

**STATEMENT OF
COMMISSIONER GEOFFREY STARKS**

Re: *Amendment of Section 74.1231(i) of the Commission's Rules on FM Broadcast Booster Stations*, MB Docket No. 20-401; *Modernization of Media Initiative*, MB Docket No. 17-105; *Amendment of Section 74.1231(i) of the Commission's Rules on FM Broadcast Booster Stations*, RM-11854.

Promoting and advancing media diversity is both a statutory mandate for the Commission, and a personal mission for me. For many years, this Commission has struggled to come up with effective ways to fulfill this important responsibility. Diversity efforts made as part of the 2010 and 2014 Quadrennial Regulatory Reviews, and the Commission's 2017 order adopting an incubator program to help new entrant and small broadcasters purchase and operate radio stations, were largely vacated and remanded by the U.S. Court of Appeals for the Third Circuit. Moreover, diversity-related proposals in the 2018 Quadrennial Review proceeding remain pending, which means we have not meaningfully advanced the ball on media diversity in at least a decade.

We must do better, and we must do more to reverse decades of inaction and ineffective policies that have kept radio ownership diversity at unacceptably low levels. The numbers for African American majority ownership in AM and FM radio stations are nowhere near where they should be. While African Americans represent more than 13% of the U.S. population, the latest data show they had a majority ownership interest in only 3% of AM stations, and only 2% of FM stations.¹ Something is off.

To meet our media diversity goals and to ensure that our public airwaves serve the public interest as Congress intended, we must strive to make sure that every aspect of America's broadcasters looks more like the population of America, from who holds the broadcast licenses, to who manages the stations, to who develops and delivers the content.

One factor that has made it harder for small and diverse radio broadcasters to stay on the air and thrive is the steady decline of revenues, especially advertising revenues. Admittedly, that decline is due in part to competition from other media, but it has been worsened by the economic uncertainty of the COVID pandemic. Public radio companies reported revenue declines of around 50% in the second quarter of 2020 and estimates for 2020 local advertising revenue was recently adjusted down another \$4 billion between April and August.²

Which brings us to today. The fact of the matter is that many minority broadcast owners are small or singleton owners that have been hurting during the pandemic. So what can be done? Some months ago, a large group of Civil Rights organizations reached out to me about the GeoBroadcast Solutions proposal, including MMTC, the National Association of Black Owned Broadcasters (NABOB), National Urban League, and 18 others who filed a joint letter in support of it. Many of these same organizations have been leading the charge on efforts to increase minority ownership and employment in media, and I am proud to stand with them in support of an initiative that could help advance both these causes.

¹ See *Fourth Report on Ownership of Broadcast Stations*, FCC Form 323 and Form 323-E Ownership Data as of October 1, 2017, DA 20-161 (MB 2020), at <https://docs.fcc.gov/public/attachments/DA-20-161A1.pdf>. African Americans had a majority ownership interest in 103 commercial AM radio stations (3%) in 2017 and 87 of these stations (2.5%) in 2015. African Americans had a majority ownership interest in 114 commercial FM radio stations (2.1%) in 2017 and 72 (1.3%) of these stations in 2015.

² Radio Ink, *COVID Dealing A Severe Blow To Revenue* (Aug. 13, 2020), at <https://radioink.com/2020/08/13/bia-revises-revenue-down-again/>. See also Ross Benes, *Radio ad spending is set to decline by 25% in 2020*, Business Insider (Sep. 22, 2020) (adjusting its 2020 forecast for U.S. radio ad spending from an expected decline of just 1.0% in March 2020 to an anticipated a 25.0% drop).

The ability to use of booster stations to provide hyper-localized content potentially opens up opportunities for station owners to increase advertising revenue, which for struggling stations could increase their chance of staying on the air to serve their local communities. It could also provide a cost-effective means for other small businesses to customize advertising to a targeted audience.

Another benefit to this proposal is that it could address one of the major barriers to minorities becoming broadcasters—access to capital. GeoBroadcast Solutions has developed an advertising revenue sharing model that would help smaller stations install boosters and new technology necessary to use the system without having to come up with up front capital and operational expenses. If this innovative proposal can provide a new revenue stream that keeps even a few struggling stations on air or opens up opportunities for new broadcasters to enter the market, it is well worth our serious consideration.

Because of the potential to increase the quality of local programming and revenue opportunities for diverse broadcasters, I am pleased to support this item. I also want to thank Commissioner Carr and his staff for their strong support of this proposal, and for collaborating with me to help bring this rulemaking to a vote.

I look forward to hearing from broadcasters who believe they would benefit if we adopt this proposal, in particular whether they think this initiative will help them better compete for audience share and advertising dollars and help them better serve their local audiences. Thank you to the Media Bureau for their work on this proceeding.