

**STATEMENT OF
CHAIRMAN KEVIN J. MARTIN**

Re: *In the Matter of Promoting Diversification of Ownership in the Broadcasting Services*, Report and Order and Third Further Notice of Proposed Rulemaking

In order to ensure that the American people have the benefit of a competitive and diverse media marketplace, we need to create more opportunities for different, new and independent voices to be heard. The Commission has recently taken steps to address the concern that there are too few local outlets available to minorities and new entrants.

Last month, we significantly reformed our Low Power FM rules in order to facilitate LPFM stations' access to limited radio spectrum. The new order streamlines and clarifies the process by which LPFM stations can resolve potential interference issues with full-power stations and establishes a going-forward processing policy to help those LPFMs that have regularly provided eight hours of locally originated programming daily in order to preserve this local service. The new rules are designed to better promote entry and ensure local responsiveness without harming the interests of full-power FM stations or other Commission licensees.

The Commission also adopted an order last month that will facilitate the use of leased access channels. Specifically, the order made leasing channels more affordable and expedited the complaint process. These steps will make it easier for independent programmers to reach local audiences.

I believe it is important for the Commission continually look for ways to foster the development of independent channels and voices. The item before us today adopts rules that are designed to promote diversity by increasing and expanding broadcast ownership opportunities for small businesses, including minority and women-owned businesses. For example, we adopt a new rule that gives small businesses and new entrants that acquire expiring construction permits additional time to build out their broadcast facilities. We also revise the Commission's equity/debt attribution standard to facilitate investment in small businesses in order to promote diversity of ownership in broadcast facilities. I believe that these actions, along with others like adopting a rule barring race or gender discrimination in broadcast transactions, adopting a "zero-tolerance" policy for ownership fraud, and committing to the Commission convening an "Access-to-Capital" conference in the first half of 2008 in New York City will go to a long way towards opening up opportunities for small businesses and new entrants. All of the rules and policies that we adopt are designed to serve the public interest, providing for competition, localism, and diversity in the media.

Now, some maintain that the Commission's definition of "eligible entity" – which uses the SBA definition – is insufficient. They argue that the adoption of this definition is regressive and the Commission is better off doing nothing than adopting this definition. I disagree. First, we specifically disagree with the methodology used to argue that our definition is regressive. The item explains how even using Free Press data, we find that

at least 8.5 percent, not 5.88 as Free Press claims, of commercial radio stations owned by SBA-defined small businesses are minority-owned. Moreover, their methodology does not account for the new entrants that may come in as a result of the opportunities presented by the order. Based on this, we find claims that our definition of eligible entity is regressive to be unfounded.

Second, I disagree that the public would be well-served if the Commission would delay its consideration of these issues. The fact is that the Commission has put off these issues too long. It is far better that the Commission adopt these proposals that are geared toward promoting minority and female ownership of the airwaves than to wait for a more perfect definition of eligible entity. In this regard, I note that we have also opened up a further notice specifically considering the issue of whether a more expansive definition should be adopted. Although I admit that the legal hurdle is a high one, I remain open to considering any other definitions that are put forward. For example, I understand that the Commission's Diversity Committee is planning to examine this issue and I look forward to reviewing their findings. In the meantime, I am confident that small businesses, including minorities and small businesses will benefit from the new rules that we adopt today. Further delay in the implementation of these rules would be a mistake.

The Commission's actions today strike an appropriate balance. They carefully take into account the opportunities and challenges of today's media marketplace and, at the same time, prioritize the commitment to localism and diversity. I hope that our policies prove to have a beneficial effect on the diversity of voices in the media market.