion then, of coordinating mechanisms aims at empowering disadvantaged groups to do the things that the more affluent and influential can already do, aims at spreading the power around a bit more--and to do so in government arenas where disadvantaged groups most often lack influence over the key decision making, that usually affects their lives the most.¹²⁴

In considering these various realities, CRC's leadership concluded that some type of countervailing force or mechanism was necessary to safeguard the handling of their clients' projects from bureaucratic snafus, by offsetting the "power imbalance" between disadvantaged groups, and a recalcitrant government system of business loan programs. The mechanism desired, needed to be able to serve as a surrogate for the informal power persuasion often used by politically more powerful groups to influence the government system. CRC's staff seized the theme of improving coordination among business loan programs as the organizing vehicle to build a support system for its clients, since the pursuit of greater coordination among government programs, and the use of coordination mechanisms are accepted and regularized means for securing government attention and action in handling certain traditional bureaucratic problems.

CRC's staff considered the initiation and use of coordination mechanisms (i.e., task force and interagency agreement) as a method for improving the odds of their disadvantaged clients receiving Federal agency business loans. Primarily, CRC was seeking to create a "support system" to help shepherd clients' projects successfully through the review processes of business loan agencies' field offices, located in various isolated rural areas. Traditionally, it has been difficult for powerless disadvantaged groups to successfully lobby for business loans in areas remote from Washington, D.C.--where career officials tend to follow their own rules in giving funds to a "select constituency." CRC staff members viewed a coordinative task force, and an interagency agreement, as leveraging mechanisms which would create "bargaining advantages" to compensate for disadvantaged groups' lack of the usual political clout (e.g., owed favors, informal persuasion, inside contacts, etc.) used by more powerful groups and individuals to win approval of loan requests.

It was envisioned that these "bargaining advantages" would help CRC to safeguard the handling of their clients' cable TV projects from the classic abuses (i.e., dilatory tactics, stringent policy and rule interpretations, "red-tape," etc.) suffered to extreme degrees by groups not politically plugged into the system. Basically, a central aim in the move to build a support system (i.e., a task force and an interagency agreement) was to have in existence formal power leveraging mechanisms that could be used to overcome bureaucratic resistance from agency field office bureaucrats, who when first presented with cable TV projects might balk and try to insist cable TV was not a fundable venture within their programs. It was also theorized that with a signed interagency agreement, greater political attention and pressure could be marshalled and focused on any agency that tried to renege on its commitments--especially when it could be easily shown that a public agency was backing out of a formal written commitment to support a major program.

Overall, it was the understanding of coordination's historical significance as an established government action channel and the acute appreciation of the problems faced by disadvantaged groups in accessing funds from business loan programs, that motivated the development of the Cable TV Task Force, whose operation is the focal point of this research.

Basic Premises

A basic awareness of the broad areas that might affect how well institutional coordination works in the implementation process could improve the design of initial program strategies and enhance the successful operation of programs. A basic question that emerges from such a realization is: what kinds of knowledge factors are important to understanding the coordination process inside bureaucratic institutions? There is a great deal of public administration research on institutions (i.e., "bureaucratic behavior," program politics, civil servant performance, citizen/government relations, etc.) that can possibly be used to help explain and anticipate the complexities of coordination. However, the various pieces of the theoretical perspectives in these different areas have not been adequately joined together to form a basic theory of coordination dynamics.

Various kinds of approaches to dealing with and understanding the dynamics of the coordination process have been taken and observed in the literature. For example, researchers at the Urban Institute, in a book entitled Program Analysis for State and Local Governments, offer a list of significant questions to be raised before actions are taken (see exhibit II). Other researchers have developed rosters of the enduring problems to be circumnavigated or made suggestions based on significant insights, revelations, or learned lessons gained from past experience (e.g., case study approach). Still other investigators, like those involved in The San Francisco Federal Executive Board-Oakland Task Force experience, have developed the categorization of different types or levels of coordination that can be pursued; in hopes of aiding program developers in choosing the most appropriate form of coordination to meet their particular situation. Finally, some researchers in this area have sought to isolate a special cluster of variables that seem to influence the coordination process.

In regard to this last approach, Donald S. Van Meter, Carl E. Van Horn, and Randall Ripley of the Department of Political Science, Ohio University, have been studying the need for an implementation framework. Van Meter and Van Horn have developed a seven-variable model of the implementation process as a theoretical framework for research. The direct carryover of this model to the coordination process as a method of implementation is clear as one reviews the variables listed. The seven clusters of variables that affect policy impact and service delivery are: program standards and objectives; resources; interorganizational communication; interorganization enforcement and follow-up; characteristics of the implementing agencies; economic, social, and political conditions within the implementing jurisdiction; and the dispositions of implementors. Overall, the developers of this model suggest that process and program performance will vary depending upon the amount of change involved and the extent to which there is consensus upon goals among relevant actors.¹²⁵

A review of the substance of these different approaches, however, seems to suggest that there are certain broad areas to be focused upon in the coordination process. The knowledge areas that seem to suggest themselves as useful tools for understanding the coordination process are:

EXHIBIT II**FACTORS TO EXAMINE IN ASSESSING IMPLEMENTATION
FEASIBILITY OF EACH PROGRAM ALTERNATIVE**

1. How many agencies (both internal and external to the government) must cooperate or participate in order to ensure successful implementation? In some cases, agencies of other government or components of the private sector (such as business concerns or citizen groups) might be involved. Since such groups are not responsible to the governmental unit, their actions may render any given alternative infeasible. The more people and groups that are required to provide approval or support, the more difficult implementation is likely to be. External agencies might be weighted more than internal agencies in estimating implementation difficulty.

2. To what extent does the alternative directly affect services in a way clearly visible to the public? Are there existing client groups whose interests will be affected, particularly by a cutback in existing services? Alternatives that propose maintaining or increasing existing levels of services will be less likely to present implementation difficulties than ones that reduce the level of service. For example, the choice of different types of refuse collection vehicles will probably be less controversial than the question of whether refuse should be collected at the curb instead of at the back door.

3. To what extent does the alternative threaten important officials by reductions in power, prestige, or privileges? Such individuals, of course, can be expected to resist implementation.

4. To what extent does the alternative threaten jobs? Especially where a strong employees' organization is present, opposition can be great. Special compensation might be required to gain acceptance. Estimated cost savings may be considerable less than initially estimated.

5. To what extent are special personnel capabilities required? Will additional training be required? Are needed personnel likely to be available and obtainable within the existing civil service system? If not, can special provisions be made for obtaining such personnel?

6. To what extent does the alternative require changes in the behavior of governmental employees? Employees may be unable or unwilling to behave as intended by the alternative. For example, an alternative may involve assumptions about police officers' behavior towards suspected criminals or the care with which solid waste collectors handle containers. Or it may require different working hours or location of employees, all of which might lead to resistance.

7. Are the sources of funds and their availability fairly definite? To what extent does the alternative call for added amounts of funds in the face of tight revenue constraints? Some sources of funds may be more

EXHIBIT II (Continued)

likely to be realized than others. Alternatives involving special funding support may be subject to considerable uncertainties. An alternative that requires bond issue approval is likely to encounter considerable uncertainty and lengthy delays.

8. Are there complicated legal questions, and if so, are changes such as new legislation required? What is the likelihood that these changes would be made? At the very least, this factor will probably impose delays.

9. To what extent has public debate galvanized opinions for or against the alternative?

10. To what extent does the alternative require space or facilities that may be difficult to obtain? For example, neighborhood populations may resist locating drug treatment centers, mental health facilities, nursing homes, half-way homes, etc., in their neighborhoods.

11. To what extent does the alternative involve significant technological uncertainties? New technologies typically involve operational problems that may increase costs, reduce effectiveness, and delay or even prevent implementation.

12. Has a recent crisis lent support to one of the alternatives? Implementation problems might be alleviated if the problem is clearly recognized by the community. For example, a recent wave of burglaries might greatly improve the chances of gaining rapid acceptance for more police patrol units. On the other hand, programs that emphasize prevention before a problem is generally recognized tend to be more difficult to sell. (Note, however, that one of the advantages of systematic analysis is the opportunity to identify emerging problems and to produce evidence for encouraging preventative action.)

SOURCE: Harry Hatry, Louis Blair, Donald Fisk, and Wayne Kimmel, Program Analysis for State and Local Governments (Washington, D.C.: The Urban Institute, 1976):100-102, exhibit 21.

1. The politics of program coordination.
2. The functioning of organizations.
3. The performance of professionals.
4. The citizen/government relationship.

By no means should these areas be considered as being all inclusive or as representative of the entire universe of what could be. Rather these focus areas appear to be a convenient way to order the conventional wisdom that relates to the coordination process, and helps to explain its dynamic flux. There is obvious "spill over" and overlap of information between these broad areas, but each area maintains a unique focus integrity of its own. For example, the politics of coordination focuses on the relationships and interaction between interested parties as they try to shape programs to fit their vested interests, needs, priorities, official mandates, or demands. The chief participants are politicians, administrators, interest groups, and officials at all levels of government. The broad area on organizations focuses on how organization theory might help to explain the behavior of institutions in the coordination process. The specific emphasis in this area is on the internal functioning of organizations as it affects their external behavior. The organizations to be analyzed are not just bureaucracies, but include legislatures, patterns of executive decision, and especially the workings of any organized group that activates a coordination process which impinges upon or influences public program operation.¹²⁶

The topic of professionals zeros in on the reality that the different behavioral motivations of professionals (i.e., status quo orientated civil servants versus social advocates' change orientation) involved in the delivery or planning of public services affects organizational outcomes. In other words, the motivation of professionals influences their performance in regard to carrying out work commitments, which include their predisposition to change, as possibly represented by a coordination process. Furthermore, the different functional actions of professionals in the public bureaucracy as opposed to those found in quasi public/special interest groups, or even in academic settings may be explained by their selection

of a work setting supportive of their internal value system. This is to say that career civil servants as a group tend to select public service settings (either consciously or subconsciously) because of its known characteristics of indulging or even rewarding conservativeness, the maintenance of the status quo, and tolerating varying levels of administrative sovereignty. While on the other hand, professionals who tend to embrace or desire to promote change or innovation are more likely to be found in quasi public, special interest groups, academic settings or other settings "outside the system" which are supportive of their goal behavior.

All of the explained categories outlined focus on the implementors of public policy. There is an express need to also analyze coordination from the perspective of citizen impact upon governmental decisions. Thus, the dynamic relationships between citizens and the government is a category of interest which seeks to reveal the consequences, significance, and outcome of citizen involvement in the coordination process. The broad areas just discussed, will provide a basic framework for organizing the most significant insights and learned lessons to be considered in planning public program coordination as drawn from the case study I will analyze.

Critical Variables

Besides considering the development of a framework of conventional wisdom to be drawn from the prevailing literature, past experience and my case study specifically, I also plan to observe what key variables seem to influence the coordination process. There are a number of important areas discussed in the current literature that appear to significantly affect in some manner the level and degree of coordination to be achieved within the implementation process. Some of these critical variables are: the type of coordination strived for; the complexity and scope of the enterprise (how ambitious is it); the number of essential decision points or consensus nodes needed to carry out the process; the socio-political arena(s) where negotiations and bargaining are to be carried out (on whose turf are deals struck or propositions made); duration of the process over which coordination is to be maintained; level of perceived "common ground" existing among participants; type and substance of commitment vehicles used to formalize mission

control (i.e., task force structures, written agreements, etc.); level of participation and briefing of agency technicians who must carry out administrative details and processing procedures; the extent of "power" available to chief coordinator to reward or sanction participants' behavior and the amount of conflict between new coordination goals and established goals of participating agencies and career bureaucrats.

Summary

My case study analysis will be primarily guided by Charles E. Lindblom's framework for observing, analyzing, and classifying federal coordination. His conceptualizations of central coordination, mutual adjustment, cooperative discussion, and partisan mutual adjustment seem to constitute the most comprehensive appraisal of what exists as well as being the most widely acknowledged basic classifications of coordination. I will supplement Lindblom's fundamental definitions of different types of coordination with more recent variations on his main themes by individuals like Richard F. Elmore ("Organizational Models of Social Program Implementation," Public Policy, 1980) and with works like Graham T. Allison's writings on regularized "action channels" in his book Essence of Decision.

My research definition of coordination largely views it as an accepted governmental process in which federal agencies are brought together to form a collective effort to: expedite project processing by eliminating wasteful practices or repetitious patterns of action; combine their related sets of existing resources to focus on a particular problem or target population's needs and forestall communication problems on or discrepancies over project eligibility among different agencies and between different levels of the same agency.

Also, in my case study analysis I plan to maintain a sensitivity for what kinds of coordination mechanisms are used to influence the behavior of the federal-state-local program delivery system and what primary variables appear to be significant in facilitating the coordination process. Overall I will be concerned with ordering and organizing to some degree the basic knowledge that presently exists and can be drawn from my reserach into some type of conventional wisdom framework for understanding the basic dynamic

areas (i.e., the politics of program coordination, the functioning of organizations, the performance of professionals, and the citizen/government relationship) that fuel the coordination process.

CHAPTER II

**HISTORICAL BACKGROUND AND DEVELOPMENT OF THE
NATIONAL RURAL CABLE DEVELOPMENT TASK FORCE**

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Overview

This chapter involves a case study of an attempt by a public advocacy organization, Cablecommunications Resource Center (CRC), to coordinate the policy and program activities of a group of federal agencies (Farmers Home Administration, Small Business Administration, Economic Development Association, and Office of Minority Business Enterprise) that were found to have common legislative mandates and program goals which could enable them to collectively support the development of cable TV systems. This case study reviews and analyzes the process involved in trying to organize and systematically structure the interaction of a select group of federal agencies toward a common goal of economic business development in disadvantaged areas.

The main focus of this case study is on the development and operation of a National Rural Cable Development Task Force organized and initiated by CRC, which attempted through a multi-agency agreement to eliminate some of the basic problems associated with the lack of communication between and coordination among various federal programs. Such problems include the overlap and duplication of programs, efforts, and staff*; "red tape" and foot dragging in processing paper work; the operation of field offices unaware of their ability to finance projects or unwilling to support new projects; lack of informed communication with certain local communities about programs that do exist; lack of technical assistance to groups interested in developing projects but unsophisticated in dealing with federal programs, etc.

*There are over 30 different federal agencies and offices that have some direct involvement and impact on telecommunications policy (see appendix A).

The National Rural Cable Development Task Force experience is significant both in terms of what it attempted to accomplish and how it managed to get federal agencies to the coordination conference table using the lure of cable TV technology. The realm of telecommunications or more specifically the financing of cable TV systems has become an important issue around which to study the coordination and administration of federal agencies because it has been the subject of numerous government reports and a significant topic before White House Telecommunications Policy groups, the Congress, the FCC, the communications industry, city governments, and public interest organizations.

This case study gives an account of the history, development, and operation of the National Rural Cable Development Task Force. Besides pointing out the basic achievements and shortcomings, I (as a major participant in the task force process) will offer special insights into why certain problems occurred, what hidden agendas existed among participants, and what unforeseen events changed the course of developments.

Program Genesis

During the late summer and early autumn of 1974, the Booker T. Washington Foundation/Cablecommunications Resource Center* initiated a basic research process to develop a more aggressive, productive, and comprehensive approach to financing cable TV businesses throughout the United States. Working as a Senior Market Analyst for this organization, I played a Key role in the research and planning process that led to the development of a National Task Force mandated to coordinate the policies and programs of a select group of federal agencies to support minority cable TV business development. This case study is a participant-

*Cablecommunications Resource Center--Charles Tate, Executive Director, 2000 K Street, N.W., Washington, D.C. 20036. Established January 1973 by Booker T. Washington Foundation. Its primary function was to develop and disseminate technical and economic data on the cable industry in order to encourage minority ownership of cable TV systems. CRC performed marketing, policy, economic, and financial analyses for communities and client groups, and focused on the uses of telecommunications for the delivery of health, education, and welfare services. Published Cablelines, a monthly newsletter.

observer's account and examination of the historical development of the task force structure and the federal coordinative policies aimed for in this enterprise.

The CRC, in pursuing its objective of supporting minority cable TV development, investigated and sought cable TV finance funds for its clients from various public (i.e., federal loan guarantee programs like the Small Business Administration and quasi-public organizations like the Opportunity Funding Corporation) and private (i.e., banks, limited partnership arrangements, and specialized lending institutions) sources. Over time, CRC soon realized that the piecemeal or "cafeteria shopping" approach to finding financing for minority cable TV ventures was a difficult undertaking fraught with endless and repetitive tasks, bureaucratic red tape, and basic problems surrounding the definition and qualification of cable TV as a fundable venture under different, vague, and conflicting funding program guidelines and procedures.

CRC's program directors and staff, after reviewing their experience with such problems, concluded that what was needed to produce some order and improvement in this situation was a basic public policy implementation vehicle which could systematically assure financial support for minority cable TV businesses. With this goal in mind, CRC staff set about the task of researching and identifying what minority communities existed that both needed (i.e., had poor or inadequate TV reception) and could support such businesses. Before any policy vehicle could be constructed or implemented to finance cable TV systems en masse, it was realized that some significant proof of the need and the scale of communities to be affected had to be established.

Study and Research Process

Thus, CRC in seeking to meet its program objectives of significantly increasing the number of viable minority-owned and community-controlled cable television systems--embarked upon a project to develop an aggressive outreach cable development strategy. Within the time span of four months, CRC staff members designed and executed a multi-phased research process linked to the development of an aggressive outreach

cable development strategy.

The first stage of this research process focused on the isolation of areas around the country which might offer potential for minority cable venture development. The initial task of the research effort involved collecting and analyzing demographic data on all U.S. cities with a total population of 5,000 to 50,000 people. Next, those cities having a minority population base of at least 20 percent were selected for evaluation of their potential for minority cable development. A resultant list of some 420 places was compiled for further examination. These 420 cities were then evaluated and prioritized according to the degree in which they met the following established criteria:

1. The presence of a significant minority population of 30 percent or more.
2. The presence of minority elected officials in local executive and legislative positions (i.e., Black mayors, city councilmen, etc.).
3. The absence of an operating cable system in the immediate community.
4. The existence of weak or inadequate TV signal reception.
5. The location in relative close proximity to existing cable TV systems.

On the basis of these evaluative standards, 70 (see appendix B) small and rural cities displayed a significant demand for cable TV and were ranked highest for their attractiveness for minority cable development. A majority of these "cable-ready" areas were found to be clustered in the South and Southwestern regions of the country. From this reality materialized the decision to engineer a specific rural cable development plan to service the needs of these areas. Next, CRC staff selected 42 of these places as primary targets for cable opportunity and began to prepare an information profile that would validate and expand the in-house data already acquired on these rural areas. While compiling data which described the social and economic characteristics of these rural communities, CRC staff contacted several local economic development organizations in the selected "cable-ready" communities to reveal the findings of

the initial research and to discuss the potential impact that cable television could have on economic development in their service areas.

Field Survey

Discussions of this nature resulted in one organization in Louisiana, the Federation of Southern Co-ops (FSC), sending a member of its staff to Washington, D.C. for a one-week CRC orientation on cable TV. As will be revealed later, this agency resource sharing approach became an essential element of the program implementation strategy.

The second part of this information exchange and coordination process took place when a team of CRC staff, accompanied by FSC staff, visited the Louisiana Delta Region and conducted a site assessment of several communities in four parishes (counties). Specific observations were made which indicated a strong market for cable TV existed:

1. All small towns visited had a very dense housing configuration.
2. Reception was poor to fair with an average of only three stations received.
3. Most families owned at least one television set as exhibited by the predominance of high outdoor antennas.
4. Most homes surveyed had a color TV set.

The viability of cable TV was also evidenced in the strong demand for the service of cable systems that were operating in several Alabama communities. Penetration rates--the percentage of total homes served--ranged from 38 percent in a relatively new system in Opelika to 78 percent in a mature system in Alexander City.*

*Historical Note: Cable television began in rural and isolated areas surrounded by hills in Pennsylvania and Oregon. From a few systems in small and rural areas, the industry expanded to cities and major metropolitan areas. This expansion was precipitated by three factors: cable has been an extremely profitable business venture; the vast signal transmission capacity of cable affords an opportunity to receive a wide range of programming; and the Federal Communications Commission initiated a policy to allow the importation of distant signals. More importantly, cable TV continued to grow in 1974 despite a lagging economic, adding an estimated 1.25 million subscribers. Increased subscriber penetration in

The socio-economic needs of small and rural areas were revealed in the information profiles developed on target areas. For example, Madison Parish--a rural Louisiana area where CRC staff conducted an extensive site assessment--typified the economic plight of rural communities. Madison Parish was used by CRC staff as a model to display data illustrative of the need for intensive development of these communities. In Madison Parish it was observed that:

1. The unemployed, an important component of the population of persons in poverty, represented 8.1 percent of the total civilian labor force in Madison Parish in 1970, a somewhat higher proportion than the national unemployment rate in 1970 of 4.4 percent.
2. Among characteristics of the labor force which are also related to poverty is the proportion of workers holding jobs in skilled and highly paid positions. In rural communities where the educational and hence, economic opportunities are limited, this proportion tends to be low, implying underemployment of skills and the existence of underdeveloped human resources. Among the employed in Madison Parish in 1970, 35.4 percent were occupying white collar jobs. In 1970, 48.3 percent of all employed persons in the United States occupied white collar jobs, a proportion much larger than that which existed in the county.
3. The level of educational achievement in a community is usually a reliable indicator of its socio-economic status. The median school years completed by persons in Madison Parish aged 25 years and over were 8.5 years in 1970. Madison parish had, therefore, a level of educational achievement lower than the nation as a whole where the median school years completed stood at 12.1 percent.
4. The extent of functional illiteracy in a community can be measured by the number of persons 25 years of age or more who have completed less than 5 years of school. In 1970, 5.5 percent of the U.S. population aged 25 or over had not finished more than 4 years of school. A worse showing than that is found in Madison Parish, where 25.5 percent of the adult population had not gone beyond 4 school years. In the same age group, 52.3 percent of the population of the nation had completed at least a secondary level education compared to the much lower proportion of 26.2 percent in Madison Parish.

areas already covered by existing systems contributed significantly to subscriber growth in 1974. Basic subscribers' revenues from cable TV were \$590 million in 1974, up 20 percent from 1973--a rate of increase more than 3 times the 6 percent increase of radio and TV broadcasting for the same period.

5. The two major components of population change for any area are net migration and natural increase. Net migration represents the difference between the number of persons moving into a particular area and the number moving away from the area. Net migration in Madison County was 20.9 percent in 1970. This figure indicates a significant amount of out-migration which is normally true throughout the rural south and southwest.¹²⁷

This data as well as other statistics and studies were used to document the problems of rural America and attest to the fact that rural America could clearly utilize the special services and advantages of cable TV businesses (i.e., communications, economic growth, social service delivery, etc.).

After establishing the needs of rural areas, CRC's director, Charles Tate, decided to utilize cable TV systems to assist in the development of small towns in the South and Southwest by providing people in these areas with jobs and a variety of social, cultural, and economic opportunities. Cable TV, with its broadband communications capability--besides offering rural viewers information, entertainment, and ideas--could provide a wide range of services, i.e., education, health care, and job training programs. This belief was reinforced by a White House policy report on cable TV that had recently been released.

Visualizing cable communications as a constructive force in rural areas, a 1974 White House report--issued by a cabinet committee under the direction of the President's telecommunications advisor, Dr. Clay T. Whitehead--recommended that federal agencies be directed to examine the feasibility and cost of using cable to assist in delivering a variety of services to rural and poor areas. The report further recommended that federally-funded programs be used to support the public service aspects of cable communications.¹²⁸

After reviewing this report and the information collected on rural needs, CRC's staff began to develop a strategy for cable TV development in the South and Southwest. Consideration was given to the different financial investment and ownership models that could be easily developed in rural areas. Research and investigation pointed toward cooperatives as one potentially viable business development model.

CRC's interest in cooperatives was generated by discussions

regarding cable TV held with the Federation of Southern Cooperatives. The Federation has played a significant role in expanding the impact of cooperatives in the lives of the rural poor in the southern United States. The low income agriculture co-ops have enable many farmers to market more profitability by doing it cooperatively.

The decision by CRC's staff to focus on cooperatives was fostered by several factors. First, the cooperative form of business is indigenous to rural areas. Second, the cooperative business model has become a widely accepted and highly successful vehicle for getting things done for residents of economically disadvantaged and sparsely populated areas. The chief selling point of a cooperative business operation is in its purpose of providing service to members--thus, making the delivery of services the prime motivation for participation. Third, rural government programs like the Farmers Home Administration tended to fund more cooperative ventures than other types of projects.

ORGANIZING PHASE

Public Program Evaluation

Recognition of the Farmers Home Administration (FmHA) as a traditional funding mechanism for cooperatives lead the CRC staff to develop detailed information on its programs. FmHA's potential as a cable venture funding source was first established through my discovery of a loan application for over \$1 million submitted by a Western Wisconsin Communications Cooperative (see appendix C) to develop a county-wide viewer-owned cable system. This five-year project cost \$5 million and planned to interconnect eight towns, seven schools, the small villages, and all rural farms and homes. FmHA's value as a funding source was substantiated through my review of the Guide to the Rural Development Act of 1972 which specifically listed cable television as eligible for FmHA loans.

The Rural Development Act of 1972 was an act created to provide for improving the economy and living conditions in rural America. FmHA, through its special program, was mandated by this act to provide new

employment and business opportunities and upgrade the standard of living for all who wish to live in small towns or open country.

Cable television was categorized within the Rural Development Act as a community facility which provides essential service to rural residents. This categorization related cable TV directly with three basic service goals of the FmHA: to help build the economic and social base of rural communities; to expand businesses and industry, increase income and employment; and "to install community facilities that will help rural areas upgrade the quality of living and promote economic development and growth."¹²⁹

Resource Leveraging Approach

CRC's director decided that several agencies like FmHA were essential to strengthen the planning and resource allocation process needed to implement a major cable development program. CRC staff members investigated and identified several other local organizations and federal institutions with a primary focus on economic development of disadvantaged areas.

After reviewing the enabling legislation, official mandates, and program statements of the federal agencies (OMBE, SBA, FmHA, etc.), CRC's staff confirmed that although there existed a common commitment to new business and economic development no one federal agency had either the manpower, financial resources, or locational advantage to take on the total responsibility of supporting a major rural cable development effort.

Sol Levine and Paul White in their article entitled "Exchange as a Conceptual Framework for the Study of Interorganizational Relationships" (Administrative Science Quarterly, 1961) have noted that "because organizations can seldom marshal the necessary resources to attain their goals independently, they must establish exchange relationships with other organizations. Organizational exchange is any voluntary activity between two or more organizations which has consequences, actual or anticipated, for the realization of their respective goals or objectives."¹³⁰ Resource leveraging, the term coined by CRC staff, embodies this general theme. Going a step further Andrew H. Van De Ven ("On the Nature, Formation, and Maintenance of Relations Among Organizations", Academy of Management Review, 1976) states that an interorganizational relationship (IR) occurs when two

or more organizations transact resources (money, physical facilities and materials, customer or client referrals, technical staff services) among each other. The end objective of organizations involved in an IR is the attainment of goals that are unachievable by organizations independently.¹³¹ Finally, William Evan ("The Organization Set: Toward a Theory of Interorganizational Relations", 1966) has asserted that in efforts to obtain resources, organizations are often obliged to "develop greater interdependencies involving a network or set of other organizations, groups, and parties."¹³²

Thus, it became clear to CRC's executive director, Charles Tate, that the successful initiation of a massive rural cable development program would require the concerted effort of a task force of widely influential and diverse organizations. The organizational plan for the collective participation of these agencies became based on a "resource leveraging" or sharing approach. This was how the idea for a rural cable development program based on a resource leveraging approach was conceived.

The "resource leveraging" approach was predicated on the notion that collectively, agencies could more effectively and efficiently bring to bear their unique expertise, field experience, resources (e.g., loan programs), and administrative "know-how" to the rural cable planning and development process. Basically, the "resource leveraging" approach called for the planned use of the collective administrative clout, manpower, and financial resources of a select group of federal agencies to support rural cable TV development. The main emphasis of this approach was on the strategic and coordinated use of limited federal resources to achieve the successful financing of rural cable businesses. Toward this end, the coordinative process sought to remedy some of the common failings of bureaucracies: fragmented and disjointed program activity; duplication of services and inefficient efforts; the non-strategic use of limited resources; "red tape," untimely delays in project development; complicated and vague communications on programs to the public, within and between agencies; and misleading policy stances that are counter-productive to interagency cooperation.

Important to the "resource leveraging" concept of federal agency coordination is the identification of some "common ground" of experience, interest, and commitment to a set of objectives to be achieved. The promotion of economic development in disadvantaged areas was a unifying

theme used by CRC's director to marshal the resources of FmHA, OMBE, SBA, and EDA to support a Cable TV Task Force. Overall, the analysis of these agencies indicated a common commitment to economic development, the active support of new business opportunities, and a history of working cooperatively with other agencies. This is why they were selected. The high public promise and White House attention given to cable TV as a new broadband communications technology was another key factor played upon to organize the efforts of this group of agencies. In effect, the resource leveraging approach was a concept used to formally entice, organize, and systematically structure the interaction of various organizations toward a common goal of cable TV development in disadvantaged areas.

Program Design

CRC's original program design and plan for the task force called for a three-tiered structure of organizational involvement. The first tier at the "grass roots" or local level was to be made up of a cadre of community economic development organizations who were to act as community based liaisons to help to finesse and facilitate the cable venture group development process in local communities. CRC only had a limited number (5) of market analysts who could be assigned to actually work out in the "field" with cable groups in various "cable-ready" areas. The scope and the anticipated long term time frame needed for the development of various individual projects necessitated the ongoing involvement of local community economic development organizations to help supplement CRC's efforts by supporting the cable development process on a daily basis. The Rural Cable Program's indigenous "spokes" into the various communities selected as "cable-ready" were the Federation of Southern Cooperatives (Epes, Alabama), the Delta Foundation (Greenville, Mississippi), and the Southeast Alabama Self-Help Association. Interstate Research Associates (Texas), National Council of La Raza (Phoenix, Arizona), and the National Economic Development Association (New Mexico) were the program's community links to be used to pioneer cable ventures in various Southwest Chicano communities. These various organizations had business and community contacts throughout the areas where they were based and beyond.

Collectively, these community development organizations were to serve as cable control centers for day-to-day local coordination and collaboration on information dealing with cable issues and technical service needs. Above and beyond serving as local information centers in various states on cable TV, these groups were to be instrumental in identifying key minority leadership in various communities, serving as a manpower pool, and as major advisors on collecting and analyzing basic data and statistics from local agencies. Overall, the program needed such organizations to serve as the key operational channels through which it could establish ties with communities, plot local business strategies, and exercise social and political clout on local matters.

The second tier of organizational responsibility was occupied by CRC. CRC's role was to serve basically as the technical resource on cable technology, community group organization, and business development matters for the selected "cable-ready" areas. Generally, CRC represented the motivational force behind identifying, educating, and organizing successful cable business groups. Specifically, CRC staff would provide all the backup legal, financial, political, and technical expertise needed to lead groups through all the various steps from the first strategy meeting to system "turn-on."

The technical assistance services provided by CRC included: design of corporate structures; organizing local investors; preparation of preliminary feasibility statements, cash flow projections, and capitalization requirements; analysis of local, state, and federal franchise requirements; developing contacts with national venture capital organizations, finance companies, hardware suppliers, construction companies, engineering, legal management, and marketing consultants; development of business plans; review of financial proposals, financing options, consultant reports, and contract proposals; and analysis of franchise applications. CRC also was responsible for linking cable groups up with the best federal agency funding opportunity available, setting up meetings for groups with agency officials, lending backup support and continuously lobbying task force agencies on behalf of client groups. CRC's role was one of a promoter, which often involved defending projects against attacks of

lawyers, financial analysts, business specialists, and any other agency officials.

The third tier of program organization was made up of federal agencies able to support and fund cable TV businesses through their various technical assistance and loan programs. These key agencies were OMBE, FmHA, EDA, and SBA.

The research performed by CRC staff members during the development of the task force strategy uncovered the fact that these agencies were officially mandated by White House Office of Telecommunications Policy Directives, their enabling legislation, executive orders regarding interagency/intergovernmental cooperation, and program guidelines to not only support cable TV as a viable business enterprise for disadvantaged groups, but to also follow OMBE's lead in implementing federal policy in support of minority business enterprise, and to allow OMBE to coordinate the participation of all federal departments and agencies in contributing to the growth of minority business enterprises.

A brief review of some of these official mandates, executive orders, and directives will illustrate the strong grounds CRC was able to use to attract and involve federal agencies in a task force effort. Furthermore, any agency refusal to participate in the first task force planning meeting could have been challenged by the directors of CRC and OMBE through the Secretary of Commerce's White House mandated authority to "convene for purposes of coordination, meetings of the heads of such departments and agencies, or their designees, whose programs and activities may affect or contribute to" the support of the minority business enterprise program (White House Executive Order 11625/October 13, 1971).¹³³

White House

First and foremost, in 1974 a White House Report to the President by the Cabinet Committee on Cable Communications recommended a "comprehensive new national policy for cable communications" which included the following major directive:

Governmental authorities should assure that basic cable or other

broadband communications are available to residents of rural areas and to the poor.

The government should take affirmative action to assure a basic level of cable TV service for residents of outlying rural areas and that federally funded programs be used to support the public service aspects of cable communications. The Secretary of Agriculture should follow the development of cable in rural areas and make recommendations for appropriate government action.¹³⁴

Participation by minority groups in cable system ownership, operation and programming should be facilitated.

The development of cable represents a unique opportunity for minority, racial, and ethnic groups to become actively involved in a new communications medium. Minority groups not only should have employment opportunities, but also full opportunity to participate in all aspects of cable ownership, operation, and programming.

The general policy for the structure and regulation of the cable industry that we recommend would facilitate participation by all segments of society in cable ownership or control of channel use. Moreover, the local franchising authority should ensure opportunities for minority ownership and control in cable systems and programming.

At the federal level, the Equal Employment Opportunity Commission should devote special attention to the development of the cable industry to assure employment opportunities for minority group members. We also recommend that the office of Minority Business and the Small Business Administration of the Department of Commerce be directed to give high priority to cable and to propose any necessary special provisions, such as loan guarantees, to foster significant minority ownership or control of cable operation.¹³⁵

A Technical Draft of a Governmental Policy Report entitled "Lowering Barriers to Telecommunications Growth" (prepared in 1974 but released in 1975 by the Science and Technology Task Force of U.S. Department of Commerce) officially categorized telecommunications "as a vital national asset that is not being fully exploited." Specifically, cable television in the report, was pictured as "particularly in need of governmental intervention to help it achieve its full potential." The report recommended a \$1 million development program be developed within Commerce to accelerate the cable industry's growth.¹³⁶

White House Executive Order 11625 (October 13, 1971) prescribes the official mandates and commitments of the Office of Minority Business Enterprise and clarifies the authority of the Secretary of Commerce in assisting OMBE in fulfilling its objectives. This Executive Order specifically stated the following:

The Secretary of Commerce is authorized--

(a) to implement Federal policy in support of the minority business enterprise program; (b) provide additional technical and management assistance to disadvantaged businesses; (c) to assist in demonstration projects; and (d) to coordinate the participation of all Federal departments and agencies in an increased minority enterprise effort.

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

Section 1. Functions of the Secretary of Commerce. (a) The Secretary of Commerce (hereinafter referred to as "the Secretary") shall--

(1) Coordinate as consistent with law the plans, programs, and operations of the Federal Government which affect or may contribute to the establishment, preservation, and strengthening of minority business enterprise.

(2) Promote the mobilization of activities and resources of State and local governments, businesses and trade associations, universities, foundations, professional organizations, and volunteer and other groups toward the growth of minority business enterprises, and facilitate the coordination of the efforts of these groups with those of Federal departments and agencies.¹³⁷

(3) Within constraints of law and appropriations therefore, and according to his discretion, provide financial assistance to public and private organizations so that they may render technical and management assistance to minority business enterprises, and defray all or part of the cost of pilot or demonstration projects conducted by public or private agencies or organizations which are designed to overcome the special problems of minority business enterprises or otherwise to further the purposes of this order. . . .

. . . (b) The secretary, as he deems necessary or appropriate to enable him to better fulfill the responsibilities vested in him by subsection (a), may--

(1) With the participation of other Federal Departments and agencies as appropriate, develop comprehensive plans and specific program goals for the minority enterprise program; establish regular performance monitoring and reporting systems to assure that goals are being achieved; and evaluate the impact of Federal support in achieving the objectives established by this order.

(2) Require a coordinated review of all proposed Federal training and assistance activities in direct support of the minority enterprise program to assure consistency with program goals and to avoid duplication.

(3) Convene, for purposes of coordination, meetings of the heads of such departments and agencies, or their designees, whose programs and activities may affect or contribute to the purposes of this order.

(4) Convene business leaders, educators, and other representatives of the private sector who are engaged in assisting the development of minority business enterprise or who could contribute to its development, for the purpose of proposing, evaluating and coordinating governmental and private activities in furtherance of the objectives of this order.

(5) Confer with and advise officials of State and local governments. . . .¹³⁸

Section 3. Responsibilities of Other Federal Departments and Agencies.

(a) The head of each Federal department and agency, or a representative designated by him, when and in the manner so requested by the Secretary, shall furnish information, assistance, and reports to, and shall otherwise cooperate with, the Secretary in the performance of his functions hereunder.

(b) The head of each Federal department or agency shall, when so requested by the Secretary, designate his Under Secretary or such other similar official to have primary and continuing responsibility for the participation and cooperation of that department or agency in matters concerning minority business enterprise.

(c) Each Federal department or agency shall, within constraints of law and appropriations therefore, continue all current efforts to foster and promote minority business enterprises and to support the program herein set forth, and shall cooperate with the Secretary of Commerce in increasing the total Federal effort. . . .

Section 4. Policies and Standards. The Secretary may establish such policies, standards, definitions, criteria, and procedures to govern the implementation, interpretation, and application of this order, and generally perform such functions and take such steps as he may deem to be necessary or appropriate to achieve the purpose and carry out the provision hereof.¹³⁹

TO THE CONGRESS OF THE UNITED STATES:

On March 5, 1969, in one of my first executive orders as President, I established two new mechanisms for promoting expanded minority business activities: an Office of Minority Business Enterprise with the Department of Commerce to coordinate and oversee all Federal efforts in this field and to stimulate private sector initiatives; and an Advisory Council for Minority Business Enterprise to study this complex subject and recommend further action. Since that time, both of these units have been diligently carrying out these assignments. The further steps which I am announcing today have grown in large measure from their suggestions and their experience.¹⁴⁰

(1) Lower the level of private financing required to qualify for financing from the Small Business Administration on a three-for-one basis.

(2) Promote better coordination.

I am also issuing today an executive order giving the Secretary of Commerce -- and, through him, the Office of Minority Business Enterprise -- increased authority over all Federal activities in the minority enterprise field. This order gives the Secretary a clear mandate to establish and carry out Federal policy concerning minority enterprise and to coordinate the related efforts of all Federal departments and agencies. It also directs the departments and agencies to develop systematic data collection processes concerning their minority enterprise programs and to cooperate in expanding the overall Federal effort. The substantive provisions of Executive Order 11458 of March 5, 1969 are also carried over into the new order.¹⁴¹

OMBE

The program literature on the Office of Minority Business Enterprise indicated that OMBE was required to act as the lead agency in the Federal Government for minority business development.¹⁴² A 1974 progress report on the OMBE program indicated further that since its creation in 1969 under Executive Order 11458, OMBE has enjoyed the extensive cooperation of other government agencies through the Inter-Agency Council for Minority Business Enterprise. The focal point to mobilize Federal departments and agencies to support minority entrepreneurs was the Inter-Agency Council for Minority Business Enterprise (IAC). Chaired by the Under Secretary of Commerce, IAC members included under secretary-level officials of almost every Federal agency. The Council worked through task forces for procurements, concessions, education and training, and data; and it met periodically to review progress and to develop new initiatives.¹⁴³ OMBE was properly experienced and mandated to not only serve on task forces concerned with developing minority business initiatives but also to take the lead in such efforts.

SBA

A Fiscal Year 1975 U.S. Small Business Administration report outlines the basic elements of SBA's program and policy focus that predisposed it to be supportive of a Cable TV Task Force:

SBA, by the direction of Congress, has as its primary goal the preservation of free, competitive enterprise in order to strengthen the nation's economy. SBA's specific lending objectives are to (1) stimulate small business in deprived areas, (2) promote minority enterprise opportunity and (3) promote small business contribution to economic growth.¹⁴⁴

Official designation and recognition of SBA's capability to support minority business enterprise commenced in full force in 1968.

In 1968, the Federal effort in minority enterprise development was accorded top Presidential priority and the position of Assistant Administrator for Minority Enterprise was established. As evidence of the continuing Presidential and congressional priority for this program, in 1974 Congress elevated the position of Assistant Administrator for Minority Small Business. The President on December 11, 1975, urged Federal agencies to pull out all stops in supporting the

national effort in minority economic development. These actions by the legislative and executive branches serve to reiterate and intensify the priority position they have assigned to the development of minority enterprise.¹⁴⁵

Rural Development Act--1972

A mandate for the coordination of Federal agencies, in respect to rural development, was set forth by the Rural Development Act of 1972 (Public Law 92-419).

The Rural Development Act added rural development as a basic concern of the Department of Agriculture and directed the Secretary of Agriculture to advise the President and the Congress on policies and programs designed to improve the quality of life for people in rural and nonmetropolitan areas (Section 603). The Secretary was charged with the responsibility for coordinating a nationwide rural development program utilizing not only the programs of his own department but of all Federal departments and agencies.¹⁴⁶

This act was to be implemented in coordination with related programs of state and local governments.

FmHA

The FmHA's potential as a cable business funding source was first established through the discovery of a loan application for over \$1 million submitted by a Western Wisconsin Communications Cooperative to develop a county-wide viewer owned cable system. A review of FmHA's enabling legislation, the Guide to the Rural Development Act of 1972, revealed that it specifically listed cable television as one of the fundable enterprises for which loans could be made. FmHA was also officially mandated to provide new employment and business opportunities and upgrade the standard of living for all who wish to live in small towns or open country. Furthermore, the FmHA was officially mandated to install community facilities that would help rural areas upgrade the quality of living and promote economic development and growth. The Rural Development Act categorized cable TV as a community facility which provided essential service to rural residents. FmHA was ideally suited to participate in a Cable TV Task Force.

EDA

The EDA (a sister agency to OMBE within the Department of Commerce) was mandated to provide funds and technical assistance to business enterprises in disadvantaged areas. Specifically, "the Economic Development Administration was established under the Public Works and Economic Development Act of 1965 to help generate employment opportunities and improve levels of living in areas that have not shared our national prosperity."¹⁴⁷ The program literature on the EDA stipulates that the "key to finding new sources of jobs and income in a lagging area often lies in furnishing missing know-how, technical information, expert opinion and counseling."¹⁴⁸ Thus, EDA as an agency understood the importance of providing disadvantaged communities with chances for new business opportunities like cable TV by offering technical assistance in this area. Since EDA's staff was not specialized in providing technical assistance dealing with cable TV, as CRC was, it was logical that a cooperative effort could serve the interest of both organizations more effectively. Also, the EDA had a history of working with other agencies in cooperative efforts to stimulate new types of employment opportunities for disadvantaged populations. One of EDA's program publications, "EDA - Building Communities With Jobs," states the following:

. . .to be successful, the EDA program requires cooperation between public and private enterprise. It requires an active partnership among officials at every level of government -- local, county, State and Federal.¹⁴⁹

Thus, the EDA was adequately mandated to take part in a Cable TV Task Force with other agencies concerned with economic development among disadvantaged populations.

The main focus for task force support was on OMBE, FmHA, EDA, and SBA. These Federal programs had both the administrative authority and funding programs to support such an effort. Overall, the following Federal and community organizations were selected to participate in the first meeting of the National Rural cable Development Task Force (see appendix D for listing of actual names of participants):*

*EDA did not participate in the first meeting because it had not yet been identified or fully researched by CRC's staff during the initial planning.

- o The Farmers Home Administration, U.S. Department of Agriculture (FmHA)
- o The Office of Minority Business Enterprise (OMBE)
- o The Small Business Administration (SBA)
- o The Federation of Southern Cooperatives (FSC)
- o The Southeast Alabama Self-Help Association (SEASHA)
- o National Economic Development Association (NEDA)
- o The Delta Foundation (DF)
- o Southern Cooperative Development Fund (SCDF)

Each of the selected task force participants were personally contacted and briefed by CRC staff on the importance of the task force and mailed formal letters from CRC's executive director and OMBE's National Coordinator for Business Development (Charles Stein) requesting their participation in an official task force planning meeting. OMBE was a natural ally of CRC both because of its official mandate to support minority business development and because CRC was a funded technical assistance program under OMBE.

TASK FORCE DEVELOPMENT

First Planning Session

The executive director of CRC, Charles Tate and the National Coordinator for Business Development for OMBE, Charles Stein, convened the first meeting of the National Rural Cable TV Development Task Force participants on February 4, 1975. The meeting was held in a formal Department of Commerce meeting room arranged for by Charles Stein at the request of Charles Tate and his staff. CRC's staff members felt it was important to hold the first meeting in a very formal government setting to help impress all participants with the Department of Commerce/OMBE's support of the Task Force effort, in providing such facilities, and to set a proper tone for the meeting. Decisions on how to best orchestrate this first meeting were made among CRC members during earlier in-house

strategy sessions. Such strategy sessions were held periodically throughout the operation of the Task Force to plot tactics to handle various situations as they arose.

The first meeting was arranged by CRC's director and staff to have Charles Stein open the meeting and to serve as the main chairman. This was because of his status as an OMBE government official and his close relationship to the CRC program. Charles Stein was the chief contract officer who administered CRC's contract funding from OMBE.

Stein was highly motivated to support the Task Force effort because anything that made the CRC program more successful or more visible made his OMBE job as their contract manager more important, easier, and rewarding. Charles Stein could be trusted to fully support the Task Force because working with CRC was already part of his everyday job, as was working with other agencies to help support minority business development. Generally, it was hoped by CRC's executive director and staff that Charles Stein's presence and leadership would lend greater creditability to the proceedings.

The first meeting was well attended by representatives from federal and private organizations. The Small Business Administration was represented by Louis F. Laun (Deputy Administrator), Connie Mack Higgins (Associate Administrator for Minority Enterprise), and Warren Boyd (Business Development Officer). The Farmers Home Administration was represented by Frank B. Elliot (Administrator), Royce Jones (Special Assistant to Deputy Assistant Secretary for Rural Development) and Judd Hanson (Community Facilities Loan Officer). The largest group of federal representatives present was from the Office of Minority Business Enterprise. OMBE was represented by its Director, Alex Armendaris, Charles Stein, Charles McMillan (Atlanta-Regional Director), Henry Zuniga (Dallas Regional Director), and Bill Brewster (Development Specialist).

It was important that OMBE give a strong show of support because this task force effort was part of their official program responsibility of coordinating the activities of other agencies whose programs could be used to support minority business enterprise. Furthermore, CRC was one of their funded technical assistance programs. Thus, for OMBE, supporting

the Task Force was a self-serving necessity. It was a highly visible way of demonstrating that they were doing their official job of supporting minority business development.¹⁵⁰

The other federal agencies present at the first meeting were initially motivated to participate by CRC's staff briefing efforts. During these briefings it was outlined that cable TV development was a significant area of interest to the present administration, as evidenced by various policy statements, executive orders and White House directives, and this was an opportunity for these agencies to increase their program accomplishments by supporting the development of a very visible new growth technology with significant public service potential. The more official motivation used to secure and ensure public agency involvement was the fact that government agencies were mandated to cooperate and coordinate their efforts in supporting minority business enterprise. Charles Stein's letter officially requesting various agencies to participate in the Task Force effort was consequently very important. Since OMBE was mandated and had authority to convene for purposes of coordination, meetings of the heads of departments and agencies whose programs and activities could be used to contribute to the support of the minority business enterprise program. Any refusal to participate could have been challenged by OMBE through the Secretary of Commerce. Thus, agencies were officially obligated to participate in such meeting by the government mandate for coordination and cooperation between agencies in implementing public programs.

There were eleven community development organizations (CDOs) present at the meeting. Each CDO was represented by its president or an executive officer. Seven staff members from the various CDOs were also present. The CDOs in attendance were: the Federation of Southern Cooperatives, SEASHA, the Delta Foundation, Southern Cooperative Development Fund, National Economic Development Association, Opportunity Funding Corporation, National Council of La Raza, Interstate Research Associates, Emergency Land Fund, and Mid-West Piedmont Association. These organizations were motivated to participate in the Task Force because it represented a chance to form some inside contacts with various national

officials of government agencies that had the potential of funding various economic development projects in their communities.¹⁵¹

For the CDOs, a cable TV Task Force was an opportunity to form some important government relationships that might help them get funding not just for cable TV projects but for other development projects as well. Also, participation in a federal task force was a unique chance to gain some national visibility for their organizations and some added importance in their local areas. Such "free floating" incentives enabled CRC's staff to recruit an additional number of CDOs to become a part of the first meeting. CRC staff felt it was important to have a significant number of CDOs present at the first meeting because they symbolically represented local community interest and support of this effort.

During the meeting, I with some support from other CRC staff members gave the key oral presentation which mapped out: the background research which indicated that a massive rural cable development program was a viable and important undertaking; the basic need and potential impact of cable in rural areas; the organizational flow design of responsibility needed to operationalize a large scale program; and a step-by-step plan for developing rural cable systems.

Participants at the planning meeting received from CRC's staff a task force planning guide, an information packet on cable development and program literature on all the organizations present.

A wide array of visuals were used in CRC's presentations to illustrate: rural areas' socio-economic needs; the organizational support needed to operationalize the program; the program development plan; the "cable-ready" areas in various South and Southwest States (pinpointed on a large U.S. map); and the social and economic impact of a cable business on a rural community. Also on display were key elements of a media package developed for delivering seminars on cable TV to rural residents. These media aids included a flip chart illustrating cable TV as a technology and as a business, a model of a cable TV system, a slide show, and a cable film.

The participants present at this first meeting were impressed by the projection that over the long term the Rural Cable Program would

attempt to impact upon some 100 communities in 18 different states. It was pointed out, however, that the program's initial thrust would focus on 42 out of the 100 cities identified as "cable-ready" in the South and the Southwest. The first phase focus would eventually influence the lives of no less than 500,000 rural residents in 6 different states (South Carolina, Mississippi, Louisiana, New Mexico, Texas, and Arizona).

After the background presentation, the meeting was opened for discussion of the information presented, the plans developed and the viability of the task force concept.

The energetic participation of one of the representatives of the FmHA, U.S. Department of Agriculture (Royce Jones) stimulated many creative interchanges between participants during the general discussion of task force organizational roles and plans. Royce Jones's candid discussion of manpower constraints suffered by all organizations, helped point out the plausibility of a task force resource sharing approach to supporting new economic development opportunities in rural areas. Jones observed that "rural communities often suffered because of agencies's limited manpower" available to address all their needs. He indicated that agencies needed to pool their resources to support projects like cable TV because individually agencies did not have the specialized manpower to identify and organize community groups to take advantage of such economic development opportunities.¹⁵²

Royce Jones had been handpicked by Dr. James E. Bostic, Jr., Deputy Assistant Secretary for Rural Development, Department of Agriculture to participate at this meeting along with a FmHA loan officer Judd Hanson. During the early planning stages for the first Task Force meeting, Dr. Bostic (the highest ranking black official inside FmHA) was one of several top-level officials within various target agencies who were personally contacted and briefed by CRC staff on the major significance of the Task Force and its objectives. Dr. Bostic was so impressed with the Task Force's objectives that he committed his support and pledged the active involvement of one of his special assistants, Royce Jones. Jones also happened to be a periodic participant for the Department of Agriculture on the Special Programs Committee of the Interagency Council for

Minority Business Enterprise, a committee whose function included: to develop special programs that increase the effectiveness of the Federal minority business assistance effort and to coordinate Federal programs and resources that result in increased numbers, size, and types of business opportunities for minority entrepreneurs. Consequently Royce Jones was highly motivated to actively support the Task Force process.¹⁵³

At the end of the general discussion, Charles Stein suggested it might be helpful to have a task force agreement that would outline the basic commitment of all those involved, to the proposed cable TV program. Charles Tate, CRC staff members, and Charles Stein had agreed among themselves before this meeting that there needed to be some type of formal document that could be used to hold agencies accountable for a certain level of cooperation and participation in the task force. Although the idea for an interagency agreement originated with CRC staff, it was decided that Charles Stein would make the suggestion at the meeting because it was hoped that as a government official his suggestions would be more readily accepted by the other agency participants. After a general discussion at the meeting of the idea, Charles Stein was able to convince the other agencies that because of the importance of the undertaking, an interagency agreement was needed to help record government agency support and to promote greater publicity of the program among their different agency levels and the public at large. Thus, it was decided that a written task force agreement spelling out agency role commitments would be drawn up. The representatives of the SBA and FmHA indicated that they needed time to consider and to develop appropriate role statements of tasks that they would be able to assume. Charles Stein suggested that a second task force meeting be held on February 18, 1975 to discuss the basic tasks and role statements that each agency would develop. He also indicated that a model task force agreement would be developed by CRC/OMBE legal staff and circulated at this meeting for comments and revisions.

After it was decided that another meeting would be held, Royce Jones suggested that Charles Stein be designated as the formal chairman of all future Task Force meetings and that Charles Tate and CRC serve as the recording secretaries for all meetings. Royce Jones stated at the meeting

that he made the suggestion based on the well-organized manner in which this first meeting had been planned and run by Charles Stein and Charles Tate. Behind the scenes, one of CRC's staff members had prompted Ramon Tyson (a friend of CRC and a representative of the Federation of Southern Cooperatives) to get Jones to make the suggestion to help keep things moving ahead. Warren Boyd (SBA representative) seconded Royce Jones's motion and the rest of the participants concurred.

CRC's staff members were very satisfied with this arrangement because they knew Charles Stein could be depended on to help keep agencies in line in terms of supporting cable TV projects. Charles Stein would serve as the visible spokesman for the Task Force while Charles Tate and CRC would attend to all the "housekeeping" details that would keep the Task Force meetings and program functioning.

Task Force Activity

The second meeting of Task Force members on February 18, 1975, focused on hammering out a specific written agreement which would formalize organizations' commitments to the program effort.

The second meeting was attended just by representatives from each of the federal agencies and CRC. The community development organizations did not attend because they did not have the funds to make frequent trips to Washington. The meeting participants were: Connie Mack Higgins and Warren Boyd--SBA; Royce Jones and Judd Hanson--FmHA; Charles Stein--OMBE; Charles Tate, Reginald Dunn, and George Burns--CRC.

Charles Stein, as chairman of the Task Force, handed out the first draft of the agreement at the meeting. The first draft of the Task Force agreement was actually developed by CRC's legal advisor, George Burns and the Corporate Market Development staff. It was very detailed in outlining each agency's specific responsibilities for coordinating, prioritizing, and expediting cable TV projects as well as trouble shooting any problems that might surface in the application process. Basic language was put into the first draft of the agreement by CRC's staff which attempted to commit agencies to earmarking funds for cable TV projects and simplifying agency reviews. Also, CRC's staff wanted to establish within the

agreement that local development teams would be a single point of entry and review of federal programs by clients seeking cable TV project funding.

During the second meeting of the Task Force, SBA and FmHA representatives indicated that changes needed to be made in the first draft of the agreement to make it legally acceptable to each agency. Judd Hanson of the FmHA indicated that some general format and language changes would have to be made by FmHA's legal staff to make the agreement conform to "standard" government agreements.¹⁵⁴ The SBA representatives concurred that their legal staff would also have to review the agreement in more detail for similar reasons. Charles Stein indicated that a new draft of the agreement would be developed by OMBE's legal staff based on any changes suggested by the other agencies. Finally, it was agreed that a third meeting would be held as soon as an agreement structure acceptable to all federal agencies' legal advisors could be established.

CRC's staff had thought that getting an interagency agreement signed after a successful first meeting would be easy. They were greatly mistaken. The second meeting was the beginning of a long struggle to get a final Task Force agreement that would be agreeable to all the agencies participating. CRC and OMBE staff in their early drafts tried repeatedly to make sure that clear and detailed language was used in the agreement that laid out specific and hard commitments point-by-point for each participating agency. Simultaneously, the legal counselors for the SBA and the FmHA were equally steadfast in their attempts to "water down" the document so that it would just commit their agencies to only the most basic activities already in keeping with their general work tasks.

During the interim, CRC market analysts with the support of local economic development organizations began contacting community leaders in various "cable-ready" rural areas and making on-site visits in order to plan individual cable development strategies.

In Arizona, CRC's market analyst, Juan Moreno, using the help of NEDA, met with the mayor and city officials of South Tucson to discuss cable development. In Louisiana, Ed Ratcliff teamed up with two members of the FSC to visit several "cable-ready" communities. In South Carolina, I began working with Jim Williams of the Emergency Land Fund in making

on-site assessments of cable-ready areas.

All in all, visits were made by task force teams to "cable-ready" areas in New Mexico, Texas, California, Colorado, Arizona, Nevada, Louisiana, Mississippi, Georgia, North Carolina, and South Carolina. During such visits, preliminary "interest raising sessions" on cable TV were held with a number of local community groups in the state. In some areas, cable groups had been organized and were moving towards incorporation. While in at least three other states, cable franchises* had been won in selected cable-ready areas (Española, New Mexico; Roosevelt, Alabama; and Pine Ridge, South Dakota).

Besides these market activities, Charles Tate and Reginald Dunn, director of market development of CRC, had been periodically meeting with representatives from EDA. The focus of these meetings had been on discussing with the national directors of EDA's loan, grant, and research programs, the specific applicability of these programs to task force needs; their prerequisites for application approval and coordination of their program to meet Task Force objectives. Acting administrator Jeff Cahill indicated to CRC's executive director that he would be interested in EDA being a part of the Task Force.

Meanwhile, the various federal representatives of the Task Force were working on finalizing a written agreement. By March 1, 1975, the director of OMBE, Alex Armendaris, and Deputy Administrator of SBA, Louis

*Background Note: Cable TV groups, after being organized, had to successfully assemble cable TV development plans for a given service area so that they could vie for and be granted a cable TV franchise or license to develop and operate a cable TV system. The cable TV franchise was granted by the city council of a given territory to the group it believed could best serve the needs of its community. The granting of a franchise was a very political process with preference going to groups that had: local owners, established track records, political influence, community support, and/or technical expertise. CRC was able to provide the technical backup needed by local organizations to sway the political support to win a cable TV franchise. The possession of a franchise enabled a group to be taken seriously when approaching venture capital sources (i.e., banks, specialized lending institutions, government programs, etc.) for the monies needed to build a cable TV system. In effect, holding a cable TV franchise was an essential requirement for basic venture capital negotiations.

Laun, had reviewed the revised agreement and had agreed to sign it. However, FmHA's administrator, Frank Elliot (even after several meetings with CRC and OMBE representatives), was still reluctant to sign off on the document. He indicated that historically the FmHA did not as a policy enter into written agreements which suggested that special attention would be given to certain applicants over others under their various programs.¹⁵⁵

This was in spite of the fact that recommendation 11 of the 1974 Cabinet Committee on Cable Communications clearly instructed the Secretary of Agriculture to follow the development of cable in rural areas and make recommendations for appropriate Government action. Thus, the agreement seemed to be a logical extension of the demonstrated interest that the Secretary of Agriculture was supposed to maintain in the development of cable in rural areas. In addition, under OMBE's executive order 11625, Section 3, Responsibilities of Other Federal Departments and Agencies, part (b) stated that "the head of each federal department or agency shall when so requested by the Secretary designate his undersecretary or such other similar official to have primary and continuing responsibility for the participation and cooperation of that department or agency in matters concerning minority business enterprise."¹⁵⁶ The "cooperation of federal agencies" talked about here would seem to include written agreements that attest to the level of commitment and responsibility of federal agencies to matters concerning minority business enterprise.

Outside Interference

During this same time frame, news of the Task Force had reached the National Association of Broadcasters (NAB)--the trade association of the broadcast industry. They had made several phone calls to CRC and other attempts to gain copies of CRC's research list of "cable-ready" areas, but failed. It might be well to note here that broadcasters and their trade association--the NAB (regular TV and radio station owners) were and still are greatly opposed to cable TV development and any efforts aimed at aiding the proliferation of cable TV. Hence any information given to the NAB about the Task Force's target communities would have been

used to undermine the program's objectives. I and the rest of my colleagues at CRC did everything in our power to protect our research information on these communities.

Informal intelligence from several reliable sources (one being a representative of the National Rural Electrical Cooperative Association) had also indicated that the NAB had contacted and was trying to exert some influence over the then Secretary of Agriculture (Earl Butz) by challenging, behind the scenes, the appropriateness of government support vis-a-vis their Community Facilities program of cable TV systems.¹⁵⁷ The fact that a major presidential election was fast approaching also seemed to place pressure on the FmHA officials not to do anything too controversial, especially if it involved incurring the wrath of the broadcast media. Given this backdrop of reality, it wasn't too hard to realize why the FmHA was becoming reluctant over giving a written commitment to a program not focused on one of their traditional constituency groups.

This situation posed a real stumbling block for CRC staff because they viewed a signed written agreement as a key tool in obtaining fair treatment from federal agency field offices when funding applications were processed. This was how the agreement was viewed and discussed during various in-house staff meetings. CRC's director of market development activities, often commented during such meetings that without clear and tangible proof that national agency offices in Washington knew about and supported the cable TV program, most field offices would no doubt give our clients the "runaround."¹⁵⁸ Furthermore, since the FmHA had already made a sizable and well publicized commitment to a rural cable system, their leadoff signature was viewed as being crucial in maintaining the confidence of the other federal agencies in committing themselves to the program.

Task Force Agreement Negotiations

Over the course of the next five months lengthy discussions were held and detailed policy papers were presented to the FmHA administrators by CRC's executive director in an effort to motivate them to sign the federal agreement. The policy papers presented to the FmHA outlined such

facts as the Rural Development Act of 1972 (Public Law 92-419) added rural development as a basic concern of the Department of Agriculture and directed the Secretary to support all policies and programs designed to improve the quality of life for people in rural and nonmetropolitan areas (Section 603). In addition, the Secretary was charged with the responsibility for coordinating a nationwide rural development program utilizing not only the programs of his own department but of all federal departments and agencies.

The FmHA's signature on the task force agreement was viewed as significant because their program specifically listed cable TV as an essential community facility; offered low interest long-term loans to fund such ventures and had already set a funding precedent by making a loan commitment of \$1,238,000 to a cooperative cable venture.

In case the FmHA could not be persuaded to take the lead in committing itself to a task force agreement CRC's executive director identified the Economic Development Administration as the second most significant organization to get to sign the agreement. This was because, its business funding programs seemed to be open to funding cable TV based on discussions held with agency staff, EDA's Office of Economic Research had already funded a small research paper by CRC on Telecommunications' potential impact on rural development, and Jeff Cahill, EDA's acting administrator, expressed significant interest in supporting the Task Force. While the signing of the Task Force agreement was still in limbo, CRC market analysts continued contacting community leaders in various "cable-ready" rural areas and making on-site visits to plan cable strategies.

Finally, after much discussion and format revision in August of 1975, FmHA's Frank B. Elliott decided to sign the written agreement after it was realized that: all other federal agencies had signed the document; they were already committed by the Rural Development Act of 1972 and the OTP Report of 1974 to participate in such a multi-agency coordination process; and their continued reluctance to respond to the needs of a minority oriented program could have led to significant adverse publicity and political fallout (it was informally made known to FmHA that certain members of the Congressional Rural Caucus (see appendix E), the

Congressional Black Caucus, and the Black Media Advisory Groups supported the task force concept and would be greatly dismayed if FmHA reneged in signing the written agreement.)

The final written document outlined the cooperative responsibilities of all those involved (see appendix F). Besides the obvious implications of the agreement's impact on expediting the attainment of the goals of the Task Force, the agreement represented a first in multi-federal agency action in the area of minority economic development. This agreement was a major benchmark in federal agency coordination since it marked the first time these agencies had ever pursued a common goal together.

Progress Review Meeting

Because of the protracted negotiations over the signing of the agreement, the Task Force's full membership had not met in several months. However, CRC had mailed task force members periodic reports of events and progress since the last meeting. After receiving the written commitment of federal agencies, it was decided by CRC's executive director that a progress review and strategy meeting of the Task Force would be held on October 15, 1975. The basic objectives of this meeting were to completely update Task Force members on activities in various "cable-ready" markets, activate the first strategy sessions over funding cable systems, and to begin to publicize the task force agreement and its significance.

Present at this meeting were all the federal agency officials and community organization representatives invited to the first meeting. There were two additional participants, William Henkel (Deputy Assistant Secretary for Operations) and Stephen Dunne (Business Development Officer) from the Economic Development Administration.

During the third meeting of the Task Force, CRC representatives William Polk and Juan Moreno informed the organizations present that on-site visits made to a number of selected communities in New Mexico, Texas, California, Colorado, Arizona, Nevada, Louisiana, Mississippi, Georgia, North Carolina, and South Carolina had verified their cable development potential. Also, a total of about seven franchises had actually been won in identified "cable-ready" areas: Espanola, New Mexico; Roosevelt City,

Alabama; Pine Ridge, South Dakota; Grambling, Louisiana; Tuskegee, Alabama; Tullulah, Louisiana; and Muskegan Heights, Michigan.

It was also made known that besides these market activities, CRC's executive director had periodically met with representatives from EDA (Jeff Cahill) and FHA (Frank B. Elliot). The focus of these meetings in each case was to discuss with the various national directors of their loan, grant, and research programs, the specific applicability of their programs to task force needs; their prerequisites for application approval; and the use of their programs to meet task force objectives. It was noted that these meetings had been very productive and a definite rapport had developed between CRC's staff and the agencies contacted which resulted in these agencies' signatures on the Task Force agreement. Charles Tate of CRC discussed the significance and impact of the agreement.

The review and discussion of these and other accomplishments (see appendix G summary list) was used to set a positive tone for the rest of the meeting and to help underplay the long time it took to negotiate a cooperative agreement between agencies. Charles Stein and Charles Tate set as one of their main goals for this meeting to map out a basic process to be followed in involving federal agencies (through their regional and field offices) in assessing the most appropriate funding strategy for recently franchised communities.¹⁵⁹ After a general discussion of this topic area, it was agreed that each agency, through its appropriate regional or local field office, would designate a representative team. Besides representatives from each of the federal agencies, the Local Development Team (LDT) would be made up of a CRC market analyst and the cable franchise holder.

Another major agenda of this meeting from CRC's perspective, was to ballyhoo the significance and impact of the agreement in facilitating funds for cable development projects.¹⁶⁰ Charles Stein announced that OMBE, Department of Commerce had sent out a major press release outlining the Rural Cable Program and the agreement signed by participating federal agencies (see appendix H). CRC through its Cablelines newsletter/magazine had already run a special issue on the Task Force's development. The director of CRC indicated that they would be placing continuing articles on the Task Force agreement and cable system

development in it. CRC's hidden agenda was that using a positive publicity approach they hoped to motivate the federal agencies involved to follow through on their written agreement. With representation of the top officials of these federal agencies (OMBE, SBA, FmHA, and EDA) locked into the written agreement, it was theorized that the Task Force could generate the kind of cooperation and coordination required to maximize the impact of federal resources. This was the general thinking that was expressed by CRC staff members during in-house strategy meetings.

It was anticipated that through the Task Force, the economic development goals of these various federal agencies could be more effectively carried out. With interagency coordination and cooperation, it was hoped that unnecessary delay, policy misinterpretations, and duplication of client efforts in establishing project eligibility could be avoided. Most important, the flow of services and assistance to activate local cable development could move more smoothly.¹⁶¹ This was the driving theory behind convening this Task Force. While the written agreement was viewed by CRC's staff as a backup mechanism to be used to keep agencies from just paying lip-service to the intent of this approach. These were the main views held and expressed by CRC market analysts and directors during staff strategy meetings that took place before the development of the Task Force and during its operation.

TASK FORCE OPERATION

SBA Test Case I

The first test of this task force theory in action was a quiet success. Starting in June of 1974, CRC had begun to have periodic contact with Eddie Pena (a Mexican-American) in Grants, New Mexico. Pena was president of Tele-Vu, Inc., a cable TV corporation started in 1972. Before taking the plunge into cable TV ownership, Eddie Pena had been a uranium miner, rodeo rider, sheep rancher, and successful operator of a chain of laundromats. When the city council in his town began discussing granting a new cable TV franchise after the previous operator had allowed the system to deteriorate, Pena indicated his interest in operating the system.

Four other applicants--including several large Multiple Systems Operators (MSOs)--were also interested in the franchise for this area. However, Pena was the only local operator, a major factor in obtaining the one additional vote he needed to get a majority of the five-member city council.

Pena's move into cable ownership meant a significant financial risk. After Pena had been awarded the franchise, no local bank would lend him money, despite his lifelong residency in Grants and his successful laundry business. Ultimately the banks required personal guarantees on loans secured by his other business assets, and on the ranches of his father and father-in-law.

At first, Pena had problems with the system design, with the construction company, and, just as the system became operational, a 7-month strike at the uranium mines, the town's major employer, occurred. Eventually, Pena overcame these problems and hooked up about 65% of the town in 17 months.

When CRC became involved with Eddie Pena, his cable TV system was serving 12 motels, 50 apartments, and over 2,350 individual homes in Grants and Milan, New Mexico. The 10-channel, 52 mile system provided subscribers with three Albuquerque signals, plus an educational station, four Los Angeles signals via microwave, and a weather channel for a \$7.50 monthly fee. Without the consistently high quality of the cable TV system, the local reception of Albuquerque stations was very poor because of Grants' location in a valley which blocked the signals. By fiscal year 1974, the system's second full year of operation, the system showed a positive cash flow of almost \$8,000 and a net loss after depreciation of \$15,500.

In early 1975, Pena began seeking to obtain \$330,000 to refinance certain debt that was coming due, consolidate his long-term debts as well as provide for some plant expansion. Eddie Pena's father and father-in-law held long-term notes of \$125,000 each from Pena, secured against the system. Pena's relatives had borrowed the \$250,000 from other lending institutions secured by mortgages on their homes and ranches based upon an agreement that the loans would be repaid as soon as the system could be refinanced. The initial loans were incurred in 1972 to help finance the

construction of the system.

When CRC staff members Gil Mendelson and Juan Moreno met with Pena, they discussed with him the merits of trying to borrow the full amount of the \$250,000 just to retire the loans from his father and father-in-law. In conversations with Pena, CRC's Gil Mendelson expressed concern over whether it was prudent to refinance loans that were carrying low interest for new cable money that was going for 15 percent. After a review of his realistic financial needs and the then current state of cable financing, Pena was persuaded to hold off on refinancing the majority of his system until interest rates were more reasonable. Instead, Eddie Pena decided to go after an appropriate sum of money that would meet his immediate need for a new loan to finance additional construction and plant expansion. It was projected by CRC staff that such new construction could add considerable new revenue at minimum costs.¹⁶²

In late June of 1975, Pena submitted a loan request for \$100,000 to the SBA to help him expand his existing system. He was first informed by a local SBA official that this request had been approved and as soon as funds were allocated to the SBA State Albuquerque office, the loan would be dispensed. However, later in February of 1976, when the funds for the State SBA office came through, Pena's request for funding was turned down because he had not supposedly met certain requirements. Eddie Pena was informed that SBA could not loan money to a cable system that performed any type of local origination programming--not even an automatic time and weather channel which was the type of community service Pena was going to provide. Local origination is a term used to describe any type of programming that is locally produced by a cable TV operation in addition to its basic retransmission service. Pena, wanting to get a second opinion on SBA's actions, contacted CRC to explain his situation. During this time CRC's Task Force had begun operation and Pena was informed by Gil Mendelson of its existence and potential help in his predicament.

Since the loan application process had already been completed there was no need to call into operation the local development team mechanism. Instead CRC's executive director decided to use the policy commitment embodied in the task force agreement as leverage to assist Pena in contacting certain New Mexican political officials to appraise them of

the situation. A letter drafted by CRC staff but signed by Pena was sent to these political officials. The letter informed them of the task force agreement and outlined how state SBA offices had willfully "mishandled" one of their constituent's loan requests.

It was reasoned by CRC's executive director and staff that the involvement of political officials (i.e., New Mexican congressman and senator) would trigger more direct action by SBA Task Force representatives and in turn stimulate immediate responsiveness to resolving the situation by local SBA officials. As one of CRC's staff members put it, "if the Task Force and SBA get a letter from Congressman or Senator so and so saying, 'hey SBA if you play around with one of our constituents we are going to play around with your appropriations. . .then things are going to happen alot faster than if we (CRC) launched the investigation into Pena's problem.'"¹⁶³ The strategy was to induce political officials with clout to initiate inquiries and make the SBA and Task Force answerable to them, in reporting back the resolution of the situation. The executive director and staff of CRC theorized that once local SBA officials became aware that supporting cable TV projects was a priority of a federal Task Force (that included the SBA) and that political officials were "interested" in the approval of Pena's project then they would be motivated to resolve the problem quickly in Pena's favor.

The New Mexican political officials were informed by letter that Pena was ready to drop any plans for a time and weather channel which might put him in conflict with SBA policy regarding local origination. They were also told that Pena was first assured his loan would be approved when money became available, but when it did, his loan proposal was vetoed as being in violation of SBA policy on local origination. The explanation of why such a conflict was not pointed out earlier was that John Bush, the local SBA official thought "that the loan monies for his state office probably would not be allocated and therefore he didn't feel it was necessary to fully evaluate the original package."¹⁶⁴

Chester Barnard has stated that if there are no inducements that exceed the burdens and sacrifices to be made by a bureaucrat in accepting certain new or different orders of action that ultimately force him to alter his established standard operating procedures or bureaucratic "routines" then his "zone of indifference" over whether

to follow such orders will be negatively violated.¹⁶⁵ Thus he will not feel compelled to perform duties or render services above a bare minimum level of acceptable behavior. This appears to be the dynamic at work when the SBA local official only superficially reviewed Pena's loan package. He figured that there would not be any monies to fund the project and that over an extended period of time, Pena would get tired of waiting and eventually seek out other loan sources.

Letters explaining the complete situation were also sent under Pena's signature to SBA Task Force members and their chairman (see appendix I for example of the communique sent). Letters inquiring into the mishap were forwarded by the political officials contacted by Pena to the Task Force Chairman, the director of the SBA New Mexican field office, and the Chief Administrator of SBA's National office in Washington, D.C. Soon after the Task Force was contacted by Pena, the SBA members in Washington began to make informal investigations into the situation through in-house channels and by contacting the New Mexican SBA field office director for further information.

Warren Boyd, a black SBA loan official and Task Force representative, contacted the New Mexican SBA office for an explanation. The office director informed Boyd that he didn't realize there was such "high interest" in cable TV. Boyd told him about the Task Force, his role, and that because of the political inquiries there was "a keen interest in what was going on." The director told Boyd they were still "backtracking" the situation but would keep him posted. Boyd's intervention was motivated by several factors. He was acting to honor the request of New Mexican politicians and to head off a political flap for SBA.¹⁶⁶ As a Task Force participant, he had an increased obligation to act and stay informed on the situation. On a personal level, as a member of a minority group, he was concerned with seeing some equity being brought to the Pena situation.¹⁶⁷

Boyd, by virtue of his Task Force role and personal interest in minority business development, had been cultivated by CRC's executive director and staff as a close confidant. The Task Force provided CRC's staff with the opportunity to "groom" and prime certain agency contacts like Boyd to initiate supportive client actions under a protective mantle, inform CRC on internal agency developments, and provide "feedback" on Task Force strategies. The Task Force afforded Boyd a protective

mantle of legitimacy (i.e., the "right") in making direct inquiries without being challenged by field officials as "trying to make waves" or being accused of kibitzing field office affairs.

Charles Stein, as Task Force Chairman, officially informed the SBA officials in Washington and New Mexico by letter that the field office's handling of the Tele-Vu project was not in general accord with the basic spirit and intent of the interagency agreement directives that instructed all signatory agencies to "provide all possible national and local assistance to minority businessmen and user-groups qualified to participate in the cable TV program."¹⁶⁸ Nor was it in accord with the directive indicating that signatory agencies were responsible for "notifying regional, district, county, and/or local representatives of the signatory agencies of the terms and intent of this agreement, and to encourage active support and assistance by such representatives in carrying out the local aspects of the program."¹⁶⁹ He then asked that he be sent an explanation of their handling of the Tele-Vu project.

Charles Stein's firm follow through in the Pena case was enhanced by the fact that OMBE's national director was Alex Armendaris, a Mexican-American. As a member of a Spanish-speaking minority group there is little doubt he took a dim view of SBA's callous mishandling of Eddie Pena's (a fellow Chicano) project and strongly backed up Charles Stein's actions.

The director of SBA's National office responded to Charles Stein's letter by indicating that his office was in the process of requesting further information from their field office on its handling of the Tele-Vu project. The National SBA administrators were compelled to follow up on the Pena situation because of their Task Force obligation to support cable TV, the Task Force chairman's official request for their investigation, and the inquiries made by New Mexican politicians. As one SBA staff member put it:

Being tied to a Task Force and agreement certainly colored the review of actions taken by field offices. There was little leeway in terms of acting or not acting. I think it's fair to say certain moves had to be made to reduce SBA's vulnerability.¹⁷⁰

The presence of the Task Force and an interagency agreement were visible indications and acknowledgments that minority cable TV applicants

were entitled to special assistance and support. They created a "fish bowl effect" where agency transgressions in defiance of the Task Force mandate and signed agreement could be easily scrutinized and denounced by politicians and other outside observers.

The SBA's membership on the Task Force and the signed agreement increased the National office's accountability for their field office's actions and made it a fait accompli that responsive action had to be taken. The Task Force and its agreement signified that disadvantaged cable TV groups could expect, and were entitled to, support from SBA. When this standard was violated, it placed the burden on SBA to explain why--given the highly visible Task Force preparations made to avoid bureaucratic problems and the clear support signals given off by the inter-agency agreement. The political interest in the Pena case intensified and reinforced the need for direct action.

After numerous inquiries started being made into the Tele-Vu project, the SBA New Mexican field office director indicated to his supervisors that his office would need several weeks to review the handling of the Tele-Vu project.

Within two months after significant attention and pressure had been focused on the SBA local field office to explain why Mr. Pena should be penalized for their indiscretion in terms of not providing adequate and timely information on a major project funding prerequisite before his proposal submission, the funds were relinquished to Eddie Pena.

However, to save face the SBA field office maintained that Mr. Pena, in order to receive funds, had to agree not to originate any programming. Even though this was not a restriction placed upon him when his original loan request was approved, Eddie Pena acquiesced in order to facilitate an amiable process.¹⁷¹

The Task Force agreement helped to trigger an immediate sensitivity by the New Mexican political officials to the "unfair treatment" of one of their constituents. It likewise forced SBA Task Force representatives to ask some hard questions of their local field office about proper operating procedures in service delivery to the public. The interagency agreement was a concrete document which established SBA's, among other agencies, commitment to facilitating the service delivery process in the

area of cable TV. It was a document which in its initial intent did not condone last minute disapproval of loans based on criteria not made known at the beginning of the project evaluation process. In fact its whole intent was to assure to some extent that basic clear communications to community groups from participating agencies were forthcoming in support of proper funding of cable TV projects.

The agreement in conjunction with political official interest helped give extraordinary publicity and high visibility to an otherwise mundane bureaucratic occurrence. The publicity generated by the agreement basically forced the local SBA officials to rethink their mishandling of the Pena project within the spotlight of attention from certain politicians and national administrators which helped to forestall subsequent bureaucratic maneuvers aimed at sabotaging Pena's project. Overall, the agreement created a policy platform for outside observers (political officials), inside national administrators (Task Force representatives), and public interest organizations (i.e., CRC) and most importantly, community groups to stand on to review and scrutinize bureaucratic actions.

EDA TEST CASE II

After achieving a major breakthrough in resolving the Eddie Pena/SBA case with the help of the Task Force agreement, CRC's staff wanted to build on this success. CRC's director and staff members theorized that it might be prudent to finance another already existing cable TV system. This would be easier and less time consuming than starting at ground zero. The most logical site at the time was Gary, Indiana. This would be a major test of the influence of the Task Force and its agreement: a funding application process had yet to be initiated and the system was urban rather than rural.

The question might arise why take such a chance with an urban system? Well, there were many political as well as pragmatic reasons as alluded to earlier but the two most important were: the system in Gary needed financing desperately and, as the first black-owned cable TV system in a major TV market, it would receive a great deal of negative

attention and publicity if it should fail. Thus, making it more difficult in the future for other minority urban and rural cable systems to acquire financing.

Up to this point, the Task Force had proved to be an effective conflict resolution system for addressing and rectifying bureaucratic snafus. The existence of the Task Force and its agreement had been significant in providing Eddie Pena with a backup mechanism for challenging SBA's mishandling of his project and giving his group greater public "voice" and credibility in getting their grievances responded to by outside political officials as well as SBA top-level officials. The theory and practice behind the establishment of a coordinative Task Force, which would provide disadvantaged groups with greater "leverage" and redress during their attempts to use public programs, was working ever so slowly, but working. In Gary, however, this coordinative mechanism met its severest test. The Gary Communications Group (GCG) project presented a unique set of problems, pitfalls, and circumstances that perhaps few coordinative mechanisms could have realistically hoped to overcome.

Significance

Nevertheless, the GCG project, as a part of the overall Task Force experience, stands out as an important case study of public policy and program intervention by an advocacy organization on the behalf of disadvantaged populations. The GCG case is unique because it demonstrates the complexity and consequences of an attempt to achieve: the strategic promotion of common objectives (e.g., business development by disadvantaged groups) among two agencies within the same department; the concentration of the resources of several organizations in a comprehensive manner on a target group's needs; and a process (i.e., use of coordinative mechanisms and strategies) for resolving areas of dispute, avoiding conflicts, and expediting project funding. The GCG case study is special because it deals with a coordination process conceived, developed, and implemented by a minority advocacy organization supported by a wide array of community groups and political actors.

The GCG case study records an attempt by minority planners and

administrators to place clients (i.e., disadvantaged groups) in a position where they become active participants in the service delivery and decision making process and not just passive potential receivers of program benefits. This case study is especially noteworthy because it is an attempt to alleviate or at least minimize public program disappointment and the unrealistic raising of public expectations beyond a rational margin of actual obtainment.

Too often, a community effort is organized around some special project and just as the group begins to believe in itself, its hopes are dashed by public programs that fail to respond to their needs. A major goal of the strategy behind the Task Force coordinative process was to set up a mechanism for reducing some of the hardships faced by disadvantaged groups attempting to face a maze of bureaucratic programs alone, without any past experience (i.e., track record in dealing with public programs), inside contacts, or knowledge of their real chances of getting projects funded. In fact the real goal was to attempt to iron out bureaucratic problems before a community group was even approached or organized to get involved in seeking project funding from a public program. The plan was to clear the way for smooth project funding to guarantee community group success.

Too many studies only review "how the bureaucracy or producer of services organizationally copes with publics and seldom turns the question around to ask what alternative strategies are available to consumers to influence the producer and how the consumer perceives his needs and wants and evaluates the kind of job the producer is doing."¹⁷² Thus, many government studies like the bureaucracy itself are preoccupied with the bureaucracy's internal processes to the exclusion of the clients.¹⁷³

Albert Hirschman (Exit, Voice and Loyalty, 1970):

. . .has combined the idea of "exit" from economics with that of "voice" from political science to suggest ways in which consumers can affect producers. Either they may withdraw themselves from use of the services (which is not feasible when there are no alternative sources of services) or they can act openly to try to get the producer to change his ways.¹⁷⁴

The GCG case study captures an attempt at the latter solution. That is an attempt to give greater voice to consumers within the service delivery

process. The coordinative process is studied here as a vehicle for giving greater voice to disadvantaged groups as well as legitimatizing their right to communicate with the bureaucracy not just their needs but the inequities they encounter in the service delivery process. Such added help for consumers is important when it is realized that normal channels for such communication are often "weak because of the remoteness between a producer bureaucracy and consumers, the limited organization of consumer groups, the absence of a real market mechanism to support 'exit' and the general aggregative and untimely character of a traditional 'voice' mechanism such as voting."¹⁷⁵

The GCG case study is also significant because it focuses on EDA, an agency which has been the subject of several past studies, investigations, and examinations. The most notable being Jeffrey L. Pressman and Aaron Wildavsky's work Implementation. On May 20, 1979, CBS's "60 Minutes" News Magazine program aired a TV show segment discussing the lax nature of EDA's programs in allowing many white businesses to use minority paper corporations as fronts to make use of program funds meant for real minority businesses. The irony of this situation is that many legitimate minority businesses continue to be unsuccessful in getting projects funded by EDA. Thus, the EDA case study is important because it further establishes the fact that nothing much has changed in sensitizing EDA (as representative of the larger bureaucracy on a whole) to responsibly addressing the needs of disadvantaged populations for whom they were created.

It is hoped that by shedding additional attention on the recalcitrant behavior patterns of the EDA, in relation to minority needs, that a stronger case can be built by others for its major overhaul. It is also hoped that this work in conjunction with the past literature will help to alert neophyte administrative officials, advocacy organization directors, and community group leaders to the obstacles they might face in dealing with the EDA or its sister agencies and aid them in developing effective strategies for overcoming bureaucratic problems.

Most importantly, the GCG case is meaningful because of its demonstration of how certain coordinative mechanisms are used to resolve a cluster of the major issues usually associated with the bureaucracy

problem. To paraphrase James Q. Wilson, there is not one bureaucracy problem but several--a series of interrelated and interacting inadequacies which retard public service delivery. One central issue the GCG case study focuses on is accountability or control. That is how to use coordinative mechanisms to get the bureaucracy to serve certain agreed upon goals by: involving disadvantaged groups in the implementation process; establishing a communications process that clearly broadcasts to everyone (e.g., field officials, outside observers, etc.) what the goals and priorities are; making it possible to pinpoint and hold responsible those bureaucrats culpable of generating problems; and creating a forum for groups to "voice" complaints about bureaucratic malfunctions and have them corrected.

Another issue this case deals with is the problem of inadequate resource allocation to individual programs. A common plea often heard from public agencies is that they are woefully underfunded and understaffed to do all the things they are intended to do. All too often most social problems are far too complex for any one agency to solve by itself, given its individually limited resources (i.e., money, manpower, materials, etc.) and expertise (i.e., technical services).¹⁷⁶ Disadvantaged groups often suffer because they are told there are not enough resources to meet their needs. Interagency coordination seeks to end any artificial scarcity by getting agencies to pool their resources in a resource leveraging or sharing approach. Consequently, one end result sought by coordination or the establishment of interorganizational relationships is the attainment of goals that are unachievable by organizations independently.

Closely allied with this problem is the issue of fragmented and disjointed program activity by various agencies seeking similar goals. Various programs focus on similar problem areas and client groups yet there is an ever changing hodgepodge of conflicting rules, guidelines, and qualification criteria that must be met by the public to access services from these programs. The coordinative process reviewed in this study is a direct reaction to the dysfunctional nature of the piecemeal or "cafeteria shopping" approach to finding financial support for minority ventures. Interagency coordination is viewed as one way to bring greater

order and consistency to how projects are processed and approved by different agencies and at different agency levels. The coordinative process is also considered a more effective and efficient way of establishing or gaining up front support for target projects and groups.

A final issue to be considered in the GCG case study is responsiveness. That is the problem of inducing bureaucrats to prioritize and meet "with alacrity and compassion, those cases which can never be brought under a single national rule and which, by common human standards of justice or benevolence, seem to require that an exception be made or a rule stretched."¹⁷⁷ This issue deals with the central problem of how to get the bureaucracy to function effectively on the behalf of disadvantaged groups and not operate against them (i.e., assist groups to follow correct procedures instead of willfully allowing them to violate certain eligibility criteria or guidelines). Ultimately, this issue is related to bringing greater equity into the service delivery process--that is "getting bureaucrats to treat like cases alike and on the basis of clear rules, known in advance."¹⁷⁸

Background

The Gary Communications Group Inc. (GCG) was founded by William Douglas, Jr., Ph.D. (a steel plant metallurgical engineer) with seven other prominent Gary businessmen on June 28, 1972, as the first black-owned and controlled cable television business in a major TV market in the United States. These businessmen had become interested in cable television through exposure to a 1971 handbook published by the Urban Institute entitled Cable Television in the Cities: Community Control, Public Access and Minority Ownership, and their participation in a four-day workshop (June 24-27, 1971) in Washington, D.C. sponsored by the Urban Institute, the Urban Communications Group, and Black Efforts for Soul in Television (BEST). During the workshop discussion, Charles Tate, special assistant to the president of the Urban Institute, editor of the handbook Cable Television in the Cities, and key organizer of the workshop, impressed upon William Douglas and other businessmen present that significant opportunity for minority participation in the development, ownership, and

operation of the communications systems of the future lay with cable television.

Out of this vision sprang both the genesis for GCG and the need for an organization like CRC to give technical assistance to community groups seeking to develop cable TV businesses. Also critical to the start of the GCG organization in 1971 was the fact that local black businessmen felt that the "timing" was right to capitalize off of the change in the city power structure which brought Mayor Richard Hatcher into office along with a number of other black elected officials in the city council, who held the power to grant cable TV franchises. Thus, with about 20 original black residents as stockholders, in a quickly formed corporation, GCG applied for and received a non-exclusive (non-exclusive meant more than one company could hold a franchise in the city) franchise from the city of Gary, Indiana. On September 6, 1973, they received a Certificate of Compliance from the Federal Communications Commission (FCC) authorizing service through March 31, 1977.

During the same time period, Lake County Cable TV, Inc., a wholly-owned subsidiary of Teleprompter, Inc. (TPT, a large multiple systems operator), also had a non-exclusive franchise in Gary. This system serviced about 650 subscribers over 40 miles of cable strung on telephone poles throughout the community. Right after GCG received their franchise, TPT began a construction policy that purposely "over-wired" the same area that GCG planned to serve. In other words, Teleprompter began to simultaneously develop a system in the same area of Gary as that in which GCG was building its cable system. Since TPT had its own non-exclusive franchise, this was legally permissible, but very disruptive to GCG's attempts to construct its cable TV plant and get started. Basically, this move was an attempt to usurp GCG's possible business in that area and run GCG out of business altogether. This was true because there were not enough homes in the area to allow two rival cable TV systems to operate simultaneously at a profit. Furthermore, since both companies had to use the same telephone poles on which to place their cables, there were constant confrontations and physical space interference problems created when both GCG and TPT workmen attempted to put their cable equipment up on the telephone poles first. Also, because GCG's cable equipment

had to be placed close to TPT's equipment on the same poles, GCG's equipment often became damaged or misaligned whenever TPT workmen had to climb the poles to service a malfunction in their equipment. Despite these hindrances, by November of 1973, GCG began operation of a 20-mile cable system which served an 80-block area between 5th and 9th Avenues, Washington and Harrison Streets. The GCG system had its head-end and offices located downtown in the Hotel Gary.

For over six months, GCG and TPT directly competed for subscribers. GCG utilized a number of slogans stressing the hometown black ownership of GCG in trying to out-market its competitor. Then, Teleprompter, Inc. began to have numerous management problems. Basically, one of TPT's top management officials in New York was arrested and sent to jail for bribing city officials to get cable TV franchises. Just as soon as this news began to break, trading of Teleprompter stock, the nation's largest cable operator, was suspended from September 10-26, 1973. The Securities and Exchange Commission's only official explanation was that the suspension was ordered to:

. . .explore fully the circumstances which gave rise to a release issued by the company on September 4, concerning rumors circulating about adverse corporate developments. Two weeks after the suspension, TPT announced its 1974 construction schedule would be reduced from \$75 million to \$20 million, with about half that sum for subscriber hookups. They also announced the firing of 20 percent of their staff.¹⁷⁹

These developments soon led the TPT operation in Gary to decide by March of 1974 that local competition with GCG was too costly to fight and as part of TPT's major corporate-wide retrenchment agreed to cease operations in Gary and sell its assets to GCG. The agreement provided for sale of the existing plant with its 650 subscribers, an additional 60 miles of cable without hardware, a 6-acre antenna site and antenna, head-end building, warehouse, and other cable equipment. At first, GCG was to provide a downpayment and the balance in a long-term promissory note. Later, renegotiations with Teleprompter made it possible for GCG to proceed with the acquiring of their assets in Gary and their subscribers without a downpayment. Because TPT wanted to close out its Gary operation immediately and eliminate the operating expenses, TPT agreed to a settlement that required no downpayment, and the acceptance of a promissory note

with a 4-year principal moratorium and 6 percent interest. GCG's members estimated that they would need about a \$1.4 million package to refinance their system and consummate their deal with TPT.¹⁸⁰

Over a year past while GCG's members attempted to develop the monies needed. By the time GCG's members had just about exhausted their attempts to gain financing through both traditional lending institutions (i.e., banks) and special cable financing sources, the National Rural Cable TV Development Task Force was beginning to take shape. CRC's director and staff, who had periodically provided technical assistance to the Gary project from its inception, began to feel that Gary's only hope for refinancing might come from leveraging money through some government agency such as the ones on the Task Force.¹⁸¹

This was largely because news of Teleprompter's management setbacks had caused many other multiple systems operators, private investors, banks, and specialized cable financing institutions to dramatically cut back their investments of new venture capital into the startup of cable TV projects. Also, because of the lagging economy at that time, many banks felt it was too costly and too risky to finance any major cable corporations in urban areas, let alone a new minority company with no track record. Consequently, all of the financial institutions presented with the GCG proposal, including the Gary National Bank and the Bank of Indiana, had stated that given the state of the economy, they would not participate in this proposal.¹⁸²

EDA Discussions

The GCG-EDA case evolved very rapidly out of seemingly very successful early discussions between CRC staff members (Charles Tate, Executive Director; Reginald Dunn, Market Development Director; and William Polk, Market Analyst) and EDA top administrators (Jeff Cahill, William Henkel, and Stephen Dunne) over their signing of the interagency agreement and subsequent participation in the overall Task Force effort. Jeff Cahill, during this time, was acting chief director of EDA although his title was Deputy Assistant Secretary for Economic Development. William Henkel was the Deputy Assistant Secretary for Operations and Stephen

Dunne was the head of the Business Development Section.

The enthusiastic receptiveness of Jeff Cahill as a chief administrator of EDA to the Task Force concept, coupled with his expeditious signing of the interagency agreement, led CRC's executive director to focus on the EDA as the main choice for a funding source for GCG. The EDA, although not a participant at the first Task Force meeting, signed the agreement in less than a month after being approached with the idea. The FmHA, on the other hand, was the last agency to sign the agreement in spite of the fact that it was the first agency to agree to be on the Task Force. The staff of CRC believed that EDA's general responsiveness, if orchestrated correctly (i.e., given lots of publicity and public praise for assisting minority economic development) could be developed into a successful funding process for GCG.

Soon after the signing of the agreement, a general meeting was held with Cahill and some of CRC's staff (Charles Tate, Reginald Dunn, and William Polk) to inform him of the GCG project. During the meeting, Jeff Cahill phoned EDA's Chicago office and instructed Ed Woleski (a loan official) to meet with, and help CRC and its client GCG. Also, during the meeting, Cahill summoned Stephen Dunne and requested that he assist CRC staff in setting up meetings in Washington to discuss the GCG project and help the application process get started.¹⁸³ Within two weeks, CRC staff members and GCG's President began meeting with the EDA loan officials in Chicago and in Washington, D.C. to discuss the loan application process and to explain to them the business package GCG intended to present. Reginald Dunn informed EDA representatives that CRC would be assisting GCG in submitting an application for a \$398,000 direct loan, needed by GCG to expand their subscriber service area. Reginald Dunn also indicated that it was GCG's intent to purchase the fixed assets of another existing cable TV operator (Teleprompter) in Gary and merge that system into its existing system. It was explained to the EDA officials that GCG's business plan called for raising significant equity and debt to: pay all the then current accounts payable of about \$140,000; acquire the assets of its former competitor, Teleprompter for \$480,000; combine the current GCG system and its subscribers with current Teleprompter system and subscribers into one system of approximately 1,000 initial subscribers and

36 miles of plant with 5,400 potential subscribers; finish construction of 64 miles of partially completed Teleprompter plant and provide service to 9,400 more homes; and build an additional 35 miles of new plant to pass 5,250 homes.¹⁸⁴

GCG's president projected that a total figure of \$1,328,000 of new financing would be required to achieve this plan. In order to carry out this total financial package, GCG had entered into an agreement with CATV Development Corporation (CDC) of New York City (a syndicator of partnership financing) to form a Limited Partnership. GCG, CDC, and Cable Communication Consultants of Washington (cable management experts) were the general partners and CDC would arrange for \$250,000 in equity investments by bringing on board about 20 limited partners. This equity was to be used to meet immediate obligations and serve as working capital.¹⁸⁵

A total of \$878,000 was needed to purchase the existing fixed assets of Teleprompter and finish the construction of a 135 mile cable system. GCG had concluded an agreement with TPT to arrange for the purchase of about 55 percent of TPT fixed assets (i.e., 36 miles of operating plant, head-end, office, warehouse, tower, and partially constructed cable system of approximately 64 miles) for a purchase price of \$480,000 based on a long-term note. The remaining 45 percent of fixed assets needed to complete the project or \$498,000 would be sought from the Economic Development Administration on terms of a direct loan. The request for \$498,000 and the construction plans were developed to be phased over 15 months to provide the necessary time to complete construction and to provide time to raise capital needed from limited partners.¹⁸⁶

Advance Project Approval

In August of 1975, after Bill Douglas (President of GCG) and Charles Tate had expressed to EDA loan officers an interest in procuring a loan for the Gary project, it was suggested by loan representatives Ed Wolesski and Frank Moore in Chicago and Steve Dunne in Washington, D.C. that a letter outlining the proposed application be submitted for advance clearance. It was explained by the officials that a formal EDA application involved a great deal of work and that the letter would provide a

simple way of checking for any legal or policy reasons for loan ineligibility.¹⁸⁷ The letter outline requested by EDA seemed to be a positive indication of their attempt to be responsive in helping GCG head off future problems that might waste the group's limited resources. At this point, it appeared that the existence of the agreement was stimulating real responsiveness on the part of EDA to curtail fragmented and disjointed program activity. The letter was sent, clearance was received, and formal application invited. A formal EDA application for \$498,000 of direct loan financing, as part of a \$1.4 million refinancing, was then filed on September 11, 1975 with the Chicago regional and Washington, D.C. National offices.

There then occurred a number of follow up meetings between Bill Douglas (GCG) and EDA representatives in both the Chicago and Washington, D.C. offices to discuss additional information requested (e.g., updated financial statements, inventory of business supplies, employment creation figures, etc.). These discussion sessions were viewed by Bill Douglas and CRC staff as helpful in stimulating a positive flow of information on how to improve the application package before mistakes were made that could not be corrected. In effect, CRC staff and Bill Douglas believed that such meetings, by putting them in constant contact with EDA project review officers, would enable them to begin to hold specific individuals accountable for their actions and thus ultimately give them greater control or recourse in case of problems.¹⁸⁸

One of the early goals of the coordinative process was to get bureaucrats to be responsive in prioritizing cable TV projects brought before them by lending special assistance to client groups in following correct application procedures and by letting clients know in advance any possible rules or policies that might jeopardize the eligibility of such projects. This was to be done in order that appropriate and timely actions could be taken by clients to rectify such situations before a formal application was submitted to an agency.

Historically, it had not been part of EDA's standard operating procedures to review in advance and give any type of general clearance to proposed project ideas. In fact, EDA program literature and loan form application instructions set forth no formal commitment to provide either

preliminary clearance or general approvals of project eligibility before full and complete project application forms are filled out in detail. Thus, EDA's offer to provide a preliminary review of the GCG project before a formal application was submitted represented a "special departure" from normal EDA project review procedures out of regard for the objectives of the Task Force. This fact is consistent with information established in an interview with George Burns, legal counsel for CRC, who has indicated that he was informed during a pre-application conference in Washington, D.C. (August 1975) by EDA Task Force representative Stephen Dunne that "because of the special nature of the GCG project as a Task Force initiative, it would be wise in order to reduce any potential problems to have GCG submit a letter outlining their project for general clearance purposes."¹⁸⁹ This statement correlates with Stephen Dunne's basic finding after reviewing the submitted letter outline that "no legal obstacles were known to exist." This statement was also made to George Burns verbally, but later chronicled in a November 20, 1975 memorandum from John Topping (OMBE Chief Counsel) to Alex Armendaris (Director of OMBE) dealing with developments in the GCG project.¹⁹⁰ Collectively these facts seem to indicate that EDA officials were demonstrating some degree of responsiveness to Task Force objectives by showing up front concern for the eligibility of the GCG project and by making "special departures" in their review procedures to give GCG an early indication of any legal problems.

It is also important to note that normally only one pre-application conference is scheduled and that is usually with the regional office representative. In the GCG case, however, several pre-application conferences were held, not just with the regional or local office representatives in Chicago, but with top-level EDA administrative officials in Washington. In fact, early conferences over the GCG project were initiated between CRC and EDA representatives in Washington, D.C. even before regional EDA officials were talked to by GCG. This direct access to Washington, D.C. EDA officials by CRC staff and Bill Douglas (GCG) was facilitated by Jeff Cahill after he had signed the interagency agreement. Jeff Cahill instructed Stephen Dunne (EDA's designated Task Force representative) to meet with CRC and GCG representatives (Charles Tate,

Reginald Dunn, and Bill Douglas) to discuss the project. Charles Tate and Bill Douglas both felt that having Jeff Cahill, a Deputy Assistant Secretary of EDA, to "open doors" and set up meetings for them with other agency officials would be significant in stimulating greater responsiveness among various lower level officials to approve the GCG project.¹⁹¹ The existence of the Task Force and the agreement created a supportive environment and sanctioned opportunity for Bill Douglas to get to meet and confer with various top-level Washington EDA officials about the GCG project before submitting a formal application. Bill Douglas (GCG) and CRC staff believed that by conferring with EDA's top-level officials in Washington first, it would then be easier to trigger a positive relationship with regional and field office officials. Especially, when Bill Douglas (GCG) could demonstrate to field officials his knowledgeability about EDA programs and could indicate that he had already talked to certain EDA top-level officials who were interested in expediting the project.¹⁹²

CRC's Reginald Dunn and Bill Douglas (GCG President) were able to convene and orchestrate a number of extraordinary meetings with EDA loan officials in Washington and Chicago because of the existence of the Task Force and the resulting "open door" policy generated by Jeff Cahill in his demonstration of his support of the Task Force enterprise. No less than five pre-application meetings were held before a formal application was submitted to EDA by GCG.¹⁹³ Reginald Dunn and Bill Douglas both viewed the extra pre-application meetings with EDA Washington and Chicago officials as a helpful opportunity for surveying face-to-face EDA officials' general disposition toward the project, winning over their support of the GCG project and as a mechanism for allowing CRC and GCG to readily identify and hold specific officials accountable for any unresponsiveness.¹⁹⁴ The staff of CRC and Bill Douglas felt that by having increased opportunity to get to know more intimately the key actors in the EDA project review network, they would stand a better chance in isolating and placing pressure on any bureaucrat presenting problems. After all, the creation of the Task Force gave CRC a mandate for requesting agencies to expedite cable TV projects, a legitimate rationale for attacking bureaucratic resistance, and a credible forum for generating political pressure to

resolve such problems. These were the views regularly discussed at weekly in-house strategy sessions and staff meetings held by CRC on the GCG project.

A prime indication of the increased responsiveness generated by the existence of the Task Force among EDA officials can be evaluated, as noted earlier, based on the "special departures" from standard operating procedures taken by EDA officials to facilitate the GCG project. Basically, this meant getting EDA officials to do things that would assist the processing of the GCG project even if such an action ran counter to usual operating routines. The extra pre-application meetings held in Washington between EDA and GCG over the proper development of the project were certainly a departure from the standard single pre-application conference normally held in the regional office as outlined in most EDA program literature. The early review and clearance of a GCG project outline for legal or policy problems was another departure from the standard EDA process of evaluating a completed package (i.e., a completed set of loan forms) before giving any clearances. The fact that this early review process was carried out simultaneously by both regional as well as Washington EDA officials was another departure from normal project review protocol.

According to EDA program literature and career officials, project reviews are usually not carried out in any joint fashion by regional and Washington officials. Most reviews are carried out in an independent sequential fashion, moving from the field office or regional level to the Washington headquarters level for final evaluation and approval. To quote the EDA pamphlet Building Communities with Jobs, March 1977:

Prospective applicants should contact the nearest EDA Economic Development Representative, who will explain the EDA program in more detail. If the project is of an eligible type and appears to warrant EDA financial consideration, a Pre-Application Conference will be scheduled by the Regional Office. . . . Applicants are urged in all instances to first contact the Economic Development Representative for their area. . . . Potential borrowers should work closely with the EDA field representative to assure that the application has a significant probability of acceptance by EDA.¹⁹⁵

Historically, EDA national headquarter's officials did not get involved in pre-application conferences or general project approvals.

Bureaucratic Resistance

The key project review officer in charge of reviewing and processing the GCG loan package in the Washington, D.C. office was David Papermaster (as it would turn out later his name was quite apropos to the endless complications and reams of paper generated by his various requests for new, additional, or revised project information). It was around him, according to CRC file documents, OMBE memorandums, GCG correspondence with political officials, and GCG testimony, that a great deal of the "red tape," delay, and unresponsiveness would be generated. For example, after GCG's president had submitted updated financial statements, Papermaster, according to CRC documents, made numerous time consuming and often redundant telephone calls to GCG's partners, creditors, TPT, TPT's bank, etc., to discuss the same financial information submitted in writing over and over again.¹⁹⁶ This continuing activity of over-verification served to slow the review process down immeasurably and over taxed the patience of everyone involved. In fact, on November 19, 1975, Charles E. Tate (CRC) sent an executive summary letter on EDA's involvement with GCG, which focused on this situation, to John Calhoun (Director of Media Relations for the White House). In this communique, the following situation was officially outlined for the public record:

The Gary loan proposal has been delayed considerably and endangered by an EDA staff member named David Papermaster who has indicated he does not support cable development. His strategy has been to make numerous requests for additional information which serve only a delaying purpose. An example of this is his requesting a letter from a private company confirming a contract of which he already has a copy. Beyond that he had already confirmed the contract in a phone conversation with the company's Vice President.¹⁹⁷

No immediate resolution to the problem resulted from this letter per se, but CRC staff felt it was significant to at least begin to start a written record of problems they were facing with EDA officials. This was so that CRC would have adequate documentation which could be used to support requests for higher level intervention or investigation into the situation by the Department of Commerce officials, politicians, and the press if Task Force inquiries proved insufficient.¹⁹⁸

The general charges made in the letter to John Calhoun are consistent with information provided in interviews with George Burns, CRC's

legal counsel, and with information outlined in a much later (January 27, 1976) summary memo sent by GCG to Secretary Richardson. Under the heading Unconscionable Treatment by EDA, this memorandum indicated that "certain EDA employees have made every effort to kill the GCG loan; by using delaying tactics; by making numerous, separate requests for specious information; and by trying to create legal and policy obstacles without foundation."¹⁹⁹ Informal conversations with certain involved EDA officials have further substantiated the fact that the use of "delaying tactics" in order to not make a formal decision on a project, was an acknowledged practice often used by EDA employees against projects they didn't want to fund.²⁰⁰ Thus, the conclusion that such practices were used quite matter-of-factly to excess against the GCG project seems quite legitimate.

It is important to note here that although great care and consideration in forming the Task Force was given to the need to indoctrinate field representatives with the need to prioritize the processing and funding of cable TV projects, somehow, there seemed to be a real gap in the communication of this spirit of responsiveness to Washington, D.C. bureaucrats. In fact, except for EDA's Deputy Assistant Secretary for Economic Development (Jeff Cahill) who signed the Task Force Agreement, there seemed to be a lack of sensitivity to Task Force projects by other Washington, D.C. EDA officials like Glen Waldron (Acting Director of the Office of Business Development), Art Levine (Staff Supervisor), and David Papermaster (Business Loan Officer). It can be reasoned that because CRC failed to include many such career civil servants in the original planning stages of their development of the Task Force, that these individuals were not given a chance to develop a real stake in the issue.

For example, Papermaster suggested during meetings between himself and CRC staff that "cable TV projects really did not fit in with the type of business packages he was used to working on" and this project meant he had to develop some "new routines and procedures for analyzing the project." Which was something he let be known through his negative words about cable and slow actions in processing the project was not something that he relished doing.²⁰¹

The prevailing literature on organization theory support the observation that most public institutions and the individuals inside these institutions tend to function according to certain patterns of routine behavior. Furthermore, they tend to react negatively toward projects, plans, or policies (i.e., implementation strategies) that tend to require new learning, non-routine behavior, or defy established "short cut" techniques of bureaucrats to keep things simple along lines of standard operating procedures. Hence, the GCG project tended to violate Papermaster's and other EDA officials' "zone of indifference" as defined by Chester Barnard.

Specifically, Chester Barnard has stated that if there are no inducements that exceed the burdens and sacrifices to be made by a bureaucrat in accepting certain new or different orders of action that ultimately force him to alter his established standard operating procedures or bureaucratic "routines," then his "zone of indifference" over whether to follow such orders will be negatively violated. Thus he will not feel compelled to perform duties or render services above a bare minimum level of acceptable behavior. Furthermore, such bureaucrats may either directly disobey or more usually evade any orders perceived as utterly inconsistent with their own personal motives which are of course the basis for accepting any orders at all.²⁰²

This appears to have been the nature of the dynamic at work behind the major delays created by EDA Washington, D.C. officials in processing the GCG project.

Conversations with various key actors in the EDA case experience over time (i.e., before, during, and after its initiation) eventually revealed that there was a strong undercurrent of personal motives at conflict among certain top-level officials and career bureaucrats which seemed to significantly influence the handling of the GCG project. For example, Cahill, a Republican, who was supportive of the Task Force and the expediting of the Gary project, had been serving as an interim head of the EDA agency and had hopes of being given the opportunity to formally become the head of the agency.²⁰³ Cahill's tenure as interim head of EDA occurred during a time when the chief administrative position at EDA had been vacated and Wilmer D. Mizell, as Assistant Secretary for Economic Development, was considering leaving EDA to pursue a political career in his home state. However, certain political forces who supported Wilmer D.

Mizell for the chief position at EDA, if he decided to stay (which he did after his political plans in his hometown fell through), were attempting to ease Cahill out of EDA against his will so that Mizell would have no problems in taking over control of the agency.²⁰⁴ Thus, in reality Cahill's support of the Task Force and the Gary project tended to be both a politically symbolic move to head off any potential political attacks against him for not helping minorities which might have further jeopardized his attempts to improve his position in EDA, and a token gesture at foisting a project on a host of defiant career bureaucrats (most were Democrats) who had been troublesome to him in the past.²⁰⁵

Also at work was the reality that when Papermaster first moved into his position with EDA from another government agency, he had been downgraded by Cahill in his civil service classification. This seemed to have left an irrepressible residue of resentment on Papermaster's part against Cahill. In fact, Papermaster had been waging his own subterranean political struggle internally to be upgraded in his civil service rating. It is quite reasonable to conclude that Papermaster's personal battle tended to spill over into the struggle surrounding the Gary project, with Papermaster seizing the opportunity to demonstrate his ability to complicate and impede a project being supported by Cahill.²⁰⁶

Furthermore, by his own admission, Papermaster did not support cable TV as a worthwhile venture for EDA to pursue nor did he feel the city of Gary even needed cable TV. Papermaster made statements to this effect during early meetings with Reginald Dunn and other CRC staff members. This reality was later recorded in a November 16, 1976 Executive Summary sent by CRC staff to Charles Stein. To quote the summary:

The Gary loan proposal has been delayed considerably and endangered by an EDA staff member named David Papermaster who has indicated he does not support cable development. His strategy has been to make numerous requests for additional information which serve only a delaying purpose.²⁰⁷

Papermaster attributed his major disenchantment with cable as stemming from his belief that there existed certain First Amendment conflicts in EDA funding a communications venture. (In reality such problems did not exist as eventually verified by EDA's own legal counsel.) Also, by his own admission, Papermaster did not know that much about cable TV as a business

and had to make special efforts to learn about cable TV.²⁰⁸ Thus realistically one can surmise that a great deal of Papermaster's reluctance to view cable TV objectively as a viable EDA business venture stemmed from his initial general lack of knowledge of its technical and financial intricacies and his frustrations over having to make a special effort to do so. Thus , against his will, Papermaster had to take time away from his other projects to learn something new (cable) and had to expend extra efforts in developing a financial format for evaluating this type of project which departed from his standard operating procedures for more traditional projects (i.e., manufacturing businesses).

Overall, there were no clear positive inducements to persuade Papermaster into expediting this project in exchange for violating his standard operating procedures. Instead, there were many negative personal motives and incentives for Papermaster to impede or thwart the GCG project, in order to serve his own goals or hidden agenda in striking back at Cahill and in demonstrating his power to be dealt with, in vying for a remedy to his grievances.

Glen Waldron, head of the Business Development Office within which Papermaster served, also had a certain adversary relationship with Jeff Cahill. This adversary relationship between Jeff Cahill and Glen Waldron often led Waldron, according to inside sources at EDA, to verbally agree to carry out Cahill's project plans or special assignments but then later find some way to sabotage them.²⁰⁹ This reality tends to suggest that it was perhaps no accident that Papermaster, who by his own acknowledgment had a reputation as an independent maverick in his decision making, inherited the GCG project and received no appreciable flak or pressure from his immediate superior (i.e., Glen Waldron) on his handling of the Gary project.²¹⁰ In fact, it seems based on these various realities about the private motivations and hidden agendas of Waldron and Papermaster that the stage was almost set for structured failure of the GCG project from the point at which the decision was made to let Papermaster handle the project.

Project Eligibility Challenged

The Task Force as a group was not convened on any regular basis

nor was it summoned as a unit at every critical point when legal, policy, or administrative roadblocks were placed in the path of the GCG project. The first tactic usually employed, when trouble areas were confronted, was to have the executive director of CRC informally contact the chief official who had signed the Task Force agreement (Jeff Cahill) and solicit his intervention into the matter based on his commitment to the Task Force goals and the signed agreement. Hopefully, the official could be persuaded at such times to use the power of his position to forcefully instruct his subordinates to follow through on the project, that is to "coordinate their actions" more in line with the Task Force objective of expediting the funding of cable TV projects. The threat of this clout or the potential threat of such clout was a key motivating factor CRC staff counted on as part of the "leverage process" created through the existence of the Task Force.²¹¹

Failing the successful operation of this effort, the next strategy was to have Charles Stein, as Chairman of the Task Force and OMBE representative, to mobilize his governmental resources (e.g., OMBE's chief counsel, Department of Commerce officials, Interagency Council representatives, politicians, White House staff, etc.) in concert with CRC's contacts (e.g., FCC, Cable Trade Association, community groups, the media, etc.) in raising inquiries into the mishandling of the GCG project. For example (to jump ahead of the GCG history for a moment), a January 28, 1976 Department of Commerce/OMBE internal memorandum sent by Charles Stein to John Topping (OMBE Chief Counsel) requested Topping's help in drafting a Commerce policy statement supporting the GCG project in its struggle with EDA. This memo gives a prime illustration of the role Charles Stein played as chairman of the Task Force in mobilizing other officials and groups to focus pressure on EDA. To quote the memorandum directly:

In keeping with our conversation of January 26, George Burns of CRC will contact you to develop a Departmental policy statement for Secretary Richardson's signature.

I have also discussed with Art Williams the desirability of bringing to Under Secretary Baker's attention this violation (renegation?) of the OMBE/SBA/EDA/FmHA agreement on Rural Cable Television. It seems incongruous that an agency of Commerce - the Department whose Under Secretary chairs the Interagency Council - can so

blithely renege on an Interagency Agreement.

I am reasonably sure that the White House Office of Telecommunication Policy, the Commerce Office of Telecommunications, the Congressional delegations from affected areas, and the National Cable Television Association will all strongly support our position.²¹²

By September 20, 1975, EDA representatives in Chicago had held numerous meetings and conversations with GCG's president, GCG partners, and CRC staff over the project. Also, Papermaster had made numerous calls to GCG partners, creditors, and consultants to discuss the same financial statements of GCG over and over again. Growing tired of the delay that this over-verification was causing, GCG's president and CRC's director set up a meeting on October 15, 1975 with Cahill to present the project application to him and to express a need for expediting the review process. During the meeting, Bill Douglas showed and explained how all his project's financial statements were all in order and indicated that only a few calls were needed to verify their legitimacy. Instead, EDA representatives like Papermaster had made numerous and repetitive calls to himself and his partners about the same information.

Jeff Cahill reacted favorably to the information he was presented with and promised that a letter of intent to approve the project would be forthcoming from EDA within one week.

This situation prompted a prime example of bureaucratic resistance which the Task Force process was developed to alleviate. When Papermaster found out about Cahill's decision to have him issue a letter of intent to approve the GCG project, he immediately sidestepped Cahill's orders by sending a letter to GCG stating his office was not going to accept an oral opinion given earlier by EDA counsel approving the cable project as the final OK on the project's eligibility. Instead, he wanted a legal opinion in writing and he informed the EDA regional office in Chicago by letter that they should hold up approval and release of the package. This was a clear illustration of a career bureaucrat evading direct orders from a superior (Jeff Cahill) aimed at overcoming sluggish bureaucratic responsiveness, that resulted in increased resistance. Reginald Dunn (CRC) immediately contacted Papermaster to inform him that GCG's cable TV system would not be doing any local origination and therefore should not be in violation of any EDA project eligibility

requirements that ban funding "broadcasting firms" (i.e., communication system that broadcast live programming).²¹³

Certain EDA officials like Jim Marten (EDA Assistant General Counsel) maintained that the eligibility of cable TV systems for EDA funds turned on the question of whether cable was considered a "broadcasting firm" which originated live shows and exercised selective programming judgment or was a passive conduit and did not act as a broadcaster. EDA logic proceeded that broadcast firms were involved in the "opinion-molding" process which might raise First Amendment concerns if EDA were indirectly involved in the process by providing financing to such systems.²¹⁴

Papermaster at this point told CRC that he had not read the application package yet and could not comment on whether or not what was stated in the application met eligibility requirements of EDA. Charles Stein and CRC's staff were dumbfounded by Papermaster's assertion that he had not read the package, given the nature of his earlier requests for additional information which seemingly could have only been based on his meticulous review of the application.²¹⁵

The major discussion over the eligibility of the GCG project began to seesaw back and forth between EDA's office of business development officials and OMBE-CRC-GCG representatives. Before long, the term "demonstration" was tacked on to the GCG project by its CRC supporters and its president as a way to try to give the project some added special significance and importance so that it would be funded by EDA. Bill Douglas (GCG) wanted to highlight that this would be the first minority urban cable venture ever funded by a government program. Basically, Bill Douglas and CRC staff hoped that the GCG project could become the focal point for "demonstrating" the business development potential and importance of a cable TV system to an economically depressed community. CRC's director also hoped that by adding the term "demonstration" other government funds like CETA training monies could be piggy-backed to set up a cable technician training program based in Gary that could train workers, not just for jobs with the Gary system, but for other cable TV systems across the country.²¹⁶

After Bill Douglas convinced EDA officials that the GCG project could become a nationally significant demonstration project, Papermaster quickly suggested that a national impact demonstration statement be

developed. This statement had to outline all the potential benefits that might be spun off nationally through the EDA funding of the Gary system. Specifically, he wanted GCG to spell out what types of economic development gains such as new employment opportunities, job training programs and spin off business benefits (e.g., construction jobs, vehicle sales, etc.) would be stimulated by the GCG enterprise over the long term.

Bill Douglas and Rayfield Fisher (Vice President of GCG), during November of 1975, made a special trip to Washington to meet with Papermaster and other EDA officials to discuss the information they were developing for the national impact demonstration statement requirement. Douglas and Fisher wanted to make sure that they included everything in the final statement that Papermaster and his colleagues wanted. The individual meetings set up by Bill Douglas and CRC staff with various EDA officials were to serve mainly as a dramatic gestures to "stroke" EDA bureaucrats in an attempt to head off future nit-picking in reviewing the application.²¹⁷ This strategy at first appeared to have worked when at the end of one of the meetings, Papermaster suggested that once the national impact statement was completed the GCG application package would be approved.²¹⁸ However, much later (according to a historical record of the GCG project compiled by CRC dated January 20, 1976 for submission to Secretary Richardson's office) Papermaster would dispute that he ever suggested that the national impact statement was the final condition that GCG would have to meet to get their project approved.²¹⁹

While Bill Douglas, with the help of CRC staff, developed a detailed impact statement according to the strict specifications of Papermaster, other things began to happen. On or about November 3, 1975, Glen Waldron, as Acting Director of the EDA Office of Business Development, filed a request with the Chief Counsel of EDA for an opinion as to the appropriateness of EDA assistance to GCG's cable TV company under number 41, chapter I of the Business Development Manual. This manual sets forth the general guidelines for determining what projects were eligible for funding by EDA. Specifically, the Business Development Manual stated in part that: ". . .in addition to the prohibitions stated in P.L. 89-136, the Public Works and Economic Development Act of 1965, as amended, the following types of projects are ineligible for business development

assistance. . .6. Newspapers, publishing and broadcasting firms."²²⁰

During this time period, SBA officials maintained the opinion that any CATV system that originated live programs or exercised selective programming judgment was acting as a broadcaster. Broadcast TV stations were not eligible for government funds because they were viewed as being involved in the "opinion molding" process. However, "passive conduit" type cable TV systems, meaning those that only serve a signal retransmission service, were eligible for funds. The critical point which made "active" cable systems ineligible, if viewed as broadcast stations, stemmed from government agency paranoia over violating the First Amendment's protection of freedom of speech and the press. Financing of media (e.g., newspaper, magazine, television broadcasting company, film production company, book publishing company, etc.), it was theorized, could open agencies to attacks over media control or influence into the "opinion molding" process, especially if a venture went into default and fell directly into the hands of a government agency.

In response to Glen Waldron's request, James Marten, then EDA's Assistant Chief Counsel for Project Clearance and Title III matters, issued on November 12, 1975, a memorandum to Glen Waldron that indicated that the eligibility of CATV systems for EDA funds turned on the question of whether CATV was a "broadcasting" firm. The EDA counsel felt that this "broadcasting" issue was a policy question to be determined by whether Gary CATV was a passive conduit or whether it originated live shows or exercised selective programming judgment.²²¹

OMBE's chief counsel responded to the EDA memo first orally then in writing. OMBE's chief counsel became involved in this legal debate over cable at the request of Charles Stein and Bill Douglas. It was a very natural decision to have OMBE's chief counsel lead the legal fight since EDA's legal attack against cable threatened not only the GCG project but also OMBE's support of CRC as a technical assistance organization mandated to help groups develop cable TV systems. Furthermore, it was Charles Stein's duty as chairman of the Task Force to use his OMBE resources (i.e., agency contacts) to troubleshoot and resolve just such problems for cable TV groups who didn't have the clout, expertise, or financial reserves to independently wage such battles on their own.

Although OMBE's chief counsel took the lead in this battle, CRC's legal and market development staff provided him with backup support and information on cable TV.

In a November 26, 1975 memorandum sent by John C. Topping, Jr. to EDA, it was indicated that the U.S. Supreme Court had analyzed and considered the question of function as raised by EDA counsel and had determined that CATV systems were "passive" and did not act as broadcasters. OMBE counsel further noted that it was "the policy of the Congress, the Executive and federal agencies to facilitate with government funds the development of cable."²²² Topping, speaking for OMBE as the lead agency and spokesman for the Task Force, also argued that the Gary project was a worthy one and that the initial EDA clearance determination should be affirmed.²²³

In response to OMBE's position, a reply memo from EDA Assistant Counsel argued back that the OMBE cited Supreme Court Case (Fortnightly) was limited to copyright decisions and that the FCC was about to institute a rule which would preclude the Gary CATV operation from maintaining a "passive" role. That is to say require them to provide local origination of programming. The EDA counsel also argued that much of the Congressional, Executive, and Agency support focused on "rural" as opposed to "urban" cable and cited the dicta in an SBA General Counsel's opinion concerning "misgivings" about CATV loans from SBA. In the latter instance, an SBA memo to all regional, district, and branch offices from the General Counsel of SBA dated February 24, 1975, intimated that because of the fuzziness of issues surrounding cable TV, that if they could, they would not consider any cable TV system eligible for SBA funding. However, the SBA conceded that at the present time "no legal objection to SBA funding of passive conduit type cable TV system existed."²²⁴

OMBE Chief Counsel countered in another memorandum to EDA that no legal or administrative authority had been cited by EDA counsel which would officially bar federal funding of cable. OMBE counsel also indicated that the holding of the Supreme Court in the Fortnightly Case directly addressed the major issue raised by EDA counsel and officially concluded that cable systems were "passive" systems and did not function as "broadcasters."" OMBE counsel finally asserted that this holding by the

Supreme Court should be more persuasive than unsupported dicta by the counsel of SBA. Furthermore, no FCC rule required a cable operator to act as a broadcaster.²²⁵

Legal Objections Resolved--Policy Issue Raised

Ultimately, the EDA Chief Counsel delivered a declaration to the EDA Chicago office and CRC counsel that there were "no legal objections to EDA funding cable TV projects."²²⁶ However, Glen Waldron immediately neutralized this major gain by attempting to delay the approval of the loan by stating that there might be "policy" objections to EDA making loans to cable.²²⁷ This vague policy objection ruse was supposedly based on the premise that EDA had never funded any type of communications facility, or broadcast venture before. However, it would be discovered later that EDA had indeed actually funded a TV project in the past and that the project did not create as many jobs as the GCG was projected to do. Thus, here again is another indication of EDA officials' attempt to evade funding a project after certain officials had decided that it didn't fit their model for a fundable venture. In spite of this "policy smoke screen" raised by Waldron, the EDA Chicago office approved the GCG loan application and forwarded it to D.C. for final approval.²²⁸

To quote one of the field officers during an interview: "We could see a real battle was building over this project because of the existence of the Task Force and we didn't want to be caught in the middle of a highly politically charged situation."²²⁹ The field officers in Chicago had already received more than the normal amount of inquiries from various public officials and others interested in the status of the project. In fact, the field officials indicated that they had knowledge of the fact that EDA's assistant General Counsel had informally admitted that "in his 20 years of government service, he had never faced such intense political pressure."²³⁰ A statement which was repeated and recorded formally in a CRC memo on a July 29, 1976 Task Force meeting. In a certain sense this was an important indication that because of the Task Force and the high visibility being given to all EDA officials reviewing the GCG package, at least the field officials in Chicago did not want to be held accountable

for turning down the package so they passed it onto their superiors in Washington, D.C.

Political Intervention Mobilized

Meanwhile, the EDA Washington, D.C. officials continued to drag their feet in issuing any decision on their contrived policy problem with the GCG project. The term contrived policy problem is used here because, bear in mind that during a preliminary review clearance of the project it was indicated by EDA representatives both in Chicago (Ed Woleski) and Washington (William Clinger, Chief Counsel) that no policy or legal eligibility problems existed. Task Force chairman Charles Stein and CRC's Reginald Dunn, working through behind the scenes contacts, stimulated White House Director for Media Relations, John Calhoun, to call EDA's legal counsel to express Administration policy which supported cable development via the use of federal resources.

This call was made to try to convince EDA's legal counsel that their policy attack against cable was not valid and should be dropped. However, EDA legal counsel was unmoved by Calhoun's assertions that there were no policy barriers to EDA's funding cable TV systems based on Administration policy set forth in the 1974 Report to the President: The Cabinet Committee on Cable Communications which clearly advocated the use of federal agency resources to "foster significant minority ownership or control of cable operations."²³¹ EDA's legal counsel made no commitment to resolve the policy issue other than that he would take into consideration Calhoun's comments in his review of the situation. No immediate action to resolve the policy question was taken by EDA counsel.

Charles Stein, as Task Force Chairman, and Reginald Dunn were able to gain Calhoun's involvement on GCG's behalf because there were clear grounds for Calhoun to challenge EDA's policy position against cable TV. Calhoun had been briefed on these grounds by Charles Stein and Reginald Dunn to motivate his participation. For example, there were certainly distinct and clear discrepancies between EDA's policy objection to cable and actual Administration policy, not to mention EDA's renegeing on the signed interagency agreement commitment to support and assist

cable TV groups in getting funds. In addition, the fact that there was a Task Force in existence to specifically champion the cause of cable development, of which EDA was a member, also signaled that this was a "just cause" worthy of political intervention by officials like Calhoun.

During this same time, political calls promoted by CRC's executive director and GCG's Bill Douglas were made by Gary Congressman Ray J. Madden to Assistant Secretary of EDA Mizell to find out the specific reasons for EDA's delay in processing the GCG project. Congressman Madden was told by Mizell's office that certain policy questions over EDA's ability to fund cable TV systems were still being reviewed and that just as soon as the policy issues could be settled then action would be taken on the GCG project. The congressman asked that he be kept posted on the status of the GCG project since the policy issue was still begin reviewed. Congressman Madden was stimulated to contact EDA for most of the same reasons used to motivate John Calhoun. The extra factor which helped to stimulate his intervention on GCG's behalf was the fact that the GCG project was a potential benefit to his home district constituency and thus, he was politically obligated to make some attempt to come to the aid of a group of his constituents. Not to do so would be to commit political hara-kiri.

In early December of 1975, Bill Douglas traveled to EDA headquarters in Washington, D.C. to meet with Waldron and Papermaster, to try to expedite the application process but during the meeting, Waldron and Papermaster maintained that they didn't think the project could be funded because it was a communications venture and raised policy problems. The EDA officials told Douglas that nothing could be done to speed the approval of the GCG project until the policy issue was settled, but they would continue to review the GCG package until such time arose.

GCG's cable consultants (Cable Communications Consultants of New York City) began to meet with Papermaster to discuss financial projections and to alter them to suit EDA's (i.e., Papermaster's) guidelines. A series of six or seven meetings were held between GCG, GCG's cable financial partners, GCG's consultants, and EDA's Papermaster to change, rehash, and change again financial projections to suit his interpretation of EDA's needs.²³² This went on throughout the whole month of December.

Time after time, GCG and their consultants would make all the changes requested by Papermaster, but he was never satisfied. Many very basic financial questions were raised by Papermaster about the GCG package that could have been asked and resolved much earlier.²³³ At one incredible point during Papermaster's review of the GCG project, he contacted GCG equity partner, Robert Liebauer, and offered to "kill" the deal if he wanted to backout "gracefully." This fact, besides being noted in a January 20, 1976 EDA-GCG chronology compiled by CRC's legal counsel, was also generally recorded and outlined in a January 30, 1976 memorandum sent by Charles Stein to Walter Lake Sorg, the Assistant Director for National Programs within the Department of Commerce. The memo formally charged that "individuals in EDA have contacted potential private investors and creditors to point out to them the financial risks of this enterprise and encouraging them to withdraw their support."²³⁴

When Robert Liebauer inquired very cautiously of Papermaster as to why he was making this overture to him, Papermaster hedged and just replied that it was going to take a long time to get this project in shape before it could be funded and that the payoff might not really be worth the effort being put into it.²³⁵ Papermaster, who had already expressed to CRC staff a certain lack of interest in the GCG project, seemed to be trying to size up how committed to the deal Liebauer was, and also giving himself an opportunity to find an ally on the inside of the project to help sabotage it. Robert Liebauer, of course, refused and immediately contacted GCG and CRC to find out why an EDA loan official was trying to "sabotage" the project.²³⁶

Bill Douglas and Reginald Dunn both informed Liebauer that Papermaster, from the word "go," had taken a negative view of the GCG project because in his words, "it didn't fit his idea of a good business development project with significant job opportunities."²³⁷ More to the point, CRC representatives told Liebauer that Papermaster resented the extra work he had to go through (e.g., assemble special financial worksheets and forms) to analyze this project, because it didn't conform to the standard forms, established review procedures, and general project evaluation routines usually used by Papermaster and his co-workers.²³⁸ For example, one shorthand technique Papermaster and his co-workers used

to size up the feasibility of a project was to weigh how many jobs the project would create against the amount of funds it needed. If a certain project didn't create "X" number of jobs in proportion to the money it needed, they were not interested in doing the project. The important thing to realize is that there was no official formula or magic number to be used in this technique, only the particular number that a worker "thought" was plausible which left a wide margin for error or abuse. A major precipitating factor for some of Papermaster's blatant attempts at undermining the GCG project, besides his personal vendetta against Cahill, had to be Cahill's lame duck status as an administrator.

During informal discussions between CRC staff, Papermaster, and several other EDA officials on the impact of Cahill's lame duck status on the outcome of the GCG project, it was generally conceded by most EDA officials that there had existed certain philosophical differences between Cahill and some EDA career bureaucrats over Cahill's "administrative leadership style" in advancing or supporting special projects.²³⁹ Furthermore, this tension created a certain degree of resentment among some officials when processing such projects violated their standard operating procedures or established practices. Consequently, knowledge of Cahill's lame duck status and impending purge from the agency tended to precipitate and intensify resistant behavior on the part of some career bureaucrats like Papermaster who were at odds with projects Cahill supported. This happened mainly because most of the career officials felt Cahill had little or no power at his disposal to vent reprisals against them. To quote Papermaster, "there was no speedy way, given the civil service regulations at that time that Cahill could have moved around or transferred to some remote outpost anyone in the agency once it was known he (Cahill) was on his way out."²⁴⁰

On December 12, 1975, Bill Douglas and Congressman Madden met with top level EDA officials (Wilmer Mizell, William Henkel, Glen Waldron) to get to the bottom of the delay over the policy issue. Charles Stein and Charles Tate had worked hard to get the Gary congressman involved in this meeting in hopes of creating some strong political pressure to break through the bureaucratic resistance. It was reasoned that since the demonstration of interest by political officials in the SBA case had

been so successful in breaking through bureaucratic barriers, then perhaps the same strategy might prove effective for GCG.

During the meeting, Waldron continuously maintained that FCC regulations that required cable systems to do local programming would prevent EDA from funding the GCG project. He emphasized that it was a policy question not based on law. The key factor was the broadcasting or media issue. Waldron, along with EDA's Assistant General Counsel, Jim Marten, considered the FCC definition of broadcasting as being very broad and that basically they took it to mean "media" including cable TV. The formal rationale offered by some EDA officials for their stand against cable was given during a Task Force meeting which was later recorded in a July 29, 1976 CRC file memo on Task Force minutes. The memo quoted the EDA spokesman, Jim Marten, as stating that:

The main reason why EDA couldn't loan money to television broadcasters or cable TV systems was that they might broadcast something against the Administration and that if, because of purely financial reasons EDA needed to foreclose, the press and broadcasters would raise a great uproar over censorship. Furthermore, they stated that no administrator would subject himself or his successor to such an uproar.²⁴¹

Bill Douglas raised the argument that cable companies did not produce their own shows and had no control of content. Glen Waldron and other EDA representatives said that this didn't matter because the real issue was the possibility of having to foreclose on a cable system which would raise an uproar.

Part of the real problem was that unbeknownst to both GCG and CRC, Jeff Cahill was a lame duck administrator on his way out of the agency. According to several EDA informants (unfortunately CRC did not develop these inside contacts until well after the Task Force agreement had been signed and the application process had bogged down in problems) Jeff Cahill had incurred the wrath and disfavor of many EDA bureaucrats by launching projects that his lower echelon officials didn't want to deal with and putting pressure on subordinates who resisted his dictates. One special assistant to a chief administrator at EDA indicated "off the record" that Waldron, Papermaster, and some others ended up being against the GCG project not because they thought the project wouldn't really work but because they were taking a stand against a project and a Task Force process that Cahill was trying to "push" through before he left office, which they would have to live with if any problems did develop. Furthermore, the fact that the GCG project was a minority venture and as such did not represent a direct benefit to EDA's perceived constituency, made many

of EDA's permanent civil servants less eager to support and expedite the processing of the GCG project. Consequently, the GCG project presented certain EDA lower-level bureaucrats with an opportunity to demonstrate their defiance and power to impede what Cahill wanted to accomplish with reduced risk of retaliation because of his lame duck status.²⁴²

Bill Douglas reminded EDA representatives that David Kinley, Chief of the FCC's Cable Bureau had submitted a letter to EDA on GCG's behalf stating formally that FCC regulations did not require local programming by cable TV systems. EDA officials still maintained that regardless of this fact, a foreclosure on a cable system might still be turned into an adverse situation for the Administration by the press. The problem at this point began to appear not to be cable but press reaction.²⁴³

The EDA policy on cable it seemed was not apparently based on any objective standard but only on avoiding political pressure and the fear of future political repercussions from foreclosure on such a project. Here was the perfect example of the basic defensive mentality of public bureaucratic organization--contrived policy was being used to not make a decision. In fact, several EDA officials have conceded that a classic defense pattern used by EDA officials against projects they don't want to fund is to keep finding ways to delay making a final formal decision on approving a project until an applicant gets tired of waiting and gives up. This technique had worked so well in the past that the Gary project eventually became one of the few if not the only project that was ever issued a formal turn down letter by EDA.²⁴⁴

Basically, Chester Barnard has suggested that organization officials must know when not to make a decision. From a general administrative point of view, this basic tenet may seem a valid tactic as practiced strategically.²⁴⁵ However, when it becomes the common norm in handling difficult situations, as it too often does in public agencies, then it seems to represent a root cause of "red tape" and bureaucratic delay. One could indeed postulate that the higher the degree of uncertainty which surrounds an enterprise (i.e., in terms of it producing direct benefits or direct harm) and who will shoulder the responsibility for negative consequences, the greater the propensity for bureaucrats to avoid decision

making by cluttering up the process with non-decision making maneuvers.

It must be remembered that formally, EDA officials voiced concern that a public uproar might occur if GCG broadcast something against the administration or if EDA had to foreclose on the project because of financial problems. A greater concern of EDA Washington bureaucrats however was over avoiding being saddled with an unwanted project by a lame duck administrator who would not be around to share the responsibility for any political problems or complications that might result. Also, the project presented a chance for certain bureaucrats to demonstrate their power to sabotage a project supported by Cahill in retaliation for their past conflicts with him.²⁴⁶

The December 12, 1975 meeting between GCG and EDA ended with nothing very much being resolved either way. EDA made clear it had a basic leaning toward not funding cable projects as premised on its policy interpretations, of what constitutes a broadcasting firm, but no formal-final decision was made about the GCG project. The meeting tended mostly to a political tug-of-war between GCG and EDA, with Congressman Ray J. Madden being a sidelines spectator, referee, and at times, a devil's advocate. For the most part, the Congressman only articulated a "deep interest" in the GCG situation and expressed a "strong desire to see an equitable solution worked out" without further delay, but he never threatened to exert any real political pressure against EDA.²⁴⁷

Financial Plans Scrutinized

The policy issue raised by EDA over funding cable TV projects was left up in the air for the next several weeks (from the middle of December 1975 through the early weeks of January 1976). During this time frame, however, a series of meetings were called by Papermaster to discuss in meticulous detail every minute facet and nuance of GCG's financial projections. Papermaster held several separate meetings in Washington, D.C. discussing the same financial subject matter with GCG corporation members, Robert Liebauer (President of CATV Development Corporation of New York City--GCG's limited partner), and Martin R. Smith (President of GCG's cable consultant firm).²⁴⁸

Besides being very repetitive in focus, all the individual meetings dealt with basic financial matters that could have been reviewed and resolved months before. Despite the "nuisance nature" of the changes called for in the project proposals, Bill Douglas together with his partners and consultants, made every change requested. GCG, with the support of Task Force members (i.e., OMBE and CRC) and other agencies like the FCC appeared to be overcoming most of the bureaucratic barriers set in its path just as fast as they materialized. Nevertheless, GCG was still slowly, over time, moving closer toward insolvency. A fact which both fired GCG's initiative to work even faster to achieve its goals and stimulated certain EDA bureaucrats to contrive new reasons to stall activity, in hopes time for GCG would run out.

EDA Policy Bulletin Issued

On January 30, 1976, EDA formally issued a policy bulletin on the eligibility of cable television system operators for EDA business development assistance (see appendix J for copy of bulletin). The bulletin maintained EDA's contention that since its business development manual listed "broadcasting firms" as ineligible for assistance and because they viewed cable systems with the potential for local organization as "broadcasting firms," then cable systems would be considered ineligible for funding. This finding was loosely based on the FCC rule that cable TV systems with over 3,500 subscribers had to have the potential to do local origination programs.

The bulletin charged that clear government policy guidance on Federal support of cable TV development had been lacking. Specifically, the bulletin stated:

Administration and Congressional positions expressed to date on Federal support for the development of cable television systems do not provide firm guidance for an EDA policy with respect to all cable television system operators. The statements that have appeared indicate general support for the development of such systems in rural areas, particularly when minority operators are involved. EDA's legal staff has found no statements favoring development of such systems in urban areas.²⁴⁹

This segment of the bulletin mainly attempted to falsely equate the absence of any specific mention of urban cable systems in existing

government communications policy statements as a declaration of non-support of urban cable TV systems. EDA was mainly trying to establish a "loophole" for saying there was no policy grounds for support of urban cable systems by Federal agencies. In reality, at that time, there existed a wide array of government programs supporting cable TV projects in all types of settings (i.e., urban, exurbs, rural, new-towns, military installations, etc.; see appendix A for a complete list of government involvement in telecommunications projects).

In fact, on January 10, 1976, Charles Stein had CRC's executive director, acting in his capacity as recording secretary for the Task Force, send to EDA officials a memorandum which summarized the extent of Federal involvement in cable television at that time. The main emphasis of the memorandum was on the fact that Federal policy statements, research and development activities, demonstrations, and program mandates in support of telecommunications advancement and cable TV development had been significant and extensive. The following is a categorical synopsis of the Federal policy directives and government activities focused on cable TV development and highlighted in this memo.

Policy Statements

- o The Report to the President (1974), by the blue-ribbon Cabinet Committee on Cable Communications, whose membership included Elliot L. Richardson, has stipulated within its policy recommendations the following:

Government authorities should assure that basic cable or other broadband communications are available to residents of depressed areas and to the poor. More specifically, recommendation 12 states:

Participation by minority groups in cable system ownership, operation and programming should be facilitated.

The development of cable represents a unique opportunity for minority, racial and ethnic groups to become actively involved in a new communications medium. Minority groups not only should have employment opportunities, but also full opportunity to participate in all aspects of cable ownership, operation and programming.

The general policy for the structure and regulation of the cable industry that we recommend would facilitate participation by all segments of society in cable ownership or control of channel use. Moreover, the local franchising authority should ensure opportunities for minority ownership and control in cable systems

and programming. At the Federal level, the Equal Employment Opportunity Commission should devote special attention to the development of the cable industry to assure ample employment opportunities for minority group members. We also recommend that the Office of Minority Business Enterprise and the Small Business Administration of the Department of Commerce be directed to give high priority to cable and to propose any necessary special provision such as loan guarantees, to foster significant minority ownership or control of cable operations.

- o Inter-Federal Agency Cable Development Agreement-August, 1975 EDA, OMBE, SBA and FmHA made a signed commitment to make available the collective resources of their agencies to provide all possible assistance to minority applicants seeking to develop or expand cable TV business.
- o A Technical Draft Report entitled "Lowering Barriers to Telecommunications Growth" (dated October 31, 1975) and prepared by the Science and Technology Task Force of U.S. Department of Commerce, views telecommunications "as a vital national asset that is not being fully exploited. Specifically, cable television in the report, is pictured as particularly in need of governmental intervention to help it achieve its full potential. They recommended a \$1 million development program within Commerce to accelerate the cable industry's growth."

Direct Funding of Cable Television Development

- o The Federal Home Administration has made a \$1.2 million loan to develop a cable system in Trempealeau County Wisconsin;
- o The Small Business Administration has made several direct loans and loan guarantees to cable operators; and
- o The Office of Minority Business Enterprise has for several years funded a national cable development program coordinated by the Cablecommunications Resource Center.

Research and Development Program Support of Cable TV Development

- o HUD sponsored a 1971 study entitled Communications Technology for Urban Improvement, which outlines a number of pilot projects which might utilize telecommunications technology to solve urban problems.
- o HUD funded a \$363,000 contract with Dr. Peter C. Goldmark for a New Rural Society project in Connecticut.
- o Department of Labor and local CETA programs have funded three manpower training programs for cable TV technicians.

- o HEW has developed a two-way cable health service system in Jonathan, Minnesota for \$300,000.
- o Department of Defense conducted examination of the feasibility of providing modern cable services to Army bases (contracted through Mitre Corporation) for several million dollars.
- o National Science Foundation has funded \$1,935,000 for three projects to test and evaluate public service uses of cable TV.
- o U.S. Department of Commerce, EDA-funded preliminary investigation of opportunities for rural cable development.
- o Health Resources Administration has funded a \$500,000 project to demonstrate the use of opportunities for rural cable development.

Miscellaneous Support of Telecommunications Development

- o Support of public Broadcasting through Corporation for Public Broadcasting \$80,000,000.
- o HEW support of public radio and television facilities \$30,000,000.
- o Appalachian Educational and Health Service Satellite Program ATS-6 (sponsored jointly by NASA, NIE, and HEW).
 - o NASA--Satellite hardware cost \$200 million
 - o NIE--Satellite programming \$2.2 million
 - o HEW--Ground receiving equipment \$45,000

A total of over \$12,000,000 has been expended over the last three years on general telecommunications research by a host of other federal agencies ranging from the Department of Defense to the FCC.²⁵⁰

Government Support of Telecommunications

Besides the existence of different cable TV projects, there had been several broad statements of support of telecommunications development issued by the then White House Office of Telecommunications Policy, Federal agencies like HUD, and various Congressional representatives. For example, in the August 1, 1975 Congressional Record Congressman, Harely Staggers indicated he had sent a letter to the President which asserted that the United States had not taken full advantage of the

available telecommunications technology to increase productivity, new kinds of communications options, provide new jobs, and new industry. Congressman Staggers (a sponsor of several bills supporting cable TV) further informed the President that telecommunications as a great national resource had not been effectively developed and that "part of the problem has been our fragmented and largely ineffective, Federal effort in the field of telecommunications technology utilization."²⁵¹ Congressman Staggers' statements not only illustrate that recorded congressional support for general telecommunications development by government policy makers existed, but also acknowledges the harmfulness of the very type of disjointed government behavior that EDA was displaying in its attempts to "sidestep" funding the GCG project. Not to mention the fact that the very existence of CRC as a program funded by OMBE under the Department of Commerce clearly personified a government mandate to support cable TV development by minorities in both urban and rural settings. Thus, the real irony of the EDA bulletin was that it was attempting officially and formally to overlook and bypass a program mandate, not of some distant or unknown agency, but an agency (OMBE) within the same Department of Commerce.

The issue of divergent and disjointed policies existing within the Department of Commerce was officially recognized eventually in a major decision memorandum drafted by the Assistant Secretary for Policy on August 10, 1976 and sent to the then Secretary of Commerce, Elliot Richardson. Unfortunately, this official confirmation of what CRC's staff already knew existed, would come too late to significantly help the Gary project. The major emphasis in the memorandum was placed on the fact that Secretary Elliot Richardson had served at one time on a Cabinet Committee on Cable Communication which drafted a report that set policy guidelines for federal agency support of cable TV. Specifically, the memorandum stated the following:

Reference here is made to the report submitted to the President by a select Cabinet Committee on Cable Communications completed in 1974. As you know, members of the Committee were Clay T. Whitehead, Chairman, Robert A. Finch, Leonard Garment, Herbert G. Klein, Peter A. Peterson, George Romney and yourself.

Notwithstanding the Broad recommendations of the aforementioned

Report, divergent policies are still being pursued both within the Department of Commerce (e.g., EDA/OMBE) and outside the Department (e.g., FHA/SBA), pertaining to Federal financial assistance to cable TV entrepreneurs. These problems concern First Amendment and regulatory aspects of cable TV. Also, current divergent executive policies have resulted in sharp criticism of executive agency practices (FCC/SBA) from congressional sub-committees.²⁵²

Quite clearly, EDA officials were in effect seeking to misinterpret and exploit existing policies to meet their own goals and ends. Francis E. Rourke and Robert L. Peabody ("Public Bureaucracies," Handbook of Organization, 1965) have suggested that career civil servants must be constantly dealt with as political actors with goals of their own.²⁵³ Furthermore, it must be remembered that professional bureaucrats are not value free, unbiased deliverers of service to clients. Rather, they act in predictable ways according to their modes of thought, definitions of professional role, and individual needs for self actualization, security, power, etc.²⁵⁴

For example, the prime commitments of civil servants are to career, agency, and program in that order. Above all, they seek to come to terms with the agency environment in ways that promote regularity, stability, and if possible, expansion. Thus, civil servants usually create an implementation process which is highly formalistic (i.e., there is an exaggerated use and dependency on regulations, bureaucratic routines, established policies, etc.) to protect them from external threats.²⁵⁵

In fact their bureaucratic credo usually suggests to them that the key to survival is to search for the short-run advantage and the entrenched position that protects against threatening forces.²⁵⁶ Which certainly seems to describe the behavior of Papermaster and his immediate superiors in stonewalling against the external pressures and attempts made to expedite the GCG project. A basic understanding of this general type of bureaucratic orientation also helps one to appreciate the dynamic behind EDA's development of "instant policy" around the cable TV issue.

In its actual summary policy statement, the EDA bulletin stated:
It is EDA's position that cable television systems with 3,500 or more subscribers (or the reasonable expectation of obtaining 3,500 or more subscribers) constitute broadcasting firms, since they must have pro-

duction capability and must permit production and presentation of programs by local non-operators. Accordingly, it is the Agency's policy that such systems are not eligible for EDA business development assistance.²⁵⁷

The bulletin then went even further to erase any doubt that EDA might even consider funding cable systems with less than 3,500 subscribers by stating:

EDA does not feel it necessary at this time to adopt a specific policy on assistance to cable television on systems with less than 3,500 subscribers (or reasonable expectation of having less than 3,500 subscribers). Such cases will be decided on individual merits. However, it is recognized that, in general, such systems lack sufficient economic impact to warrant consideration for EDA assistance. They are basically automated and provide little employment once service construction is completed.²⁵⁸

The bulletin was signed by the then Assistant Secretary for Economic Development, Wilmer D. Mizell.

When Charles Stein (OMBE), Bill Douglas (GCG), and Charles Tate (CRC) received the bulletin, they were astonished that EDA would go so far just to sidestep funding the GCG project. However, by this time, it was obvious that the GCG project was a political "hot potato." Now that the battle lines were drawn, Bill Douglas, with the support of CRC and Charles Stein (OMBE) set about the task of taking the GCG case before the public in an attempt to create enough adverse publicity for EDA that it would be forced to reconsider its policy stance.

FCC Response to EDA Bulletin

First, several letters protesting the EDA bulletin and challenging the EDA's misinterpretations of FCC rules were sent to EDA's Wilmer D. Mizell by the FCC Cable TV Bureau Chief. The FCC Cable TV Bureau responded to the EDA bulletin after CRC's director sent them a copy to review and briefed David Kinley, Cable TV Bureau Chief, on the Task Force and its agreement. CRC's executive director convinced David Kinley of the contrived nature of the bulletin by virtue of the fact that previously a top-level administrator of the EDA had agreed that EDA would serve on a Cable TV Task Force and had signed an interagency agreement supporting rural cable TV development. Kinley was informed that certain

EDA bureaucrats were trying to kill the GCG project by using "different excuses and reasons at different times to delay the package."²⁵⁹ Now they were even using a bastardized interpretation of FCC rules to avoid funding the project.²⁶⁰ Reginald Dunn summed up the situation for Kinley as follows:

EDA's refusal to allow the cable industry to use its resources will have a serious, negative impact on the industry--primarily by setting a negative precedent for other federal agencies, and possibly endangering affirmative cable policies already set by them.

Of course, the cumulative effect will be the general hindering of cable development, with a particularly harsh impact on minority firms, small businesses, and cable demonstration projects. The process has already begun, in the case of the Gary (Indiana) Communications Group.

We attempted to comply with the agency's requirements for the submittal of the package. None of our alterations met with EDA's constantly changing instructions. We were forced to conclude that discrimination, both against the industry and against Gary, as the first black group to apply for funds, was the primary reason.

I also find it interesting that this policy was issued after the GCG submission, as if in response to it. Before that, the policy of EDA was that outlined in the Rural Interagency Agreement, to which they were a signatory.²⁶¹

The Cable TV Bureau Chief was acutely sensitive to the political significance of GCG as the first black-owned cable TV system in a major TV market. On several occasions, he had served as a key speaker on minority cable TV issues before client seminars organized by CRC and helped troubleshoot the FCC Certificate of Compliance (CAC--a license granted by the FCC when a cable applicant demonstrates compliance with the FCC rules) process for its clients. Also, the presence of Benjamin Hooks (the first black Commissioner) at the FCC as an outspoken supporter of minority cable TV ownership created an environment for supportive FCC action. Commissioner Hooks, in commenting on the impact of his presence at the FCC, has stated:

It was Dick Wylie (FCC Chairman) who proposed that minority owners' conference we held. A couple of years ago he wouldn't even have thought about it. I'm trying to say that we've tried to sensitize people, and I plan to do a one-two thing--somebody here while I'm over there. I think I've been a catalyst. I've been a sensitizer. I've been an advocate. I've been a shrill voice crying. . .I've written on a whole gamut of things, including common carrier, administrative matters. . . .You name it and I've written on it. . . .Yet, some

people try to claim that I was a one-issue (cable TV) commissioner.²⁶² Commissioner Hooks was extremely aware of the importance of the GCG project to minorities. During the official "turn-on" ceremonies for GCG, Commissioner Hooks made the presentation of the FCC-CAC to Bill Douglas in Gary. Commissioner Hooks' high hopes for GCG were summarized in an interview:

The entire country is looking to Gary as a harbinger of what can be in cable television. . . .I think the Gary system has great potential; it is one of the systems that will prove that cable can be successful. They're going to have a lot of hard days, but with the type of men they have leading it and the ideas they have, I think they can make a go of it.²⁶³

Commissioner Hooks stayed interested in the GCG system as it evolved and was kept periodically abreast of its developments by CRC's executive director.

In general, neither the Cable TV Bureau Chief nor the FCC at large wanted, in one staff member's words, "to be made a party to the old government dodge of one agency (EDA) shifting the blame for not doing its job on to another agency (FCC)--especially in regards to minorities."²⁶⁴ Also the FCC Cable Bureau could ill afford other agencies encroaching on its "administrative turf." As one special assistant to the cable TV Bureau Chief put it, "we won't keep our shop open very long if we let other agencies 'play around' (a more indelicate term was used) with our authority to define policy affecting cable TV."²⁶⁵ Consequently, the FCC cable TV bureau Chief and his staff were highly motivated and inclined to challenge any misinterpretations of their rules which usurped their authority, produced hardships for disadvantaged groups, and in the process made the FCC appear culpable for EDA's ruling.

The FCC did not want to be used as a scapegoat or pawn in another government agency's attempt to deny funds to a minority cable TV venture. The FCC within the process of remaining militantly vigilant in not allowing other agencies to misinterpret its rules became over time a very vocal supporter of GCG in its policy battle with EDA. David Kinley, Chief of the FCC's Cable Bureau, wrote in one of his letters to EDA the following:

The recent EDA Bulletin raises serious concerns regarding your classifications of all cable systems with 3,500 or more subscribers as

"broadcasting firms." Basing such a classification on our equipment availability rule raises certain inconsistencies with the Commission's policies regarding the development of cable television. Therefore, we request that this Bulletin be rescinded or the effective date deferred until such time as representatives from the Commission and your staff can meet to discuss these matters in more detail and resolve the apparent conflicts.²⁶⁶

Within two weeks after EDA received David Kinley's letter, a special meeting was set up by William Clinger, EDA's Chief Counsel, to discuss their cable policy in relation to the FCC's objections. Reginald Dunn alerted all federal agency members of the Task Force to attend the meeting, which they did. During the meeting, David Kinley (FCC), Charles Stein (OMBE), and Charles Tate (CRC) made strong arguments against the validity of the EDA bulletin based on the FCC letter. Generally, they asserted that the EDA bulletin utilized faulty reasoning, misapplied legal principles, ignored existing public policy, and completely breached their signing of the interagency Task Force agreement.²⁶⁷

Specifically, Charles Stein maintained that EDA's breach of the multi-agency agreement seriously impeded OMBE in its mandated efforts to coordinate Federal programs which supported minority enterprise development. David Kinley, representing the FCC (which has statutory jurisdiction over the definition of cable and broadcasting entities), informed EDA that they had largely misinterpreted the FCC rules and had based their misinterpretation upon an erroneous definition of a cable TV system being the same as a "broadcast firm." The Cable TV Bureau Chief told EDA that cable TV systems had no legal obligation to do any local programming and thus EDA was raising a false issue. Finally, Charles Tate argued that the EDA bulletin was incorrect when it stated that administration and congressional positions did not provide firm guidance to EDA with respect to cable. The executive director of CRC indicated that the 1974 Cabinet Committee on Cable Communications Report to the President, which EDA cited as evidence of lack of policy, clearly stated in recommendation 12, "Participation by minority groups in cable system ownership, operation and programming should be facilitated. . . .We also recommend that the Office of Minority Business Enterprise and Small Business Administration of the Department of Commerce be directed to give high priority to

cable."²⁶⁸

Despite various arguments that EDA had no firm ground upon which to base its bulletin, EDA representatives continuously asserted that they did. By and large, EDA's Assistant General Counsel, Jim Marten, kept voicing concern over the potential threat of government intervention into what was termed the "opinion-molding process" by funding a cable TV system.²⁶⁹ The meeting ended with nothing much resolved, it was a stalemate.

In an effort to keep its clients informed of developments and to make the public aware of the FCC's support in this matter, an interview with David Kinley was published in CRC's newsletter/magazine Cablelines (January/February issue, 1976). In the interview, Kinley capsulized the situation as follows:

We've been in a bit of a fight with both the Economic Development Administration and the Small Business Administration over this matter of whether we are currently requiring cable systems to do original programming. This interpretation has a substantial impact on whether EDA and SBA funds are available, particularly in minority enterprises.

Both organizations have got regulations of some kind about not funding programming enterprises. The kind of programming that our rules are requiring cable systems to provide--That is, access programming, not organization programming--is not the kind of programming that SBA and EDA's regulations are designed to prevent. You don't have the First Amendment problem because we've structured the rules in such a way as to really foster First Amendment freedoms, not prohibit them. That's the point we have to make clear.

I think, once they fully understand, they will see that they don't have a problem. The concept of access programming is something that we deal with everyday, and is so familiar to us that we know what the rules are, what the protections are. We can understand that an outsider coming in could look at that and say, "They've got to provide certain programming, so we don't want to get into it."²⁷⁰

Publicity Campaign Mounted

After the FCC meeting with EDA, CRC's director, during a follow up in-house strategy session, theorized that perhaps EDA could be persuaded to act in a more responsive manner if some outside "public support" for the GCG project was developed. To build greater public awareness of the GCG/EDA situation, CRC published an article titled "EDA Impedes Cable

Growth" in its national newsletter/magazine which was widely distributed to clients, Task Force members, political officials, minority business organizations, and the media. The article gave an overview of the situation and included major quotes from the FCC letter that objected to the bulletin. Besides this publicity approach aimed at the general public, Bill Douglas had sent mailgrams to the President of the United States and the White House staff, explaining the situation and seeking support. Unfortunately, the White House never took a keen interest in the situation. Given the fact that a Presidential election was coming up, there was a general reluctance among many political officials to become too involved in anything really controversial.

On March 14, 1976, GCG and CRC staff's attempts to gain wider publicity for the EDA situation finally paid off. After two months of contacting media people and distributing CRC's article on the GCG situation, a major Indiana daily, the Post Tribune, picked up the GCG story and printed a detailed article titled "GCG Loan Pleas Sparks Brouhaha In Washington" (see appendix K for a copy of the article). The article, besides giving a comprehensive history of the situation, recorded the discriminatory nature of EDA's creation of "instant policy" just to thwart an attempt by a minority group to get its project funded. Part of the discriminatory nature of EDA's "instant policy," according to the article, centered around the fact that EDA had singled out the cable TV industry as the only business area to issue such a major temporary policy statement on. The EDA bulletin was labeled anti-competitive in its discrimination against cable TV businesses using EDA programs, contrary to the thrust of federal policy-making bodies and agencies at that time to free cable from unwarranted governmental and market place restraints.*²⁷¹

*A number of reports and documents at that time indicated that the United States was not taking full advantage of available telecommunications technology to increase productivity, new kinds of communications options, provide new jobs and new industry. Congressman Harley Staggers sent a letter to the President during August of 1975 stating that telecommunications as a great national resource had not been effectively developed and that "part of the problem has been our fragmented and largely ineffective Federal effort in the field of telecommunications technology

utilization." The House Subcommittee on Communications published a 1976 report entitled "Cable Television: Promise versus Regulatory Authority" which indicated that government restrictions, policies, and regulations that hindered cable TV growth needed to be abandoned to promote more "experimentation in the marketplace."²⁷² Most significantly, a 1975 technical report, "Lowering Barriers to Telecommunications Growth," prepared by the Science and Technology Task Force of the U.S. Department of Commerce, described telecommunications "as a vital national asset that is not being fully exploited." The report depicted cable TV as particularly in need of governmental intervention to help it achieve its full potential. Moreover, the in-house report recommended that the Department of Commerce spearhead a major development program to "accelerate the cable industry's growth." This proposed initiative stands out in startling contrast to EDA's stance against cable. One would generally assume that EDA, as a major program under the Department of Commerce, would at least be in sync with Commerce's broad policy thrusts. Such stark conflicts point out the ad hoc and contrived nature of EDA's policy stance against cable.

Furthermore, the Post Tribune article recorded that when "asked if the EDA cable TV policy regulation was a direct outgrowth of GCG's application, one EDA official who requested anonymity, said his answer would have to be an unqualified yes."²⁷³ In other words, he was indicating that the bulletin was developed only for the purpose of "handling" or avoiding the funding of the GCG project and not for any larger concern about cable TV in and of itself.

An even stronger attack against the questionable nature of EDA's policy actions would appear in a Gary community newspaper article titled "GCG Accuses EDA of Racism" (dated March 25, 1976). This article points out that on January 19, 1976, EDA issued a "temporary three-month policy statement effective February 1, 1976, stating that they would not lend money to the cable TV industry."²⁷⁴ The temporary nature of this policy, according to the article, "indicates that the policy statement was clearly a policy just for GCG; since according to available information, GCG was the only cable TV company in loan request negotiations with EDA."²⁷⁵

The article asserted that EDA had not seen fit to issue any special policy statements on any other industry except this cable project. The implication to be drawn was that certain officials were willing to develop a contrived policy statement against cable TV in general just

to sabotage the GCG project.

Finally, the article, after indicating that one EDA representative had suggested that "EDA does not make loans to minorities; we make loans to Americans" went on to state the following:

Gary Communications Group, Inc., which is supported in their efforts by the Office of Minority Business Enterprise (OMBE) and the Federal Communications Commission (FCC) now seeks the support of the community. Those persons who are subscribers and potential subscribers are urged to call or write their Senators and Representative, requesting them to urge the EDA to reconsider favorably the proposal of GCG.²⁷⁶

EDA's ad hoc bulletin stood in direct contradiction to EDA's participation in a Task Force process and an interagency agreement, supportive of cable TV development, and the preliminary clearance and assurances given earlier to GCG by different officials that no major impediments to GCG project funding existed. This disjointed and contradictory behavior on the part of different levels of EDA officials was the exact type of behavior that the Task Force had hoped would be eliminated during the various pre-application conferences held between GCG/CRC representatives and EDA officials in the Chicago and Washington headquarters offices. In fact, to digress a bit further, one of the driving rationales behind the creation of the Task Force was to create a deliberate and effective communications process (e.g., via extensive pre-application conferences) which would smooth the way for project funding by getting agencies to: prioritize cable TV projects; communicate this priority among all levels of their agency hierarchy; and identify and resolve up front any problems that might inhibit cable funding.

Bill Douglas mailed copies of the Post Tribune article to Reginald Dunn. CRC's staff immediately made more copies of the article to be mailed out to Task Force members, political officials, the FCC, general project supporters, and the Washington, D.C. press. The staff of CRC hoped that this article could be used to rally even greater public interest and help to maintain pressure on EDA by keeping it in the spotlight of public attention. The Post Tribune article, besides raising the question publicly as to whether or not EDA was being fair and equitable in the way it was handling the GCG project, also mentioned the fact that in contra-

diction to its hard line against "broadcasting firms," EDA has at one time actually funded just such a venture.²⁷⁷

Reginald Dunn decided that if CRC staff could get some detailed proof that EDA had actually funded some type of broadcasting venture in the past, then this might help to demonstrate that EDA was being arbitrary and capricious in dealing with GCG. It also might show that EDA had funded a project which wouldn't create large scale employment opportunities, a side issue also being used by EDA to challenge the GCG project.

Proof of EDA Funded TV Station Uncovered

CRC staff contacted several of their "friends" inside the Department of Commerce, OMBE, and EDA to find out where such information might be located, but with no immediate success. Various members of CRC, during the development of the GCG project, had cultivated "informants" (administrative assistants to certain agency officials) within the Department of Commerce, OMBE, and EDA offices (all located in the same building on common floors). From time to time they provided us with information on certain developments at EDA. Eventually I contacted a student who worked part-time in the EDA public information office. After a long search the student discovered a progress report on an educational television station in Watertown, New York funded by EDA in 1979 (see appendix L for copy of report).

The information contained in the 1972 progress report clearly contradicted statements made by EDA loan officials that they only funded projects that created large scale employment opportunities and that they did not fund communication ventures. The report indicated that on December 18, 1969, EDA approved the establishment of an educational television facility that would result in the initial employment of 11 part-time and 4 full-time people. An evaluation of the project in 1972 showed it had only 13 full-time employees working at the station and that besides educational programming, the station was broadcasting a number of local programs as well as picking up broadcasts from an ETV station in Syracuse. The progress report also indicated ironically that many residents in the target population area received such programming over a VHF station by

virtue of cable TV service.²⁷⁸

A detailed report on the 1969 project was prepared by CRC staff and submitted to Glenn Waldron (EDA's Director of Business Development) along with an argument that it set a precedent for the funding of GCG because it seriously weakened EDA's stance about not supporting "broadcast facilities."

The fact that EDA's funding of an educational TV station seriously undermined their attack against GCG was echoed in a letter (March 24, 1976) from Congressman Parren Mitchell to Wilmer D. Mizell. Congressman Mitchell, a highly respected black politician, maintained a significant interest in minority business development issues via various Congressional committee memberships. He was very sensitive to the need for government programs to be more responsive to minority groups. Consequently it was easy for the director of CRC to gain his support of GCG by informing him of the Task Force initiative and the problems with EDA. Congressman Mitchell, in one of several letters sent to Mizell, indicated the following:

I do not understand your response to my letter of 2/24/76.

You explain that EDA has an agreement with OMBE, SBA, and FHA to stimulate the development of minority ownership in rural CATV systems and explain that you are willing to extend various forms of assistance in this program.

It is then indicated that EDA cannot make a business loan to GCG because of First Amendment policy considerations in which you find cable to be a "broadcasting" medium.

I am confused. First, I am informed that the FCC, which would seem to have primary jurisdiction over "broadcasting" and "cable" definitions and certainly has the requisite expertise, has informed EDA that cable systems are not broadcast firms by letter and in a meeting with EDA. EDA's position seems to be in conflict with that of the FCC. I might add that I am disappointed that I was not informed by EDA of the FCC's concern in this matter.

Secondly, I do not understand why EDA's First Amendment concerns apply to the business loan program. Especially since the Gary newspapers have reported that EDA has financed an education broadcast station in New York.

Lastly, the letter states that EDA was unable, in its judgment to formulate a viable financing plan that would induce EDA to make a finding that there is reasonable assurance of repayment of the requested loan.

I do not understand why EDA is unable to make such a finding when private financial sources, knowledgeable in cable industry financing

are committing \$985,000 to the Gary system. And, I am informed that those funds would all be subordinated to the EDA loan. To me, this convincingly attests not only to the safety of the EDA loan, but also to the viability of the Gary system.

I recommend that EDA finance the loan of the Gary application for the following reasons:

1. It would have a very favorable and substantial economic development impact on the depressed Gary area which is the kind of activity EDA is mandated to promote.
2. It would create 29 new jobs, and I am assured they are all permanent.
3. The presence of private sector investment enables the government to gain additional leverage on its funds.
4. EDA's participation can make this promising and viable project possible. Without such assistance, it is extremely difficult for fledgling enterprises to raise investment funds in today's capital markets.
5. The Gary project is a key test situation for minority participation in the developing cable industry, which is being closely watched by minority business groups across the nation. Its success will be beneficial to the national minority community.²⁷⁹

Despite the fact that there was clear evidence that EDA had funded a "broadcast station" without any First Amendment complications in the past, EDA's legal counsel, Jim Marten, in his response to CRC's report and other inquiries refused to accept the notion that precedents could be set inside government agencies by past actions of other administrations.

Glenn Waldron and other EDA officials also maintained that EDA was not constrained by the past actions of the agency to follow along that same course.²⁸⁰ EDA, despite its attempt to defend this major contradiction in practice and policy, fully realized that this revelation did tend to lessen the credibility of their policy stance against cable TV.

This analysis of the situation was fully supported by information given CRC staff by several of its informants inside EDA and the Department of Commerce. Specifically, Jim Edwards, a special assistant to a high level EDA official, indicated that "EDA was taken completely off guard by CRC's discovery of the background information on the TV project funded by EDA."²⁸¹ Furthermore, Edwards, among several other informants, indicated when interviewed that although certain EDA officials publicly denounced the TV project discovery as insignificant, it directly triggered a flurry of internal activity inside EDA to establish what one EDA bureaucrat

termed "more stable and dependable grounds" for their stance against cable.²⁸² Further discussions with Department of Commerce officials in close contact with EDA activities tended to confirm to the executive director of CRC's satisfaction that EDA's policy stance was not holding up as some EDA bureaucrats had anticipated. Specifically, Mary Wooley, a special assistant to a high official at OMBE, informed Reginald Dunn that EDA's legal staff was in the process of doing a quiet in-house reappraisal of their policy bulletin based on the complaints raised by the FCC and the discovery of a communications venture previously funded by EDA.²⁸³

FCC Reaffirms Objections to EDA Bulletin

Sensing that EDA's policy position against funding the GCG project was weakening, Charles Tate and Reginald Dunn decided to encourage the FCC to intensify its efforts in expressing its objections to EDA Cable Policy.

J. Clay Smith, Jr. had become Acting Chief of the FCC Cable TV Bureau after David Kinley left. J. Clay Smith, Jr., as the highest ranking black staff official inside the FCC and Cable TV Bureau, was very supportive of CRC and adamantly opposed to the use of misinterpretations of FCC policy to thwart minority cable TV development. CRC's directors made it clear to Smith that EDA, through its bulletin, was reneging on a prior Task Force agreement to support minority cable system development. The existence of the Task Force and its agreement reinforced the suspiciousness of the bulletin in Smith's mind. It signified the contrived nature of the bulletin and reassured Smith that this was an important issue and a just cause for him as a public official to pursue. Smith was convinced that there was a need for "removing artificial barriers" that hindered minority ownership of cable TV systems.²⁸⁴ He had, in the past, supported CRC cable development activities and, in turn, had been supported by CRC staff in his activities at the FCC (e.g., given publicity and interviews in Cablelines magazine).

The Acting Chief of the Cable Television Bureau, after conferring with CRC's directors, decided to call a special meeting with representatives of the Office of Policy Development and Coordination for the Depart-

ment of Commerce. Reginald Dunn hoped that by having the FCC reiterate the major problems (i.e., contradictions, disjointed actions, misinterpretation, etc.) embodied in the EDA bulletin to policy development superiors inside the Department of Commerce, that some added pressure on EDA to change its position would result.²⁸⁵

On April 15, 1976, a special meeting was held at the FCC chaired by J. Clay Smith, Jr. with Andre L. Marcellin and Anthony Rodspieler. Mr. Marcellin and Mr. Rodspieler were representatives of Robert S. Milligan, the Director of the Office of Policy Development and Coordination at the Department of Commerce. Also participating in the meeting was Laurence Bloom, special assistant to J. Clay Smith.²⁸⁶

The Cable Bureau Chief called the meeting to establish once and for all that the EDA Bulletin incorrectly evaluated a cable system as a broadcast entity and that in reality the bulletin had no basis in fact as viewed against any existing FCC cable TV rules and regulations. During the meeting, the Cable Bureau Chief reiterated the facts which established that EDA's policy stance was inconsistent with existing FCC cable policies. His major objections to the bulletin concerned its erroneous assertion that cable TV systems with 3,500 or more subscribers constituted "broadcasting firms."

Specifically, J. Clay Smith, Jr. firmly and clearly maintained that:

The analogy that a cable system is a broadcasting firm because it has the capability of originating programming is the pitfall of compartmentalization that both the courts and the FCC have taken great pains to avoid. Consequently, we reiterate that a cable system is not a broadcasting firm. Furthermore, to date, both the courts and Congress have deferred to the FCC's regulatory judgment on this issue.²⁸⁷

The meeting ended with the Commerce representatives indicating that they would take their notes on the information discussed back to their director for his review and consideration.

Directly following the meeting, the FCC Bureau Chief sent his own letter of further clarification of FCC objections and a summary of the meeting held, to the Director of the Office of Policy Development and Coordination at the Department of Commerce. The meeting was a major

benchmark in the GCG-EDA struggle. The Department of Commerce, by sending representatives to meet with FCC officials, were generally acknowledging that there might be something amiss with the way EDA was handling the GCG project. In effect, this meeting, as well as numerous other meetings held between OMBE and EDA and other government agencies, were clear testimony that the existence of the Task Force, the interagency agreement, and OMBE/CRC political maneuvers were making a difference. Under normal circumstances, without such high visibility, outside agency interest, political spectators, and general publicity, the GCG project would probably have died a quick insignificant death behind closed doors.

Instead, career bureaucrats, department chieftans, and top-level administrative officials alike were being summoned repeatedly to conferences and meetings to be held accountable for their actions, non-actions (i.e., lack of responsiveness or equity in handling the project), and disjointed program activity. Furthermore, a public "stop watch" had been placed on EDA's total responsiveness to the GCG situation by all the outside attention generated by the existence of an interagency agreement and Task Force to resolve just such problems.

EDA's misinterpretations of White House and FCC policy and disjointed program activity were being scrutinized not just by offices and agencies with the Department of Commerce (e.g., OMBE, Commerce's office of Policy Development and Coordination, etc.), but by outside agencies, independent commissions (i.e., FCC), political officials, and public interest organizations. Also, the inconsistencies and contradictions between EDA policy stances and actual past practice were being brought to light in the public press and being made known to political officials at all levels of government. It cannot be denied that the pressure for responsiveness was significant. In fact, the original pressure for responsiveness generated by the existence of the Task Force alone was great enough to force EDA to risk coming up with contrived cable policy that would prove to be inconsistent with their past record, in conflict with FCC policy, and incongruent with the general trend of national policy and agency support of cable.

Policy Issue Relaxed

Slowly and very informally, EDA's hard line on policy regarding the funding of cable TV projects began to ease after the meeting between Commerce representatives and FCC officials. However, no formal statement actually rescinding the bulletin was issued. Instead, by May of 1976, it appeared that under the mounting pressure from political inquiries, widespread publicity and FCC objections, EDA had begun to relax its policy arguments against cable and its insistence that cable TV systems constituted "broadcasting firms."

This fact is generally recorded in a July 12, 1976 letter from the FCC Cable TV Bureau Chief to the Associate Administrator for Finance and Investment of SBA. The Cable TV Bureau Chief states:

This Bureau has had a number of conversations with officials of the SBA and the Economic Development Administration of the Department of Commerce to assist in developing a uniform understanding of federal regulation of cable television, particularly in the area of cable-casting or program originations. As a result, it appears that the EDA has permitted to lapse its Bulletin No. 3-76, which declared that cable systems with 3,500 or more subscribers were ineligible for EDA business development assistance because FCC rules required such systems to have the capability of originating programs. The EDA no longer regards cable systems as "broadcasting firms, an ineligible loan class."²⁸⁸

The existence of the Task Force provided the legitimized context needed to stimulate political inquiries, activate press interest, and foster FCC intervention on behalf of GCG. In fact, the successful mobilization by the Task Force of these indirect pressures on EDA ultimately resulted in EDA's business development staff shifting their major arguments against the GCG project to focus on the number of jobs created by the project and the viability of GCG's financial arrangements for debt deferral and an equity partnership. These arguments against the GCG project had not been previously cited by EDA officials as being major problem areas nor did they materialize as such until after the policy objections against the project had been dropped. The validity of this fact is born out by the reality that "the financial viability of the GCG package had already been substantiated by two independent feasibility studies, one by CRC and an outside cable consulting group, Cable Communi-

cations Consultants."²⁸⁹ Furthermore, two private sector parties experienced in the cable industry had consented to invest \$500,000 with no guarantees. These basic points were made in a January 27, 1976 Summary Memorandum on GCG funding problems with EDA which was sent to Secretary of Commerce Elliot Richardson's office by the Task Force Secretary, Charles Tate. The memorandum also charged that the weakness of EDA's attacks against GCG on financial grounds is "illustrated by the fact that such arguments were belatedly made after the other tactics employed to kill the loan failed and by the fact that GCG has made every change in its loan application requested by EDA."²⁹⁰

For example, on January 26, 1976, the president of GCG sent a mailgram to then President Gerald Ford which outlined GCG's difficulties in getting funding from EDA and asked for his assistance in seeing that the project survived. For the record, Dr. William Douglas of GCG indicated in the mailgram the following:

The EDA has formulated arbitrary and capricious policies in an attempt to kill our initiative. . . .We have since August answered all questions and submitted all information requested by EDA and each time questions were answered or additional information was submitted by GCG, EDA made additional demands. Recently EDA has been defining a policy effective January 30, 1976 that excluded cable TV operators from being eligible for EDA loans though admittedly they have no legal basis for excluding cable TV operators from EDA business development assistance. This negative position has been taken by EDA despite the viability of GCG proposals being attested by GCG ability to attract with no guarantee \$500,000 in private sector capital as a part of our proposals. We have Mr. President invested in America and in our community. Our 40 shareholders have invested over \$150,000 and made additional personal loans to GCG of over \$50,000. In addition, our 11 member board of directors have made personal guarantees far beyond their ability to pay. We believe in GCG and its capability of acting as a catalyst for developing our community and that our success can become a symbol to others who have a concern for developing their community. . . .²⁹¹

Copies of the mailgram were sent to: Secretary Elliott Richardson, Senator Hartke, Senator Bayh, Senator Brooks, Congressman Madden, Congressional Black Caucus, Alex Armendaris (Director of OMBE), Mr. J. Calhoun, Mayor Richard G. Hatcher, Governor Bowen, Mr. Don Wilkes, and Barbara Williams.

Essentially, EDA loan officials began basing all their discus-

sions against the GCG project on the grounds that it would create only a limited number of jobs and that their financial arrangements with other entities (e.g., equity partnership) were very tenuous and might fall through.

Task Force Requests Intervention by Secretary of Commerce

During the last weeks of May of 1976, CRC staff, as recording secretary for the Task Force, developed a detailed information package on the history of the problems of trying to get EDA to fund the GCG project. The package included: a copy of the Task Force agreement; an historical overview; letters from the FCC to EDA; interagency memoranda exchanged between OMBE and EDA; and a summary of the major inconsistencies and contradictions embodied in EDA's disjointed program actions. The package, with a cover letter from Charles Stein as Task Force Chairman and OMBE official, was delivered to the Secretary of Commerce, Elliot Richardson. While the package was still under review by Secretary Richardson's office, GCG's president persuaded the mayor, the City Council president, Chamber of Commerce president, and several other local public officials in Gary, Indiana to call Richardson's office to express their support of the project and to inquire when the Secretary might be finished reviewing it. This was another tactic to keep the pressure for responsiveness on EDA, by demonstrating the range of outside observers already aligned to hold EDA accountable for its actions.

The key leverage GCG's president used to gain the support of these officials was the existence of a Task Force and an agreement whose founding principles of support and assistance to cable TV groups were being "maliciously and carelessly violated by Washington EDA bureaucrats."²⁹² The significance of GCG's battle with EDA was well known to these officials because of the major articles in the local press on the situation. Furthermore, Dr. Douglas, a well respected Gary businessman, had provided the mayor and other local officials with detailed briefing kits on the GCG project which contained copies of these articles as well as an outline of all the major problems GCG had confronted. The most compelling motivation for their intervention and concern was the fact that the GCG project

represented a major economic business development opportunity for Gary and its people. The GCG project offered a chance for a major communications medium to be locally owned and controlled by minority businessmen which could provide a needed community service, create jobs, and overall improve Gary's tax base in the future.

By the first week of June, Secretary Richardson had come to a decision. The Secretary of Commerce made a formal commitment to the president of GCG, that a full re-evaluation of his project application, taking into account the latest available information, would be undertaken by EDA. GCG, OMBE, and CRC were all delighted that some new life had finally been breathed into the GCG project.

Immediately, GCG's president and CRC's staff began to work feverously to submit a revised application package. Mainly, GCG accountants and CRC financial analysts had to develop updated financial projections based on GCG's current operating status. During the second week of June of 1976, GCG submitted to EDA a revised application package. From June 15-June 22, 1976, EDA re-examined the GCG application as instructed by Secretary Richardson's office. Then, on July 19, 1976, John W. Eden, Acting Assistant Secretary for Economic Development, forwarded a letter to GCG revealing their findings.

Final Decision Rendered

Essentially, the EDA re-examination of the GCG project asserted that GCG, as a company, was insolvent. The letter sent to GCG indicated that basically EDA didn't have faith in GCG's ability to overcome its financial liabilities with the help of an EDA loan. Primarily, EDA application review officials had objections or reservations about GCG's overall financial plan; debt to equity ratio; future revenue estimates; piggy-back financial contracts with other entities; and suggested debt deferral arrangements with major creditors. Throughout the review of the GCG package, EDA's John W. Eden (Acting Assistant Secretary for Economic Development) always posed negative scenarios in predicting or hypothesizing that if certain things went wrong (i.e., contracts or financial arrangements with other entities fell through or creditors refused to

accept deferral arrangements, etc.), then GCG would not be able to survive as a business.²⁹³

In its analysis, EDA sidestepped the reality that their funding approval to the GCG project was the main triggering mechanism which would have basically guaranteed or assured that all other piggy-back financial arrangements would go through. In summary, John W. Eden informed GCG:

I have no alternative but to conclude that a loan investment by the Government in GCG would not only violate EDA's statutory requirements, but constitute a wholly imprudent use of taxpayer's dollars. Secretary Richardson has been informed of this decision. Both of us were highly aware of the hopes that you and your associates had placed on this transaction and deeply regret that EDA cannot favorably reconsider your loan request.²⁹⁴

It is ironic that the GCG deal was turned down mainly on financial grounds (i.e., insolvency, tenuous or complex financial arrangements, etc.), when it is realized that these financial conditions had been exacerbated by the long battle to persuade certain EDA bureaucrats to reconsider the project on its general merits, without reference to contrived First Amendment and cable policy objections. Quite obviously, as the operating capacity and financial vitality of GCG's cable business deteriorated with each funding delay, the overall attractiveness of the original financial arrangements suffered. An earlier memorandum (January 27, 1976) from Task Force chairman Charles Stein to Commerce Secretary Elliot Richardson chronicles the bureaucratic resistance that drained the limited resources (e.g., funds, time, manpower, etc.) of GCG during their efforts to secure EDA loan funds. Under the heading Unconscionable Treatment by EDA, the memorandum indicated that:

Certain EDA employees had made every effort to kill the EDA loan; by using delaying tactics; by making numerous separate requests for spurious information; and by trying to create legal and policy obstacles without foundation. These tactics have taken place in spite of the fact: that it is the written policy according to a signed interagency Task Force agreement to support cable projects; that EDA approved GCG's cable loan eligibility in August in the preliminary loan application process; and, that EDA authorized a letter of intent to make the GCG loan in October. These tactics have caused GCG to make many trips to Washington and required 9 trips by GCG representatives and consultants to EDA offices both in Chicago and Gary, and over 400 GCG man hours to be used in the loan application process.²⁹⁵

Under the heading Policy Problems, the memorandum indicated that the main

attempt by EDA:

. . .to kill the Gary loan came in the form of a policy memorandum stating, that EDA loans will not be made to cable systems, because of certain FCC rule requirements. The FCC has informed EDA that EDA has misinterpreted the FCC rules and has based the misinterpretation upon an erroneous definition.²⁹⁶

Finally, under the heading Financial Problems the memorandum recorded the following:

EDA employees had made the contention that the loan may be financially weak, in spite of the fact that two private sector parties experienced in the cable industry, would be concurrently investing \$500,000 with no guarantees. The weakness of the financial attack against the GCG project is illustrated by the fact that GCG has made every change in its loan application requested by EDA. Furthermore, two independent feasibility studies by outside investors and CRC have indicated that the Gary package is viable.²⁹⁷

The outside investors' feasibility study was carried out by Martin Smith, president of Cable Communications Consultants. Mr. Smith had previously been a partner in a well known and highly respected cable consulting firm, Malarkey, Taylor and Associates and had 15 years experience in the cable industry.

Victories Achieved

Using the Task Force and its agreement, Bill Douglas (GCG), Charles Stein (OMBE), and Charles Tate (CRC) had won a host of small battles over disjointed policy, fragmented program activities, and bureaucratic resistance within agency field offices by giving high visibility to these problems; challenging inequities publicly; marshalling outside political and public agency interest; holding high administrative officials, and career bureaucrats accountable for their actions; pressuring for alacrity in application review; and the right to know all rules for evaluation clearly in advance.

Clear indications of some of the battles won in marshalling outside support (i.e., politicians' interest, FCC involvement, Secretary Elliot Richardson's intervention, etc.) and wider public scrutiny (i.e., community group participation/observation, public awareness via newspaper coverage, public interest group process evaluations, etc.) by virtue of

the existence of the Task Force can be drawn from the high volume of special meetings and memorandums of correspondence generated by Task Force representatives and supporters to influence EDA officials. For example, a strongly worded memorandum dated January 30, 1976, from Charles Stein to Walter Sorg, Assistant Director for National programs for the Department of Commerce, outlined some of EDA's "negative steps" taken against the GCG project and charged that EDA had been actively undermining and subverting OMBE efforts and general Administration policy in support of cable TV in general and the GCG project in particular. Specifically, the memo recorded the following:

With respect to policy, EDA Counsel, urged by OMBE Counsel, verbally admitted that there is no legal bar to federal funding support. Despite this finding it appears that EDA is attempting to push its negative policy upon SBA and possibly other funding agencies. Attached is a copy of the EDA policy bulletin together with a strong letter from the FCC stating that the EDA policy is unsound and inconsistent with national policy and requesting rescission of the Bulletin. In addition, Congressman Madden, Chairman of the House Rules Committee, has interposed vigorous objections to the EDA policy. These objections have been ignored or overruled by EDA.

With respect to the specific application for funding support of the Gary Communications Group, which was submitted to EDA months before the formulation of the new policy, EDA has raised, one after another, a series of technical objections. One by one these have been met through the efforts of the Cablecommunications Resource Center (CRC). The policy bulletin was the last of the negative efforts. During this lengthy, frustrating, and costly process, individuals in EDA have contacted potential private investors and creditors to point out to them the financial risks of this enterprise and have encouraged them to withdraw their support.

OMBE General Counsel, working with CRC and me, is currently drafting a proposed Departmental Policy Statement for Secretary Richardson's signature which supports the national policy and under which all Commerce Agencies are directed to support the minority cable TV effort.

Whether this policy effort, desirable and necessary as it may be will be accomplished in sufficient time to save the Gary Communications Group is doubtful. The private investors and creditors have been very patient, but it is unlikely they can be put off much longer.

You will recall that Gary was the first of the OMBE-supported systems to go on the air. We have publicized this system and held it up as a shining example to both potential investors and potential new cable towns and minority entrepreneurs. If it fails, through inadequate funding, it will unquestionably result in deleterious reaction to further cable development, the OMBE program, and minority enterprise as a whole.

I most urgently and sincerely solicit your active support and that of the Director of OMBE to bring to bear whatever influence is possible to ensure a speedy resolution of this most serious problem.²⁹⁸

Most battles with EDA were won with the help of the "power base" or leverage created by the existence of a Task Force formed to alleviate bureaucratic problems and a signed interagency agreement, mandating agencies to support cable TV development. However, the Task Force and its companion agreement, in and of themselves, did not spawn automatic or lasting forthright action by certain career bureaucrats to expedite projects under their review. Instead, the real leverage significance of the Task Force and the agreement was embodied in the fact that they provided a legitimized opportunity and arena for disadvantaged groups like GCG and their supporters (CRC) to have a "public voice" (as defined by Albert O. Hirschman in Exit, Voice and Loyalty) over bureaucratic snafus and consequently a more substantive role in the implementation process.

Collectively, these two mechanisms provided a sanctioned forum or environment in which public groups could air their grievances against bureaucratic impediments, a formal platform or mandate upon which to base arguments for greater responsiveness, and a legitimized context for marshalling outside support (i.e., press coverage, political intervention, etc.) when due process in ameliorating bureaucratic problems was not forthcoming from the agencies. The Task Force approach to accessing funding for GCG from EDA was innovative, energetic, and valiant, unfortunately, the final outcome of the experience remains consistent with much of EDA's past history (e.g., Implementation, Pressman and Wildowsky) of being unresponsive to disadvantaged groups like minorities and the real rural poor who are often not perceived as being part of "their" real constituency. Such disadvantaged groups are often overlooked by agencies when they are perceived to be "powerless"--i.e., they do not have sufficient political clout to demand to be catered to as a constituent, nor do they have the limitless time, funds, or expertise needed to outmaneuver career bureaucrats, who for various reasons (i.e., either personal or political) might set themselves against projects, as demonstrated in the GCG case study.

GCG/EDA Experience Postscript

The July 19, 1976 turndown letter sent to GCG was labeled a final decision on the project, but Bill Douglas and his supporters (i.e., Charles Stein, Charles Tate, etc.) still mustered a number of follow-up letters, calls, and meetings in an attempt to overturn EDA's final decision. But all these efforts were to no avail, the GCG project was dead. The Task Force went on and attempted to proceed with its cable TV development agenda using its experience with EDA to guide its subsequent attempts to finance other projects more successfully. Mainly, CRC staff worked to develop and cultivate more inside career bureaucrats as "friends" of their developed processes before they applied for funds.

However, after the GCG/EDA project had fallen through and all the political pushing and hauling had subsided, not much momentum was left to the Task Force. The unsuccessful outcome of the GCG project had significantly depleted CRC's stock of political capital and diminished its power image along with the Task Force's reputation. Consequently, CRC's leadership decided it needed time to recoup and rethink its future strategies. During the "cooling off period" no major opportunity to promote or save any particular projects materialized or was launched by CRC. This was largely because most of CRC's other clients were still embroiled in preliminary attempts at organizing local investors and winning cable TV franchises. Then a major setback crippled Task Force activity even more. Charles Stein, the coordinator of the Task Force and CRC's strongest supporter retired from his job with OMBE. His retirement, although not forced per se, appeared to be an after-result of a new administration's changes in the organization of OMBE. Charles Stein's retirement left the Task Force and CRC without a strong inside supporter of cable TV among the Task Force agencies.

It was several months before a new official inside OMBE took over the role of Task Force coordinator. By this time, most of the involvement and interest among the participating Task Force agencies had been lost. Simultaneously, CRC's staff was losing many of their political contacts and friends inside various government agencies (e.g., FCC, SBA, FmHA, OTP, etc.) because of changes being brought about by a new administrator.

Attempts were made to reconstitute the Task Force with other new representatives along with the new OMBE coordinator, but it was like starting from the beginning. It was hard to capture the attention and commitment of an entirely different group of people.

CRC also began to experience during this time some cut backs in their program funds. In the midst of this turmoil, CRC's staff became reluctant to try to convince any new clients to risk sailing off to battle the odds of getting funding from any government program until basic policy grey areas over public funding of cable TV were cleared up. No other major projects would be promoted through the Task Force process again. For all practical purposes the Task Force as an operating mechanism was defunct. The Task Force continued to exist, but in name only. No major meetings concerning the funding of any specific projects would be held. Instead, CRC's staff focused their efforts on working with the FCC, politicians, and White House telecommunications policy groups to change public agencies' policies that inhibited the funding of cable TV or other communication ventures. The staff of CRC also lobbied to have specific capital pools or special programs within agencies set up just for funding cable TV and other communication properties.

A major indication of the accumulated impact of CRC's numerous behind-the-scenes policy and program struggles with various federal agencies on the behalf of disadvantaged groups occurred in 1978. CRC's significant Task Force efforts were rewarded when on January 31, 1978, the Office of the White House Press Secretary announced that:

To ease initial financing problems, the SBA and the EDA have announced rule changes to extend their loan and loan guarantee programs to broadcast and cable facilities. The SBA program will extend direct loans of up to \$350,000 and guarantee loans up to \$500,000 to disadvantaged persons (individuals or groups) wishing to buy cable and broadcast properties. The EDA will extend its loan program to broadcasting and cable consistent with its job-ratio requirement of creating one direct job for every \$10,000 expended and/or where EDA has invested considerable resources in a community's development. Both agencies intend minorities to be the major beneficiaries of their rule changes.²⁹⁹

This announcement seemed to indicate that some of the policy barriers blocking future funding of cable TV projects were being removed

and that the basic First Amendment confusion and bureaucratic resistance over the acceptance of cable TV as a fundable venture by government programs was resolved. Quite significantly, this major breakthrough eliminated the ability of public agencies and malcontent career bureaucrats to impede cable TV projects based on any contrived policy grounds or misinterpretations of the First Amendment.

CHAPTER III

CASE STUDY REVIEW AND ANALYSIS

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CASE STUDY REVIEW AND ANALYSIS

This case study of the National Rural Cable Development Task Force's operation points out just how inescapable and complex a problem interagency coordination is within the public program implementation process. This reality becomes especially clear when one observes within this case study the continued disjointed, inconsistent and conflicting project application review and approval processes carried out by career bureaucrats at various levels (i.e., local, state, federal) of public agencies involved in a coordinative process established to avoid such problems. Furthermore, it illustrates that the "implementation problem" can be understood in its most basic sense as a control problem. That is, how to convince bureaucrats, their federal agencies, and component parts to act in a desired manner at the right time, when achieving this purpose is precisely what one cannot do under normal circumstances.

It is observable in this case study and in other instances (e.g., The Implementation Game by Bardach and Implementation by Pressman and Wildavsky) that all parties in the implementation process are involved, in some degree, both in trying to control others and in trying to avoid being controlled by them.³⁰⁰ This is a reality which is clearly embodied in Anthony Down's Law of Counter Control which states: "the greater the effort made by a sovereign or top-level official to control the behavior of subordinate officials, the greater the efforts made by those subordinates to evade or counteract such control."³⁰¹ A corollary to this law based on the Task Force experience just chronicled might be: the greater the effort made by public advocacy organizations or external groups to control the behavior of public officials, the greater the efforts made by career bureaucrats to evade or counteract such control. The significance of this corollary is born of the reality that the Task Force coordination process in this case study was conceived and developed by the initiators

(i.e., OMBE and CRC--a public advocacy/technical assistance organization) basically as a leverage mechanism for achieving some degree of greater control over the actions of bureaucrats and the services they disperse, to assure the receipt of such benefits by disadvantaged groups. The theme of coordination, although a real issue or need in and of itself, was in actuality a means to an end in allowing disadvantaged groups to gain greater control and power over the service delivery process.

The Task Force coordination process was seen as a way to deal more comprehensively with several of the interrelated problem areas that often retard public service delivery to disadvantaged groups. It has been noted by James Q. Wilson and others that there is not one bureaucracy problem but a series of interacting inadequacies which independently and collectively inhibit public service delivery.³⁰² Among the problem areas, the Task Force attempted to confront and resolve were the major issues of: accountability or control; inadequate resource allocation; fragmented and disjointed program activity, and responsiveness.

The main overall problem that the Task Force attempted to come to grips with was accountability or control. That is how to persuade or convince the bureaucracy to serve certain agreed upon goals that would benefit disadvantaged groups that traditionally lack the power to hold agencies accountable for their actions. The Task Force mechanism attempted to achieve greater accountability or control in several ways. First of all it was felt that by allowing public or disadvantaged groups to become more directly involved in the preliminary decision making and implementation process of programs, through active participation and membership on an interagency Task Force, that some degree of greater responsiveness to addressing public needs would be developed by the agencies involved. Some early gains were registered through public group participation at Task Force meetings, Federal agency representatives were impressed with the degree and the caliber of public participation at Task Force meetings. This happened mainly because most bureaucrats usually only had to deal with such public groups in the abstract, as just faceless names on project applications that they routinely shuffle back and forth or as vague numbers on reporting forms indicating how many people will be

served by a proposed project. Thus, the face-to-face contact and group interaction established at the early Task Force meetings helped to develop a greater degree of awareness, and respect by agency officials for the needs of the public groups participating. The successful promotion of awareness and appreciation among the public agencies for the collective needs of the public groups laid the groundwork for the establishment of the Task Force and the development of an interagency agreement.

Over time, however, the participation of community groups at major Task Force meetings began to diminish. This was caused first by an inability to call meetings on a regular enough basis so that public groups could develop a real rapport with agency representatives, that would help facilitate easier processing of project requests. Later, some groups found it difficult to rearrange their schedules and to bear the travel cost to attend the ad hoc meetings held to handle special problems. CRC's staff had hoped to get the Task Force agencies to somehow provide community groups with travel funds to attend meetings, but this never materialized because each agency maintained they had no special funds available to meet this need.

CRC staff also discovered it was difficult to get agencies to send on a continuing basis their top level officials to such meetings. Sar A. Levitan has suggested in his writings on interagency coordination that agencies often commit individuals to "Task Force" efforts more in terms of their availability than their ability or power to assist in the process at hand.³⁰³ At one point, CRC's directors reasoned that perhaps because it was difficult to get major administrators to commit their time to the Task Force effort that this indicated a lack of real commitment which ultimately reduced the effectiveness of the overall process.³⁰⁴ In retrospect, perhaps what was really lacking was ongoing participation by some of the critical lower level bureaucrats who actually had to review and sign-off on projects submitted to the various government agencies. Much of the literature dealing with public administration suggests that implementation processes often fail because career civil servants or low level bureaucrats were not given a stake in the issue. But perhaps this general analysis doesn't go far enough at least based on the GCG experience. It

might be more precise to state that implementation processes often fail because career civil servants or low level bureaucrats when not positively motivated to support a particular process are prone to activate their own personal or political agendas that very often run counter to the successful execution of the implementation process at hand.

Originally CRC leadership theorized that with the general approval from agency chief administrators and the formal substance of a written Task Force agreement, projects would be automatically bulldozed through bureaucratic roadblocks. This automatic power to get things accomplished based on the general approval of high level agency officials did not materialize, however. Key agency project review officers tended to pay only "lip service" to the Task Force mandated goal of expediting cable TV projects while in reality they either directly contributed to or allowed through benign neglect cable TV projects to become mired in First Amendment disputes, bogged down in eligibility controversies, and submerged in a confusion of policy conflicts. However, in both the SBA and EDA cases, outside political pressure was able to be mobilized against these agencies based on their renegeing on the signed interagency agreement, and the failure of agency officials to follow through on the Task Force mandate to be responsive in expediting cable TV projects. Although the existence of the Task Force and signed agreement did not automatically motivate the total responsiveness desired, these mechanisms were instrumental in creating a "fish bowl effect" where agency transgressions in defiance of the Task Force mandate and signed agreement became significant enough to be publically scrutinized and denounced by outside political officials.

CRC's staff had also envisioned that by establishing a communications process from the top-down, which would let everyone who needed to be involved in the implementation process know what the goals and priorities were, field office bureaucrats would be less likely to respond negatively to the projects submitted to them. In addition to interagency memorandums on the Task Force, generated by the agencies themselves, CRC, on its own, engineered various methods to assure that information about the Task Force and its goals was disseminated to the various participating

federal, state, and local offices. For example, information kits on the Rural Cable TV Development Program were sent to all major offices of the participating agencies. Also, follow-up phone calls and discussion meetings were held as soon as projects could be identified for consideration by field office officials. Although these communication techniques were effective in publicizing the existence and the significance of the program to agency officials, this basic dissemination of information did not in and of itself trigger the immediate responsiveness that had been anticipated. Overall, neither the general approval of the cable program by top-level agency officials nor the comprehensive communication of the priority status of this program to lower level officials provided sufficient impetus among these career bureaucrats to arrest bureaucratic resistance or discourage bureaucratic snafus.

Nevertheless, in the SBA case, the existence of the Task Force and a signed interagency agreement as formal mechanisms for intergovernmental coordination was significant in confronting the bureaucratic problems encountered. Largely the existence of these mechanisms stimulated and improved the circumstances surrounding the favorable reconsideration of the Eddie Pena application by: attaching a higher level of importance to the project as being part of a larger program effort; establishing a rationale and control mechanism (i.e., Task Force) for evaluating agency performance; creating a greater need for the SBA field office to explain its actions; stimulating outside attention by political officials and agency higher-ups. Most specifically, these coordination mechanisms were valuable in the SBA case in supplying Eddie Pena's group with firm ground for involving outside political officials in reviewing SBA's misdeeds and thereby indirectly pressuring SBA higher-ups to more closely scrutinize the actions of their field office.

The interest shown by outside political officials helped to communicate to SBA officials that this was not any ordinary, obscure, or insignificant community project that when turned down nobody would know, care, or raise a fuss about. Hence, this outside political pressure created an increased degree of accountability among SBA bureaucrats for the disjointed behavior that they had displayed. Generally, the

existence of the Task Force and the signed agreement provided an approved context for identifying and publicizing bureaucratic snafus and a process for revealing and giving names to the usually faceless, and nameless career civil servants, who are too often allowed to cloak their actions behind a veil of anonymity. The SBA/Eddie Pena case was successful in demonstrating that some degree of control could be exerted over the arbitrary and capricious way bureaucrats often dealt with disadvantaged groups.

Overall the Task Force was viewed by CRC's staff as creating a tribunal or board of review to which it was ultimately possible for publics to "voice" complaints about bureaucratic malfunctions, appeal for assistance in rectifying unfair decisions, and generally attempt to ameliorate the bureaucratic problems confronting groups inside their respective agencies. It was hoped that through peer or group pressure, more control could be exerted over bureaucratic actions and that the mere presence of such a Task Force mandated to trouble shoot such problems would tend to help to discourage some problem situations such as disjointed policy action and resistant behavior by agency field officials from even happening at all; especially if it was widely communicated that agency administrators supported the program and that the Task Force would immediately get involved in resolving problems whenever they materialized.

It was also assumed that OMBE as the lead agency would have been able to exert some control or guiding influence over the other agencies when problems arose by placing pressure on them to expeditiously solve the issue at hand. Unfortunately, this turned out not to be the case. OMBE's representative, (Charles Stein) had neither the control over the flow of program resources to participating agencies nor the direct political power necessary to operate the Task Force effectively through promising rewards or threatening sanctions.

Quite to the point, an Advisory Commission on Intergovernmental Relations' document titled State-Involvement In Federal-Local Grant Programs has captured the basic dilemma faced by OMBE, within a discussion of major problems related to interagency coordination:

. . .unclear lines of formal authority and responsibility, ineffective communication channels, a breakdown of informal organization, disinterest on the part of program officials, and inadequate work procedures often result in a fragmentation of intergovernmental efforts to adjust to interagency relationships affecting federal, state, and local activities in certain grant-aided program areas. This situation often occurs when a lead agency among some interagency group structure (i.e., task force, interagency council, etc.) has an administrative supervisory but not direct financial control or impact over other agencies program resources (e.g., funds, manpower, facilities, etc.). In some instances, even where such formal mechanisms as interdepartmental committees exist, the lead agency responsible for the administration or supervision of a program lacks the leverage necessary to coordinate effectively the efforts of other agencies.³⁰⁵

Despite these realities, CRC was able to capitalize off of the basic existence of the Task Force and the signed interagency agreement in the SBA case as noted earlier. In the EDA/GCG case, however, the situation was much more complex and success much more elusive. There was a great deal of outside political scrutiny, news publicity, and public attention cast on the people, policies, and bureaucratic actions that hindered and delayed the GCG project. Unfortunately, the major bureaucratic resistance encountered was not centered in a field office or on a single issue as in the SBA case, but instead involved a number of higher-up career civil servants (located in EDA's national bureau in Washington, D.C.) challenging the GCG project on a number of different and constantly changing issues. Many of the major problems in the GCG case stemmed from the miscue that CRC's staff received from one of EDA's chief administrators who signed the interagency agreement and voiced strong support of the project. For unbeknownst to CRC and GCG, Jeff Cahill was a lame duck administrator. A reality which did not reveal itself until after the GCG project was already bogged down in confusion and controversy. Jeff Cahill as a lame duck administrator had almost no real power at his disposal to neutralize, penalize, or control the actions of lower level bureaucrats inside his agency who were opposed to the GCG project. Without the threat of any formal sanction or punitive action from above (e.g., such as being shipped out to some remote outpost) the Washington EDA bureaucrats felt politically insulated against any real outside political pressure. This was not a small isolated field office resisting control, this was the top

stratum of Washington based career civil servants flexing their bureaucratic muscles to show their disdain for a lame duck chief administrator who they viewed as an adversary; and for the attempts being made to influence and control their actions from outside the agency based on a Task Force agreement that this same chief administrator had signed.

Much of the literature on the nature, formation, and maintenance of relations within organizations suggests that organizations like individuals are not generally prone to coordinate for coordination's sake or predisposed to abide by external controls without some resistance. Instead, Alvin Gouldner ("Reciprocity and Autonomy in Functional Theory," Symposium on Sociological Theory, 1959), and others, have suggested that there exists a dynamic tension within organizations and among bureaucrats that tends to make them strain to maintain their autonomy and resist coordination or any form of control.³⁰⁶ All agencies, and individuals as well it seems, value their autonomy or capacity for choosing their own course of action they desire to pursue. Andrew Van De Ven, in his work on organizational behavior, has noted that from an agency's point of view, to become involved in a coordination process implies:

. . .(a) that it loses some of its freedom to act independently, when it would prefer to maintain control over its domain and affairs, and (b) that it must invest scarce resources and energy to develop and maintain relationships with other organizations, when the potential returns on this investment are often unclear or intangible.³⁰⁷

For these reasons career bureaucrats within public agencies often prefer not to become involved in coordinating their activities or adjusting to external directives (e.g., prioritizing projects) unless they are compelled to do so.

The second main problem area that the Task Force effort sought to deal with was the problem of inadequate resource allocation to individual programs. The most frequent complaint heard from social program agencies is that they are woefully underfunded and understaffed to do all the things they are intended to do. The public often then suffers because they are told there aren't enough resources to meet their needs. Furthermore, it has become increasingly clear that all too often most social problems are far too complex for any one agency to solve by itself given

its individually limited resources (i.e., money, physical facilities, materials, etc.) and expertise (i.e., technical staff services, administrative knowhow in a given area, organizational contacts, etc.).³⁰⁸ Thus, a major goal of the coordinative Task Force mechanism was to end this artificial scarcity of resources by getting agencies to pool their collective resources in a resource leveraging or sharing approach. It was reasoned that through coordination or the establishment of interorganizational relationships, certain large scale program goals could be attained that might be unachievable by organizations independently. The basic concept of this idea worked very successfully. CRC as an organization funded by OMBE, Department of Commerce, had the mandate and technical expertise to organize and give business development assistance to groups interested in cable TV, but had no ready funds at their disposal to help groups finance the actual building of cable TV systems. On the other hand various agencies like FmHA, SBA, and EDA had programs available to assist economic development in new business areas, but had no aggressive outreach development program to organize and assist their client populations in taking advantage of new cable TV market opportunities. Finally, there were local community development organizations that had knowledge of local businessmen in various "cable-ready" communities who could be organized into cable development groups. These CDOs also had the established local creditability needed to promote the general acceptance of the cable TV development idea and "outside" technical assistance. Basically, the local organizations had the ability to finesse the entry of CRC into the various communities selected as "cable-ready."

In general, the resource leveraging concept worked well as a device for getting these various groups and agencies to mobilize themselves toward using their individually unique resources (i.e., expertise, funds, contacts, etc.) to support cable TV projects. For instance, in the SBA case, the Tele-Vu project was approved and funds committed based on the cooperative efforts of CRC staff, the Task Force chairman, SBA Task Force representatives, and SBA Washington administrators in supporting the project and making inquiries into its handling. Of course, in the EDA instance, there developed a lack of follow through by

headquarters' officials.

The third main problem area that the Task Force effort sought to deal with was the issue of fragmented and disjointed program activity by various agencies seeking similar goals. The major motivation for the federal agencies in participating in the Task Force was predicated on their realization that they were a group of public programs that focused on similar problem areas and client groups, yet there existed a hodgepodge of conflicting rules, guidelines, and qualification criteria that had to be met by the public to access services from their program. This was one of the basic points of enlightenment that was established by CRC at the early organizing meetings for the Task Force effort. The coordination process aimed for by the Task Force was a direct reaction to the dysfunctional nature of the piecemeal or "cafeteria shopping" approach to finding financial support for minority ventures. CRC's staff discovered through their early cable project development experience that "trial and error" approaches to accessing public services for disadvantaged groups were fraught with endless and repetitive tasks. Basically, CRC realized that the qualification of fundable ventures under different and conflicting program guidelines, policies, and procedures on an individual basis was time consuming and ineffective.

The coordinative Task Force effort was thought of as one way to create a positive "group think" process on how best to achieve certain common goals given a collective set of resources. Mainly it was hoped that the special communication of the Rural Cable Development Program's priority status from top-level administrators within federal agencies down throughout the lower levels of their organizations (i.e., state and field offices) would ameliorate much of the fragmented and disjointed program activity usually associated with the implementation of public programs. Unfortunately, basic communication by chief administrators of their support of the Rural Cable Development Program through normal organizational channels (e.g., memorandums, Task Force agreement, press releases, etc.) was not sufficient to reduce or eliminate fragmented and disjointed program activity. In fact in both the SBA and EDA instances, there was a continued tendency by career bureaucrats at various

governmental levels to challenge and "short-circuit" the funding of cable projects based on their often vague, conflicting, and untimely interpretations of agency policy, guidelines, and qualification criteria.

By untimely interpretations I mean that in both the SBA and EDA cases project review officers tended to make known certain last minute objections to cable projects only at the most inappropriate and inopportune times. That is to say that these project review officials usually voiced major objections to cable projects after not before or during the special preliminary project review conferences developed and held with agencies to iron out such potential problem areas before final project evaluations. Thus, there was a classic trend observed in both cases where early indications of project approval given by one set of agency officials to project sponsors were later contradicted or negated by the same or other agency officials during the final stages of the project review process. In general most agency bureaucrats tended to present a basic facade of cooperation and project acceptance during early project review periods. This occurred at times when from the point of view of most bureaucrats, the actual funding of a project given all the bureaucratic paperwork, processing elapse time, and required qualifying procedures seemed to mitigate against the successful funding of the project and ability of the group to wait out all the delays.

To quote one EDA official interviewed:

. . .we usually never have to formally turn down a project that we don't want to support when we can keep finding reasons to delay the processing of a project. The GCG project was one of the only projects I remember that we had to issue a formal turn down letter on. Normally, an applicant will become tired and frustrated over the various delays that develop and eventually leave us alone.³⁰⁹

Thus, from the bureaucrats' perspective it was unnecessary to have to flatly turn down a project when it was first submitted as long as they could count on the probability that the exaggerated frustrations of dealing with bureaucratic "red tape," eligibility complications, policy conflicts, and other inordinate delays would eventually use up or drain project supporter's limited resources (i.e., time, money, energy, patience, etc.). Also, bureaucrats were smug in the knowledge that it was going to be easier for them to contrive ways to subvert (if need be)

project implementation than it was going to be for project supporters to reckon the proper means for making the implementation process succeed. Consequently, as projects tended to survive or overcome various bureaucratic hurdles, the basic cooperative nature of agencies tended to deteriorate into traditional bureaucratic resistance, blatant delays, and outright disjointed behavior.

Closely linked with the problem of fragmented and disjointed program activity is the issue of responsiveness. Responsiveness, the final major issue considered in my case study of coordination, deals with the problem of inducing bureaucrats to prioritize and meet "with alacrity and compassion, those cases which can never be brought under a single national rule and which, by common human standards for justice or benevolence, seem to require that an exception be made or a rule stretched."³¹⁰ Basically, this area gets to the heart of the issue of how to get the bureaucracy to function effectively in terms of generating positive activity that assists client groups to follow correct procedures instead of willfully creating situations of structured failure by allowing groups to ignorantly violate certain set criteria or guidelines and then only informing them of their violation after it's too late to correct the mistake. Ultimately, this issue is related to bringing greater equity into the service delivery process--that is, "getting bureaucrats to treat like cases alike and on the basis of clear rules, known in advance."³¹¹

The coordination Task Force and signed interagency agreement served as the key triggering mechanisms used to leverage outside political pressure against the SBA and its field office when the field office officials arbitrarily and capriciously turned down the Tele-Vu project after first indicating that it would be approved. Essentially, the presence of the Task Force coordinative mechanisms established both the legitimacy of the need to overcome certain bureaucratic problems that impede public program implementation and the right of disadvantaged populations to voice their discontent and seek resolution to the inequities that they have encountered in the service delivery process. Thus, the existence of the Task Force played a central role in creating an environment conducive to SBA's responsiveness in rescinding their turn down of

the Tele-Vu project and the project's final approval.

In the EDA instance, a certain level of token responsiveness was evident in the number of pre-application meetings Bill Douglas was granted in Chicago and Washington. Both the quantity of meetings held and the fact that he was able to meet with Washington EDA officials represented "special departures" from their standard operating procedures. Also, the preliminary clearance given the GCG project, based on a brief letter proposal, was another "special departure" or concession made to help the project. Finally, the EDA field office's approval of the GCG project can also be viewed as responsiveness resulting from the existence of the Task Force. Unfortunately, unforeseen complications, which negated this approval, developed among Washington-based career bureaucrats. These officials, for various and sundry personal reasons had become alienated by and antagonistic toward the chief administrator who had signed the Task Force agreement and therefore set themselves against the GCG project to serve their own personal motives. Basically, these bureaucrats felt they were politically immune to hierarchical pressure owing to the lame duck status of the chief EDA administrator who had originally signed the Task Force agreement and pledged agency support. Beside these internal tensions, which significantly undermined the use of the full power and influence of the Task Force process and agreement to motivate support for the GCG project, were a number of external factors which also detracted from the level of responsiveness that perhaps could have realistically been expected from EDA career bureaucrats. The fact that the Gary project was urban instead of rural increased the malcontent among some EDA officials that the project was not truly serving their real constituency as they defined it and thus was not really worthy of their full support because tangible political benefits to them were not readily evident. EDA counsel, in a 1976 memorandum to CRC's executive director, challenged the obligation of EDA to fund GCG because it was an urban cable TV system not rural. Furthermore, he interpreted most of the national policy statements offered by CRC staff in support of the GCG project as rural orientated and not applicable to urban systems.

The fact that a political election was coming up caused many

political officials to be very conservative and reluctant to get too involved in controversial issues such as the GCG case. This greatly decreased the amount of significant outside political pressure that could have been mobilized against EDA agency officials. Consequently, career bureaucrats cognizant of this reality were really not intimidated by the "token political interest" given by some political officials such as Congressman Madden's investigations into the mishandling of the GCG project.

Another major external factor which influenced the behavior of many politicians as well as bureaucrats was the fact that the Television Broadcasting Industry had exerted behind-the-scenes political pressure on FmHA's top administrators and perhaps those of several other federal agencies not to get involved in funding cable TV projects with public programs. This reality was made known to CRC by a public information official with the National Rural Electrical Cooperative Association who had been privy to several meetings between the Secretary of Agriculture, Earl Butz, and representatives of the TV Broadcast Industry. Knowledge of Broadcasters' strong opposition to the National Rural Development Task Force Program, especially just before a major presidential election year, most certainly had to have some dramatic impact on increasing the ultra-conservativeness of many outside political officials and top level agency administrators when asked to intervene into the GCG controversy. To risk negative media coverage by the Broadcast Industry or worse for politicians, no coverage at all just before a major election was definitely counter to the vested interest of most people in highly political and visible positions.

Coordination Dynamics

The actual coordinative interaction observed between agencies during the development and operation of the National Rural Cable Development Task Force occurred in several forms. In general it appeared that the Task Force coordination process, as it slowly evolved, went through a series of progressive or developmental changes leading from one form of coordination to another over time. The different forms of coordination

observed largely corresponded to Charles E. Lindblom's formulations on: mutual adjustment, cooperative discussion, central coordination, and partisan mutual adjustment.

Basically during the first meeting of the selected agencies, the interaction between them seemed to be exemplified by mutual adjustment behavior where no central mind or decision maker exercised any particular group coordinating responsibility, power, or control. Instead, the main activities involved open collaboration and negotiation among independent agencies on solutions or approaches to common problems of business development.³¹² It was a general "feeling out process" where each agency basically sought to discover where each other agency stood in terms of operational problems experienced and the coordinative approach proposed.

The second meeting of the agencies had a more focused agenda in terms of drafting an interagency agreement which would specify the nature of agency commitment to the proposed Task Force effort. In general, the activity displayed at this meeting seemed to reflect Lindblom's cooperative discussion form of coordination. During this phase of coordination development there occurred cooperative discussion or constructive dialogue among decision makers, and the group as a whole played the role as the central regulator. Meaning that mainly there was a periodic shifting of responsibility from one agency to another in attempting to reach consensus on a general plan or program approach agreeable to all participants. Also, during this phase of coordination, the agency representatives began to reach substantial agreement in supporting the program by consenting to fulfill certain responsibilities (e.g., informing the other levels of their agency's bureaucracy about the program and signing a Task Force agreement). Overall the participating agencies cooperated rather than bargained with each other in deciding about Task Force implementation details.³¹³

Generally, the agency participants at the second meeting demonstrated basic agreement on common values and purposes and a desire to maintain that agreement over time. All of these observed behaviors are in keeping with Lindblom's definition of behavior during cooperative discussion.³¹⁴ It has been noted earlier that cooperative discussion as a

form of coordination is often typified by a "Task Force" approach to coordination and this, of course, was exactly what was being aimed for in the early meetings as personified by the name given to the interagency effort-National Rural Cable Development Task Force.

During the development of the coordination effort between these agencies, CRC's staff arranged for FmHA's Royce Jones to suggest that the Task Force should have some sort of "coordinating secretary" or "lead agency" to convene and preside over meetings. OMBE was designated to play this role. OMBE's acceptance of this role represented CRC's attempt to guide the Task Force into a central coordination form of operation where individual decision makers would adapt to one another based on instructions from a central regulating authority or "lead agency."³¹⁵ Central coordination represented the general "ideal type" of coordination that CRC's executive director and OMBE's Charles Stein hoped to create in terms of effectively carrying out the National Rural Cable TV Development Program in a controlled manner. One of the CRC's hidden agendas within the Task Force process was to effect some degree of power or control over the participating agencies in order to assure their complete support of cable TV projects. However, over time it soon became clear that OMBE's Charles Stein lacked any real power to influence other agencies significantly in enforcing central coordination through either delivering tangible rewards or executing formal sanctions against agencies. OMBE representative Charles Stein was able to call and chair meetings as well as issue public statements regarding OMBE's support or disapproval of actions taken by other Task Force members, but beyond these perfunctory powers, Charles Stein and CRC's staff could not muster any significant clout through OMBE to influence other agencies (i.e., increase or cut back program resources allocated to such agencies).

Consequently, despite the desire of CRC's staff and executive director to have OMBE's Charles Stein orchestrate central coordination among the participating agencies of the Task Force, the majority of agency interaction seemed to be governed by partisan mutual adjustment. Basically, while each agency representative on the Task Force vocally supported Task Force goals and objectives, the lower echelon bureaucrats in

each organization continued to make decisions on individual projects calculated to serve their (i.e., career civil servants) own individually conceptualized goals, which were often not the goals necessarily shared by other interdependent decision makers of the Task Force or the agencies themselves. Charles Lindblom suggests that individuals enmeshed in partisan mutual adjustment behavior usually only make decisions counter to their own goals only to the extent that they are in turn controlled by other partisans or by central supervision.³¹⁶

Despite the lack of a real power base by which to control Task Force members, CRC's staff, in conjunction with OMBE's representative, Charles Stein, attempted to orchestrate and perpetuate some semblance of coordination among federal agencies through two general methods identified by March and Simon as the primary ways by which organizations can be coordinated:

. . . (1) by programming and (2) by feedback. Coordination by programming is exemplified by such integrating mechanisms as the use of pre-established plans, schedules, forecasts, formalized rules, policies and procedures, and standardized information and communication systems. The common element of each of these mechanisms is that a codified blueprint of action is impersonally specified. Basically human discretion does not enter into the determination of what, where, when and how organizational roles are to be carried out to accomplish a given set of tasks. Instead very precise guidelines for organizational activity are prescribed in impersonal, standardized blueprints or action programs. Furthermore, since such impersonal mechanisms of coordination are codified, once implemented their use usually requires minimal verbal communication between task performers.³¹⁷

Essentially, CRC attempted to activate formal coordination among agencies via the programming approach by establishing a codified blueprint of action vis-a-vis their interagency Task Force agreement. Mainly the Task Force agreement represented an attempt to resolve many of the problems caused in public program service delivery by confusing interpretations or misinterpretations of program guidelines and the uneven enforcement of project approval requirements by different levels of federal agencies. CRC's staff and OMBE's legal counsel worked hard in trying to put real teeth into the interagency agreement in precisely and categorically specifying the tasks to be carried out by each agency.

Unfortunately, the agencies worked equally as hard if not harder to reduce, dilute, and weaken the strength of the document by committing themselves to only the most basic and mundane cooperative activities. It has been noted by Sar A. Levitan in a review of federal programs in the sixties that most formal interagency agreements tend to be as vulnerable as any unenforceable two-party treaties but tend to survive because they are mutually convenient and relatively innocuous by nature.³¹⁸ Many tend to be virtually innocuous because each agency essentially acts to protect its own jurisdiction by not over-committing itself to any particular venture and as with all treaties among equals, ad hoc interagency agreements are subject to revocation by any of the participating parties.³¹⁹

To try to bolster the weakness of the formal agreement to support interagency coordination, CRC and OMBE's representatives also sought to achieve coordination by feedback. James D. Thompson (Organization In Action, 1967) has defined "coordination by feedback as mutual adjustments based upon new information."³²⁰ The two operational feedback modes most commonly used in:

. . .developing plans and making mutual adjustments within organizations are the personal mode and the group mode. In the personal mode, individual role occupants serve as the mechanism for making mutual task adjustments through either vertical or horizontal channels of communication. On the other hand, in the group mode, the mechanism for mutual adjustment is vested in a group of role occupants through scheduled or unscheduled staff or committee meetings.³²¹

CRC attempted to make use of both modes in achieving and maintaining coordination between agencies. Through the personal mode, CRC's staff attempted to use Task Force representatives and agency heads as basic channels of communication to inform, persuade, and impress other members of their organizations with the significance and priority status of the Task Force effort undertaken. It was anticipated that such communication would take place both on a one-to-one basis in non-hierarchical as well as hierarchical relationships. Also it would take place face-to-face as well as through written communique. A significant degree of non-hierarchical coordination was vested in OMBE's representative, Charles Stein, as a designated group coordinator and project expeditor who in actuality had no formal authority over the other agencies whose activities required coordination.

Unfortunately as revealed in both case studies, simple communication of Task Force goals and priorities from the top-down was not effective enough to generate the total responsiveness desired. Channels of communications between different echelons of bureaucrats became distorted by the interference of bureaucrats' personal goals and hidden agendas which tended to conflict with official Task Force directives.

The group mode of feedback was used periodically by CRC's executive director and Charles Stein, to keep agencies abreast of project developments, and to discuss problems and their resolution. Task Force meetings were also held to indicate program successes and to give agencies psychological pats on the back in private to reward their "good behavior." Task Force agencies were also "politically stroked" in public through wide publicity of their "good coordinative" behavior--copies of such press notices were handed out during Task Force meetings. Most Task Force meetings occurred on an irregular basis, being convened largely at critical times when it became important to motivate an agency or agencies to take some desired course of action.

A few coordination meetings were also carried out at the local level of each agency. Local coordination meetings were made up of what was called a local development team. The team consisted of CRC market analyst, a cable project leader, and a local official from each Task Force agency (i.e., SBA, EDA, FmHA, and OMBE). The early meetings of these local development teams were held to formally introduce the Task Force program to the participating local agency officials and to get them to begin considering specific projects. Over time, the group interaction of the local development team members tended to shadow the same type of partisan mutual adjustment behavior displayed by Task Force agency representatives in Washington. Most local agency representatives followed through in making basic efforts to inform perspective clients about their agency's program opportunities, but collectively they never attempted to provide a strategic analysis of their programs in cross comparison with others. In the final analysis the clients, in conjunction with CRC's staff, were still left to make intuitive or "best judgment" decisions based on their own research of government programs. Furthermore, they were also forced ultimately in both cases to use

outside publicity and political intervention or inquiries as the major leverage required to combat bureaucratic resistance.

Different Approach

Given the peculiar set of externalities and circumstances surrounding the EDA-GCG case, it is not clear, looking back over what happened, if any more skillful or adroit actions could have saved the GCG project. Two significant circumstances support the probability of this reality. First and foremost, the GCG case became over-burdened and saddled with a proliferation of bureaucratic antagonisms, conflicting hidden agendas, and below-the-surface intrigues that obscured the potential merit of this particular project, because these internal conflicts surfaced or were ventilated as criticisms of the project's feasibility. Public advocacy organizations and disadvantaged groups have an impossible time unraveling, proving, and challenging the complex intermix of seemingly valid criticisms raised against a project versus criticisms raised for unobjective reasons just to sabotage it. Furthermore, when such sub-surface organizational "games" are allowed to direct most of the course of action or non-action taken by bureaucrats--how are outsiders (i.e., disadvantaged groups) to a relatively foreign, if not hostile system, supposed to accurately divine or decipher what these games are, what power stakes are important (i.e., what types of bargaining advantages, incentives, influence, etc.), and between what actors are conflicting games being played. Without reliable inside information or intelligence from contacts within the government system to confirm, discover, and translate the "public face" put on sub-surface actions and motives, disadvantaged groups will be at a loss to decode what really needs to be done to get what they want. Critically important is the fact that if career bureaucrats don't perceive that disadvantaged groups are in a position to address their political, organizational, and/or personal concerns, then they will never even be given the opportunity to attempt to seriously enter the political process by demonstrating whatever power or influence that they might be able to muster on the career bureaucrats' behalf.

The companion circumstance which frustrated and undercut the development of "right" moves or actions by GCG to immediately detect and

counteract sub-surface conflicts, was their inability to easily penetrate the public pretense or bureaucratic facades of compliance used by officials to mask their hidden agendas and intentions. When public officials are engaged in symbolic or token behavior where they only desire to give a false illusion of their commitment to a process, they cannot be expected to willingly divulge their true motives, intentions, action limitations, or restraints to outsiders. Since to do so would make them vulnerable to attacks. Thomas C. Schelling and others have noted that career bureaucrats are most prone to use this tactic when they "suspect that top agency officials are making a pretense at demanding performance but don't really want their orders heeded."³²²

Marshall E. Dimock, in a Public Administration Review article titled "Bureaucracy Self-Examined," has captured the realities of this situation quite succinctly from the perspective of the policy official:

The technique of feigned acquiescence is one of the indispensable tools of the career official. If his advice is asked - and all too frequently it is not - he tries to give what he considers an honest reply which will be for the benefit of the long-range program and of the policy official then in authority. If the advice of the "organization" is not asked, then naturally there is an almost instantaneous and automatic resistance to any program that is forced upon it in this manner. Even when consultation does take place, if it is the opinion of the career officials that the suggested reforms will have an injurious effect upon the prestige and reputation of the service, they try, consciously or unconsciously, to balk the program which to them seems to be mistaken. They do this by giving outward acquiescence and cooperation while actually slowing down the reform or killing it entirely. There are several established ways of accomplishing this result. One - perhaps the most common - is dilatory tactics. The career officials promise to do what the policy official directs, but at each stage in the hierarchy there is a progressively longer delay in actually taking the necessary steps. When the policy official becomes exasperated because of the delay, as he usually does, the career officials rely upon buck-passing or upon a variety of excuses. One standard excuse is inadequacy of personnel; another is the press of work which makes it necessary to give attention to a large variety of factors, with the result that the organization is unable to concentrate upon the one to which the policy official is determined to give priority.

The baffling thing about institutional resistances is that they are so subtle and elusive that it is next to impossible for the policy officials to spot all the points at which the slowing-down process is occurring. Permanent bureaucracy is amorphous. It is as though each person has his finger pointed at the next person; the group as a whole is responsible, and no one individual can be pinned down. Contrariwise,

when the "organization" is very much in favor of a new program and sees in it an opportunity to increase the prestige, influence, size, and importance of the program with which its life and fortunes are identified, there is the same kind of ground swell which makes it difficult to put one's finger on any one individual or on any one point in explaining why the response is so instantaneous. It is this kind of institutional behavior, sometimes manifesting itself in the form of resistance and obstructiveness and sometimes in the form of whole-hearted response, which leads one to speak of the inner life of bureaucratic organizations as being a force which is greater than the sum total of the obviously constituent elements. It is based upon long-established understanding, nuances, ways of doing things; it is based upon an appreciation of what constitutes the long-range interests of the career group.³²³

The implications of these realization are much more grave for disadvantaged groups who unlike policy officials are outside looking in.

When public officials believe that they need only help to contribute to an "agency-wide pretense" of support (i.e., since no significant negative or positive incentives signal to do otherwise) then they will continue to pay only "lip service" to what is expected of them by outside groups. Without inside knowledge or information on what is really going on inside public agencies, disadvantaged groups are at a loss to challenge this insidious veil of bureaucratic resistance on any substantive grounds nor properly focus and fix attention, influence, and/or blame. Only through skill, stealth, and inside help can disadvantaged groups hope to monitor and enforce bureaucratic commitments that are publicly voiced but privately avoided.

The importance of dealing more effectively with these two dilemmas guide the thought behind suggesting what different approaches might have been taken to secure EDA funding of the GCG project. Primarily a more intensive effort by CRC staff and GCG group members aimed at understanding and influencing the key Washington actors (i.e., motivation systems, hidden agendas, power limitations, power roles, etc.) that made up the project application approval decision network was called for. Before the GCG project was submitted to EDA, CRC staff and GCG group members should have made more structured attempts to cultivate inside intelligence on agency officials from sources within or close to EDA.

Improved intelligence on the stability, hidden motives, and power roles of Washington EDA officials could have led to more direct and

effective use of the proper incentives (i.e., negative or positive) for bargaining with the most important actors for their support of the GCG project.

A basic formula that should have been followed by GCG and CRC organization leaders in attempting to get business funds from EDA can be borrowed from a line of reasoning offered by Martha Derthick on motivating government officials. To paraphrase Martha Derthick, to achieve what they want, disadvantaged groups must have enough knowledge of the internal politics of a given agency to perceive what incentives, (i.e., pressures or rewards) are necessary; they must supply the incentives in sufficient quantity; and they must direct the incentives to those key holders of organizational power whose support is required to carry out the process desired.³²⁴

What is specifically implied in this field maxim for stimulating government action is that adequate time must be spent in learning an agency's culture in order to be able to: interpret bureaucrats' attitudes and true intentions toward a proposed project based on its impact on their political, organizational, and/or personal needs; and properly calculate the necessary incentives (i.e., political payoffs, coercive threats, or persuasive powers) needed to move key officials to take the actions desired.

If CRC and GCG representatives could have developed more accurate up-front information on EDA's internal organizational politics (i.e., the how, why, and who got things done--EDA's peculiar way of doing things) and the true dispositions of key Washington officials toward the proposed project, then perhaps they could have more effectively devised or arranged the proper incentive system needed to influence the career bureaucrats needed to process and approve the GCG project. An accurate ascertainment by CRC and GCG of the political, organizational, and personal interests of the critical actors involved in the Washington project approval decision network might have led them to the conclusion that they needed to consider, develop, and execute a special range of internal organizational strategies designed to "shepherd" or guide GCG's project toward successful funding. For example, the need to operationalize the following types of alternatives might have materialized from such an organizational evaluation:

1. They needed to program EDA administrators to give the GCG project to a more sympathetic "hand-picked" review officer rather than to a bureaucrat known to have an "axe to grind" or grudge against the agency.

A sympathetic official would have been one who was interested in the Task Force's objectives and for whom clear incentives could be identified, mustered, and exchanged for his support. Of course, this strategy assumes the ability to persuade and bargain with higher-ups to correctly program or reroute the flow path of an application through the proper hands.

2. Lobby to have some special title, status, perks, or government grade increases attached to the responsibility of reviewing cable TV projects. The selection of the proper incentive of course would be linked to what form of motivation the target bureaucrat would be most responsive to, based on his discovered needs.
3. Direct pressure tactics could have been used to enforce restrictions that would have reduced the key project review officer's job powers, prestige, ability to help his "friends," personal convenience, and employment security. In effect, actions could have been devised to make it more costly or less rewarding for him to block cable TV projects than to process them judiciously and equitably. For example his office powers over selecting certain secretaries to do his work could have been cut, there could have been strict policing of his office habits (e.g., expense reports, long distance phone calls, time attendance, etc.) by his superiors and/or creation of extra rules that restricted his personal convenience (e.g., moving him to a small office space) and jeopardized his job security (e.g., threatened job demotions or firing, pay increase hold-ups, banishment to an undesirable job post in another city, etc.).

This "hard line" strategy assumes of course that no complicity exists among the central project review officer and his superiors or his fellow career bureaucrats. For if indeed there is a secret or unspoken covenant between and among bureaucrats to feigned acquiescence to even direct pressure techniques, again only token actions may result. However, if a major threat of getting politicians to cut back funds to EDA could have been carried out by CRC and GCG then perhaps this could have provided the proper impetus to systematically motivate EDA career officials all down the line to act more favorably toward the GCG project.

4. The need for the development of a "bail-out" or "wait and see" strategy might have presented itself, if the intricacies of EDA's internal organizational politics appeared or proved to be (after some trial analysis) too formidable to overcome because the proper incentives or influence needed to operationalize support was lacking. Thus, the decision could have been made to try another agency or to wait until EDA's internal politics settled down and

became stable enough to deal with effectively. To reach either of these decisions, some trial balloons or "gaming situation" could have been used to get early feedback from key Washington project review bureaucrats on what type of projects would be the simplest for them to process through this program. CRC and GCG organization members could have thus tested to see who was interested in the Task Force process, its proposed projects, and attempted to identify what they (CRC and GCG) might have to offer or threaten bureaucrats with in terms of their needs. Such a process might have very well revealed that certain individuals could not be bargained with sufficiently to promote future projects. Meaning neither rewards nor direct pressure (i.e., the use of threats, such as approve this application or we will get you shipped off to Cleveland!) appeared to be able to evoke the responsiveness desired, without the process becoming overly complicated, time consuming, and politically costly.

These examples are only illustrative, not exhaustive, of all the possible alternatives that might have been pursued by CRC and GCG representatives based on a more accurate understanding of the internal organizational politics, culture, and interests of the EDA Washington officials at the time GCG made its request. In the final analysis, no one approach can or should automatically be assumed to be the key to the successful funding of projects like GCG. Realistically, what has to be fully anticipated and planned for when dealing with bureaucratic institutions is that a series or continuous sequence of bargained responses or power moves have to be made to promote any process, project, or goal. This reality holds true even when dealing with only one individual inside a government agency. This is because man's needs in general are essentially unstable and constantly changing, but are especially volatile within public organizations or bureaucratic settings where there exists a much broader range of opportunity for "quid pro quo" interaction and hence a greater potential for a bureaucrat's miscellaneous needs (i.e., personal, organizational, political, etc.) to be satisfied as they become invisibly intertwined with organizational tasks and responsibilities. The best one can hope for is that armed with accurate knowledge and understanding of men and motives in bureaucratic organizations, the proper means can be found to move them to take the desired course of action.

CHAPTER IV

FINDINGS AND CONCLUSIONS

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On the basis of the information gathered, there does appear to be a positive correlation as originally hypothesized between the presence of coordinative mechanisms established by public advocacy organizations and the ability of minorities to increase their influence over the distribution of resources in the public sector to meet their needs. My conclusions and findings are presented below. The general research questions posed at the outset of this study serve as topic headings; illustrative examples, and findings are arranged accordingly.

Question: What leverage can be employed by disadvantaged groups to improve their chances of receiving a "fair share" of the benefits from public programs?

1. Disadvantaged groups can improve their chances by establishing and co-opting for their own use certain regularized government action channels (e.g., interagency task forces, interagency coordination agreements, etc.).

These action channels act as a surrogate for the informal persuasion or influence exercised over public programs by more politically powerful groups.

Example: In the Tele-Vu and GCG cases the interagency agreement and task force process worked on behalf of disadvantaged groups, enabling them to establish "inside contacts" willing to support projects and to provide technical assistance and advice when projects became enmeshed in the bureaucracy. These mechanisms also provided the moral underpinning for disadvantaged groups to recruit outside support (e.g., politicians, other agencies, the media, etc.) to help remedy bureaucratic snafus.

There is complementary support for this conclusion from the SBA/Tele-Vu and EDA/GCG cases, although the ultimate outcomes are uneven.

Both the SBA/Tele-Vu case and the EDA/GCG case illustrate instances in which action channels were used to help disadvantaged groups leverage support for particular projects. In the SBA/Tele-Vu case, CRC staff, the Task Force chairman, SBA Task Force representatives and SBA's Washington administrators provided support after a project application submitted to the SBA was indiscriminantly turned down. The project's sponsor was able, through the Task Force, to win the support of key actors. New Mexican politicians sent letters to SBA officials and the Task Force chairman asking for an investigation into the Tele-Vu situation. The Task Force chairman, SBA Task Force representatives, and SBA Washington headquarters administrators requested information from SBA's field office on their "mishandling" of the Tele-Vu project based on the mandate to support cable TV applicants as outlined in the Interagency Task Force Agreement. The many inquiries and investigations made into the SBA/Tele-Vu matter by these outside observers triggered the projects' re-evaluation and approval.

In the EDA/GCG case, support was sought during pre-application meetings, before the project was officially submitted and after the project application became bogged down in bureaucratic conflicts over eligibility. The original attempts by GCG's president to lobby the key EDA business loan officials in the Chicago field office and in Washington seemed to be successful; he was able to participate in several pre-application meetings instead of the standard one; he was able to arrange meetings, not just with local field office staff, but also with loan officials in EDA's National office in Washington even though EDA's program literature says such pre-application meetings take place only with field office officials; and he was able to submit a special proposal and receive a preliminary clearance that indicated there were no legal problems affecting its eligibility. All these special departures from normal EDA operating procedures were the result of an "open door" policy implemented by the Acting Chief EDA Administrator, Jeff Cahill, who after enthusiastically signing the Task Force Agreement, instructed EDA business loan officials in Chicago and Washington to assist CRC staff and GCG's president with their project application.

These actions were quite significant and help to illustrate the difference that the existence of the Task Force made.

When the project became mired in legal objections, GCG's president, through the Task Force and its interagency agreement, was able to marshal support from Deputy Assistant Secretary Jeff Cahill, CRC legal and market development staff, the Task Force chairman, and most importantly, OMBE's Chief Counsel. OMBE's Chief Counsel disputed all the legal challenges raised by EDA Counsel. CRC's legal counsel and market analysts provided OMBE's Chief Counsel with backup information that he used to defend the GCG project. The Acting EDA Chief Administrator and the Task Force chairman provided moral support and convened meetings to try to resolve the issue in GCG's favor. The involvement and support of these various individuals at key points in the legal dispute over GCG's eligibility culminated in EDA's Chief Counsel capitulating. EDA's Chicago field office officials then approved the GCG loan application and forwarded the package to D.C. for final approval.

When the GCG project later became enmeshed in a policy dispute raised by Washington EDA officials, GCG's president, through his Task Force connections, was able to muster another roster of allies willing and able to ward off policy attacks; investigate delays; mobilize public awareness; and provide technical assistance in making application changes or additions. John Calhoun (White House Director of Media Relations) after being contacted by one of CRC's directors, defended the GCG project. CRC's executive director persuaded Gary Congressman, Ray J. Madden, to call EDA's administrator and to participate in a meeting to block further delays. During this same period, CRC market and financial analysts provided periodic technical assistance, helping to revise GCG's project application to meet EDA officials' requests.

In the midst of the policy dispute, a major Indiana daily, the Post Tribune, picked up the GCG story and printed a detailed article titled "GCG Loan Plea Sparks Brouhaha in Washington." Another article on GCG's struggle to get funds from EDA appeared in a local Gary community newspaper. Both materialized after CRC staff printed a "seed article" titled "EDA Impedes Cable Growth" in their own newsletter/magazine. This

"seed article" was then widely distributed among the media in hopes of creating greater public awareness and interest.

When EDA issued a policy bulletin on cable TV, David Kinley and J. Clay Smith (FCC Cable TV Bureau Chiefs) sent letters to EDA Chief Counsels and held meetings with EDA administrators and Department of Commerce officials to protest EDA's decision not to fund cable TV and to convince EDA to rescind its misinterpretations of FCC rules.

Charles Stein (Task Force chairman) sent a comprehensive memorandum to Secretary of Commerce Elliot Richardson which detailed all the problems GCG had encountered with EDA. He requested a re-evaluation of the project. Simultaneously, the Mayor of Gary was contacted by GCG's president and CRC's executive director and informed of GCG's plight. The Mayor called Secretary Richardson to voice support. These efforts gained the project a "special review" or re-evaluation. Although the final outcome left much to be desired, the assistance provided by the Task Force and the informal network of supporters generated through the interagency agreement was effective in fostering increased accountability and responsiveness among the field office bureaucrats and among some Washington EDA officials.

Question: What bureaucratic dynamics precipitate and sustain inequities (i.e., the consistent exclusion of certain groups from the benefits of government programs) even when reforms are initiated?

2. The failure to anticipate the impact of reforms on existing bureaucratic incentives (i.e., political, organizational, and/or personal) often results in increased bureaucratic resistance.

Example: Papermaster was more susceptible to scuttling the GCG project than supporting it because: no substantive external political pressure induced him to support it; no direct internal organizational pressure motivated him to approve it; evaluating the project violated his established "work routines" and "short-hand" review techniques and his personal antagonisms toward the "lame-duck" administrator who supported it, mitigated against his ability to view the

project objectively.

The EDA/GCG experience provides evidence in support of this conclusion. CRC's original intension of creating a support mechanism that would forestall bureaucratic field office snafus for its clients, overlooked the inclination and misjudged the ability of Washington career bureaucrats to resist reforms and sidestep censure. There was a naive mispresumption about and overreliance by CRC leadership on the ability of the top-down priority commitments expressed by EDA's acting Chief Administrator to stimulate the responsiveness among subordinates needed to resolve problems. Thus, instead of responsiveness, certain Washington career bureaucrats in collaboration with some higher-up EDA program officials, resorted to the creation of "instant policies," unwarranted legal objections, and the use of very narrow interpretations of existing public policies in order to avoid funding cable TV ventures.

For example, after an October 15, 1975 meeting between GCG's president, CRC's executive director, and EDA's Acting Chief Administrator, it was indicated by the EDA Administrator that a letter of intent to approve the project would be forthcoming from EDA within one week. When Papermaster found out about this decision, he sidestepped Cahill's order by sending a letter to GCG stating his office was not going to accept an oral opinion given earlier by EDA counsel approving the cable project as the final OK on the project's eligibility. He wanted a legal opinion in writing and he informed the EDA office in Chicago to hold up approval. This eligibility dispute materialized in spite of the fact that the GCG project was given preliminary clearance, which indicated there were no legal barriers to its eligibility, during a pre-application review. After a protracted debate between OMBE Chief Counsel and EDA Chief Counsel over this issue, it was established that no legal barriers existed and this dispute against the project was dropped.

Papermaster's predisposition against expediting the GCG project was clearly demonstrated by his refusal to issue a letter of intent and his launching of a challenge against the EDA project on unwarranted legal grounds. For Papermaster, not expediting the GCG project was an opportunity to retaliate against a lame-duck administrator who had demoted

him. This project also represented extra work (e.g., development of a new financial format for evaluating cable TV) and learning new information that he was not interested in. Working on the GCG project meant Papermaster had less time to work on other projects he was involved with and more committed to. Finally, the GCG project, according to Papermaster, violated his "short-hand" rule for deciding if a project was worth working on or approving. If a project, in his estimation, created only a small number of jobs in relation to other projects, it was not worth his time.

Papermaster's basic inclination toward not funding the GCG project was illustrated in his declaration that EDA, as a rule, did not fund media ventures or businesses that did not create high numbers of jobs. The validity of this declaration was challenged when it was uncovered by CRC staff that EDA had actually funded an educational television station in 1969 that created only a few jobs.

Following the legal attack on the GCG project, the director of the Washington EDA business loan office indicated that there might be some "policy objections" to EDA funding cable TV systems. The loan office director also held certain antagonisms against the Chief Administrator who supported the cable TV Task Force. Thus, he was inclined not to expedite the GCG project in retaliating against the Chief Administrator. This policy dispute slowed down the project's processing once again. A formal EDA policy bulletin was issued which disqualified cable TV from EDA funding. The bulletin was challenged by the FCC Cable TV Bureau as being a complete misinterpretation of their policy and eventually the policy attack against cable TV and GCG was dropped.

To quote one Washington EDA official, several years after the GCG experience, on the subject of bureaucratic resistance:

We usually never have to formally turn down a project that we don't want to support, when we can keep finding reasons to delay the processing of a project. The GCG project was one of the only projects I remember that we had to issue a formal turn down letter on. Normally an applicant will become tired and frustrated over the various delays that develop and eventually leave us along.³²⁵

Career bureaucrats inside both SBA and EDA attempted to sabotage projects through the use of similar techniques. One technique involved project review officers not communicating important barriers to a pro-

ject's eligibility to project sponsors until after a project was submitted for final review, instead of during pre-application conferences.

Informal pre-application conferences were held supposedly to identify, discuss, and iron out any problems affecting a project's eligibility. The other technique involved the delayed communication of key approval criteria by project review officers to project sponsors, also until after a project was formally submitted for final review and not during pre-application meetings.

The problems suffered in attempting to get projects funded by SBA and EDA emanated from career civil servants, inadequately motivated to support cable TV projects because they lacked a real stake in the projects and had personal agendas and/or established working routines that mitigated against their automatic support in expediting such projects.

Question: Under what circumstances can coordinative strategies work to overcome the bureaucratic resistance that consistently excludes certain groups from the benefits of public programs?

3. Public groups and disadvantaged populations are more apt to secure what they want from field office bureaucrats when prior agreements from Washington headquarters send clear signals and obligatory directives to field office bureaucrats.

Example: SBA's field office bureaucrats at first turned down Pena's project but later renegotiated and approved the project under the pressure generated by the discrepancies between SBA's handling of the review of the project and the clear mandate of support and assistance embodied in the Task Force agreement.

The evidence in support of this conclusion is mixed. In the SBA case, the existence of a formal Task Force agreement provided a clear mandate and context for Eddie Pena to recruit political officials as well as Task Force members in investigating the mishandling of his loan request. The presence of a Task Force and an interagency agreement were visible indications and acknowledgments to field offices and outside observers that cable TV applicants were entitled to special assistance and

support in facilitating their enterprises. The Task Force and inter-agency agreement symbolized agency accord on providing assistance and support to cable groups. Their existence served to magnify the gravity of any glaring discrepancy between agency words (i.e., the agreement) and actual deeds. It also intensified the amount of attention that could be focused on any problems. After all, the obvious raison d'etre for most such coordination mechanisms was to diminish bureaucratic snafus, not create them.

The inescapable visibility of these realities, or signals, given off by the Task Force and its agreement placed a burden on SBA field officials to explain why Mr. Pena should be penalized for their error or indiscretion in not providing early notice on a funding prerequisite (i.e., no origination of local programming) before his proposal submission and not after the review process had been completed? This inconsistency between the SBA's word and field office action prompted investigations and inquiries into the situation by the Task Force chairman, National SBA Office administrators, SBA Task Force representatives, and New Mexican political officials. The Task Force chairman, by letter, informed SBA officials in Washington and New Mexico that the field office's "handling" of the Tele-Vu project was not in general accord with the basic spirit and intent of the interagency agreement, directives that instructed all signatory agencies to "provide all possible national and local assistance to minority businessmen and user-groups qualified to participate in the cable TV program." Nor was it in accord with the directive indicating that signatory agencies were responsible for "notifying regional, district, county, and/or local representatives of the signatory agencies of the terms and intent of this agreement, and to encourage active support and assistance by such representatives in carrying out the local aspects of the program."

Within two months after inquiries were made by Task Force members and political officials into the SBA field office mishandling of the Tele-Vu project, funds were relinquished to Eddie Pena.

In sum, the Task Force agreement, set a general standard for support that provided a yardstick by which CRC, Task Force members, out-

side observers, and disadvantaged groups could measure the actual state of bureaucratic behavior in rendering assistance and support to target groups.

In the EDA/GCG case, the mounting pressure and attention focused on any EDA attempts to renege on their written commitment of support was enough to trigger the Chicago field office's approval of the GCG project. This happened after EDA Chief Counsel became obliged, under challenges from Task Force representatives, to acquiesce in their legal dispute and to inform its field office there were "no legal barriers" to funding GCG. To quote one EDA field officer: "We could see a real battle was building over this project because of the existence of the Task Force and we didn't want to be caught in the middle of a highly politically charged situation."³²⁶ The officials in Chicago had received more than the normal amount of inquiries from various public officials and other outside observers interested in the status of the project. The field officials were also aware that EDA's Assistant General Counsel had informally admitted that "in his twenty years of government service, he had never faced such intense political pressure."³²⁷ The Task Force attention focused on the handling of the GCG package was significant enough to stimulate the EDA field officials to not want to be held accountable for turning down the project (i.e., become a scapegoat) so they approved it, and passed it on to their superiors in Washington, D.C.

The existence of the interagency agreement and Task Force provided the leverage for GCG's president, the Task Force chairman, and CRC's executive director to mobilize substantial support from a wide array of actors that might not have been motivated to come to the defense of the project otherwise. This is to say GCG on its own, without the resources of a Task Force behind it, might not have survived as long as it did, nor attracted the level of political attention and support that it did. The existence of an established Task Force and interagency agreement were useful tools for "communicating" and convincing outside observers that GCG's plight was a just cause, worthy of closer scrutiny and support. Thus, when GCG's president, the Task Force chairman, and CRC's executive director went shopping for extra support in challenging the mishandling

of the GCG project, they were able to recruit the intervention of various political officials (e.g., Congressman Madden), other agencies (e.g., FCC), and the media (e.g., newspaper articles).

But, in reality, the agreement in and of itself did not fulfill its manifest function of spawning an automatic and lasting responsiveness by agency officials for expediting cable TV projects as hoped for. The basic existence of the agreement did not diminish, or halt bureaucratic resistance generated by EDA career bureaucrats in Washington. Instead, its latent functional utility was as a tangible record of an agency's commitment to support and assist cable TV development groups. This record of support was used to challenge bureaucratic snafus and to create the impetus for attracting and recruiting extra support (e.g., political officials, FCC, the media, etc.). Perhaps Bernard J. Frieden and Marshall Kaplan's book, The Politics of Neglect, most eloquently and cogently sums up the classic realities of interagency agreements, when commenting on a HUD experience: ". . .the agreement provided HUD with the language, the moral underpinning as it were, to go shopping for interagency support. However, it clearly did not generate the necessary support to make it work."³²⁸

GENERAL OBSERVATIONS

Coordination should not be conceived as any panacea for all intergovernmental malaise and it certainly, as demonstrated by my case study, is not immune to bureaucratic sabotage, unforeseen events, or faulty preplanning. Yet, it does at least present an alternative approach for disadvantaged groups seeking to gain greater influence in public program decision making and implementation. I have attempted to describe and illuminate a task force coordination process, as one strategy for offsetting some of the common bureaucratic problems that consistently hinder disadvantaged groups' chances of receiving a fair share of benefits from public programs.

One important general observation for future investigations is that the interagency coordination process, if it is to be structured correctly, must help public groups and advocacy organizations to identify

and anticipate what adjustments need to be made to allow a project to withstand the stresses and strains (i.e., "pulling and hauling," mutation, conflicting agendas, etc.) that take place during implementation between project supporters and agency bureaucrats. This means that ideally a task force coordination process should be able to serve as an early warning and conflict resolution system. It should provide a "test arena" for coordination initiators to observe behavior and identify what particular bureaucrats, agency policies, or program practices may not be responsive to their needs, so that appropriate plans can be initiated to steer program implementation around those impediments that cannot be removed or neutralized through collective negotiation or bargaining.

When putting together complex action systems, coordination initiators must carefully assess the culture (e.g., motivation systems, "short hand" decision techniques, internal politics, etc.) of each participating agency. There must be an acute appreciation and awareness of an agency's peculiar ways of doing things, especially those bureaucratic routines agency bureaucrats may be professional or psychologically tied to, that might have to be violated or altered by the coordination process proposed. Adequate time must be spent by reform initiators in learning an agency's culture, in order to be able to correctly interpret bureaucrats' attitudes and true intentions toward a proposed enterprise based on its impact on their political, organizational, and/or personal needs. This knowledge will allow them to properly calculate the necessary incentives, i.e., pay offs, coercive threats, or persuasive power needed to move these key holders of organizational power to take the action desired.

It is clear that the total resources and expertise needed to cope with many complex problems are often contained within a wide array of public agencies and organizations. However, it is not so certain that the present bureaucratic structure of government is properly adapted or predisposed to solving complex problems that cut across departmental jurisdictions through joint action systems (e.g., coordinative task force) particularly in terms of various government agencies and department being automatically inclined to follow the leadership of some central regulating authority or coordinator. This is especially true if the desig-

nated lead agency or "coordinator" of a task force has no direct and immediate ability to control other organizations' behavior by dispensing rewards or levying sanctions. Under such circumstances, no significant changes in the way things are done will take place.

To get things accomplished, there has to be some extraordinary pressure placed on agencies or some compensation of key organizational power holders for foresaking their "standard operating procedures." Extraordinary pressure can come from political officials or other actors who have direct influence over the flow of program resources to government agencies. However, this study and most literature on human motivation/organizational behavior would tend to support the assertion that a "special compensation" approach might work better with agencies and bureaucrats so traditionally resistant to pressure mounted by disadvantaged groups. The interagency task force was an effective vehicle for getting disadvantaged groups to the government bargaining table. But, to bargain successfully, in the quid pro quo system of government, disadvantaged groups are better off if they have something positive (e.g., favors) or tangible to exchange for the bureaucratic responsiveness they desire. For example, it would be interesting to see what changes in the outcome of the GCG experience would have resulted, if the upgrading of Papermaster's civil service status had been linked to his expeditious handling of cable TV projects. In fact, if CRC and OMBE's staff could have properly orchestrated the delivery of certain "special compensations" or government perks to key project review officers, perhaps the development and outcome of the total task force experience might have been different.

This study is handicapped to some degree by the limited instances of the coordinative Task Force's operation available for examination. Nevertheless, the basic information generated by this dissertation in conjunction with other contemporary studies cited previously does outline the general utility of coordinative mechanisms, the enduring problems confronted in the coordinative approach, and the kinds of external factors which tend to exacerbate the shortcomings of this implementation strategy.

Interagency task force coordination certainly is not infallible,

but it does appear to be a useful process for increasing the bargaining advantages available to disadvantaged groups, which they can employ in vying for a more equitable share of public program benefits. The information developed on the unique benefits of the coordinative approach indicates that coordinative mechanisms can be a desirable supplement to the activities of public advocacy organizations seeking to insure disadvantaged groups greater influence in public program implementation. Based on the significance of these benefits is the assertion that coordinative approaches devised by advocacy organizations or other groups outside the federal system are deserving of greater attention and government support.

The trials and tribulations of the task force in this study present substantial evidence of the continuing and dire need to reform the federal delivery system. Likewise, there is a corresponding demand for greater exploration and exploitation of innovative reform approaches such as this one. The need for greater attention and government support of such coordinative reform approaches undergirds the major thesis of this study. The major thesis of this study is that special coordination mechanisms can serve to help increase the chances of disadvantaged groups or disenfranchised populations in lessening many of the typical bureaucratic roadblocks (e.g., "red tape," unresponsiveness, disjointed program activity, etc.) encountered in public program implementation.

The existence of coordinative mechanisms (e.g., an interagency task force and/or an interagency agreement) can create increased leverage for disadvantaged groups seeking services from bureaucratic agencies. For disadvantaged groups, increased leverage within government means the ability to exert greater influence upon the administrative functioning of public service delivery, under circumstances where normally disadvantaged populations occupy a passive role, with little participation in decision making and with little or no access to redress mechanisms to control for service delivery inequities.

CHAPTER V

NOTES TOWARD A THEORY OF COORDINATION

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It would be unrealistic to assume one could solve all the problems involved in the immensely complex process of public program implementation via coordination mechanisms or any other similar types of reform strategies. It is not too ambitious, however, to assume that public groups and advocacy organizations can at least form some basic safeguards, defense strategies, and conflict resolution mechanisms for avoiding structured failure* as stimulated by the classic bureaucratic problems that traditionally confront public program implementation. A basic framework of variables that affect how well institutional coordination works in the implementation process could improve the design of initial program strategies and enhance the successful administrative operation of programs.

The basic question that emerges from such an assumption is: What kinds of knowledge are required to be able to predict the consequences of organizing the delivery of a social program in one way rather than another? There is a great deal of public administration research on institutions (i.e., "bureaucratic behavior," program politics, civil servant performance, citizen-government relations, etc.) as periodically alluded to in this study that can be used to help explain and anticipate the complexities of coordination. However, the various pieces of the theoretical perspectives in these different areas have not been adequately joined together to form a basic theory of coordination dynamics.

Building a theory of coordination can take many forms: a list of significant questions to be raised before actions are taken; a roster of the enduring problems to be circumnavigated; the suggestion of

*Structured failure is a concept that embraces the notion that the neglect to pay heed to the existence of certain enduring bureaucratic problems or the need to pre-plan and evaluate the feasibility of alternative strategies for achieving planned goals by avoiding such problems is to increase the likelihood of process failure.

significant insights, revelations, or learned lessons from past experience (i.e., case study approach); the categorization of different types or levels of coordination that can be pursued and/or the isolation of a special cluster of variables that influence the process.*

All of these approaches have been observed in the literature. I have tried to generally review and highlight some of these approaches through example in this research. However, a review of the substance of these different approaches seems to suggest that there are certain broad themes to be played upon in the coordination process. The knowledge areas that seem to suggest themselves as useful tools for understanding the coordination process are:

- o The politics of program coordination,
- o The functioning of organizations,
- o The performance of professionals, and
- o The citizen/government relationship.

These knowledge areas are adaptations of similar broad areas isolated by Erwin C. Hardgrove in his work The Missing Link: The Study of the Implementation of Social Policy.

By no means should these areas be considered as being all inclusive or as representative of the entire universe of what could be. Rather these focus areas appear to be a convenient way to order the conventional wisdom that relates to the coordination process and helps to explain its

*Donald S. Van Meter, Carl E. Van Horn, and Randall Ripley of the Department of Political Science, Ohio State University, have been studying the need for an implementation framework. Van Meter and Van Horn have developed a seven-variable model of the implementation process as a theoretical framework for research. The direct carryover of this model to the coordination process as a method of implementation is clear as one reviews the variables listed. The seven clusters of variables that affect policy impact and service delivery are: program standards and objectives; resources; interorganizational communication; interorganization enforcement and follow-up; characteristics of the implementing agencies; economic, social, and political conditions within the implementing jurisdiction; and the dispositions of implementors. Overall the developers of this model suggest that process and program performance will vary depending upon the amount of change involved and will vary depending upon the amount of change involved and the extent to which there is consensus upon goals among relevant actors.³²⁹

dynamic flux. There is obvious "spill over" and overlap of information between these broad areas but each area maintains a unique focus integrity of its own. For example, the politics of coordination focuses on the relationships and interaction between interested parties as they try to shape programs to fit their vested interests, needs, priorities, official mandates, or demands.³³⁰ The chief participants are politicians, administrators, interest groups, and officials at all levels of government. The broad area on organizations focuses on how organization theory might help to explain the behavior of institutions in the coordination process. The specific emphasis in this area is on the internal functioning of organizations as it affects their external behavior. The organizations to be analyzed are not just bureaucracies but include legislatures, patterns of executive decision, and especially the workings of any organized group that activates a coordination process which impinges upon or influences public program operation.³³¹

The topic of professionals zeros in on the reality that the different behavioral motivation of professionals (i.e., status quo orientated civil servants versus social advocates' change orientations) involved in the delivery or planning of public services affects organizational outcomes. In other words, the motivation of professionals influences their performance in regard to carrying out work commitments which include their predisposition to change as possibly represented by a coordination process. Furthermore, the different functional actions of professionals in the public bureaucracy as opposed to those found in quasi public/special interest groups, or even in academic settings may be explained by their selection of a work setting supportive of their internal value system. This is to say that career civil servants as a group tend to select public service settings (either consciously or subconsciously) because of its known characteristics of indulging or even rewarding conservativeness, the maintenance of the status quo, and tolerating varying levels of administrative sovereignty. In fact, James Q. Wilson and other students of government have suggested that "the career civil service is not ordinarily attractive to people with a taste for risk taking."³³² Furthermore, true bureaucrats by Anthony Downs' definition are "con-

servers" who seek to minimize risk, maximize their own security and convenience, and preserve the general conservative nature of organizations in which they serve.³³³

While on the other hand, professionals who tend to embrace or desire to promote change or innovation are more likely to be found in quasi public, special interest groups, academic arenas, or other settings "outside the system" which are supportive of their goal behavior.

All of the explained categories above focus on the implementors of public policy. There has always been an express need to also analyze coordination from the perspective of citizen impact upon governmental decisions, which has been part of the unique focus of this research. The dynamic relationships between citizens and the government is a category of interest which seeks to reveal the consequences, significance, and outcome of citizen involvement in the coordination process.

Under the broad theme areas just outlined, I will now highlight (based on my empirical experiences, case study material and the available literature) some of the significant insights and learned lessons that should be considered by either neophyte administrative officers or public groups in planning and/or participating in public program coordination processes.

The Politics of Program Coordination

This area represents the basic dynamic which fuels the coordination process. The essence of which is embodied in the interaction in which individuals and groups vie for control of or defense against programs.

- o The dynamics of program politics, virtually guarantees that federal policymakers will promise more than they can deliver.
- o The failure of program development or coordination is often precipitated by the rhetoric of exaggerated public promises and the failure to estimate implementation problems in advance by policy officials at various agency levels (federal, state, local).
- o The matching of disparate interests of agreement on programs is the basic ingredient of the policy adoption process and the first stage of coordination.

- o The "complexity of joint action" should not be underestimated--it should not be assumed too quickly and easily that the differing incentives of the several participants can be joined.
- o The coordination planner must attempt to project the number of steps involved in the process and the number of critical decision points at which agreement would be necessary. He might find it necessary to go so far as to plot on a chart the critical path of decision making to be pursued in taking different options.
- o The complexity of the coordination process can be judged by the number of participants required and the effect of resources upon program form as the key variables to be analyzed.
- o If the existence of many participants sets up numerous veto points, participation will inhibit effective coordination.
- o Participation must be structured to promote the coordination process not retard it.
- o A good coordination estimate might lead to a conclusion to reduce the number of decision points.
- o It must be realized that coordination participants might agree on the end to be achieved but disagree about the specific means to that end because their institutional objectives and personal motivations are different.
- o Domestic policy problems are often so difficult and complex that there is very little political credit to be gained by taking on new social strategies that reflect redirected efforts at solving all encompassing problems like economic development, poverty, poor housing, and discrimination. Hence, there is a temptation on the part of public officials to perform the symbolic or dramatic action which lacks substantive impact, because it is often difficult for publics to tell the difference between symbolic and effective actions and the former are easier to carry off.³³⁴

The Functioning of Organizations

- o An agency must have strong goal consensus among its officials in order to achieve both good coordination and extensive decentralization of authority.
- o The coordination process and program performance will vary depending upon the amount of change involved and the extent to which there is consensus upon goals among the relevant actors.
- o The larger any organization becomes, the poorer is the coordination among its actions.³³⁵

- o The greater the hierarchical distance between low level officials and the points where final approval of their decisions can be obtained, the more difficult and time consuming it is for them to carry out their functions.
- o Make sure the organizational capability which supports or launches the program is maintained for its execution.
- o Organizations prefer to suffice or optimize rather than maximize and to rely upon existing work patterns and routines to meet new problems rather than to learn anew about reality and adapt internally in each case.³³⁶
- o Agencies as political units seek external alliances with legislators or constituent groups which will give it leverage and autonomy vis-a-vis the demands for compliance from hierarchical authority.
- o Federal agencies often assert that they are not geared to plan for the coordination of new program thrust because of the press of current business and lack of staff resources for special assignments. The result is that new ideas are processed through old and inappropriate mechanisms of evaluation and operation.
- o Secretaries, under secretaries and assistant secretaries come to government for a short time, often no more than two years. They seldom have familiarity with their departments and the programs under their jurisdictions before they arrive. Often they lack administrative experience, having been lawyers, or, if businessmen, they know little of government administration, which differs greatly from the private sector. By the time they have learned their way about Washington governmental politics and know something of their departments and programs, they are gone and a new set of novices has replaced them.³³⁷ Consequently, the real power to get things done constantly remains in the hands of the permanent civil servants.

The Performance of Professionals

- o The prime commitments of permanent civil servants are to career, agency, and program. The marks of success are autonomy for bureaus and expansion of budgets. Above all, they seek to come to terms with the agency environment in ways that promote regularity, stability, and, if possible, expansion.³³⁸
- o Civil servants are far more concerned with legal and administrative processes than with program substance or purpose or with the substantive problems of program coordination.
- o The organizational mission of an agency as its career civil servants understand it may dictate more how an agency functions than

its official mandate.

- o Professionals are not value free, unbiased deliveries of service to clients. Rather they act in predictable ways according to their modes of thought and definitions of professional role.³³⁹
- o The difficulty of getting responsiveness from department career civil servants in regard to changes in program coordination or implementation are so great that policy administrators often pay only lip service to work involvements; which results in civil servants being allowed to use a variety of delaying tactics (i.e., strict interpretations of program guidelines and legislative mandates; slow and overly meticulous processing of program applications, issuing of ad hoc policy stances at variance with new coordination initiatives, and holding of unnecessary meetings on minor application details) to thwart program coordination attempts and specific project development.
- o Policy coordinators must be aware of the tensions between hierarchy and professionalism, the conflict between those with formal authority and those with the actual skills required to do the work. Barriers to successful coordination are set up when program administrators commit agencies to tasks that uninvolved permanent civil servants must carry out.
- o Project managers or project review officers are seldom brought on board when an innovation is being planned and therefore lack a stake in it.
- o Accommodations must be made to resolve tension and conflict within the coordination process by briefing technicians as well as managers on new program directions. Furthermore, these technicians and people in the field must be made to believe they have a real stake and investment in the successful outcome of the program.
- o Policy coordination must face the realities of confronting strategies of organizational survival and token participation as used by career civil servants.
- o Policy coordinators who serve as change agents in bureaucracies must realize that such a role requires respect, tolerance, patience, and an understanding of the culture of the organization and the incentives and perspectives that move people.³⁴⁰

The Citizen/Government Relationship

- o Government bureaucracy is often preoccupied with its own internal processes to the exclusion of clients.

- o Intimacy between the government and the governed is not possible with centralized control in Washington.
- o The government in attempting to handle innumerable minute things, becomes mechanical and the more mechanical a government becomes, the less able it is to deal directly with the people and the more danger there is of its becoming entangled in a mesh of "red tape."³⁴¹
- o Governmental functions have become so numerous that personal supervision is hopeless, and in their efforts to forestall wrong decisions or mistakes, administrators often utilize complicated procedures that make prompt and direct action impossible. Hence, coordination schemes are often called for to relieve such problems.
- o Channels for communication between program producers and program consumers are often very weak, because of remoteness between a producer bureaucracy and consumers, the limited organization of consumer group, and the absence of a market mechanism for registering immediate discontent with producers' action (consumers' options are limited to withdrawing from the service or voting).³⁴²
- o Agency administrators look to appropriations officials for their resources, not to consumers. Consequently, they often try to maintain themselves by meeting what they perceive to be their own needs and priorities and not those of client groups.
- o Obstacles to effective coordination stem not only from the natural tendency of officials to guard their respective jurisdictions, but also from outside groups with special interests in the activities of various departments and bureaus. Even at the intradepartmental level, private and public lobbies provide independent power bases for some bureaus which make them nearly invulnerable to controls by their own agency heads.³⁴³

Critical Variables

Besides considering a framework of conventional wisdom drawn from past experience, it is also appropriate to examine what key variables seem to influence the coordination process. There are a number of important areas that appear to significantly affect in some manner the level and degree of coordination to be achieved within the implementation process. Some of these critical variable are: the type of coordination strived for; the complexity and scope of the enterprise (How ambitious is it?); the

number of essential decision points or consensus nodes needed to carry out the process; the socio-political arena(s) where negotiations and bargaining are to be carried out (on whose turf are deals struck or propositions made); duration of the process over which coordination is to be maintained; level of perceived "common ground" existing among participants; type and substance of commitment vehicles used to formalize mission control (i.e., task force structures, written agreements, etc.); level of participation and briefing of agency technicians who must carry out administrative details and processing procedures; the extent of "power" available to chief coordinator to reward or sanction participants behavior and the amount of conflict between new coordination goals and established goals of participating agencies. Overall, three basic propositions can be added as guidelines in investigating these areas: coordination problems will be most severe when the implementation process involves major changes; coordination strategies will be hardest to implement when there exists little or no goal and process consensus, and communication problems can undermine a coordination process no matter what the stage of change or degree of consensus.

Summary

In summary it can be said that the most effective coordination efforts at the federal level have been ad hoc arrangements between what one subcabinet officer has called the "loyal underground of civil servants." The least effective have been those at the cabinet level where "Congress has affixed conflicting grants of interagency supremacy and where the search for personal preminence is added to jurisdictional defenses and administrative rigidities."³⁴⁴ In between are a number of formal interagency agreements which are as vulnerable as any unenforceable two-party treaties but which tend to survive because they are mutually convenient and grossly innocuous by nature. Overall, it seems that progress has most often been made through the delegation of specific responsibilities by one agency or another rather than through simple mutual coordination. In such instances, there is usually some threat of "power" (e.g., outside intervention, congressional criticism, media scru-

tiny, etc.) that activates the process with congressional influence, personal aggressiveness, or the ownership of effective delivery capability, enhancing the bargaining power of one contender vis-a-vis others.³⁴⁵

In view of these realities, one can say that the first requirement for effective interagency and intergovernmental coordination is some notion of a policy framework. Furthermore, such a policy framework by definition must promote or help to create a general consensus for achieving a common goal. Whether this goal be the promotion of economic growth and business development, the comprehensive delivery of health services or the stimulation of a broader range of housing opportunities, some broad focus area must be identified. Essentially the policy framework must embody some unifying concept or precept that cuts across the individual programmatic goals, personal agendas, and objectives of all perspective participants. Above all else it must link the agencies' goals with the needs of the public group. Thus, the process of policy coordination can be greatly enhanced and accelerated when clearly pervasive, contemporarily significant, and distinctive reference points around which federal agency action can be organized are identified. Such a framework, however, must not just articulate a need for collective action, but must point out the official and executive mandates supportive of the course of action to be taken. It should also historically set in perspective the necessity and the significance of the reform process or program to be implemented.

Most importantly to be effective coordination or any similar type of government reform strategy must take into account the peculiar political and human motivational realities of the organizational environments in which changes must take place. To be specific there must be an appreciation for and careful analysis of the political intrigues, individual drives, value systems, human interactive patterns, established work routines, and other organizational behavior motivating determinants that might be violated or have to be compromised to accommodate the reform process desired. Without such foresight and pre-planning intelligence, coordination reforms are doomed to head-on confrontations with the organizational defense mechanisms of career civil servants, possibly alienated and threatened by such new initiatives. When such confrontations do occur

the result is often increased bureaucratic resistance. Not until reform strategies are successfully devised to simultaneously cater to the proper incentives that drive career civil servants while linking bureaucratic goals (i.e., public program mandates) with disadvantaged group needs will the full benefits of more effective service delivery be reaped by disadvantaged populations. This premise is based on the reality that some degree of mutation of program plans to adjust to the needs of civil servants is inevitable if any type of implementation process is to succeed. Thus, anticipatory adjustment of project plans or of the coordination process itself to allow for certain concessions to be made to the designs of career civil servants should be planned for.

The second requirement is a clear delegation of specific responsibilities (i.e., administrative expediting of project review procedures, creation of special capital pools for project funding, etc.) among participants and identification of the "power" (i.e., control over either positive incentives such as funding rewards or negative sanctions such as budget cutbacks and the removal of uncooperative bureaucrats) to encourage cooperation and immediate follow through on commitments. Third, there must be some type of institutionalized process which: formalizes the commitment and responsibilities of participants and creates an on-going free flow of communication among the significant parties involved.

A key purpose of coordination is to harmonize bureaucratic relations, activities, and objectives within and between governmental units to improve the performance of the government in the delivery of services. Consequently, effective coordination requires some formal procedure (e.g., task force structure) for putting people who need to be talking together in a position of having to talk to one another.

Furthermore, they must be obliged to recognize their areas of mutual interest and conflict. Emphasis on the coordinative function of the task force process should produce a plan for integrating common interests and objectives, and a procedure for negotiating differences. Such a plan should strongly reflect the fact that a crucial factor in the success of the coordination process is the attitude of both the agency administrators and the key career civil servants who must carry out the new

directives at federal, state, and local levels. They must all share a commitment to implementing the reforms or new approach. Also the chief administrator or some centralized power authority (e.g., task force leader) must have at their disposal the power to ensure that the projects submitted are given a fair review. Most especially the administrators must make it clear to key staff (i.e., project review officers) that they must give priority support to the coordinative process and the projects submitted. Any entities (agencies or individuals) that will not accept such requirements should be bypassed in some way in setting up the initial coordinative process and project approval systems. Interagency coordination mechanisms, if developed and used effectively, can provide disadvantaged groups with the basic power equalizing tools for combatting and overcoming bureaucratic inertia, structural fragmentation, and the administrative limits placed on the full utilization of federal programs to solve contemporary problems.³⁴⁶ But, it must be remembered that it is the "power" and human motivation marshalled behind the process which dictates how automatically and successfully the implementors (i.e., career civil servants) of coordination reforms will translate plans and policy into action.

APPENDICES

APPENDIX A

FEDERAL INVOLVEMENT IN TELECOMMUNICATIONS ACTIVITIES

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FEDERAL INVOLVEMENT IN TELECOMMUNICATIONS ACTIVITIES

<u>Federal Agency</u>	<u>Regu- lation</u>	<u>Dev of Public Policy</u>	<u>R&A</u>	<u>Funds R&D</u>	<u>Opera- ting Proj'ts</u>	<u>Funds Pro- gram'g</u>	<u>EEO</u>	<u>Man- power Trng</u>	<u>Fin. & Loan Guarant</u>	<u>Special User of Telecom</u>
<u>Executive Office of the President</u>										
Office of Telecommunications Policy		x	x	x						
Domestic Council		x								
Office of Management and Budget		x								
Special Assistant to the President for Consumer Affairs										
<u>Executive Branch Agencies</u>										
Department of Commerce		x	x	x	x		x	x	x	
Department of Health, Education & Welfare										
Office of Telecommunications		x	x	x		x	x			x
Office of Telecommunications Policy		x		x						
Office of Education		x		x	x	x				
Office of Civil Rights	x	x	x			x				
Office of Consumer Affairs										
Deputy Assistant Secretary, Transportation & Telecommunications	x	x	x							
UN International Telecommunications Union										
Department of Justice		x	x	x	x		x			x
Department of Labor							x	x		
Department of Defense	x	x	x	x	x	x		x		x
Department of the Treasury	x	x								
Assistant Secretary for Rural Development		x	x		x			x	x	
Rural Electrification Administration (REA) head			x	x					x	x
Department of Housing and Urban Development (HUD)		x	x	x	x				x	x
<u>Independent Agencies</u>										
Federal Communications Commission	x	x	x				x			
Federal Trade Commission (FTC)	x	x	x							
Equal Employment Opportunity Commission (EEOC)		x					x			
Commission on Civil Rights		x					x			
Administrative Conference of the U.S.										
National Science Foundation		x	x	x	x					

FEDERAL INVOLVEMENT IN TELECOMMUNICATIONS ACTIVITIES

<u>Federal Agency</u>	<u>Regu- lation</u>	<u>Dev of Public Policy</u>	<u>R&A</u>	<u>Funds R&D</u>	<u>Opera- ting Proj'ts</u>	<u>Funds Pro- gram'g</u>	<u>EEO</u>	<u>Man- power Trng</u>	<u>Fin. & Loan Guarant</u>	<u>Special User of Telecom</u>
National Foundation on the Arts and Humanities		x	x	x	x	x			x	x
General Services Administration (GSA)		x	x						x	
Small Business Administration (SBA)		x			x					
National Aeronautics and Space Administration (NASA)		x	x	x	x					x
Department of State		x	x	x	x	x			x	x
Board of International Broadcasting										
Civil Service Commission		x					x			
National Commission on Electronic Funds Transfers		x	x							x
Smithsonian Institution						x				x
Privacy Protection Study Commission		x	x							
<u>Private Entities with Presidential Appointees</u>										
Corporation for Public Broadcasting (CPB)		x	x	x	x	x	x	x	x	x
Communications Satellite Corporation			x	x	x				x	x
Legal Services Corporation		x	x				x			

APPENDIX B

LIST OF CABLE-READY AREAS

INITIAL PLACES IDENTIFIED AS CABLE-READY

LOUISIANA

Excellent

1. Homer
2. Grambling
3. Lake Providence
4. Cooper Road
5. Scotlandville
6. Jeanerette
7. Tallulah

Good

1. St. Martinville
2. Minden
3. Donaldville
4. Winnsboro
5. Covington

MISSISSIPPI

Excellent

1. W. Gulfport
2. Charleston
3. Hazelhurst
4. Canton

Good

1. Holly Springs

NORTH CAROLINA

Excellent

1. Tanabara
2. Edenton

MICHIGAN

1. Highland Park
2. Benton Central
3. Muskegan Heights

SOUTH CAROLINA

1. Laurens
2. Camden
3. Chester
4. Clinton
5. Shannontown
6. Walterboro

OHIO

1. East Cleveland
2. Lincoln Heights

ILLINOIS

1. West End

MISSOURI

1. Kinlock

GEORGIA

1. Covington

ARKANSAS

1. Marianna
2. Warren
3. W. Memphis

TEXAS

1. Marshall
2. Terrell
3. Hitchcock
4. Prairie View

TENNESSEE

1. Covington
2. Humboldt
3. Franklin

VIRGINIA

1. South Boston
2. Franklin

ALABAMA

1. Lafayette
2. Roanoke
3. Union Springs

FLORIDA

1. Gifford
2. Delray Beach
3. Memphis
4. Palmetto
5. Browardale
6. Goulds
7. Florida City
8. Richmond Heights
9. Bunche Park
10. Browns Village
11. Perrire
12. Dania

TEXAS

1. Robstown
2. San Marcos

COLORADO

1. Thornton
2. Greeley

ARIZONA

1. Glendale
2. Cosa Grande

CALIFORNIA

1. Alum Rock
2. Corona
3. Chino
4. Colton

APPENDIX C

WWCC LOAN APPLICATION

To: DIRECTOR OF INFORMATION, Farmers Home Admin.
 Washington, D. C.

715-341-5903

PROJECT INFORMATION CARD

State: Wisconsin		County(s): Trempealeau
Date to IF Staff: September 25, 1974	Date 440-1 or 449-14 to be Sent: October 4, 1974	Type of Facility: Cable t.v. system
Name of Association or Organization: Western Wisconsin Communications Cooperative		<input type="checkbox"/> Profit <input checked="" type="checkbox"/> Non-profit <input type="checkbox"/> Public
Name of Governing Body Head: Mr. Gerhard Nilsestuen	Title: President	
Mailing Address of Governing Body Head: 625 West Main Street, Arcadia, Wisconsin 54612		
Amount of FHA Loan \$ <u>1,238,000</u>	Repayment Period <u>15</u> Years	
Amount of FHA Grant \$ _____	Interest Rate <u>5</u> Percent	
No. Users (or Rental Housing Units): _____	Description of facility and service area:	
<p>This loan will be used to construct a cable t.v. system to serve residents in <u>8</u> communities; <u>8</u> public schools and <u>3</u> parochial schools. <i>Eleva, Strum, Osseo, Independence, Blain, Elroy Halesville, Trempealeau, Taylor</i></p> <p>Special benefits or comment: The schools will use the system to transmit special educational programs between one or more of the schools. This is the first phase of a county wide system which is being planned and will eventually offer services to rural residents as well.</p> <p>Previous FHA loans & grants for project (amount, year): _____</p>		
From: _____ (Signature - Official Forwarding Form)		Date Rec'd at IF: <u>9/30/74</u> News release drafted: Date: <u>10/1/74</u> By: <i>FM</i> Release to Liaison: Date: <u>10/2/74</u> By: <i>FM</i>
		USDA-FHA Form FHA 071-1 (Rev. 12-21-73)

APPENDIX D

LIST OF TASK FORCE PARTICIPANTS

APPENDIX D-1

NATIONAL RURAL CABLE TASK FORCE
FEDERAL AGENCIES

Agency

SMALL BUSINESS ADMINISTRATION

Mr. Louis F. Laun
Deputy Administrator
Small Business Administration
1441 L Street, N.W.
Washington, D.C. 20416
(202) 382-3021

Mr. Connie Mack Higgins
Associate Administrator for
Minority Enterprise
Small Business Administration
1441 L Street, N.W., Room 1010
Washington, D.C. 20416
(202) 382-3021

Mr. Warren Boyd
Small Business Administration
1441 L Street, N.W.
Room 1010
Washington, D.C. 20416
(202) 382-4907

FARMERS HOME ADMINISTRATION

Mr. Frank B. Elliot
Administrator
Farmers Home Administration
Room 5433
14th & Independence Ave., S.W.
Washington, D. C. 20250
(202) 447-7967

Mr. Judd Hanson
Community Facilities Loan Division
Farmers Home Administration
Dept. of Agriculture, Room 5427
South Building
Washington, D.C. 20250
(202) 447-7667

OFFICE OF MINORITY BUSINESS ENTERPRISE

Mr. Alex Armendaris
Director
Office of Minority Business Enterprise
Department of Commerce
14th & E Streets, N.W., Room 5053
Washington, D.C. 20230
(202) 967-2654

Mr. Charles Stein
National Coordinator for Business Development
Office of Minority Business Enterprise
14th & E Streets, N.W., Room 5717
Washington, D.C. 20230
(202) 967-3936

ECONOMIC DEVELOPMENT ADMINISTRATION

Mr. Jeff Cahill
Deputy Assistant Secretary for Economic Devel.
Department of Commerce
14th & E Streets, N.W.
Washington, D.C. 20230
(202) 967-4067

Mr. William Henkel, Jr.
Deputy Assistance Secretary for Operations
Economic Development Administration
Department of Commerce
14th & E Streets, N.W.
Washington, D.C. 20230
(202) 967-3081

Mr. Stephen Dunne
Business Development Section
Economic Development Administration
Department of Commerce
14th & E Streets, N.W.
Washington, D.C. 20230
(202) 967-2607

Federal AgenciesPage 2OFFICE OF MINORITY BUSINESS - REGIONAL OFFICESAtlanta

Mr. Charles McMillan
Regional Director
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(404) 526-5091

Mr. Bill Brewster
Construction Specialist
Office of Minority Business Enterprise
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(404) 526-5091

Dallas

Mr. Henry Zuniga
Regional Director
Office of Minority Business Enterprise
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(214) 749-7581

APPENDIX D-2

NATIONAL RURAL CABLE TASK FORCE
PRIVATE ORGANIZATIONS

ORGANIZATIONAL HEADS

Mr. John G. Gloster
President
Opportunity Funding Corporation
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Washington, D.C. 20006
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Mr. John Brown, Jr.
Director
SEASHA
P.O. Drawer 1080
Tuskegee Institute
Tuskegee, Alabama 36088
(205) 727-2340

Mr. Charles O. Prejean
Executive Director
Federation of Southern Cooperatives
P.O. Box 95
Epes, Alabama 35460
(205) 652-9676

Mr. Charles Bannerman
Chairman of the Board
Delta Foundation, Inc.
P.O. Box 588
Greenville, Mississippi 38701
(601) 335-5291

Rev. A.J. McKnight
President
Southern Cooperative Development Fund
1006 Surrey Street
P.O. Box 3885
Lafayette, Louisiana 70501
(318) 232-9206

Mr. Edward Infante
Vice President of Marketing
National Economic Development Association
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Los Angeles, California 90010
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REPRESENTATIVE

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Consultant
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Mr. David Vinson
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Mr. Ramon Tyson
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Ms. Sandra Rosenblith
(representing Delta Foundation)
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(202) 785-4533

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Lafayette, Louisiana 70501
(318) 232-9206

Mr. Nick Aguirre
National Economic Dev. Association
3807 Wilshire Boulevard, Suite 800
Los Angeles, California 90010

Private OrganizationsPage 2ORGANIZATIONAL HEAD

Mr. Raul Yzaguirre
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(202) 659-1251

Mr. Juan Gutierrez
Director
Interstate Research Associates
2001 Wisconsin Avenue, N.W.
Washington, D.C. 20007
(202) 333-4900

Mr. M. I. Foster
Director
Division of Navigation Development
and Regional Studies
Tennessee Valley Authority
Knoxville, Tennessee 37902
(615) 637-0101

Mr. Joseph F. Brooks
Executive Director
Emergency Land Fund
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Atlanta, Georgia 30314
(404) 758-5506

Mr. John Duncan, Director
Mid-West Piedmont Area
Business Development Organization, Inc.
Plaza South, 623 Waughtam Street
Winston-Salem, N.C. 27107
(919) 784-7970

REPRESENTATIVE

Mr. Raul Yzaguirre

Mr. Juan Gutierrez

Mr. Avon Rollins
Minority Economic Development
Economic Research Staff
Division of Navigation Development
and Regional Studies
Tennessee Valley Authority
Knoxville, Tennessee 37902
(615) 637-0101

Mr. Joseph F. Brooks

Mr. John Duncan

CONGRESSIONAL RURAL CAUCUS

Congress of the United States House of Representatives

EXECUTIVE COMMITTEE
BOB BERGLAND (D-Minn)
JOHN BRECKINRIDGE (D-Ky)
ED JONES (D-Tenn)
GILLIS LONG (D-La)
GUNN MCKAY (D-Utah)
CHARLIE ROSE (D-NC)
DON YOUNG (R-Alaska)

308 HOUSE ANNEX BUILDING
WASHINGTON, D.C. 20515
AREA CODE 202 225-5080

FRANK G. TSUTRAS
DIRECTOR

CAROL J. FORBES
LEGAL COUNSEL

SUBJECT: CONGRESSIONAL RURAL CAUCUS

41575-53

The CONGRESSIONAL RURAL CAUCUS was formally organized during July 1973 to insure the orderly growth and development of rural/nonmetropolitan areas and the plans for bringing together the maximum Federal, State, Local, and Non-Governmental resources available to such areas.

As a Bipartisan Congressional voice for Rural Development and Agriculture, the CRC became immediately, and actively, involved in many subjects which resulted in a total reevaluation to identify specific priorities.

Major priorities for the 94th Congress include (1) Agriculture, (2) Implementation of the CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT, (3) Public Works, (4) Full implementation of the RURAL DEVELOPMENT ACT, (5) Rural Education, (6) Rural Health, (7) Rural Housing, (8) Rural Manpower, (9) Rural Transportation, and (10) Rural Water and Sewer.

The CRC coordinates weekly discussions of the Rural Development Group which is comprised of Members of the House and the Senate, their top staff members, Non-Federal, and Non-Governmental representatives with national communications and contacts reaching millions of people who are concerned with Rural Development and Agriculture.

CRC policies are formulated by an elected Executive Committee. A full time Director manages the administration and operations. Legal Counsel assumes legal matters. Financial support is provided by CRC members. Voluntary staff assistance is utilized on a selected basis. CRC staff reports to members and coordinating groups and provides action recommendations in selected issue areas.

Many Federal, State, Local, and Non-Governmental representatives inquire of the CRC for comments, suggestions, and advisory opinions related to Rural Development and Agriculture. CRC also seeks such response from the excellent sources available in Washington and throughout the Nation.

Such coordination and communication is absolutely essential so that Legislative and Executive decisions result in beneficial and positive actions for Rural America

APPENDIX F

TASK FORCE AGREEMENT

APPENDIX F
AN AGREEMENT BETWEEN
FARMERS HOME ADMINISTRATION
DEPARTMENT OF AGRICULTURE
AND
SMALL BUSINESS ADMINISTRATION
AND
ECONOMIC DEVELOPMENT ADMINISTRATION
DEPARTMENT OF COMMERCE
AND
OFFICE OF MINORITY BUSINESS ENTERPRISE
DEPARTMENT OF COMMERCE

Whereas, rural cable television has potential to advance the economic and social well being of rural Americans while simultaneously providing business opportunities to rural residents; and

Whereas, minority Americans deserve an opportunity to participate equitably in the development of viable business opportunities in the rural cable area;

Now, therefore, the signatories to this agreement covenant with each other as follows:

1. To cooperate with each other in the design, active development and implementation of a national minority Rural Cable Television Program.
2. Within the restrictions of law and regulation under which they each operate, and within the limitations of the resources available to each, to provide all possible national and local assistance to minority businessmen and user-groups qualified to participate in the Program.
3. To notify regional, district, county, and/or local representatives of the signatory agencies of the terms and intent of this agreement, and to encourage active support and assistance by such representatives in carrying out the local aspects of the program.

To facilitate carrying out of this agreement, the signatories further agree:

1. To participate in and designate representatives to a National Task Force, under the Chairmanship of a designated representative of the Office of Minority Business Enterprise, for the purpose of planning, implementing and monitoring progress of the Program.

- 2. To arrange representation on local development teams as established by the National Task Force.
- 3. To encourage their representatives to cooperate fully with the Cablecommunications Resource Center, an OMBE-funded contractor, to the extent consistent with the demonstrated views and needs of the affected local people.

Nothing in this agreement shall be construed as in any way modifying the legal or administrative authorities of the signatories or as amending any scope of work of any contractor or grantee organization funded in whole or in part by any of the signatories.

For the purposes of this agreement, the definition of minority business is that provided in Executive Order #11625.

 Frank B. Elliott
 Administrator
 Farmers Home Administration
 Department of Agriculture

5/15/75
 Date

 Louis F. Laun
 Deputy Administrator
 Small Business Administration

8/11/75
 Date

 Jeff Cahill
 Deputy Assistant Secretary for
 Economic Development
 Department of Commerce

8/5/75
 Date

 Alex Armendaris
 Director
 Office of Minority Business Enterprise
 Department of Commerce

8-5-75
 Date

APPENDIX G

TASK FORCE ACHIEVEMENTS

APPENDIX G

SUMMARY OF MAJOR ACHIEVEMENTS

Rural Strategy: A New Development Approach

- + Identified and researched collected data on 105 cable ready areas in small town communities out of a pool of some 500 cities
- + Identified the FHA as a key federal agency that list cable TV as a fundable enterprise under its loan and grant programs
- + Collected and analyzed data on Cooperatives as a optimal model for rural cable development
- + Developed and devised a large scale rural cable strategy and planning guide
- + Developed a special array of visual information stimuli (i.e. charts, information packets, 3D model of a cable system, samples of trunks, feeder and drop cable, etc.) as an educational package to enhance community and organizational presentations on rural cable strategy
- + Held a National Rural cable development planning session between a number of regional community economic development organizations and federal agencies
- + Established a working relationship with regional community economic development organization to help organize local communities. These groups include FSC, SEASHA, NEDA, DF, ELF, NUL, OFC and La Federacion De Organizacion Del Valle
- + Worked with OMBE to organize and form a National Rural Cable Development Task Force made up of regional community economic development organizations and federal agencies.
- + Made on-site visits to 42 "cable ready" rural communities to substantiate and expand upon in-house collected data as well as to meet with community leaders to begin cable development process
- + Assisted organized cable ventures in identified "cable ready" communities; won 6 franchises - Espanola, Tuskegee, Grambling, Muskegan Heights, Tallulah and Pine Ridge.
- + Made special presentation on rural cable strategy and task force TV: a National Conference of NEDA officials meeting in Miami, a meeting of the Southern Conference of Black Mayors in Louisiana, a National Conference on Rural America in Washington before a group of Indians
- + Worked with OMBE to establish a first of its kind inter-agency agreement between OMBE, EDA, SEA and FHA to support rural cable development
- + Initiated the dialogue between EDA and CRC which lead to EDA's decision to contract CRC to perform a preliminary investigation of telecommunications demonstration projects which holds some significance for rural development

APPENDIX H

DEPARTMENT OF COMMERCE PRESS RELEASE

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
 WASHINGTON, D.C. 20230

OFFICE OF
 MINORITY BUSINESS
 ENTERPRISE

FOR RELEASE WEDNESDAY,
 SEPTEMBER 24, 1975
 202/967-3024

MB 75-114

MINORITIES SEEK OWNERSHIP
 OF RURAL CABLE TV SYSTEMS

Potential cable television markets in rural communities in the South and Southwest are being developed as part of a Government drive to assist minority communities to secure ownership and operation of new cable TV systems.

Led by the Department of Commerce's Office of Minority Business Enterprise (OMBE), the effort involves a just completed agreement among four Federal agencies. The other three are the Department of Agriculture's Farmers Home Administration, the Small Business Administration and the Commerce Department's Economic Development Administration.

Technical assistance is being provided by the Cablecommunications Resources Center of Washington, D.C. under a contract from OMBE. CRC conducts market studies to identify "cable-ready" areas and locates minority community groups interested in getting into the cable TV industry in these areas. CRC assists the community groups to organize local investors, secure city franchises and financing, and plan construction and system operations.

According to OMBE Director Alex Armendaris, CRC is currently working with about 100 minority cable groups, mostly in urban areas. Twenty-eight of these venture groups have obtained franchises and are now completing financing, construction and system operation plans with CRC assistance.

Armendaris views the move into rural markets as an opportunity to further develop minority business ownership while providing a much-needed community service.

"There is a real need for cable TV in many small communities particularly in the South and Southwest," Armendaris said. "Not only does this program offer the potential for profitable minority business operations, but it can also help to fill a community need by providing facilities for entertainment and educational programming."

CRC researchers have already studied the cable market in some 500 rural communities, identifying 75 of them as target market areas. Other CRC staffers are in the process of working with city councils and other local officials to determine the feasibility of setting up cable systems.



- more -

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According to Charles Stein, who manages national industry development programs for OMBE, target areas are chosen on the basis of the need for cable in terms of other broadcast services available and the economy of a cable operation based on the density of housing and the potential number of subscribers. Other considerations include a significant minority population and minority influence in local governments, which have the final say in the award of cable franchises.

A typical minority-owned cable franchise is Televu, Inc. of Grants and nearby Milan, New Mexico. With the help of CRC, owner Eddie L. Pena recently secured a \$100,000 loan from the Small Business Administration to expand his cable service to meet increased customer demand. Pena has been operating the system since 1973. He provides the 17,000 residents of these predominantly Spanish-speaking mining communities with clear quality reception on the four television stations from Albuquerque (75 miles away) and an additional four channels from Los Angeles.

CRC Executive Director Charles Tate believes Eddie Pena's cable operation shows the real opportunities for minorities in cable television. "He has used local financing and hard work to provide his community with a needed product and now is showing a handsome return for his effort."

Tate expects rural franchises which have recently gone to minorities in three other states to do as well.

Oyate Vision of Pine Ridge, South Dakota, will provide this predominantly Indian community of 3,700 with clear reception on four television channels in addition to local affairs and news programming. Currently Pine Ridge residents receive only one commercial television station clearly.

Headed by Fred Brewer, an Oglala Sioux, Oyate Vision becomes the second Indian-owned cable franchise (the other is in Port Orchard, Washington). Brewer has arranged for partial financing for his company through the Interior Department's Indian Business Development Program and CRC projections indicate that the firm will be profitable in its second year of operation.

Similar success is forecast for Tallulahvision, Inc. of Tallulah, Louisiana, which according to CRC should be grossing some \$86,000 in its second year. Local citizens formed the company which will offer the predominantly black community of 9,500 reception of seven television channels and a package of services including news and weather reports, and community announcements.

Residents of the town of Roosevelt City, Alabama, are also becoming involved in a local cable franchise through the offer of stock shares in the Southeast Alabama Self Help Association's (SEASHA) Community Cablevision Company. The involvement of local residents in the ownership of the cable system is an extension of the SEASHA organization's program of economic and community development for rural residents in a twelve-county area of Alabama. The company has begun to arrange for financial support from the Farmers Home Administration.

The Office of Minority Business Enterprise was established in the Department of Commerce in 1969 to serve as the coordinating agency in the Federal Government for minority business affairs and to work with the private sector in developing minority-owned business enterprise.

APPENDIX I

CONFIDENTIAL CORRESPONDENCE

APPENDIX I

CABLECOMMUNICATIONS RESOURCE CENTER

1900 L St., N.W. • Suite 205 • Washington, D.C. 20036
(202) 296-5810

February 24, 1976

Mr. Eddie Pena
Tele-Vu, Inc.
P. O. Box 757
Grants, N.M. 87020

Dear Eddie,

Enclosed, are two letters about the SBA loan. The first is to the SBA office and is short and sweet - just saying you will comply. If they raise further questions you can reply in more detail but I don't think you should go into more detail that might open up new areas of inquiry.

Enclosed, is a copy of the current SBA policy for your information. You can comply with it with little problem. However, we are actively seeking at the top levels an improvement of this policy; but we do not know when this will be made.

Secondly, it is important to note several points if SBA raises the 3500 subscriber issue to have local origination. 1) The FCC has rescinded its requirement that cable operators do L.O. 2) Operators with 3500 subscribers need only have equipment available for others to do programming and 3) Under FCC definition it seems extremely unlikely that you will have 3500 subscribers, because the Grants and Milan systems are considered separate systems by the FCC and therefore the Grants system alone would need 3500 subscribers.

Also, enclosed is a draft of a letter to your Senators and Congressman. I suggest you communicate with them and get them involved.

If we can provide additional help on this loan, please let us know.

Sincerely,

GM/mc

Enclosures

Draft

February 24, 1976

SBA
Albuquerque

Dear :

Confirming our phone conversation of February _____ 1976, Tele-Vu, Inc., will comply with the SBA origination restrictions as a condition of receiving final approval of the SBA direct loan.

Sincerely,

Eddie L. Pena

DRAFT

February 23, 1976

Dear Senator:

I would like to bring you up to date with the difficulties and poor treatment my company is receiving at the hands of the Small Business Administration. As we discussed in our recent meeting, my cable television system is seeking \$100,000 loan from SBA to expand cable service to the many new residents of Grants and Milan.

The package was submitted in June ? , 1975 to the Albuquerque office. I was informed it was accepted on _____ (date) by Mr. _____ (name) and _____ (title). He said that as soon as funds were allocated to the Albuquerque office, my loan would be dispensed. He assured me and representatives from your office that no problems existed with the loan and as soon as money was available, I would received the loan.

However, on February _____, 1976, I received a call from Mr. _____ (name) _____ (title), who informed me my company does not qualify for an SBA loan.

My first reaction was why didn't the SBA office tell me anytime within the last nine months. His response was that he believed that funds would never be allocated and therefore it was not necessary to evaluate the package! Now that funds are available he examined the package. As a businessman, I ~~seriously~~ need new funds to expand my successful business. I have relied on SBA's promises and statements in my planning. At least, had I had an honest appraisal I would have made alternative plans. This cavalier attitude expressed by the SBA has seriously jeopardized my plans.

Mr. _____ (name), informed me the reasons that SBA can not loan money to a cable system that has local origination or even a time and weather channel. I informed him that we are not now and do not plan to do any programming. The time and weather channel serves a valuable community function and provides local announcements that many people rely on. I receive no revenue from this channel and wish to provide it as a community service. However, if required, the company will cease operating it. I have stated this to SBA in the attached letter.

Senator (Congressmen) I will appreciate your assistance in assuring that my company receives fair treatment with the SBA office and my loan application can be processed promptly. Futhermore, I would appreciate your investigations into SBA's policy that discriminates against the cable television industry and deprives my customers in Grants and Milan with a valuable community service.

Thank you for your consideration.

Sincerely,

APPENDIX J

EDA POLICY BULLETIN ON CABLE TV



APPENDIX J

Economic Development Administration Directives System

BULLETIN

No. 3-76

Effective Date: 1/30/76

Destroy Date: 4/30/76

ELIGIBILITY OF CABLE TELEVISION SYSTEM OPERATORS FOR EDA BUSINESS DEVELOPMENT ASSISTANCE

EDA's Business Development Manual states that:

In addition to the prohibitions stated in P.L. 89-136, the Public Works and Economic Development Act of 1965, as amended, the following types of projects are ineligible for business development assistance:
Newspapers, Publishing and Broadcasting firms.^{1/}

This policy, which is also a policy of the Small Business Administration, is based on the premise that it is not consistent with the First Amendment for the U.S. Government to finance or financially assist any private business enterprise that entails the propagation of opinion-molding ideas, regardless of the nature of the ideas or the form in which they may be propagated.

In determining EDA's policy on assistance to cable television operators, the question to be resolved is whether or not cable television companies are broadcasting firms. SBA's Office of Finance in its Opinion Digest No. 96 ^{2/} concludes that if a cable television system has the capability of originating "live" shows, even if they are only time and weather features, or if the system's operators exercise selective judgment for programs transmitted over its cables, then the system is a broadcasting firm and ineligible for SBA assistance.

Beginning January 1, 1976, the Federal Communications Commission will require that operators of cable television systems with 3,500 or more subscribers have equipment available for local production and presentation of cablecast programs. Furthermore,

^{1/} "Business Development Manual," No. 41 - Chapter I, January 19, 1974 (SN-223).

^{2/} "Opinion Digest," No. 96, paragraphs 101 and 103, February 24, 1975

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- 2 -

the FCC will require that such operators permit local non-operator production and presentation of such programs.^{3/} Clearly, such systems will (and must) have the capability of originating live shows and thus would be ineligible for assistance from SBA.

Administration and Congressional positions expressed to date on Federal support for the development of cable television systems do not provide firm guidance for an EDA policy with respect to all cable television system operators. The statements that have appeared ^{4/} indicate general support for the development of such systems in rural areas, particularly when minority operators are involved. EDA's legal staff has found no statements favoring development of such systems in urban areas.

Policy Statement: It is EDA's position that cable television systems with 3,500 or more subscribers (or the reasonable expectation of obtaining 3,500 or more subscribers) constitute broadcasting firms, since they must have production capability and must permit production and presentation of programs by local non-operators. Accordingly, it is the Agency's policy that such systems are not eligible for EDA business development assistance.

EDA does not feel it necessary at this time to adopt a specific policy on assistance to cable television systems with less than 3,500 subscribers (or the reasonable expectation of having less than 3,500 subscribers). Such cases will be decided on individual merits. However, it is recognized that, in general, such systems lack sufficient economic impact to warrant consideration for EDA assistance. They are basically automated and provide little employment once service construction is completed.

Assistant Secretary
for Economic Development

^{3/} 47 CFR 76.253

^{4/} Guide to the Rural Development Act of 1972, Senate Subcommittee on Rural Development, 93rd Congress, December 10, 1973, p.21; agreement between EDA, FHA, and OMBE, August 1975; and Report to the President, Cabinet Committee on Cable Communications, 1974.

APPENDIX K

POST-TRIBUNE ARTICLE ON GCG

GCG loan plea sparks brouhaha in Washington

By ED ZUCKERMAN
Post-Tribune Capital Bureau
and TOM STUNDZA
P-T Business Editor

When the directors of Gary Communications Group filed last August for a \$400,000 federal loan, they had no idea the nation's first black-owned cable television firm would become the center of a bureaucratic brouhaha in Washington.

But GCG inadvertently has touched off an intensive struggle between two agencies within the U.S. Department of Commerce:

- ✓ The Economic Development Administration (EDA), which dispenses federal funds to help create permanent jobs in economically depressed areas.
- ✓ The Office of Minority Business Enterprise

(OMBE), which assists members of minority groups enter business ventures.

GCG apparently has stepped into a "gray zone" between the two agencies because the firm is minority-owned and Gary is on EDA's list of areas eligible for assistance.

Officially, the loan has been denied by EDA on grounds that the cable television firm's proposals don't create a sufficient number of permanent jobs to justify federal assistance.

More importantly, in denying the loan, Wilmer D. Mizell, Commerce's assistant secretary for economic development — thus, the EDA chief — issued a regulation which views cable television operations as "broadcasting facilities" and are automatically ineligible for federal funds because the government doesn't provide assistance for newspaper, publishing and media ventures.

But the EDA regulation isn't just being protested by OMBE. It also has been attacked by the Federal Communications Commission, which says it, not the EDA, determines what is and what isn't a "broadcasting facility."

And, as the Small Business Administration (SBA) and the Farmers Home Administration (FmHA) also are involved in the development of small and medium-sized cable television systems, they are watching the dispute.

It now is believed that Commerce Secretary Elliot Richardson — who once voiced support for programs to promote minority ownership of cable systems when he was U.S. Department of Health, Education and Welfare secretary — will be required to settle the EDA-OMBE dispute.

And, if he fails, because of the other agencies involved, the matter ultimately could involve the White House Domestic Council.

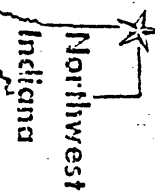
GCG opened for business on Oct. 5, 1972, with \$250,000 in private investment and a \$235,000 SBA loan through Gary National Bank. Competing with a TelePrompter Corp. subsidiary in operation in Gary since 1970, GCG placed about 20 miles of cable in the city's downtown and West Side neighborhoods to serve some 500 homes.

Continued on A4, col. 1



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GCG loan plea stirs brouhaha

Continued from Page 1

Due to what GCG President A. William Douglas terms "capital-intensive start-up and construction costs," combined with competition from TelePrompTer, the firm has operated for four fiscal years "in the red." With the original investment funds almost gone, Douglas says GCG needs \$480,000 to buy out the TelePrompTer operation — and its 1,000 customers and 37 miles of East Side cable — plus \$420,000 to wipe out corporate debt — primarily to area utilities Illinois Bell Telephone Co. and Northern Indiana Public Service Co. — and insure operation in fiscal 1976 and 1977.

With \$500,000 pledged by CATV Development Corp. of New York City, an investment brokerage house led by Robert Liebauer, and several of Liebauer's clients, GCG officials applied for an EDA loan to cover the remaining \$400,000. The loan was filed in August of 1975 with negotiations aided by Martin Smith, president of Cable Communications Consultants of New York City.

But after months of negotiations between GCG officers and EDA division chiefs, EDA chief Wilmer "Vinegar Bend" Mizell issued a regulation on Jan. 19, effective Jan. 20, that effectively denied the loan application by stating:

"It is EDA's position that cable television systems with 3,500 or more subscribers...constitute broadcasting firms (and) are not eligible for EDA business development assistance...Cable television systems with less than 3,500 subscribers...lack sufficient economic impact to warrant consideration for EDA assistance."

Mizell, a former Republican congressman better known from his earlier career as a professional baseball pitcher, acknowledges his regulation means that cable systems are ineligible for EDA loans no matter what size they were.

The keystone of Mizell's ruling is his interpretation of cable systems as "broadcasting facilities," basing that interpretation in a murky collection of bureaucratic regulations.

Recently, the FCC proposed a regulation requiring cable systems with more than 3,500 subscribers to originate "live" programming for their customers, even in only time and weather features. The SBA, in turn, issued a policy contending that cable systems maintaining equipment for "live" programming would be considered "broadcasting facilities" and therefore be ineligible for federal assistance. So, the FCC changed its regulation, saying that large cable systems "should be required to provide 'live' programming, but should be permitted to maintain equip-

ment facilities for use by public groups.

Speaking about Mizell's decision to use the FCC regulation to stop EDA aid to cable television firms, David D. Kinsey, the FCC's chief-cable television bureau, says: "Basing such a 'broadcasting firm' classification on our 'equipment availability rule' raises certain inconsistencies with FCC's policies regarding development of cable television."

Kinsey adds he has "requested" the EDA to "drop" Mizell's regulation, but the EDA has failed to comply.

Asked if the regulation was a direct outgrowth of GCG's application, an EDA official, who requests anonymity, says his answer would have to be "an unqualified yes." GCG's Douglas contends the rejection of the loan is "a racist act solely directed at GCG."

The EDA never has provided funds for media ventures, with the exception of a \$704,000 loan in 1969 to an educational television station in upstate New York for job training opportunities.

But, the agency last August signed a written agreement with the FmHA, an agency of the U.S. Department of Agriculture, pledging financial assistance for development of rural cable systems.

"Mizell's regulation completely negated that agreement," says a knowledgeable source, who adds that "EDA was not troubled by the ban on providing government assistance to broadcasting facilities when it approved the agreement to approve loans for rural systems. I would assume, therefore, there is no first amendment difference between rural and urban areas."

The federal agencies protesting Mizell's regulation contend there is a basic difference between cable systems and broadcasting facilities.

So does GCG's Douglas, who says, "Broadcasting facilities operate over the public airwaves to the at-large public. But, cable systems are not public. They do not transmit through the public airwaves. Rather, they are closed systems transmitting through telephone lines to paying customers. That's a big difference."

He continues that "20 new jobs for an inner-city, minority-owned firm may not seem like much to Mizell, but the importance of continuing operations of GCG is tied in with helping spark an overall economic renewal for small and medium-sized businesses in Gary."

Douglas contends that EDA's rejection of the loan application is "an arbitrary and capricious policy decision" by a bureaucrat unaware of and uninterested toward "the problems of small cable television systems."

APPENDIX L

EDA REPORT ON WATERTOWN TV STATION PROJECT

APPENDIX L



U.S. DEPARTMENT OF COMMERCE
Economic Development Administration

as usual

Date: JAN 28 1972

Reply to
Attachment

Subject: Status Report on the St. Lawrence Valley Educational Television,
Station WNPE-WNPI, Watertown, New York,
EDA Project No. 010100304

To: George T. Karras, Director
Office of Public Works

On January 17 - 19 the following people were interviewed for
this report:

Richard Jones, General Manager, Station WNPE-WNPI
Carmen Bocciolatt, Director, Community Action Planning
Council of Jefferson County, Inc. (and staff)
Elwood Forrester, Superintendent, Second School District,
Jefferson County
James Higgins, General Manager, Watertown Daily Times
and WWNY (radio and TV station), former member of
the Board of Trustees of the St. Lawrence Valley
Educational Television
Irving Atlas, Educational TV Coordinator for the Boards
of Cooperative Educational Services of Jefferson,
Lewis and St. Lawrence Counties
Arthur Mengel, Executive Director, Black River-St. Lawrence
Economic Development Commission
Joseph Romola, President, Black River-St. Lawrence Economic
Development Commission
Thomas Guihan, Assistant District School Superintendent,
St. Lawrence County
Francis Ahmstead, Member Board of Trustees, St. Lawrence
Valley Educational Television

Following is a status report on the Station, its operations,
programs and effect on the Black River-St. Lawrence Economic
Development District.

A. The Station's Operations

1. Facilities

Station WNPE-WNPI began operating in July 1971, several
months later than was originally planned. The major
delay occurred last winter during construction when one
of the transmitter towers was blown over. All the

facilities, including two transmitter towers and buildings and studio and transmission equipment are now complete. The Station is presently leasing office and studio space from a commercial station.

2. Range of Service

With its two transmitter towers the Station's broadcast range covers the four counties in the Black River-St. Lawrence Economic Development District, using two UHF channels. The Station has been running a campaign to explain to area residents how to tune in the appropriate UHF channel, since this is the first UHF channel in the area. The County Extension Service also has been advertising these instructions. In addition almost all of the populated centers of the District have access to Cable Television which enables its users to receive the Station on a VHF station as well.

3. Staff

The Station is run by a staff of 13 full time employees. Seven of these employees were previously unemployed and have been trained as technicians, program assistants, receptionists, etc.

4. Program Sources

As an interim measure until the Station is able to receive programs directly from the national educational and public networks, broadcasts are being received from the ETV station in Syracuse. Most of these broadcasts are taped so that the Watertown station can arrange its own program schedule. During the first six months of broadcasting, almost all of the Station's programs have been from national ETV, with only a limited number of locally produced and broadcast programs. The Station's general manager explains that it has taken much more time to get the Station operating smoothly than had been anticipated and that so far it has not been possible to establish many local programs. This first year has been filled with working out technical problems, promoting the station, educating the public, and

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acquiring support from county legislators, school districts, etc. As these problems are worked out, the staff plans to have more time to work on locally oriented and produced programs.

B. The Programs

1. Present

The daytime schedule, from 9:00 A.M. till 4:00 P.M., consists of in-school programs selected by the Counties Boards of Cooperative Educational Services. The Station has prepared Teacher Guides for these programs which are provided to all the member schools. The public school educational program will be further discussed below.

The evening programs, running from 4:00 to 11:00 P.M. have, for the most part, been selected from national educational and public networks. The following local programs have also been broadcast during the first six months of the Station's existence:

- a live, two-hour discussion on the issue of having a charter form of County government.
- a concert given by a local group in Watertown.
- a series of training programs for volunteer firemen, coordinated with the volunteer firemen's association of the four counties.
- a computer science course coordinated with St. Lawrence University and Jefferson Community College. Participants who passed a test at the end of the sessions were to receive credit from St. Lawrence University. However, the University began to hesitate and still has not decided if it can give credit even though the course is finished.
- Along with the State RTV, a live broadcast of the New York's special budget hearings.

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In addition to the locally broadcast programs, the Station has also conducted special campaigns to publicize national programs which would be of particular interest to area residents, such as a series on Welfare and one on Drug Abuse.

2. Immediate Plans

Several locally produced programs are planned for the next few months:

-Starting on February 4 a series of one-hour shows called "North Country Profiles" will be broadcast every other week. These shows are being produced and directed by a group of local high school students, with the help of the Station's staff. The students have picked their own program topics including local insurance men discussing no-fault insurance, local assemblymen's reactions to Governor Rockefeller's State of the State message, an interview with a customs official, "how to buy a used car," and interviews with Mohawk Indian high school students.

-Two series of programs planned for this spring with the Cooperative Extension Agents from the four counties are a photography course for 4H Club members, and a Consumer Education Program.

-Local Chambers of Commerce have been contacted with regard to establishing a retail sales program to be broadcast in April or May. The purpose of this series would be to improve sales methods, public relations, etc. of local stores, restaurants and motels in the hopes of raising the attractiveness and hospitality of the area and increasing the summer tourist trade.

3. Future Plans

The Station is looking for specifically rurally oriented and adult educational programs. Several such programs mentioned in the project application are no longer available, such as the series "Operation Alphabet" for teaching adults to read. The State University of New York's "University of the Air" also has been cancelled.

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(taking with it a major financial source expected for the Station).

The Station is looking forward to making use of an adult learning program series which is being developed by a national network. Also the State University of New York has a new plan for an "Open University" with campus centers, courses by mail, television, etc. ETV should have a major role in this plan.

For future programming ideas the Station also expects to be receiving increased direction from the Program Committee of the St. Lawrence Valley Educational TV's Board of Trustees.

C. Relation With Public Schools

The public schools in the Economic Development District have long supported the St. Lawrence Valley Educational TV. School superintendents are well represented on the Board of Trustees and many school districts gave financial support to the Station even before it began operating.

In New York State all the school districts in a county are organized under a Board of Cooperative Educational Services (BOCES). The BOCES of three of the four counties in the EDD have gone together to hire a full time Educational Television Coordinator. The fourth county, Franklin, has not yet participated because of a plan to organize another ETV station in the adjacent Eastern Adirondack EDD. However since this plan has not yet materialized, it is probable that Franklin County will join with the rest of the Black River-St. Lawrence District in the ETV program next year.

The ETV Coordinator is presently responsible for all the public schools in Jefferson, Lewis and St. Lawrence Counties and for acting as a liaison to the Station. So far his work has mainly involved visiting all of these schools, promoting the program, and working on the technical aspects of having the schools equipped. Because the past six months have been filled with working out technical problems as well as promotions, the Station's staff feels that they have not been able to get as much feedback from the schools as they

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would like. The coordinator is now beginning to take surveys of teachers to find out the extent to which they use ETV, what programs they find most useful, and what other programs they would like to have. The results of these surveys will provide valuable guidance to the Station.

Out of the 36 school districts in the three counties, 22 are participating in the ETV program this year. While this is 61% of the school districts, it represents over 68% of the students. The extent of the participation so far is considered quite good given the continuing cut back in funds available to schools. The school districts had counted on a State program to provide funds for equipping schools to make use of ETV. While some of the area's schools did receive money last year for equipment, the program has been sharply cut so that no money was available this year. Some of the schools have paid for their own equipment, but several have not had the funds.

In addition schools electing to take the service pay \$3 per student per year for membership. However, the State reimburses the schools for from 50 to 80% of this amount, depending on the eligibility of the district.

Several schools have video tape equipment in addition to the television sets, so that they can record programs and reuse them. As mentioned earlier, the Station provides member schools with monthly programs and teacher guides on the programs by various grade levels.

Each county has at least one BOCES Vocational Center. These schools serve both high school students and adults. So far no plans have been worked out for how these vocational schools can make use of ETV.

D. The EDA Target Population

EDA approved this project based on the possibilities of a public television station serving the unemployed and underemployed of the District by providing vocational and educational courses as well as reducing the cultural deprivation of the area. While all of the Station's activities to date might be said to at least indirectly fulfill these purposes, the potential for more directly helping EDA's target population has not yet been fulfilled. It seems that the crucial factor in determining the realization of this potential will be the Program Committee of the St. Lawrence Valley Educational TV's Board of Trustees. As described in the project proposal this committee will include representatives from the District's CAP organizations, schools, industries, State employment services, health agencies, etc. As of this month, the Program Committee is just starting up and beginning to recruit members. It would seem that the kind of members who are recruited, the activeness of the committee, and the nature of the program direction given the Station's staff, as well as the staff's ability to carry it out, will determine the success of the Station as an EDA project.

The Community Action Planning Council (CAPC) of Jefferson County was one of the organizations mentioned in both the project application and the Positive Action Program which would actively participate in the direction of the Station's programs. Since these documents were written, the leadership of CAPC has changed. The new staff has not yet been contacted by the Program Committee, but would very much like to be involved. The CAPC staff feels there is a great need for locally oriented programs, particularly one such as a jobline and a special series for the elderly. Other community leaders also emphasize the need for the Station to have local programs covering specific area problems, especially employment opportunities.

E. Role In The Economic Development District

The Director and President of the Black River-St. Lawrence Economic Development Commission consider the ETV Station not only as an invaluable public service to help improve

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the area educationally and culturally, but also as part of their comprehensive economic development plan for the area. The plan is, briefly, that every resident of the District will have access both to training in the BOCES vocational centers and to at least one of a series of new industrial parks which are in various stages of realization. With these prerequisites, the District hopes to attract a number of the Canadian firms which are showing interest in the area and looking for industrial park facilities. The ETV Station could play a valuable part in carrying out this plan both by providing additional training and adult educational programs and by publicizing available jobs and/or job seekers.

F. Interim Conclusions

1. The Station is fulfilling one of its purposes by improving the educational and cultural climate of the Black River-St. Lawrence EDD, particularly through the active participation of most schools in the area.
2. The local broadcasts, although limited so far, have provided informative public service programs.
3. The main purpose of the Station as an EDA project was to broadcast programs which are specifically directed towards the needs of the unemployed and poor of the area. This purpose has not yet been fulfilled, but the potential for doing so is strong. Indications are that with:

-some more time,

-the continuing interest of the District staff and the Station's management, and

-the organization of an active Program Committee with representatives from County and District-wide groups mentioned in the application, such as Community Action Councils, State Employment Services, Departments of Social Services, etc.,

the Station will succeed in bringing effective programs to EDA's target population.

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4. A year from now, it can be better determined how the project is fulfilling the activities described in number 3.

Daryl Bladen
Program Assistant

NOTES

NOTES

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