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BEFORE THE
COMMITTEE ON THE JUDICIARY
UNITED STATES HOUSE OF REPRESENTATIVES

TRENDS AFFECTING MINORITY BROADCAST OWNERSHIP

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The levels of minority ownership in the broadcasting industry are distressingly low. I welcome the Committee's interest in considering why this is so and, perhaps, fashioning remedies to address this problem.

Every now and then, someone asks me why I have spent a large portion of the last 37 years trying to expand minority ownership and employment in the mass media, and especially, in broadcast. Sometimes it is spoken, sometimes not, but what people really want to know is "Why is a white guy like you so concerned with expanding minority ownership in the media?."

Here is why expanding minority ownership (as well as ownership by women) matters to all Americans: ownership influences content by controlling decisions on hiring, format, programming and public service. As the Supreme Court has said, "It is the right of the public to receive suitable access to social, political, esthetic, moral, and other ideas and experiences which is crucial here."¹ "Suitable access" means access to as many viewpoints as possible. A more diverse marketplace of ideas creates a more democratic society. Frankly, minorities know a lot more about the lifestyle, customs and traditions of the majority white culture than white people know about minority cultures. In short, I need widespread minority ownership at least as much as minorities do.

I wish to make just a few points this morning:

First, while Media Access Project devotes a substantial amount of its effort to broadband deployment, and I hope that the internet will facilitate a more diverse mass media environment, this does not make broadcasting less important today, tomorrow or for the foreseeable future. Over the air broadcasting continues to be the principal source of information for Americans, especially at the local level, where the Internet has yet to make a big difference. Here are a few facts:

¹*Red Lion Broadcasting Co. v. FCC*, 395 U.S. 367, 390 (1969).

- Some 235 million Americans listen to radio every week, a number that has been increasing notwithstanding the development of satellite and internet radio sources.
- The average person spends nearly 3 hours daily listening to radio.
- Usage patterns are steady across people of all ages.
- In this age of multitasking, the amount of time that people watch over the air TV is also going up. Almost half of all TV viewing is of over the air channels, even when cable and satellite offerings are available.
- Of the 100 most watched TV shows each week, 95 are network TV programs.

Second, when I say that levels of minority ownership are distressingly low, I wish I could provide copious detail. I cannot do that, because over the last eight years, minority ownership was not a high priority for the FCC. As the GAO said in a report issued last year, the FCC's data collection has been incomplete and methodologically suspect.² Under Acting Chairman Copps, the FCC has now significantly upgraded its data collection, and more useful information will be available in a year or so. Right now, the best information comes from a private source - studies done by Free Press. According to these studies,

- Minorities own just 7.7 per cent of full power commercial radio stations and only 3.2 percent of full power commercial TV stations.³
- Minority ownership has been declining.
- Minority ownership is more likely to be local ownership.

Third, the single largest obstacle to expanding minority ownership in broadcasting - by far - is the substantial deregulation of media ownership limits in the 1996 Telecommunications Act.

²“Media Ownership: Economic Factors Influence the Number of Media Outlets in Local Markets, While Ownership by Minorities and Women Appears Limited and is Difficult to Assess,” Report to the Chairman, Subcommittee on Telecommunications and the Internet, Committee on Energy and Commerce, House of Representatives, GAO-08-383 (March 2008).

³Information cited comes from *Off the Dial: Female and Minority Radio Station Ownership in the United States*, <http://www.freepress.net/node/45587> and *Out of the Picture: U.S. Minority & Female TV Station Ownership*, <http://www.freepress.net/library/1174>.

Within a few years, broadcasting became dominated by a small number of large companies. This has bid up the price of stations and created other barriers to entry for new and small competitors. For years, citizens groups, led by the Minority Media Telecommunications Council, called on the FCC to assess the impact of these changes on minority broadcasting, but even after the U.S. Court of Appeals for the Third Circuit agreed and directed the FCC to do so, it stalled. Fortunately, new management has arrived, and the FCC has already begun the task of completing long-delayed studies on historic patterns of discrimination and exclusion of minorities in broadcast ownership.

What should be done? A lot. Here are several of the most important things:

- Reimpose limits on national radio ownership and strengthen existing caps on local and national broadcast ownership.
- Reduce the license term to three years and enforce meaningful rules. This will create opportunities for minorities to obtain the licenses that will be forfeited.
- Restore the tax certificate policy which was repealed in 1994.
- Grant the pending application of Robert Johnson's innovative Urban Television proposal, which would allow vastly increased minority ownership of digital TV multicast streams.
- Enact HR 1147, which will expand the low power FM radio service and serve as a platform for training for a new generation of minority radio broadcasters.

Finally, I want to speak briefly to the radio ratings issue. Since the fragility of minority-owned radio impacts all Americans, the introduction of the People Meter (PPM) technology is a matter of legitimate concern for the FCC and this Committee. The problem is more with the sampling techniques than with the technology itself, so I will limit my remarks to one brief observation: While there is ample reason to be suspicious about the validity of ratings obtained using PPM, the best case scenario for PPM is that the new ratings are more reliable. That means that the diary based system used for decades was a fraud. Either way, we need answers, and we may well need to regulate to insure the integrity of the system.