



NEWS

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FCC TAKES STEPS TO IMPROVE ITS COLLECTION OF DATA ON MINORITY AND FEMALE BROADCAST OWNERSHIP

The FCC today issued an *Order* and a *Further Notice of Proposed Rulemaking (FNPRM)* to improve its collection of data on minority and female broadcast ownership to be able to more accurately assess and effectively promote diversity of ownership in the broadcast industry.

In its *Order*, the Commission adopted changes to reporting requirements on FCC Form 323, "Ownership Report for Commercial Broadcast Stations," which is currently filed by certain full power commercial AM, FM and television broadcasters to identify their organizational and ownership structures and to provide information on owners' race, ethnicity, and gender.

In so doing, the Commission addressed and corrected deficiencies in its data-gathering methods that were identified by the U.S. Government Accountability Office, researchers, and commenters. The *Order* stated, "Currently the Commission does not possess reliable data on the precise status of minority and female ownership – data that we will need to establish and maintain effective policies over time that the courts will insist upon if the Commission chooses to pursue more race- or gender-based approaches."

Changes to the FCC Form 323 reporting requirement include:

- Removing the filing exemptions currently applicable to full-power commercial stations owned by individuals or partnerships of natural persons. The *Order* explains that excluding these categories of licensees overlooks a potentially significant group of minority and female owners and prevents the FCC from obtaining information resulting from ownership changes that do not require prior FCC approval.
- Adding LPTV and Class A television stations to the class of stations required to file ownership information on Form 323. The *Order* stated, "We conclude that collecting minority and female ownership data for these stations is essential if we are not to overlook a potentially substantial reservoir of minority and female owners of broadcast facilities, and we believe the benefits of collecting this information outweigh any additional filing burdens imposed on these stations."
- Broadening the scope of reportable interests to include not only all interests in the licensee that are attributable but also minority interests in a corporation with a single majority shareholder and interests in an eligible entity that would otherwise be attributable but for the operation of the higher Equity/Debt Plus attribution threshold applicable to financial interests in eligible entities.

The *Order* does not affect the Commission's attribution rules, which continue in effect unchanged, but merely requires that certain non-attributable interests be reported on the Form 323 to ensure that the Commission's data on minority and female ownership are complete. This information will allow the Commission and others to assess whether nonattributable interests could be a source of attributable minority and female ownership in the future.

- Setting a uniform biennial filing date for stations filing ownership information on Form 323. The *Order* established November 1, 2009, as the first uniform filing date for all filers, and every two years thereafter. Data must be current as of October 1.
- Improving data retrieval by modifying reporting procedures so that ownership data can be incorporated into the FCC database, can be searchable, and can be aggregated and cross-referenced electronically.
- Authorizing Media Bureau random audits to ensure the accuracy of the reports.

The *Further Notice of Proposed Rulemaking* asks for comment on potential changes to the Ownership Report filed by non-commercial licensees of AM, FM and TV broadcast stations, FCC Form 323-E, which currently does not ask gender, race, or ethnicity questions. The *FNRPM* also asks whether the Commission should collect similar information from Low Power FM licensees: Specifically, the *FNRPM* asks for comments on:

- Requiring non-commercial licensees to include gender and racial/ethnic information on FCC Form 323-E.
- Requiring Low Power FM licensees and permittees, who are currently exempt from filing Form 323-E, to begin filing the reports.
- How to define ownership, including minority and/or female ownership, in the noncommercial context. It asks what kind of information should be reported for non-commercial educational broadcast licensees that are non-profit, non-stock entities, or governmental organizations controlled by governing boards or trustees who do not have a financial stake in the licensee organization.
- Whether the uniform biennial filing date adopted for commercial filers of Form 323 should be applied for non-commercial filers of Form 323-E.
- How to minimize any potential reporting and recordkeeping burdens on non-commercial licensees that could occur through the expanded reporting requirements.

Action by the Commission April 8, 2009 by *Report and Order* and by *Fourth Further Notice of Proposed Rule Making* (FCC 09-33). Acting Chairman Copps, Commissioners Adelstein and McDowell with Acting Chairman Copps, Commissions Adelstein and McDowell issuing separate statements.

MB Docket No 07-294; Related MB Dockets: 06-121; 02-277; 01-235; 01-317; 00-244; 04-288

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