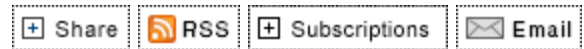


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Happy Birthday, FCC?

June 19, 2009

John Eggerton

As the Federal Communications Commission celebrates the 75th anniversary of its formation Friday, media diversity activists Everett C. Parker and David Honig aren't exactly sending flowers. Instead, they've sent an unvarnished yet affectionate look back on the commission's first 75 years in the form of this exclusive op-ed for Broadcastingcable.com.

THE FCC AT 75: FOR DIVERSITY, A HISTORY OF SHAME, A FUTURE OF HOPE

Everett C. Parker and David Honig

June 19, 2009

On this day 75 years ago the Federal Communications Commission was born. Today we celebrate the FCC's birthday by recounting the history of America's most influential institutions—the mass media and telecommunications—in tying together the multicultural, multilingual and multiracial jambalaya we call America in the Digital Age.

Today's FCC can take pride in many achievements. Technologically our media and telecom services are the world's standard. The Internet is ubiquitous and is transforming society at a breathtaking pace. And one week ago today, after 22 years of painstaking work, the nation transitioned to digital television.

But something is missing. Amidst the celebratory milestones, one achievement stands glaringly unfulfilled: through FCC policies, broadcasting and telecommunications ownership do not remotely reflect the rich diversity of our nation.

What is the complete history of the FCC, this little known agency that oversees one-sixth of our economy, that holds custody of the very First of the constitution's amendments, in whose administrative heart lies the promise of democracy itself?

Before the agency celebrates its modest achievements in advancing diversity, it should honestly acknowledge its history of ratifying and validating segregation and failing to cure the continuing effects of segregation.

It is a story of shame and disgrace. Throughout its first 40 years, the FCC routinely denied license applications of minority and Jewish would-be broadcasters. For most of that time, consumers were due no process and had no standing. Diversity was an alien concept.

In those days a weekly newspaper required about the same capital investment and expertise as did a radio station. Then why, for decades, did minorities own and operate hundreds of newspapers but no radio stations?

The answer is that the FCC was a classic discriminatory gatekeeper and people of color were not welcome. For 40 years the FCC gave non-minorities a monumental competitive advantage and head start in acquiring lucrative publicly owned spectrum. And it overregulated minorities out of any hope of becoming broadcast executives or licensees. Through costly comparative hearings, inordinate financial and "broadcast experience" showings, and delays in considering dozens of minority ownership proposals, the Commission awarded almost all of the trillions of dollars in asset value embedded within the radio frequency spectrum to industries that are as homogeneous as a country club picnic.

In 1978 there was a glimmer of hope. The FCC's Tax Certificate Policy, which deferred capital gains taxes on

sales of stations to minorities, quintupled the number of minority owned broadcast stations. But after Congress repealed the policy in 1995, neither Congress nor the FCC adopted any programs to replace it.

To be sure, in 1996 Congress did instruct the FCC to eliminate market entry barriers and to disseminate licenses among a wide variety of businesses—including those owned by minorities and women. Yet in response the FCC has taken almost no significant steps to promote ownership diversity.

Thus it is no accident that 75 years after the FCC's birth, when more than one out of three Americans is a person of color, there are almost no minority owned telecom carriers, there are only two remaining minority owned cable franchisees, minority television ownership stands at 3% and dropping fast, and minority radio ownership is stagnant at 7.8%.

What about equal employment opportunity? Thanks to the pioneering efforts of the Office of Communication of the United Church of Christ, the FCC adopted broadcast, cable and common carrier EEO rules in the 1970s—then almost always proceeded not to enforce them. What little enforcement the FCC undertook in the 1990s died in 2001, leading to a purge of almost all minorities from English language radio journalism.

What about discrimination in advertising—the notorious “no urban dictates” and “no Spanish dictates” many advertisers use to keep their messages off Black and Spanish radio and thus out of the hearing of most African and Hispanic shoppers? In 2007, after 23 years of delay and a cost of \$200 million a year in foregone revenue to minority broadcasters, the FCC finally banned advertising discrimination. Yet the FCC still hasn't appointed a compliance officer to enforce this vital rule.

Today the greatest challenge facing the FCC is its mandate to send Congress a National Broadband Plan by February. As it confronts this task, the FCC faces a raft of damning statistics, released two days ago by the Pew Internet and American Life Project, showing that only 46% of African Americans, and 35% of families with under \$20,000 in household income, had adopted the Internet in their homes—compared to 63% of all Americans.

To appreciate how essential it is that the FCC close this digital divide, consider how broadband can transform the most basic elements of a complete life. With health screening being done online, how can anyone without broadband really know how to protect her family's physical well being? With employment applications online, how can anyone without broadband find the best job, or telecommute to that job? And with elections now dominated by the Internet, how can anyone without broadband participate effectively in democracy?

The media, telecom and broadband diversity are worthy of the same attention we devote to education, civic discourse, entertainment, cultural expression, trade, and economic growth and opportunity. In our economy, the industries over which the FCC holds sway drive all of these issues. When the FCC opened its doors 75 years ago, American society was wedded to the farm and the factory. Today the FCC presides over a digital society whose economic, social, cultural, trade and democratic fundamentals depend on access to the media and adoption of broadband.

If the FCC truly wants to advance diversity, it has all of the necessary tools at its disposal: a moral and legal mandate, momentum springing from the DTV transition, a wealth of data, and dozens of innovative proposals from MMTC to advance diversity. But if the FCC fails to lead when it comes to diversity, it invites obsolescence. People of color are slated to become the nation's majority by the year 2042. How will the next generation view the Commission's role and relevance to their lives?

We are “lifers” in the FCC World, having devoted our lives to media and telecom policy. We deeply respect the Federal Communications Commission, and we defend its institutional honor even when it does the wrong thing. As true friends, we always aspire to help it do the right thing.

Fortunately, the FCC is in good hands now. And therefore, on this 19th day of June 2009, we wish the FCC's new and farsighted stewards of the public interest the happiest of birthdays. And we pray for many more birthdays to come as the new FCC takes up the mantle of diversity and inclusion for all Americans in the Technologies of Freedom. Above all, by its Centennial - June 19, 2034 - we hope the FCC will deliver to the

American people the greatest birthday present: universal first-class digital citizenship.

Posted by **John Eggerton** on June 19, 2009 | **Comments (0)**

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