

**FCC *EN BANC* HEARING AND CONFERENCE ON OVERCOMING
BARRIERS TO COMMUNICATIONS FINANCING**

New York City

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STATEMENT OF COMMISSIONER ROBERT M. MCDOWELL

Thank you all for having us here in New York. I am excited to be here to gather information from our distinguished panelists on the access to capital issues that face minority and women entrepreneurs in the broadcasting industry. I hope that the conference following our hearing will generate talks that actually lead to financing deals for these entrepreneurs. One of the Commission's goals for the hearing, beyond education, is to gather businesspeople and investors in the same venue to discuss possibilities for financial partnerships. So, I hope to hear the sound of checks being written. In the meantime, we are interested in learning how to address the difficulties that minority and female entrepreneurs have faced with respect to access to capital. This hearing, and the networking conference to follow, are some of the Commission's initial steps in doing something about it.

I am concerned, however, that other possible Commission initiatives could harm broadcast businesses. In particular, the localism proposals we are currently considering, if enacted, would, ironically, result in less of the local programming and service at which minority and women-owned stations excel. Rules such as requiring permanent advisory boards to ascertain local community needs, 24/7 staffing of stations in this age of technological advances, and reversing course on our main studio rule after 25 years, will only take scarce station resources away from expensive propositions such as locally oriented and locally produced programming.

Similarly, our new Form 355 burdens the best local stations more than less responsible ones by requiring them to dedicate more resources to reporting all the good things they do for their communities, instead of just doing them. Broadcasters estimate that the new Form 355 requires at least one full-time person to fill out. That's their only job all day: filling out the form. Having to hire an additional person can mean the difference between a small station surviving or having to sell. How ironic: a regulation that ostensibly was intended to promote diversity may actually extinguish more local voices. I hope we do not head back in time – in the wrong direction – towards the requirements the Commission discarded decades ago.

Also, these proposals treat stations as if they are homogenous. It doesn't make sense for stations that serve niche audiences to poll for advisory boards the same community leaders that a general purpose station does. What happens to diversity as a result? Will new regulation discourage investment and possible minority and women-owned stations? How accurate is the Arbitron PPM and how will it affect stations' revenue streams? I hope to hear from the panelists on these issues as well.

Thank you for being here today and for participating in our hearing. We do value your opinions.