Chairman Martin and fellow commissioners,

I would like to thank you for having the vision and the commitment to convene such an important hearing designed to address one of the key policy and strategic issues affecting media ownership diversity. This month's Black Enterprise magazine speaks to the precarious and tenuous state of minority owned media in the wake of regulatory changes in the '90's that adversely affected the ability of small minority businesses to compete and survive in a more consolidated media environment. While these developments seem to have served and benefited corporate interests, the jury is still out yet close to a decision on its impact on localism, diversity of content, and the public interest. The decrease in the number of minority, black-owned broadcast stations is creating an environment in which minority audiences are being serviced by more homogenous, majority controlled interests that utilize a small cohort of syndicated black personalities. While there are some who celebrate the increased footprint and the growing profile of a selected group of minority/black personalities, these beneficiaries of unfettered consolidated potentially become gatekeepers for corporate, major-owned interests that are oftentimes at odds with the public interest and the aspirations of minority audiences. For example, some of you are aware that I have organized and initiated a campaign to challenge the negative and stereotypical representations of African-Americans in the entertainment industry, and heard on broadcast radio stations and on cable music video networks. What I have found is many of the celebrated syndicated personalities agree with our cause in private, but feel constrained to address this issue publicly because their owners either produce, market, and/or distribute the very content that they and many other African-Americans find offensive.

It is for this and other reasons that policy or strategic initiatives that identify, encourage, and incentivize equity investors to expand minority participation and increase diversity of ownership would be a welcomed corrective in today's competitive and content environment. The equity investors here today and others not present should be encouraged to tap an untapped minority consumer audience that is unserved and underserved by large majority owned broadcasters who view entertainment and comedy as the primary vehicle for reaching minority audiences.

It is because of this connection between ownership and content that sensible proposals that constitutionally incentivize investment in minority businesses and that expand the competitive landscape for minority businesses should be considered. This includes restoring and expanding the Tax Certificate program, elimination restrictions (such as exit requirements, lease, resale, and wholesale restrictions) that impede the ability of Designated Entities to get financing, staying on top of concerns about discrimination in ad placement, reauthorizing private equity and venture capital loan funds, relaxing FM move-in rules, and reallocation of designated TV channels for FM service to minority-owned AM stations would go a long way towards increasing minority participation and ownership in telecom and media.

With that said, these suggestions only address a part of the public interest and civil rights concerns that confront minority audiences. It is critically important that we expand the goal of diversity proposals to include more than just a concern to increase minority ownership. The sincere yet shortsighted flaw in the assumption that an increase in minority owners necessarily leads to diverse content and perspective is contradicted by the current state of minority/black media ownership, in which black executives create and distribute content to service an insatiable non-black consumer demand for content that most African-Americans find offensive, indecent, and inappropriate for youth. Our campaign shows that diversity of owners does not guarantee diversity of content. To address this state of affairs, the aforementioned strategies designed to increase minority participation and competitiveness have to be balanced with initiatives that foster greater accountability to the consumer. The civil rights goals that are the subtext for this hearing include, yet transcend a narrow focus on increasing minority inclusion. Content that serves the public interest of minority communities must be the ultimate goal of our work, or else, we will merely end up with minority/black-owned entrepreneurs who are willing to advance the same content as the majority ownered businesses. To paraphrase a comment made at the September 2007 FCC hearing in Chicago, what is needed is not simply ethnic ownership, but ethical ownership as well. Over the course of our campaign, I have found that in the reluctance of broadcasters, cable companies, advertisers, legislators, and the courts to define the boundaries of content in service of the public good, there is no accountability for content providers that develop content that is supposedly for and about minority audiences. To remedy this situation, we believe that there has to be an infusion of more consumer choice that shifts the balance of power towards the public interest. As long as broadcasters, cable companies, and cable networks can take the consumer for granted, there is no accountability that will ensure the diversity of content goals that are the reason for these hearings. It is with this in mind that we believe a jolt is needed in the competitive landscape that at least balances the interests of the public with the interests of corporate media.

We are of the opinion that multi-cast, must carry proposals provide an opportunity for new entrants to participate in the broadcasting industry. These proposals could serve as a very valuable intermediate ground for those who might desire to become owners by providing the requisite experience and credibility to advance to the next level. If the technology is available as a result of the digital transition, it seems that the public interest is best served by providing more options and diverse program programming to the American people. It also seems to have the potential to shift the balance of power from private cable networks to public broadcasters. Increased digital spectrum provides for more diverse programming, more choices, and more accountability.

Additionally, steps to increase consumer choice in the cable industry would go a long way towards adding some form of accountability to the equation. While I have heard many of the arguments against cable choice proposals (or *a la carte*), I am not persuaded by most of them. I have talked with just as many minority entrepreneurs who claim they have been adversely affected by the current system of bundling because the cable companies, allegedly, force minority programmers to give up ownership in order to obtain cable carriage. Also, if it is the case that cable choice proposals increase costs on a per channel basis, the consumer should have the choice to pay less overall, even if it means paying more on a per channel basis. To reason analogically, consumers at fast food franchises by more on a "per fry" basic when they purchase a small order of French fries rather than purchasing a super-size order of fries. And yet, there are millions of consumers each day who choose for whatever reason to purchase small fries. If cable programmers are able to take the consumer for granted because the consumer is forced to subsidize their channel, there is no incentive to develop content that is acceptable to minority communities. In conjunction to regulation to monitor pricing, I/we believe more cable choice would empower consumers to make content providers more accountable.

Lastly, I think there needs to be some monitoring of the affiliate agreements between cable companies and the networks, and the franchise agreements between cable companies and the municipalities. These agreements contain representations about diversity and minority content that I believe is not being kept by the networks. Therefore, the networks and the cable companies are potentially in breach of contract for selling a product to the states and to consumers that misrepresent their diversity claims.

Thank you again for convening this important hearing.

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