

OVERCOMING BARRIERS TO COMMUNICATIONS FINANCING
Schomburg Center for Research in Black Culture in the Langston Hughes
Auditorium
Federal Communications Commission
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Testimony of Mayela Rosales

Good afternoon Mr. Chairman and Members of the Commission, thank you for allowing me to share my experiences as a TV station owner and operator!

My name is Mayela Rosales, Executive Vice President of Azteca America Southwest Florida. Along with my husband, Orlando Rosales, I am one of the owners of WTPH Channel 14, the first Hispanic television station in Fort Myers/Naples market, and the only one providing Spanish-language news in Southwest Florida. I am not only an investor, I am actively involved in all of its operations and a caring member of the community.

Thank you very much for holding this hearing on minority media opportunities and financing. You are to be commended for connecting the word “opportunity” with the word “financing.” Connecting these two, on our own is a little like trying to cross a rapid river without a bridge. We believe you – the FCC – can be that bridge.

In my testimony this afternoon, I will explain our work in building the best local Hispanic television in SW Florida and I will outline what the FCC must do to keep LPTV stations like mine viable.

WTPH has the ideal market. We have the highest Hispanic percentage growth rate – 85% over the last seven years in our DMA market.

WTPH has created rich and relevant content to serve this fast growing market. We produce 15 hours of original local content every week. We air network-quality daily news programs at 6:00 pm and 11:30 pm every day.

Each workday morning, WTPH also, produces my morning show -- “D’Latinos al Dia” – a program with a 6 year history and an established market share, where MY TV local affiliate rebroadcasts it as its only Spanish-language show.

Every day, this commitment of ours makes for great entertainment. Some days, it saves lives.

As you all know, in 2005, Florida was hit hard by Hurricane Wilma, a Category 5 storm listed as the most intense hurricane ever recorded in the Atlantic Basin.

Through this natural disaster, we at WTPH stayed on the air, broadcasting news and emergency information in Spanish 24 hours a day – and I can assure you, we were the only station in Southwest Florida to do so.

Let's now turn to the policy discussion.

The challenges before the FCC today are quite daunting: difficulties implementing the digital transition so it reaches all of us, anxieties over media concentration, and growing losses of local content.

Finding a way to bridge “opportunity” and “financing” for an LPTV station in Southwest Florida must seem small, in comparison.

But please, see these issues through my eyes, and you may find them easier to solve.

Dear Members of the Commission!

Let's start with local programming. It's what LPTV stations were designed to do. Yet we are treated like second-class citizens.

And as I mentioned earlier, my show “D'Latinos al Dia” is a hit show. That's why the MY TV local affiliate rebroadcasts it on an otherwise English language schedule. Although, we produce the show at WTPH, MY TV affiliate generates more advertising revenue from it than we can.

The reality is that when MY TV sells an ad on my show, it gets 15 times the price WTPH can charge. The reason? It's on a better distribution platform. And the digital transition can end this broadcast “class segregation.”

The original reason for limiting the broadcast signal strength of an LPTV was to prevent interference with nearby “full power” broadcast stations. Once the digital transition is complete, what we now call a “station” will be, essentially, a source of programming delivered digitally to the head-end of a distribution system – fiber, satellite or cable. The remedy, then, is to adopt policies first, to incentivize the creation of local television programming and secondly to get these programs onto the distribution networks at rates which are fair to all.

Mr. Chairman, earlier this year you suggested a terrific idea, to entitle Class A LPTVs who fulfill all the obligations of being a “full power station” to the same must carry rights as those stations.

I can tell you that 100% of our very considerable difficulties in negotiating with the cable company in our area, Comcast, would be solved if we had leverage. Currently we have to pay Comcast excessive rates for carriage, and for very poor channel placement which few of our viewers can afford.

The only option with a cable company is must carry – that’s why the policy exists. If we had must carry we would have access to a far better distribution platform, we would be able to capture higher ad revenues, and that would help us secure adequate financing to advance our growth and to continue operating.

It is a given that we will apply to become a Class A station if the FCC opens the window. However, there is another policy option, and one we believe will result in an immediate infusion of more local programming. The FCC should reward LPTVs who produce at least 15 hours of local programming, such as my station, with must carry status.

Too much of today’s programming is controlled by a handful of huge media conglomerates. Too many sources of successful original and local television programming are stranded, as are we, waiting for a bridge to connect opportunity and financing. Clearly, the FCC can be this “critical bridge” in obtaining adequate financing by offering must carry.

If we gain must carry, we can secure financing primarily by way of additional customer revenue.

As a result, the underserved audience will gain more local and community programming. And any emerging minority will be better informed by local TV Stations that are owned and operated by small business women entrepreneurs making good by the American Dream.

Thank you.