

FCC rules may shrink Black media ownership

Written by Freddie Allen, NNPA Washington Correspondent
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WASHINGTON (NNPA) – The Federal Communications Commission, once viewed as an ally in expanding media ownership by African-Americans, is now considering regulations that many say will make Black ownership more difficult to achieve.

The proposed changes come in the wake of an FCC report that showed that minorities trailed far behind their White counterparts in the ownership of broadcast stations.

According to the FCC report, Blacks owned 231 broadcast stations in 2011, including television and radio outlets, a fraction of the 9,610 broadcast stations owned by Whites. Blacks owned majority shares in just 10 (0.7 percent) full power commercial television stations (FPTV), down from 12 (1 percent) owned in 2009. The number of White owned FPTV stations increased from 754 (63.4 percent) to 935 (69.4 percent) over the same period.

“The results weren’t surprising, but were disappointing,” said David Honig, co-founder of the Minority Media and Telecommunications Council, a nonprofit group that promotes equal access and civil rights in mass media and telecommunications.

For some experts it’s clear that the growing disparity in ownership is about one thing: money.

“If you don’t have money, you can’t buy radio and TV stations,” said Dwight Ellis broadcast journalism and media studies professor at Bowie State University in Maryland. “You need money to get into the game and you need money to stay in the game.”

And large media companies have the money to increase ownership in markets where they were previously prohibited from owning more than two media outlets.

According to Honig, access to capital is just one of the hurdles that confront minorities seeking to break into the game.

Engineering deficiencies, employment discrimination that decreases the talent pool, and changes to the FCC’s television duopoly rule also makes it harder for minorities to own media outlets.

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A broadcast duopoly is when one company owns two or more stations in the same city or community.

Until 2001, the FCC did not allow companies to have overlapping coverage in the same area on the premise that the company could have too much influence over the public airways. The FCC now permits the ownership of two stations in the same market provided at least eight unique stations are left after the duopoly is formed and two of the four highest-rated stations in a market cannot be owned by the same person or company.

David Honig and an umbrella group supporting diversity and competition in media ownership, called Diversity and Competition Supporters (DCS), argue that the changes in the rule “suppressed minority and female ownership, and its harmful implications far outweigh any consideration of potential benefits the duopoly rule may confer.”

Honig’s DCS group also found that duopolies made it harder for minorities to access capital from lending institutions. In a 2012 brief to the FCC, the DCS said, “duopolies have threatened minority ownership because of the fact that lenders and investors are less willing to finance a standalone station when they can finance duopolies because of their more attractive revenue models.”

DCS also reported that local television duopolies often cut the local programming options targeted to people of color.

Some minority groups did manage to eke out modest gains in ownership.

Hispanics increased the number of full power television stations they owned from 30 (2.5 percent) in 2009 to 39 in 2011 (2.9 percent).

Hispanics and Blacks also saw gains in lower power television stations (LPTV) that serve local markets with a limited broadcast range. Hispanic LPTV station ownership jumped from 85 stations in 2009 to 120 stations in 2011. Blacks saw the number of LPTV stations they owned more than double from seven to 16 stations.

African-Americans increased their ownership in FM radio stations from 63 in 2009 to 93 in 2011. Over that same period, Hispanics increased their FM station ownership from 141 stations to 151.

Despite modest gains in some areas, minority media ownership makes up only a fraction of what Whites control. Whites own majority stakes in more than 69 percent of full power TV stations, 76 percent of low power television stations and nearly 80 percent of FM radio stations.

Some advocates fear that without major gains in minority media ownership, people of color will lose the ability to shape images and messages that reach their communities and beyond.

“Black media ownership is critical, otherwise we don’t have the ability to articulate our voice without distortion or without being complicated by someone else’s agenda,” said Michael Eric

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Dyson, Georgetown University sociology professor who makes frequent appearances on television.

Dyson added: “The reality is, that without significant presence in terms of radio terrestrial and satellite as well as television, then African American people are at a loss.”

Some civil rights groups believe that these losses could grow if the FCC makes it easier for corporations to further consolidate media ownership in major markets across the nation.

Proponents for weakening cross-ownership regulations argue that it will allow companies that already own top 20 TV or radio stations in a market to inject much needed capital into struggling into newspapers, saving local jobs.

However, critics of say that the minority owners will be squeezed out of a rapidly-changing and contracting industry.

“We’re deeply concerned that it will have a negative effect on racial, ethnic minority and women media ownership,” said Hilary Shelton, Washington, D.C. bureau chief of the National Association for the Advancement of Colored People. “Diversity in the media is not just geographic diversity its not just diversity in programming it’s also diversity in the very core of business in decisions made at the owner’s level.”

After the FCC published their report, the NAACP joined a number of civil rights groups and released a statement outlining their opposition to the FCC’s plan to relax the ban on cross-ownership. The group called the report “late and filled with flaws” and limited in it’s analysis of impact that regulatory changes would have on minority ownership.

“It’s baffling that the FCC is ignoring the court’s instructions and rushing to further water down its cross-ownership rule without fully evaluating the impacts of doing so on female and minority ownership,” said Free Press President Craig Aaron in a recent press release. Free Press is an organization that supports universal Internet access and diverse media ownership.

Aaron said that counting who owns what is just the first step, but FCC should not adopt its proposed rule changes without first determining how minority media owners will be affected.

“Past research shows these communities are the ones that are harmed most by further consolidation, particularly the proposal the FCC is poised to adopt,” Aaron said.

Honig and the Diversity and Competition Supporters’ group presented a brief to the FCC that proposed the creation of minority ownership incubators, providing a telecom public engineer position for small businesses and non-profits, and developing “an online resource directory to enhance recruitment, career advancement, and diversity efforts.”

The brief also argued for the reinstatement and expansion of the tax certificate policy that “allowed companies to defer capital gains taxation on the sale of media properties to minorities.”

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In addition, the brief reported that from 1978 to 1995, through the tax certificate policy, “the FCC granted 356 tax certificates – 287 for radio, 40 for television and 30 for cable franchises.”

The FCC said that it plans to delay the vote on changing cross-ownership regulations, at least until January, to allow for more feedback on the proposition.

(Public [comment](#) forms can be obtained electronically at http://apps.fcc.gov/ecfs/userManual/upload/express_form.jsp or can be mailed to:

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Professor Dyson said that although no one wants to talk about affirmative action, something has to be done to boost minority media ownership.

He said, “We have to talk about the distribution of those resources and the awarding of those licenses has to be dealt with so that the parity that we seek in the ‘so-called Fourth Estate’ gets revved up again.”