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FCC MEETING  
PUBLIC HEARING

OCTOBER 31, 2007

WASHINGTON, D. C.

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ATTENDEES:

Kevin Martin, FCC Commissioner  
Marlene Dortch  
Michael J. Copps, Commissioner  
Jonathan S. Adelstein, Commissioner  
Deborah Taylor Tate, Commissioner  
Robert McDowell, Commissioner  
Monica Desai  
Jeremy Kissel  
Louis Sigalos  
Marcellus Alexander  
Bob Edwards  
Lisa Fager Bediako  
Kim Grandy  
Jim Goodmon  
Wade Henderson  
Dan Isett  
Rev. Jesse L. Jackson, Sr.  
Andrew Schwartzman  
Christopher Sterling  
Mark Cooper

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PUBLIC SPEAKERS:

Joe Torrez  
George Tedesci  
Mike Wassenaar  
Carolyn Byerly  
Kevin McCarron  
James Coleman  
Kate Blifson  
Sarah Sieberberg  
Michael Shay  
Bruce Levinson  
Samantha Miller  
Carol Jenkins  
Liz Humes  
Susan Meehan  
Rosa Clemente

17 Nanz Riccard  
18 Christian Melendez  
19 Alex Allen  
20 Adam Lynn  
21 Michael Halperin  
22 Nicky Guerra

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1 PUBLIC SPEAKERS (contd.):  
2 Josh Silver  
3 Wendy Thompson  
4 Alexandra Russell  
5 Garland Nixon  
6 Patricia Omana  
7 Lynn Erskine  
8 Francwa Sims  
9 Sondra Levin  
10 Shireen Mitchell

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1 P R O C E E D I N G S  
2 KEVIN MARTIN: Madam Secretary, if you  
3 could announce then our next steps for today's  
4 meeting.  
5 MARLENE DORTCH: Okay, this concludes  
6 the agenda for our open meeting. We will now begin  
7 today's localism hearing. Along with competition  
8 and diversity, promoting localism is a key goal of  
9 the Commission's media ownership rules. The purpose  
10 of the hearing is to gather informing from  
11 consumers, industry, civic organizations and others  
12 on broadcasters role in their local communities and  
13 proposed changes to our rules.  
14 KEVIN MARTIN: This is the Federal  
15 Communications Commission's 6th public hearing on  
16 localism and I want to first take a moment to  
17 welcome everyone and thank you all for agreeing to  
18 participate and it is important, in this important  
19 meeting today.  
20 Before we begin with our panel  
21 presentations, I think all of the Commissioners want  
22 to do, have some opening statements, I assume is

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1 that correct?  
2 MICHAEL COPPS: I do.  
3 KEVIN MARTIN: Why don't actually then  
4 we go to the Board of Commissioner Council and Chief  
5 to start out for us.  
6 MICHAEL COPPS: Thank you all for being  
7 here this morning, you came on short notice, some  
8 from afar, and had to prepare on the turn of a dime,  
9 but your presence attests to your dedication and  
10 public spiritedness and we are grateful for that.

11 You're going to hear a lot of nice words  
12 today about localism, about how localism is one of  
13 the core values of broadcast regulation, about how  
14 from the earliest days of broadcasting we've  
15 required licensees to serve the needs and interests  
16 of their local communities, about how localism is  
17 good for viewers, good for business and good for the  
18 future of our democracy and it's all true.

19 But my greatest fears is that all those  
20 nice words will float into the ether and we'll walk  
21 away and congratulate ourselves that we've struck a  
22 blow for localism, meanwhile consolidation continues

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1 to choke the life blood out of localism with its  
2 outsourced news, homogenized playlists and distant  
3 ownership and meanwhile consolidation denegrates  
4 diversity, denies minorities and women and  
5 diminishes our already distorted democratic  
6 dialogue. It seems to get worse with almost each  
7 passing week.

8 I for one can wait no longer. If we  
9 truly believe in localism, if it's not just lip  
10 service, the time has come to do something about it.

11 First, let's acknowledge that the loss  
12 of localism is not something that was inevitable.  
13 It was a conscious choice. It was a conscious  
14 choice.

15 Back in the 1980s we had a Chairman of  
16 the FCC who famously said that a television set was  
17 nothing but a toaster with pictures and that's how  
18 he and his accomplices set about to treat it, just  
19 another household appliance.

20 So they did away with the requirements  
21 that promoted localism, like talking to your  
22 community about the issues that concern the people

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1 who live there, like guidelines at license renewal  
2 time that examined the station's commitment to local  
3 programming and like a license renewal process that  
4 took place every three years to ensure  
5 accountability to the community rather than every  
6 eight years to give convenience to the industry.

7 So now we have no more community  
8 dialogue, no more real accountability, no process to  
9 hold stations to their commitment to serve the  
10 people. It's all gone, not by chance, but by  
11 design.

12 Think about it, why on earth would some  
13 little commission think that it had to write  
14 (inaudible) mail to remove explicit performance  
15 requirements from broadcasters who are granted  
16 exclusive rights to use public property.

17 Which brings me to the current  
18 proceeding. This is the last official public  
19 hearing in connection with the localism notice of  
20 inquiry that was launched in 2004. While I  
21 appreciate the Chairman's commitment to complete the  
22 localism proceeding before addressing the media

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1 ownership rules, the question remains what it means  
2 to complete the proceeding.

3 Let me be clear what I mean. Completing  
4 the proceeding means to me at a minimum issuing a

5 notice of proposed rule-making with clear  
6 recommendations giving the public adequate time to  
7 comment on the specific proposals to put localism  
8 back into broadcasting and a timetable for final  
9 Commission action.

10 And let's be clear, this is not just  
11 Commissioner Mike Copps' view. It's a bipartisan  
12 view from Congress. Recently Democratic Senator  
13 Byron Doyl gan and Republican Senator Trent Lott told  
14 us in no uncertain terms that given the importance  
15 of localism, a mere report is not enough. They want  
16 recommendations and a formal notice of proposed  
17 rule-making with at least 90 days for public  
18 comment. This must be done, they said, before  
19 moving forward with the ownership proceeding and  
20 that's a quote.

21 We just received another bipartisan  
22 letter from Republican Senator Olympia Snow and

0010 Democratic Senator Bill Nelson calling on the FCC to  
1 seriously address localism and pending diversity  
2 recommendations prior to acting on media ownership.

3 These issues transcend party labels and  
4 are in no way unique to red States or blue States.  
5 They are grass-roots concerns.

6 The best way to address these concerns  
7 may be through an honest to goodness license renewal  
8 process and a re-invigorated public interest  
9 standard. The bottom line here is that the FCC just  
10 has to get out of the business of allowing media  
11 environments to acquire new licenses or renew  
12 existing ones without requiring that every licensee  
13 will actually use the public airwaves to serve the  
14 public interest.

15 We will soon know it appears whether the  
16 Commission's rhetoric about localism is the real  
17 thing or whether this proceeding is being truncated  
18 because the Commission needs to place a checkmark in  
19 the localism box that stands in the way of loosening  
20 such ownership rules as newspaper broadcasts  
21 cross-ownership that powerful industry players are

0011 pushing like mad.

2 But localism must never be seen as a  
3 means to an end. It's an end in itself. It's at  
4 the heart of what the public interest is all about.  
5 All deliberate speed in getting some localism back,  
6 by all means, a rush to judgment to clear the way  
7 for more big media mergers, no way.

8 Right now there are too many Americans  
9 openly wondering whether this is all a great big  
10 show. Pretty window-dressing to distract the public  
11 so the FCC and big media can cut their deal in  
12 peace.

13 No one on this Commission, even if some  
14 feel differently from me about the pros and cons of  
15 changing the ownership rules should want to  
16 perpetuate those kinds of public misgivings about  
17 the FCC. We need a process that allays fears rather  
18 than one that creates fears.

19 I've received an E-mail yesterday from a  
20 gentleman who works at a small market radio station  
21 in the Midwest. In the E-mail he talks about the

22 difference between a truly local station and the

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1 stations owned by big corporations in dealing with  
2 heavy rain storms that were hitting the area.

3 Here's what he wrote about the big  
4 stations, quote, "These stations have their  
5 programming piped in from another community.  
6 They've also signed up for a service for their  
7 weather reporting which is recorded and sent from  
8 1,000 miles away. There were flood warnings and  
9 flash flood warnings, yet there was never mention of  
10 that severe weather during the peak of the storms.  
11 Nobody even works in those buildings. They have an  
12 engineer come in to take meter readings and check on  
13 things a couple times per day.

14 "If this is the type of localism we  
15 ought to expect, then the public interest is not  
16 being served by these companies," he went on.

17 "And finally, they can raise all the  
18 money they want to for local charities and air  
19 numerous public service announcements, but if the  
20 local citizens are not even warned about looming  
21 severe weather, what good is it," end quote.

22 That's a good question and it goes

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1 beyond the weather forecast to whether we can have a  
2 media environment in this country that reflects our  
3 communities and diversity and creativity and that  
4 nourishes the civic dialogue on which our future  
5 depends.

6 Let's, for heaven's sake, treat this  
7 issue with some sense of civic sobriety and  
8 seriousness of purpose.

9 It's in this vain that I look forward to  
10 hearing from all our panels and public today.

11 Thank you again all for being here.

12 KEVIN MARTIN: Thank you.

13 To Mr. Adelstein.

14 JONATHAN ADELSTEIN: Thank you, this is  
15 the final hearing of the localism task force. I'm  
16 very pleased that at the urging of key members of  
17 Congress, this otherwise dormant proceeding was  
18 revived and today we're here again listening to an  
19 expert set of panelists and the public.

20 The important questions (inaudible) with  
21 the proceeding today are will we do anything  
22 productive with what we've learned. We've been

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1 across the country. Will it lead to real changes in  
2 how we hold media outlets accountable to their local  
3 communities. (Inaudible) entire proceeding just a  
4 chore to get done so that media giants can have  
5 their way with even greater media consolidation.

6 The lack of adequate advanced public  
7 notice of today's hearing raises real concerns about  
8 how serious we are about public output. Despite  
9 unanimous approval weeks ago to get this done and do  
10 this today, it wasn't announced to the public until  
11 the last possible moment allowed by law, just five  
12 business days ago late at night.

13 Now despite this unnecessary hurdle, I'm  
14 pleased we've assembled such a great panel and an  
15 impressive panel of witnesses on such short notices.

16 I thank Chairman Martin for his cooperation in  
17 working with us to do this in such a short period of  
18 time and I thank all of our witnesses for going  
19 through all the hurdles that you had to jump to get  
20 here and to share with us your views on this  
21 critical issue.

22 I am disappointed, though, that I

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1 haven't been permitted to meet with the FCC staff  
2 that co-chaired the Localism task force. I made a  
3 request for this last week and I just don't think  
4 it's acceptable that Commission staff aren't  
5 permitted to meet with every Commissioner.

6 I'd remind all my colleagues that the  
7 staff works for the Commission, not just the  
8 Chairman. Any instruction to deny us meetings or  
9 information is anathema to the spirit of the  
10 Commission in Federal law.

11 As we conclude this final public  
12 Localism hearing, it's fair to ask what we have  
13 accomplished. There are two basic issues at hand.  
14 What steps can we take to enhance the responsiveness  
15 of our media to our local communities and does media  
16 consolidation enhance or detract from service to  
17 local communities.

18 When the Localism task force was  
19 launched, we were promised rigorous studies and  
20 clear policy and legislative recommendations. We've  
21 seen neither any studies nor any recommendations  
22 thus far. After the expenditure of over 350,000

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1 dollars of taxpayer funds and many staff resources,  
2 the task force owes us solid studies and solid  
3 recommendations on which to base immediate action by  
4 the Commission.

5 The only study that actually came out  
6 was one that was leaked to Senator Boxer at a public  
7 hearing.

8 Certainly before we address the media  
9 ownership rules we need to implement concrete steps  
10 to enhance localism. A number of members of  
11 Congress, as Commissioner Copps have pointed out,  
12 have appropriately asked that we do so and we should  
13 heed their good advice.

14 This doesn't mean we should trot out  
15 some half measures and say there you go, we're done.  
16 It means we need to put in place rules that improve  
17 accountability of broadcast media outlets to the  
18 communities to which they are licensed, which  
19 shouldn't simply provide a set of best practices for  
20 broadcasters.

21 We shouldn't simply revise an  
22 out-of-date manual and instruct the public that it's

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1 their responsibility to get the most from their  
2 local station, nor should we simply get a report  
3 that sugar-coats the issues from the Localism task  
4 force, a task force that really has been  
5 functionally abolished, maybe that's why I couldn't  
6 get a meeting with them.

7 We all know the issues. We expect real  
8 and concrete recommendations to form the basis for a  
9 substantive Commission response to the many concerns

10 that were raised by an array of concerned citizens  
11 from all across this great country. We also need to  
12 complete action on improving the number of women and  
13 people of color who own broadcast media outlets in  
14 this country.

15 I propose the immediate creation of a  
16 task force, an independent panel that would help us  
17 to get an action agenda that we can act on quickly  
18 before this proceeding, before we finalize the media  
19 ownership rules. The Reverend Jesse Jackson is here  
20 today and he's offered to serve on such a panel. We  
21 just came from a meeting hosted at Rainbow PUSH in  
22 Chicago. I'm glad we came out there and thank you

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1 for hosting us.

2 It's a city where people of color  
3 represent two-thirds of the population, and yet they  
4 own just 5 percent of the broadcast stations. To  
5 me -- today's media landscape does not reflect the  
6 diversity of America. We've got to carefully weigh  
7 whether media ownership that doesn't reflect the  
8 communities to whom they're licensed are truly  
9 delivering local service that reflects the diversity  
10 of issues that face the entire community, including  
11 women, including people of color.

12 As far as I know, none of our studies  
13 address that fundamental localism question. We  
14 can't proceed in good conscious until it is  
15 answered.

16 It's also clear from our hearings that  
17 local issues that the electorate needs to know about  
18 aren't being covered in a way that prepares voters  
19 to make educated decisions. The problem we hear  
20 from people as we go to these hearings across the  
21 country is that breaking news is being replaced with  
22 breaking gossip. Community after community, we hear

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1 from citizens that serious coverage of local and  
2 State Governments is diminished. There's a virtual  
3 black-out of coverage of State and local elections  
4 and candidates.

5 And while news operations say they have  
6 to slash resources in this difficult environment,  
7 some are offering up to a million dollars to get an  
8 interview with Paris Hilton.

9 Real investigative journalism and file  
10 for reporting have given way to an if it bleeds, it  
11 leads mentality.

12 Now there are a lot of localism options  
13 on the table. They include clarifying our public  
14 interests obligations, strengthening our license  
15 renewal process, requiring ascertainment, enhancing  
16 public disclosure, broadcasters issues and program  
17 listings, (inaudible) locals and requirements on  
18 multi-cast stations and improving access to low  
19 powered and non-commercial station licenses.

20 We need to approve real meaningful  
21 rules, not just another notice of inquiry or  
22 proposed rules before we move forward with media

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1 ownership.

2 With regard to the effect of media  
3 consolidation on localism, the public has spoken.

4 The public comments we received at hearings across  
5 the country were overwhelmingly negative on how  
6 consolidation has detracted from the responsiveness  
7 of local media outlets to local concerns.

8 We also heard eloquent arguments about  
9 the potential benefits of consolidation, but these  
10 were all from invited witnesses who actually worked  
11 or owned media outlets, not from the public at  
12 large.

13 And while I appreciate the arguments on  
14 both sides, the law requires us to serve the public  
15 interests, not the interests of the media giants  
16 that we oversee and the public is not interested in  
17 further media consolidation.

18 This was confirmed again yesterday in a  
19 polled Commission by the Media Democracy Coalition,  
20 just being released today, overwhelming majorities  
21 of Republicans and Democrats consider media  
22 consolidation a problem and in nearly equal

0021 proportions.

1 This confirms, once again, as reflected  
2 on the bipartisan concern on Capitol Hill that this  
3 is not a partisan issue. Americans distrust big  
4 media, whether those are coming from the right, from  
5 the left and virtually everybody in between.  
6 Distrusted media, like big Government, I think is  
7 rooted in the American spirit.

8 It's no surprise that by a margin of  
9 57 percent to 30 percent the public favors making it  
10 illegal to own a dominant newspaper and a TV station  
11 in the same city. Again, the margins are about the  
12 same for liberals, moderates and conservatives.  
13 The poll also found that the public prefers local  
14 news sources, the very ones threatened by  
15 consolidation. It also found the public is  
16 concerned that consolidation will produce even more  
17 bias into a media world they already consider too  
18 biased.

19 Now I admit it's unusual to cite polling  
20 data in a Commission proceeding and I don't normally  
21 do it. In this case, though, the law is simple and

0022 clear. We are to promote the public interest. What  
1 the public thinks is, therefore, of great  
2 consequence to fulfilling our statutory obligation.  
3 It would be the height of arrogance for those of us  
4 here inside the beltway in this building to assert  
5 that somehow we know better what's good for the  
6 public than they know for themselves.

7 If we ignore what we've heard across the  
8 nation and what we're about to hear today, all of  
9 our hearings would have been a sham to provide cover  
10 for a pre-determined outcome. We must listen to the  
11 public. It's not just a moral obligation, it's the  
12 law.

13 So the Commission welcomes all of you  
14 here today and all of our guests who are going to  
15 speak. I hope we won't just listen with an open  
16 mind, but we'll factor what you say into our  
17 actions. Listening to you while commendable is the  
18 easy part. It's actually taking what you say and  
19 acting on it that seems to be the most difficult



21 part.

22 So thank you all for coming and joining  
0023 us here today.

1 KEVIN MARTIN: Thank you.

2 Commissioner Tate.

3 DEBORAH TAYLOR TATE: Thank you,

4 Mr. Chairman, I want to add my welcome to all of you  
5 all who are here, our esteemed panelists and members  
6 of the public who will be meeting. The gentleman  
7 from Virginia and I are new to the Commission, since  
8 you all have been involved with this process and so  
9 we're really here to listen to you all today.

10 This is, of course, the last of our six  
11 localism hearings and thank you all for all the time  
12 that you've taken to participate, to comment and to  
13 be here today.

14 Since October of 2003, the FCC has held  
15 hearings all across America. The process actually  
16 started years before I arrived at the FCC and has  
17 continued throughout my tenure from Monterey,  
18 California, to Portland, Maine, literally from sea  
19 to shining sea we've heard from hundreds, if not  
20 thousands, of American citizens on this important  
21 issue.

22  
0024 And while the debate gets passionate,  
1 often, I think that there's certainly something that  
2 we all agree on and that is the importance of local  
3 news and local information to citizens, to every one  
4 of us as consumers in every corner of America.

5 It's the local news outlets that know  
6 our communities best. They provide the types of  
7 information on which citizens can rely, local  
8 weather and traffic, local high school football  
9 scores, community events, school programs, local  
10 political races and on and on. There are also many  
11 times first responders in time of crisis, whether  
12 it's a crime or a weather disaster or public health  
13 emergency, local news outlets are the first to  
14 communicate often critical information to their  
15 citizens.

16 Having grown up in a very small town, a  
17 small media market, I saw firsthand the importance  
18 of localism in a small market. Listening to WGNS  
19 every morning on the way to school, I heard who,  
20 local owners, local news, local agricultural prices,  
21 local births and, sadly, local deaths and it's

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1 precisely what you hear today when you visit that  
2 station.

3 Today's hearing will take a look back at  
4 all the information that we have gleaned from our  
5 hearings and is in the record and attempt to analyze  
6 those findings.

7 I, like Commissioner Adelstein, hope  
8 that we will consider our own minority and diversity  
9 committee recommendations that they have made. I  
10 thank them for their hard work over the past few  
11 years and I hope that we will consider those  
12 recommendations in the short-term.

13 I'm glad that we have taken such a  
14 thorough, such a long and measured approach to this

15 process because that is important to do. But it is  
16 time for us to get down to work and I look forward  
17 to joining any colleagues in crafting rules that  
18 recognize the global nature of the world in which we  
19 live, while meeting our commitment to localism.

20 Thank you, Mr. Chairman.

21 KEVIN MARTIN: Thank you, Commissioner  
22 Tate.

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1 Commissioner McDowell.

2 ROBERT McDOWELL: Thank you,  
3 Mr. Chairman. In the observance of time, I want to  
4 hear from ya'll, so I'll truncate my remarks and  
5 just put the whole statement in the record, if  
6 possible, but I do want to thank each and every one  
7 of you for coming here to the Commission today.

8 This is an extremely important issue.  
9 This is an extremely personal issue for me to have a  
10 localism hearing here in Washington, D.C., which is  
11 my home town media market. This is where I was born  
12 and raised and actually the McDowell family has  
13 worked in the Washington media market.

14 My mother, Martha Shay McDowell, worked  
15 for the Washington Post in the 1970s, a local  
16 newspaper some of you have probably heard of. My  
17 father was a senior editor for National Geographic  
18 Magazine, an international publication, and I was an  
19 intern, an intern, no less, for WMAL and WTOP radio.

20 And the moral of that story is be nice  
21 to your interns because some day they might grow up  
22 to regulate you.

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1 In any case, looking forward to all your  
2 remarks and when we get to the public comment period  
3 as well and without further ado, Mr. Chairman, on  
4 with the show.

5 KEVIN MARTIN: Thank you and thank you  
6 all for participating in this important hearing.

7 All of ya'lls thoughts and advice are  
8 going to be critical to us as we go forward.

9 Establishing and maintaining a system of  
10 local broadcasting that is responsive to the unique  
11 interests and needs of individual communities is an  
12 extremely important policy goal for the Commission.  
13 Indeed along with competition and diversity,  
14 localism was one of the three goals that underlies  
15 all of our media ownership rules.

16 The Commission is currently engaged in a  
17 review of these rules and the testimony we're going  
18 to hear today, along with that of all the previous  
19 localism hearings, is going to inform the  
20 Commission's decision-making not only in the  
21 localism proceeding, but also in the media ownership  
22 proceeding.

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1 With that, I'd like to take a moment to  
2 review with you the work and the process the  
3 Commission has done to date on these related  
4 proceedings on media ownership and localism.

5 In 2003 when we last conducted a review  
6 of the media ownership rules, many people expressed  
7 concerns about the process and specifically people  
8 complained that there weren't enough hearings, that

9 not enough studies were done and there wasn't enough  
10 opportunity for public comment and input.

11 And when we began this process last  
12 year, the Commission, this process on ownership last  
13 year, the process on localism several years ago, the  
14 Commission committed to conducting this proceeding  
15 in a manner that was going to be open and  
16 transparent and that would allow for ample public  
17 participation.

18 And I think that's what the Commission  
19 has done. As a part of the current review of the  
20 media ownership rules, we've held five hearings  
21 around the country, costs more than 150,000 dollars,  
22 we've listened to and recorded thousands of public

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1 comment. We've spent almost 700,000 dollars on  
2 10 independent studies and we put all those studies  
3 out for comment and made all of the underlying data  
4 available to the public.

5 Several times we've filed, we've allowed  
6 for extensions of time to file comments in the  
7 record and to date, we've received over 162,000  
8 written comments in the proceeding.

9 Similarly, I committed to completing the  
10 full inquiry on localism, something that was  
11 initiated but stopped under the previous Chairman.

12 Now today we're holding the 6th planned  
13 hearing on the topic and all told the Commission  
14 has devoted more than 160,000 to the hearing from  
15 expert witnesses and members of the public on  
16 broadcast service to their local communities, we've  
17 spent another 350,000 dollars on gathering data that  
18 again will be used in localism and on the studies  
19 that were conducted on media ownership, along with  
20 the specific localism paper, study that was done by  
21 Simon Anderson at the University of Virginia on  
22 localism and welfare which we made available last

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1 December.

2 Now I know that localism is important  
3 to, to many broadcasters who recognize their own  
4 success depends on responding to the needs and  
5 interests of their local community. And most  
6 broadcasters do a good job both airing programming  
7 of unique interest to their local community, more  
8 generally by contributing the sense of community in  
9 their local areas. But it has become apparent,  
10 however, that some broadcasters aren't doing all  
11 they can or all they should in serving their local  
12 communities.

13 And, thus, I've already proposed the  
14 Commission to take a number of policy changes and  
15 rule changes to ensure that broadcasters better  
16 serve their local communities.

17 And these actions are designed to  
18 enhance the ability of local citizens regarding --  
19 regardless of gender or race to access the broadcast  
20 medium to reach their communities, to improve the  
21 communication between broadcast licensees and their  
22 local communities and identifying local programming,

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1 and to ensure that vitally important local  
2 information and viewpoints are provided to the

3 communi ty.

4 So in order to ensure that American  
5 people have the benefits of a competitive and  
6 diverse media marketplace that serves their local  
7 communities, we need to create more opportunities  
8 for different, new and independent voices to be  
9 heard. We need to address the concern that  
10 consolidation has limited the number of local  
11 outlets available to minorities and new entrants.

12 The limited number of channels available  
13 in the broadcast television and radio spectrum bands  
14 and the high start-up costs of building a station  
15 are significant barriers to entering into  
16 broadcasting. It can be very difficult for anyone,  
17 nonetheless a new voice, to find an available  
18 channel and gather enough capital to build or buy a  
19 new broadcast station.

20 That's why that I propose to the other  
21 Commissioners and the Commission adopted earlier  
22 this year the recommendation that Congress, that it

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1 create and renew its new -- its tax certificate  
2 program designed to encourage small firms, including  
3 those owned by minorities and women, to acquire  
4 communications businesses, including broadcast  
5 stations.

6 We all know that providing tax  
7 advantages has worked in the past to encourage  
8 greater diversity of ownership and to open the doors  
9 for entry by small businesses, including  
10 disadvantaged firms and entities owned by women and  
11 minorities.

12 As detailed in our recent Section 257  
13 report to Congress, I support the establishment of a  
14 new program that would permit the deferral of taxes  
15 on any capital gains involved in such a transaction,  
16 as long as the gain is re-invested in a qualifying  
17 communications entity.

18 The new program would also provide tax  
19 credits to sellers who also are financing it through  
20 small firms and other measures might include  
21 restrictions on the size of the purchaser or minimum  
22 holding period for the purchased licenses or a cap

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1 even on the total eligible value to the transaction.

2 Now I also recognize that we can't rely  
3 on Congress alone to act and I think there's things  
4 the Commission itself can do and take a number of  
5 steps to help small and independently-owned  
6 businesses to overcome these obstacles.

7 First, I think the Commission should  
8 allow these similar qualifying designated entities,  
9 small and independently-owned businesses, to lease  
10 some of an existing television station's excess  
11 digital broadcast spectrum to distribute their own  
12 programming.

13 This new station would be able to air  
14 its own programs and obtain all the accompanying  
15 rights and obligations of other broadcast stations,  
16 such as public interest obligations and the ability  
17 to carry, and the requirement to carry local  
18 programming.

19 Now there's already a real world example

20 of a similar type of arrangement. Post Newsweek  
21 provides for carriage of Latino alternative TV, LATV  
22 programming on its multi-cast channels in Miami,

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1 Orlando, Houston, San Antonio and I've circulated a  
2 proposal to permit this practice last March and  
3 continue to encourage all my colleagues to adopt it.

4 Now while we also should continue to  
5 look for ways to facilitate minorities ability to  
6 purchase full power broadcast stations like the tax  
7 certificate, this ability to lease broadcast  
8 channels could quickly open up capacity in local  
9 communities all across the country, considerably  
10 enhancing the ability of small and  
11 independently-owned businesses and other qualified  
12 designated entities to reach their entire community  
13 with a free programming stream.

14 Now the Commission already has in place  
15 similar policies to create additional opportunities  
16 in radio and cable through leased access rules and  
17 low powered FM and I believe that these rules could  
18 actually be changed to be, provide more useful and  
19 to provide for additional access as well.

20 In response to some of the concerns  
21 expressed by my, my, my colleagues and by some of  
22 the members of the panel today, like the Media

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1 Access Project, we propose that soon the Commission  
2 is going to amend its leased access rules and its  
3 program carriage rules to be more effective.  
4 Neither of these regulatory regimes have  
5 successfully achieved their intended goal of  
6 facilitating the ability of diverse and local  
7 viewpoints to reach their local audiences and  
8 critics have long argued that the local leased  
9 access regime has dramatically been underutilized  
10 because of an artificially high rate.

11 And I also have heard from many  
12 potential programmers that the program carriage  
13 rules are ineffective and because of a distorted  
14 complaint process and we'll address that issue as  
15 well.

16 Now the low power FM rules, too, I think  
17 can be improved. While they've been a significant  
18 success in local communities, I think they can be  
19 improved. Again, as Prometheus and the Media Access  
20 Project have noted, there are things we can do to  
21 amend our rules to promote better entry and ensure  
22 local responsiveness on the radio side.

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1 Now last January I actually proposed to  
2 all of my Commissioners and it's still pending  
3 before us to amend our LPFM rules, to take a series  
4 of steps, all of which were recommended by  
5 Prometheus and the Media Access Project, to do  
6 things like eliminating the rule prohibiting the low  
7 power FM transfers and assignments, to allow the  
8 sale of, of those, to reinstate the original low  
9 power FM rule that all authorization holders be  
10 local to the community and limit ownership to one  
11 station per licensee, to clarify that repetitive and  
12 automated programming doesn't meet the local  
13 origination requirements, to prohibit the programs

14 from being broadcast more than twice to meet the  
15 local origination requirements, to expand the  
16 definition of local for, for rural communities, to  
17 permit AM broadcast stations to operate on FM  
18 translator stations, to permit some changes of more  
19 than 50 percent of the membership of the governing  
20 Board, and finally, to impose a cap on the number of  
21 applications accepted into the, in the 2003  
22 translator filing window, thereby protecting LPFM

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1 service.

2 And I think it's important that almost  
3 all of those proposals that again have been pending  
4 before the Commission for almost a year were all  
5 advocated by some of the members of the panel today.

6 We've also heard from, recommendations  
7 from our, the Commission's Diversity Federal  
8 Advisory Committee and the Minority Media and  
9 Telecommunications Council that we take some  
10 additional steps to facilitate the ability of  
11 qualified designated entities to more easily get  
12 into broadcasting and I think that we've tried to be  
13 responsive.

14 Last March, again, I proposed to the  
15 Commission and it's still pending before all my  
16 Commissioners if they would all vote it, that they  
17 take several other policy changes and rule changes  
18 to implement their exact recommendations.

19 For example, we proposed that we allow  
20 these designated entities to purchase expired  
21 construction permits and be allotted additional time  
22 to construct and build those broadcast facilities.

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1 I've also proposed that we amend our,  
2 our attribution rules to allow for additional  
3 financing of our so-called equity plus debt rule.  
4 Again, this was something that was, that was urged  
5 on us by the Diversity Federal Advisory Committee  
6 and by minority and media and telecommunications  
7 advocates that would assist those small businesses  
8 in acquiring broadcast stations, retaining existing  
9 stations and building out these construction permits  
10 that are available.

11 All of these proposals were suggested by  
12 outside advocacy groups and have been pending at the  
13 Commission already for more than six months.

14 I've also heard from the Coalition of  
15 Public Interest Groups that broadcasters should air  
16 a certain amount of different types of content to  
17 ensure they are being locally responsive.

18 Well I do have some concerns with some  
19 types of mandatory minimums, for example,  
20 requirements for free air times for politicians.

21 I did propose last March that the  
22 Commission make a comprehensive change to the kind

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1 of information that broadcasters have to report in  
2 their process for their renewal. If broadcasters  
3 mean it when they tell us they're already providing  
4 local programming, local news and local information,  
5 then they shouldn't object to telling the Commission  
6 in detail what they're actually doing.

7 And specifically I propose that

8 broadcasters complete and provide every quarter an  
9 enhanced form in which they would describe and  
10 specify the local civic affairs programming, the  
11 local electoral affairs programming, the amount of  
12 public service announcements they're providing,  
13 whether they're for free or whether they've been  
14 paid and independently produce programming that the  
15 station airs that would be meeting the needs of its  
16 local audience.

17 And I think the most important step is  
18 to first require the broadcasters to be providing  
19 that information on a detailed basis. And I think  
20 that broadcasters would need to provide this  
21 enhanced information not only in their file, but  
22 also in their, on their Websites and make them

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1 available on their broadcast stations, association's  
2 Websites, as well.

3 Now, I've also circulated a number of  
4 other proposals to my fellow Commissioners aimed at  
5 enhancing citizens acts as to and broadcast carriage  
6 of local programming, I've circulated proposals to  
7 amend carry rules to ensure the ability of consumers  
8 to access all of their free local broadcast  
9 channels.

10 I see that Jim Goodman is here and I  
11 know that some of the good work that he's doing down  
12 in Raleigh in providing additional local information  
13 on his multi-cast signals and I think the ability to  
14 make sure that those are getting carried to all  
15 consumers is an important aspect of being able to  
16 make sure that broadcasters have the opportunity to  
17 provide that programming.

18 And I also circulated a proposal to  
19 clarify that all local broadcasters can refuse to  
20 air any network programming in order to make sure  
21 that they're airing programming of greater local  
22 concern to their communities.

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1 And finally, last March I also  
2 recommended that the Commission adopt a notice to  
3 consider requiring a physical presence of, so  
4 someone's actually at every broad -- radio  
5 broadcasting facility during all hours of operation.  
6 Requiring that all radio stations be attended would  
7 only increase the ability of the station to provide  
8 information of a local nature in the community and  
9 it would particularly be important during the event  
10 of a severe emergency, a local weather emergency or  
11 any other kind of local emergency that there be a  
12 requirement that all operations be attended will  
13 increase the likelihood that each broadcaster would  
14 be capable of relying -- relaying critical  
15 life-saving information to the public.

16 And I think this would address some of  
17 the concerns that have been raised by what, for  
18 example, happened in, in Miami that Commissioner  
19 Adelstein raised concerns about.

20 Now I think the FCC needs to be  
21 committed to ensuring that broadcasters adequately  
22 serve their local communities and to expand

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1 opportunities for entry into media ownership and

2 media programming and to that end, I believe we  
3 should act on the issues that I've already discussed  
4 today. And I appreciate that many of you have put  
5 those ideas forward and will continue to put forward  
6 additional recommendations and I think there is yet  
7 more to be done.

8 Now the proposals I've made thus far are  
9 not the end of the story, but we should not be  
10 inactive as we continue to receive further input.  
11 We can and should move forward on the proposals that  
12 are currently before the Commission.

13 I have high hopes that working with all  
14 my colleagues and others we'll be able to continue  
15 to make progress on these issues as again, as I  
16 said, many of these are proposals that have been put  
17 forth by the, many of the panelists today.

18 Finally, before we begin with the Media  
19 Bureau's presentation and the panels, which I very  
20 much appreciate their, their willingness to come  
21 forward, I want to respond to two of the things that  
22 were raised by some of my fellow Commissioners.

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1 First, Commissioner Copps I think said  
2 he wanted to understand what the final outcome of  
3 this would end up being, including I think he said  
4 both an NPRM with specific recommendations in the  
5 timetable for final Commission action and I think  
6 that those are the kind of things that I think that  
7 we are going to be committed to end up being doing.  
8 And Commissioner Adelstein raised two points to  
9 respond to, first he said that he cited polling data  
10 only here because it was what the law required  
11 because we have to act in the public interest.

12 Actually, everything we have to do here  
13 is in the public interest, so to the extent that  
14 the, what the public thinks about it in polling  
15 data, it would be just as applicable that everything  
16 that we do, so while I don't disagree that the  
17 public interests and polling data should matter  
18 here, it should matter everywhere, because we always  
19 have to act in the public interest. That's your  
20 underlying fundamental requirement here at the  
21 Commission.

22 Whether it's on this issue or on what a

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1 majority of people think about issues like  
2 (inaudible).

3 And finally, he said that he had been  
4 prohibited from meeting with the staff people that  
5 were in charge of the localism issue; well that's  
6 not true at all. The person who's in charge of it  
7 now under Chairman Martin is not the same person who  
8 was in charge of it under Chairman Powell.

9 And he's more than happy to meet with  
10 Monica Desai any time he'd like to because she's the  
11 staff person who has been in charge of this program  
12 and these issues since I ended up becoming Chairman.

13 So with that, I actually I want to turn  
14 it over to Monica Desai to begin to do a summary of  
15 where we are on some of the local issues and the  
16 issues that have been raised so far in the record.

17 MONICA DESAI: Good morning,  
18 Mr. Chairman, and Commissioners.



19 In August of 2003, the Commission  
20 launched a localism in broadcasting initiative to  
21 review localism practices among broadcasters. As  
22 part of this proceeding, on July 1st, 2004, they

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1 issued a notice of inquiry on the subject. The  
2 Media Bureau is reviewing the record in this  
3 proceeding to date.

4 At the table with me are Bill Friedman  
5 and Jeremy Kisel of the Media Bureau. Jeremy will  
6 summarize the record to date.

7 JEREMY KISEL: Good morning,  
8 Mr. Chairman, and Commissioners.

9 Sorry.

10 During the course of the 2002 review of  
11 its structural broadcast ownership rules, the  
12 Commission received public comments indicating that  
13 broadcasters may be failing to meet the needs of  
14 their local communities.

15 In response the Commission opened a  
16 separate inquiry proceeding to seek input on a  
17 number of issues related to broadcast localism. It  
18 sought input from the public on how broadcasters  
19 communicate with the members of the communities that  
20 they serve to identify interests and needs and how  
21 well they are treating those issues in their  
22 programming, including specific questions about

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1 political programming and the state of broadcast  
2 service to all community segments, large and small.

3 The NOI asked whether the Commission  
4 should adopt new policies, practices or rules  
5 designed directly to promote localism in  
6 broadcasting and if so, what those policies,  
7 practices or rules should be.

8 In the alternative, it inquired if it  
9 should continue to rely on market forces in the  
10 existing issue responsive programming requirements  
11 that ensure that broadcasters meet their localism  
12 obligations.

13 To date the Commission has received more  
14 than 82,800 written comments from broadcasters,  
15 broadcast industry organizations, public interest  
16 groups and members of the public. Many broadcast  
17 entities submitted information outlining the process  
18 that each follows to determine the needs and  
19 interests of people within their respective  
20 communities of license. Licensee commentors also  
21 provided detailed data concerning the amount, nature  
22 and variety of the programming that each station

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1 airs to meet local needs.

2 A number of public interest  
3 organizations submitted studies of various aspects  
4 of the nature and quality of local broadcast  
5 programming today, many questioning the performance  
6 of broadcasters.

7 In addition to these written comments,  
8 the Commission has conducted five localism field  
9 hearings throughout the country, in Charlotte, North  
10 Carolina, San Antonio, Texas, Rapid City, South  
11 Dakota, Monterey, California, and Portland, Maine.

12 Of course the 6th hearing is being

13 conducted here today in Washington, D.C.  
14 During these proceedings attended by  
15 various Commissioners and Commission staff, the  
16 Agency has engaged in dialogue with industry and  
17 civic leaders, broadcasters and academics as well as  
18 members of the public to obtain information  
19 concerning the issues articulated in the NOI.

20 To date, the hearings have included  
21 75 formal presentations from scheduled panelists as  
22 well as 391 open mic presentations from anyone else

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1 in attendance who wanted to be heard.

2 The written materials and transcripts of  
3 the oral testimony gathered at those hearings as  
4 well as all written comments filed in response to  
5 the NOI have been placed into the record in the  
6 localism proceeding and are available on the  
7 Commission's Website.

8 Some commentators state their belief that  
9 broadcasters take seriously their obligation to air  
10 locally responsive programming and that many  
11 broadcasters have been inventive in airing locally  
12 oriented news, public affairs and political  
13 programming.

14 For example, they note that some  
15 broadcasters participate in formal meetings  
16 sponsored by the respective State broadcasters  
17 associations at which community leaders, local  
18 politicians, executives of non-profit organizations,  
19 representatives of minority groups and public  
20 interest advocates share the issues that they  
21 believe to be important with them, while others  
22 periodically conduct focus groups and annual viewer

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1 tracking phone calls that seek feedback and the  
2 identification of community interests.

3 Other commentators state that broadcasters  
4 include regular and proactive news reporting on  
5 local stories, information about weather  
6 emergencies, weekly programs and specials and  
7 material focusing on minority groups or children.

8 Some state that stations also provide  
9 access to political candidates with programming  
10 featuring candidates and other political experts  
11 discussing issues of the day.

12 Some commentators note that broadcasters  
13 also provide local groups and non-profit  
14 organizations with support in media access. Some  
15 licensees state that their public interest  
16 programming includes news magazines, consumer  
17 segments during newscasts and other non-traditional  
18 formats that are more likely to engage their  
19 audiences and provoke interest in and discussion of  
20 important local events and issues.

21 Other commentators note that broadcast  
22 stations provide crucial information in the case of

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1 emergencies and must continue to serve this public  
2 safety role in their weather and other programming.

3 In addition, many stations have reported  
4 that they offer programming directed to underserved  
5 elements of their audience, such as minority groups  
6 and the economically disadvantaged.

7 A number of commentators indicate that  
8 stations face increased competition from  
9 nationally-oriented program sources such as cable  
10 and satellite.

11 Other commentators, however, state that  
12 broadcast licensees devote little time to meeting  
13 these important obligations. These non-licensee  
14 commentators contend that stations are making  
15 inadequate efforts to serve their local communities  
16 and question the validity of claims by broadcasters  
17 that they are providing substantial locally-oriented  
18 programming.

19 Instead, these parties maintain that  
20 financial considerations exacerbated by the  
21 de-regulation of broadcasting that began in the  
22 1980s have resulted in a critical decrease in the

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1 quality and quantity of programs offered by  
2 licensees that is responsive to the needs and  
3 interests of the communities that they serve.

4 Commentors note what they perceive to be  
5 a continual decline in the amount of local and  
6 network broadcast news coverage of substantive  
7 campaign election issues in recent years as well as  
8 the local -- lack of local public affairs  
9 programming especially in underserved communities.

10 Some commentors also note the lack of  
11 programming diversity and criticize broadcasters for  
12 barring access by independent producers of  
13 programming and for not developing and promoting  
14 local artists.

15 As noted in the NOI, it is the  
16 obligation of the Commission to ensure that  
17 broadcasters affirmatively meet their obligations to  
18 serve their communities of interests. We believe  
19 that the record in this proceeding provides valuable  
20 guidance to assist the Commission in obtaining that  
21 objective.

22  
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We at the Media Bureau look forward to  
1 hearing from the witnesses that are scheduled to  
2 speak today and after considering their views and  
3 the rest of the record, evidence in this proceeding,  
4 sharing with the Commission our recommendations in  
5 our localism report.

6 Thank you.

7 KEVIN MARTIN: Thank you. At this point  
8 we're going to end up turning it over to our  
9 moderator, Lou Sigalos.

10 JONATHAN ADELSTEIN: Mr. Chairman, you  
11 might have some questions for the Bureau.

12 KEVIN MARTIN: What's that?

13 JONATHAN ADELSTEIN: I think we might  
14 have some questions for the Bureau, I don't know --

15 KEVIN MARTIN: Did you want to --

16 MICHAEL COPPS: Well I'd just be  
17 curious, it sounds like, I heard we had 82,000 or  
18 162,000 or however many comments in, I'd like to be  
19 clear on what that public record is and in very  
20 general terms you expressed some of the concerns,  
21 but what are the two or three themes that really  
22 stand out, what are the areas of public concern is

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1 question number one.

2 And then number two, as you look at the  
3 record of the five specific markets that we visited,  
4 are you able to make any differentiations between  
5 those markets that we visited in terms of the  
6 presence or absence of localism, where the  
7 satisfaction or dissatisfaction of the people who  
8 live there with the amount of localism that they are  
9 receiving or not receiving?

10 MONICA DESAI: Well I'll respond to your  
11 second question first, which is whether we've seen  
12 any differentiation among the different markets and  
13 that, we'll have to get back to you on that one,  
14 we'll have to take a look at the record in that  
15 regard and try to distinguish that way.

16 With respect to the first question, some  
17 general themes or areas of concern, as Jeremy noted  
18 in his report, you know, some commentators suggest  
19 that broadcasters don't devote enough time to  
20 meeting obligations related to localism.

21 They say that there needs to be more,  
22 some commentators say there need to be more

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1 locally-oriented programming. They, they also, some  
2 commentators complain about the decline in the amount  
3 of local and network broadcast news coverage of  
4 issues such as campaign and election related issues.

5 And then there's also commentators, there  
6 are a group of commentators who note, who suggest that  
7 there's a lack of programming diversity and  
8 criticize broadcasters for barring access by  
9 independent producers of programming and for not  
10 developing and promoting local artists.

11 MICHAEL COPPS: When the localism task  
12 force was announced back in 2003, it was stated that  
13 it would conduct studies to rigorously measure  
14 localism and how it may be affected by FCC rules and  
15 report back within 12 months. Obviously we didn't  
16 make the 12 months, but how many studies have, have  
17 been done in pursuit of the localism initiative?

18 KEVIN MARTIN: Monica?

19 KEVIN MARTIN: Commissioner Copps, if I  
20 can, if I can enter a response.

21 As you indicated, Chairman Powell had  
22 said that he would produce a significant number of

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1 studies and produce them within 12 months of the  
2 time this was initiated in 2004. As you know,  
3 because we were both on the Commission at the time,  
4 when I took over as Chairman in March of 2005, that  
5 time frame had expired and indeed we were supposed  
6 to have already completed the entire localism  
7 proceeding and those studies had not been conducted.

8 As a matter of fact, there was one study  
9 that was conducted by Professor Simon Anderson at  
10 the University of Virginia, that was submitted to us  
11 as a first draft, it's been published since last  
12 December.

13 The other data that was gathered is the  
14 data that was actually used for the 10 studies that  
15 were, for some of the 10 studies that were done in  
16 the ownership proceeding.

17 But you're right, when Chairman Powell

18 left, those studies had not been conducted.  
19 MICHAEL COPPS: My only point is the  
20 necessity to proceed carefully here. I know we have  
21 the one study that was done by Simon Anderson, I  
22 think it's 20 pages long.

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1 I doubt that it's been peer reviewed,  
2 correct me if I'm wrong, and I think questions like  
3 are there differences between the markets that we  
4 visited are really important.

5 Are there differences between big cities  
6 and small cities in terms of our public interest  
7 oversight responsibilities.

8 So I hope as you go through this record,  
9 all 80 or 160,000 comments, whatever it is, you do  
10 so deliberately, as I said before, all deliberate  
11 speed, I'm all for that, but I don't want to rush to  
12 any conclusions here if we haven't done the research  
13 or we haven't really combed the record and looked  
14 for those kind of differentiations and nuances that  
15 are going to be so vitally important in forming the  
16 record and forming the wisdom of any decisions that  
17 we may make.

18 KEVIN MARTIN: Of course. Of course  
19 since, since Monica Desai and the Bureau aren't  
20 making any recommendations today, since, since all  
21 they're doing is just a brief summary of what we've  
22 already done, of course they'll end up doing that

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1 for --

2 MICHAEL COPPS: I look forward to it.

3 KEVIN MARTIN: So I wouldn't, like I  
4 think she always ends up doing when she's leaving  
5 the Bureau, I'm confident she'll be end up doing  
6 that.

7 JONATHAN ADELSTEIN: I had a question  
8 about the record, as well.

9 KEVIN MARTIN: Sure.

10 JONATHAN ADELSTEIN: You've looked at  
11 the 162,000 comments I take it that have been  
12 submitted and studied into the record. The question  
13 is out of those comments that were received, how  
14 many public witnesses called in the localism  
15 proceeding for loosening of the media ownership  
16 limits as a means of enhancing localism?

17 MONICA DESAI: I have to get back to you  
18 on that.

19 JONATHAN ADELSTEIN: How about at the  
20 public hearings, just if we just looked at the  
21 public hearings that were held, the public witnesses  
22 that came up, did any public witness say that it was

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1 a good idea to loosen the ownership rules in order  
2 to enhance localism, because I think you and I  
3 attended all of them?

4 MONICA DESAI: I actually haven't  
5 attended all of them, I've been in the Bureau for  
6 about six months, but I'll have to go back and check  
7 the transcript of all of the witness testimony and  
8 then I'll get back to you on that.

9 KEVIN MARTIN: I think that, Jonathan, I  
10 think that when we were in San Antonio I think I can  
11 remember only one, I can remember the reaction of

12 the audience, as well, that's the reason why I  
13 remember there was only one that I think called for  
14 it, so, so, but certainly I don't think that there's  
15 been more than a handful at any of the, all of  
16 hearings we've attended.

17 JONATHAN ADELSTEIN: That was my  
18 recollection as well, I appreciate it.

19 KEVIN MARTIN: I think, like I said, I,  
20 and the only reason I can remember one is because  
21 the, the, the boos from the audience when the person  
22 said it in San Antonio was I think the way that we

0059  
1 might recall it.

2 JONATHAN ADELSTEIN: Yeah, I think I  
3 remembered one, but it might have been two or three,  
4 I didn't know if I had missed a couple.

5 KEVIN MARTIN: Well I'm sorry if I  
6 underestimated.

7 JONATHAN ADELSTEIN: You know, just real  
8 quick getting back to you, I appreciate your  
9 response to my concerns about the staff meeting, I  
10 just wanted to clarify, I believe that we should be  
11 able to meet with any staff we want, any time, not  
12 just those that are hand-picked by you or by anybody  
13 else. I think it's important that we have access to  
14 anybody on the staff, they work for the entire  
15 Commission, not just us.

16 KEVIN MARTIN: I think that, Jonathan,  
17 we can end up debating if you'd like, we're taking  
18 time away from our panel as to why we're all here,  
19 but what I would say is that absolutely, but if  
20 you're going to ask questions about a project  
21 they're no longer in charge of and don't know the  
22 answers to and, indeed, they were doing it with a

0060  
1 former Chairman, you're going to not get answers  
2 about where we are, so if you want to talk about a  
3 particular topic that we're working on, they can be  
4 there as well to give you a background, but the  
5 people who are working on it now would need to be  
6 there as well because if not, those answers might be  
7 misinterpreted and, but again, I think at this point  
8 it's probably important for us to try to move on to  
9 the panelists. I know that many of them are anxious  
10 to end up trying to participate.

11 So, I do think it's important to alert  
12 everyone, including the audience, because we're  
13 going to continue this straight on through and move  
14 on to public comment after this, occasionally  
15 individual Commissioners will get up and go to the  
16 restroom or will go get something to drink, but  
17 they'll be right back and we'll continue on straight  
18 through with everyone's public comments after that.

19 And so Louis, if you want to, Louis, if  
20 you could actually proceed now, that would be great.

21 LOUIS SIGALOS: Thank you, Mr. Chairman,  
22 and Commissioners.

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1 As we move to our panel discussion, I'd  
2 like to review the ground rules very briefly.  
3 Panelists, each of you have five minutes  
4 to make your remarks. I urge you to stay within  
5 that time limit in order to leave as much time as

6 possible for the public comment period.

7 Members of the audience, please listen  
8 respectfully to the panelists, even if you disagree  
9 with the views they express. I know that the issues  
10 we're discussing today arouse a lot of passion, but  
11 for this hearing to run smoothly and be successful,  
12 we need to maintain basic decorum and avoid  
13 unnecessary interruptions. I thank you.

14 Participating in this panel are  
15 Marcellus Alexander, executive vice president for  
16 NAB Television, president of NAB Television  
17 Foundati on.

18 Bob Edwards, national first vice  
19 president of AFTRA, hosts the Bob Edwards show XM  
20 satellite radio and former host NPR's morning  
21 editi on.

22 Lisa Fager Bedi ako, president and

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1 co-founder Industry Ears.

2 Kim Grandy, president, National  
3 Organi zati on for Women.

4 Jim Goodmon, president and CEO, Capital  
5 Broadcasti ng.

6 Wade Henderson, president and CEO,  
7 Leadershi p Conference on Civil Rights.

8 Dan Isett, director of corporate and  
9 Government Affairs, Parents, Televi si on Council.

10 Reverend Jesse L. Jackson, Seni or,  
11 presi dent and founder, Rainbow PUSH Coal ition.

12 Andrew Schwartzman, presi dent and CEO,  
13 Medi a Access Project.

14 Christopher Sterling, presi dent --  
15 professor of medi a and public affairs, public  
16 policy, public admi ni strati on, George Washi ngton  
17 Uni versi ty.

18 S. Derek Turner, research di rector, Free  
19 Press.

20 And Mark Cooper, di rector of research,  
21 Consumer Federati on of Ameri ca.

22 Mr. Alexander.

0063

1 MARCELLUS ALEXANDER: Good morni ng,  
2 Chair man Martin, and Commi ssi oners. Thank you for  
3 the opportuni ty to speak wi th you today.

4 My name is Marcellus Alexander, I'm  
5 executi ve vice presi dent for televi si on at the  
6 National Associati on of Broadcasters. I also serve  
7 as presi dent of NAB EF, an organi zati on that  
8 develo ps educati onal programs to help women and  
9 peopl e of color advance in the broadcasti ng  
10 busi ness.

11 During my time in broadcasti ng I've  
12 managed and been part owner of a successf ul radi o  
13 stati on in Detroit and managed televi si on stati ons  
14 in Balti more and Phil adelphi a. I know firsthand the  
15 speci al relati onshi p that exists between broadcaster  
16 and hi s or her communi ty.

17 You've heard from broadcasters around  
18 the country that localism is the heart of everythi ng  
19 they do. Well, believe it. While detractors may  
20 say broadcasters are not provided to committi ng  
21 localism, the volumes of exampl es both in the record  
22 and throughout these heari ngs belie that conclusi on.

0064

1 In addition, such conclusions are inconsistent with  
2 one fundamental economic fact, broadcasters compete  
3 with each other, every minute of every day to  
4 attract local viewers to their station.

5 To do that, local, relevant programming  
6 is essential. Without it, viewers simply change the  
7 channel and go elsewhere in the market to get it.

8 That is why we have one of the most  
9 vibrant over-the-air broadcasting systems in the  
10 world, in fact, the most vibrant. We're proud of  
11 the record established in this proceeding.  
12 Broadcasters in every community and the local  
13 constituents that they serve have appeared in force  
14 to defend their public service record. Governors,  
15 Mayors, Police Chiefs and countless others have  
16 stood behind the broadcasters record of strong  
17 service to their communities in cities as large as  
18 Chicago and as small as Portland, Maine.

19 But it is broadcasters commitment to  
20 their daily local news, local programming and  
21 emergency information during times of crisis that  
22 sits at the center of their local service.

0065

1 Television stations produce more local news than  
2 ever before.

3 In this proceeding, most broadcasters  
4 said that on average they aired 25 to 40 hours of  
5 local news each week. You also heard that beyond  
6 local news programming, radio and television  
7 stations provide a variety of other locally-produced  
8 content, including programming on sports, religion,  
9 the arts and other community-oriented issues.

10 Indeed local broadcasting is enjoying a  
11 renaissance in locally-produced programming.  
12 Broadcasters unique and important role in providing  
13 emergency information was never more evident than it  
14 was during Katrina and the recent California  
15 wildfires. In both of these communities,  
16 broadcasters dedicated themselves to getting  
17 information to those who needed it most.

18 As their own communities burned,  
19 television and radio stations in San Diego and  
20 Los Angeles maintained a constant on-air vigilance  
21 alerting citizens with up-to-the-second changes in  
22 evacuation orders. In fact, aiding emergency

0066

1 officials with one of the largest evacuations in  
2 American history.

3 I'd like to show you an example of just  
4 one of the many broadcasters who covered this event.  
5 Let's go to the video, please.

6 (Video clip playing.)

7 "It was a devastation and loss as fire  
8 storms swept across Southern California and KABC TV  
9 was there from the very beginning. In a crisis, our  
10 local news is the first place people turn for the  
11 information they need to keep safe. They expect  
12 their local station to be there and we do our best  
13 to exceed that expectation with information specific  
14 to the situation, their neighbor, their needs.

15 "On Sunday when the winds began to blow  
16 and the fires broke out, we jumped into action,



17 cancelling regular programming and commercials,  
18 marshalling the full resources of eyewitness news to  
19 bring non-stop coverage of this critical situation.

20 "Over the next three days KABC TV would  
21 air 41 hours of uninterrupted commercial free news  
22 coverage, calling in all available personnel,

0067

1 cancelling vacations and days off and extending  
2 shifts to make non-stop coverage possible. Carried  
3 live, uninterrupted news conferences by the Governor  
4 and local authorities about each fire situation. We  
5 broadcast important information gathered by our  
6 reporters and photographers in the heart of the fire  
7 zone and ran additional live updates and on-air  
8 calls throughout the night.

9 "Our coverage also used the special  
10 technology KABC has been so proud to introduce to  
11 Southern California, our two helicopters provided  
12 the best overview of the unfolding fire situations,  
13 our live Dopler radar showed detailed wind and smoke  
14 patterns allowing viewers to see how the wind storm  
15 was unfolding and affecting the fire and smoke in  
16 the air.

17 "But our use of technology to serve our  
18 viewers didn't stop on air. In this digital age we  
19 created special online tools and resources at  
20 ABC7.com to allow instant 24-hour access to  
21 information on evacuation sites, weather  
22 information, road and school closures and emergency

0068

1 alerts.

2 "Our Web department created a special  
3 interactive Google map with links to all the fire  
4 locations and the stories of information specific to  
5 those fires. We streamed live news conferences and  
6 portions of our live broadcast coverage on our  
7 Website so even those in offices or places without  
8 access to television could get the information they  
9 need. We sent out cell phone text alerts and  
10 E-mailed breaking news weather and headline alerts.

11 "ABC7.com generated nearly 12 million  
12 page views over the last week with nearly a million  
13 and a half unique visitors to our site, most who  
14 came directly to our site. Nearly a half a million  
15 people viewed our fire site Google map. Over  
16 300,000 got information on evacuations and closures  
17 and nearly 300,000 people watched our live streaming  
18 video.

19 "KABC TV's commitment did not stop when  
20 the fires died down, before the week was even over  
21 we had launched an ambitious on-air relief drive in  
22 cooperation with the Red Cross chapters in L.A.,

0069

1 Orange and San Bernadino counties to raise funds for  
2 the fire victims.

3 "I'm glad you guys are doing it for  
4 everybody as well, we appreciate it. We've been  
5 watching the newscasts all week, it's just been so  
6 heart breaking watching all the families and my  
7 heart goes out to them.

8 "So many people are displaced by the  
9 fires and don't have a thing, the normal comforts of  
10 home right now and I think it's really important for

11 everybody to come down here and support, you know,  
12 this was really important to me.

13 "I woke up this morning and they told me  
14 that you guys were doing this and I thought, you  
15 know, I have to come down and support because this  
16 is, these are our neighbors.

17 "That drive raised more than a half a  
18 million dollars in individual contributions and over  
19 3 million in corporate contributions in less than  
20 14 hours. Oh, that's astonishing news here at the  
21 Rose Bowl and now continues as a mail in and online  
22 donation program. The fire storm was unprecedented.

0070  
1 Our responses of the local station was not.

2 "This is our mission as a local station.  
3 This is what we do. KABC TV both on air and online  
4 proved both its commitment and its value to the  
5 Southern California community."

6 The broadcasters are more than conduits  
7 for information. They are local citizens as well.  
8 According to our 2006 broadcast community service  
9 report, broadcasters across the country provided  
10 more than 10 billion dollars worth of community  
11 service last year alone. This is not a contribution  
12 that can be overlooked or swept under the carpet.

13 As we have seen in all of the public  
14 hearings thus far, local charities are universal in  
15 their praise of broadcasters and the work they do to  
16 serve their local communities. Broadcasters carry  
17 diverse viewpoints, some conservative, some liberal,  
18 some young, some old. Broadcasters can serve as  
19 megaphones for social issues in causes as well. NAB  
20 members, including Radio One, ICBC and Howard  
21 University's own WHUR radio, among many others,  
22 rallied support for the Jena 6, impacting the

0071  
1 outcome of that situation. And in Los Angeles, in  
2 other places, Spanish language radio stations helped  
3 organize rallies, galvanizing the Latino community  
4 on immigration issues.

5 Is our industry perfect? Of course not.  
6 Is there room for stations to do more? Absolutely.  
7 Will we ever be able to satisfy all of our critics,  
8 not a chance. In fact, the record of these hearings  
9 show we've been accused of everything from causing  
10 global warming to the mortgage crisis. As Nell  
11 Carter used to say in her show of the same title,  
12 give me a break. We're very proud of the record and  
13 will continue to build on it.

14 But the truth remains only competitively  
15 viable broadcast stations sustained by adequate  
16 advertising revenues can serve the public interest  
17 effectively and provide the local programming so  
18 essential to communities. The capability of local  
19 broadcasters to continue operating profitably in  
20 financially sustainable ownership structures must be  
21 of central concern to the Commission.

22 Again, I appreciate the opportunity to

0072  
1 join you today, I hope that you have found through  
2 this lengthy proceeding as I have in my 25 years in  
3 the business that when broadcasters say they are  
4 committed to localism, they have a record and

5 results to back it up.

6 I believe our record speaks for itself  
7 by the millions of Americans who turn every day to  
8 their local broadcasters for information they need  
9 the most and entertainment they enjoy.

10 Thank you.

11 LOUIS SIGALOS: Thank you,  
12 Mr. Alexander.

13 Mr. Edwards.

14 BOB EDWARDS: I thank the Commission for  
15 this opportunity to testify. My name's Bob Edwards  
16 and I'm testifying on behalf of AFTRA, the American  
17 Federation of Television and Radio Artists, which  
18 represent more broadcast workers than any other  
19 union. I am a proud member and I serve AFTRA as its  
20 national first vice president.

21 The major radio conglomerates argue that  
22 the broadcast ownership caps should be lifted to

0073

1 enable them to respond to increased competition from  
2 satellite radio and the Internet, but this ignores  
3 the local aspect of terrestrial radio broadcasting.  
4 Satellite radio is by definition a national  
5 platform. The strength of terrestrial radio and its  
6 major appeal is that it's local.

7 When it comes to conveying local  
8 information, news, weather and community events,  
9 there is no rural competition between these  
10 platforms. A national satellite broadcaster is not  
11 going to give local communities information about,  
12 for example, their local school board election and  
13 if terrestrial broadcasters continue to consolidate,  
14 local communities won't get that information from  
15 local radio stations either.

16 Localism is inextricably linked with the  
17 rest of the Commission's regulations governing media  
18 ownership, which are also currently under review.  
19 The drive to consolidate ownership of media seems to  
20 ignore the disaster that consolidation has brought  
21 to local news and public affairs and radio in this  
22 country.

0074

1 The Commission should not intensify the  
2 continuing evisceration of broadcast localism as a  
3 result of consolidation by adopting rules enabling  
4 even more consolidation. Although I've spent most  
5 of my career working in public radio, it's  
6 impossible to ignore the fact that commercial radio  
7 and television dominate the airwaves in this  
8 country.

9 It should not be a luxury for  
10 journalists to practice their profession in an  
11 environment that's free from commercial constraints.  
12 I'm well aware that my colleagues who work at  
13 commercial stations take their responsibilities to  
14 local communities very seriously, unfortunately  
15 their employers increasingly focused on the  
16 corporate bottom line don't seem to share that  
17 priority.

18 If the Commission is going to give  
19 large, multi-national companies the right to exploit  
20 the publicly-owned airwaves for profit, it should  
21 consider how those companies have historically

22 behaved when they have been de-regulated. Radio  
0075

1 ownership was largely de-regulated in 1996 to the  
2 detriment of localism in broadcasting. In Chicago,  
3 Westinghouse owned WMAQ AM had been an all news  
4 station since 1989. Westinghouse bought CBS and  
5 later merged with Viacom in the '90s. The merged  
6 company's radio division, CBS radio, then called  
7 Infinity, owned Chicago's only other all news format  
8 station, WBBM AM.

9 In 2000, Viacom, CBS, Infinity,  
10 determined that it was no longer profitable to  
11 compete against itself, so it shut down WMAQ AM,  
12 because WMAQ AM and WBBM AM were the only two all  
13 news format radio stations in Chicago. When Viacom  
14 killed WMAQ AM, it was killing WBBM AM's only  
15 competition, leaving the third largest radio market  
16 in the United States with only one all news radio  
17 station.

18 Although these moves may have been  
19 highly profitable for Viacom, they were hardly in  
20 the public interest. Viacom's radio division, CBS  
21 Radio, also owns both of the only all news format  
22 radio stations in the New York City market.

0076  
1 Although CBS Radio continues to compete  
2 against itself in New York City by maintaining  
3 separate newsrooms, the fact remains that the same  
4 multi-national media conglomerate programs both of  
5 the only all news radio stations in New York. There  
6 is not a separate independent all news format radio  
7 station in the largest radio market in the United  
8 States.

9 These examples and countless more  
10 illustrate that media consolidation has been the  
11 enemy of localism in broadcasting. If the  
12 Commission truly seeks to enhance localism, it  
13 should tighten, not loosen, ownership restrictions.  
14 This much is certain, there exists no compelling  
15 public interest justification at this time for the  
16 Commission to relax its ownership caps and thereby  
17 repeat the mistakes of post 1996 consolidation.

18 The same thing is already happening in  
19 print and television, you have heard AFTRA members  
20 testify at other public hearings across the country  
21 about how media companies that own newspapers and  
22 television stations in the same market routinely

0077  
1 re-purpose and recycle content. You've heard about  
2 how broadcast conglomerates that operate two  
3 stations in a market consolidate newsrooms, fire  
4 journalists and homogenize programming.

5 My colleagues around the country have  
6 been very clear about what these proceedings mean to  
7 us and I hope you've been listening.

8 If you further de-regulate media in this  
9 country, networks, broadcast stations and newspapers  
10 will continue to consolidate, resulting in fewer  
11 voices heard by citizens. If you permit this  
12 consolidation, television stations and newspapers  
13 will behave as commercial radio owners behaved when  
14 they were largely de-regulated. They will adopt a  
15 business model that shuts out local news and

16 entertainment in favor of national homogenized  
17 programming.  
18 If commercial media are given the  
19 unfettered right to abandon their obligation to  
20 serve the public interest, they will do just that.  
21 Please do not let this happen.

22 Instead, please proceed in a deliberate  
0078 fashion, keeping in mind the public interest, not  
1 corporate profitability. Accordingly, I would urge  
2 the Commission to not fast track its consideration  
3 of the real and lasting impact that further  
4 consolidation would have on localism in  
5 broadcasting.

6  
7 The health and robustness of American  
8 media is riding on your decision and I thank you  
9 very much for this opportunity to testify.

10 LOUIS SIGALOS: Thank you, Mr. Edwards.  
11 (Applause)

12 Ms. Bediako.

13 LISA FAGER BEDI AKO: Thank you, hello,  
14 my name is Lisa Fager Bediako. I'm the president  
15 and co-founder of Industry Ears. I want to thank  
16 you for the opportunity to testify this 31st day of  
17 October which many of you recognize as Halloween,  
18 however today is also the last day of Domestic  
19 Violence Awareness Month. I'm wearing red today to  
20 break the silence and symbolically scream for women  
21 of color who have suffered.

22 Most recent stories of Megan Williams

0079  
1 who was kidnapped, brutally raped and tortured and  
2 held by six assailants for a month in West Virginia  
3 and the mother living in Dunbar housing projects in  
4 Florida who was repeatedly gang raped in front of  
5 her son. These stories and other about women of  
6 color and people of color receive little to no media  
7 attention in this vast consolidating media  
8 environment.

9 Women of color and people of color are  
10 treated as if they are invisible, unimportant, a  
11 last thought.

12 Industry Ears is a non-profit,  
13 non-partisan and independent organization which is  
14 focused on the impact media has on communities of  
15 color and children since 2003. My co-founder, Paul  
16 Porter, and I have collectively more than 40 years  
17 of experience working for national and local media  
18 outlets. Using our insiders knowledge, we created  
19 Industry Ears and IndustryEars.com to address the  
20 myths, misconceptions about how media and  
21 entertainment industries operate and more  
22 importantly, to develop effective means to combat

0080  
1 the negative consequences of harmful media messages  
2 and images on children.

3 For decades radio was a media source for  
4 people of color. The civil rights movement relied  
5 on radio stations to report what other stations  
6 would not. It also gave voice to black leaders and  
7 concerned citizens. Now Clear Channel and Radio  
8 One, the two largest urban radio format  
9 conglomerates, have eliminated news.

10 Last year, for example, throw the  
11 clip -- just kidding. I didn't know we could bring  
12 bells and whistles, or else I would have brought my  
13 own video and it would have been fabulous.

14 Last year when Korea was reported to  
15 having launched several missiles towards the United  
16 States, the number one story on urban radio was the  
17 release of Little Kim from jail, with no mention of  
18 the seriousness of what was going on in our country.

19 The lack of localism has affected people  
20 of color more than any other format in urban radio.  
21 Over 75 percent of urban radio stations carry  
22 syndication and what this does is it limits, it

0081

1 limits our voices, our -- it also limits jobs for  
2 people of color and others who want to work in  
3 radio, in urban radio. Syndication has not only  
4 caused a disproportionate loss of industry jobs, but  
5 more importantly stifled news and information to  
6 local communities. For decades radio -- I'm sorry.

7 I was only asked to be on the panel  
8 yesterday, so my testimony is still in development.  
9 Again, as a woman of color, it's just another  
10 metaphor of what is going on now in media and in  
11 other things in our community.

12 I want to get back to public service  
13 obligations. We, I heard that word used and I'd  
14 like to see right now it's a lot about public  
15 service obligations are limited to Sunday at 5 a.m.  
16 I love Reverend Jackson's show but unfortunately in  
17 some markets he is on at 5 a.m. in the morning on  
18 Sunday and I'm not sure that that is a, you know, a  
19 huge listener, listenership at that time.

20 Washington, D.C., is a great example of  
21 what consolidation and a lack of localism has  
22 created for communities of color. The nation's

0082

1 Capitol overshadows local issues. The public  
2 airwaves are a vital communications source to local  
3 communities. African-Americans, which is, which are  
4 the largest segment of the D.C. population, listen  
5 and watch more TV and radio than any other ethnic  
6 group.

7 In this market, D.C. is a top 10 market,  
8 we have four urban radio stations, three out of the  
9 four have syndicated programming and only one out of  
10 the four has news coverage.

11 I also want to, also make note of what  
12 happens with syndication. Syndication is easier to  
13 stop one voice than it is 100 independent voices in  
14 100 markets. Also what we have going on are  
15 national playlists that are permitted and encouraged  
16 by corporate (inaudible) practices which, which,  
17 which is supported by tons of evidence, uncovered by  
18 former Attorney General Elliott Spitzer and current  
19 Governor of New York City, but unfortunately these  
20 corporate violators have, are Federal violators of  
21 the law have only received a slap on the wrist from  
22 the FCC.

0083

1 Our Attorney General up in New York was  
2 able to get 36 million dollars in fines and our  
3 Federal organization here was only able to agree to

4 12 million with no admittance of guilt.

5 So, I'll end this and say that I  
6 strongly urge the FCC to slow down and to take into  
7 account and review diversity recommendations that  
8 have been submitted. We need a diverse environment  
9 of owners to reflect our diverse America.

10 (Applause).

11 LOUIS SIGALOS: Thank you, thank you,  
12 Ms. Bediako.

13 Ms. Gandy.

14 KIM GANDY: Thank you. Chairman Martin  
15 and Commissioners, my name is Kim Gandy, I'm  
16 president of the Now Foundation as well as the  
17 National Organization for Women, the countries  
18 largest grass-roots women's rights organization with  
19 over half a million members across the country.

20 Lisa and I are also part of the Women's  
21 Coalition for Dignity and Diversity, a coalition  
22 representing more than 12 million women that was

0084

1 formed in the wake of the Imus scandal.

2 I have four inter-connected points, all  
3 of which are backed up by the studies that you  
4 already have in hand.

5 First, that programming needs of local  
6 communities are best served by local ownership.  
7 It's hard to argue with the obvious. Single station  
8 owners who are headquartered in a community and  
9 focused on that community are better able to  
10 understand and serve that area's needs than large  
11 conglomerates that are headquartered in another  
12 State or across the country.

13 So increasing local ownership should be  
14 a goal in any effort aimed at increasing local  
15 content and local responsiveness.

16 In case it's not obvious enough, there  
17 are numbers to back up the assertion that local  
18 ownership increases local programming, for example,  
19 the fact that locally-owned and operated television  
20 stations aired more local news content than their  
21 conglomerate counterparts to the tune of 25 to,  
22 25 percent more local broadcast news in every half

0085

1 hour news show.

2 Second, this desirable local ownership,  
3 especially single station ownership, is more likely  
4 to occur with female and minority owners. Whether  
5 you're talking about radio or television, the median  
6 minority or female owner controls only a single  
7 station and is headquartered in the community where  
8 that station is located, obviously serving the  
9 interests of localism.

10 For example, radio stations owned by  
11 women are significantly more likely to be locally  
12 owned. 64.4 percent of female-owned stations are  
13 locally owned, compared to only 41.6 percent of  
14 non-female-owned stations. Moreover, women are more  
15 likely to own only a single station, thereby  
16 focusing programming on that one community.

17 In radio, for example, the majority of  
18 all female owners are single station owners and the  
19 proportion is even higher for women of color, with  
20 over 90 percent of Latino station owners and over

21 80 percent of African-American female owners having  
22 only a single radio station focused on local

0086

1 communi ty.

2 Third, local owners are being squeezed  
3 out by increased concentration and market  
4 consolidation hurting both localism and media  
5 diversity efforts. These locally-based owners,  
6 especially those who own only a single station or a  
7 small number of stations are being squeezed out of  
8 the market by consolidation which makes it more and  
9 more difficult for them to compete with large  
10 conglomerates both for programming and for  
11 advertising dollars.

12 According to the Free Press study, the  
13 probability that a particular station will be  
14 female-owned or minority-owned is significantly  
15 lower in concentrated markets and the more  
16 concentrated the market, the less likelihood that  
17 there will be a female-owned or minority-owned  
18 station in that market.

19 We urge this Commission not to take any  
20 action that will increase ownership concentration,  
21 in fact, we urge you to do exactly the opposite.

22 Finally, increased ownership by women

0087

1 and people of color will serve the interests of  
2 localism, in addition to increasing public access to  
3 this public asset, the airwaves. Despite the fact  
4 that we represent two-thirds of the country, women  
5 and people of color are woefully underrepresented in  
6 media ownership.

7 Women own 5 percent of television  
8 stations and 6 percent of commercial radio stations.  
9 Racial ethnic minorities own about 3 percent of  
10 television stations and less than 8 percent of radio  
11 stations. Unfortunately most studies do not allow  
12 us to look separately at minority female ownership  
13 and we urge you to rectify this in future studies.

14 So, in order to increase service and  
15 responsiveness to local communities, particularly  
16 the underserved audiences of women and people of  
17 color, the FCC must remedy the serious  
18 underrepresentation of women and people of color in  
19 broadcast ownership of both radio and television  
20 stations.

21 As we've pointed out in previous  
22 comments, there are numerous public interest

0088

1 benefits to increasing minority in women's  
2 ownership, including an increase in program  
3 diversity, a breakdown of stereotypes, better  
4 service for underrepresented segments of the  
5 population, increased civic participation and not  
6 least remedying past discrimination against women  
7 and minorities who were not included in the  
8 Government's initial free handout of the broadcast  
9 spectrum.

10 The Commission has repeatedly found that  
11 it's essential to a democracy for the electorate to  
12 have access to divergent viewpoints on controversial  
13 issues, but few of the FCC's Commission studies even  
14 attempt to address whether current levels of media



15 consolidation address that issue and provide the  
16 public with a true diversity of views.

17 Finally, in light of recent events, I  
18 believe that the paltry level of female ownership  
19 affects the coverage of women's issues and the way  
20 women are portrayed in the media. Increasing the  
21 diversity of ownership would increase diverse  
22 content and diverse voices and that would serve all

0089

1 of us.

2 We look forward to working with you  
3 toward that end.

4 (Applause).

5 LOUIS SIGALOS: Thank you, Ms. Gandy.

6 Mr. Goodman.

7 JIM GOODMON: Thank you very much, my  
8 name is Jim Goodman, I'm president of Capital  
9 Broadcasting Company in Raleigh and I'd like to say  
10 I'm the third generation president of our company,  
11 my grandfather started it in 1929. You know, this  
12 is a great time to be a broadcaster and thank you  
13 for digital television and thank you for digital  
14 radio.

15 Now starting with that point, I've got  
16 three, I've got a suggestion, I'm going to move the  
17 ball forward today. We're going to move the ball  
18 forward. I have three suggestions for you.

19 The first one is, please don't do  
20 anything about ownership, and I have two reasons for  
21 saying that. One is we are now going into the  
22 digital transition. You know those two TV stations

0090

1 I own in Raleigh, they are really eight TV stations  
2 now. You know that FM station I own in Raleigh, I  
3 really have three stations now.

4 I mean we're moving into digital. I'm  
5 not sure what's going to happen to those other  
6 channels, I don't know exactly where this is going  
7 to go, but why would we work on ownership regulation  
8 at the end of an era? You know, why do we make a  
9 change before we really get into this digital and  
10 see what's going on?

11 And the other thing I want to say about  
12 ownership is I'm really worried you'll change one  
13 thing. You'll get real interested in the radio caps  
14 or I know you're very interested in newspapers.  
15 What happened to us in the last ownership was we had  
16 a group working on radio and, you know, we'll do  
17 this about radio and they're off fussing about radio  
18 and they come up with something. We had a group  
19 working on television ownership and we already have  
20 two here and over here you can have three and they  
21 fight and fight and fight.

22 And then you come up with you can own a

0091

1 newspaper and then, and then all of a sudden this  
2 rule-making is turned out and everybody fell to  
3 pieces. Nobody put it all on the same piece of  
4 paper. It's not just whether you should allow a TV  
5 station and a newspaper to be co-owned. Remember,  
6 that same crowd can own eight radio stations, and  
7 that same crowd can own the cable company.

8 So you can't take one thing and work on

9 it. I mean this has to be, am I making any sense?  
10 I'm saying -- it's kind of a --

11 (No).

12 JIM GOODMON: No, okay.

13 Right, so do it altogether. Do it  
14 altogether. Like don't just pick one ownership  
15 thing, so please don't do ownership now.

16 The second issue is please do the third  
17 periodic. I mean I'm, we've got a lot of work to do  
18 to get these analog antennas and digital stuff up,  
19 it's a, we're, several of us have got lots of  
20 problems so we really need the third periodic to  
21 move along with the digital transition.

22 Now, localism. On one side, localism,  
0092

1 on one side we've got the crowd that says, we look  
2 at the broadcasters, we're wonderful, look at all  
3 the stuff we do. On the other side we've got these  
4 people saying broadcasters are not fulfilling their  
5 requirements, this is terrible.

6 Well my suggestion is why don't you ask  
7 us what we're doing. You've had a proceeding,  
8 you've had a proceeding, I don't know whether it's a  
9 notice -- I'm not sure what it is, you know, why --  
10 to suggest that broadcast stations report quarterly  
11 on what we do.

12 That's a, that's an imminently  
13 reasonable notion so you can see what we're doing.  
14 You've got some really good proposals about what  
15 should be on that questionnaire, if you could get  
16 that out, then you can start, we can and you all can  
17 start deciding what you think about what we're  
18 doing, with real data.

19 And then the second part of that is the  
20 minimum public interest standards proceeding. You  
21 have on one hand, there's this suggestion that we're  
22 supposed to serve the local community, but nobody  
0093

1 wants to suggest where that is.

2 Tell us what our minimum public interest  
3 standards are. That could be a really healthy  
4 exercise for everybody. We wouldn't be just  
5 shooting out here about what's good and what's bad  
6 and you've got three or four really good proposals  
7 about what should be included in the minimum public  
8 interest standards.

9 And it's generally is you do local  
10 programming, not that you have to do programming  
11 about A, B, C or D, but that you do local  
12 programming and local community ascertainment, stuff  
13 like that, so I'm just saying it would really help  
14 to do quarterly reporting. You know, I think these  
15 things have been here since '99.

16 I used to say I wanted to live to see my  
17 grandchildren finish high school, now I'm on the,  
18 these proceedings. I mean this could really be  
19 helpful to everybody, is to get this minimum public  
20 interest standards and quarterly reporting out. So  
21 that's three things.

22 Please let's get through the transition  
0094

1 before we start getting to this ownership. If  
2 you're going to do ownership, you've got to look at

3 everything. You can't just take one thing and say  
4 this is okay, you've got to remember all the  
5 different things we can own. The third periodic and  
6 quarterly reporting and minimum public interest  
7 standards.

8 Thank you very much.

9 LOUIS SIGALOS: Thank you, Mr. Goodman.  
10 Mr. Henderson.

11 WADE HENDERSON: Good morning,  
12 Mr. Chairman, members of the Commission, thank you  
13 for the opportunity to appear before you today. I'm  
14 Wade Henderson, president of the Leadership  
15 Conference on Civil Rights, the nation's oldest,  
16 largest and most diverse civil and human rights  
17 coalition, with nearly 200 member organizations  
18 working to build an America as good as its ideals.

19 I'm also the Joseph Rowe professor of  
20 public interest law at the University of the  
21 District of Columbia.

22 Now, the Leadership conference strongly

0095

1 believes in the value and power of the free market  
2 of ideas. We also believe that the health of our  
3 nation's democracy depends on the continued  
4 existence of a diversity of viewpoints in the public  
5 domain.

6 But today instead of local ownership  
7 with a diversity of view, we now have homogenized  
8 cookie-cutter media divorced from local concerns.  
9 We believe that every American should be concerned  
10 about the loss of the independent journalistic  
11 voices that have connected our nation, served our  
12 local communities and provided the foundation for  
13 our democracies. If a company can buy a wide  
14 variety of media in the same community, it  
15 essentially provides one voice, not many.

16 This means less diversity of viewpoint.  
17 If racial and ethnic minorities, people of color,  
18 women, older Americans and persons with disabilities  
19 are not employed at news operations at all levels of  
20 management, there are few who can speak with  
21 authority about their condition in the community.

22 This means less or less complete

0096

1 coverage of issues that are important to them.  
2 Issues like economic inclusion, the struggle for  
3 quality public education, immigration reform and the  
4 prevention of violent hate crime. And if there  
5 isn't local integration in the management of local  
6 news operations, issues important to local  
7 communities can be ignored. This means the public  
8 interest isn't being served.

9 Now in June of this year the Leadership  
10 conference sponsored a Web-based national town hall  
11 meeting with on-the-ground locations in both  
12 Washington, D.C., and Denver, Colorado, on the  
13 importance of diversity in media ownership. Not  
14 surprisingly the program was called why media  
15 diversity matters.

16 Video from our June event which featured  
17 author, commentator and talk show host Tavis  
18 Smiley, Denver Mayor John Hickenluper and your own  
19 FCC Commissioner, Michael Copps, can be viewed at

20 our Website at [www.Civilrights.org](http://www.Civilrights.org) and we have  
21 brought DVDs of the event for submission to the  
22 Commission. If I had known, I perhaps would have

0097

1 shown them, but in the interest of time, let's move  
2 on.

3 Now we believe that media diversity,  
4 very straightforwardly, is a civil rights issue.  
5 Media diversity is a civil rights issue and we felt  
6 it was important to highlight the issue for the  
7 nation because of what is really at stake, nothing  
8 less than equal opportunity in the public domain and  
9 equal access to important local and national  
10 information and resources.

11 The unanimous conclusion of participants  
12 in our program was that while hearings like this are  
13 important, the FCC is doing an inadequate job of  
14 identifying and working to eliminate the barriers of  
15 participation of women and people of color in radio  
16 and television. Now the 21st century is rapidly  
17 becoming the age of big media and as consolidation  
18 grows, localism suffers and diversity dwindles.

19 Local ownership of broadcast outlets  
20 means better coverage for the communities they serve  
21 and yet even in our nation's Capitol, it is  
22 difficult to find newspaper, television and radio

0098

1 content that accurately showcases the breadth and  
2 diversity of our unique version of the American  
3 experience.

4 This is not a coincidence. Research by  
5 Free Press, which is here, of course they're here at  
6 the table, shows that Washington, D.C., media  
7 ownership is heavily concentrated and predominantly  
8 non-local.

9 Two companies, News Corporation and NBC  
10 GE, together control over half the television  
11 revenues in Washington -- in the Washington, D.C.,  
12 market. Only two of the areas 10 full power  
13 commercial TV stations are locally-owned and  
14 operated. Non-local owners control 63 percent of  
15 the District's 44 commercial radio stations. That  
16 doesn't, of course, reflect the diversity of this  
17 population.

18 Now, like Commissioner McDowell, I'm a  
19 Washington, D.C., native and I can tell you that  
20 local news has not always been responsive, even to  
21 important local issues with national dimension.

22 I remember when the nation's Capitol was

0099

1 a locally-segregated City and where the interests of  
2 African-Americans were largely ignored. And I  
3 valued your mention of WTOP and WMAL, I'm sorry that  
4 I couldn't have interned at either of them, but I  
5 think we all recognize the value of those  
6 internships and I think we also recognize that those  
7 opportunities should be available to all segments of  
8 our community.

9 And so certainly these things have real  
10 importance. Now in recent years the issue of voting  
11 rights in Congress for District residents has after  
12 much time and effort finally moved from a peripheral  
13 concern to an issue deemed worthy of coverage by

14 most local media outlets. Local media has recently  
15 given the issue a validity and prominence that  
16 helped engage the citizens of Washington, D.C., as  
17 well as the national and international civil rights  
18 communities.

19 But this is a rare exception and it came  
20 about after many years of protest, arguing that  
21 because the District was predominantly an  
22 African-American City, there was largely no

0100

1 attention paid to the gross stain on American  
2 democracy that denying residents of the nation's  
3 Capitol has for our own circumstance.

4 So, we understand these, these, the  
5 important challenges. We in the civil rights  
6 community care about media ownership because the way  
7 the public looks at issues, indeed whether the  
8 public is even aware of issues like fair housing or  
9 voting discrimination or D.C. voting rights, for  
10 that matter, is directly related to the way these  
11 issues are covered by the media.

12 The way the media covers issues is  
13 directly related to who the reporters and producers  
14 and anchors are. Who is employed by the media is  
15 directly related to who owns the media and who owns  
16 the media is directly related to policies that  
17 determine who gets a Federal license to operate and  
18 who does not.

19 The battle over who controls the media  
20 is a battle that the civil rights community has  
21 fought for decades because we have long recognized  
22 the critical role media plays in creating a more

0101

1 just and equitable society.

2 We recognize that without the First  
3 Amendment to the Constitution, there would have been  
4 no civil rights movement and we recognize had the  
5 visions of police dogs, hoses and people being  
6 beaten at the height of the modern civil rights  
7 movement had not been broadcast into the homes of  
8 America, the transformation that we have come to  
9 accept as the modern movement would not have  
10 occurred.

11 So what we're talking about today has  
12 real consequence for real people in communities all  
13 over this country and we would join in those who  
14 suggest there is no public interest to be served by  
15 loosening the rules of ownership to allow the kinds  
16 of concentrations that obviously have been  
17 facilitated by the 1996 Telecom Act but could be  
18 further facilitated by action taken through this  
19 Commission.

20 We would urge you to think long and hard  
21 and carefully before you make further changes that  
22 could erode the diversity of viewpoint that we have

0102

1 come to enjoy.

2 Thank you very much.

3 (Applause).

4 LOUIS SIGALOS: Thank you,

5 Mr. Henderson.

6 Mr. Isett.

7 DAN ISETT: Good morning, Mr. Chairman,

8 Commissioners, I have the unenviable task of going  
9 into between Mr. Henderson and Reverend Jackson, but  
10 I'll attempt to do the best I can.

11 My name is Dan Isett, I'm proud to  
12 represent the better than 1.2 million members of the  
13 Parents Television Council whose mission it is to  
14 protect children from sex, violence, and profanity  
15 in entertainment.

16 On the surface there would seem to be  
17 little connection between our mission and the media  
18 ownership issues that bring us together here today,  
19 but indeed there is no question that the  
20 consolidation of media outlets has led to a  
21 coarsening of television content, a destruction of  
22 the concept of community standard of decency, and

0103

1 unresponsive, irresponsible news media that ignores  
2 news unfavorable to its parent corporation and a  
3 cable television industry that effectively functions  
4 as a cartel, forcing consumers and families to buy  
5 enormous amounts of unwanted programming just to get  
6 access to the family programming they actually want.

7 Media consolidation has led to a  
8 self-serving news media that seeks to protect the  
9 interests of its corporate parent. The FCC has been  
10 empowered by Congress to uphold broadcast, decency  
11 standards on the public airwaves at the times when  
12 children are most likely to be in the audience and  
13 the Supreme Court has upheld Congress' right to do  
14 so.

15 Unfortunately the broadcast networks  
16 have challenged the FCC's ability to enforce these  
17 standards and, as you know, even convinced two  
18 Federal Judges in New York City that they have the,  
19 quote, unquote, right to air the "F" and the "S"  
20 word at times of day when we know there to be tens  
21 of millions of children in the audience. Although  
22 dozens of concerned family groups, including the

0104

1 PTC, as well as tens of thousands of concerned  
2 parents looked on with disgust that a Federal Court  
3 could reach such a preposterous conclusion, there  
4 has been only limited public outcry over that  
5 decision.

6 The reason for that, in my opinion, is  
7 simple, in large measure, the American people don't  
8 know that it has happened. In the wake of that  
9 Court decision, not a single national broadcast news  
10 organization saw fit to cover it and even in a  
11 multitude of a 24-hour a day news on cable, there  
12 was near zero coverage of a decision that will  
13 directly impact every family in the country as well  
14 as the policies determining appropriate uses of  
15 airwaves that they, themselves, own.

16 There is one, there's only one  
17 conclusion that can be reached, that the corporate  
18 fuss divisions did not cover their parents -- their  
19 parent company's lawsuits to claim the absurd right  
20 to air profanity early in the day.

21 In a more diverse, more localized media  
22 environment, companies are held to account for their

0105

1 actions. Clearly in this case they've not been.

2 Rather than take their public interest  
3 obligation seriously, the broadcast networks have  
4 exhibited a pattern of behavior that reflects a  
5 contempt for the owners of the very airwaves from  
6 which they profit.

7 On November 2004, Viacom, then the  
8 corporate parent of CBS Television Network, entered  
9 into a Consent Decree with the Commission wherein it  
10 admitted airing indecent material, paid a fine and  
11 committed itself to a detailed compliance plan to  
12 prevent the further airing of indecent material.

13 There was no evidence that that  
14 compliance plan was followed and just last week CBS  
15 meekly explained to the Commission that it had  
16 understood the Consent, the terms of the Consent  
17 Decree only applied to live programming.

18 Since it was CBS only -- own attorneys,  
19 rather, who negotiated the terms of this contract  
20 and there's no such stipulation in it, it is  
21 preposterous and outrageous that CBS made this  
22 claim. If media conglomerates can't be trusted with

0106

1 something as simple as making a good faith effort to  
2 prevent the airing of indecent material, then how  
3 can they be trusted to be good stewards of the  
4 public airwaves and then be given more access to  
5 them.

6 The proposed elimination of the  
7 newspaper duopoly rule threatens the important shake  
8 that media outlets have on each other, if a  
9 television station and a newspaper in a given market  
10 share ownership, it follows that they will share  
11 editorial outlook on policy. Even if they don't,  
12 how likely is it that a newspaper would criticize a  
13 local broadcaster for anything, much less a  
14 violation of community standards of decency if both  
15 entities are owned by the same company.

16 Much as networks have a choke-hold over  
17 the programming decisions of their affiliates, so,  
18 too, would an ownership group exercise editorial  
19 control over its media properties in the same  
20 market.

21 There has been much attention paid  
22 recently to the acquisition of the Wall Street

0107

1 Journal by News Corporation but I'd like to  
2 illustrate another way in which media consolidation  
3 has an adverse affect on families.

4 The vast majority of cable programming  
5 is owned by a mere 6 major media conglomerates and  
6 all of these corporations force cable and satellite  
7 providers to carry all of their network offerings,  
8 if any are to be carried, a practice known as  
9 bundling.

10 Consequently, consumer choice in cable  
11 programming has remained illusive, despite FCC  
12 reporting last year, despite an FCC report last year  
13 that demonstrated that consumers could save as much  
14 as 13 percent if simply allowed to pick and choose  
15 their own channel lineups.

16 News Corporation recently launched the  
17 Fox business channel and through a similar bundled  
18 arrangement will leverage carriage of this network

19 and demand a prescribed per subscriber fee into tens  
20 of millions of home, regardless of any market demand  
21 for a new network devoted exclusively to business  
22 news.

0108

1 It is at once outrageous and ironic that  
2 a network devoted to the coverage of business would  
3 exploit a fundamentally anti-competitive business  
4 model to guarantee it will make a buck. However,  
5 that is exactly what happened and is happening every  
6 day with dozens of network that are free from  
7 competitive pressure and line the pockets of media  
8 conglomerates who force cable programmers to  
9 distribute their programming even while forcing  
10 consumers to pay for it.

11 At a mere 50 cents per subscriber per  
12 month for a network like the Fox business channel,  
13 this will net News Corporation nearly a half billion  
14 dollars per year before a single cent of advertising  
15 is sold. And News Corp will be able to count on  
16 this revenue regardless of any would-be market  
17 demand for its product.

18 This is only possible in a marketplace  
19 dominated by a few major players who through  
20 vertical and horizontal ownership integration game  
21 the system to extort ever more money from families  
22 who unwittingly line the pockets of the media

0109

1 giants.

2 Continued media consolidation puts the  
3 corporate interest before the public interest and it  
4 is up to the FCC as the rightful upholder of the  
5 public interest to maintain a media ownership policy  
6 that benefits the public and not merely only those  
7 who exploit the media landscape for their own gain.

8 The interest of the public, concerned  
9 parents and impressionable children, the very owners  
10 of the broadcast airwaves, must be paramount and  
11 it's time that responsibility and common decency  
12 once again became part of the media conglomerates  
13 lexicon.

14 Thank you very much.

15 (Applause).

16 LOUIS SIGALOS: Thank you, Mr. Isett.

17 Reverend Jackson.

18 REV. JESSE JACKSON: Mr. Chairman, and  
19 members of the Commission, I am honored to be here  
20 today to discuss the critical issue of media  
21 ownership.

22 For some of the millions of Americans

0110

1 that will never have a seat at this table, is I hope  
2 that our presence today it not a fig leaf to cover  
3 up a fact accomplished that we're heard and not  
4 tolerated.

5 Most Americans agree with what you've  
6 heard here today. The same people who want local  
7 control of school boards, want States rights in  
8 voting off costs to gain control of media which  
9 determines legal and State outcome. For too long  
10 media policies have made -- have laid behind closed  
11 doors. This broken, corrupt process has led to too  
12 few own too much at the expense of too many.



13 It's time to democratize our public  
14 airwaves. We need to democratize the way the FCC  
15 does business. It's not enough to give people a  
16 chance to speak. The FCC needs to listen and do  
17 something to address our concerns.

18 The FCC should be serving people, of  
19 course, and not profit. If the FCC listened to the  
20 public, it would be focused on improving media  
21 diversity, not rushing toward consolidation.

22 Media diversity could not be more

0111

1 important. Media's a life or death issue for  
2 communities of color across the country.  
3 Representation is directly tied to ownership. Look  
4 no further than the Jena 6 to see the results. We  
5 agree with the concern that people of color own just  
6 7 percent of the broadcast stations in the country,  
7 it's a disgrace you will level of inequality in one  
8 of the most important arenas of our economy and our  
9 democracy.

10 The City of Washington, people of color  
11 make up 72 percent of the population, but not a  
12 single TV station owned in D.C. is minority owned.  
13 If you want more diversity, consolidation is not the  
14 answer. Consolidation is the polar opposite of  
15 diversity. You can't have both. Fewer owners mean  
16 fewer opportunities.

17 If a giant company is able to purchase a  
18 station across the country, people of color already  
19 victims of the long history of discriminatory  
20 practices, lending practices, now the mortgage  
21 (inaudible) crisis, are pushed off the field, often  
22 out of the picture. That's unacceptable and yet our

0112

1 Government has turned a blind eye for their case.

2 I'd been concerned a few months ago  
3 about statements made by Mr. Imus and the "B" word.  
4 We are damaging then the insult which (inaudible)  
5 self-sufficient. He was on MSNBC 750 hours a year,  
6 on CBS Radio 1,040 hours a year, he was on more  
7 hours of day in a week and a year than all blacks,  
8 Latinos, Asians and women combined. It's  
9 unacceptable, such a concentration of power.

10 We believe diversity crisis, it's still  
11 not clear that the FCC is serious about addressing  
12 it. Stopping media consolidation is the most  
13 important way of help minority ownership. The  
14 neglect around the community crisis are grave while  
15 the rest is good for local communities.

16 Let me say in a more rare specific  
17 situation, the Cirrus, XM merger issues. There are  
18 major concerns with its current proposed structure  
19 of the Cirrus acquisition of XM satellite. The  
20 (inaudible) transition would result in the business  
21 transaction of the two most significant largest  
22 companies in the satellite communications, in

0113

1 effect, this creates a monopoly. Competition in  
2 this space would become virtually impossible.  
3 Program menus is dangerously subject to the combined  
4 (inaudible) self-interest and whim.

5 This transaction as currently structured  
6 has the potential to weaken serious economic havoc

7 on any business attempting to become part of the  
8 marketplace in the communities these businesses  
9 represent. The Bose transaction as currently  
10 structured has the very real potential of  
11 eliminating diversity and opportunities for our  
12 minority participation in ownership. The Commission  
13 must uphold the statute and regulations to contend  
14 diversity and opportunist for ownership minor  
15 rights.

16 As previously structured, it is a bad  
17 deal. It's not in the public interest. Please hear  
18 us, let we, the people, be proud of our airwaves.

19 Thank you very much.

20 (Applause)

21 LOUIS SIGALOS: Thank you,  
22 Reverend Jackson.

0114

1 Mr. Schwartzman.

2 ANDREW SCHWARTZMAN: Thank you. For  
3 more than 30 years I've sat on panels such as this.  
4 During that time I've heard the testimony of scores  
5 of talented, dedicated commercial broadcasters who  
6 have provided meaningful service to their local  
7 communities and few, if any, are more committed to  
8 public service than my friend Jim Goodmon. My  
9 testimony today is not about those broadcasters.

10 It is about the much larger number of  
11 broadcasters who do little or nothing to address the  
12 problems, needs and interests of the community  
13 they're required to serve. It's not about Channel 7  
14 in San Diego, it's about the several television  
15 stations in San Diego that have no local originating  
16 capacity whatsoever and did absolutely nothing to  
17 change their programming during the same time that  
18 Channel 7 was taking, stepping up and taking care of  
19 the job.

20 They are never invited to appear by the  
21 NAB or by the Commission. They are the ones who  
22 should be called upon to explain why they lack any

0115

1 original local programming other than  
2 advertisements. They should be asked how they merit  
3 a free license for exclusive use of scarce,  
4 publicly-owned spectrum when they don't provide  
5 something, anything designed to serve the public  
6 interest as opposed to their own private interests.

7 Indeed, although I hope this will soon  
8 change, as of now the Commission's policy is that  
9 radio or TV stations carrying commercials or home  
10 shopping 24 hours a day are presumed to be operating  
11 in the public interest.

12 Sadly, in the wake of the 1996  
13 Telecommunications Act and the consequent growth of  
14 large regional and national ownership groups, the  
15 number of broadcasters like Jim Goodmon is  
16 diminishing and the number of mediocre broadcasters  
17 is increasing.

18 Now locally-originated news and public  
19 affairs is but one important measure of commitment  
20 to local public service. There are about 1,400 full  
21 powered commercial TVs and another 5 or 600  
22 Class As. According to the (inaudible) less than

0116

1 800 of those 2,000 television stations originate  
2 newscasts. 2,000 minus 800 is 1,200. How can the  
3 Commission possibly make the statutorily mandated  
4 determination that those 1,200 stations are operated  
5 in the public interest? It's even worse with radio.

6 I notice the NAB had no presentation  
7 about radio in San Diego, that's because the public  
8 service in San Diego is provided by KPBS, a  
9 non-commercial broadcaster. Most of the local radio  
10 stations in San Diego had to carry the KPBS feed  
11 because they had no capacity to assist their  
12 community during the time of emergency.

13 Thousands of stations do little or  
14 nothing and thousands of more outsourced their news  
15 gathering to a single company which carries  
16 essentially identical newscasts on scores of  
17 stations. One company alone, Metro Networks, which  
18 is owned by Viacom, itself a group owner, provides  
19 newscasts for more than 2,000 of the nation's radio  
20 stations. Where is the diversity viewpoint in that?

21 Technologies marketed with such names as  
22 voice casting and central casting are used to cover

0117

1 up the fact that many broadcasters export  
2 programming into local stations rather than create  
3 it by site. Such stations are run by senior  
4 management and program executives located hundreds  
5 or thousands of miles away. This would be a much  
6 more useful hearing if the Commission were to invite  
7 or, if necessary, compel the testimony of those  
8 licensees.

9 How and why do these stations get their  
10 licenses renewed. It can't be because they carry  
11 public service announcements when they can't sell  
12 the air time, or maybe it can, I'd like to know. So  
13 would millions of American citizens. After all,  
14 protection of their rights to receive information is  
15 and ought to be the primary goal of the Commission's  
16 regulatory system.

17 What should the Commission do about  
18 this. Unless the Commission has answers for these  
19 questions, it cannot complete this localism inquiry  
20 and these are matters the Commission ought to  
21 address before and not after it contemplates further  
22 relaxation of its broadcast ownership rules.

0118

1 That having been said, here's a list of  
2 things the Commission could do to start fixing the  
3 problem. First, develop a meaningful and much more  
4 transparent license renewal process based on much  
5 more detailed information about broadcasters actual  
6 program practices. That order is on the 8th floor  
7 and it's, ought to be voted on, you know who you  
8 are.

9 Reduce the term of broadcast licenses to  
10 three years. Require every single licensee to carry  
11 minimum amounts of locally-originated  
12 licensee-produced programming designed to address  
13 local needs, tastes and interests. Expand the  
14 number and range of low power FM stations, and  
15 develop meaningful programs to develop -- to double  
16 the number of minority. And female-owned broadcast  
17 stations within the next five years.

18 Now one last point, very special  
19 emphasis, much of my presentation thus far has  
20 focused on increasing the amount of programming  
21 which is responsive to local needs and tastes.

22 But not everything important can be  
0119

1 measured. Effective local service requires  
2 institutional and personal attachments to the  
3 community. It requires a diverse work force that is  
4 capable of conveying the many different perspectives  
5 found in each community. There is no way to  
6 document the qualitative impact of having a station  
7 operated locally by individual citizens who live in  
8 the community and expect to remain there.

9 Finally, the intensity of the public's  
10 concern about how broadcasters serve their community  
11 is something the Commission should not and in  
12 practice cannot ignore. Despite obvious attempts to  
13 minimize public attendance at events such as this,  
14 thousands of Americans have shown up to tell you how  
15 much they care. Please don't ignore them.

16 (Applause)

17 LOUIS SIGALOS: Thank you,  
18 Mr. Schwartzman.

19 Mr. Sterling.

20 CHRISTOPHER STERLING: As is evidenced  
21 by the people in this room and the people outside  
22 the building, this is clearly a very healthy process

0120  
1 and a useful function.

2 I want to make three points very briefly  
3 this morning. First, I think it's fascinating and  
4 telling that localism issues are of long-standing  
5 concern.

6 Localism was among the oldest of the  
7 goals of radio policy dating all the way back to the  
8 Department of Commerce in the 1920s. The FCC single  
9 market duopoly ownership provisions date at least to  
10 the 1930s and were intended primarily to promote  
11 local service. Cross-ownership limits, also  
12 designed to strengthen localism, have been debated  
13 at least as long. Newspapers dominated. For  
14 example, the earliest FM license applications in  
15 1941 prompted a three-year FCC investigation, though  
16 the present rule is only just over three decades  
17 old.

18 Station licensing and the renewal  
19 process remains central to promoting and encouraging  
20 localism until both were undone for radio by the  
21 1996 Act and loosened for television in the years  
22 since.

0121  
1 Despite all of this de-regulation, FCC  
2 Commissioners and staff continually speak of  
3 localism as a core mission, a concern of what is now  
4 a dramatically different industry.

5 We've heard lots of examples this  
6 morning of where localism stands in 2007. That  
7 brings me to my second basic point.

8 That is, we have plenty of local  
9 outlets. We have far too few voices. We've enjoyed  
10 a steady increase in channels or outlets from which  
11 to choose. My students are amazed that I grew up in

12 Madison, Wisconsin, a town that then had only four  
13 television stations. How could I possibly have  
14 survived that and not been scarred for life.

15 But the plethora of options that we have  
16 today too often add little real diversity in either  
17 content or points of view and provide limited local  
18 programming, let alone news or public affairs or  
19 even much of what former Commissioner Lee Levinger  
20 called the reflection or projection of their local  
21 communities.

22 Too often if a new medium does offer a  
0122

1 localism potential, such as the drop-in FM channels  
2 of two decades ago or low powered FM which we've  
3 already heard a good deal about this morning,  
4 they're often cut off at the knees by the  
5 broadcasting establishment, including, surprisingly,  
6 public radio pleading concerns about interference.

7 At the same time we've seen a steady  
8 decline in the number of media voices or separate  
9 owners, thanks largely to consolidation. One reason  
10 has been the demise of the Commission's own once  
11 very close adherence to its duopoly policy of one  
12 station of each type to a customer in a given  
13 market.

14 Another is the growing reliance by both  
15 Congress and the FCC on marketplace competition in  
16 place of the former public service emphasis of many  
17 structural or behavioral broadcast rules and thus  
18 the electronic media, both legacy broadcasting and  
19 the newer cable satellite. And other services are  
20 now largely all about national content and national  
21 programming and appeal.

22 Consolidation of outlets and national  
0123

1 program production has nearly eliminated any local  
2 or regional originality.

3 Point number three, can broadcast  
4 localism be revived? Yes, but we have to provide  
5 more than lip service to localism as a core mission,  
6 to use former Chairman Powell's words, along with  
7 diversity and competition policy.

8 I've got several quick suggestions,  
9 though others have suggested them before. First,  
10 consider taking commercial broadcasters off the  
11 public affairs hook entirely, while at the same time  
12 assisting public radio and television stations to do  
13 that job.

14 Create a public affairs trust, an annual  
15 assessment on commercial stations to support public  
16 affairs programming on public stations. This would  
17 include news, local political coverage, programming  
18 about local public controversy. CPB might be the  
19 intermediary to make this work. In turn, commercial  
20 stations could drop any or all remaining local  
21 public service programming, those that still supply  
22 any. They might even be given as a new book  
0124

1 suggests a permanent license as they nearly have one  
2 already, removable only for good cause.

3 Second, if the idea of commercial  
4 stations helping to fund such programs on public  
5 stations has no appeal, then revisit proposals for a

6 public affairs programming requirement on digital  
7 radio and especially digital television channels.

8 Third, as digital radio becomes more  
9 widespread, consider requiring one of its side  
10 channels be devoted to local, community and public  
11 affairs content.

12 And fourth, as already noted by others  
13 on this panel, something needs to be done to  
14 increase minority, female and small business  
15 participation in station ownership.

16 Finally, notice broadcasters,  
17 themselves, are promoting radio as a local service  
18 in face of competing national programmed options,  
19 even the marketplace professes potential value in  
20 broadcast localism, whether actual programming  
21 reflects that or not.

22 Building on all of this, the FCC should  
0125  
1 strive for viable mechanisms to make localism real  
2 again.

3 Thank you.

4 LOUIS SIGALOS: Thank you, Mr. Sterling.  
5 Mr. Turner.

6 S. DEREK TURNER: Gentlemen,  
7 Commissioners, my name is Derek Turner and I'm a  
8 research director for Free Press, a public interest  
9 organization dedicated to public education and  
10 consumer advocacy on communications policy.

11 At the center of this proceeding lies  
12 the basic question, how do FCC rules further the  
13 goals of localism, competition and diversity. The  
14 record in this proceeding is clear. Media  
15 consolidation has been a disaster for localism  
16 precisely because increased concentration of  
17 ownership is a disaster for competition and  
18 diversity gutting the few remaining rules is clearly  
19 not in the public interest.

20 Now how do we know this? Because the  
21 Commission's own data tells us. The Commission's  
22 latest research was born in a biased environment.

0126  
1 The FCC's former chief economist started by asking  
2 the question how can the FCC, quote, approach  
3 relaxing newspaper broadcasts cost ownership  
4 restrictions, end quote.

5 Now despite this shaky framework, the  
6 underlying data produced from this research does  
7 have value. Using this data and implementing the  
8 substantive critiques of the peer reviewers, we find  
9 that, one, though the Commission has claimed that  
10 cross-owned stations do more local news, the FCC's  
11 own data reveal that markets with cross-owned  
12 stations produced less total minutes of local news,  
13 a result that is even more pronounced in smaller  
14 markets.

15 Two, higher levels of local ownership  
16 lead to more local news at the market level. Three,  
17 and this is very important, increasing market  
18 concentration decreases the production of local news  
19 at the market level. That's a very strong effect.

20 Four, locally-owned so-called big four  
21 affiliates produce more local news than their  
22 non-locally-owned counterparts.

0127

1 Five, cross-owned stations aired less  
2 hard local news in the days leading up to the 2006  
3 local elections.

4 Now given these results, what possible  
5 reason would you have for dismantling these  
6 important ownership rules. The industry groups will  
7 tell you that they need to gut these rules because  
8 their businesses are in poverty, that the Internet  
9 has changed everything. This is simply untrue.

10 The Commission's own data indicates that  
11 outside of the very largest markets there is no  
12 financial benefit from the creation of cross-owned  
13 duopoly combinations.

14 As far as the Internet changing  
15 everything, I wish it were true, but it's not.  
16 Overwhelmingly broadcast television and newspapers  
17 continue to be the most relied upon sources of local  
18 news. This is because they are really the only  
19 entities in local communities that actually produce  
20 local news.

21 Only a small percentage of the public  
22 uses the Internet as their primary source for local

0128

1 news and those that do are visiting the Websites of  
2 their local broadcasters and newspapers.

3 Now over the long-term the Internet does  
4 present a challenge to the current business models  
5 of the traditional media companies, but it also  
6 presents an opportunity. There will always be a  
7 market for local news and broadcasters and  
8 newspapers are the company's best suited to meet  
9 that demand.

10 There's no evidence to suggest that  
11 consolidation is the answer to the challenges that  
12 traditional media may face. In fact, history  
13 suggests that consolidation will hurt these  
14 companies in the long run.

15 When companies consolidate, they cut  
16 newsroom staffing budgets which devastates local  
17 journalism and turns away their local customers.

18 Now, let's turn to the critical issue of  
19 female and minority ownership. Here the record is  
20 quite clear, increased media consolidation will  
21 result in fewer stations owned by women and people  
22 of color. This is because these owners are more

0129

1 likely to own just a single station and are more  
2 likely to be local owners, the precise  
3 characteristics of station owners who are most  
4 vulnerable to the pressures of media consolidation.

5 Now we know this because my  
6 organization, Free Press, actually did the hard work  
7 of assessing the race, ethnicity and gender of the  
8 owners of our nation's broadcast stations. However,  
9 in the Commission's most recent effort to count  
10 female minority-owned stations, it failed miserably.

11 Study two missed 67 percent of all  
12 minority-owned TV stations and a whopping 75 percent  
13 of the TV stations owned by women. This record  
14 (inaudible) is pervasive throughout most of the  
15 10 studies.

16 For example, study one, the taxpayer

17 funded survey of peoples media habits neglected to  
18 include in its demographic question a category for  
19 Latinos. That's right, our nation's largest and  
20 fastest growing minority group simply forgotten.

21 The Communications Act established this  
22 Commission to serve the public interest. You can

0130

1 have proceedings and hold hearings like these in  
2 order to get you the evidence that you need to make  
3 decisions that actually do serve the public  
4 interest. You have a duty to pay attention to the  
5 record and to the people.

6 You are faced with a choice, you can  
7 listen to the concerns of Wall Street or you can  
8 listen to the concerns of Main Street. The public  
9 is tired of these companies using our airwaves as  
10 their personal ATMs. They want you to say no to  
11 more consolidation and say yes to local  
12 accountability, yes to diversity and ownership and  
13 yes to the public interests.

14 Commissioners, for the sake of our great  
15 nation's democracy, I hope you're listening.

16 Thank you.  
17 (Applause)

18 LOUIS SIGALOS: Thank you, Mr. Turner.  
19 Mr. Cooper.

20 MARK COOPER: Thank you. Mr. Chairman,  
21 members of the Commission, Derek told you what you  
22 did not do. I'm going to talk about what you should

0131

1 do and what the broadcast and localism initiative  
2 will do.

3 The broadcast localism initiative was,  
4 in fact, an important policy shift at the FCC.  
5 Under its auspices the public filed comments and  
6 came to hearings like this for a couple of years.  
7 The Media Bureau developed a firm theoretical  
8 framework for explaining why more than simple  
9 economics is needed to promote localism in the  
10 public interest. It explored a rich, multifaceted  
11 definition of localism and began to conduct research  
12 that would evaluate localism in an honest and  
13 straightforward way.

14 Unfortunately, despite the fanfare of an  
15 initiative that was, quote, to play a critical role  
16 in gathering empirical data and grass-roots  
17 information on localism, the initiative simply  
18 disappeared from the recent research studies.

19 It was supposed to inform the  
20 Commission's thinking about media policy. Its  
21 finding should have been presented to the public and  
22 the Commission in an independent report that could

0132

1 be considered as we crafted our media policy going  
2 forward. It should not disappear into a thousand  
3 footnotes in a final order on media ownership.

4 If the Commission were to give the  
5 broadcast localism initiative its due, it would find  
6 that the challenges to localism are great and  
7 relaxing ownership limits will make it harder to  
8 achieve the goal of a broadcast media that is truly  
9 responsive to the needs of the public.

10 That is what the initiative was finding



11 before it was disappeared.

12 It identified a half dozen specific  
13 economic, social and political factors that indicate  
14 market forces alone will not produce adequate  
15 localism in the broadcast media to serve societies  
16 needs. The Media Bureau identified three broad  
17 categories of concern. The notice of inquiry had  
18 nine major areas of concern. Combining these, we  
19 find 24 specific localism issues across five  
20 categories.

21 The list is worth reading because it was  
22 simply ignored in the 10 studies that the Commission

0133 actually conducted.

1 Under coverage of local affairs we find  
2 community news, including police, traffic, weather  
3 and sports, emergencies and events, education about  
4 local institutions, local religious affairs, local  
5 advertising and PSAs, we hear a lot about PSAs.

6 Under sensitivity to local taste we find  
7 what do listeners want, how to avoid offense to  
8 community values, how do we tailor programming to  
9 local tastes.

10 Under opportunity for local involvement  
11 we find local ownership and control, use of local  
12 resources, working in the industry,  
13 locally-originated programming and outlets for local  
14 talent. We hear none of that in these studies.

15 Under facilitation of local political  
16 discourse, we find public affairs programming, local  
17 public affairs programming, expression of group  
18 interests, community political and religious group  
19 discussions, local political viewpoints expressed,  
20 local call-in and talk shows, public access and  
21 editorializing.

0134 Under competition issues, we have a few  
1 of critical importance, pay lists, payola affiliates  
2 and children's programming.

3 Each of these issues must be considered  
4 from both the localism point of view and the point  
5 of view of minorities. Thus, a parallel set of  
6 minority or underserved communities, as the notice  
7 of inquiry said, would include the following, is  
8 there minority-targeted programming and  
9 minority-originated programming that is sensitive to  
10 local minority interests.

11 Does the media provide opportunities for  
12 minority ownership and control of outlets, minority  
13 employment in the media, use of minority talent,  
14 minority group expression and representation of  
15 minority group issues in a fair and balanced manner.

16 Almost none of these issues were  
17 addressed in the recent round of research. Until  
18 the Commission provides a detailed analysis of the  
19 impact of ownership limits on localism and diversity  
20 and gives the public and policymakers ample time to  
21 consider these findings, it should not issue a final  
22

0135 rule on media ownership.

1 Simply rolling all of this into one  
2 humongous order would do a disservice to the good  
3 and hard work that went into the localism initiative  
4

5 and put us back at square one, with an order that  
6 does not reflect the policy goals of promoting  
7 localism and diversity in the media.

8 You simply cannot solve the deficit of  
9 localism and diversity without addressing and  
10 reversing its decline at the core of the broadcast  
11 industry in order to promote the localism and  
12 diversity in the media.

13 Thank you.

14 (Applause).

15 LOUIS SIGALOS: Thank you, Mr. Cooper.

16 KEVIN MARTIN: I think a few

17 Commissioners have questions.

18 Commissioner Copps.

19 MICHAEL COPPS: Yeah, thank you  
20 everybody for very informative and helpful and often  
21 eloquent statements.

22 I just want to key in very quickly on

0136

1 something Mr. Turner said because I think you may  
2 have really dropped a bombshell here with regard to  
3 the interests in newspaper broadcasts  
4 cross-ownership.

5 Am I understanding you correctly to say  
6 that your data shows that in those markets where  
7 there is newspaper broadcast cross-ownership, that  
8 there is actually less local news?

9 S. DEREK TURNER: Well that's -- I --

10 UNIDENTIFIED SPEAKER: Hold on, I'm  
11 sorry, I think you said it wasn't your data, it was  
12 our data?

13 S. DEREK TURNER: That's right. Three  
14 of the 10 studies did deal with this issue, however  
15 none of them asked the appropriate question of what  
16 happens to news at the market level because simple  
17 economic theory predicts that a cross-owned station  
18 may be able to take advantage of its synergies,  
19 which will discourage our stations from actually  
20 producing local news, so not only do you have a  
21 lapse of a unique local voice, now you're pushing  
22 the other owners away from doing local news, so we

0137

1 actually aggregated your data up to the market level  
2 and applied the methodologies that were used across  
3 all the studies. So it's not that we're tinkering  
4 with the data, and it's very clear what it shows,  
5 that you do see a negative effect at the market  
6 level.

7 MICHAEL COPPS: Fine, thank you.

8 JONATHAN ADELSTEIN: I just wanted to  
9 observe that Henry Shelton from the NAACP couldn't  
10 be here but I'd like to ask that his testimony be  
11 submitted for the record.

12 KEVIN MARTIN: Oh, of course, of course.

13 JONATHAN ADELSTEIN: There's no  
14 objection to that?

15 KEVIN MARTIN: I've got a, go ahead.

16 JONATHAN ADELSTEIN: I just wanted to  
17 thank you, I thought that was quite profound, myself  
18 that, in fact, in cross-owned communities, that  
19 there's actually less news and that comes from our  
20 data.

21 So you think that's because of the, the

22 effect in the marketplace of that, sort of as a

0138

1 dominant new news source that other stations can't  
2 get a hold or just give up on local news entirely?

3 S. DEREK TURNER: Well that's correct, I  
4 mean as you can easily imagine the situation where  
5 now most news stations sort of take their cue from  
6 the daily newspaper, they open it up, they read  
7 what's in there.

8 With a cross-owned situation, you may  
9 find that they're only giving their reporters access  
10 to the station they own. All the other stations are  
11 sort of cut off from talking to the other reporters  
12 from getting inside scoops and so they throw up  
13 their hands in the air and say, well, I guess we'll  
14 just do more syndicated programming because we can  
15 no longer compete adequately, so, that's the affect  
16 that we're seeing.

17 KEVIN MARTIN: Mark, you look like --

18 MARK COOPER: There's actually other  
19 data in the record, an academic study which looked  
20 at what happens when the New York Times moves into a  
21 local community and what they found in that study,  
22 it's one of the reviewers actually of the peer

0139

1 reviewers, Lisa George is the principal author,  
2 George Wol folk is the second author.

3 What they found is that that newspaper  
4 grabs a certain segment of the audience that moves  
5 away from the local newspaper and the local  
6 newspaper's re-orient themselves away from a certain  
7 type of coverage and the fascinating thing was that  
8 they found that electoral turn out, which is the  
9 bottom line of democracy, went down in local  
10 elections because the newspapers have moved away  
11 from a specific type of news and lost that audience,  
12 but was unaffected in national elections which of  
13 course is what the New York Times is serving.

14 So there's good solid evidence that of  
15 this, what you should call a crowding out effect is  
16 when you get a dominant entity in this, in a  
17 marketplace, it crowds out the others and none of  
18 the -- interestingly, one of the radio studies asked  
19 that question, but none of the TV studies actually  
20 looked at the effect at the market level, which is  
21 what the public policy is about.

22 KEVIN MARTIN: So, Derek, I just want to

0140

1 make sure I understand your point, I mean I think I  
2 do, but what you're saying is that so even when a  
3 cross-owned station in a market produces more, even  
4 if they produce more local news, in the whole market  
5 itself when you look at everyone else, they're  
6 actually doing less on their local news because of  
7 the impact of what that cross-ownership is, is that  
8 what, I think that's what you said.

9 S. DEREK TURNER: That's the net effect  
10 and you have to realize that we're talking sort of  
11 econometrics here so we're controlling for  
12 everything under the sun and trying to actually  
13 isolate the effect of cross-ownership. And I would  
14 not actually concede that the cross-owned stations  
15 do more local news because the one study that

16 actually looked at it, the only effect they really  
17 found was during the lead up to the election they  
18 may have been doing slightly more sports and  
19 weather, but not political coverage.

20 KEVIN MARTIN: What I was saying,  
21 though, even if you assume they did, that wasn't,  
22 the whole market was still harmed is what I was

0141

1 saying, so even, whether, whether the other study  
2 showed that or not, that's what I think your point  
3 was.

4 S. DEREK TURNER: Right.

5 KEVIN MARTIN: You, I had a couple other  
6 quick follow-ups, you also said that outside of the  
7 very largest markets there's no benefit on the  
8 duopoly issue, can you tell me what you mean by very  
9 largest, what is very largest to you?

10 S. DEREK TURNER: Well when you, so we  
11 had data on financial, data for financials for every  
12 single station in all the nation's 210 markets, you  
13 do see a positive effect when the New York DMA is  
14 included and the Los Angeles DMA is included. You  
15 do see a positive effect on the revenues of duopoly  
16 stations and cross-owned stations.

17 However, if you exclude those from the  
18 analysis, you see no effect and, in fact, if you  
19 look specifically at markets that are, have very few  
20 voices, you actually start to see a negative effect  
21 on the bottom duopoly station.

22 KEVIN MARTIN: Sure, I wanted to, in

0142

1 light of following, in light of that answer about  
2 the very largest stations, New York and LA, for  
3 example, actually I wanted to ask Reverend Jackson  
4 because we were talking about this right before we  
5 started and actually Bob Edwards I think you  
6 mentioned even the impact on Chicago, could you all  
7 tell me, do you think that there's any difference  
8 that we should be making between the largest markets  
9 and when we're talking about cross-ownership issues  
10 or ownership issues.

11 So do you think that there's still a  
12 problem with cross-ownership in large markets like  
13 Los Angeles? Reverend Jackson or Bob Edwards, you  
14 were talking about Chicago and the negative impact  
15 that happened there.

16 REV. JESSE JACKSON: Of course it is.  
17 We, we live in a pleasurable democracy. The reason  
18 I ask and I hope you consider it even now,  
19 independent bipartisan minority ownership task force  
20 so that you can pull all of this together and kind  
21 of hear us collectively, come up with some plans  
22 that the cross-ownership monopoly lends us -- you

0143

1 know, there are so many good journalists who have  
2 now been reduced to PR workers for a corporation.  
3 They can't get a job, they're locked out. Their  
4 voices are locked out. Many of the largest  
5 (inaudible) majority are black and Latino. That's  
6 the (inaudible) back to reality of our nation and  
7 there must be some consideration in the marketplace  
8 of that diversity.

9 You know, they're fighting a war right

10 now in Iraq. You know (inaudible) have more Shiite  
11 concentrated ownership at the expense of  
12 (inaudible).

13 Reason for democracy means some shared  
14 participation, that Shiites and Kurds should own  
15 access to (inaudible) constitutional positions  
16 because you just can't (inaudible) monopolizing  
17 everything by ethnicity or by, shared by money and  
18 power. So let's take a lesson from our own  
19 (inaudible) by the (inaudible) for democracy.

20 KEVIN MARTIN: So, and I just wanted to  
21 make sure, so you, like you said, you think that's  
22 the same even in those largest markets, there's no

0144

1 distinction that we should be making and that we  
2 may, we end up doing is even for those big places?

3 REV. JESSE JACKSON: I guess the real  
4 bottom line remains that too few people, whether  
5 New York, Chicago, LA (inaudible) part of controls  
6 or radio, TV and newspaper, their own publishers who  
7 affect editors who affect writers who affect  
8 assignments who affect outcomes, that's absolute  
9 control.

10 Let me give you, just an example of what  
11 happened this past week. There was a lot of  
12 excitement because a young man, Genaldo Wilson, had  
13 been set free in Georgia, a kind of jaded justice  
14 and it finally became nationally permanent. On the  
15 same day a reporter in Seattle, Washington, in 1944,  
16 there was a fight on the, at the Lorton Military  
17 Base and, let's just say it was a riot, and a young  
18 Italian (inaudible) deputy was killed, some said  
19 killed, some say committed suicide, but the  
20 (inaudible) Watergate fame had all the black  
21 soldiers condemned, court marshalled, jailed and  
22 given dishonorable discharges. They were wiped out,

0145

1 came out in last Sunday's New York Times newspaper.

2 It came out that Mr. Watson withheld  
3 information, much like they did in north (inaudible)  
4 a few months ago, but the outcome is these men lived  
5 six years without their honorable discharge, most of  
6 them died, except one, Mr. Sam (inaudible) is alive,  
7 he's 83 years old, I recall he said, you know, we  
8 never did it. I was not even on the scene. He  
9 start crying on the phone. I called several  
10 military executives about this story who says it's  
11 old news, what's, what's the deal there. They're  
12 dead and he's old and (inaudible) was a hero,  
13 (inaudible) there was no news in connecting with  
14 having those (inaudible) soldiers in the American  
15 war in '44 to (inaudible) jaded justice.

16 Well that may not have been of interest  
17 to a handful of people in New York, but the last  
18 seven Americans, our honor is at stake, our  
19 Patriotism is at stake, yet it's not been on TV yet,  
20 not a one. (Inaudible) there's nothing New York  
21 Times Sunday morning headlines, not on one TV  
22 station yet.

0146

1 KEVIN MARTIN: Andy, I had one quick  
2 question for you, did you, did you actually say, I  
3 just want to make sure I heard you that the

4 commercial radio stations in San Diego were having  
5 to carry the non-commercial feed because they didn't  
6 have anything local for their news there? I mean I  
7 thought that's what you said.

8 ANDREW SCHWARTZMAN: Yes, the principal  
9 radio service in San Diego during the emergency was  
10 KPBS. There's almost no local origination capacity  
11 in the market.

12 KEVIN MARTIN: Yes. Unless there was,  
13 unless there was anything else, I think that we were  
14 going to, again, thank all the panelists for  
15 participating today and open up, open up the public  
16 comment.

17 (Applause)

18 REV. JESSE JACKSON: Will you still  
19 consider our appeal for the independent minority  
20 ownership panel?

21 KEVIN MARTIN: What's that?

22 REV. JESSE JACKSON: I'd like you to

0147

1 consider, I'd like you to consider the independent  
2 minority, proposed independent minority owned,  
3 minority panel ownership.

4 KEVIN MARTIN: You know, yes, and we'll  
5 continue to said, what I've said all along is I  
6 actually, I don't have any problem with any kind of  
7 panel to be able to make recommendations to the  
8 Commission, although I don't think that should stop  
9 us from proceeding on issues that we have in front  
10 of us, whether it's on issues that can end up  
11 helping on some of the localism issues, whether it's  
12 on issues related to changes to low powered FM or  
13 potentially on some of the ownership issues, so that  
14 I think we're still debating among the  
15 Commissioners.

16 REV. JESSE JACKSON: Yeah, I'm saying  
17 how quickly we pull together to support it and then  
18 if it is, if it's doing this work, it did have it  
19 completed when this comes back with this report and  
20 will you address it in a meaningful way?

21 KEVIN MARTIN: Oh, I think that we would  
22 always, yes, I think we would address it in a

0148

1 meaningful way. I think so.

2 REV. JESSE JACKSON: How quickly will  
3 you do that? I'm asking, I'm trying, the Commission  
4 needs to be at work pretty quickly and then get back  
5 to you before we shouldn't be meeting, if you will,  
6 and then a conclusion reached while we're still,  
7 while it's still outstanding.

8 KEVIN MARTIN: Well I think that the, I  
9 don't think that necessarily any groups that want to  
10 make any recommendations can end up preventing the  
11 Commission from moving forward as it ends up seeing  
12 fit on a variety of issues, but I think that we  
13 would always end up taking serious action, taking  
14 serious action and take seriously the  
15 recommendations that would end up coming in, so.

16 But the, but, again, I think I  
17 appreciate everyone's participation and I think that  
18 we do need to open it up to public comment for a few  
19 hours.

20 Thank you.

21 LOUIS SIGALOS: Thank you very much,  
22 fellows.

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1 UNIDENTIFIED SPEAKER: Excuse me,  
2 Mr. Martin, who picked the panel and why were there  
3 so few women? Where were all the women on the  
4 panel, sir?

5 LOUIS SIGALOS: The public comment  
6 period will open in just a moment. I will remind  
7 everyone and I want to tell everyone as we  
8 transition to the public comment period, I need to  
9 recognize a few representatives of organizations  
10 that we would have liked to have included on the  
11 panel but due to space and time limitations, we  
12 could not.

13 Just as for all members of the audience  
14 who have signed up to speak to the Commissioners,  
15 each of these individuals will be limited to two  
16 minutes.

17 After the transition a little bit here,  
18 we'll get started with a few of these special  
19 speakers and then join, begin the public comment  
20 list.

21 Would everyone please be seated at this  
22 time. We want to begin with the public comment

0150

1 period. Again, due to time and space limitations on  
2 the panel, there was a few people we'd like to  
3 recognize initially before we begin with the public  
4 commentators, those people are Joe Torrez who was to  
5 be speaking on behalf of the National Hispanic Media  
6 Coalition, George Tedesci with the International  
7 Brotherhood of Teamsters and Mike Wassenaar for the  
8 Alliance for Community Media.

9 These people, if you would step forward,  
10 will have two minutes each.

11 I'd like to have everybody notice we do  
12 have a timer clock there that I'll be strictly  
13 enforcing the time limit on the speakers at this  
14 point, so I would request that Joe Torrez.  
15 Mr. Torrez, thank you.

16 JOE TORREZ: Good afternoon, my name is  
17 Joe Torrez, Government relations manager for Free  
18 Press, and I read this statement on behalf of the  
19 National Hispanic Media Coalition.

20 The National Hispanic Media Coalition, a  
21 21-year-old non-profit Latino civil rights media  
22 advocacy organization based in Los Angeles,

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1 California, whose goals include increasing Latino  
2 ownership in the media.

3 Today the FCC is discussing the issue of  
4 localism. For the National Hispanic Media  
5 Coalition, the issue is the lack of minority media  
6 ownership. It is an outrage that FCC Chairman Kevin  
7 Martin reportedly seeks a vote in December on  
8 eliminating the media ownership limits when the FCC  
9 is unable to accurately assess the true state of  
10 female and minority broadcast ownership.

11 In its entire history, the FCC has  
12 never accurately kept track of women and minority  
13 broadcast ownership, even the most recent studies in  
14 July failed to count this important data. In fact,

15 commentators hired by the Commission to study the  
16 problem were unable to do so because the data  
17 provided to them was, quote, useless.

18 Without minority and women ownership  
19 data, it is impossible to have an adequate  
20 understanding of how different policies governing  
21 media ownership in general would impact minority  
22 ownership specifically.

0152

1 We do, however, have some data regarding  
2 minority and women ownership thanks to our media  
3 ally Free Press. They are as equally concerned  
4 about the lack of diversity and ownership in the  
5 media.

6 Two important studies from Free Press,  
7 Out of The Picture and Off the Dial, is to  
8 demonstrate the, illustrate the alarming state of  
9 female and minority ownership, the alarming state of  
10 female minority ownership.

11 In respect to the Latino community, the  
12 first study finds that only 1.1 percent of all full  
13 powered commercial television stations are owned by  
14 Latinos. The second report on radio documents that  
15 Latinos own just 2.9 percent of full power  
16 commercial radio stations. These statistics are  
17 unacceptable.

18 Both studies confirm that relaxing the  
19 ownership rules will cause a further decline in  
20 female minority ownership. How far do we have to go  
21 before the FCC stops neglecting the issue of  
22 minority, of the -- neglecting the media diversity

0153

1 crisis?

2 We join FCC Commissioner Jonathan  
3 Adelstein who has called for an independent  
4 non-partisan task force to address the minority  
5 media crisis.

6 LOUIS SIGALOS: Thank you.

7 JOE TORREZ: But basically he has called  
8 for an independent task force and not to move  
9 forward with the rules until the work of the task  
10 force is completed.

11 Thank you.

12 LOUIS SIGALOS: Thank you, Mr. Torrez.

13 Go ahead, please.

14 GEORGE TEDESCI: Good morning, I am  
15 George Tedesci, I am vice president of the  
16 International Brotherhood of Teamsters and president  
17 of the Union's graphic communications conference  
18 representing 60,000 employees, 2,000 are tribune  
19 workers in Chicago, New York, Baltimore and LA.

20 The Teamsters have submitted comments to  
21 the FCC about our localism and diversity concerns.  
22 I am here today to urge the FCC to not be too quick

0154

1 to grant the tribune application. This would  
2 violate FCC rules and policies.

3 Section 310D of FCC rules forbids a  
4 broadcast licensee from giving third parties control  
5 over stations, personnel, programming and finances.  
6 The owners of a station must be the ones who have  
7 ultimate management responsibilities.

8 The tribune's Zell's transactions calls



9 these rules into question. Sam Zell clearly would  
10 control the tribune as Chairman of the Board, but  
11 would not be an owner. The trust establishment for  
12 the benefit of Zell's family would hold notes and  
13 warrants, but neither Zell nor his family's trust  
14 would be owners of the tribune stock. The real  
15 owners of the tribune company would be the tribune's  
16 employees through an ESOP. The employees hold 100  
17 percent of the tribune's stock, but as proposed, the  
18 employees will have no role in the selection of the  
19 tribune's directors to establish company policy and  
20 appoint the officers who run the company and will  
21 have no opportunity or ability to select or replace  
22 the tribune ESOP trustee who votes all the plan

0155

1 stock.

2 This separation of ownership and  
3 management is unprecedented and would set a new,  
4 very low standard for compliance with the Act's  
5 public interest requirements, which are for the  
6 localism and diversity principles in broadcasting.

7 Thank you.

8 (Applause)

9 LOUIS SIGALOS: Thank you.

10 Mr. Wassenaar.

11 MIKE WASSENAUR: Good afternoon,  
12 Mr. Chairman, Commissioners, my name is Mike  
13 Wassenaar, I'm the national chair of the Alliance  
14 for Community Media and the executive director of  
15 the St. Paul Neighborhood Network in St. Paul,  
16 Minnesota.

17 Localism lies at the heart of the work  
18 we do across the country. At community access  
19 television city centers, we work with community  
20 groups and independent producers that use our  
21 training and production facilities and cable  
22 channels to reflect the concerns of their community

0156

1 and to help educate their fellow citizens.

2 Most importantly for these hearings,  
3 they come to us because they have little or no  
4 access to significant community forums on local  
5 broadcast outlets.

6 For example, in Minneapolis, St. Paul,  
7 there's a population of 60,000 Somali Americans who  
8 have made their community our community since being  
9 displaced by wars in East Africa. This is a  
10 community with many significant educational and  
11 economic needs. Local access television has  
12 responded to those needs by supporting

13 10 regularly-produced TV series on vocational  
14 training, acculturated, health education and other  
15 topics of vital importance to our entire community.

16 These programs provide approximately  
17 20 hours of programming a week by, for and about the  
18 Somali American community.

19 Just as significantly, local broadcast  
20 outlets have failed to address those information  
21 needs of those citizens because the community is not  
22 deemed to be a viable market.

0157

1 When they have made an effort as in the  
2 case of the laudable efforts of our local PBS

3 affiliate, they have relied ironically upon  
4 producers and programming from community-accessed  
5 television. This is one small example of why we  
6 believe that local needs are important, are in many  
7 ways unaddressed by local television.

8 Our concerns as we look at the future  
9 landscape of media production and distribution in  
10 the United States is that the significant remaining  
11 local outlet, community access television will be  
12 weakened or eliminated as a result of administrative  
13 rule-makings on franchising in many of the  
14 localities around the United States.

15 This only heightens the need for  
16 significant action on your part to ensure that local  
17 television addresses more than the entertainment  
18 needs of the people.

19 Thank you.

20 (Applause)

21 LOUIS SIGALOS: Thank you.

22 Okay, now it's time for the public

0158

1 comment portion of the program.

2 Before I review the ground rules, would  
3 the following people please make your way to one of  
4 the two closest aisle microphones, there's one there  
5 and there's one right there. Carolyn Byerly, Kevin  
6 McCarron, James Coleman, Kate Blofson, Sarah  
7 Sieberberg, Dylan Wrynn, Bruce Levinson and Nedia  
8 Benjamin.

9 Okay, the time limit is two minutes for  
10 each speaker. Please organize your thoughts so you  
11 can get your important points through within that  
12 time frame. Again, we have those two microphones  
13 set up, I've called a number of people just so that  
14 we can move quickly from person to person.

15 Remember, we have the time clock there  
16 and I'm going in the order that you registered and  
17 from time to time I'll let you know where we are on  
18 that list.

19 Having said all that, Carolyn Byerly.

20 CAROLYN BYERLY: Thank you very much.

21 Chairman Martin, members of the Commission, I'm very  
22 pleased to be here today. My name is Carolyn Byerly

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1 and I'm a member of the Howard University Department  
2 of, School of Communications. I conduct research on  
3 women and minority ownership and on the ethnic  
4 minority news audience, among other things.

5 Our nation has before it both a civil  
6 rights and a women's rights crisis in media  
7 ownership. Our failed Federal communications policy  
8 has enabled those with great wealth and power to buy  
9 and control more than 90 percent of our public  
10 airwaves. These powerful owners have a narrow  
11 demographic, they are nearly all male and they are  
12 white.

13 The predicament of gender and racial  
14 inequality in ownership is discriminatory on its  
15 face. Let me share with you some of the effects at  
16 the local level. In research that we conducted in  
17 Washington, D.C., last year, in a variety of  
18 neighborhoods, residents told us that they believe  
19 local television news ignores the things that they

20 most want to know about.  
21 These things include neighborhood  
22 redevelopment, lack of jobs, lack of health care for

0160  
1 themselves and their families and public safety.

2 They want to know about crime, yes, but  
3 they want to know why there is so much crime and  
4 they want to know what's being done about it and  
5 they want more visibility for the things they know  
6 full well are going on in their neighborhoods to  
7 address it.

8 We also found that black radio listeners  
9 prefer African-American controlled stations. They  
10 told us these stations, quote, know what's going on  
11 and, quote, tell me the truth.

12 My current research on women broadcast  
13 owners is still underway, but two early findings are  
14 worth sharing with you today. First, women owners  
15 emphasize that they are committed to providing local  
16 news, thus, we conclude that women's ownership  
17 fulfills an essential local public interest.

18 Second, women owners say that they  
19 strive to hire and mentor other women. We conclude  
20 that preserving women's ownership is vital to giving  
21 other women entree into the industry.

22 Thank you very much. I strongly urge

0161  
1 you not to further de-regulate this already  
2 concentrated industry.

3 (Applause).  
4 LOUIS SIGALOS: Thank you.

5 Kevin McCarron.  
6 KEVIN McCARRON: I'm just, I'm not, I'm  
7 just representing myself, I'm here today on my own  
8 time. Before I came down to D.C., I earned my  
9 graduate degree in economics up in New England after  
10 a six-year stint in the service.

11 My graduate work in economics was to  
12 bring the fundamentals of democracy into the realm  
13 of economics and I want to talk briefly about  
14 democracy in broadcasting. We all know if you  
15 studied political science that the founding fathers  
16 sought to keep power in check in three ways, three  
17 fundamental ways, at least.

18 You know about the checks and balances,  
19 or supposedly the paying between the three different  
20 branches of the Federal Government. The second way  
21 was to attempt to allow States some powers vis-a-vis  
22 the Federal, in the Federalist system and the third

0162  
1 way was of course through the 10 amendments limiting  
2 the power of Government over the citizens, over our  
3 citizens.

4 Well the prime and principal of limiting  
5 power, keeping power in check also applies in  
6 economics. This was at the founding of the academic  
7 discipline. Anybody with a degree with this knows  
8 this.

9 Competition inherent in perfect, in  
10 perfectly competitive markets hopefully was designed  
11 to hopefully prevent individual producers from  
12 escaping the constraints of these free markets and,  
13 thus, thereby commit social injustices.

14 Now, this leads directly to  
15 de-regulation of ownership. The de-regulation media  
16 consolidation threatens the design of free markets  
17 and allows broadcasting corporations to overcome a  
18 system of checks and balances in the economic realm,  
19 same principle. We need more regulation in media  
20 ownership, not less. The current consolidation  
21 ownership is bad for democracy and what's bad for  
22 democracy is bad for economics.

0163

1 LOUIS SIGALOS: Thank you.

2 James Coleman.

3 JAMES COLEMAN: Good day to you all. My  
4 name is the Reverend Dr. James Coleman. I'm  
5 president of the Missionary Baptist Ministers  
6 Conference of Washington, D.C., Maryland, Virginia  
7 vicinity. And I wish to express sincere gratitude  
8 for the opportunity to share a clergy perspective on  
9 the matter of media ownership.

10 Respectfully, I must report that our  
11 organization cannot support media consolidation  
12 because such consolidation does not pass the  
13 theological or moral test required for social  
14 justice.

15 As pastors, we wish to note the fact  
16 that women, racial and ethnic minority groups and  
17 people with disabilities historically have been  
18 excluded from or wrongfully stereotyped in the  
19 media.

20 It is the church responsibility to make  
21 the case that God has supplied the airwaves as a  
22 gift to all human kind. He requires of us to be

0164

1 good stewards over the airwaves and ensure that  
2 media reflect in a balanced fashion the views,  
3 opinion and ethnic values of all segments of  
4 society.

5 As the media systems have increased in  
6 size over the last few years, media owners have  
7 become more powerful with the potential for good as  
8 well as evil. Our society has become dependent on  
9 media owners to supply needed information in an  
10 honest, accurate and reliable manner.

11 However, growing concern is that news  
12 reports are no longer reliable, no longer honest and  
13 it seems news reports have become more entertainment  
14 than serious reporting. Seemingly some newscasts  
15 sent all across the nation spotlight controversial  
16 and embarrassing circumstances people have  
17 participated in.

18 The personal issue and event is foreign  
19 to what's going on in our particular locality. News  
20 stories of local communities and our community are  
21 often overlooked for the more sensational  
22 entertaining scripts as we pastors attempt to

0165

1 address the sensational and false messages that we  
2 receive by way of packaged media stories.

3 LOUIS SIGALOS: Thank you very much.

4 JAMES COLEMAN: And I see my time is up,

5 so I --

6 (Applause)

7 LOUIS SIGALOS: Kate Blifson.

8 KATE BLOFSON: Hey, Commissioners, hey,  
9 Chairman Martin, hey everybody.  
10 (Hey).  
11 KATE BLOFSON: Happy Halloween. We are  
12 the FCC cheerleaders and we are so totally psyched  
13 to be here today. I'm sure you guys are really glad  
14 that we made it, too.  
15 So, me and Sarah got here at like 4 a.m.  
16 this morning and so we're going to go back to back  
17 so we can finish all of our cheers.  
18 By the way, I really love the music  
19 before the first panelists, like behind the TV  
20 thing, we totally use that same music for one of our  
21 like best ever routines.  
22 I'd just like to reiterate that we're

0166

1 for the FCC, that's why we are the FCC cheerleaders.  
2 The guards out there seemed to be confused like  
3 we're here to disrupt something or distract from  
4 this process.  
5 We are totally for media consolidation,  
6 okay, and we're here to cheer you on and support you  
7 110 percent while you give 110 percent of the media  
8 to big corporations.  
9 So, we've been working really hard since  
10 last Wednesday night to get these cheers down.  
11 Normally we'd have like way more time than that to  
12 like meet and practice and stuff, but I guess we  
13 just heard about it a week ago, so.  
14 (Us too).  
15 (Cheerleaders).  
16 Ready, okay.  
17 Two, four, six, eight, who do we  
18 consolidate, media, media, more media.  
19 KATE BLOFSON: By the way, that would  
20 have been way better with our pom-poms, they like  
21 took them at security, so.  
22 One more cheer, let's do it. All right.

0167

1 So --  
2 LOUIS SIGALOS: Thank you.  
3 KATE BLOFSON: You're welcome, we're  
4 going to do our last cheer now, thank you so much  
5 for the opportunity and you guys are doing a totally  
6 awesome job.  
7 LOUIS SIGALOS: Sarah.  
8 Sarah Sieberberg, please.  
9 SARAH SIEBERBERG: We're doing a cheer.  
10 LOUIS SIGALOS: Okay, start the clock,  
11 this is Sarah.  
12 (Cheerleaders).  
13 Ready, okay. One million, two million,  
14 three million dollars, all for Clear Channel stand  
15 up and holler, M-O-N-O-P-O-L-Y, monopoly, monopoly  
16 gets us high.  
17 LOUIS SIGALOS: Thank you. I believe  
18 now we are up to Dylan Wrynn. Yes.  
19 MICHAEL SHAY: For personal reasons,  
20 Dylan and I switched positions, I'm Michael Shay, so  
21 I'm going to be in his position, he'll be in mine.  
22 I was 26, I think, so.

0168

1 Could I have two minutes?

2 LOUIS SIGALOS: Yes, please.

3 MICHAEL SHAY: Thank you. I'm Michael

4 Shay from WRYR, the LPFM almost first to ever go on.  
5 We've been on the air five years out in the  
6 Chesapeake Bay. We've been doing localism, we know  
7 what localism is, but, you know, we, I'm here  
8 despite the efforts of the National Association of  
9 Broadcasters and National Public Radio. And  
10 100 watts is not going to fill the vacuum that is  
11 created by the mega broadcasters that want more of  
12 the spectrum and it really is unbelievable that our  
13 local communities don't have any frequency  
14 available.

15 And I can share with you instance after  
16 instance of the good work that we've been doing in  
17 our community for over five years, but I would like  
18 to share one particular instance that kind of drives  
19 home an amazing point.

20 And the NPR players with Susan Sandberg  
21 and Carl Kassel, they do radio theater drama at, in  
22 Easton and, you know, it's our radio station that

0169

1 hosts it so that they can call it Radio from  
2 Downtown. Without our station, it really wouldn't  
3 be Radio from Downtown.

4 When I interviewed Susan Sandberg, and  
5 I've interviewed many people from Presidential  
6 candidates to very important people in our  
7 community, and when I told Susan the story about how  
8 National Public Radio tried to keep my station from  
9 happening and is still trying to keep other stations  
10 from happening, community radio, she thought I  
11 wasn't telling the truth. She didn't believe it.  
12 It's an unbelievable story and it's the only  
13 interview that I've ever had anybody walk away from.

14 You know, the, we have done a study, the  
15 Miter Corporation -- excuse me, my time's up, but  
16 we're going to continue to do good work in our  
17 community.

18 Thank you.

19 LOUIS SIGALOS: Thank you very much.

20 Before I announce the next speaker,  
21 would the following people come forward to the  
22 microphones, please, Melanie Campbell, John Arnold,

0170

1 Liz Humes, Susan Meehan, Epham Rams and Rosa  
2 Clemente.

3 Bruce Levinson.

4 BRUCE LEVINSON: Bruce Levinson with the  
5 Center for Regulatory Effectiveness.

6 In the recent data in a recent filing by  
7 consumers union indicated that the number of full  
8 powered minority-owned commercial television  
9 stations has increased by 25 percent between 2000  
10 and 2006, the same time period during which they  
11 stated the consolidation has increased.

12 There's been an attempt to use the  
13 current issues of localism and minority and female  
14 ownership to try and, to justify ownership caps;  
15 however, there is not reliable data supporting that  
16 connection. It's actually just the opposite.

17 Ownership caps decrease the value of the  
18 assets of female- and minority-owned stations. They

19 need those assets to bond against, to investimate  
20 businesses, to improve programming management and to  
21 buy new, to buy additional station properties.

22 You're not going to help minority and  
0171

1 female broadcast investors by decreasing the value  
2 of their assets. Decreasing station values may  
3 nominally make other additional people able to buy  
4 stations, but that's true regardless of gender or  
5 ethnicity. It simply opens it up to more white  
6 males.

7 Moreover, reducing station values  
8 discourages investors, it discourages investors of  
9 every ethnicity. You need to reduce regulation in  
10 order to make the process more welcoming and more  
11 opening to all investors and potential investors in  
12 the broadcast industry.

13 Thank you.

14 LOUIS SIGALOS: Thank you.

15 Nadi a Benjamin.

16 SAMANTHA MILLER: Hi, I'm actually  
17 Samantha Benjamin speaking on behalf of Nadi a  
18 Benjamin and Code Pink, Women for Peace. I'm  
19 dressed today as a corporate media whore because I  
20 feel that our (inaudible) have been sold to the  
21 highest bidder.

22 When the media is consolidated into a  
0172

1 few profit-driven hands, it is at the cost of our  
2 democracy. I belong to a women's peace organization  
3 called Code Pink that has been working to stop the  
4 war in Iraq and to prevent a war with Iran. We  
5 represent the majority sentiment in this country,  
6 but one would never know that by turning on the  
7 news.

8 Our voices have been completely  
9 marginalized by the corporate media. The lack of  
10 diversity of opinions and analysis in the media is a  
11 life and death issue. The media sold the Iraq war  
12 to the American public which has now cost the lives  
13 of almost 4,000 U.S. troops and over one million  
14 Iraqi civilians, not that you'll ever hear that on  
15 the news.

16 Now they're trying to sell us a war with  
17 Iran, acting as if somehow Iran has made threats  
18 towards us.

19 How can we call ourselves a democracy  
20 when we have a media entirely controlled by large  
21 corporations and often the same corporations  
22 profiting from the war in Iraq.

0173  
1 To have a real democracy we must have an  
2 informed population, we must have true public  
3 discourse with the diversity of voices in the media.  
4 The FCC must stop corporations from silencing the  
5 voices of the people and protect public interest.  
6 It's time to stop prostituting our airwaves to  
7 corporations.

8 (Appl ause)

9 LOUIS SIGALOS: Thank you.

10 Mel ani e Campbell.

11 CAROL JENKINS: Hi, I'm representing  
12 Mel ani e Campbell who is not able to make it, I'm

13 Carol Jenkins from the Women's Media Center. We all  
14 belong to a group called Dignity and Diversity.  
15 We've been having phone calls every single Tuesday  
16 morning since the Imus incident took place in April.

17 So far the group has initiated a  
18 Congressional hearing and is making its effect known  
19 in the world in terms of women of color, diverse  
20 women in the media.

21 Here's the thing, today we witnessed yet  
22 again a scenario where there were 10 men and 2

0174

1 women. There are 4 Commissioners who are male and  
2 only 1 Commissioner who's a woman. There's a  
3 hallway full of Commissioners who are all white men,  
4 well mostly white men, so that I, the issue that we  
5 would raise because of the women's media center,  
6 we're talking about the representation of women in  
7 the media and we might say, too, at the FCC.

8 You have to have diversity more than a  
9 2 to 10 in terms of expressing the opinions of  
10 what's going to take place with these publicly-owned  
11 airwaves, both television and radio.

12 So we would, we still say we are the  
13 invisible majority, more women in the country than  
14 men, we now in mainstream media still occupy only  
15 3 percent of positions of clout and own an  
16 infinitesimal amount of radio stations and  
17 television stations in this country.

18 And I think that as you begin to think  
19 about how you present yourself, you are a  
20 representative of mainstream media in the  
21 unfortunate way of not showing women of color, of  
22 not showing women in their true representative state

0175

1 in this country and until women are included, you  
2 have only a part of the story and at this point not  
3 the most important part of the story of what's  
4 happening in America.

5 Thank you very much.  
6 (Applause).

7 LOUIS SIGALOS: Thank you. John Arnold.  
8 John Arnold.

9 Liz Humes.

10 LIZ HUMES: Hi, I'm Liz Humes and I'm  
11 here to speak on behalf of WRIR LPFM and before I  
12 begin my speech, I have to say that I probably agree  
13 with every single speaker who was up here in support  
14 of localism, but because of time constraints, I'm  
15 here to talk to you about one small aspect of what  
16 LPFM can do for our local communities. We can save  
17 lives.

18 WRIR LPFM Richmond independent radio and  
19 the City of Richmond, Virginia, have a unique  
20 partnership to work together in times of crisis. We  
21 have a five-year agreement in which WRIR will  
22 broadcast emergency information and instructions

0176

1 from public officials over our airwaves. I have a  
2 letter to give to you from our Mayor and Former  
3 Governor of Virginia, Doug Wilder.

4 I also want to quote this letter when he  
5 says, "WRIR LPFM is vital to Richmond's response and  
6 recovery efforts." At the end of the letter he goes



7 on to say, "Broadcast radio guarantees emergency  
8 management officials the ability to connect  
9 immediately and effectively with the public en mass.  
10 Locally-owned, locally-operated public broadcast  
11 stations like WRIR LPFM are an ideal tool for  
12 communication between municipalities and the  
13 communities they serve."

14 WRIR was neither the first station nor  
15 the second station, but we were the only station  
16 that accepted this partnership with the City that we  
17 live in. The other stations, full powers, didn't  
18 want to give up their airwaves to serve the City  
19 they operate. WRIR will allow the chief of police,  
20 the fire department, the Mayor's press office and  
21 the head of public utilities to discuss whatever  
22 needs to be done to restore peace in our lives.

0177

1 I am asking you today to do the next  
2 right thing for response and recovery efforts and  
3 allow the expansion of LPFMs on the radio dial,  
4 because at least in Richmond, Virginia, we're the  
5 only station willing to use our airwaves to save  
6 lives and I'd like, and I'd like to submit the  
7 letter from Doug Wilder, okay.

8 LOUIS SIGALOS: Yes, I'll take that.  
9 (Power to the women).

10 LOUIS SIGALOS: Susan Meehan.

11 SUSAN MEEHAN: Good afternoon, to dilute  
12 the number in diversity of medias and experiment,  
13 that places America at great risk of losing one of  
14 its most fundamental freedoms, the freedom of press.

15 The ultimate reduction, result of this  
16 reduction of media is a loss of freedom in speech.  
17 This was brought home to me most strikingly when I  
18 spent a Summer years ago living in Spain when it was  
19 still under the control of Dictator Francisco  
20 Franco. Freedom of speech was not even a luxury at  
21 that time and place. It was a concept entirely  
22 unacceptable, untolerated and impermissible under

0178

1 any circumstances.

2 One member of the family with whom I  
3 lived in high-rise public housing there greatly  
4 disliked Franco and protested bitterly against him.  
5 His orator always frightened the family greatly  
6 because they knew if it was heard and reported, all  
7 of them could be imprisoned. So when they began to  
8 rail against the Government in their own home, they  
9 forced him into a closet, a clothes closet. Dissent  
10 could only take place in a tiny room in the dark and  
11 surrounded by garments and galoshes, not other  
12 humans.

13 I wouldn't want to live like that ever  
14 again and I am afraid that media consolidation is  
15 herding us in that direction.

16 If media ownership laws are changed to  
17 allow even more consolidation, a few immensely rich  
18 businesses will control what is said and democracy  
19 will suffer. Issues in which the rich have  
20 viewpoints different from the poor will not be  
21 covered fairly or eventually at all because it will  
22 not be in their financial interests to do so.

0179

1 Severe consequences for democracy will  
2 be the result and closets will once again become the  
3 only place for protests. People on the airwaves and  
4 democracy requires that the greatest possible  
5 variety of opinion should be brought to the  
6 attention of all.

7 Thank you.

8 LOUIS SIGALOS: Thank you.

9 (Applause)

10 LOUIS SIGALOS: Before I announce the  
11 next speaker, I'd like to call the following people  
12 forward, Nanz Riccard, Tim Gibson, Christian  
13 Melendez, Alex Allen, Carol Jenkins, Adam Lynn and  
14 Michael Halperin. E. Faye Williams.

15 ROSA CLEMENTE: I'm Rosa Clemente.

16 LOUIS SIGALOS: You're next.

17 E. Faye Williams.

18 ROSA CLEMENTE: You haven't called me.

19 LOUIS SIGALOS: You're next up, Rosa,  
20 Rosa Clemente.

21 ROSA CLEMENTE: Hi, okay. My name is  
22 Rosa Clemente and I'm a hip hop journalist, activist

0180

1 and community organizer. I'm a mother and as a  
2 black Puerto Rican woman, I'm outraged, I'm outraged  
3 at a bunch of white men over the age of 45 that  
4 control 95 percent of the material. In this  
5 material within the hip hop industry puts out the  
6 most degrading, misogynistic and depicts my  
7 daughter's father, my partner, an African-American  
8 man with three jobs, but according to the majority  
9 media, he is lazy, violent, a drug dealer, weed  
10 smoker, saggy-bag wearing Nigger. Yes, because even  
11 if the mainstream media would not use this word,  
12 everything they put out there portrays him as a  
13 Nigger.

14 As a women of color, what Don Imus said  
15 did not bother me. Why, I don't expect anything  
16 from a racist bigot. What angered me was that not  
17 one woman of color progressive or moderate was to be  
18 found on their airwaves after his nasty comments.

19 As a hip hop generation baby, I am aware  
20 that what is portrayed on the mainstream media is  
21 not hip hop, but a distorted, twisted fantasy  
22 version of the rap industry so men who don't look

0181

1 like me or my daughter or the majority of the  
2 American population can live in multi-million  
3 mansions while they put out the most violent and  
4 public safety nasty music out there so that they can  
5 live lavish lives.

6 One year after the infamous Tsunami song  
7 aired on Hot 97 we met with John Demic, a white man.  
8 He said to us I don't let my listen -- my kids  
9 listen to anything on the radio that comes out of  
10 this station that I program. John Demic said as a  
11 hip hop programmer he does not allow his own  
12 children to listen to it.

13 So I ask the Commissioners, and  
14 respectfully, especially to Chairman Martin, this is  
15 not a joke for us, this is our lives and I ask you  
16 how will you sleep tonight, tomorrow or for the rest  
17 of your life if you allow this to happen.

18 LOUIS SIGALOS: Thank you.  
19 (Applause).

20 LOUIS SIGALOS: Nanz Riccard.

21 NANZ RICCARD: Good afternoon,  
22 Commi ssi oners, I'm Nanz Riccard, I'm executive

0182  
1 di rector of the Di strict of Columbi a's public access  
2 televi sion communi ty network, DCTV, which transmits  
3 over 130 original local program hours each week on  
4 non-commercial channels devoted to public discourse.

5 As big media has gotten more and more  
6 consolidated, they have pushed local diverse forces  
7 off the air. Community access channels fill an  
8 important void. Community programmers speak with  
9 their communi ties. Communi ty channels are where the  
10 tableau is being broken that has caused minor girls  
11 who were infected with AIDS by adult men to be  
12 ostracized by their communi ties.

13 Here is where conversations among youth  
14 to resolve gang violence is being held. This is not  
15 to ensure the commercial viability of these  
16 channels, but to meet vital local communication  
17 needs and make our communi ties better places to  
18 live.

19 And yet at the same time the Commi ssi on  
20 is looking towards further media consolidation. Its  
21 two recent hearings on cable TV franchising are  
22 chipping away at the one true local televi sion

0183  
1 system that exists within a reasonable regulatory  
2 framework. The issue before us is one of resolving  
3 how out of balance our information distribution  
4 systems have become relative to our goals as a  
5 democracy.

6 The Chairman listed many proposals and  
7 amendments. They may be a start, but they do not by  
8 themselves undo the results of overvigorous media  
9 consolidation and its detriment on localism and  
10 diverse views.

11 Mr. Goodmon spoke of looking at the  
12 picture as a whole in order to achieve true  
13 localism. The imbalance is caused by the devil  
14 that's in the details and the cumulative effect of  
15 the many pieces discussed here today.

16 The Commi ssi on acts in the public trust  
17 by guiding the use of some of the nation's most  
18 valuable publicly-owned assets. In this light we  
19 respectfully request the Commi ssi on to halt further  
20 need of consolidation and adopt rules to encourage  
21 reversal of its effects to date.

22 Addi ti onally, any further rules should

0184  
1 encourage and ensure the continuance of new local  
2 ownership with clearly-defi ned local programmi ng,  
3 public interest requirements and the framework  
4 should be restored and extended to broadcast  
5 satellite, radio and emergency technologies as a  
6 mean of ensuring the unnecessary citizens-based  
7 discord in each of those broad-based media, the  
8 framework that public access has been over these  
9 years.

10 I thank the Commi ssi on very much.

11 LOUIS SIGALOS: Thank you.

12 Tim Gibson. Tim Gibson. Christian  
13 Melendez.

14 CHRISTIAN MELENDEZ: Good afternoon  
15 Commissioners, Chairman Martin, I'm Christian  
16 Melendez, I'm a student at the University of  
17 Maryland. I'm also here to represent the  
18 underrepresented today, the youth, to urge you to  
19 promote localism by not relaxing media ownership  
20 rules, by encouraging low powered FM and by  
21 protecting that word neutrality.

22 You are probably aware that economists

0185

1 from your Commission said that local ownership of TV  
2 stations had healthy implications for healthy news,  
3 however as Senator Barbara Boxer has noted, that  
4 study was suppressed.

5 If evidence from the FCC is not enough,  
6 try the story about two Fox reporters who are being  
7 fired for doing a story on a dangerous growth  
8 hormone by Monsanto who happened to be an advertiser  
9 for Fox News.

10 If the only outlet that's in an area  
11 decide to censor the news, where, where's the public  
12 going to get this information from?

13 Again, I'm a student from the University  
14 of Maryland and many students there have never heard  
15 the terms media consolidation, never heard of  
16 neutrality, low powered FM.

17 I'm a DJ at the University's radio  
18 station, WMUC FM, College Park, it's America's  
19 oldest college radio station and a community outlet  
20 that has decided it would not duplicate the  
21 corporate infotainment that's perpetuate -- or  
22 excuse me, it's just repeatedly put out there on the

0186

1 airwaves every single day.

2 We strive to bring all sorts of musical  
3 genres, local artists, fresh news to the students of  
4 College Park. We don't expect big media to let the  
5 public know what's really going on. For example,  
6 the amount of coverage in 2003 to the Commission's  
7 rule changes was very limited, so then how am I  
8 aware of these such things? Because of  
9 participatory and not one-directional medium, the  
10 Internet.

11 The explosion of original user-generated  
12 content which is due to network neutrality is  
13 stealing revitalization of our democracy. In  
14 College Park, for example, where I'm from, there's a  
15 major development initiative being undertaken by the  
16 University listeners and blogs like we think College  
17 Park are generating community awareness and  
18 involvement. And I'll finish real fast, these are  
19 reasons to promote localism everywhere. I want you  
20 to expand local powered FM, promote diversified  
21 ownership, protect the network neutrality. Please  
22 don't let big media choke the oxygen out of our

0187

1 dwindling democracy and please don't let the public  
2 leave thinking what the "F" CC.

3 Thank you.  
4 LOUIS SIGALOS: Thank you.  
5 Alex -- Alex Allen.

6 ALEX ALLEN: I wanted to address  
7 Chairman Martin.

8 LOUIS SIGALOS: Excuse me, what's your  
9 name, sir?

10 ALEX ALLEN: Alex Allen, but I wanted to  
11 talk to Chairman Martin, but if he's running --

12 LOUIS SIGALOS: We're on the record.

13 ALEX ALLEN: All right, I just wanted to  
14 say that, I really like Chairman Martin and they  
15 print these dot matrix photos of him in the Wall  
16 Street Journal from time to time and I look at him  
17 and he's got such an innocent face and he's so soft  
18 spoken and so I think we're in good hands here, but  
19 then I hear about devious and devilish things that  
20 this Commission reportedly wants to do, like relax  
21 the newspaper, broadcast cross-ownership ban and  
22 then when this hearing is a week before the election

0188

1 scheduled on five minutes notice, it's not really  
2 conducive to getting a fair sampling of public  
3 comment.

4 With that said, I would say that  
5 basically the, the situation, the media environment  
6 in this country as it's demonstrated by corporate  
7 interests, by the merchant class, every religion in  
8 the world warns against the merchant class because  
9 it's, it's very dangerous.

10 With that said, I'd like to, I'd like to  
11 build up, there's an old skit in Monte Python, an  
12 old skit in Monte Python where a health inspector  
13 walks into a chocolate shop and this chocolatier is  
14 making chocolates with Lark's vomit and -- my  
15 apologies, I'm glad you heard me, though.

16 And basically the health inspector says,  
17 you know we have to take this stuff off the market.  
18 And he says but our sales are, or we have to tell  
19 the public, we have to label; and he said our sales  
20 would plummet. The health inspector says to hell  
21 with your sales, we've got to protect the public and  
22 I think that the Commission has got to protect the

0189

1 public and the best way to do that is to not relax  
2 any rules.

3 Thank you and --

4 LOUIS SIGALOS: Thank you very much.

5 Carol Jenkins.

6 Adam Lynn.

7 ADAM LYNN: I believe the public trust  
8 has been lost and that only the profit motive  
9 remains for media companies. The Commission is  
10 tasked with ensuring the commercial media system  
11 recognizes that they foster the life blood of  
12 democracy and I believe you are failing in this  
13 regard.

14 You can look back to the quote of Laurie  
15 Maze saying something to the effect of that he's not  
16 in the business of providing information to  
17 listeners, he's in the business of making money.  
18 And I think that's when we need to step in and tell  
19 him he's wrong on that account.

20 If, if some of you don't believe me in  
21 this regard, let me give a little evidence to the  
22 effect of why this is the case. You can start with

0190

1 staff cuts. There's been 4,000 journalists at least  
2 since 2000 that those jobs have been cut due to  
3 consolidation. If you go to look at what's replaced  
4 these journalists, you'll see that fluff has  
5 replaced these journalists.

6 I turned on Fox 5 this morning before I  
7 came down here and what did I see, I saw a  
8 journalist dressed up as Ghostbuster walking around  
9 doing a news report and that is not, not journalism  
10 to me and that is not what I want to hear about from  
11 my community. If you look even further, you'll see  
12 well what else they've replaced it with is fake news  
13 or video news releases.

14 We, you know, I mean the fact, even  
15 regardless of disclosure, it's a travesty that this  
16 is even around and I'll report that the GAO site, it  
17 showed that from '98 to 2002 feed material increased  
18 from 14 percent to 23 percent, which is absolutely  
19 horrific. And let me just, just say that on top of  
20 that, you know, you have, you just see the loss  
21 that, the loss of journalism that this has created.

22 What, you know, what you see, you look

0191

1 to radio and the voice tracking and all these  
2 things, that's what the next thing is in TV if you  
3 allow consolidation. So I don't think, you don't  
4 need to imagine it. You see it, it's happening, no  
5 local news and if you want this homogenized content,  
6 this lack of local news and a public that lacks the  
7 means to inform themselves on issues of importance,  
8 then you, then you go ahead and consolidate, but  
9 otherwise you should think twice about that.

10 And I just want to extend an open  
11 invitation to all Commissioners that if you believe  
12 anything the NAB or --

13 LOUIS SIGALOS: Thank you very much.

14 ADAM LYNN: -- NAB or NAA is saying  
15 about consolidation, I'm available day or night to  
16 prove you wrong.

17 LOUIS SIGALOS: Thank you very much.

18 ADAM LYNN: Thank you.

19 LOUIS SIGALOS: Before I announce the  
20 next speaker, would the following people come  
21 forward, please, Nicky Guerra, Josh Silver, Wendy  
22 Thompson, Alexandra Russell, Garland Nixon, Mike

0192

1 Shay, or Dylan Wrynn, Patricia Omana and Lynn  
2 Erskine.

3 Michael Halperin.

4 MICHAEL HALPERIN: Good afternoon, I  
5 come today in strong opposition to further media  
6 consolidation. I come today as an individual but in  
7 my day job by work is to expose Government  
8 corruption. We depend on investigative reporters to  
9 bring to light stories of corruption, not stories of  
10 wild fires, but stories about political appointees  
11 who manipulate endangered species, scientific  
12 documents or bring into light staged FEMA press  
13 conferences.

14 Media consolidation really stifles  
15 meaningful investigative reporting with media  
16 outlets being forced to depend on wire stories and

17 the few reporters that have not been relieved of  
18 their duties. This is not streamlining, it is  
19 dilution.

20 It's no wonder the former editor of the  
21 Wall Street Journal has formed an investigation to  
22 employ investigative reporters and make their

0193

1 articles available free of charge to do the job  
2 local media struggle with more and more every day.  
3 Consolidation also significantly reduces  
4 local editorial satire. The number of professional  
5 working editorial cartoonists has decreased  
6 substantially in recent years to approximately 100  
7 in the entire nation.

8 With this decline comes a decline in  
9 attention to local issues, mail order corruption,  
10 school board hi-jinx, local company layoffs, the  
11 critical, but local issues, are all but ignored.

12 Furthermore, under increased  
13 consolidation, local media outlets are more likely  
14 to feel pressure from national owners to go soft on  
15 big advertisers, where the politicians or political  
16 appointees who create conditions favorable to their  
17 profits.

18 Now this is not the media companies  
19 fault, it's not because of lazy reporters or  
20 editors, the situation comes from a failure to  
21 govern.

22 John F. Kennedy's FCC Commissioner

0194

1 Newton Minnow said I did not come to Washington to  
2 idly observe the squandering of the public's  
3 airwaves.

4 I'd employ you to do the same and to  
5 save this industry.

6 LOUIS SIGALOS: Thank you.

7 Nickey Guerra.

8 NICKY GUERRA: Hello, Commissioners, as  
9 demonstrated by all the speakers today, media  
10 consolidation clearly undermines the fundamental  
11 values of a truly deliberative democracy. My  
12 parents fled a totalit State in 1959 in search of  
13 freedom and a democratic State, most of all  
14 democracy for their children.

15 I fail to see this democracy that they  
16 sought. Our mass media fails to protect us and  
17 undermines the values of the founding fathers that  
18 they need to promote democracy, free speech, public  
19 deliberation and public access to information.

20 It's clear that consolidation only  
21 worsens media's tendency to sometimes omit  
22 information that's inconvenient and marginalize

0195

1 opinions that are oppositional.

2 So, please, I implore you not to further  
3 these faults in our mass media by further relaxing  
4 the consolidation rules.

5 LOUIS SIGALOS: Thank you.

6 Josh Silver.

7 JOSH SILVER: Hi, Commissioners, I'm

8 Josh Silver, I'm actually the co-founder and  
9 executive director of Free Press and I've never  
10 testified to the FCC, so this is exciting.

11 I just wanted to tell you why in two  
12 minutes, this will be a miracle if I can do this,  
13 why I helped found Free Press and it was really out  
14 of exacerbation over the state, particularly of  
15 television news. And everything we've heard and  
16 everything we see across the board shows that  
17 consolidation, further consolidation is just going  
18 to make matters worse.

19 I'm struck by how truly bipartisan, when  
20 I go out across the country, and I'm not talking to  
21 politicians, but I'm talking to real people and I do  
22 it a lot, probably more than most people in the

0196  
1 country, that people on the right and the left  
2 really can't stand this idea of further  
3 consolidation and I, I put that to you as a warning  
4 that this is not popular in any way.

5 And I guess I'd conclude by saying it's  
6 very clear that while we might not be seeing yet the  
7 kind of backlash that we saw in 2003, I see it  
8 starting to percolate and people across the country  
9 really care about this and they're watching closely  
10 and I really hope that you will listen to the  
11 99 percent of public comments that you've received  
12 opposing consolidation and do as the public would  
13 have you do.

14 Thank you.  
15 (Applause)

16 LOUIS SIGALOS: Thank you.

17 Wendy Thompson.

18 WENDY THOMPSON: Well when I start this,  
19 good afternoon, my name is Wendy Thompson and I am  
20 the vice president and general manager of Telemundo,  
21 Washington, D. C., which is owned and operated by CGS  
22 Communications, one of the very few minority-owned

0197  
1 broadcasting companies.

2 My station has over 30 employees and  
3 every one of us have been a wavering commitment to  
4 serve our audience. Through our nightly local news  
5 at 6 and 11 and Washington's only Spanish language  
6 public affairs program (spoke in Spanish), the  
7 Hispanic community in this region is kept informed  
8 of current issues. We are the communities vehicle  
9 to learn about the services and opportunities  
10 available in our region.

11 Last night, for example, we offer our  
12 viewers the opportunity to contact a panel of  
13 experts in domestic violence to learn of the  
14 services available in the region for victims of  
15 domestic violence. Without having the support from  
16 the FCC, communities will not be able to receive the  
17 much needed local information.

18 In our case, we are the bridge that  
19 connects and keeps our community informed. Both  
20 Commissioners McDowell and Commissioner Adelstein  
21 have visited our station and have seen firsthand the  
22 commitment and the work that we do to help our

0198  
1 communities.

2 That is why we devote so much efforts  
3 toward educational projects such as our read to  
4 succeed literacy campaign, voting health and



5 financial education. We're very proud to be a  
6 Hispanic-owned broadcaster and proud still of the  
7 difference we make in our community. Our motto says  
8 it all (spoke in Spanish) the voice of the  
9 community.

10 We hope the FCC recognizes the  
11 importance of localism and acts to preserve it.

12 (Applause).

13 LOUIS SIGALOS: Thank you.

14 Alexandra Russell.

15 ALEXANDRA RUSSELL: Hi, good afternoon,  
16 oh, thanks. My name's Alexandra Russell and I'm a  
17 citizen activist and as your very own cheerleaders  
18 told you this morning, folks were lined up outside  
19 the building from 4 a.m. on ready to testify and  
20 even more people rallied outside this morning to  
21 call on you to put people in better local diverse  
22 news ahead of corporate interests and big media.

0199

1 These are our public airwaves, it's  
2 something we sometimes forget, but they're ours and  
3 corporations have an obligation to put the public  
4 interests first, but what we're finding as big media  
5 companies get even bigger is that more local news is  
6 getting stifled and the most important part of that  
7 is that women and people of color are getting pushed  
8 out, our ownership levels are down. Women are more  
9 than half the population of this country, but we are  
10 less than 5 percent of TV broadcast stations and  
11 less than 6 percent of radio. This is simply  
12 unacceptable.

13 I urge you as all the folks outside this  
14 morning and in here to put people, the public and  
15 local diverse news ahead of big corporate profits.

16 Thank you.

17 LOUIS SIGALOS: Thank you.

18 Garland Nixon.

19 GARLAND NIXON: Yes, I'm a radio talk  
20 show host with Pacifica Network and basically I  
21 started to kind of talk about myself, but I decided  
22 just to say this, I think all you have to do really

0200

1 is look, if you look at the people who are walking  
2 up here, these are normal, every day people.

3 This really is not about corporations  
4 and radio, it's about democracy. If we look at our  
5 history, if we look at the Boston Tea Party, what  
6 did we have, we had a lot of regular every day  
7 citizens who said, you know, we don't like things  
8 this way and they all, they all came together to do  
9 something.

10 And we ask ourselves who was right, the  
11 big people in power or the every day people who said  
12 we don't like this. We look at the civil rights  
13 movement, what did we have, a bunch of people who  
14 walked up to the Government and said, you know, this  
15 isn't right, let's do things a different way.

16 Our history tells us that when the  
17 citizens, the normal every day citizens, the motley  
18 crew you have here in sneakers and hats and tennis  
19 shoes walk up and say this is the way we think it  
20 should be and on the other side you have people, you  
21 have corporate millionaires in 5,000 dollar suits

22 saying we want things another way, our history tells  
0201

1 us that every single time democracy should have gone  
2 on the side of the every day people.

3 So, rather than say my story, I'd just  
4 simply like to say I'd like you to think about  
5 democracy and think about history and think about  
6 what if you were back there making that decision,  
7 sitting there and there were people in power and  
8 there were people up, walking up off the street just  
9 saying, you know, can you look at it our way, we  
10 don't have any money and power.

11 Thank you.

12 LOUIS SIGALOS: Thank you. Dylan Wrynn?  
13 Mike Shay, Dylan Wrynn.

14 Patricia Omana.

15 PATRICIA OMANA: Good afternoon, my name  
16 is Patricia Omana, and I am the general manager of  
17 WIOC AM radio station owned by CGS Communications  
18 which is 100 percent Hispanic owned.

19 WIOC, we're basically, we are an AM band  
20 but we operate as a music station. Looking at our  
21 community, our Hispanic community in the area, in  
22 the metro, we internally have created a lot of

0202  
1 programming, we have opened our microphone and  
2 opened our studio to profit, non-profit  
3 organizations to educate and empower this community.

4 This community needs a lot of  
5 information and we are providing that for them and  
6 that's what localism does, not only for the Hispanic  
7 community, for any community that exists in the  
8 United States.

9 Thank you.

10 LOUIS SIGALOS: Thank you. Before I  
11 announce the next speaker, I'd like to call up the  
12 following people, Francwa Sims, Sandra Levin,  
13 Natalie Fannie and Shireen Mitchell.

14 Lynn Erskine.

15 LYNN ERSKINE: Hello, my name is Lynn  
16 Erskine, I'm a long-time resident of Washington,  
17 D.C. Thanks for giving me the opportunity to speak.

18 I'm concerned that I don't see many  
19 local TV stations covering this hearing and it's  
20 hard to change the media if the media isn't willing  
21 to cover themselves.

22 Traditional media remains highly

0203  
1 profitable. The economics across ownership and  
2 consolidation within media have played a central  
3 role in the debate over limits on media ownership.

4 Media owners have argued that  
5 consolidation and conglomeration from an economic  
6 efficiency and result in a more vibrant media  
7 marketplace. This assertion is challenged by  
8 reality, however. Newspaper and television  
9 properties are highly profitable when compared to  
10 nearly every other industry. Newspapers, for  
11 example, generally have profit margins of 20 percent  
12 or more and regularly sell at multiples of 10 to 12  
13 times cash flow.

14 The biggest problem facing traditional  
15 media is to develop profitable ways to distribute

16 their content online, a problem that isn't solved by  
17 consolidation. In fact, increased head-to-head  
18 competition on the Web between independent local  
19 newspapers and TV stations can enrich the news  
20 content of local markets.

21 While newspapers and broadcasters need  
22 to develop better strategies to attract viewers and

0204

1 readers, there's no evidence that combining local  
2 newspapers and TV will help.

3 There are quality newspaper models that  
4 work.

5 Thank you.

6 (Applause).

7 LOUIS SIGALOS: Thank you.

8 Francwa Sims.

9 FRANCWA SIMS: Right here. Okay. I'm,  
10 okay, I'm Francwa Sims, I'm a local D.C. Blogger and  
11 as an African-American male, I understand what it's  
12 like to be underrepresented and marginalized.

13 As a content provider, I also understand  
14 competition and with other bloggers in the  
15 professional so-called credentialed media, and it's  
16 very hard for bloggers to get our revenue. I also  
17 understand that it is special powerful interests  
18 that control the pockets of the FCC, Congress, the  
19 White House and the judiciary. They own the  
20 airwaves and the pockets of the FCC.

21 I'll make this point again, the FCC is  
22 on the take and I don't blame them. I wish somebody

0205

1 would offer me money for my blog.

2 After spoke, that the decision has  
3 already been made and all this public testimony is  
4 just a matter of procedure. If the FCC cannot serve  
5 the public interests, then it should be abolished  
6 and replaced by a more democratic body. The FCC is  
7 not really in control here, Congress is not in  
8 control, nor is the executive branch and the  
9 judiciary. This is really a one-sided discussion.

10 The FCC is a puppet and the corporate  
11 interests is pushing for media consolidation. It is  
12 amazing how the current administration can advocate  
13 a free press of media in Iraq while we're losing it  
14 here at home.

15 Thank you.

16 (Applause).

17 LOUIS SIGALOS: Thank you.

18 Sondra Levin.

19 SONDRA LEVIN: Yes, good afternoon, my  
20 name is Sondra Levin, I have been a journalist for  
21 15 years and I grew up in Silver Spring. I'm  
22 motivated to speak because of my outrage of the

0206

1 direction of media.

2 More and more large corporations and  
3 monopolies have taken ownership of the media  
4 business. This has resulted in a huge decline in  
5 presentation of voices, the number of voices and  
6 ideas. Democracy depends on freedom of the press  
7 and free speech.

8 Any, I oppose any FCC actions to enable  
9 the consolidation of media ownership. It runs

10 counter to free speech and free press.  
11 The FCC should, in fact, go the opposite  
12 direction. I'm shocked and appalled by the amount  
13 of propaganda, lies and lack of enough environmental  
14 and social justice issues presented in the media.  
15 As a journalist I'm appalled by the  
16 lowering of standards in my profession. Due to  
17 consolidation, there is less opportunities for me as  
18 well. I'm appalled by the lies and misinformation  
19 and bias in media reports.  
20 I participated in a march against the  
21 war in mid-September and the newspapers failed to  
22 report the number correctly. There was

0207  
1 misinformation and they weren't even following the  
2 basic journalistic principles of who, what, where,  
3 when and why.  
4 When I sit in the cafe, the radio is  
5 playing and I hear information about celebrities I  
6 have no interest in hearing about, Britney Spears  
7 and other non-singers that I do not want to hear  
8 about goes on for 5, 10 minutes and I'm so angry  
9 that I turn off the TV and I turn off the radio, but  
10 opting out is not a reason to do -- it's not  
11 something that I should do or anybody should do, we  
12 should try to get a media that listens to everybody  
13 and has a variety of voices, so that's why I'm here  
14 to speak.

15 I don't want to opt out, I want to speak  
16 out and say we need a diversity of voices, that's  
17 what the founding fathers would want.  
18 Thank you.  
19 LOUIS SIGALOS: Thank you. Natalie  
20 Afannie. Natalie?  
21 Shireen Mitchell.  
22 SHIREEN MITCHELL: Thank you and good

0208  
1 afternoon, I appreciate the opportunity to speak.  
2 I'm from the organization called Digital  
3 Sisters and we're an organization that focuses on  
4 media and technology and its impacts on  
5 self-sufficiency for women and children who are  
6 repeatedly underserved.

7 I want to thank you today for supporting  
8 our issues around women of color who, stop the  
9 violence against women of color by having everyone  
10 wear the tag for red and the V standing for victim,  
11 we appreciate that, so as we move forward, basically  
12 I'm also part of a coalition of women's, the women's  
13 coalition of dignity and diversity, you heard a  
14 little bit about them earlier, and focusing on  
15 issues that are happening in the media and how they  
16 impact women and how they impact particularly women  
17 of color.

18 This media issue is a big issue and I  
19 think someone said it earlier, when you start to see  
20 people come in to do the things you see today, that  
21 means that something's wrong. We've got to speak  
22 out, we've got to make some changes and that's why

0209  
1 I'm here today.  
2 Although I heard someone say that  
3 they're happy about digital TV and digital radio,

4 we're also not happy about how it came about. As  
5 one speaker said, he's not sure what will happen to  
6 those stations that aren't able to make the  
7 transition from analog to digital. We are clear  
8 that that is the problem, you don't know what's  
9 going to happen, we're going to mute those voices.

10 The small local stations will lose their  
11 ability to broadcast to local communities, the wait  
12 and see what happens motto is the reason we have the  
13 lack of diversity in the media ownership right now,  
14 and women and minority broadcasters as well.

15 Media consolidation will further  
16 decrease diversity and not allow the local issues  
17 that are important to local communities to be  
18 broadcasted. Although many people can get access to  
19 local issues online, we continue to forget that  
20 there are too many women and people that still don't  
21 have online access to anything and actually rely on  
22 their local community television stations and radio

0210  
1 coverage.

2 With less local stations available, it  
3 means that less local news for those communities and  
4 families. Diversity of voice is important. Of all  
5 things, we just need to make sure that we are  
6 addressing this issue and not spending time on  
7 issues like Imus. We can no longer wait and see and  
8 have, and make sure that everyone has a voice. We  
9 have to make local issues an important part of  
10 what's going on so that these people who have, are  
11 impacted by media in their daily lives can see  
12 what's going on.

13 LOUIS SIGALOS: Thank you.

14 SHIREEN MITCHELL: Whether it's about  
15 local jobs to re-development or the fact that the  
16 average single mother isn't on welfare and works two  
17 jobs and wants to know what's going on in her  
18 schools in her community, we've got to make a  
19 difference today.

20 LOUIS SIGALOS: Thank you.

21 And I want to thank you, all of today's  
22 public commentators.

0211  
1 This concludes the Commission's 6th  
2 hearing on localism. Thank you for your attendance  
3 and for your participation.

4 (Public Hearing concluded.)  
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I, Monica Voorhees, do hereby certify that this transcript was prepared from tape to the best of my ability.

I am neither counsel nor party to this action nor am I interested in the outcome of this action.

Moni ca Voorhees