

**Remarks of Commissioner Deborah Taylor Tate
To the Kentucky Broadcasters Association
October 18, 2007**

Thank you for having me. I'm pleased to be here today to talk about a few of the *many* things going on in the world of broadcasting. As a lifelong resident of Nashville, TN, being with you all is almost like coming home. Kentucky has a great reputation among broadcasters, and I know you are all proud to have a member of the NAB Board of Directors, Steven Newberry of Glasgow, Kentucky. Another great Kentucky broadcaster is Bud Walters of Cromwell Radio.

I joined the FCC in January 2006, and since that time, much of my work has focused on issues related to broadcasting, with the biggest emphasis being on the DTV Transition which will take place on February 17, 2009. (It's just 388 days away!) The transition from analog to digital is an enormous undertaking for the broadcast industry, and I believe it holds limitless possibilities for all of America. With the spectrum that will be available after February 2009, we will have the potential for improved communication between emergency responders in times of crisis, new entertainment choices such as video over mobile phones, and additional broadband connections via wireless providers.

I know that many of you here today are in radio, and are dealing with the transition to digital on a different schedule than television broadcasters. The issues you face are similar to television, however, and the benefits we hope to see radio experience from this transition are just as great. Nationally, over 1300 AM/FM stations have upgraded to HD radio technology, with over 600 FM stations also offering new, HD radio-only "multicast" channels. Kentucky has 16 HD radio stations up and running, with 4 more arriving soon. HD Radio stations offer not only crystal-clear sound quality, but also data, such as the song artist and title scrolling across your radio screen.

Earlier this year, Clear Channel and Microsoft announced a deal in which they will provide a nationwide data delivery service using HD radio. Through this partnership, the companies will create a platform that sends personalized, localized content to a variety of receivers and devices, such as cell phones and household appliances.

Ford Motor Company recently announced that it will aggressively market HD Radio in its new Ford, Lincoln, and Mercury models. I expect that other automakers will follow Ford's lead, particularly in light of the FCC's Digital Radio Order earlier this year. That Order authorized the operation of AM stations in a digital mode at night, and eliminated the requirement that stations ask permission for experimental operations before commencing multicast operations. The Order also permits the use of dual antennas - one to be used solely for digital. At the FCC we are always seeking new ways to help industry provide the best and latest technology as efficiently as possible.

As part of the transition, the FCC is dealing with numerous other legal and technical issues. Just last month we issued an order requiring cable companies to continue broadcasting must-carry signals in both analog and digital for three years after the DTV transition. This will ensure that citizens retain access to the important, local programming regardless of what type of television they have.

Another issue we are currently considering is whether and how to allow use of white spaces for fixed or mobile devices. Tests are underway and we are carefully scrutinizing the potential risks and benefits from allowing devices in these spaces. We appreciate all of the insight the broadcast community has provided, and know what an important issue this is for you all.

In addition to the digital transition, the FCC is looking at a number of other issues facing broadcasters. One of those is the use of FM translators by AM radio stations. As many of you are aware, the FCC issued a notice of proposed rulemaking this summer that would examine whether AM stations, which face significant technological challenges in nighttime broadcasting, should be able to use FM translators, and whether such use should be limited to certain times of day. AM stations have historically been recognized as leaders in complying with the government mandate to “serve the public interest.” I believe the FCC should carefully consider ways to improve AM stations’ ability to reach their market.

One of the issues most important to me personally is the role of women and minorities in media. From boardrooms, to meeting rooms, to green rooms, we are still seeing a deplorable absence of two key segments of our society-- women and minorities. Here are some numbers to give you an idea of what I’m talking about.

According to a recent Free Press survey of commercial television ownership entitled, “Out of the Picture: Minority & Female TV Station Ownership in the United States,” researchers found that:

- Women comprise 51 percent of the entire U.S. population, but own a total of only 67 stations, or 4.97 percent of all stations.
- Minorities comprise 33 percent of the entire U.S. population, but own a total of only 44 stations, or 3.26 percent of all stations.

Breaking minority ownership down even further:

- Hispanics or Latinos comprise 14 percent of the entire U.S. population, but own a total of only 15 stations, or 1.11 percent of all stations.
- Blacks or African Americans comprise 13 percent of the entire U.S. population, but own a total of only 18 stations, or 1.3 percent of all stations.
- Asians comprise 4 percent of the entire U.S. population, but own a total of only 6 stations, or 0.44 percent of all stations.

I don’t have similarly recent and detailed statistics for radio ownership, but a few years ago the Minority Media and Telecommunications Council submitted a report by Kofi Ofori, which found that, as of 2001, minorities controlled only 3.2 percent of all commercial FM radio stations.

Earlier this year, I had the chance to spend some time with participants in the NABEF Broadcast Leadership Training Program, which is targeted to senior broadcast managers who aspire to become group executives or station owners. The members of the class looked like America – Hawaiians, Native Americans, Hispanics, African Americans, from small towns and urban areas – all with the dream of being a small business owner, a broadcaster, serving the public interest over the public airwaves.

Of course, we have to recognize that there are many factors contributing to the current state of affairs, many of them far beyond the control of the FCC. Three primary hurdles are lack of access to financing, both capital and debt – I understand that access to debt financing may be the greater problem – 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.

Perhaps the most effective action the Commission could take is to establish a new tax certificate program similar to the one in effect from 1978 until its repeal by Congress in 1995, broadened to assist all small businesses. In the years after its inception as an initiative under the leadership of then-FCC Chairman Wiley, the program contributed to an increase in minority broadcast ownership from 60 stations to over 300 stations by using market-based incentives to encourage the provision of start-up capital to minority-controlled companies or the sale of properties to such companies. Of course, such an action is dependent on Congress giving the FCC the same statutory authority it previously had to adopt such a program. I'm 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.

As for initiatives within more immediate Commission control, we already approved one last fall, when we adopted an Order to streamline the process stations use to change their community of license. Many of the stations owned by minorities, for example, are located in suburban or exurban areas that may be far removed from the more urban audiences they are attempting to target and serve. By allowing community of license change proposals to be processed as minor modifications, we have significantly reduced administrative burdens and regulatory delays. As a result, stations can more easily be relocated and, perhaps, even upgraded, and investors may be more willing to provide necessary funds.

I mentioned the Commission's consideration of allowing AM stations to use FM translators. I think this is another potential avenue for improving the role of women and minorities in broadcasting. As of 2001, more than half of all minority-owned radio stations were AM stations, which are subject to interference and signal degradation at nighttime. Improving the broadcasting capabilities of AM stations, by allowing them to use FM translators, would hopefully improve the standing of women and minorities in the radio industry.

At the FCC we are committed to working with broadcasters to help them inform, entertain, and protect the citizens of America. The public interest served by your messages is invaluable. Whether it's a local sporting event or a national crisis, you give us a window to watch history unfold. America depends on the content you bring to our homes every day. Thank you for your hard work and I look forward to working with you during this time of unprecedented technological innovation.