

Minority Media & Telecommunications Council

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**Testimony
of
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**Before
The New York City Council**

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Good morning, Speaker Quinn and Council Members. On behalf of the Minority Media and Telecommunications Council (MMTC), thank you very much for inviting us to testify here today. MMTC is a member of the PPM Coalition, and since 1986 MMTC has been the pre-eminent advocate before the FCC for racial diversity in all electronic media.

My name is Joseph Miller. I am MMTC's Earle K. Moore Fellow and a product of New York City. I grew up listening to radio stations WSKQ and WBLS. Had it not been for La Mega 97.9 and 107.5 WBLS, it would have been a lot more difficult, if not impossible, for me and millions of others to discover artists like Celia Cruz, Mary J. Blige, Tego Calderon, Jerry Rivera, and Luther Vandross, and radio hosts like Juan Carlos Alonso and Steve Harvey. These artists have special value to minorities and non-minorities alike, those who take the subway or bus to work, rather than fight through traffic on the Long Island Expressway and who live in neighborhoods like West 207th St., where, during the sweltering summer months, flavored ice carts sparkle the landscape—not lawn sprinklers.

Before I attended New York Law School, just five-and-a-half blocks north of here, I was employed in the radio broadcasting industry. Over the course of ten years, I worked in five radio stations here in New York City, in all departments, including advertising sales. I have analyzed many an Arbitron ratings book, and I have firsthand knowledge of how crucial ratings are to a radio station's ability to generate revenue, ultimately determining its continued survival.

The implementation of a flawed PPM methodology would be akin to dropping a financial nuclear bomb—what MMTC estimates to be around \$500 million in annual lost revenues—on America's minority radio stations. It would create the greatest loss of asset value in the history of minority radio, and if implemented nationwide would most likely bring about the demise of about half of America's minority owned stations. The cost to the public in lost service, and lost opportunities to receive diverse information, would be huge.

We are all now very familiar with some of the flaws in Arbitron's PPM methodology that make it unconscionable to release in its current state. But why is minority-owned media important? Why can't we just have mass appeal radio stations? There are several reasons:

1. Minority-Owned Media Ownership is Critical For Promoting A Robust Dialogue That Is Reflective Of the Diversity of the Population
2. Minority-Owned Radio Stations Are Key For Ensuring that Minority Consumers Are Able to Make Well-Informed Product Choices
3. Were It Not for Minority-Owned Radio Stations, The Current Sad State Of Broadcast Employment Diversity Would Fare Even Worse
4. All Three Branches Of Government Have Held That Broadcast Diversity Must be Preserved

Minority media ownership is critical for promoting a robust dialogue that is reflective of the diversity of the entire population. Today, over one third of the nation's population owns barely 1% of the equity of the industry most important to democracy. This is unacceptable in a nation in which, a generation from now, minorities are expected to make up more than 50% of the population.

Minority-owned radio stations ensure that minority audiences are able to make well-informed product choices. But PPM's flawed methodology threatens to drive advertising dollars away from minority-owned radio stations—a slap in the face of minority broadcasters. By helping to control advertising budget allocations, Arbitron is as much an ally to advertisers as it is to top ranked radio stations. Many advertisers have used pretextual excuses for not advertising on urban and Spanish- language stations, when the real reason is often that, under the preconceived notion that they will drive away white customers, they do not want to associate their products with people of color. Some of the absurd assertions advertisers have used in their attempts to justify their failure to advertise on urban and Spanish- language radio have been things like, “Black people don't buy yogurt,” “Blacks and Hispanics don't do housecleaning,” or “are not interested in our product,” with no empirical basis for the assertions. As a result, many minority radio listeners do not enjoy the same exposure to the full range of product choices that are available to them. Earlier this year, after 24 years of advocacy by MMTC and others, the FCC adopted a rule banning discrimination in advertising sales and requiring advertising sales contracts to contain a clause stating that neither the advertiser nor the station discriminates against other stations on the basis of the ethnic composition of their audience. Now that this anti-discrimination rule has been enacted, the flawed PPM methodology has arrived as a gift to

discriminating advertisers in need of a pretext to justify decisions not to use Black and Spanish radio.

The continued viability of minority-owned media outlets is not important solely for the purpose of ensuring that minority consumers are well informed of product choices. Minority-owned radio stations are an indispensable training ground for minority broadcasters. Non-minorities have had an enormous head start—by more than a generation—in the broadcasting industry, which affords them a huge competitive advantage in depth of experience, job tenure, and cross-generational entitlements. Many young White college graduates entering broadcasting today can call for help from parents, uncles, aunts and grandparents who entered broadcasting early without facing competition from minorities. These fortunate few, with the advantage of family ties to the beneficiaries of discrimination, today stand first in line for internships and plum jobs. The current state of diversity in broadcast journalism reflects these pervasive effects of past discrimination. According to the Radio-Television News Directors Association, the number of minorities who were radio news employees dropped by 58%--from 14.7% to 6.2%--between 1995 and 2007. Most of the remaining employees were employed at minority-owned stations. MMTC has calculated the percentage of radio news employees at non-minority-owned English language radio stations as statistically zero. Therefore, if we are to ensure equal opportunity for all broadcasting employees, it is critical for minority-owned radio stations to remain viable.

Finally, Congress, the FCC, and the courts have all maintained that broadcast diversity must be preserved. Congress, by amending the Communications Act in 1996 to include Sections 151 (nondiscrimination) and 257 (elimination of market entry barriers) has expressed its desire to promote broadcast diversity. Less than a year ago, at MMTC's urging, the Commission adopted thirteen new regulatory proposals aimed at improving broadcast diversity – including the

Broadcast Advertising Nondiscrimination Rule, which requires broadcasters to include a nondiscrimination clause in their advertising sales contracts. For its part, in 1990 the Supreme Court held, in Metro Broadcasting [497 U.S. 547] that broadcast diversity is an important governmental objective.

In conclusion, it is absolutely critical that we give Arbitron's PPM methodology an appropriate level of scrutiny and skepticism. The stakes are too high. The PPM Coalition does not argue against the need for laser-sharp metrics. It simply requests the prevention of the potentially devastating effects of Arbitron's flawed methodology.

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