

# Defining and Measuring Diversity and Localism

Conference on Media Diversity and Localism: Meaning, Metrics, and the Public Interest  
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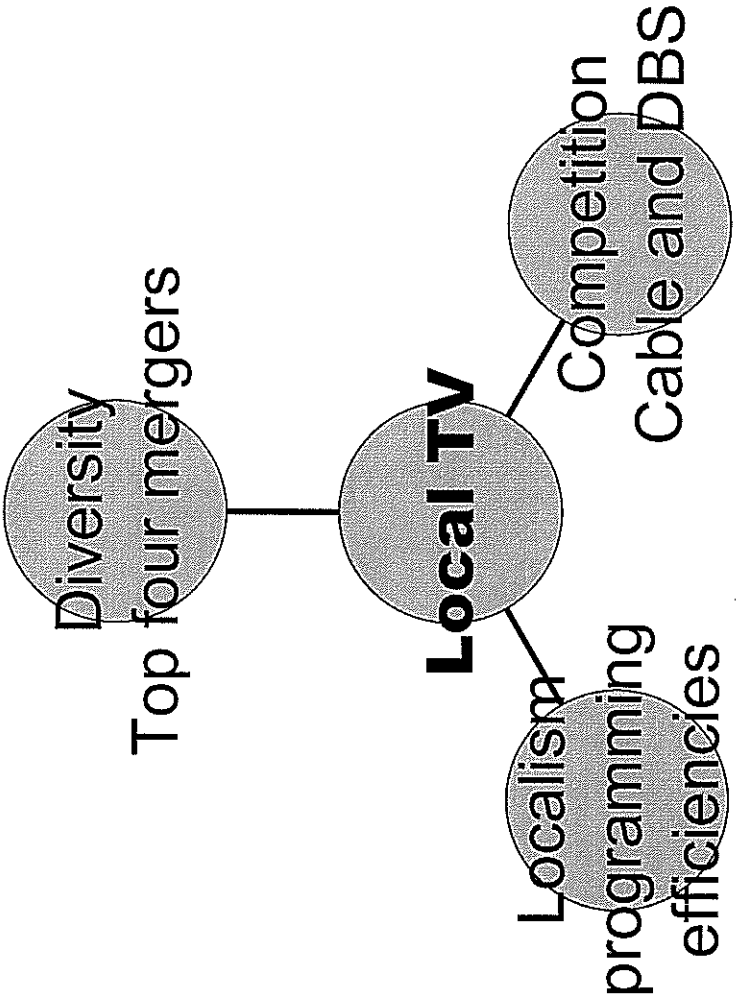
# Introduction

- I was pleased to see Phil Napoli's comment in one of the background briefing papers that the FCC engaged in a "virtually unprecedented effort to strengthen the empirical record on diversity and localism." That's a nice thing to say about the work of my FCC colleagues, but I don't think any of us believe that our work is done.
- Your involvement, as members of the academic community, is going to be crucial in the months and years ahead. Gatherings such as this fill a vital need. And the challenge for policymakers is to create opportunities for you to make your voices heard in the decision-making process.
- Two opportunities to immediately get involved arise in the work of the Federal Advisory Committee on Diversity in Communications in the Digital Age that Chairman Powell formed earlier this year and in the work of the Localism Task Force, that my colleague Royce Sherlock will talk about.
- To start with, since the title of this panel is "Defining and Measuring Diversity and Localism," let me spend a few moments on definitions. As part of the effort Phil mentioned, the Commission identified five possible types of diversity: viewpoint, outlet, program, source, and female and minority ownership:

# Definitions

- “Viewpoint diversity” means setting limits on ownership and ensuring ownership by multiple firms. Although viewpoints can be expressed in many different forms, the Commission concluded that it is most easily measured through news and public affairs programming.
- “Outlet diversity” means that there are multiple independently-owned firms in any given market. The Commission concluded that outlet diversity was not an end in itself but rather part of the goal of achieving viewpoint diversity.
- “Program diversity” refers to a variety of programming formats and content. The Commission concluded that programming diversity is best achieved through “competition among delivery systems rather than through government regulation.”
- “Source diversity” refers to the availability of content through a variety of content producers. Today, given the explosion of programming now available to most consumers, the FCC takes the position that government regulation is not needed to ensure source diversity.
- Finally, diversity includes the goal of increasing ownership of broadcast facilities by women and minorities through a variety of policies.

# An example of applying the definition



# Federal Advisory Committee on Diversity in the Digital Age

- While the definitions and the Commission's order dealt with ownership issues exclusively, the Advisory Committee has a broader mandate.
- First, it covers all areas of communications, not just the media. The FAC's mandate is to present recommendations to the Commission for policies that increase minority and female participation and ownership in the communications industries.
- Second, it deals with employment and career advancement in addition to access to capital and transparency in transactional opportunities.
- Third, I just want to stress that we are extremely fortunate to get the involvement of top caliber people from industry, the financial sector, and advocacy groups.
- This is a tremendously positive effort, aimed at seeking creative solutions. The level of commitment has been tremendous. Chairman Powell and the Commissioners have been fully supportive and we expect that the Committee will generate ideas that move the process forward.

# Members of the Federal Advisory Committee on Diversity

- **Jenny Alonzo**, President, National Association for Multiethnicity In Communications  
**Decker Anstrom**, President, COO, Landmark Communications  
**Andrew Barrett**, Managing Director, The Barrett Group, Inc.  
**Matthew Blank**, Chairman, CEO, Showtime Networks  
**Maria Brennan**, Executive Director, American Women in Radio and Television  
**Benita Fitzgerald Mosley**, President of Women in Cable and Telecommunications  
**A. Anthony Gee**, General Partner, Carthage Venture Partners  
**Joan Gerberding**, President Nassau Radio Network  
**Steve Hillard**, President, CEO Council Tree Communications  
**Priscilla Hill-Ardoin**, Senior VP, Regulatory Compliance, SBC  
**David Honig**, Executive Director, Minority Media and Telecommunications Council  
**Jamie Howard**, COO, BigBand Networks, Inc.  
**Julia Johnson**, President, NetCommunications  
**Ginger Lew**, CEO, Telecommunications Development Fund  
**Alfred C. Liggins**, President & CEO Radio One  
**Vonya McCann**, Sr. VP, Federal External Affairs, Sprint  
**Francisco R. Montero**, Fletcher, Heald & Hildreth  
**Henry Rivera**, Partner, Vinson & Elkins  
**Riley Temple**, Partner, Halprin, Temple, Goodman & Maher  
**Lauren Tyler**, Partner, Quetzal/JP Morgan Partners, L.P.  
**Terdema Ussery**, President, CEO, Dallas Mavericks, President, HDNet  
**Alex Wallau**, President, ABC Television Network  
**Kelvin Westbrook**, President, CEO Millennium Digital Media  
**Jim Winston**, President, National Association of Black Owned Broadcasters  
**Roscoe Young**, CEO, COO, KMC Telecom

# Subcommittees

- **Financial Issues** -- chaired by Andrew Barrett. The objectives for this subcommittee are to (a) identify the obstacles to capital access faced by minorities and women in the telecommunications industries; (b) assess current practices regarding the access to capital; (c) develop recommendations and identify "best practices" to address these obstacles; and (d) focus both on industry-specific measures, as well as issues that extend across the telecommunications sectors.
- **Transactional Transparency & Related Outreach** -- chaired by Steve Hillard. The objectives are to (a) identify what enhancements or additions are needed, and develop suggested "best practices" in order to increase the participation of minorities and women; (b) assess current practices of how potential investment opportunities in telecom industries are identified and how that information is disseminated; and (c) focus both on industry-specific measures, as well as recommendations extending across the telecom sectors.
- **Career Advancement** -- chaired by Jenny Alonzo. The objectives are to (a) assess current executive training programs and other career development programs that target minorities and women in the telecom industries; (b) identify recommendations and "best practices" that would facilitate opportunities in upper level management and ownership; and (c) focus both on industry-specific measures, as well as recommendations extending across the telecom sectors.
- **New Technologies** -- chaired by Roscoe Young. The objectives are to (a) assess what ownership and career advancement opportunities are available in new and emerging technologies (e.g., broadband, digital television, cable, satellite, low power FM) and the convergence of these technologies; and (b) develop recommendations for facilitating opportunities for minorities and women in new industries as they form.

<http://www.fcc.gov/DiversityFAC/>

- The Committee had one public meeting in September and the next meeting is scheduled for January 26, 2004 in the Commission meeting room in Washington DC.
- Anyone who is interested is welcome to contribute or participate in this work. More information is available at our website



# Research agenda

- Several years ago, the Dean of the Newhouse School of Communications at Syracuse University told the *New York Times*:
- “it is unclear either how minority ownership or employment influences programming. There is very little research yet determining how their presence in the programming and news-making process affects decisions on news coverage and entertainment... The assumption has been that it would. But others feel that the medium and career pressures mold the individuals.”
- Studies on this nexus are mandatory for any federal preferential programs to survive constitutional challenges.

# Research agenda, cont'd

- In 2000 the FCC conducted a series of ground-breaking studies on these questions. The studies look at:
- the nexus between race of broadcast licensees and programming content;
- whether the Commission may have discriminated against minorities in issuing broadcast licenses using the comparative hearing method and wireless licenses using auctions;
- to what extent discrimination in the capital markets affected applicants for broadcast licenses;
- anecdotal evidence of discrimination among license applicants since the 1950's.
- There is definitely the need to update and build on this record. Independent scholarly analysis, coupled with the work done previously, can build a solid record that is the necessary foundation of any policy in this area.

# Research agenda, cont'd

- Finally, it may be helpful to have a good solid analysis of the scope of what is constitutionally permissible. *Grutter v. Bollinger*, for example, which deals with the Supreme Court's most recent pronouncement on affirmative action-type remedies, is generating a lot of interest because it held that voluntary efforts to promote diversity, at least in the context of a university admissions program, are permissible. Specifically, the Court held that diversity is a compelling state interest that justifies preferential treatment. How far does this go? Is there a case that similar voluntary programs in the media context should also be permissible? Research and analysis would be helpful.