

REMARKS OF COMMISSIONER GEOFFREY STARKS
NATIONAL ASSOCIATION OF BROADCASTERS BOARD OF DIRECTORS
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Thank you for that kind introduction. And thank you, Chairman Jordan Wertlieb, and Senator Gordon Smith, for inviting me here this morning to spend some time with members of the NAB Joint Board of Directors. I was honored to receive your invitation to come and discuss my views and the FCC's regulatory agenda for the industry. Since day one as an FCC Commissioner, I have been speaking up and speaking out to advance diversity in broadcast media. I am also focused more broadly on what we as public servants should be doing to achieve the mandate in the Communications Act of making communications available to all Americans. As we enter a new decade, we should be reflecting on exactly what serving the public interest means for the world we live in today -- one in which disruptive technologies and applications move from concept to market in an explosive manner and in a short timeframe.

The Public Interest

So let's begin there, with what it means for broadcasters to adequately serve the public interest in the 21st Century. As you well know, the Communications Act requires that broadcasters act "in the public interest, convenience and necessity" in exchange for the right to use the scarce publicly-owned resource that is the public airwaves. Broadcasters are public trustees, and as such have long understood, for example, that the FCC would look at the content and quality of broadcast service and whether it aligns with community standards of value and decency. The FCC would also look at whether the service provided to the "public" reflects what is good for the public at large, rather than serving the private interests of only a segment of the population. And as you can well imagine, what is in the public interest evolves as societal norms and attitudes change, and as technology brings about new capabilities.

Does the availability of multiple options for consumers to access information, entertainment, education, and civic engagement mean it is less important for broadcasters to focus on traditional notions of what it means to serve the public interest? Not at all. In fact, I think this is your competitive advantage. Broadcast media still dominates how and where most Americans get their entertainment and news content. A 2018 Pew Research Center study showed that eighty-six percent of Americans still get their local news from local TV stations, while only twenty-three percent get their news from sources that

are exclusively online. And numerous studies suggest that most of the news consumed online is originated by traditional sources, like broadcasters or newspapers. While there can be no doubt that the internet changed the modern media landscape, broadcasters will serve best by hewing close to the bell that has always sounded the clearest – a commitment to providing public service to their local communities.

Media Diversity

I was excited to learn that your meetings will include a dialogue and learning session on inclusion, equity, and diversity. The need to be thoughtful and intentional about what it means to be inclusive, how to recognize implicit bias that can lead to a lack of diversity, and the inherent business benefits of diversity and inclusion cannot be overstated. Since joining the FCC, I have spent a lot of time thinking about how to advance diversity in media. Besides having a statutory mandate to promote media diversity, it is also personal for me.

Broadcasting is about more than simply entertainment or conveying information. What we see and hear, and who we see and hear it from, impacts the way we view our world, our society, and ourselves. I want my young daughter and son to see and hear content that speaks to them in a personal way, delivered by people and viewpoints that reflect the diversity that is America.

The FCC has a critical role to play in securing and protecting public access to information. We must make sure that everything--from who owns the broadcast license to who sits in front of the camera--reflects our diversity. To be even more clear, we must do better in fulfilling the Commission's obligation to promote ownership by women and people of color.

We must find effective ways to move the needle on ownership diversity. Let me share some numbers on who owns broadcast properties in the United States. We have nearly 1400 commercial (full power) TV stations. A brief aside -- those aren't necessarily the numbers as we sit here today because the latest FCC data was released in 2017, compiled from data reported in 2015. We at the FCC have to do better – Form 323 broadcast ownership data are reported biennially, so we should know by now at least what the 2017 data show. We cannot adequately address the problem of a lack of media ownership diversity if we are working from such stale data.

Getting back to the numbers, as of 2015, Asian Americans owned just 10 stations. Latino and Hispanic Americans owned 62, or less than 5 percent of

full power stations, and women, who make up more than half of all Americans, represent less than 8 percent of full power station owners. African Americans owned 12 stations – that means that if you were rounding, you would round Black ownership to 0%.

Why does this matter? Broadcast media has the transformative ability to empower and inform, and those exercising this power must represent all of us. At a recent hearing held by the House Energy and Commerce Subcommittee on Communications and Technology, there was a bipartisan call to promote media marketplace diversity. The subcommittee noted that because media outlets provide viewers with educational, political, entertainment, and news programming, diversity of media voices ensures that audiences will have access to different perspectives and programming that is relevant to them.

And they had the paper to back it up; a house resolution (H. Res. 549) reaffirmed the commitment to media diversity and the development of effective solutions to eliminate barriers to media diversity. Also, three separate bills seek to address various aspects of the problem. H.R. 3957, the Expanding Broadcast Ownership Opportunities Act introduced by Representative Butterfield, would reinstate the tax certificate program at the FCC to incentivize sales of broadcast stations to women and minorities and encourage investment of capital in stations owned by women and minorities. H.R. 5564, the Enhancing Broadcaster DIVERSITY Data Act introduced by Representative Clarke, would adopt measures to improve broadcast ownership data collection and direct the FCC to complete the rulemaking on broadcast and cable EEO rules. And H.R. 5567, the MEDIA Diversity Act introduced by Representative Long, would require consideration of market entry barriers for “socially disadvantaged individuals” being excluded from media ownership.

A bit more on tax certificates. I have gone on record in strong support of them as a means to try to level the playing field for those who traditionally lack access to the kind of capital and opportunities necessary to purchase or run a broadcast station. Before they were discontinued in 1995, tax certificates increased minority broadcast ownership from 40 radio and TV stations in 1978 to 288 radio and 43 TV stations in 1995. That is real, significant progress; who knows what the ownership numbers would be today if the tax certificate program had not been discontinued.

There was also well-received testimony at that hearing about this association’s Broadcast Leadership Training program, or BLT – described by one witness as both effective and delicious! I had the opportunity to visit with

BLT participants and instructors at last year's NAB Show, and was impressed by the MBA-style training. Kudos to the NAB for this initiative, which I understand has graduated 325 participants over the years, 55 of whom have gone on to become station owners. I would like to see that number grow higher -- we need more initiatives like this to pair with a strong, legally sustainable tax certificate program and other measures to break the minority ownership logjam. And hold yourselves accountable -- this is an annual meeting of the NAB Board, so make sure that 1 year from now, the numbers are better. And then keep building -- nothing begets more success like success. I will be watching.

I can't say it enough -- America's broadcasters should look like America, and local media should reflect the local communities it is bound to serve. But it is not just ownership numbers that need our attention. In one of my first votes as a Commissioner, I observed that the FCC was failing to make good on its statutory mandate to collect workforce diversity, or EEO, data from broadcasters. It is still not clear to me how, for nearly twenty years, the FCC ignored Congress's will by not collecting this information. That means we have had zero visibility into the diversity of station management and news and production teams. I will continue to work to re-open this issue going forward so we have the data necessary to fully and meaningfully engage on it.

Until we can adequately quantify the problem, we cannot adequately address it. I am heartened by the fact that the legislation being considered in the House also calls for the Commission to complete its rulemaking on the EEO rules that has been pending for over 15 years to restart the collection and report on its analysis of the data to Congress on a regular basis.

One more thing, because this often comes up when discussing how to remedy the lack of media diversity -- I wholly disagree with the argument that collecting EEO data or adopting meaningful policies to promote diversity would be unconstitutional. First, collecting and analyzing data is a ministerial function that is necessary for the FCC, as an expert agency, to have a better understanding of the industries that we regulate. Second, we have a direct order from the Third Circuit Court to implement a data program that would help understand the impact of our regulatory efforts on the ability of women and people of color to own stations.

The Future of Broadcast

And finally, a word on the future of broadcasting. Like many of you, I'm sure, I had the pleasure of attending the Consumer Electronics Show (CES) in Las Vegas a couple of weeks ago. In my remarks there, I shared that as a

regulator, my principal focus for 2020 and beyond will be ensuring that our communications networks and technologies support security, privacy, and our democratic values. Another way to put it is I plan to keep the need to focus on serving the public interest front and center.

The technological transformation to NEXTGEN TV will be powered by the ATSC 3.0 broadcasting standard approved by the FCC for voluntary use in 2017. Better video and audio quality, personalization and interactivity – including targeted ads and geo-targeting, making possible neighborhood-specific weather reporting, for example – and content accessible on fixed and mobile devices. DTV on steroids! And according to the Advanced Television Systems Committee (ATSC), it's coming to 61 markets with 20 new ATSC 3.0-capable TV models available in 2020.

The chief concern I have is the data privacy and security implications. All those features rely on consumer data that will be collected by broadcasters and device manufacturers. How will that data be kept secure? How will it be stored, anonymized, or sold? How will consumers be fully aware of what data are being collected and how it is being used?

What about the algorithms and machine learning that will be employed to manipulate consumer data to produce targeted ads, viewing suggestions, and the like? There is an ever-growing mountain of evidence about the inherent dangers of algorithmic bias in AI systems – often unintentional but avoidable – that are leading to all kinds of negative outcomes. The U.S. Department of Commerce's own study conducted by the non-political National Institute of Standards and Technology (NIST) and released last month demonstrated that certain algorithms exhibited deeply troubling biases for demographic groups defined by sex, age, and race. The point is this – as the broadcast industry starts to think through ATSC 3.0, be sure to widen your aperture to be aware of and conscientiously think through complex issues involving data and privacy that are going to dominate our shared future.

Conclusion

And with that, I'd like to once again thank you for inviting me here to speak to the NAB, and I especially look forward to hearing more about your industry's diversity and inclusion efforts.