

**STATEMENT OF  
COMMISSIONER MICHAEL J. COPPS,  
APPROVING IN PART, DISSENTING IN PART**

*Re: Section 257 Triennial Report to Congress; Identifying and Eliminating Market Entry Barriers for Entrepreneurs and Other Small Businesses*

I dissented from the Commission's previous Section 257 Report to Congress because the Commission both failed to meet its statutory reporting requirement and to take meaningful steps to identify and eliminate market barriers faced by small businesses in the communications industry. Unfortunately little has changed in the past three years. This Report, like the last one, will lead many to believe that the FCC does not take small business concerns seriously.

Small business is the engine that drives America's economy. Recognizing this, Congress directed the FCC to examine market entry barriers confronting small businesses and entrepreneurs and then to detail the efforts the FCC has taken to eliminate these barriers. Section 257 rightly creates a critical reporting requirement for the Commission. This requirement is our opportunity to explain what the Commission is doing to promote small business entrepreneurship and hopefully to demonstrate that the Commission is not catering to industry giants at the expense of small enterprises.

Instead we will send Congress another report that fails to meet the statutory obligation. In place of a serious report that identifies market entry barriers faced by small business and proactive steps the Commission is taking to eliminate these barriers, we once again have a slapdash cataloging of miscellaneous Commission actions over the past three years. This failure is all the more glaring because the Commission has had an open proceeding to examine ways to further our Section 257 mandate since **June 2004** that has never been brought to conclusion. That proceeding itself was tardy, seeking comment on market entry barrier studies released by the Commission in **December 2000**. Indeed, serious questions have been raised recently in the media ownership proceeding as to whether the Commission even has an accurate count of the race, gender, and ethnicity of broadcast licensees. Given this history, it is no wonder that this Report falls so short of the mark.

Sadly, my dissenting statement of three years ago is equally applicable today:

So why did the Commission fail to report on new initiatives designed to eliminate market barriers for small businesses, and thereby fail to comply with the statute? It may be because this Commission does not have a small business record to brag about.

We should be more forthright with Congress. We should admit that the Commission has not articulated a plan for how to eliminate market barriers for small business. We should recognize that we have created too few new rules designed specifically to help small businesses. And maybe most importantly, we should realize that some of this Commission's actions – indeed more than a few – have harmed small businesses.

This last point is particularly relevant today in light of the pending media ownership proceeding and the objections raised by the Third Circuit to the ill-starred loosening of media consolidation undertaken by the previous Commission. Although this report only covers the three-year period ending December 31, 2006, we stand at a similar crossroads today. Down one road we could take real action on the dozens of proposals we have before us to reduce entry barriers for minorities, women, and other small businesses. Down the other road is a headlong rush to loosen further our few remaining media ownership rules, opening up a new bazaar of consolidation before we provide avenues for minorities, women and small business to purchase stakes in radio and television stations. We made the wrong choice in 2003. Why on earth would we want to repeat that near-disaster?

I support the item insofar as it recommends that Congress adopt a new tax incentive program. A properly structured tax certificate program could help reverse the shameful minority and female ownership trends in recent years. But as welcome as this recommendation is, it does not let the Commission off the hook for addressing this issue in a comprehensive manner, nor can it be allowed to serve as a smoke screen for additional consolidation that will only make the problem worse.