

**Remarks of FCC Commissioner Michael O’Rielly
Before the Second Meeting of the Advisory Committee
on Diversity and Digital Entertainment
March 27, 2018**

Thank you for that very warm introduction and welcome. It’s a real honor to speak again before such a distinguished group of individuals. I have worked or met with many of you on so many issues before the Commission. You know my door will always remain open to hear your views, whether we initially agree or disagree on any particular topic.

Whenever I think of FCC advisory committees, I am reminded of comments that comedian Jim Gaffigan, one of my favorites, gave about parenthood: “Raising kids may be a thankless job with ridiculous hours, but at least the pay sucks.” So, I want to reiterate my appreciation to you for your willingness to serve, as I know it takes time away from your families and your other professional responsibilities. Thank goodness this morning’s coffee is free (at least I think so)!

As some of you may recall, I spoke before this group’s inaugural meeting in September just after Chairman Pai reconstituted it. In my September comments, I implored the Committee to stay focused on those issue areas in which the Commission actually has authority to commence action. If it’s not in this book (the Communications Act of 1934) or firmly constituted within its requirements, then you are likely to have a difficult time convincing me of a specific recommendation, no matter how brilliant or revolutionary it may be. That guidance still applies, so I hope you will keep it in mind as the committee proceeds with its work.

The main reason I am here and why I was pleased to accept the committee’s invitation to say a few words this morning is to reinforce the importance of the Commission’s proceeding to create a small entity broadcaster incubator program. Let me be abundantly clear: the lead proponent of this idea is the Chairman and I’ve been happy to support his work on the topic. My goal today is not to step on the Chairman’s toes but, as a fill-in, seek for you to redouble your efforts on the issue and emphasize our collective interest in seeing a fulsome record and your robust recommendations on how best to go about creating an incubator program.

We should all remember that the intent of an incubator program is to address the lackluster ownership of broadcaster station licenses by smaller entities, which includes women and minority groups. All relevant data highlights the fact that our current media ownership limitations and prohibitions are not working. The television numbers remain in the single digits and radio is not much better. Whether once well-meaning or done for protectionist purposes, many of our media ownership rules, crafted in the 1960s and 1970s, have led us to the abysmal state we find ourselves in today.

In a recent Congressional oversight hearing, the Chairman and I were asked if our newly proposed rules at the time would improve the small entity ownership situation. My answer then and remains now that I think they are thoughtful efforts to develop workable solutions that are consistent with the law and recognize today’s market realities. If you believe in a diverse makeup of station owners, then doubling down on failed policies makes no sense.

We all know that some outside parties want the incubator program to fail. We should recognize that their ultimate goal is not to improve small entity broadcaster ownership. Instead, it is a cynical and destructive play to undermine our media ownership rule changes, currently under court review. They

see this as a linchpin to preserve those outdated rules that are not working. The Commission should not be sidelined by such efforts.

With that in mind, I would like to highlight a few of my concerns with your draft proposal. I want to be clear: I have long believed that advisory committees should be left from interference and free from too much direction from the Commission. That said, because I so strongly want this program to work, I feel like I must provide some initial feedback now, before it is too late to make changes needed to garner my support later. First, let's search for new ideas. As I stated earlier: our old policies have not worked. That includes the reestablishment of a tax certificate program. Such a program will be a heavy lift to get passed into law, especially in the near future. Second, I have concerns with the proposed three categories eligible for the incubator program. At this time, they seem too arbitrary and ripe for abuse. Third, I believe the Committee's time would be best served focusing on ideas based on regulatory relief for existing stations willing to participate and capital and training assistance for those interested in obtaining stations. Consider looking closely at Diane Sutter's program. As it currently stands, the draft proposal is missing this focus.

I am confident that, with the exceptional experience and background of the members of the committee, you are more than capable of working through all of these issues to build a successful incubator program that can be adopted by the Commission. This topic remains among the top of your priorities, so I hope you will consider my feedback and come up with some additional ideas.

Thank you, again, for your attention, and I wish you well with the rest of your work today.