



Press Statement

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MMTC STATEMENT ON THE FCC'S ELIMINATION OF CERTAIN MARKET ENTRY BARRIERS IN THE DE PROGRAM

WASHINGTON, D.C. (July 16, 2015): Today, the Federal Communications Commission voted to adopt revised Competitive Bidding Rules to facilitate the participation of Designated Entities (DEs, collectively small, minority-, and women-owned businesses and rural telephone companies) in spectrum auctions and the wireless marketplace. The Multicultural Media, Telecom and Internet Council (MMTC) appreciates this decision, and the vanguard efforts of FCC Commissioner Mignon Clyburn and her team, to raise the program's profile after years of abysmally low levels of participation by DEs since the changes that were made to the rule in 2006.

MMTC reinvigorated our advocacy on DE program reform after the release of our White Paper, titled *Digital Déjà Vu: A Road Map for Promoting Minority Ownership in the Wireless Industry*, proposing policy reforms that included the elimination of the Attributable Material Relationship (AMR) Rule with other national and civil rights organizations in February 2014. MMTC lauds the Commission for finally repealing this rule that had limited unnecessarily the services and business plans for DEs, and in turn restricted their ability to raise sufficient access to capital to compete in the commercial wireless marketplace. While MMTC is disappointed that the Commission did not raise the proposed \$150 million bidding credit cap for small businesses, we acknowledge the agency's decision to maintain the current five-year holding period to deter unjust enrichment.

"MMTC and our partners have worked long and hard for DE program reform. Now our charge is to make sure the revised and new rules can produce new and diverse entrepreneurs and businesses that will be able to raise the capital to compete for sought-after spectrum," stated MMTC President and CEO Kim M. Keenan. "Today's decision is a step forward in the recognition of the need to make substantial regulatory efforts to ensure people of color are also owners, and not just consumers, in the wireless ecosystem."

MMTC has also proposed that the agency cultivate more opportunities for DEs to participate in secondary market transactions. Such transactions can also be a helpful lever in getting DEs the capital needed to be vital players in a highly capital intensive wireless industry and to fill in the gaps to acquire spectrum, given the new bidding credit caps.

"The repeal of the AMR is one of the most significant contributions of the agency to this rulemaking," stated MMTC Vice President and Chief Research and Policy Officer Nicol Turner-Lee. "We'll now have to see how market and equity investors react to these rule changes, particularly the cap on the bidding credits. We're hoping that there will be a positive response and perhaps other ways to incentivize the marketplace to invest."

MMTC looks forward to promoting the rule changes to identify more DE engagement for the upcoming DTV spectrum auction and will offer more comment once the full Order is released.

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About MMTC:

The Multicultural Media, Telecom and Internet Council (MMTC) is a non-partisan, national nonprofit organization dedicated to promoting and preserving equal opportunity and civil rights in the mass media,

telecommunications and broadband industries, and closing the digital divide. MMTC is generally recognized as the nation's leading advocate for minority advancement in communications.