

**Remarks of  
Commissioner Deborah Taylor Tate**

**Minority Media and Telecommunications Council  
Fifth Annual Access to Capital and Telecommunications Policy  
Conference**

**July 16, 2007**

**(As Prepared)**

Thank you, Henry, for that kind introduction, and thank you, David Honig and the Minority Media and Telecommunications Council (MMTC), for inviting me to make just a few remarks at this event to honor the Hall of Fame inductees.

I am honored to be with those of you who have toiled in the vineyards for many years regarding a longstanding commitment we share: increasing diversity at all levels of media, from management to ownership to other “spheres of influence.” I had the chance to spend some time with this year’s participants in the NABEF Broadcast Leadership Training Program. The members of the class looked like America – Hawaiians, Native Americans, Hispanics, African Americans, from small towns and urban areas – all with dreams of being small business owners or broadcasters, and serving the public interest over the public airwaves. At NAB, I had the pleasure of attending the Hispanic Broadcasters and also an MMTC forum, to lend my support to their efforts and to reiterate my commitment to walking the walk while a Commissioner.

Recent studies have confirmed that the current level of broadcast ownership by minorities and women, as well as all levels of minority management, is dishearteningly low; I find this troubling. Last month, the Commission held its fifth localism field hearing in Portland, Maine and the comments reflected what we have heard at hearings all across the country: we need more diversity---at all levels of media. Like you,

I'm not here to cast blame, but to try and find solutions—solutions that work.

MMTC has identified three primary hurdles that most small businesses, especially those owned by women and minorities, confront: lack of access to financing, both capital and debt, lack of access to spectrum, and lack of access to opportunity. I want to make sure that the Commission is doing all that it can to reduce or remove these obstacles to greater diversity.

In fact, Congress demands that the Commission do this much in Section 257 of the Communications Act which directs the FCC to identify and eliminate market entry barriers for small telecommunications carriers as part of a “National Policy” favoring a “diversity of media voices.” Section 309(j) of the Act requires the FCC to increase opportunities in the allocation of spectrum-based services for “businesses owned by members of minority groups and women” in its auctions.

What, then, can the Commission do to fulfill these congressional mandates, consistent with judicial precedent? The Supreme Court ruled in *Adarand Constructors v. Peña* that federal, race-based programs are subject to “strict scrutiny” review and must be “narrowly tailored measures that further compelling governmental interests.” As a result, the Commission has, for example, declined to adopt race or gender-based provisions in its auction procedures, focusing instead on assisting all small businesses. The Supreme Court’s decision last month in the Seattle and Louisville school desegregation cases, (*Parents Involved in Community Schools v Seattle School District No. 1*), requires careful study to determine its impact on the Commission’s ability to act to improve diversity.

There are a number of race and gender-neutral initiatives that I believe the Commission could undertake to remove barriers to market entry. Some are informal and more immediate in their impact – the use of our time and efforts to champion the issue of ownership diversity, to call attention to it, and to raise the level of dialogue. Others require formal

action, including congressional legislation and Commission rulemaking.

- Tax certificates:
  - Dependent upon Congress giving the FCC the same statutory authority it previously had to adopt such a program.
  - Encouraged to know that HR 600, introduced in the Ways and Means Committee earlier this year by Representative Bobby Rush (D-IL), would do just that.
  
- Initiatives within more immediate Commission control:
  - Community of license changes
  - Auction bidding credits:
    - 25% or 35% credit to successful participants in our auctions for commercial broadcast authorizations that are deemed to be new entrants.
    - Substantial number of permits awarded in broadcast auctions to date went to new entrants; many of which are owned by women, by minorities, or both.
  
  - Use of FM translators by AM stations: Hope that the Commission will act soon to consider the use of FM translators by AM stations as a fill-in service, to counteract harmful interference and, in the case of daytime-only stations, to broadcast at night.

A novel idea the Chairman and I have mentioned allows leasing some of an existing broadcaster's digital spectrum to others to distribute their own programming; granting them all the accompanying rights and obligations, such as carriage rights and public interest obligations, including children's programming requirements.

- Relaxation of EDP rule (suggested by MMTC); could help small businesses attract the debt financing they need to enter the broadcast market.

- Extension of traditional construction deadlines.

NAB and NABEF have discussed a possible forum to showcase “best practices” that have actually already been successful in bringing greater diversity—from formal mentoring to scholarships to internships leading to full time employment upon graduation. I also hope to encourage new investors or small boutiques to become involved in the effort similar to J.P. Morgan’s \$170 million Quetzal Fund. Companies like Clear Channel and Citadel, in cooperation (with NAB) and MMTC, have held “fly in” meetings to provide training on due diligence, business planning, capital formation, and broadcast regulatory issues. I want to applaud these companies, not only for providing this opportunity to such potential buyers, but also for making it a corporate priority. These commitments must be endorsed by leadership at the top.

I also want to say how pleased I am that the Diversity Committee has been reinvigorated under the leadership of Chairman Martin, with its charter renewed through December of 2008.

Looking at the remarkable roster of participants here, I suspect that even more innovative ideas will emerge at this conference.

Margaret Mead once said, "Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has." Thank you for the impact you are having to change our world. And, speaking of making a difference, I am now honored to talk about a leader, a mother, an attorney, and a government official who has done so much to move the goal of diversity forward in her career and throughout her life. Nancy Victory needs no introduction to you all, and she has been a good friend and mentor to me since almost the day I arrived in DC.

Nancy has been a long-standing champion of diversity in the media. As a partner in the law firm of Wiley Rein here in Washington, working closely with consumer and civil rights organizations including

MMTC, she has been the leading advocate to provide Puerto Rico's residents with the same quality and availability of telephone service enjoyed by Americans on the mainland.

As the Administrator of the National Telecommunications and Information Administration, Nancy was a champion of its Minority Telecommunications Development Program and other initiatives to promote diversity and competition in the media and telecom industries, including reinstatement of the minority tax certificate program. While there, she also initiated a survey of minority broadcasters as to how and to what extent they were using new technologies.

She also served as Chair of the FCC's Advisory Committee for the 2007 World Radiocommunication Conference, heading efforts to assemble the positions of the U.S. industries on issues of spectrum use in preparation for that Conference.

One of her first acts as the Chair of the FCC's Independent Panel Reviewing the Impact of Hurricane Katrina on Communications Networks was to reach out to ensure that representatives of minorities were included on the Panel and to expand its membership.

As a result of that Panel's work, last week, in its EAS Order, the Commission recognized the need of all Americans, including those whose primary language is not English, to be alerted in the event of an emergency. The Order commenced a further rulemaking, seeking comment on how non-English-speakers can best be served by national, state, and local EAS. It also directed the Public Safety and Homeland Security Bureau to expeditiously conduct meetings concerning this matter and submit a report to the Commission of those discussions. These changes in the EAS system will help to save lives.

Throughout her career, Nancy Victory has devoted her wealth and breadth of experience, her reasoned legal counsel, and her seasoned leadership skills to truly making a difference as an extraordinarily effective advocate for diversity. Her accomplishments in affecting

public policy change have and will continue to truly benefit all Americans.

For these reasons, I am so honored to be part of the induction of Nancy Victory into the MMTC Hall of Fame.