

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington DC 20554

In the Matter of)
)
2010 Quadrennial Regulatory Review) Mb Docket 09-182
Review of the Commission's Broadcast)
Ownership Rules and Other Rules Adopted)
Pursuant to Section 202 of the)
Telecommunications Act of 1996)

Media Alliance files these comments in response to the public notice, Commission seeks comment on Public Broadcast Ownership Report, released on December 3, 2012. These comments are supplementary to the comments filed on our behalf by the Institute for Public Representation in collaboration with the United Church of Christ, the National Organization of Women Foundation, Communication Workers of America, Common Cause, the Benton Foundation, Prometheus Radio Project, and Media Council Hawai'i.

The Quadrennial Report Does Not Support FCC Claims That Ownership Diversity Goals Are Met

As others have documented extensively, the Quadrennial data does not support claims that ownership of broadcast facilities are incrementally improving to meet the demographic indices in the US population. In fact, ownership of the limited public resource of broadcast outlets remain disproportionately out of the hands of women, African-Americans, Latinos, Asian-Americans and Native Americans. The Quadrennial Report reports a significant decline in African-American ownership and disproportionately minor increases in female and Latino ownership that in no way tracks to their percentages in the US population nor with gains made in other indexes of professional advancement and economic success.

Media Ownership Consolidation Historically Decreases Ownership Diversity

As the Commission has itself pointed out numerous times, the trend of increased consolidation, seen most dramatically in the FM radio spectrum where certain companies have acquired well over 1000 radio stations each, has not worked to bring new entrants into the market or to meet stated FCC goals of increased diversity and localism in broadcast ownership. FM radio is an illustrative case of the impact of the Telecommunications Act of 1996, as the barriers to entry for radio are substantially lower than those for television and radio could reasonably be expected to lead in the improvement of minority ownership statistics, were there to be any substantial improvement. In fact, the passage of the Community Radio Act, currently being implemented by the Commission, was made necessary and compelling by the failure of the full-power market to meet needs for local news and culture. In print and broadcast television, where the entrant costs are substantially higher and the opportunities for corrective federal legislation are considerably more constrained, it is necessary for the Commission to exercise the regulatory responsibility it maintains for a diverse media landscape. Simply avoiding the issue and short-cutting to relaxing rules that work against the need to diversify ownership is an abandonment of central regulatory duties entrusted to the Commission.

Spectrum Auctions Will Further Reduce Ownership Diversity

While we appreciate the revenue-generating aspects of the planned spectrum auctions, as well as the much-discussed spectrum needs of the wireless industry, we cannot help but observe that the impact on less well-resourced broadcast outlets is likely to be a significant temptation to cash in on the auction and exit the marketplace. Economic disparities long-established in American society confirm that minority and women-owned broadcast outlets are often financially struggling, partially due to their initial financial resources available to their owners and partially due to the economic resources available to the communities they serve. It also bears repeating that media consolidation has not worked to the advantage of single-outlet owners or small chains, which have not benefited

from the large sums of speculative income generated by larger operators in mergers. There is little doubt that many small, struggling commercial enterprises will be tempted by spectrum auctions, and will be aided and abetted by speculators looking to make a quick killing in the auction. We are already seeing much discussion of such options among non-commercial television operators, like our local Bay Area television station KCSM, whose university owners are tempted to resolve the higher education funding crisis by getting out of the television business altogether, and at a price no other noncommercial operator, especially one from an under-represented community in media ownership is likely be able to meet. It is disappointing to use to see the Commission working at cross-purposes with itself and we ask the Commission to pause and seriously consider the impact of current policies on ownership diversity and what measures could be taken to ameliorate a deleterious impact when one can be predicted before rushing into further ill-considered regulatory rule changes.

The Federal Communications Commission Continues to Disregard Diversity Imperatives

The Commission has been instructed to consider proposals to enhance ownership opportunities for women and minorities “at the same time” as it considered whether relaxation of the cross-ownership rules served the public interest. To this observer, both these proposals and the due consideration of them have been entirely missing from the current process, which seeks to rapidly alter the cross-ownership regulations to accommodate a narrow band of incumbent owners with temporary waivers. The Commission fails in both its adherence to the instructions of the circuit court and its duty to serve the public interest by striving to act on the cross-ownership rules without paying equal attention to the diversity data revealed in its own Quadrennial Study and developing a set of proactive measures to address the low levels of diversity indicated by the data. The Circuit Court's 2008 comment that “it was hard to understand how the Commission's then-proposals “would achieve the

stated goal” speaks for itself. As interested observers, we have been awaiting new proposals of more substance from the Commission. Sadly, they do not seem to be forthcoming. The Commission's comment that it does not intend to provide meaningful proposals on ownership diversity until 2014, reinforces this conclusion. We can only add that if the Commission is unable to attend to this matter until 2014, then the Commission lacks the needed analysis to thoughtfully consider the impact of any change in the cross-ownership regulations and moreover the holistic impact of increased media concentration in the hands of incumbent broadcasters on the public interest and the availability of local news, information and culture.

Respectfully Submitted,

Tracy Rosenberg
Executive Director
Media Alliance
1904 Franklin Street, Suite 818
Oakland CA 94612
<http://www.media-alliance.org>