# HOW THE FCC HELPED EXCLUDE MINORITIES FROM OWNERSHIP OF THE AIRWAVES

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Today I am going to speak of ancient history, recent history and future history to help us understand why people of color, 34% of the nation's population, now hold less than one and a half percent of the asset value of our nation's broadcasting industry.

Why is diversity in broadcasting so worthy of our attention?

Because broadcasting is the most influential industry in the nation. It is our signature export. It defines and facilitates our democracy, it drives our culture, itsets our policy agenda, and it brings the promise of equal opportunity within our grasp.

As the Executive Director of MMTC, I often appeal to FCC commissioners to support broadcast ownership diversity because diversity promotes competition and economic growth.

Certainly the exclusion of people of color from ownership of the airwaves is profoundly anticompetitive. What could be a more inefficient deployment of resources than having the entrepreneurial, managerial and creative wealth of one third of the country unable to find expression in the nation's most influential industry?

Still, this "business case for diversity" leaves the soul hollow, for it presumes that the attainment of justice must depend on whether justice happens to be profitable.

But what if it isn't? Suppose, however improbably, that diversity in broadcasting were found to reduce our gross domestic product? Would that justify segregation of the airwaves?

To answer that question, let us recall the words of the nation's greatest exponent of moral clarity. In his address at Washington's National Cathedral a month before his assassination, Dr. Martin Luther King, Jr. declared that "cowardice asks the question, is it expedient? And then experience comes along and asks the question, is it politic? Vanity asks the question, is it popular? Conscience asks the question, is it right?"

And that is the point. Diversity in broadcasting is desirable not because it promotes competition, not because it is popular, or even because it is compelled by the law, but rather because segregation is uncivilized and morally wrong, while diversity is the earmark of democracy.

#### Six Ways The FRC And FCC Froze Minorities Out Of Broadcasting, 1930-2002

Today I will demonstrate that for three generations the FCC waged a deliberate campaign calculated specifically to ensure that people of color would be barred from membership in the nation's most exclusive private club - the radiofrequency spectrum used by the nation's instruments of electronic mass communications. And unfortunately, the FCC continues with its anti-diversity campaign today.

In 1995, the FCC agreed with MMTC that a good case could be made that "[a]s a result of our system of awarding broadcast licenses in the 1940s and 1950s, no minority held a broadcast license until 1956 or won a comparative hearing until 1975" and therefore "special incentives for minority businesses are needed in order to compensate for a very long history of official actions which deprived minorities of meaningful access to the radiofrequency spectrum." That was a rare moment of candor, never repeated since.

Let's go back to 1956 - fifty years ago when as the FCC acknowledged there was exactly one radio station in the United States owned by people of color.

Consider this though: in 1956 there were over 250 African American owned and nearly 100 Hispanic owned weekly newspapers. No FCC license is necessary in order to publish a newspaper, and at the time the cost of operating a weekly newspaper was about the same as the cost of operating a radio station.

So why did people of color own so few radio stations when they were able to own so many newspapers?

The answer is that the FCC acted as a gatekeeper to prevent people of color from gaining a foothold in the broadcasting industry. The FCC's behavior imposed what economists refer to as a "market entry barrier," under which regulation acts as a filtering device to guarantee entry by favored groups and to discourage entry by disfavored groups.

Certainly Congress intended no such thing. Congress created the FCC in 1934 "[f]or the purpose of regulating interstate and foreign commerce in communication by wire and radio so as to make available, so far as possible, to all the people of the United States, <u>without discrimination</u>, a rapid, efficient, Nation-wide, and world-wide wire and radio communication service[.]"

How did the FCC fail so miserably in doing the job Congress created it to do? And was its failure an act of omission or commission?

The answer is commission. The FCC used six different devices to maintain segregation of the airwaves, and I am going to give you the ugly history of all six of them.

### Device #1: Simply Refusing To Issue Licenses to Minorities

Let's begin in 1930, three years before the FCC was born. In that year, the African American owned <u>Kansas City American</u> newspaper applied to the Federal Radio Commission for a license to operate a radio station.

The newspaper was the only applicant for the frequency. There were no engineering deficiencies in its application, and the newspaper was qualified in every respect. Further, the Radio Commission never rejected license applications unless the applicant was a criminal, and the Radio Commission always granted applications filed by newspapers.

Nonetheless, the Radio Commission turned down the <u>Kansas City American</u>'s application specifically because the newspaper proposed to offer programming that would address the needs of the African American community. That was impermissible, the Radio Commission maintained, because a radio station was expected to serve the "general population."

Of course the Radio Commission did not right come out and emblazon in a published opinion that it wasn't going to give Black people a radio license because they were Black. But a brief foray into legal archaeology discloses that the Radio Commission's "service to the general population" justification was nothing but a pretext for official discrimination.

You see, at the same time that the Radio Commission was refusing to grant a license to African Americans who wanted to serve African Americans, the Commission was not requiring other broadcasters to address the needs of African Americans – and they didn't. Thus, what the Radio Commission referred to as the "general population" – its euphemism for White Americans - received exclusive service from incumbent licensees, and at the same time White broadcasters were insulated from competitors who wanted to serve people of color.

It follows that people of color did not even receive the supposedly "separate but equal" service contemplated by the 1896 case <u>Plessy v. Ferguson</u>, which was good law in 1930. At least in <u>Plessy</u> the African American train passenger arrived at his destination at the same time as the other passengers. By contrast, the Radio Commission didn't allow people of color onto that day's information highway at all – either as producers or as consumers of information.

But there is a dead giveaway that prejudice and not principle was driving federal radio licensing policy: only one other group was denied radio licenses on this "service to the general population" pretext. Let's see if you can guess what that group might have been.

Here is a clue: the decisions of the FCC denying these applications were handed down in 1936, 1938 and 1940, and the cities of license were to have been Chicago, Detroit and Brooklyn, NY.

Another clue: in each case, the applicants intended to broadcast in Yiddish, Polish and Russian.

Our research has turned up no cases in which any other qualified applicants, except African Americans or Jewish Americans, were refused broadcasting licenses.

#### Device #2: Ratifying The Segregationist Policies Of State Governments

Until the 1980s, the FCC routinely assisted in state governments' schemes to discriminate against historically Black colleges in noncommercial radio and television service. By systematically awarding licenses and license renewals to exclusively or overwhelmingly White state universities, the FCC denied two generations of minorities the opportunity to obtain the education, experience, exposure and networking necessary for success in the broadcasting industry.

How effective was the FCC in ratifying state-sponsored segregation in public education? MMTC has found that the 28 radio stations owned by historically Black colleges signed on in 1980 on the average; but the 29 radio stations owned by predominately White state colleges in the same states signed on in 1970 on the average.

In addition, the White schools' radio stations' mean power level was 20% more than the Black schools' stations' mean power level. The White schools' mean tower height was almost two and a half times the Black schools' stations' mean tower height.

So the Black colleges got broadcast licenses 10 years later, and when they did, they got licenses for vastly inferior facilities.

# Device #3: Giving Licenses To Rabid Segregationists

The FCC routinely granted, then renewed without investigation, the licenses of hundreds of radio and television stations owned by some of the most vicious segregationists in the nation – people who were never going to hire and train minorities, much less sell stations to them.

The FCC knew very well that it was regulating a segregated industry. FCC commissioners speak to state broadcast associations all the time. How could the commissioners not have noticed that no minorities attended these meetings?

One would think that the FCC's character policies would have required denying segregationists' broadcast applications while favoring those of integrationists. Incredibly, the exact reverse was true, as is shown from a 1955 case in which the FCC held that segregationists have the character to be licensees, and a 1963 case in which it found that integrationists lacked the character to be licensees.

The 1955 decision, <u>Southland Television</u>, arose in a television comparative licensing case. The Commission had to decide which of three applicants would be awarded, for free, a permit worth millions of dollars with which to construct what would become the ABC affiliate in Shreveport, Louisiana.

One of the applicants, Southland Television, owned and operated movie theaters. Louisiana law governing movie theaters assumed that theaters had two stories, like the 19th century opera houses the theaters emulated. The law required the admission of all races to theaters so long as the theater owners kept Black people in the balcony.

Southland Television did not want African Americans to patronize its theaters at all, but the company faced a problem keeping them out: the Louisiana theater law's "balcony rule."

To get around the balcony rule, the company built Louisiana's first <u>one-story</u> movie theaters. The company also operated Louisiana's only all-White drive-in movie theaters, and if you know what goes on in a drive-in movie theater you will realize what this segregation policy was really all about.

A competitor for the television license, Shreveport Television, was the nation's first television station applicant to include African American shareholders. Shreveport Television asked the FCC to disqualify Southland because, judging from Southland's segregated movie theaters, it could be predicted to a moral certainty that Southland would deny African Americans the opportunity to sit in the studio audiences for live productions at the television station.

Now that was an extraordinary argument, especially in 1955, but the FCC was unimpressed. It ruled that there was no evidence that "any Louisiana theaters admit Negroes to the first floor," nor any evidence that "such admission would be legal under the laws of that state."

The FCC knew very well the first principle of federalism - that a federal law trumps a conflicting state law. Therefore, the <u>Southland</u> decision has to mean that the FCC regarded state segregation laws as presenting no conflict with the Communications Act. A segregationist had the character to be an FCC licensee.

Eight years later, in 1963, the FCC found that being an integrationist meant that a broadcaster did <u>not</u> have the character to be an FCC licensee. That decision was rendered in the case of <u>Broward County Broadcasting</u>, which involved an AM station, WIXX, licensed to Oakland Park, Florida, a suburb of Ft. Lauderdale.

The substantial African American population of Ft. Lauderdale received no Black-oriented programming from any station. That gave WIXX's owners an idea: they decided to devote 17% of the station's broadcast day to Black-oriented news, public affairs and music.

This programming did not go unnoticed by the City of Oakland Park, which complained to the FCC that WIXX was offering a format the city did not need because "the Negro population to be catered to all resides beyond the corporate limits of Oakland Park." "We don't want them moving here and we don't want to hear their music either," the City did not add.

The FCC is not permitted to regulate program content. Nonetheless, the FCC threw WIXX into a revocation hearing on the pretext that the station had changed its programming plans from the 100% "general audience" format originally proposed in its licensing application. The FCC had never before, nor since, threatened to revoke a license because of a change in programming plans.

Faced with the probable loss of its license, WIXX dropped its Black-oriented programming, and the FCC then quietly dropped the charges, proving that the FCC's real interest all along was the suppression of Black-oriented programming and not the licensee's "character" at all.

## Device #4: Refusing To Punish Lawless Behavior By Segregationists

Two cases, each decided in 1965, illustrate how the FCC protected segregationist broadcast applicants and licensees.

The first of these cases is called <u>Columbus Broadcasting Company</u>, and I hope they're not serving food later because every time I talk about the <u>Columbus</u> case I lose my appetite.

The backstory of <u>Columbus</u> was James Meredith's 1962 enrollment in the University of Mississippi. The day before Meredith tried to enroll, President Kennedy federalized the Mississippi National Guard to protect Meredith and to prevent bloodshed. Yet even in the face of this, WCBI-TV and WCBI urged their viewers and listeners to show up in Oxford *en masse* to prevent Meredith from enrolling.

Predictably, a mob did show up, and there was a lot of bloodshed. The ensuing riot caused \$2,000,000 in damage, and two people were killed.

Nonetheless, the Commission merely "admonished" the stations, ignoring the obvious fact that broadcast licenses are not conferred so they can be used to incite riots. The Commission's inaction was especially startling given the very unlikely source of the complaint: J. Edgar Hoover's Federal Bureau of Investigation.

The second 1965 case in which the FCC refused to protect the public from segregationists was <u>Lamar Life Insurance Company</u>, named after the company that owned WLBT-TV in Jackson, Mississippi.

Since signing on the air in 1953, WLBT broadcast only the White Citizens Council's viewpoint on civil rights. WLBT went so far as to display a "Sorry, Cable Trouble" sign when NAACP General Counsel Thurgood Marshall was being interviewed on the CBS Evening News with Douglas Edwards.

The FCC renewed the license anyway, theorizing that WLBT might do a better job if given the chance. But the station owner was unrepentant, making it clear that it had no intention of doing anything differently.

<u>Lamar Life</u> became the famous <u>UCC I</u> case – <u>Office of Communication of the United Church of Christ v. FCC</u> (1966), in which the District of Columbia Circuit of the U.S. Court of Appeals ordered the FCC to hold a hearing on the license renewal, and also famously held that listeners and viewers had standing to challenge a broadcast license.

The FCC wasn't paying attention to the Court, however. After <u>UCC I</u> the FCC held a one-sided, kangaroo court mockery of a hearing, then renewed WLBT's license <u>again</u>. In the 1969 case known as <u>UCC II</u>, the Court lost its patience with the FCC and ordered it to deny WLBT's license renewal. The Court had never before taken such an extraordinary action, but this time it held that the administrative record was "beyond repair."

As most of you know, <u>UCC I</u> and <u>UCC II</u> were brought by Fordham University Professor Everett C. Parker and we are all in his debt.

The Commission's new antidiscrimination policy - forced on it by the court in <u>UCC II</u> - was applied inconsistently at best. In a 1971 Birmingham, Alabama television comparative case known as <u>Chapman Broadcasting</u>, the Commission had before it several applicants seeking construction permits. One applicant, Alabama Television, had a major shareholder, John Jemison, who owned a Birmingham cemetery. Jemison had participated in the cemetery's 1954 decision to continue its original 1906 policy of excluding African Americans' dead bodies.

This horrible policy came to light when the cemetery turned away the body of an African American Vietnam war hero who had just sacrificed his life rescuing other soldiers.

These facts would have shocked the FCC's conscience, if it had a conscience. Instead, the FCC found "extenuating circumstances" in Alabama Television's claim that the cemetery would have been sued by White cemetery plot owners if this war hero's body had been lain to rest there.

Although the FCC ordered a hearing, it limited the issues to whether the applicant had covered up this scandal. The FCC avoided the more basic question of whether a rabid segregationist had the moral character to own a television station in the first place.

Another way the FCC protected segregationists was by failing to enforce its only rule aimed at preventing discrimination – the equal employment opportunity (EEO) rule. Adopted in 1969 as a result of a long campaign waged by Dr. Parker, the EEO rule barred discrimination by FCC licensees and required them to recruit minorities and women. But in the 29 years during which the EEO rule was in effect, the Commission barely enforced it. Only fourteen stations ever went to hearing on allegations of discrimination, and not one of them lost a license because of race or gender discrimination.

It's not like there hasn't been any employment discrimination in the media. According to a new book by faculty in the Indiana University School of Journalism, <u>The American Journalist in the 21<sup>st</sup> Century</u>, the percentage of African Americans in full-time reporting positions in 1971 was just 3.9%. At that time, about 7% of African Americans had college degrees. By 2002, 24% of African Americans had college degrees – and the percentage of African Americans in full time reporting positions had changed as well – it declined to 3.7%.

Further, look what's happened to minority employment in radio news since the FCC stopped almost all EEO enforcement. According to the Radio Television News Directors Association (RTNDA), minority employment in radio news declined from 14.7% in 1995 to 6.4% in 2005.

The picture is even worse, however. MMTC went behind the RTNDA's figures and calculated that the representation of people of color in English language, non-urban radio is about two tenths of a percentage point (0.2%) – virtually zero.

What does this mean? It means that with the end of FCC EEO enforcement, minorities in radio news have undergone an almost complete purge.

We pretty much know how many broadcasters discriminate in employment. In 2002, the Ford Foundation produced a study, <u>The Reality of Employment Discrimination in America - 1999</u> – which found that 24% of broadcasters <u>systematically</u> discriminated against African Americans.

Under the Communications Act, a discriminator is supposed to be unqualified to hold any FCC authorization. Yet the FCC decided to ignore almost unassailable evidence that thousands of FCC licensees were unqualified to be licenses.

All of this calls to mind Dr. King's 1967 observation that "[l]aws that affect the whole population - draft laws, income-tax laws, traffic laws – manage to work even though they may be unpopular, but laws passed for the Negro's benefit are so widely unenforced that it is a mockery to call them laws."

## Device #5: Using Discriminatory Factors To Decide Who Wins Broadcast Licensing Cases

<u>Southland</u> was one of the first of the television comparative hearings, and <u>Chapman</u> was among the last. Today, virtually all of the broadcast spectrum in the United States has been given away. The FCC awarded minority owned companies exactly two out of about 1,700 free full power television licenses. Thus the FCC presided over a 99.9% set-aside for White people in television ownership.

Only about 100 minority owned applicants ever won construction permits for new radio facilities, so there was about a 99.2% set aside for Whites people in radio ownership.

For decades, few minority entrepreneurs could bear the sheer cost of a comparative hearing. The few who could do so found that the rules were written to exclude them. Although briefly there was a hearing credit for racial diversity in an application, that credit was usually offset by other credits for "broadcast experience" and "past broadcast record" that minorities seldom had an opportunity to acquire.

Another impediment to minority hearing applicants was the financial showing the FCC required in order to deem an applicant qualified.

In 1965, in a case with the modernistic name <u>Ultravision</u>, the FCC announced that it would require applicants to have reasonable assurance of sufficient financing to underwrite construction and a full year of broadcast operation. Applicants' financial showings had to assume that during that first year their stations would generate <u>zero</u> revenue. In other words, this supposedly expert agency assumed that a new broadcast station would not air a single paid advertising spot for a full year.

When the Commission finally repealed <u>Ultravision</u> in 1981, it found, with dry understatement, that <u>Ultravision</u> "conflicts with Commission policies favoring minority ownership and diversity because its stringency may inhibit potential applicants from seeking broadcast licenses."

<u>Device #6: Ignoring Civil Rights Organizations' Proposals In Media Ownership Structure And Engineering Proceedings</u>

Not only have minorities secured few facilities, those they did secure were usually technically inferior – such as low power, directional AM stations on the high end of the band, or low power FMs with severe tower height limitations.

A 1975 D.C. Circuit decision, <u>Garrett v. FCC</u>, instructed the Commission to consider the effects of its spectrum management policies on minority ownership. Instead, the Commission in the 1980s and early 1990s issued four rulemaking decisions in which it simply disregarded the proposals filed by civil rights organizations, failing in two instances even to note in the dockets that the proposals had ever been filed.

This was a flagrant violation of the 1945 Administrative Procedure Act, of course, and as we'll see in a few moments, this wasn't the last time the FCC dealt with civil rights organizations' pleadings by throwing them in the garbage.

## The FCC's Minority Ownership Policies And Their Demise

During a brief moment in the history of broadcasting, the FCC adopted and implemented modest but worthwhile policies to promote minority ownership.

A 1973 court decision, <u>TV 9</u>, <u>Inc. v. FCC</u>, required the FCC to take racial diversity into account in comparative hearings. In 1978, in response to <u>TV 9</u>, the FCC adopted two policies, distress sales and tax certificates. Distress sales permitted broadcasters to escape a hearing by selling their stations to minorities for a 25% discount. Tax certificates enabled broadcasters selling stations to minorities to postpone capital gains taxes. These policies lifted minority broadcast ownership from 60 stations in 1978 to over 300 by 1995.

To put these numbers in context, those 300 stations represented just over 1% of the broadcasting industry's asset value.

But in that fateful year, 1995, Congress voted to repeal the tax certificate policy. Then two months later, in the <u>Adarand</u> case, the Supreme Court made it much more difficult for any race-conscious federal program to withstand judicial review.

On the heels of these losses, two D.C. Circuit decisions invalidated the FCC's EEO rules. These developments have left advocates for diversity searching for new ways to steer the FCC back onto a civil rights heading.

In December 2000, FCC Chairman William Kennard released five research studies on minority ownership that he hoped would build a legal framework for the restoration of minority ownership policies. Yet a month later, in January 2001, the Commission declined to consider MMTC's minority ownership proposals in the television local ownership proceeding because, the Commission said, it had not yet evaluated the December 2000 minority ownership studies.

Six more years have passed, and the FCC still has not evaluated the five minority ownership studies. I respectfully suggest that it never intended to do so and it does not intend to do so now. If you have any doubt about that, you may find persuasive the recent history I am about to recount.

#### A Return to Aggressive FCC Misconduct, 2003-2006

In 2002, the FCC opened the "Omnibus Media Ownership Proceeding," which was aimed at relaxing all of the rules that govern how many media outlets a company can own nationally and locally.

I have the privilege of representing a coalition of seventeen national minority, civil rights and religious organizations in the Omnibus Proceeding and the current media ownership rulemaking. These organizations include MMTC, the National Urban League, the National Council of La Raza and the National Council of Churches.

We presented the FCC with fourteen detailed proposals to advance minority ownership. Six of our proposals had actually been pending before the Commission for between four and eleven years.

The FCC concluded the Omnibus Proceeding in 2003 on a 3-2 vote. The majority's decision radically relaxed most of the ownership rules.

To understand what the decision said about minority ownership, it's vital to remember that every year the FCC issues hundreds of decisions on esoteric matters of mind-boggling complexity, such as inter-carrier compensation, satellite orbital slots and spectrum integrity. In all of those decisions it easily observes the three simple, cardinal rules of procedure learned by every law student on the first day of a course in Administrative Law:

<u>First</u>, when repealing a rule, an agency has to set out why the rule was created in the first place, and either explain why the rule isn't needed anymore to fulfill that goal, or state that the agency doesn't support that goal anymore.

<u>Second</u>, when parties make proposals in a rulemaking proceeding, the agency order concluding the proceeding has to set out what those proposals were.

<u>Third</u>, an agency has to give a rational reason to reject proposals with which it disagrees.

These requirements, derived from the Administrative Procedure Act, are so simple that there are virtually no published decisions in which a federal agency failed to observe any one of them.

Amazingly, in its 2003 media ownership decision, the FCC violated <u>all three requirements</u>, and it did this, each time, in the course of failing to address minority ownership.

Here is what the FCC did, and if there are any administrative lawyers in the room I promise that in two minutes you will be shaking your head in amazement.

In 2003, there was only one policy in effect aimed at fostering minority television station ownership - the Failing Station Solicitation Rule. The FCC created the rule in 1999 because it found that failing television stations were often quickly sold in good-old-boy deals to other local broadcasters, thus reducing the number of independent television voices in a community.

Therefore the FCC required a failing television station owner, when selling its station, to market the station widely enough to reach potential minority and female buyers. But in its 2003 decision, the FCC repealed the rule without even mentioning that a key purpose of the rule was to promote minority and female ownership.

Can it get worse than that? Yes it can. The FCC deferred two of our four minority ownership proposals; as to one of them, it gave no explanation and as to the other it gave an explanation so irrational that I will repeat it here for laughs although it didn't seem funny at the time:

We had proposed that the FCC prohibit race and gender discrimination in broadcast transactions. No party spoke in opposition. What could be less controversial?

Yet the FCC deferred our proposal because it thought that a nondiscrimination rule, which would have opened the doors to more minority and female bidders, might actually inhibit transactions or reduce station sale prices. If you took Economics 101, you learned that more demand means more deals and higher prices. Maybe the FCC's economists failed that course.

Can it get even worse than that? In a lapse that is without precedent in two centuries of American administrative law, the FCC did not even mention the existence of our other twelve proposals, which occupied hundreds of pages in the record - much less rule on the proposals.

Courts don't like it when agencies ignore the Administrative Procedure Act, so it should come as no surprise that in 2004, in <u>Prometheus Radio Project v. FCC</u>, the U.S. Court of Appeals for the Third Circuit, in Philadelphia, minced no words reversing the FCC.

<u>First</u>, the Court reinstated the Failing Station Solicitation Rule, holding that "[r]epealing its only regulatory provision that promoted minority television station ownership without considering the repeal's effect on minority ownership is [also] inconsistent with the Commission's obligation to make the broadcast spectrum available to all people 'without discrimination on the basis of race,'" – language the Court drew from the first sentence of the Communications Act.

<u>Second</u>, the Court instructed the FCC to specifically consider all fourteen of our minority ownership proposals.

<u>Third</u>, the Court declared that it expected the FCC to arrive at a definition of a "socially and economically disadvantaged business," which students of constitutional law will recognize as the class of beneficiaries of a policy aimed at remedying the present effects of past discrimination.

If you think the Third Circuit's colossal judicial smack down in <u>Prometheus</u> would finally put an end to the FCC's misdeeds concerning minority ownership, you haven't been paying attention to the FCC's three generations of history.

On July 25, 2006, the FCC issued a "Further Notice of Proposed Rulemaking" in which, once again, the FCC contemplated the deregulation of all of its media ownership rules.

Now let me try to say this with a straight face: the FCC's Further Notice of Proposed Rulemaking <u>again</u> failed to identify or describe MMTC's fourteen minority ownership proposals, even though these proposals had been remanded to the FCC by the Philadelphia court for specific consideration.

Nor did the FCC seek comment on the definition of a "socially and economically disadvantaged business," although the Court specifically expected the FCC to do that. The term doesn't appear anywhere in the rulemaking notice. That means that ten of our fourteen proposals were already dead before the proceeding even began, since an agency can't adopt a proposal without first giving public notice of it.

Now once again: can it possibly get worse than that? Believe it or not, yes it can. Since 2003, the FCC has had a federal Advisory Committee on Diversity for Communications in the Digital Age. I am privileged to serve as a member. These 29 experts, chosen by the FCC itself and working as volunteers for a year and a half, presented eighteen specific recommendations aimed at promoting minority and female broadcast ownership.

In its July 2006 Further Notice of Proposed Rulemaking, the FCC did not mention any of the Diversity Committee's eighteen recommendations. Further, for over a year the Committee was deprived of staff and not allowed to hold any meetings, even though the Committee's own Charter requires the FCC to have the Committee meet twice a year.

Suppose the FCC treated its Defense Advisory Committee, or its Emergency Communications Advisory Committee, or its Digital Television Advisory Committee, the way it has treated the Diversity Advisory Committee. Congressional hearings would be held. Subpoenas would issue. Heads would roll.

So you may be wondering whether there is any federal advisory committee, other than the FCC's Diversity Committee, that hasn't been able to meet in person and whose recommendations have been ignored.

We checked with the Congressional Research Service, and it may be comforting to know that there is in fact one other federal advisory committee that has not been permitted to meet and whose recommendations were ignored.

The name of that other committee is the White House Advisory Committee on Ethics.

#### Is The FCC's Behavior Unlawful?

Let's consider just the most repugnant thing the Commission did: after the Court of Appeals ordered the FCC to consider fourteen specific minority ownership proposals that the FCC had outright ignored, the FCC issued a rulemaking notice that <u>again</u> failed to identify or describe these proposals.

What is the leading case holding that government officials must not violate an order of a federal court of appeals? It happens to be a civil rights case, <u>Cooper v. Aaron</u>, and since that case is a monument in U.S. constitutional law I am going to give you the citation and encourage you to go read the opinion: it's 358 U.S. 1 (1958).

<u>Cooper v. Aaron</u> was of such great magnitude in the panorama of American law that it is one of only two Supreme Court decisions that was signed by all nine justices.

Here is what the justices declared in <u>Cooper v. Aaron</u>: defiance of a federal court's mandate must not be "nullified openly and directly" by state officials "nor nullified indirectly by them through evasive schemes for segregation whether attempted 'ingeniously or ingenuously.""

What relief did the Court grant in <u>Cooper v. Aaron</u>? The Court instructed Arkansas Governor Orval Faubus to obey a federal appeals court order that had directed him to allow nine children, the "Little Rock Nine," to attend Central High School in peace.

Faced with the choice between the rule of law and anarchy, the Court had no choice but to speak in the strongest possible terms. President Eisenhower had already called in the 101<sup>st</sup> Airborne to protect these children from the angry mob that was egged on by Governor Faubus and other Arkansas officials.

I have the greatest respect for the 101<sup>st</sup> Airborne, which does know what it's doing and gets the job done, but even that pillar of military supremacy wasn't sufficient. So the Supreme Court didn't have any choice but to act in the most forceful way possible.

That is how serious it was in the 1958 when <u>state officials</u> violated a federal appeals court order. Now, two generations later, the courts may have to intervene to be sure that federal officials obey a federal court order.

## What Explains The FCC's Behavior?

This is depressing, isn't it? Especially to me, because I'm so old that I know each of the FCC commissioners who has served since 1970. For the most part they are dedicated public servants. What has kept them in a state of denial and do-nothingness when it comes to diversity in broadcasting?

To really <u>understand</u> the human antecedents of the FCC's misconduct, on your next visit Washington, D.C. I would welcome you to visit the Federal Communications Commission, which is located at 445 12<sup>th</sup> Street S.W. After you pass through security, go straight down the hall, turn left, and there you will behold "the Great Wall." It is a beautiful expanse of fine wood paneling opposite the Commission Meeting Room.

Hanging there before you will be the official portraits of each of the men who has chaired the FCC since 1934. There have been no chairwomen. Yet.

As you gaze on these stunning portraits, think of the inconvenient fact that most of these gentlemen either participated in or failed to prevent race and gender discrimination from infecting the ownership structure of the industries they regulated.

Now stand in front of the picture of Richard E. Wiley, who served as Chairman from 1974 - 1977. Chairman Wiley is a hero of mine: exercising what I know was enormous political courage, he convened the first FCC advisory committee to consider how to promote minority ownership. That committee gave us the tax certificate and distress sale policies.

Everyone to your left did nothing to put an end to state sponsored segregation of the airwaves. Some of those farther down the Great Wall to your right tried to do something about it. A few, particularly Bill Kennard, tried very hard. Others did more to perpetuate airwave segregation than to cure it, and certainly none succeeded in curing it.

In the small and close-knit club of communications policymaking, what would it take for a commissioner to confront a monstrous offense done by someone to the left of him on the Great Wall – someone who mentored him, who may have gotten him his job?

Every morning, morning after morning, for years at a time, a commissioner can come to work hoping to spend the day thinking about one of three things, and this is shorthand of course: (1) inter-carrier compensation; (2) filthy words on television; or (3) how to remedy the present effects of his own mentor's offenses against racial justice.

Every day, every commissioner will follow the path of least emotional resistance and pick intercarrier comp or filth. And that explains why a year, a decade, and before we know it a generation goes by without anything being done to clean up the toxic swamp of the FCC's exclusion of minorities from broadcasting.

# What Is The Value Of Broadcast Diversity To Society?

For every year that the FCC stalls and delays in acting on minority ownership, what are the consequences for the next generation? Two recent statistical reports on the subject of minorities and the media provide a stunning insight into the impact of media ownership structure.

A July 2006 report by Centers for Disease Control and Prevention found that while 29% of White teenagers watched television three or more hours per day, 64% of Black teenagers watched television three or more hours per day.

Just two months later, a report by the John S. and James L. Knight Foundation found that while 31% of White high school students think the First Amendment goes too far, 43% of African American students and 41% of Hispanic students think the First Amendment goes too far.

Further, the Knight Foundation study found that while only 13% of White high school students think people should not be allowed to express unpopular opinions, 23% of African American students and 26% of Hispanic students think people should not be allowed to express unpopular opinions.

How can these two studies be reconciled? Taken together, this data is telling us that youth of color are watching television more but enjoying it less. Television is their primary source of entertainment, yet youth of color are disproportionately rejecting the First Amendment values that define the media's role as a watchdog for democracy.

That ought to come as no surprise. Our nation's television industry offers little to hold itself out as inclusive and relevant to youth of color. When young people watch television they see themselves as entertainers and athletes, but they don't see television news addressing issues essential to their survival.

They have few role models in the business, and they seldom envision themselves as future television station owners. So when contemplating the First Amendment, youth of color must be asking "why should we embrace the values of a profession that does not include us and does not care about us?"

In closing, let's contemplate how broadcast diversity would make our nation a better place to live.

"Whose hands shall guide the steering wheel of technology" is the ultimate question of justice in an information society.

In 1963, Dr. King wrote that powerful forces like money or electricity are "amoral and can be used for either good or evil...we have learned to fly the air like birds and swim the sea like fish, but we have not learned the simple art of living together as brothers." Technology and resources in the wrong hands, Dr. King concluded, have "brought us neither peace of mind nor serenity of spirit."

Certainly, in the right hands, radio and television could be the ultimate tools of bridge building and emancipation, widespread participation in democracy and freedom of expression.

And more than that. In the right hands, a broadcast station's ownership, its employment at all levels and, in the words of former FCC Commissioner Nicholas Johnson, the ability to "talk back to your television set" would be available to all.

Consider, if you will, Dr. King and his extraordinary power to galvanize the nation, to capture the hearts of Americans. Imagine how much more rapidly the civil rights movement would have advanced 50 years ago if the instruments of communication had not been vested in the wrong hands – the unclean hands of southern television station owners who, as Dr. Parker found, censored Dr. King's message in the 1950s and 1960s.

But consider the transformative potential vested in broadcasting if it is placed in the right hands.

Think about the Montgomery Bus Boycott of 1955, whose success depended on the "old technology" of telephone trees, enabling the protesters to find a ride to work. Consider how much faster the boycott would have progressed if the mass medium of television had been fully available to people of color in Montgomery.

Consider, too, how much more effective every community group would be if the men and women who make editorial decisions in local television and radio stations, and especially the station owners, were representative of the communities the stations serve.

Diversity in ownership matters today because diverse owners give exposure to news and views that many Americans find uncomfortable or unfamiliar, but need to hear. As University of Chicago law professor Cass Sunstein wrote in his 2001 book <u>Republic.com</u>:

People should be exposed to materials that they would not have chosen in advance. Unplanned, unanticipated encounters are central to democracy itself. Such encounters often involve topics and points of view that people have not sought out and perhaps find quite irritating. They are important partly to ensure against fragmentation and extremism, which are predictable outcomes of any situation in which like-minded people speak only with themselves.

I am going to close with the prophetic words of former FCC Chairman William Kennard, who in 1999 reminded us of what's ultimately at stake in the fight for broadcast diversity:

Technology is a remarkably powerful tool that can transform lives. But to infuse it with such power, we need a plan - a blueprint if you will - to make sure that every American reaps the benefits of the digital revolution. We must be the civil rights pioneers of the Information Age. We must make sure that this country does not end up with a world divided into Haves and Have-nots.

And that's what it's all about!

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