DOCUMENT RESUME

ED 239 600 IR 010 962

TITLE	Parity for Minorities in the Media. Hearing before the Subcommittee on Telecommunications, Consumer Protection, and Finance of the Committee on Energy and Commerce. House of Representatives, Ninety-Eighth Congress, First Session on H.R. 1155. A Bill to Amend the Communications Act of 1934 to Provide for Greater Participation of Minorities in Telecommunications.
INSTITUTION	Congress of the U.S., Washington, DC. House Committee on Energy and Commerce.
PUB DATE	6 Jun 83
NOTE	350p.; Document contains small print that may be marginally legible.
PUB TYPE	Legal/Legislative/Regulatory Materials (090) -- Viewpoints (120)
EDRS PRICE	MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	*Business; Community Involvement; Employment; Federal Legislation; Females; Hearings; *Minority Groups; *Participation; *Programing (Broadcast); *Telecommunications
IDENTIFIERS	*Communications Act 1934; *Ownership

ABSTRACT

This transcript of a hearing on minority participation in telecommunications includes the text of the bill, H.R. 155; a summary of the bill from the Congressional Record; and testimony and statements from both individuals and representatives of several organizations. Testimony was presented by: (1) Karen English, Chicago, Illinois; (2) Janice Engsberg, Office of Communication, United Church of Christ; (3) Charles Hoard, Elmhurst, Illinois; (4) Will Horton, Minorities in Cable and New Technologies; (5) Mark Nielsen, communications committee, Church Federation of Greater Chicago; (6) Ricardo Rodriguez, investment banker, of Howe, Barnes & Johnson; (7) William S. Singer, Chicago, Illinois; and (8) Bernard Williams, Williams Communications, Inc. Additional material submitted for the record includes statements from Wilbert L. Blake (Careerworks, Inc.), Cecil C. Butler, and People United to Save Humanity (PUSH); "Now You See It, Now You Don't: Minority Ownership in an 'Unregulated' Video Marketplace" by Allen S. Hammond; statistics on minority ownership and employment from the National Association of Broadcasters; and a report submitted by Resources, Inc., on minority business involvement in the telecommunications inddstry. (LMM)

PARITY FOR MINORITIES IN THE MEDIA

HEARING

BEFORE THE

SUBCOMMITTEE ON TELECOMMUNICATIONS, CONSUMER PROTECTION, AND FINANCE

OF THE

COMMITTEE ON ENERGY AND COMMERCE

HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

FIRST SESSION

ON

H.R. 1155

A BILL TO AMEND THE COMMUNICATIONS ACT OF 1934 TO PROVIDE FOR GREATER PARTICIPATION OF MINORITIES IN TELECOMMUNICATIONS

JUNE 6, 1983

Serial No. 98-57

Printed for the use of the Committee on Energy and Commerce

U.S. GOVERNMENT PRINTING OFFICE
26 671 O WASHINGTON : 1983

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PARITY FOR MINORITIES IN THE MEDIA

MONDAY, JUNE 6, 1983

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
SUBCOMMITTEE ON TELECOMMUNICATIONS,
CONSUMER PROTECTION, AND FINANCE,
Chicago, Ill.

The subcommittee met, pursuant to notice, at 9 a.m., in room 2541, U.S. district court, 219 South Dearborn Street, Chicago, Ill.; Hon. Timothy E. Wirth (chairman) presiding.

Mr. WIRTH. Good morning.

The Subcommittee on Telecommunications, Consumer Protection, and Finance is meeting in Chicago for our discussion today and, Mrs. Collins, we want to thank you again, both for being on the subcommittee, for your service there, and for your 10 years of service to the people of this country.

The subcommittee has continuously and consistently maintained the goal of diversity of information. This basic first amendment principle is key to the free exchange of ideas that characterize our free and democratic society.

Information diversity is the subcommittee's—and I believe the Congress—most basic public interest goal in the area of telecommunications.

This goal can be met through a variety of ways: First, ownership; second, employment; and, third, programing. Our promotion of this goal must include the assurance that our country's diverse populace—especially minority populations—receive satisfactory levels of programing directed toward their needs and interests.

Diversity on one side of the camera, however, can hardly be achieved without a corresponding representation on the other side. While the nexus between diversity of media ownership and diversity of programing sources has been repeatedly recognized by both the courts and the FCC, the statistics showing minority ownership and employment in this country are not as good as we'd like them to be and, in fact, in many areas they are downright very poor.

Our witnesses today will focus on these very real and critical issues. But before we hear from our witnesses, I would like to again thank Mrs. Collins for hosting us and ask if you have any opening comments you'd like to make at the start.

Mrs. COLLINS. Yes, I have.

Mr. Chairman, I would like to thank you for coming here from Washington given the very busy legislative schedule that we have. I think the fact that you are here is indicative of your feelings about how important legislation such as H.R. 1155 happens to be to those of us who are minorities and are trying to advance our presence in the media marketplace.

It is a bad day here and I know a lot of people are still coming who are on our witness list. I want to personally thank you for not only coming in today, but for always being kind and cooperative whenever there's been a problem.

On behalf of myself and my colleagues on the subcommittee who were unable to be present today, I am delighted that we're having this hearing on H.R. 1155, the Minority Telecommunications Development Act of 1983.

As many of you are aware, I introduced this legislation as a means to protect the marginal gain minorities and women have made so far in the industry, and to provide for their advancement by codifying existing regulations.

I believe that steps must be taken to protect our accomplishments and increase our presence, especially in the face of the laissez-faire policies currently being advocated by the Federal Communications Commission and embraced by the industry, as a whole.

In the absence of progressive and clearly defined policies designed to encourage minority participants, minorities will remain doomed to low visibility and realize little growth in the marketplace.

I have chosen to correct the FCC's contradictory nature which professes to increase minority participation, on one hand, while trying to market a deregulatory package that has a minority ownership ribbon tied around an empty box, by directing attention to the tools needed to stimulate more meaningful advancement of minorities in ownership and employment.

These tools as defined in H.R. 1155 are: To require the FCC setup eligibility criteria to insure that minorities are eligible to be granted any initial license or permits; to the extent that there are new frequencies built, minorities stand a much better chance of at least being allowed the opportunity to get their foot in the door; to codify the tax certificates of the policies and extend this to include cable TV.

Given that the lack of adequate financing remains the single greatest obstacle to minority ownership of communications facilities, the issuing of tax certificates for sale of cable TV systems to minority purchasers would greatly facilitate minority ownership of these properties, which will also assist in enhancing minority viewpoints' presentation and programing of cable systems.

Third, to provide that the FCC waive multiple ownership rules for small investment companies. This permits SBIC's to become more largely involved with financing of minority media enterprises.

Fourth, to codify and strengthen the FCC equal employment opportunity rule and apply them to broadcasters, networks, common carriers, cable systems, satellite operators, and the headquarters of each.

Anyone subject to regulations under the Communcations Act of 1934 would have to provide for greater participation of minorities in employment.

Fifth, to require the FCC to hold hearings on an applicant's EEO performance if its records showed less than 50 percent work force parity for minorities and if the applicant maintains a neutral EEO record.

Sixth, to prohibit during the EEO hearings, the FCC from considering evidence showing the applicant had an upgraded EEO performance after the investigation had begun.

These strong EEO provisions will serve to increase the number of minorities in decisionmaking positions, positions in which we are noticeably absent in any kind of strong showing. And to indirectly remedy the underrepresentation of minority viewpoint and portrayal in the media without directly regulating media content.

We go on in this bill to establish an advisory committee for the FCC, which would advise the FCC until Congress determined a minority had obtained full parity of ownership and employment, reimburse expenses of citizens, which is a new approach for participation in FCC rulemaking proceedings, increase the number of minority public telecommunications facilities by targeting a specific amount of funds aimed at this development, strike the overall limitations in the tax law on the value of new or used equipment that can be used for a tax credit and, last, we require the FCC to file an annual report to Congress on the extent to which minorities have participated and will participate in the future as employees and owners of communications properties.

This will enable Congress to closely monitor the progress of minorities and develop the necessary legislative initiatives or directions to insure parities of minorities in the industry.

It should come as no surprise to anyone here that the lack of minority ownership and employment in decisionmaking positions in the marketplace at a time of great technological growth creates a very real danger that minorities will be left even further behind in the industry. Currently, minorities own no more than 2 percent of all existing broadcast and TV stations and less than 1 percent in cable. Women and minorities are employed in lower echelon jobs and are just not present on levels where management and program decisions are made.

If these general statistics do not sound alarming, let me share with you what the real numbers are: Out of a total of 10,134 broadcast stations in the United States, only 147 are minority owned. Out of 4,360 cable systems in the United States, only 27 are minority owned.

In employment, minorities are overwhelmingly concentrated at office-[illegible]cal, labor, and service. These figures are in sharp contras[illegible] the n[illegible]bers of minorities f[illegible]und in manageri[illegible] [illegible]cities. [illegible]V employment of minorities continues to be th[illegible] worst offender of all, especially in the top job category. Only 6.7 percent are in the official management category and only 9.9 percent are professional, compared with broadcast percentages, which show approximately 9 percent of the official management categories and 13.9 percent in the professional category.

In closing, let me reiterate the need for increased minority participation in the telecommunications field, for if we do not take action soon, we will not play a meaningful role in the diversity of information which American society receives about itself and the world. We will continue to lose footage in the economic mainstream of society, due to our inability to gain new and better jobs in the new technology and continue to be labeled underserved audience.

Given this tremendous opportunity of benefits to be gained for minorities in the marketplace, the need for concerted, effective action on the part of Government and industry cannot be ignored or overemphasized. Consequently, I welcome the witnesses appearing here today and look forward to their testimony.

[Testimony resumes on p. 25.]

[The text of H.R. 1155 and a summary of H.R. 1155 from the Congressional Record follow:]

98TH CONGRESS
1ST SESSION

H. R. 1155

To amend the Communications Act of 1934 to provide for greater participation of minorities in telecommunications.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1983

Mrs. COLLINS introduced the following bill; which was referred jointly to the Committees on Energy and Commerce and Ways and Means

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A BILL

To amend the Communications Act of 1934 to provide for greater participation of minorities in telecommunications.

Be it enacted by the Senate and House of Representatives of the United States [illegible] *ongress assembled,*

SHO[illegible]TLE

SECTION 1. This Act may be cited as the "Minority Telecommunications Development Act of 1983".

FINDINGS AND PURPOSES REGARDING DISCRIMINATION

SEC. 2. The Communications Act of 1934 (47 U.S.C. 151 et seq.) is amended by inserting after section 2 thereof the following new section:

"FINDINGS AND PURPOSES REGARDING DISCRIMINATION

"SEC. 2A. (a) The Congress hereby finds that—

"(1) minority Americans have been and continue to be unjustly deprived of full participation in the common carrier, broadcasting, and cable communications services regulated in this Act;

"(2) the American telecommunications industry is of grave importance to the interstate and foreign commerce of the Nation; and

"(3) minority Americans have not fully participated as employees or owners of telecommunications facilities.

"(b) It is a purpose of this Act to provide for greater diversity of ownership and control of telecommunications in the domestic and international marketplace by requiring persons subject to regulation under this Act to develop and implement equal opportunity programs as part of their employment practices.".

DEFINITIONS

SEC. 3. Section 3 of the Communications Act of 1934 (47 U.S.C. 153) is amended by adding at the end thereof the following new paragraphs:

"(hh) 'Minority' means American Indians and Alaska Natives; Asians and Pacific Islanders; blacks, not of Hispanic origin; and Hispanics.

"(ii) 'Minority company' and 'minority applicant' mean a sole proprietorship, partnership, or corporation controlled by, or more than 51 per centum of which is owned by, minorities.".

MINORITY OWNERSHIP; EQUAL EMPLOYMENT OPPORTUNITIES

SEC. 4. The Communications Act of 1934 (47 U.S.C. 151 et seq.) is amended by inserting after section 6 thereof the following new sections:

"MINORITY OWNERSHIP

"SEC. 7. (a)(1) When soliciting applications for an initial license or construction permit under any provision of this Act (including provisions relating to licensees and permittees of public television and public radio stations), the Commission shall incorporate in its solicitation a set of eligibility criteria consistent with the provisions of this Act.

"(2)(A) The Commission shall establish rules and procedures governing the administration of a set of eligibility criteria under this subsection. Such rules and procedures shall ensure that minorities are eligible to be granted any initial license or construction permit under any provision of this Act.

"(B) The Commission may, under such rules and procedures, declare that other groups of applicants, in addition to minorities, shall be eligible to be granted certain initial licenses or construction permits if the eligibility of such other groups of applicants would further the purposes of this Act.

"(C) When presented with an application for an initial license or construction permit which is ineligible for consideration under the set of eligibility criteria established by the Commission under this subsection, the Commission may deem the application eligible for consideration only if—

"(i) there are no mutually exclusive eligible applications pending before the Commission; or

"(ii) the Commission finds that (I) a compelling need for telecommunications services exists which requires consideration of the application; and (II) the consideration of the application would not be inconsistent with section 2A.

"(D) The Commission is authorized to require an applicant seeking eligibility under subparagraph (A) to submit to the Commission such information as may be necessary to enable the Commission to determine whether the application is eligible for consideration. Such information shall be submitted in the form, at the times, and in accordance with the procedures, which the Commission may require.

"(3)(A) The Commission, not later than one hundred and eighty days after the effective date of this subsection, and after notice and an opportunity for hearing, shall prescribe rules establishing a set of eligibility criteria for use by the Commission under this subsection.

"(B) The Commission is authorized to amend such rules from time to time to the extent necessary to carry out the provisions of this subsection. Any such amendment shall be made after notice and an opportunity for hearing.

"(4) The Commission is authorized to use a set of eligibility criteria established by the Commission under this subsection with respect to an application for any initial license or [illegible] permit [illegible] filed with the Commission under [illegible] of this Act after the effective date of this subsection.

"(5) [illegible] the Commission [illegible] by the Commission [illegible] license or [illegible] or for a transfer of control of a corporate [illegible] minority [illegible] the Commission after determining the qualifications of the applicant under section [illegible] the [illegible] tax certificate under section 1071 of the Internal Revenue Code of 1954 (relating to gain from sale or exchange to effectuate policies of Federal Communications Commission) if the Commission finds [illegible] be consistent with section [illegible]

"(6) When considering a license which has been designated for [illegible] renewal application [illegible] the Commission shall permit the licensee to transfer or assign its license to a minority applicant, if—

"(1) the minority applicant is qualified under section 308(b);

"(2) the maximum percentage of the fair market value of the facility to be paid by the transferee or assignee for the facility does not exceed—

"(A) 75 per centum, if the transfer or assignment is proposed after designation for hearing but before the hearing begins;

"(B) 50 per centum, if the transfer or assignment is proposed after the first prehearing conference but before the order of the administrative law judge involved; or

"(C) 25 per centum, if the transfer or assignment is proposed after such order but before a final ruling of the Commission denying the license renewal or revoking the license; and

"(3) there has been no final ruling of the Commission denying the license renewal or revoking the license.

"(d) The Commission may waive its rules relating to the multiple ownership of telecommunications facilities for small business investment companies chartered under section 301(d) of the Small Business Investment Act of 1958 (15

U.S.C. 301(d)), if the Commission finds that such waiver would enhance investment opportunities for minorities in telecommunications.

"EQUAL EMPLOYMENT OPPORTUNITY

"SEC. 8. (a) This section shall apply to the following:

"(1) licensees or permittees of commercially operated amplitude modulation, frequency modulation, television, or international broadcast stations, and licensees or permittees of public broadcast stations;

"(2) commercially operated amplitude [illegible] [illegible] modulation, television, or international broadcast networks and public broadcast station networks;

"(3) [illegible]

"(4) cable television systems;

"(5) satellite operators, licensees, and permittees, whether doing business primarily as broadcasters or primarily as common carriers; and

"(6) headquarters operations of any of the entities [illegible] in paragraph (1) through paragraph (5).

"(b) Equal opportunity in employment shall be afforded by each entity specified in subsection (a), and no person shall be discriminated against in employment because of race, color, religion, national origin, age, or sex.

"(c) Any entity specified in subsection (a) shall establish, maintain, and execute a positive continuing program of specific practices designed to ensure equal opportunity in every aspect of its employment policy and practice. Under the terms of its programs, it shall

"(1) define the responsibility of each level of management to ensure a positive application and vigorous enforcement of its policy of equal opportunity, and establish a procedure to review and control managerial and supervisory performance;

"(2) inform its employees and recognized employee organizations of the equal employment opportunity policy and program and enlist their cooperation;

"(3) communicate its equal employment opportunity policy and program and its employment needs to sources of qualified applicants without regard to race, color, religion, national origin, age, or sex, and solicit their recruitment assistance on a continuing basis;

"(4) conduct a continuing program to exclude every form of prejudice or discrimination based on race, color, religion, national origin, age, or sex, from its personnel policies and practices and working conditions; and

"(5) conduct a continuing review of job structure and employment practices and adopt positive recruitment, training, job design, and other measures needed to ensure genuine equality of opportunity to participate fully in all its organizational units, occupations, and levels of responsibility.

"(d)(1) Not later than one hundred and eighty days after the effective date of this section, and after notice and opportunity for hearing, the Commission shall prescribe rules to carry out this section.

"(2) Such rules shall specify the terms under which an entity specified in subsection (a) shall, to the extent possible—

"(A) [illegible] equal opportunity program to [illegible] applicants, employees, and those with whom it regularly does business;

"(B) use minority organizations, organizations for women, media, educational institutions, and other potential sources of minority and female applicants, to supply referrals whenever jobs are available in its operation;

"(C) [illegible] minority and female employees, interns, [illegible] provide assistance to minority educational institutions and educational institutions for women so that they can provide such training, except that such requirement is not mandatory for entities specified in subsection (a) with fewer than fifteen full-time employees;

"(D) evaluate its employment profile and job turnover against the availability of minorities and women in its labor recruitment area;

"(E) undertake to offer promotions of minorities and women to positions of greater responsibility,

"(F) encourage minority and female entrepreneurs to conduct business with all parts of its operation; and

"(G) analyze the results of its efforts to recruit, hire, promote, and use the services of minorities and women and explain any difficulties encountered in implementing its equal employment opportunity program.

"(3) An applicant for a construction permit for a new facility under any provision of this Act, for assignment of license or construction permit, or for transfer of control (other than pro forma or involuntary assignments and transfers), an applicant for renewal of any license who has not previously made such an application, and an entity specified in subsection (a), shall file with the Commission an equal employment opportunity program under the rules prescribed by the Commission under this subsection. A program shall not be required to be filed

"(A) by an applicant proposing to have, or an entity having, fewer than five full-time employees; or

"(B) with respect to any minority group which is represented in such insignificant numbers in the labor recruitment area that a program would not be meaningful, except that, in such case, the applicant or entity shall file a statement of explanation with the Commission.

"(4) Such rules also shall require an entity specified in subsection (a) to file an annual statistical report identifying by race and sex the number of employees in each of the following full time and part time job categories: (A) officials and managers, (B) professionals, (C) technicians, (D) sales persons, (E) office and clerical personnel, (F) skilled craft persons, (G) semiskilled operatives, (H) unskilled laborers, and (I) service workers.

"(5) The Commission is authorized to amend such rules from time to time to the extent necessary to carry out the provisions of this section. Any such amendment shall be made after notice and opportunity for hearing.

"(e) An entity specified in subsection (a) shall be deemed to be in compliance with subsection (c) if—

"(1) the total number of women employed by such entity is equal to at least [illegible] per centum of the number which bears the same ratio to the total number of all persons employed by such entity as the total number of women available in the labor recruitment area involved bears to the total number of all persons available in the overall work force in such area;

"(2) the total number of women employed by such entity in the aggregate of positions in the job categories of officials and managers, professionals, technicians, and sales persons is equal to at least 80 per centum of the number which bears the same ratio to the total number of all persons employed by such entity in such positions as the total number of women available for such positions in the labor recruitment area involved bears to the total number of all persons available for such positions in such area;

"(3) the total number members of each minority group employed by such entity is equal to at least 80 per centum of the number which bears the same ratio to the total number of all persons employed by such entity as the total number of members of each minority group available in the labor recruitment area involved bears to the total number of all persons available in the overall work force in such area, and

"(4) the total number of members of each minority group employed by such entity in the aggregate of positions in the job categories of officials and managers, professionals, technicians, and sales persons is equal to at least 80 per centum of the number which bears the same ratio to the total number of all persons employed by such entity in such positions as the total number of members of each minority group available for such positions in the labor recruitment area involved bears to the total number of all persons available for such positions in such area.

"(f)(1) In the case of an applicant for a construction permit for a new broadcast facility, for assignment of a broadcast license or construction permit, or for the transfer of control (other than pro forma or involuntary assignments and transfers), or for renewal of a broadcast license, the Commission shall formally designate the application for hearing under section 309(e) if—

"(A) the Commission is unable to find that such applicant has maintained a positive and effective equal opportunity program under the rules prescribed by the Commission under subsection (d); and

"(B)(i) the total number of women employed by such applicant is less than 50 per centum of the number which bears the same ratio to the total number of all persons employed by such applicant as the total number of women available in the labor recruitment area involved bears to the total number of all persons available in the overall work force in such area;

"(ii) the total number of women employed by such applicant in the aggregate of positions in the job categories of officials and managers, professionals, technicians, and sales persons is less than 50 per centum of the number which bears the same ratio to the total number of all persons employed by such applicant in such positions as the total number of women available for such positions in the labor recruitment area involved bears to the total number of all persons available for such positions in such area,

"(iii) the total number members of each minority group employed by such applicant is less than 50 per centum of the number which bears the same ratio to the total number of all persons employed by such applicant as the total number of members of each minority group available in the labor recruitment area involved bears to the total number of all persons available in the overall work force in such area, or

"(iv) the total number of members of each minority group employed by such applicant in the aggregate of positions in the job categories of officials and managers, professionals, technicians, and sales persons is less than 50 per centum of the number which bears the same ratio to the total number of all persons employed by such applicant in such positions as the total number of members of each minority group available for such positions in the labor recruitment area involved bears to the total number of all persons available for such positions in such area.

"(2) In a hearing held in accordance with this subsection, the Commission may not consider any evidence of upgrading of the performance of the applicant involved in employment of minorities and women which occurs after designation of the application for hearing.

"(g) In addition to the powers reserved to the Commission under section 4(i) the Commission shall have the authority to take whatever additional steps it deems necessary and in the public interest to encourage equal employment opportunity.

"(h) For purposes of this section:

"(1) The term 'network' means a national organization distributing programing for a substantial portion of each broadcast day to radio or television broadcasting stations, as the case may be, in all parts of the United States, generally through interconnection facilities.

"(2) The term 'public broadcast station' has the meaning given it in section 397(6).

"ADVISORY COMMITTEE ON MINORITY TELECOMMUNICATIONS DEVELOPMENT

"SEC. 9. (a) There hereby is established the Advisory Committee on Minority Telecommunications Development (hereinafter in this section referred to as the 'Committee'). The Committee shall be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

"(b) The Committee shall be convened by the Commission not later than ninety days after the effective date of this section and shall operate under such guidelines as the Commission shall issue.

"(c) The Committee shall be staffed by employees of the Commission.

"(d) The purposes of the Committee shall include advising the Commission on appropriate rules and policies which would further the full participation of minorities in all phases of communications affected by this Act.

"(e) The Committee shall make an initial report to the Commission not later than one year after its initial meeting, and shall continue to meet and advise the Commission until the Congress determines that minorities have attained full participation in the employment and ownership of telecommunications facilities.

REIMBURSEMENT OF EXPENSES FOR CITIZEN PARTICIPATION IN RULEMAKING PROCEEDINGS

SEC. 5. Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended by inserting "(a)" after the section designation, and by adding at the end thereof the following new subsection.

"(b) Of the sums appropriated in accordance with subsection (a) for any fiscal year, $250,000 shall be available at the discretion of the Commission to reimburse the reasonable and documented expenses of civic and community organizations and small businesses for their participation in rulemaking proceedings before the Commission where such organizations or businesses can demonstrate a financial need, under guidelines the Commission shall establish not later than ninety days after the effective date of this subsection. The Commission shall, to the extent possible, construe this subsection to mandate the reimbursement of the reasonable and documented expenses of organizations representing minorities in those rulemaking proceedings whose impact is likely to affect substantially the participation of minorities in any phase of communication affected by this Act.

[illegible]

SEC. 6. (a) Section 393(c) of the Communications Act of 1934 (47 U.S.C. 393(c)) is amended to read as follows.

"(e) Of the funds appropriated pursuant to section 391 for any fiscal year, not less than 30 per centum shall be available for the development of public telecommunications facilities owned by, operated by, and available to minorities."

(b) The amendment made by subsection (a) shall apply with respect to fiscal years beginning after the date of the enactment of this Act.

AMENDMENT TO INTERNAL REVENUE CODE OF 1954

SEC. [illegible] (a) Section 48(c)(2) of the Internal Revenue Code of 1954 (26 U.S.C. 48(c)) is amended by adding at the end thereof the following new subparagraph:

"(E) TELECOMMUNICATIONS SYSTEMS.—In the case of any minority company (as defined in section 3(ii) of the Communications Act of 1934), subparagraph (A) does not apply to any property acquired by such company in connection with the purchase of any operating telecommunications facility."

[illegible] The [illegible] shall apply [illegible] ending after the date of the enactment of this Act.

REPORT TO CONGRESS

SEC. 8. Section 4(k) of the Communications Act of 1934 (47 U.S.C. 154(k)) is amended by inserting after paragraph (2) the following new paragraph:

"(3) such information and data as may be of value in determining the extent to which minorities have participated, and will, under the rules and policies of the Commission, have opportunities to participate, as employees and owners of telecommunications facilities;".

[illegible] WASHINGTON, TUESDAY, FEBRUARY [illegible] [illegible]

Congressional Record

HON. CARDISS COLLINS

[illegible]

Tuesday, February [illegible]

Mrs. COLLINS. Mr. Speaker, on February 2, 1983, I introduced [illegible] the Minority [illegible] Development Act of 198[illegible] which is designed to strengthen participation of minorities and women in the telecommunications field. Specifically, H.R. [illegible] revises and updates the Communications Act of 1934 by offering [illegible] and industry incentive [illegible] intended to foster the greater participation of minorities and women [illegible] phases [illegible]

This comprehensive [illegible] covers the areas of [illegible] equal employment opportunity (EEO) [illegible] for transfer [illegible] [illegible]

[illegible]

The Advisory Committee on Minority Telecommunications Development

The bill establishes an advisory [illegible] to the FCC to study rules and [illegible] to further the full participation of minorities in all phases of communications affected by the Communications Act. The committee is to make its initial report in one year and continue to meet and advise the Commission until Congress determines that minorities have attained full participation in ownership and employment in telecommunications facilities.

H. Reimbursement of expenses [illegible] participation in rulemaking [illegible] before the FCC

The bill makes available to the Commission up to $250,000 annually to reimburse the reasonable and documented expenses of [illegible] and community organizations and small businesses for their participation in rulemaking proceedings before the Commission [illegible] guidelines as the Commission shall establish. The Commission [illegible] minority participation before the Commission in rulemaking proceedings [illegible] by this program.

[illegible]

Mr. WIRTH. Thank you very much, Ms. Collins.

Let me begin by just outlining the rules and procedures of the subcommittee. We would ask all of you to summarize your testimony in 5 minutes, or less. Your written testimony will be included in full in the record.

Let's start with Dr. Janice Engsberg.

STATEMENTS OF DR. JANICE ENGSBERG, ASSOCIATE DIRECTOR, OFFICE OF COMMUNICATION, UNITED CHURCH OF CHRIST; MARK NIELSEN, CHAIRMAN, COMMUNICATIONS COMMITTEE, CHURCH FEDERATION OF GREATER CHICAGO; CHARLES HOARD, ELMHURST, ILL.; AND RICARDO RODRIGUEZ, INVESTMENT BANKER, HOWE, BARNES & JOHNSON

Dr. ENGSBERG. My name is Janice Engsberg. I am associate director of the Office of Communication of the United Church of Christ.

I appreciate this opportunity to appear here to discuss the ways Congress can facilitate minority participation in telecommunications.

As you may know, the office of communication, in 1968 filed a petition that resulted in the adoption by the Federal Communications Commission of rules on equal employment for the broadcast industry.

Since the rules went into effect, the office has published annual reports to monitor the performance of broadcast stations in the employment of minorities and women. Last year, we published our first report on cable system employment, which I request be entered into the record of the hearing.

Mr. WIRTH. Without objection, it will be included.

Dr. ENGSBERG. Thank you.

The office of communication supports the provisions of H.R. 1155 and H.R. 2331 that would foster diversity in ownership and control of the telecommunications industries by increasing opportunities for the involvement of minorities and women. In fact, at its spring meeting on March 4, the board of directors of the office of communication heartily endorsed H.R. 1155 and I request that a copy of this resolution also be entered into this hearing record.

Having said that, in my remaining comments, I will summarize employment-related issues that the office of communication believes warrant the attention of Congress and the Federal Communications Commission. I will first consider proposals contained in H.R. 1155.

In the current political environment, we would consider it prudent for Congress to legislate FCC responsibility for EEO in telecommunications, as is proposed by the bill. With such a law, the Executive order from the Office of Management and Budget, which became public in December 1981, requesting that the Commission eliminate certain filing requirements for broadcast affirmative action programs would lose its sting.

In recent months, both the FCC and Congress have been reassessing the regulatory requirements on the parity issue. H.R. 1155 would bring parity levels for all telecommunications entities to 80 percent. Additionally, at Chairman Fowler's request, Commission staff are looking into the possibility of raising EEO processing guidelines to bring cable into parity with broadcasting. Guidelines for broadcasting set the level at 50 percent parity with the availability of minorities and women in the work force. Cable is now at 25 percent.

While these proposals sound reasonable to us, we, nevertheless, do not know how the affected telecommunications industries would measure up. In fact, we do not even know how well broadcast stations and cable systems fare today under the current FCC guidelines. Before parity levels are changed, investigations should be conducted into where the telecommunications entities to be regulated now stand, vis-a-vis the various parity levels. Also, projections should be made as to the transition time that would be needed before penalties for noncompliance would be levied.

With the much discussed information age on the horizon, of special importance is the proposal in the bill that would require the FCC to establish EEO rules for common carriers, satellites, and other telecommunications entities that it regulates. While the FCC now has the authority to promulgate such rules, it is unlikely to do so without legislative direction.

H.R. 1155 makes Congress responsible for deciding when minorities have reached full participation in telecommunications, employment, and ownership, but it does not suggest how Congress is to make this determination. We think it would be reasonable for Congress to monitor industry progress in employment and ownership by requiring an annual statistical report from the FCC.

The Advisory Committee on Minority Telecommunications Development proposed by the bill could contribute greatly to improving the Commission's rules and policies for increasing the participation of minorities in all phases of communications. The idea is sound, but its conceptualization in the bill would weaken its potential impact. An advisory committee should be made up of Commission staff and representatives from Congress, the FCC-regulated industries, and public groups that have championed the rights of minorities.

In my written statement, I also consider three employment-related issues that are not included in the current legislative proposals: Ways the Commission could strengthen its EEO enforcement, the need for more consistency in the FCC's EEO filing requirements for cable and the possibility that the problems we see with the Commission's EEO enforcement may stem from its own ambivalence regarding equal employment opportunity.

Finally, in future congressional debates that consider broadcast deregulation, the likely impact on equal employment opportunity must be considered. Specifically, in proposals to quantify the public interest standard, employment should be included as part of the quantification package. The office of communication believes that minority participation is an important element of the public interest that should not be left to the wiles of the marketplace.

Thank you.

[Testimony resumes on p. 116.]

[Dr Engsberg's prepared statement and attachments follow:]

Office of Communication
UNITED CHURCH OF CHRIST
105 Madison Avenue
New York, NY 10016
(212) 683-5656

Testimony of Dr. Janice M. Engsberg,
Associate Director of the Office of Communication
of the United Church of Christ before the
Subcommittee on Telecommunications, Consumer Protection and Finance,
U.S. House of Representatives,
Hearings on "Parity for Minorities in the Media"
Chicago, IL, Monday, June 6, 1983

My name is Janice Engsberg. I am associate director of the Office of Communication of the United Church of Christ. I appreciate the opportunity to appear here to discuss the ways Congress can facilitate minority participation in telecommunications.

The United Church of Christ has approximately 1.75 million members with congregations in nearly all of the fifty states. The church was founded in 1957 by a union of two historic Protestant denominations, the Congregational Christian Churches and the Evangelical and Reformed Church. The Office of Communication has conducted a ministry in mass communication in fulfillment of its responsibilities under the constitution of the church.

As you may know, the Office of Communication in 1968 filed a petition that resulted in the adoption by the Federal Communications Commission of rules on equal employment for the broadcast industry. Since the rules went into effect, the Office of Communication has published annual reports to monitor the performance of broadcast stations in the employment of minorities and women. Last year, we published our first report on cable system employment, which I request be entered into the record for this hearing.

The Office of Communication supports the provisions of H.R. 1155 and H.R. 2331 that would foster diversity in ownership and control of the telecommunications industries by increasing opportunities for the involvement of minorities and women. In fact, at its spring meeting on March 4, the Board of Directors of the Office of Communication heartily endorsed H.R. 1155 and I request that a copy of its resolution also be entered into this hearing record.

(OVER)

Having said that, in my remaining comments I will summarize employment-related issues that the Office of Communication believes warrant the attention of Congress and the Federal Communications Commission. I will first consider proposals contained in H.R. 1155.

In the current political environment, we would consider it prudent for Congress to legislate FCC responsibility for EEO in telecommunications, as is proposed by H.R. 1155. With such a law, the Executive Order from the Office of Management and Budget in December, 1981, requesting that the Commission eliminate certain filing requirements for broadcast affirmative action programs would lose its sting. Of course, the legislative report language would be important for spelling out the intent of Congress regarding how the FCC should structure its EEO program.

In recent months, both the FCC and Congress have been reassessing the regulatory requirements on the parity issue. H.R. 1155 would bring parity levels for all telecommunications entities to 80 percent. While we do not think expectations for 80 percent parity are too high, the increase from existing standards is dramatic. Additionally, FCC Chairman Fowler recently requested Commission staff to look into the possibility of raising EEO processing guidelines to bring cable into parity with broadcasting. We see no reason why parity levels should differ from one medium to another. The increase under consideration at the Commission is only from 25 to 50 percent parity with the availability of minorities and women in the workforce.

While these proposals sound reasonable to us, we, nonetheless, do not know how the affected telecommunications industries would measure up. In fact, we do not even know how well broadcast stations and cable systems fare today under the current FCC guidelines. Before parity levels are changed, an investigation should be conducted into where the telecommunications entities to be regulated now stand vis-a-vis the various parity levels. Also, projections should be made as to the transition time that would be needed before penalties for non-compliance would be levied.

With the much-discussed Information Age on the horizon, of special importance is the proposal in H.R. 1155 that would require the FCC to establish EEO rules for common carriers, satellites and other telecommunications entities that it regulates. While the FCC now has the authority to promulgate such rules, it is unlikely to do so without legislative direction.

H.R. 1155 makes Congress responsible for deciding when minorities have reached full participation in telecommunications employment and ownership, but it does not suggest how Congress is to make this determination. Because of the Commission's history of lax enforcement of existing EEO rules and because available data show

(MORE)

that broadcasting and cable have a long way to go to improve the participation of minorities and women, it would be reasonable for Congress to monitor industry progress in employment and ownership by requiring an annual statistical report from the FCC.

The Advisory Committee on Minority Telecommunications Development proposed by H.R. 1155 could contribute greatly to improving the Commission's rules and policies for increasing the participation of minorities in all phases of communications. The idea is sound, but its conceptualization in the bill would weaken its potential impact. An advisory committee should be made up of Commission staff and representatives from Congress, the FCC-regulated industries and public groups that have championed the rights of minorities.

Now, I will turn to employment-related issues that are not included in the current legislative proposals.

First and foremost, the Office of Communication has repeatedly criticized the Commission for its negligence in EEO enforcement for both broadcasting and cable. Today, I have some suggestions for ways the Commission could strengthen EEO enforcement. A plan should be devised that does not rely solely on license renewal for enforcement leverage, as is now the case at the Commission. Indeed, part of the Commission's present problem with cable EEO is that there is no FCC license renewal for cable. Employment data that the FCC requires broadcasters and cable operators to file in annual employment reports should be computer analyzed annually to provide an objective, systematic and comprehensive assessment of EEO compliance. Those who do not meet the minimum processing guidelines for parity should then be penalized automatically. Penalties might include fines, revisions in affirmative action programs and requests for more detailed and more frequent reporting of EEO information. With this kind of scheme, problems regarding EEO enforcement that are posed by lengthened broadcast licence terms would be mitigated. Also, the burden of monitoring EEO compliance would rest with the Commission rather than with public groups and local franchise authorities, as it rightfully should.

We find there is need for more consistency in cable EEO filing requirements. Filing of the annual employment report, Form 395-A is not required at any set time, but rather is to be returned to the Commission 60 days after it was mailed from the FCC. Last year the form was sent on August 31; in 1981 it was mailed in November. This year Commission staff anticipate a mailing in August. The data requested by the form, moreover, are to be from the first quarter of the year. Other materials are to be filed at other times. Updates in cable EEO programs are due each year on May 31 -- the date, I might add, that all EEO filings are due for broadcasters. An annual filing on the status of EEO complaints

(OVER)

against cable systems, however, can be filed with Form 395-A, but it need not be filed at the FCC if it was filed with the Equal Employment Opportunity Commission. If you find this confusing, think how the situation is confounded for cable system operators!

It is possible that these rather chaotic filing requirements stem from an ambivalence regarding equal employment opportunity at their source, the Federal Communications Commission. Serious inequities in the Commission's own employment practices have been called to the attention of the Office of Communication. I ask you, can we expect the Commission to enforce higher employment standards for the industries it regulates while its own workforce moves lower on the yardstick of equity?

Finally, in future Congressional debates that consider broadcast deregulation, the likely impact on equal employment opportunity must be considered. Specifically, in proposals to quantify the public interest standard, employment should be included as part of the quantification package. A recent study by the Radio Television News Directors Association, though methodologically flawed, showed that radio deregulation may be the culprit in cut-backs in news and public affairs programming. Proposals for further broadcast deregulation now under consideration by the House Commerce Committee threaten further reductions in local programming. Minorities and women are often the first to go when station managers shrink their local news and program operations. Minority participation is an important element of public interest that should not be left to the wiles of the marketplace.

RESOLUTION ON
MINORITY PARTICIPATION IN TELECOMMUNICATIONS

Adopted by the board of directors of the Office of Communication on March 4, 1983, Vote OC 703-83

WHEREAS, for over two decades, the Office of Communication of the United Church of Christ has worked to protect the interests and raise the status of minorities and women in mass communication fields;

WHEREAS, the Office of Communication filed the original petition asking the Federal Communications Commission to promulgate equal employment opportunity rules;

WHEREAS, in ten years of monitoring the employment of minorities and women in broadcasting, the Office of Communication concludes that the gains have been significant but do not add up to resounding success in overcoming discrimination in this powerful industry, and

WHEREAS, The Office of Communication's recent study, Cable System Employment: 1980-1981, concludes that the poor showing in the employment of minorities and women in cable is evidence of FCC neglect of its EEO responsibilities,

THEREFORE, BE IT RESOLVED, that the board of directors of the Office of Communication expresses its gratitude to Representative Cardiss Collins for the introduction of H.R. 1155, the "Minority Telecommunications Act of 1983,"

AND BE IT FURTHER RESOLVED, that the board of directors of the Office of Communication supports legislative proposals that would codify and strengthen the Federal Communication Commission's EEO rules and open opportunities for minority ownership of telecommunications facilities, and

that the staff of the Office of Communication is directed to support legislation for the upholding of Equal Employment Opportunity standards in telecommunications and the augmenting of minority ownership of telecommunications facilities.

CABLE SYSTEM EMPLOYMENT

1980-1981

A Report on the Status of Minorities & Women

by

Janice M. Engsberg
Allan T. Walters
Gracie B. Nettingham

This report was prepared through the EEO project of the Program to Combat Discrimination in Broadcasting and Cable of the Office of Communication, United Church of Christ.

The EEO Project is headed by Dr. Janice M. Engsberg, associate director of the Office of Communication and is financed from an offering for "Neighbors in Need" of the United Church of Christ.

The EEO Project was developed in cooperation with the Media Project of the NOW Legal Defense and Education Fund, Black Citizens for Fair Media and civil rights attorney José A. Rivera.

Printed in the United States of America

INTRODUCTION

For over a decade, the Federal Communications Commission (FCC) has required all broadcasting stations and cable systems with five or more employees to file annual employment reports that include statistical data. The reports are public documents. From 1971 to 1978, the Office of Communication of the United Church of Christ compiled the employment statistics provided by television stations and issued an annual report of the employment status of minority persons and women. When the FCC began releasing its own periodic summary employment reports, the Office of Communication discontinued its annual practice.

This study is the seventh report to be published. It contains several new features. For the first time, we analyze employment data for cable television systems. Also, the data were examined differently than in previous reports. We include more detailed breakdowns for sex, minority status and job categories. Other new features are state-by-state evaluations that show variations in cable employment and overall comparisons that were made with the nationwide distribution of minorities and women in broadcast radio and television stations and cable television systems.

In years past, we compared figures for females and minorities to the job holders in the upper four job categories and to the total of all employees. In this study, four types of employees were cross-classified against six categories of employment. The types of employees are white males, white females, minority males and minority females.* The top four categories of employment, considered the decision-making positions, are examined individually in this report and are listed as in the "Annual Employment Report" (FCC Form 395-A for cable and Form 395 for broadcasting), i.e., officials and managers, professionals, technicians and sales workers. We also isolated the office and clerical category to show more clearly than have past reports where the majority of women are employed. The last category is a residual grouping made up of the lower four categories of employment lumped together, i.e., craftsmen, operatives, laborers and service workers.

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*We have not separated minority males and females into the different ethnic groups because of a great deal of geographic clustering. That is, few Hispanic employees are found in any but the five Southwestern states, Florida and New York; blacks are the predominate minority group in the South and Northeast, though substantial numbers of blacks are also employed in California. Overall, had minority status been more finely differentiated, many of the tables would have zero cells for all but one of the ethnic groups.

The number of women in the cable workforce increased by 1,799 between 1980 and 1981, an increase from 32.3 to 33.5 percent. Female representation in the upper four job categories was up by 596 jobs, a rise in the proportion of females in upper level jobs from 13.9 to 15.5 percent. The actual increase of minorities and women in upper level jobs may be overstated because there was a discernible effort by employers to upgrade the classification of jobs held by minorities and women. These efforts are evidence that the Commission's reporting requirements are having an impact, albeit slowly.

Minority females lagged far behind minority males in total employment and especially in upper level jobs. Despite some improvement between 1980 and 1981 minority females held only five percent of cable jobs and only two percent of upper level cable jobs. The stronger showing of minority males in upper level jobs was concentrated in technician and sales positions.

To characterize the employment of minorities and women in the states with the greatest number of cable employees, six distribution clusters were identified. While the distribution of women employees was fairly similar in all the states, that of minority employees was more variable. In the states with the highest levels of cable employment -- New York, California and

Texas -- and in the South, minorities held a relatively high percentage of the jobs in cable. In the Midwest and in adjacent industrial states in the North Central and Northeast areas, proportionally few minorities are employed. In only three states, moreover, did the proportion of minorities in cable jobs match their proportion of the workforce in 1980. By 1981, there was improvement. In eleven states, the percent of minorities employed in cable came up to the percent of minorities in the workforce statewide.*

The three states with the largest cable workforce also have five of our nation's largest ten cities, all of which have cable -- New York, Los Angeles, San Francisco, Dallas and Houston.

In most states, cable employment expanded between 1980 and 1981. During this time, however, there were decreases in the number of individuals working in cable systems in eight states -- Alaska, Arizona, Iowa, Kansas, Mississippi, New Mexico, Virginia and Wyoming.

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* The eleven states are Idaho, Iowa, Maine, Missouri, Nevada, New Hampshire, Oklahoma, Oregon, Washington, West Virginia and Wisconsin. States with minority cable employment to within 0.5 percent of the minority workforce figure were included in this count. Also, seven of the states had fewer than 325 cable employees.

The data show that there is not a great deal of variation in overall employment patterns for cable and broadcast radio and television. Minority males, however, benefit from the larger proportion of craftsmen, operatives, laborers and service workers in cable, holding [illegible] percent of these jobs which accounted for [illegible] percent of total cable employment in [illegible]. In contrast, these jobs accounted for only [illegible] percent of total television employment and [illegible] percent of total commercial radio employment.

The sex and race comparisons [illegible]

[illegible]

[illegible]

employment reports that detail the number and job classifications of racial minority and women employees, and to engage in affirmative action employment plans to recruit, train and promote minority and women personnel. Beginning in the early 1970's, public sector employers were also required to submit employment information and fulfill affirmative action programs.

[illegible]

society; yet, prior to the introduction of the FCC rules on equal employment the percentage of minorities and women engaged in the industry, especially in decision-making jobs, was relatively small. While the following tables show the positive impact of the FCC policy on EEO in television, when the statistics are ranged against the total population of women and minorities or their proportions in the work force, there is ample evidence that there is [illegible]

TABLE [illegible]

[illegible]

[illegible]	[illegible] Minorities	[illegible] Employees
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

*[illegible]

TABLE [illegible]

COMMERCIAL TELEVISION EMPLOYMENT
OF WOMEN -- 1971 TO 1979

Year	Upper Four Categories	Total Female Employees
1971	[illegible]	22.[illegible]
1972	[illegible]	[illegible]
1973	[illegible]	[illegible]
1974	11.[illegible]	24.[illegible]
1975	1[illegible]	25.[illegible]
1976	14.[illegible]	26.[illegible]
1977	[illegible]	2[illegible]
1978	[illegible]	28.[illegible]
1979	19.4	[illegible]

[illegible]

[illegible] full-time employees and are not required to have written EEO programs. Small stations with [illegible] employees [illegible] by the [illegible] women are hired.

The [illegible]

TABLE 3

COMMERCIAL RADIO EMPLOYMENT
OF MINORITIES -- 1975 TO 1979*

Year	Upper Four Categories	Total Minority Employees
1975	-	10.1%
1976	-	10.5
1977	-	11.0
1978	-	11.4
1979	10.0*	12.1

TABLE 4

COMMERCIAL RADIO EMPLOYMENT
OF WOMEN -- 1975 TO 1979*

Year	Upper Four Categories	Total Female Employees
[illegible]		25.1%
[illegible]		26.8
[illegible]		27.8
[illegible]		29.6
1979	[illegible]	31.5

*Tables 3 and 4 were [illegible] data in the Equal Employment Opportunity Trend Report, prepared by the FCC Industry EEO Unit, March 20, 1980.

At the outset of this study, the most recent cable television employment information available from the FCC was for 1977 to 1979. The figures show that the percentages of minorities and women working in cable operations lag behind those of broadcasting. The most dramatic deficiency in the employment of minorities and women in cable is in the decision-making jobs. (See Tables 5 and 6.)

TABLE 5

[illegible]
CABLE OPERATORS — 1977 TO [illegible]

[illegible]	[illegible] Categories	[illegible] Employees
[illegible]	[illegible]	[illegible]
[illegible]	4.[illegible]	[illegible]
[illegible]	4.[illegible]	[illegible]

[illegible]
OPERATORS — [illegible]

[illegible]	Upper Four Categories	Total Female Employees
[illegible]	4.[illegible]	29.[illegible]
[illegible]	5.2	29.[illegible]
[illegible]	[illegible]	[illegible]

[illegible] Cable Television Employment [illegible]

To date, FCC evaluations of EEO performance have focused mainly on television stations. Less attention has been given to the equal employment practices at radio stations. Little analysis has been made of EEO compliance by cable television operators, and, apparently, there has been no effort by the Commission to require cable operators to obey EEO requirements. Conformance to EEO requirements especially in small stations and cable systems with few employees depends almost wholly upon efforts of public spirited citizens to make them [illegible] these small entities that have [illegible] and [illegible]

[illegible] Wells [illegible]

computer programs used to analyze these data. Melissa Sutherland and Mary Griffith prepared the final version of this monograph. Lesley Pine Brown organized the New York area volunteers and [illegible] Conyers assisted with [illegible] are thankful [illegible]

METHODOLOGY

Most of the data for cable television in this report were taken from computer tapes prepared by the Federal Communications Commission and released through the National Technical Information Service. The computer tapes contain a listing of the Annual Employment Reports cable systems file each May on FCC Form 395-A.

Data for Tables 1 through 30 are taken from the FCC computer tapes containing cable employment reports for the years 1980 and 1981. In those tapes are found data [illegible] states [illegible] and the Virgin Islands [illegible] analyzes employment only in the [illegible] Puerto Rico and the Virgin Islands [illegible] and their ethnic composition is [illegible] from [illegible] of the [illegible] states.

[illegible] 1980, this report is based on [illegible] data from 3,830 cable systems. For 1981, the report is based on data from [illegible] systems. The 1980 tape was based on data collected as of [illegible] 1981; the 1981 tape was created on [illegible]

[illegible]

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overall distribution of minorities and women for all fifty states and analyzed trends in the 22 states which had the highest number of employees in each of these two years.[*] States were grouped and compared according to their similarities and differences in employment patterns. While the decision to examine only these 22 states was somewhat arbitrary, it was taken so that sufficient numbers of employees existed to allow meaningful statistical [illegible] categories including the [illegible] of employment with the fewest [illegible] and [illegible] [illegible]

[illegible] data [illegible]

[illegible]

[illegible]

[illegible]

In the two years [illegible] assessed for this report, the twenty states with the highest employment in each year were selected. Since two additional states were in the top twenty in one of the years but not in the other, a total of twenty-two states was selected for the study. In addition, each state had over [illegible] able employees in one or both years. These twenty-two states are Alabama, California, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Massachusetts, Michigan, New Jersey, New York, North Carolina, [illegible], Oklahoma, [illegible], [illegible], [illegible], Tennessee, Texas, [illegible] and Washington.

non-commercial broadcast television and radio. These comparisons allowed an assessment as to how well cable is doing in the employment of minorities and women when compared to its older and more established counterparts, the broadcast industry.

Employment data for 1979-1981 in broadcasting were obtained from the 1980 and 1981 Equal Employment Opportunity Trend Reports prepared by the FCC Industry EEO Unit.

Finally, [illegible] geographic areas [illegible] undertaken: New York, New Jersey, and [illegible] patterns [illegible] market [illegible] of fewer minorities and women than might be suggested from the aggregate state [illegible] Similarly, [illegible] areas may also have markedly different patterns in employment.

Data for this section were collected largely by volunteers in the local areas who worked under the supervision of [illegible] staff. [illegible] local [illegible] stations and cable systems. These individuals examined [illegible] kept [illegible] inspection [illegible]

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PART ONE

CABLE TELEVISION SYSTEMS

Overall Comparisons

Distribution of Women Employees

Before examining variations by state among the four types of employees found within the six different employment categories, some brief comments will be made about the overall distributions in the percentages of minorities and women employed across all the 50 states. Most of the interpretive comments will refer to the 1981 data set. Where notable differences are found, comparisons are made with the 1980 data set.

As can be seen in Table 1, the overall percentages of [illegible] women employed are fairly constant across the states and within states across both of the years tabulated, 1980 and 1981. With slight exception the distributions in 1981 are nearly identical to the data in 1980. About one-third of all employees in cable systems are women, though slightly more employees were women in 1981 than in 1980 ([illegible]). In 1981, the state with the lowest percentage of women employees was Alaska [illegible] the state with the highest percentage was Delaware [illegible] because of the relatively small number [illegible] in Alaska and

TABLE 1

Total Number of Full-Time Cable Employees by State
1980 and 1981

N = 50 States and [illegible] Territories

State	1980 Percentage of Population, Minority 18 years and over	1980 Number of Full-Time Employees	1980 Percentage Minorities	1980 Percentage Women	1981 Number of Full-Time Employees	1981 Percentage Minorities	1981 Percentage Women
Alabama	24.2%	641	17% (109)	36% (234)	663	20% (132)	35% (235)
Alaska	21.3%	59	10% (6)	34% (20)	50	0% (0)	24% (12)
Arizona	21.0%	346	18% (64)	33% (115)	289	15% (44)	33% (96)
Arkansas	15.4%	361	4% (13)	35% (126)	398	9% (37)	34% (134)
California	29.1%	4,357	21% (925)	31% (1,347)	4,676	21% (974)	32% (1,516)
Colorado	14.6%	236	7% (16)	33% (78)	433	8% (34)	33% (143)
Connecticut	9.8%	395	8% (30)	35% (138)	555	9% (51)	35% (192)
Delaware	16.3%	165	14% (23)	39% (65)	181	14% (26)	40% (73)
Florida	20.6%	1,857	11% (201)	32% (591)	2,252	13% (300)	34% (773)
Georgia	25.9%	944	18% (167)	33% (315)	1,157	23% (264)	33% (384)
Hawaii	68.0%	281	56% (158)	35% (97)	292	60% (176)	30% (88)
Idaho	5.1%	139	4% (6)	24% (34)	200	5% (9)	33% (65)
Illinois	19.6%	763	3% (25)	34% (263)	919	4% (40)	31% (288)
Indiana	8.6%	679	4% (29)	32% (216)	736	6% (45)	37% (270)
Iowa	2.5%	503	2% (10)	33% (166)	497	4% (18)	33% (165)
Kansas	8.1%	541	5% (29)	29% (159)	400	6% (22)	33% (131)
Kentucky	7.8%	455	4% (19)	32% (144)	469	7% (35)	36% (167)
Louisiana	29.7%	690	19% (133)	33% (226)	808	20% (162)	33% (263)
Maine	1.2%	167	2% (3)	35% (58)	174	2% (3)	36% (62)
Maryland	23.8%	225	[illegible] (14)	30% (67)	262	6% (15)	28% (74)
Massachusetts	6.3%	5?3	[illegible] (10)	34% (166)	621	2% (11)	36% (225)
Michigan	14.1%	[illegible]	9% (60)	33% (242)	899	7% (66)	32% (288)
Minnesota	3.6%	262	1% (3)	34% (88)	416	2% (7)	32% (135)
Mississippi	32.5%	399	14% (56)	33% (130)	382	14% (55)	35% (114)
Missouri	10.9%	316	2% (7)	33% (104)	398	12% (46)	33% (131)
Montana	5.3%	139	3% (4)	36% (50)	149	3% (4)	34% (51)
Nebraska	4.9%	152	2% (3)	31% (44)	213	3% (6)	33% (76)
Nevada	14.5%	94	9% (8)	29% (27)	149	14% (21)	32% (47)
New Hampshire	1.4%	112	0% (0)	35% (39)	152	1% (1)	35% (53)
New Jersey	18.2%	902	9% (82)	37% (332)	1,269	12% (147)	36% (451)
New Mexico	42.0%	317	29% (92)	28% (89)	229	22% (51)	31% (71)
New York	27.6%	2,527	17% (437)	31% (791)	2,629	17% (454)	33% (860)
North Carolina	22.5%	659	12% (77)	33% (218)	713	13% (93)	37% (262)
North Dakota	1.4%	91	2% (2)	30% (27)	115	1% (1)	28% (32)
Ohio	10.7%	1,761	5% (93)	34% (591)	1,905	9% (166)	34% (641)
Oklahoma	12.9%	494	9% (42)	30% (146)	636	14% (88)	29% (186)

TABLE I
(continued)

Total Number of Full-Time Cable Employees by State
1980 and 1981

N = 50 States and 3 Territories

State	1980 Percentage of Population, Minority 18 years and over	1980 Number of Full-Time Employees	1980 Percentage Minorities		1980 Percentage Women		1981 Number of Full Time Employees	1981 Percentage Minorities		1981 Percentage Women	
Oregon	5.4%	537	9%	(48)	34%	(185)	611	8%	(52)	36%	(227)
Pennsylvania	9.7%	1,765	3%	(58)	31%	(543)	1,911	5%	(92)	35%	(656)
Rhode Island	5.0%	5	0%	(0)	40%	(2)	6	0%	(0)	33%	(2)
South Carolina	28.9%	435	17%	(76)	34%	(148)	507	19%	(94)	34%	(173)
South Dakota	5.7%	88	3%	(3)	30%	(26)	99	2%	(2)	29%	(29)
Tennessee	15.4%	471	10%	(46)	37%	(175)	676	12%	(78)	35%	(237)
Texas	30.0%	1,908	29%	(545)	31%	(604)	2,434	28%	(673)	34%	(836)
Utah	6.4%	81	2%	(2)	25%	(20)	172	2%	(3)	27%	(47)
Vermont	1.2%	83	0%	(0)	28%	(23)	96	0%	(0)	31%	(30)
Virginia	20.2%	693	10%	(70)	32%	(221)	560	13%	(73)	36%	(200)
Washington	8.3%	846	7%	(58)	32%	(267)	1,007	8%	(85)	33%	(332)
West Virginia	4.2%	324	2%	(8)	33%	(107)	368	5%	(17)	35%	(129)
Wisconsin	5.1%	221	2%	(5)	33%	(72)	228	7%	(15)	30%	(69)
Wyoming	6.8%	182	3%	(6)	35%	(64)	168	3%	(5)	33%	(55)
Guam	-	102	70%	(71)	28%	(29)	113	80%	(90)	24%	(27)
Puerto Rico		101	97%	(98)	30%	(30)	114	98%	(112)	27%	(31)
Virgin Islands	-	10	70%	(7)	20%	(2)	11	46%	(6)	28%	(5)
TOTAL[?]	18.1%	31,107	13%	(4,037)	32%	(10,060)	35,412	14%	(5,003)	35%	(12,859)

Source: FCC computer tapes of Annual Employment Reports for 1980 and 1981; 1980 U.S. Census, PC 80-1.

Note. To calculate percentage minority for a state, the number of Blacks, American Indians, Eskimos and Aleuts, Asian and Pacific Islanders and persons of Spanish origin were combined, multiplied by 100 and divided by the total population figure for the state. Only persons age 18 years and older were included in either the numerator or denominator.

Delaware, the percentages of women in these two states are likely to be statistically insignificant. If these two states are then excluded, in 1981 the variation in female employment ranges between 27 percent (Utah) and 37 percent (Indiana and North Carolina), a much narrower spread.

As noted, in 1981 33 percent (11,859/35,412) of the employees were women. But 74 percent (8,785/11,859) of all female employees are office and clerical workers. As can be seen in Table 2B, aside from the office and clerical category, women are only represented with some relative strength in three other employment categories: officials and managers, professionals and sales, with 27, 24 and 31 percent of the jobs respectively. Proportionately few women are employed as technicians (about four percent) or as craftsmen, operatives, laborers or service workers (about five percent).

It is especially significant that few -- four percent -- of the technician jobs are held by women. Except for office and clerical jobs, there are more technicians employed in cable than there are people in any other category of employment. Technicians require a combination of basic scientific knowledge and manual skill which can be obtained through about two years of post-high school education in a technical institute or junior college, or

TABLE 2A
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
SUMMARY 19[illegible], N=31,1[illegible]

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	70% ([illegible])	24% ([illegible])	4% 2[illegible]	2% ([illegible])	4,666
Professionals	70% [illegible]492	22% 156	5% [illegible]	2% (15)	[illegible]
Technicians	85% ([illegible])	2% (154)	12% (923)	- (28)	7,538
Sales Workers	62% ([illegible])	23% 37[illegible]	11% (178)	4% (68)	1,621
Office and Clerical	3% 435	81% ([illegible])	1% (92)	13% ([illegible])	8,296
Craftsmen, Operatives, Laborers, Service Workers	81% ([illegible])	3% 236	16% ([illegible])	- (39)	8,281
Total	59% ([illegible])	23% ([illegible])	9% ([illegible])	4% ([illegible])	31,1[illegible]

TABLE 2B
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
SUMMARY 19[illegible], N=3[illegible],412

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	[illegible]	24% [illegible]	5% [illegible]	3% 132	[illegible]
Professionals	[illegible] (557	22% 1[illegible]4	[illegible]	2% [illegible]	628
Technicians	[illegible] ([illegible])	3% 265	[illegible] ([illegible])	1% [illegible]	8,543
Sales Workers	61% ([illegible])	25% 54[illegible]	[illegible]	6% [illegible]	[illegible]
Office and Clerical	[illegible] 592	[illegible] ([illegible])	2% [illegible]	14% ([illegible])	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	[illegible]	1% [illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* [illegible] percentages [illegible] not always sum [illegible] because of rounding error

[illegible] than [illegible]

Source: [illegible]

through equivalent on-the-job training. It would seem that jobs in this category should be available to anyone -- man or woman -- who can acquire the requisite training.

Distribution of Minority Employees

Variation across the 50 states in the percentage of minorities employed is much greater than variation in the percentage of women employed. While minorities make up about 18 percent of the workforce in the U.S. as a whole, in 1981 about 14 percent of the cable workforce was made up of minority employees. If Hawaii is excluded, the range is from a low of zero (Alaska, Rhode Island and Vermont) to a high of 28 percent (Texas). In slightly more than one-third (n=18) of the states, minorities make up five percent or less of the cable television workforce.

Excluding Hawaii, only Alabama (20%), Arizona (15%), California (21%), Georgia (23%), Louisiana (20%), New Mexico (23%), New York (17%), South Carolina (19%) and Texas (28%) have a cable workforce whose minority percentage is more than 14 percent. Interestingly, seven of these nine states are in the South or Southwest. In most of the states in the Midwest and in New England, cable systems have employed few minorities (generally six percent or less). Even in Pennsylvania, with its sizeable minority population

(10%), minorities make up only five percent of the cable workforce.

The low percentages of minority employment in some states may reflect the lack of development of cable systems in urban areas or the low proportion of minorities in these states, or both.[1] However, the overall percentage (14%) is as high as it is only because higher percentages of employment in a few states pull this overall figure up. If the five states[2] and three territories[3] (Tables 1 and 2), which have greater than 20 percent minorities in their population are excluded from the tabulation, the overall percentage of minorities employed in the remaining states drops to about ten percent (2,655/26,384).

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1 Major cities that currently do not have cable include Chicago, Philadelphia, Detroit, Baltimore and Washington, D.C.

2 California, Georgia, Hawaii, New Mexico and Texas.

3 Guam, Puerto Rico and the Virgin Islands.

While 14 percent (5,003/35,412) of the cable employees were minorities, 61 percent (3,048/5,003) of all minority employees were either office and clerical workers or had jobs in the lower four classifications. This distribution occurs in both 1980 and 1981.

Table 2B shows that minority women, like white women, are employed in office and clerical jobs -- 76 percent of all minority women (1,332/1,753).

Like their white counterparts, minority males are more likely than are minority women to find themselves in one of the upper four job categories. Minority males have their strongest representation in sales and technician jobs, but they comprise only 12 percent of the persons in these two categories (1,312/10,752).

State-by-State Comparisons

Distribution of minorities and women within the six categories of employment is significantly different from region to region and from state to state. The data for making comparisons among the 22 states in the study are in Tables 2A through 24B. The employment pattern was constant for both years studied, 1980 and 1981; therefore, the analysis that follows is of only the 1981 data.

In this analysis, states have been grouped on the basis of (1) highest employment in cable (three states) and (2) geographic regions. Employment of minorities relates directly to the number of cable jobs available in a state and to geographic location.

Statistically, small numbers of minority employees in upper level job categories may distort the significance of hirings, promotions and separations. For example, in states where there are few minority employees in professional and sales positions, the addition or subtraction of only one or two persons may cause a substantial shift in percentages, while the actual numerical change is insignificant.

Group One: Highest Employment

The three states with the highest number of cable employees are California (Table 3B), New York (Table 4B) and Texas (Table 5B).[4] All three have substantial minority populations and minority employment in cable. In the general population age 18 and older, minorities make up 29 percent of the population in California, 23 percent in New York and 30 percent in Texas. Minority cable employees range from a low of 17 percent in New York (454 persons) to 21 percent in California (974

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[4] Tables for Section Two can be found on pages 21 to 42.

persons) and 28 percent in Texas (673 persons). In no case has the percentage of minority cable employees exceeded the percentage of minorities in the state workforce, though Texas has a somewhat better record than either New York or California.

The percentage of women in cable, however, is essentially no different from the nationwide figure of 33 percent. In California, New York and Texas, between 32 and 34 percent of the cable jobs are held by women. They are concentrated in the office and clerical jobs, as they are throughout cable. Women are modestly represented in three out of the four top job categories, but they have few technician jobs.

In these three states, minority males and females, lumped together, hold proportionately more positions in all job categories than they do nationally; except for officials and managers, professionals and lowest level jobs in New York. White males hold proportionately the same or <u>fewer</u> jobs than the national average in all the categories of employment, except that in New York they are overwhelmingly dominant in professional jobs and the lowest level posts.

Minority gains seem to have been made somewhat at the expense of white females. While nationally, white females hold 29 percent of the cable jobs, in

California they hold 25 percent, in New York, 26 percent and in Texas, 24 percent.

Group Two: Southern States

This grouping includes eight states in the South -- Alabama (Table 6B), Florida (Table 7B), Georgia (Table 8B), Louisiana (Table 9B), North Carolina (Table 10B), Oklahoma (Table 11B), Tennessee (Table 12B) and Virginia (Table 13B). These states not only share a regional affiliation, but have tabular distributions that closely parallel national averages. (Compare with Table 2B.) With the exception of Alabama (20%), Louisiana (20%) and Georgia (23%), each of which has a markedly higher proportion of minority cable employees than do the other states in this grouping or the country as a whole, the percentages of minority employees fall in a narrow range -- between 12 and 14 percent (Florida - 13%; North Carolina - 13%; Oklahoma - 14%; Tennessee - 12%, Virginia - 13%). This distribution of minority cable employees can be contrasted with the minority workforce in these states: Alabama - 24%; Florida - 21%; Georgia - 26%; Louisiana - 30%; North Carolina - 22%; Oklahoma - 13%; Tennessee - 15%, Virginia - 20%.

Oklahoma is unique among the Southern states in having a higher proportion of minority cable employees than of minorities in its workforce. In Alabama, Georgia and Tennessee the proportions of minority cable employees in relation to the proportions of minorities in their respective workforces are within three to four percentage points. In the other Southern states, minority employment in cable is seven to ten percentage points below minority workforce representation.

With the exception of Oklahoma, which has an unusually low proportion of women employees at 29 percent, the percentages of women fall in a narrow range -- between 33 and 37 percent. While women show some strength in three of the four upper job categories (i.e., officials and managers, professionals, and sales), they are overwhelmingly found in the office and clerical category.

Similarly, minority males have the most consistent representation in the technician, craftsmen, operatives, laborers and service worker categories, as they do nationally.

Aside from Florida, with 2,252 total employees, and Georgia, with 1,157 employees, the Southern states have about the mean number of employees for all states (703). The state totals for the five other states range from 560 (Virginia) to 808 (Louisiana) employees.

Group Three: Midwestern States

Five Midwestern states have been placed in this grouping: Illinois (Table 14B), Indiana (Table 15B), Iowa (Table 16B), Kansas (Table 17B) and Michigan (Table 18B).

In all of these states, the percentage of minorities employed in cable systems is far below the national norm of 14 percent. Minority employment in cable systems ranges from seven percent in Michigan to four percent in Illinois and Iowa, with Indiana and Kansas in between at six percent.

While in Iowa the proportion of minority cable employees exceeds the proportion of minorities in the workforce, only 2.5 percent of its workforce is minority. In all of the other states, cable systems employ proportionately fewer minorities in comparison to minority representation in their workforces. In this regard, Illinois and Michigan have especially poor records, with 19 and 14 percent minority employment in their respective workforces. Indiana and Kansas have narrowed the gap to within two percent.

The percentages of women employees in cable in these states, however, more closely approximate the national figure. The proportion of women employees ranges from 31 percent in Illinois to 37 percent in Indiana.

Nationwide, women hold 92 percent of the office and clerical jobs. In Indiana, Iowa and Kansas women hold an even more disproportionate share of these jobs, 98, 95 and 97 percent, respectively.

Among the other job categories, women show strongest representation in official and manager and sales jobs. Women hold from 24 percent of the official and managerial jobs in Illinois to a high of 36 percent in Kansas. They have proportionately more of the sales positions, ranging from 32 percent in Michigan to 42 percent in Illinois, as against the national average of 31 percent.

The total number of employees for each of these states varies above and below the national mean by 200. Four states have between 497 (Iowa) and 919 (Illinois) employees. Kansas was the only state to show a substantial drop -- from 541 to 400 -- in the total number of employees between 1980 and 1981.

Group Four: North Central and Northeastern Industrial States

Three states are included in this group: New Jersey (Table 19B), Ohio (Table 20B) and Pennsylvania (Table 21B). All three states have a smaller proportion of minority cable employees than the national average. Minorities make up 12 percent of the cable employees in New Jersey; nine percent in Ohio, and five percent in Pennsylvania. Moreover, in no instance does the percentage of minority cable employees exceed the percentage of minorities in the workforce. New Jersey and Pennsylvania, with 18 and ten percent minorities in the workforce, have comparatively poor records in minority cable employment. In Ohio, minorities are 11 percent of the workforce, so the gap in minority cable employment is narrowed to two percentage points. Also, in Ohio the percentage of minority employment in cable increased from five (93/1,761) to nine percent (166/1,905) between 1980 and 1981. This 80 percent gain exceeds the increase in minority employment in any other state.

The percentage of women employees in these three states is close to the national norm, between 34 and 36 percent of all employees. These states are also similar to the nation overall, in that women are disproportionately represented in the office and clerical jobs -- they hold 94 percent of these jobs in New Jersey, 88 percent in Ohio and 93 percent in Pennsylvania. Women also have moderate representation in three of the top four job categories. In New Jersey, women match national averages as officials and managers and sales workers, but hold proportionately more of the professional jobs (38% in New Jersey compared to 24% nationally). Women in Ohio hold a smaller proportion of the official and manager and

TABLE [illegible]
[illegible] NUMBER OF FULL-TIME [illegible] EMPLOYEES
INDIANA [illegible]

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	134
Professionals	[illegible]	[illegible]	[illegible]	[illegible]	8
Technicians	[illegible]	[illegible]	[illegible]	[illegible]	164
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	25
Office and Clerical	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	[illegible]	[illegible]	145
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TABLE [illegible]
[illegible]
INDIANA [illegible]

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	125
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TABLE [illegible]A
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
IOWA 1980
N=503

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	69*	(47)	29*	(20)	-	[illegible]	1*	(1)	68
Professionals	92*	(12)	8*	(1)	-	(0)	-	(0)	13
Technicians	93*	(152)	[illegible]	(6)	[illegible]	(5)	-	(0)	163
Sales Workers	[illegible]	(21)	45*	([illegible])	2*	(1)	-	(0)	42
Office and Clerical	[illegible]	(3)	96*	(110)	-	[illegible]	1*	(1)	114
Craftsmen, Operatives, Managers, Service Workers	[illegible]	([illegible]4)	7*	([illegible])	2*	(2)	-	(0)	103
Total	65*	(329)	33*	(164)	2*	(8)	-	(2)	503

TABLE [illegible]B
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
IOWA 1981
N=[illegible]

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]		(2)	-		[illegible]
Professionals	[illegible]	(4)	[illegible]	[illegible]	-	[illegible]			[illegible]
Technicians	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-		[illegible]
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-		[illegible]
Office and Clerical	[illegible]	[illegible]	[illegible]	[illegible]					[illegible]
Craftsmen, Operatives, Managers, Service Workers	[illegible]	[illegible]	[illegible]	[illegible]					[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]					[illegible]

[illegible]

TABLE [illegible]
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
KANSAS [illegible]
N=541

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total
Officials and Managers	[illegible] ([illegible])	[illegible] ([illegible])	[illegible]	-	74
Professionals	[illegible] ([illegible])	[illegible] ([illegible])	-	-	[illegible]
Technicians	[illegible] ([illegible])	[illegible] ([illegible])	[illegible]	-	[illegible] ([illegible]) 106
Sales Workers	[illegible] ([illegible])	[illegible] ([illegible])	[illegible]	-	[illegible]
Office and Clerical	[illegible] ([illegible])	[illegible] ([illegible])	[illegible]	4	[illegible] 135
Craftsmen, Operatives, Laborers, Service Workers	[illegible] ([illegible])	[illegible] ([illegible])	[illegible]	[illegible]	[illegible]
Total	[illegible] ([illegible])	[illegible] ([illegible])	[illegible] ([illegible])	[illegible]	[illegible] 541

TABLE [illegible]
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
KANSAS [illegible]
N=[illegible]

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Professionals	[illegible]	[illegible]	-	-	[illegible]
Technicians	[illegible]	[illegible]	[illegible]	-	[illegible]
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Office and Clerical	[illegible]	[illegible]	-	[illegible]	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Row percentages [illegible]

- Less than [illegible]

Source: [illegible] Table [illegible]

TABLE [illegible]A
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
NEW JERSEY [illegible]
N=[illegible]

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Professionals	[illegible]	[illegible]	–	[illegible]	[illegible]
Technicians	[illegible]	[illegible]	[illegible]	–	[illegible]
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Office and Clerical	[illegible]	[illegible]	–	[illegible]	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	[illegible]	–	232
Total	[illegible]	[illegible]	[illegible]	[illegible]	302

TABLE [illegible]B
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
NEW JERSEY [illegible]
N=[illegible]

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Professionals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Technicians	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Office and Clerical	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

TABLE [illegible]
TOTAL NUMBER OF FULL-TIME [illegible] EMPLOYEES
[illegible]
N=[illegible]

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	-	[illegible]	[illegible]34
Professionals	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	-	[illegible]	62
Technicians	[illegible]	(366)	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	399
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]
Office and Clerical	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	504
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	470
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(55)	[illegible]	[illegible]	1,761

TABLE [illegible]
TOTAL NUMBER OF FULL-TIME [illegible] EMPLOYEES
[illegible]
N=[illegible]

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Professionals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Technicians	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	465
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	153
Office and Clerical	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* [illegible] percentages [illegible] always [illegible] to 100% because of rounding error

[illegible] less than [illegible]

Source: [illegible] Table [illegible]

TABLE [illegible]
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
PENNSYLVANIA 19[illegible]
N=1,[illegible]

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	[illegible]	([illegible])	21%	([illegible])	2%	([illegible])	1%	(3)	24[illegible]
Professionals	[illegible]	([illegible])	41%	(33)	-	([illegible])	-	([illegible])	[illegible]
Technicians	[illegible]	([illegible])	1%	([illegible])	3%	(13)	-	([illegible])	386
Sales Workers	[illegible]	([illegible])	[illegible]	([illegible])	-	([illegible])	-	([illegible])	24
Office and Clerical	[illegible]	(45)	[illegible]	([illegible])	1%	(3)	3%	(17)	496
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	([illegible])	[illegible]	([illegible])	[illegible]	([illegible])	-	(1)	581
Total	[illegible]	([illegible])	[illegible]	([illegible])	2%	(37)	1%	(21)	1,[illegible]

TABLE [illegible]
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
PENNSYLVANIA 19[illegible]
N=1,[illegible]

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	[illegible]	([illegible])	[illegible]	([illegible])	2%	([illegible])	1%	(2)	28[illegible]
Professionals	[illegible]	(25)	32%	(14)	[illegible]	([illegible])	[illegible]	(3)	44
Technicians	[illegible]	(319)	1%	-	4%	([illegible])	1%	(4)	[illegible]
Sales Workers	[illegible]	(3[illegible])	[illegible]	([illegible])	[illegible]	([illegible])	-	([illegible])	[illegible]
Office and Clerical	[illegible]	([illegible])	[illegible]	([illegible])	1%	([illegible])	4%	([illegible])	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	([illegible])	[illegible]	([illegible])	4%	([illegible])	-	([illegible])	[illegible]
Total	[illegible]	([illegible])	[illegible]	([illegible])	[illegible]	([illegible])	[illegible]	([illegible])	[illegible]

* Row percentages do not always sum to 100% because of rounding error

\- Less than [illegible]

Source: See Table 1

TABLE [illegible]
[illegible] NUMBER [illegible] FULL-TIME CABLE EMPLOYEES
REGION [illegible]
N=[illegible]

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-		[illegible]
Professionals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	11
Technicians	[illegible]	[illegible]	[illegible]	([illegible])	14%	[illegible]	[illegible]	[illegible]	92
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Office and Clerical	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	132
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(15)	[illegible]	[illegible]	178
Total	[illegible]	[illegible]	[illegible]	([illegible])	[illegible]	(36)	[illegible]	([illegible])	537

TABLE [illegible]
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
REGION [illegible]
N=631

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	4%	[illegible]	[illegible]	[illegible]	78
Professionals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	20
Technicians	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	122
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Office and Clerical	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

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TABLE [illegible]A
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
WASHINGTON 1980
N=846

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	70%	(85)	23%	(28)	5%	(6)	2%	(2)	121
Professionals	50%	(8)	25%	(4)	25%	(4)	-	(0)	16
Technicians	89%	(134)	6%	([illegible])	4%	(6)	1%	(1)	150
Sales Workers	88%	(49)	4%	(2)	7%	(4)	2%	(1)	56
Office and Clerical	4%	([illegible])	91%	(205)	-	(1)	5%	(11)	225
Craftsmen, Operatives, Laborers, Service Workers	91%	([illegible])	[illegible]	(4)	8%	(22)	-	(0)	278
Total	63%	(536)	30%	(252)	5%	(43)	2%	(15)	846

TABLE [illegible]B
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
WASHINGTON 1981
N=[illegible]

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total*
Officials and Managers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9%	(11)	124
Professionals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(0)	17
Technicians	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]
Sales Workers	[illegible]	[illegible]	[illegible]	[illegible]	4%	[illegible]	-	[illegible]	[illegible]
Office and Clerical	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	[illegible]	[illegible]	4%	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

TABLE 24A
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
MASSACHUSETTS 1980
N=491

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	73% [illegible]	[illegible] (21)	2% (2)	- [illegible]	84
Professionals	4[illegible] (4)	[illegible] (5)	[illegible] (0)	- [illegible]	9
Technicians	97% (138)	1% (1)	2% (3)	- [illegible]	142
Sales Workers	[illegible] (30)	25% (10)	- (0)	- [illegible]	40
Office and Clerical	11% [illegible]	[illegible] (121)	- (0)	2% (3)	139
Craftsmen, Operatives, Laborers, Service Workers	91% [illegible]	[illegible] (5)	3% (2)	- (0)	77
Total	65% (315)	33% (163)	1% (7)	[illegible] (3)	491

TABLE 24B
TOTAL NUMBER OF FULL-TIME CABLE EMPLOYEES
MASSACHUSETTS 1981
N=621

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	75% (83)	24% (26)	1% [illegible]	- (0)	110
Professionals	82% (14)	18% (3)	- [illegible]	- (0)	17
Technicians	97% (120)	1% (1)	2% [illegible]	- (0)	124
Sales Workers	65% (54)	[illegible] (29)	- [illegible]	- (0)	83
Office and Clerical	11% (19)	[illegible] (153)	- [illegible]	1% (3)	175
Craftsmen, Operatives, Laborers, Service Workers	[illegible] (94)	[illegible] (9)	[illegible]	[illegible]	112
Total	[illegible] (390)	[illegible] (221)	1% [illegible]	[illegible] (4)	621

* Row percentages [illegible] not always sum to 100 because of rounding error

[illegible]

Source: [illegible]

PART TWO

CABLE, RADIO AND TELEVISION COMPARISONS

This section compares nationwide employment in the cable industry with that of commercial and non-commercial television and radio.

Overall Comparison of System Types by Minority Status and Sex

There is little difference among the three media in the percentage of employment of minorities and women (Table 25).

Thirty-three percent of the cable employees are women. Women in commercial television constitute 32 percent of all employees; in commercial radio, 35 percent; FM, 36 percent; non-commercial television, 39 percent, and non-commercial radio, 36 percent.

The cable workforce is 14 percent minority. Commercial radio and FM radio rank one percent lower. Non-commercial television is 16 percent minority. At 17 percent of the workforce, minorites hold a higher proportion of the jobs in commercial television than in any other of these media.

TABLE [illegible]
COMPOSITE OF TABLES [illegible], 26-30
SYSTEM TYPE BY RACE AND SEX, [illegible]

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Commercial Television	[illegible] (32,[illegible])	25% (14,[illegible])	10% (5,572)	[illegible] (3,799)	55,725
Commercial Radio	59% (33,836)	29% (16,[illegible])	[illegible] (4,[illegible])	6% (3,302)	57,704
[illegible]	[illegible] (6,[illegible])	[illegible] (3,807)	[illegible] (796)	[illegible] ([illegible])	10,996
Non-Commercial TV	[illegible] ([illegible])	[illegible] ([illegible])	[illegible] (726)	[illegible] ([illegible])	7,772
[illegible]	[illegible] ([illegible])	[illegible] (656)	8% (179)	[illegible] (157)	[illegible]
Cable	[illegible] ([illegible])	29% ([illegible])	[illegible] (3,250)	5% ([illegible])	[illegible]
[illegible]	[illegible] ([illegible])	[illegible] ([illegible])	9% (14,[illegible])	[illegible] ([illegible])	[illegible]

* Row percentages may not always sum to 100% because of rounding errors.

-- Less than [illegible]

Source: [illegible] Trend Report, Federal Communications [illegible], 1981. For table [illegible] see Table [illegible]

Comparisons by Minority Status and Sex in Job Categories

The close correlation of percentage of total employment of minorities and women in the various media does not extend to the whole range of job categories. An examination of how minorities and women are distributed across the six job categories shows that white males are more likely to dominate the top positions in cable than they are in any of the other broadcast system types. (Compare Table 2B with Tables 26-30.) The exceptions are few. In cable, white males are 68 percent of the officials and managers, 67 percent of the professionals, 83 percent of all technicians and 61 percent of the sales workers. White males hold proportionately more of the jobs in commercial television than in cable in the officials and managers and sales categories, but only by two and one percent, respectively. White males in commercial radio and FM radio also have three percent more of the professional category jobs than in cable.

Generally, minorities fare less well in cable than they do in the other system types. Sales is the only category of employment where minorities have a slightly greater proportionate share of the jobs in cable (15%) than they do in the other forms of communication. Minorities hold nine percent of the sales jobs in commercial television; eight percent, in commercial radio, ten percent, in FM radio. In all other job categories, minorities in cable have a smaller proportion of the jobs than they do in commercial television and radio.

In the upper four job categories, all women and white females occupy proportionately fewer positions in cable than they do in the other media, with these exceptions: women hold higher proportions of the officials and managers jobs in cable (27%) than they do in commercial television (25%) and more professional jobs in cable (24%) than in commercial radio (20%) and FM radio ([illegible]). Minority females in cable, however, have a smaller percentage of positions in all categories of jobs than [illegible] other media except in sales. Finally, it almost [illegible] saying: women hold a constantly high and disproportionate share of the office and clerical jobs in all of the communications media.

Nationwide, cable lags behind other segments of the communications media in the employment of minorities and women in upper level jobs.

TABLE 26
TOTAL NUMBER OF FULL-TIME COMMERCIAL TELEVISION EMPLOYEES
SUMMARY 1981
N=55,725

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	70% (5,019)	22% (1,760)	5% (465)	4% (324)	[illegible],468
Professionals	54% (9,412)	26% (4,195)	9% (1,376)	7% (1,045)	16,028
Technicians	73% (12,898)	9% (1,573)	15% (2,651)	3% (461)	17,583
Sales Workers	62% (2,444)	28% (1,113)	6% (232)	3% (133)	3,922
Office and Clerical	7% (573)	68% (5,410)	4% (300)	22% (1,722)	8,005
Craftsmen, Operatives, Laborers, Service Workers	54% (921)	8% (136)	32% (548)	7% (114)	1,719
Total	58% (32,167)	25% (14,187)	10% (5,572)	7% (3,799)	55,725

TABLE 27
TOTAL NUMBER OF FULL-TIME COMMERCIAL RADIO EMPLOYEES
SUMMARY 1981
N=57,[illegible]4

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	[illegible]% ([illegible])	23% ([illegible])	5% (757)	4% (510)	14,16[illegible]
Professionals	73% (14,338)	[illegible]6% (3,347)	[illegible]% ([illegible])	4% (722)	2[illegible],342
Technicians	79% (2,707)	6% ([illegible])	12% (425)	2% (85)	3,41[illegible]
Sales Workers	56% (6,512)	35% (4,111)	5% (535)	3% (374)	11,5[illegible]
Office and Clerical	4% (335)	73% (5,412)	2% (152)	21% (1,543)	[illegible]
Craftsmen, Operatives, Laborers, Service Workers	4[illegible]% (357)	14% ([illegible])	[illegible]% (21[illegible])	[illegible]	[illegible]
Total	5[illegible]% ([illegible],836)	[illegible]% ([illegible])	[illegible]	[illegible]	[illegible]

[illegible]

Source: See Table 25

TABLE 28
TOTAL NUMBER OF FULL-TIME FM RADIO EMPLOYEES
SUMMARY 1981

N=10,996

Category of Employment	White Males	White Females	Minority Males	Minority Females	
Officials and Managers	65% (1,852)	25% 711	6% 164	5% 140	[illegible]
Professionals	70% (2,527)	17% 608	10% 357	3% 125	3,617
Technicians	79% 411	5% 25	15% 81	2% 11	52[illegible]
Sales Workers	52% (1,251)	35% 846	6% 141	4% 89	2,427
Office and Clerical	5% 65	71% 999	2% 23	22% 315	1,407
Craftsmen, Operatives, Laborers, Service Workers	66% 99	12% 18	17% 25	5% 8	150
Total	56% (6,205)	30% (3,[illegible])	7% 796	6% 668	10,996

TABLE 29
TOTAL NUMBER OF FULL-TIME NON-COMMERCIAL TELEVISION EMPLOYEES
SUMMARY 1981
N=7,[illegible]

Category of Employment	White Males	White Females	Minority Males	Minority Females	Total*
Officials and Managers	65% 968	27% 406	4% 57	4% 58	1,489
Professionals	49% (1,258)	35% 894	8% 211	7% 189	2,552
Technicians	74% (1,588)	10% 206	14% 296	[illegible] 54	2,144
Sales Workers	37% [illegible]	37% [illegible]	21% 4	5% [illegible]	19
Office and Clerical	8% [illegible]	59% [illegible]	4% 54	20% 266	1,359
Craftsmen, Operatives, Laborers, Service Workers	39% [illegible]	7% 15	50% [illegible]	[illegible] 8	[illegible]
Total	[illegible]	[illegible]	[illegible]	7% [illegible]	[illegible]

* The percentages do not always sum to 100% because of rounding error

- Less than [illegible]

Source: See Table [illegible]

TABLE 30
TOTAL NUMBER OF FULL-TIME NON-COMMERCIAL RADIO EMPLOYEES
SUMMARY 1981
N=2,227

Category of Employment	White Males		White Females		Minority Males		Minority Females		Total
Officials and Managers	64%	(519)	26%	(213)	5%	(42)	5%	(38)	812
Professionals	54%	(492)	27%	(243)	11%	(100)	8%	([illegible])	[illegible]
Technicians	[illegible]%	(200)	8%	(21)	12%	(32)	3%	(8)	261
Sales Workers	29%	(2)	71%	(5)	–	(0)	–	(0)	7
Office and Clerical	6%	(13)	74%	(167)	2%	(5)	18%	(40)	225
Craftsmen, Operatives, Laborers, Service Workers	[illegible]%	(2)	33%	(1)	–	(0)	–	(0)	3
Total	55%	(1,235)	29%	(656)	8%	(179)	7%	(157)	2,227

Source: See Table 23

PART THREE

NEW YORK-NEW JERSEY AND CONNECTICUT AREA COMPARISONS

For the past two years more than 100 volunteers, mostly women, have visited cable systems and broadcasting stations in 23 states to study equal employment practices. They examined employment reports in the public files and interviewed managers to determine employment policies and practices.

In no state were the volunteers able to gather data from every broadcast station and cable facility; and no effort has been made to shape the information they obtained into a statistical report. However, in several parts of the country, the volunteers' analysis of employment reports and the information they gleaned from management provided valuable insights into employment practices and trends, especially when their findings were ranged against the employment data collected by the FCC.

Volunteers who worked in the New York-New Jersey and nearby Connecticut metropolitan area, the Chicago metropolitan area, Hartford, Connecticut, Dubuque, Iowa, Seattle, Washington and Fargo, North Dakota gathered especially detailed information, particularly on cable television employment. A report of all of their findings is beyond the scope of this study. Therefore, it was decided to focus on the New York-New Jersey metropolitan area, because in both cable and broadcasting in this market minorities and women have gained a proportionately greater share of the top level jobs than they have obtained in almost all other parts of the country.

This section combines statewide employment distribution for New York and New Jersey with that of an adjacent state, Connecticut, and with the nation. By comparing local, state and national data, we can better understand the variations in the employment of minorities and women in different parts of the communications industry.

New York-New Jersey Area

Table 31 includes employment data for all job cate[illegible] in television and radio stations and cable [illegible] New York-New J[illegible] metropolitan [illegible]. Table 32 presents parallel information for employment in the upper four job categories.

To simplify the analysis, employees in both commercial and non-commercial stations have been aggregated when considering the source of broadcast employment.

Table 31 shows that in New York City and the immediate vicinity white males hold 50 percent of the jobs in cable, 52 percent in television and 54 percent in radio. In the upper four job categories, the over-representation of white males becomes more apparent. White males hold nearly two-thirds of the upper level jobs, with 61 percent in cable, 63 percent in television and 65 percent in radio.

Minority males hold 18 percent of the total jobs in cable, almost double the proportion of jobs they hold in radio or television. This comparatively high representation of minority males in cable may be at the expense of white females, as white females hold 22 percent of the jobs in cable, in contrast with 26 percent in radio and 27 percent in television.

This distribution pattern in television, radio and cable is more pronounced when the upper four job categories are examined. Minority males maintain their comparatively strong hold in cable, while representation of females, white and [illegible]ority, drops from 32 [illegible] [illegible] in the upper four job categories in cable. In television and radio, minority males maintained the same proportion of jobs in the upper level positions as they had in overall employment (10 and [illegible]), respectively, while white [illegible] minority females together held proportionately fewer upper level than overall jobs (27% vs. 38% in television and 26% vs. 36% in radio).

Comparisons of cable data in Tables 31 and 32 with Table 33 demonstrate how differences in the level of aggregation may obscure patterns that occur in geographic areas with small numbers of [illegible]

TABLE 31
EMPLOYMENT IN TV, CABLE AND RADIO, ALL JOBS
NEW YORK-NEW JERSEY METROPOLITAN AREA, 1980

System Type	White Males	White Females	Minority Males	Minority Females	Total
Television	52% (1,2[illegible])	27% (640)	10% (238)	11% (256)	2,3[illegible]
Cable	50% (714)	22% (310)	18% (259)	10% (140)	1,432
Radio	54% (321)	26% (156)	9% (52)	12% (70)	599

*Row percentage will not sum exactly to 100% because of rounding error.

Sources: The following stations are included in the TV data set: WNBC, WABC, WOR, WLIW, WNYE, WNET, WCBS, WPIX, WNEW. The following cable systems comprise the cable data set: Manhattan Cable, Cablevision Systems Long Island Corp., McClean, Roger D. et al. (Tarrytown), UA Columbia of Westchester, Inc., CATV Enterprises, Inc., Cablevision Systems Westchester Corp., Teleprompter Corp., Suburban Cablevision, Inc., CATV of Elizabeth, Inc., Plainsfield Cablevision, Inc., UA Columbia Cablevision of NJ, Cablevision of New Jersey, Vision Cable of New Jersey. The following radio stations make up the radio data set: WOR-AM, WNBC-AM WYNY-FM, WABC, WRN-AM, WCBS-FM, WWRL, WTFM, WGSM-AM/WCTO-FM, WH[illegible]-AM W[illegible], WPAT-AM FM, W[illegible]-FM.

TABLE 32
EMPLOYMENT IN TV, CABLE AND RADIO
UPPER FOUR JOB CATEGORIES
NEW YORK-NEW JERSEY METROPOLITAN AREA, 1980

System Type	White Males	White Females	Minority Males	Minority Females	Total
Television	63% (1,1[illegible])	[illegible]	[illegible] (178)	5% ([illegible])	1,[illegible]
Cable	61% (485)	[illegible]	[illegible] (172)	[illegible] (31)	792
Radio	[illegible] ([illegible])	[illegible]	9% (42)	[illegible] (32)	462

*Because of rounding error, row percentages will not sum to exactly [illegible].

Sources: See Table [illegible].

employment, white males hold 50 percent of the jobs in the New York-New Jersey metropolitan area, but they hold proportionately more of the cable jobs in the New York-New Jersey combined state area, 58 percent. Similarly, white females hold 22 percent of the cable jobs in the metropolitan area and 28 percent of the jobs in both states. The pattern, however, reverses for minority males and minority females. Minority males hold 18 percent of all cable jobs in the metropolitan area, and only ten percent of the jobs in the two states; minority females hold ten percent of the metropolitan area jobs and five percent across both states.

This distribution pattern also holds for cable employment in the upper four job categories, with one exception: white females. In comparison to the New York-New Jersey combined state total, the New York-New Jersey metropolitan area has one percent more white females in cable jobs. For the other categories of employees, in the metropolitan area minority males have ten percent more of the cable jobs and minority females, two percent more than they do in the[illegible] states. Thirteen percent fewer jobs were held by white males, than in these states.

TABLE 33

CABLE EMPLOYMENT
NEW YORK-NEW JERSEY COMBINED STATE TOTALS
1980
N=3,429

	White Males	White Females	Minority Males	Minority Females*	Total*
Upper Four Job Categories	74% (1,352)	12% (229)	12% (219)	2% (38)	1,837
Lower Five Job Categories	39% (621)	46% (729)	7% (112)	8% (130)	1,592
All Categories	58% (1,973)	28% (957)	10% (331)	5% (163)	3,429

* Percentages do not always sum to 100% because of rounding error.

Source: Tables 4A and 19A

Connecticut

Table 34 includes employment data for all job categories in television and radio stations and cable systems in Connecticut. Table 35 presents parallel information for employment in the upper four job categories. As can be seen in the tables, white males are employed in 57 percent of the cable jobs in Connecticut and 77 percent of the upper level positions. White males hold about the same percentage of all cable jobs in Connecticut as in New York and New Jersey combined (58%), but in Connecticut they hold proportionately more of the upper level jobs, by three percent.

When comparisons are made between Connecticut and the New York-New Jersey metropolitan area, however, the percentage differences are even more apparent. In Connecticut, white males hold proportionately more of the total cable jobs than they do in the New York-New Jersey metropolitan area, by seven percentage points (57% v. 50%), and more of the upper level positions, by a margin of 16 percent (77% v. 61%).

White females also fare better in Connecticut than they do in New York and New Jersey. Therefore, the comparatively high representations of white males and females in Connecticut are at the expense of minorities. Minority males and females together hold seven percent of the cable jobs in Connecticut. In contrast, minority males hold ten percent of the cable jobs in New York and New Jersey combined and minority females hold five percent. In the upper four job categories, minority males hold seven percent of the jobs in Connecticut and minority females completely drop out of the picture, while in New York and New Jersey minority males hold 12 percent of the jobs and minority females hold two percent.

Comparisons between Connecticut and the New York-New Jersey metropolitan area show that distribution patterns in radio are similar to the distributions in cable.

The one television station studied in Connecticut (WTNH, New Haven), on the other hand, is similar to stations in the New York-New Jersey metropolitan area in the proportionate representation of white males. WTNH, however, has three percent fewer white females and four percent fewer minority females, but eight percent more minority males in all jobs than do New York-New Jersey metropolitan area stations. Upper level job categories have comparable distributions.

[illegible] detailed interviews [illegible] employment [illegible] hiring and [illegible]

TABLE [illegible]

ESTIMATE OF POTENTIAL [illegible] IN [illegible]

Field	Increase	Decrease	Remain the Same
Sales	[illegible]		[illegible]
Engineering	[illegible]		[illegible]
Production	[illegible]		
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	
[illegible]			
[illegible]			[illegible]
[illegible]			

As [illegible] expanding, [illegible] potential [illegible]

[illegible]

STATEMENT OF MARK NIELSEN

Mr. NIELSEN. Chairman Wirth, Congresswoman Collins, my name is Mark Nielsen. Let me state for the record that I appear here today under the auspices of the Church Federation of Greater Chicago, the committee for which I chair and I do not speak for the city of Chicago or the office of cable communications.

Mr. WIRTH. Is anybody today speaking for the city of Chicago?

Mr. NIELSEN. No, they are not.

At the request of the subcommittee, I've submitted my written testimony, which I would ask be included with the transcript of this hearing. I will now summarize my comments.

Mr. WIRTH. Without objection.

Mr. NIELSEN. I would like to thank you for the invitation to appear before you today to discuss the most pressing matter of minority participation in telecommunications.

I would like to express a special note of appreciation and support to Congresswoman Collins for again holding field hearings here in Chicago as she did last year and I would urge you to continue this practice and perhaps expand it to consider other matters that are before the subcommittee on which citizens of Chicago have many pressing concerns.

Let me turn my attention to H.R. 1155 and the sad state of affairs in which we currently find EEO within the communications industry. At the outset let me mention that it is important to note with the current mood for deregulation and the move toward deregulation in the communications industry we must understand that these deregulatory concepts exclude, for the most part, consideration of those matters that do not fall within the formulas of the laissez-faire economics such as first amendment rights, EEO, privacy rights and the like.

Much of what has historically shaped the public interest under the 1934 act slips through the fingers of Adam Smith's invisible hand, and the marketplace presents no impetus to compel companies to increase minority participation in their work force because no economic benefit accrues to the company. It is exactly for these reasons and in this situation that the impetus must come from Government fiat.

Unfortunately the current regulatory framework remains quite inadequate and compels innovative means to circumvent the stated goal of the regulations. Specifically the inadequacy of the current EEO guidelines and regulations rests with the lack of specific goals and concrete criteria by which to measure and gage results. A review of 47 CFR 73.2080 clearly reflects this inadequacy as one finds a broadly stated principle that has a broadly stated philosophical goal with no practical means to measure when the goal is achieved. With such a vague policy is it little wonder that over a 5 year period minority participation in the broadcast industry work force nationally has increased a mere 1.3 percent?

It is in this area that I see the greatest benefit of H.R. 1155. The legislation sets out a specific goal of 80 percent work force parity for minorities and women and mandates a formal hearing for less than 50 percent parity. Even more important is the application of this standard to decisionmaking positions so that entry and low-level positions will not skew the overall picture. However, tighter controls are necessary for the job classifications. Too often, a paper promotion without the attendant responsibility and decisionmaking is slipped by as a decisionmaking professional or as being within the categories outlined in H.R. 1155 when, truly, that position doesn't reflect the spirit of those classifications.

One way to obtain a better picture of this misclassification would be to have the Commission isolate a random selection of minorities and women in the top four categories to determine whether those jobs are truly what the title would claim with the attendant responsibilities.

I would urge you to wholeheartedly support section 8 (5)(e) through (5)(g) of H.R. 1155 which would finally create a concrete and practical goal which would allow success for minority employment to be measured. I would go one step further and present the apparently incongruous position that you might wish to reconsider mandating the training and numerous other requirements under EEO, to meet the concrete goal. I draw an analogy to an EPA regulation, setting emission standards for a smokestack.

The maximum allowable level is set for the emissions for the smokestack and the Government states that if those standards are not met, they are going to come down and bring the hammer down on the company. What is the justification for the Government to then set up the procedures whereby the industry must meet that goal? If a specific goal is set and is held to by the Government, it is up to the industry to meet that goal.

In fact, there is a danger in setting the procedures whereby we should meet that goal because then the company can follow those procedures, not meet the goal and come back and say, "We're sorry but we followed exactly the procedures set out by the Government and we can't help it if the Government didn't set out correct procedures to meet their own goal." Set the goal, hold them to it and it's up to them to reach it, because all we're concerned about is insuring the attainment of that goal.

There is only one caveat I would make to that position, and that is that possibly in the area of promotions for minorities, the setting of the ultimate goal of participation in the work force may not be sufficient and, therefore, the promotion area should have special consideration.

We expect that you will hear many groans from the industry relating to the specific provision of section 8, (5) (e) through (g), and this should confirm the absolute necessity for those requirements. Now the industry will realize that no longer will it have vague and subjective guidelines to follow, that there will be a measurable criteria, whereby minority participation in the work force can be measured and results can be achieved and no longer will they be able to deal with vague policy statements and procedures which have not, to this point, met the goal.

Now, it should be unnecessary to raise the next point but, unfortunately, current dialog between your subcommittee and the FCC make it clear that our attention must not rest only on the regulated industry but turn on the regulators, as well. The same standards should be applied to the Federal Communications Commission to insure the agency will serve as a model for the industry, showing that the goals are not only achievable, but will not create unreasonable burdens or lead to utter destruction.

It is a sad fact that misclassification of jobs appears to surface at the FCC, as well, and paints a distorted picture of EEO at the agency.

I urge you to pursue these matters with the agency through checking grade levels and other means of clearing the EEO picture.

These issues have raised questions about the Commission's view toward minority participation and are, perhaps, the strongest argument in favor of establishing the advisory committee on minority telecommunications development, as set forth in section 9 of the bill.

However, as Dr. Engsberg has just stated, I would urge you to consider amending the composition of the committee to require some members to be from outside the Commission.

Finally, allow me to turn for a couple of brief comments to ownership by minorities. The fact that, as Congresswoman Collins stated earlier, in 1981 only 2 percent of all the broadcast facilities were owned by minorities, when minorities represent 10 times that percentage of the population, clearly demonstrates the long road we have yet to traverse.

I caution the subcommittee on the serious roadblocks you are setting up in fostering minority ownership by extending license terms, removing competitive hearings and renewals and giving presumptions of renewals to franchise. Such actions will serve to limit entry to the market and cast even more stones in the present inequitable status quo.

Second, I urge you to expand your field of vision when talking about tax certificates to other emerging technologies.

Let me conclude by again reiterating the need for taking the vague and unmeasurable and transforming it into the specific and measurable so that minimum Government intrusion need occur, while guaranteeing that the goals of EEO shall be finally realized.

You have the opportunity to turn the shuffling of feet into great strides. I urge you to run with the opportunity and press for passage of H.R. 1155. Thank you.

[Mr. Nielsen's prepared statement follows:]

Testimony of Mark Nielsen
Before the U.S. House Subcommittee on Telecommunications
Chicago, Illinois
June 6, 1983

Chairman Wirth, Congresswoman Collins, my name is Mark Nielsen. I am a telecommunications consultant and I chair the Communications Committee of the Church Federation of Greater Chicago. I thank you for the invitation to appear before you today as you begin an in-depth analysis of the serious deficiencies that currently exist within the communications industry relating to meaningful participation by minorities and women.

I would like to express a special word of appreciation and support to you, Congresswoman Collins, for continuing your practice of holding field hearings here in Chicago as you did last March. I urge you to continue this practice and consider expanding the hearings to address some of the other pressing issues the Subcommittee currently is contemplating about which people of Chicago have great concerns.

Let me now turn my attention to HR1155 and the sad state of affairs in which we currently find EEO within the communications industry. At the outset, we must recognize that the over-ex[illegible] shown toward and the isolated consideration of deregulation by many in Washington ignores many of the implications for extending this deregulatory fever to communications in that minority viewpoints, first amendment rights and EEO do not find any place in the formulas of laissez-faire economic theory. Much of what has historically shaped the public interest under the 1934 Act slips through the fingers of Smith's invisible hand. The marketplace presents no impetus to compel companies to increase minority participation in their workforce because no economic benefit accrues to the company. In such a situation, the impetus must come from government fiat.

Unfortunately, the current regulatory framework remains inadequate and often compels innovative means to circumvent the stated goal of the regulations. Specifically, the inadequacy of current EEO regulations rests with the lack of specific goals and concrete criteria to gauge results. Furthermore, purported progress toward increasing EEO in higher level jobs too often merely reflects paper promotions which allow an employee to be reclassified without an attendant upgrading in responsibility and decision-making power. A review of 47CFR, Section 73.2080 clearly reflects this inadequacy as one finds a broadly stated principle that has a broadly stated philosophical goal with no practical means to measure when that goal is achieved. With such a vague policy, is it little wonder that over a five-year period, minority participation in the broadcast industry workforce nationally has increased a mere 1.3%? (1)

It is in this area that I see the greatest benefit of HR1155. The legislation sets out a specific goal of 80% workforce parity for minorities and women and mandates a formal hearing for less than 50% parity. Even more important is the application of this standard to decision-making positions so that entry and low level positions will not skew the overall picture. However, tighter controls need to be placed on job classifications to insure the spirit of the classification is being met. One way to obtain a better picture of mis-classifications would be to isolate a random selection of minorities and women in the top four categories and determine whether those jobs are truly what the title would claim.

Assuming the classification problems would be addressed, Section 8(5)(e) through (5)(g) of HR1155 would finally create a concrete and practical goal which would allow success to be measured. I would go one step further, and present the apparently incongruous position that you might wish to reconsider mandating

[illegible]

(1) EEO Trend Report, FCC Industry EEO Unit 1/30/82

training and other procedures to meet the concrete goal. I draw the analogy to an EPA regulation setting emission standards for a smokestack. The maximum allowable level is set and what does it matter to the government how the company keeps its emissions down to this allowable level? If the company exceeds the level, the government should bring the hammer down on the company; but if the goal is met, what justification exists for the government to second-guess industry as to how best to attain the goal? In fact, if the government did set procedures as well as a goal, and the company did not comply with the goal, the company could argue that it followed precisely the procedures mandated by the government and it should not be punished because the government mandates procedures which do not lead to reaching its own goal.

The same argument would apply to EEO. The status quo sets out certain procedures with no concrete and measurable goal. HR1155 would set out the sorely needed measurable goal and therefore could do away with the procedures. The marketplace would take care of the procedures since the goal must be met and business considerations would insure that proper training and notice to minorities and women occur since these components would be necessary to reach the mandated goal.

The only area where regulations might need to be retained would be regarding promotions. The overall measurable goal would probably not be sufficient to insure non-discrimination in promotion policies and therefore should merit special attention.

The groans which you are sure to hear from the industry on Section 8(5)(e) through (5)(g) should confirm the absolute importance of this section. No longer would the industry be able to operate under very vague and subjective guidelines, but rather its performance would suddenly be measurable against some concrete numbers. Such a scenario would force action instead of rhetoric, and it is for this reason that I urge you, Mr. Chairman, to push for these particular rules above all else in Section 8.

While it should be unnecessary to raise this next point, current dialogue between your subcommittee and the FCC make it clear that our attention must not rest only on the regulated industry, but turn on the regulator as well. The same standards should be applied to the FCC to insure the agency will seve as a model to the industry that the goals are not only achievable, but do not create unreasonable burdens or lead to utter destruction. It is a sad fact that mis-classification of jobs appears to surface at the FCC as well and paints a distorted picture of EEO at the agency. I urge you to pursue these matters with the agency through checking grade levels and other means of clearing the picture.

These current questions being raised about the Commission's view toward minority participation are perhaps the strongest argument in favor of establishing an advisory committee on minority telecommunications development as set forth in Section 9 of the bill. However, I would urge you to consider having the composition of the committee amended to require some members to be from outside the Commission.

Finally, allow me to turn for a couple of brief comments to ownership by minorities. The fact that in 1981, only 2% of all broadcast facilities were owned by minorites when minorities represent ten times that percentage of the population, clearly demonstrates the long road we have yet to traverse. I caution the Subcommittees to the serious roadblocks you are setting up to fostering minority ownership by extending license terms, removing competitive hearings or renewals, and giving presumptions of renewals to franchises. Such actions will serve to limit entry to the market, and cast even more in stone the present inequitable status quo. I urge you to consider this warning as you move forward on other fronts.

Secondly, I urge you to expand your field of vision when talking about tax certificates to other emerging technologies.

Let me conclude by again reiterating the need for taking the vague and unmeasurable and transforming it into the specific and measurable so that minimum government intrusion need occur while guaranteeing that the goals of EEO shall finally be realized. You have the opportunity to turn the shuffling of feet into great strides. I urge you to run with the opportunity and press for passage of HR1155.

Mr. WIRTH. Thank you very much, Mr. Nielsen.

Our third panelist is Mr. Charles Hoard, business manager of Continental Cablevision.

STATEMENT OF CHARLES HOARD

Mr. HOARD. I'm not here as a representative of Continental Cablevision. I'm here as a private citizen with over 10 years' experience in the telecommunications field, covering radio, television, and now cable TV.

I want to thank you for the time to speak on minority communications and participation, ownership in telecommunications.

House bill 1155 is a much-needed piece of legislation, aimed at moving toward the more equitable distribution of the telecommunications spectrum.

As mentioned earlier, although minorities constitute only 30 percent of the country's population, less than 2 percent of the radio and television outlets are minority-owned and in cable television, the numbers are even smaller, far less than 1 per cent.

Not only is this a large source of embarrassment, but it is an unnecessary one that many members of the minority business community are willing and able to enter the broadcasting community, and all that is needed is the chance to make it happen through the increased use of financial incentives, such as the tax certificate amendment which, alone, accounts for over 30 percent of the minority-owned radio and television stations in this country.

Investment capital is the biggest hindrance to minority ownership in broadcast properties and in order for broadcast properties to become minority-owned, two things have to happen. Present broadcasters must be shown that it is to their long-term advantage to offer properties to minority investors. Minority investors must have assistance in the way of investment credits to help them through the costly acquisition process.

Along with the appearance of more minority-owned telecommunications facilities around the country will come expanded opportunities for minorities in the job field. Increased jobs in the minority community will only come about through the increased rolls of minorities in ownership and in managerial positions.

Investment credits are the key that will unlock the doors to more diverse telecommunications marketplace. Present policies are only a start and solutions to diversity may be additional EEO policy, as well as stricter enforcement of present ones.

I support the idea of an advisory committee to not only inform the FCC of the potential effects these rulings will have on the minority community but I think the committee should go a step further and assist present committees in educating the minority business community in the expansion into both broadcast and nonbroadcast properties, to include MDS and Cellular Radio.

One way this can be accomplished is through the teaming of the advisory committee with area minority business groups with adequate publicity and assistance from large, established groups in the minority community, such as the NAACP.

The possible tax revenues could far offset the cost of the well-coordinated program, along with the policy promotion of diversification of ownership. I am sure the results will be worth the effort.

Thank you again for the time to speak, Mr. Wirth and Ms. Collins. Congratulations on your 10th year of service to the public, Ms. Collins.

Mr. WIRTH. Thank you very much, Mr. Hoard.

Our final panelist in the first panel is Mr. Ricardo Rodriguez of the distinguished law firm of Howe, Barnes, & Johnson. Mr. Rodriguez also is a friend of many colleagues of the chairman from Denver, Colo.

Mr. Rodriguez, delighted to have you here.

STATEMENT OF RICARDO RODRIGUEZ

Mr. RODRIGUEZ. We're an investment banking firm.

I'd like to thank Mr. Wirth and Ms. Collins for inviting me here this morning. I'd like to speak on two areas. One is with bill H.R. 2331, and I think, in part, I would support the action mentioned in there.

I do have some comments that you might like to take into consideration. One is in the area of tax incentives and in the areas of investment tax credits. I think both of those items should be geared to changes in the marketplace that are going on right now among the cable companies.

I think a lot of the cable companies right now are looking at new marketing strategies in areas of franchising. They are starting to cluster their cable franchises. I think it would be a disadvantage to a minority owner if he was not able to operate under that new marketing strategy and unable to bid completely for that cluster of franchises there were available at a time.

I do have concerns about that. The other areas I think that the bill should be a little bit stronger to other technologies that are developing right now. For example, the field of cellular radio. Right now, licenses are being and have been made among the major 100 markets. I think we really should start to look into that technology and other technologies which are coming to encourage and to allow minorities to get into that piece of the action.

In terms of H.R. 1155, I do support that bill. I have one concern and that is with Senate bill 66. My concern is that if that bill is passed, it may have a very negative impact on EEO programs and I think that that's something that needs to be addressed and it may prevent the local municipalities for setting forth goals and objectives in the EEO area.

Those are the two major comments that I have. I'd like to thank you.

Mr. WIRTH. Does anyone have reactions to comments made by the other panelists? You're all pretty much in agreement, are you?

Let me start, then, if I might, Mr. Nielsen. You were talking about the presumption of renewal in terms of broadcast licenses. Might you want to expand on that for a minute? Perhaps Mr. Rodriguez might want to comment on that, as it relates to Senate bill 66, too.

Mr. NIELSEN. Certainly. The idea of presumption of renewal places the burden on the government or the regulator or franchising authority to remove a license for operation, rather than the burden being placed on the licensee, to show why they should continue to be licensed.

By placing the burden away from the operator, the broadcaster or the like, in practice, it makes almost for perpetual grant of license. We've seen the inadequacies of the current broadcast renewal provisions and licensing provisions within the 1934 act and in previous testimony that I've given before this subcommittee, dating back to 1978. We have offered amendments to the 1934 act and looked to strengthen the licensing provisions, but shifting the burden will close out the entry to the market. If minorities are going to be able to become involved in the market and to change the status quo, unless there is a great change in expanding the number of licenses in the broadcast community, you have a finite spectrum, a finite number of commercial broadcast stations, regular powers and low power; and therefore the presumption of renewal would in practice serve to exclude rather than allow for competition to allow minorities to come in and take over licenses for those that are not operating in the public interest.

Mr. RODRIGUEZ. In terms of Senate bill 66, if that is passed, you will probably have enforced less stringent requirements when it comes to the area of EEO opportunities. Currently, a local municipality can negotiate with the local cable company a rather stringent EEO requirement and other requirements. If Senate bill 66 is passed, it seems that on the Federal level, as we've seen what the results have been, there will be less likelihood of minorities having an adequate roll in management positions and in ownership in cable companies.

Mr. WIRTH. Dr. Engsberg, do you have any question on the removal of the comparative renewal process?

Dr. ENGSBERG. Well, as you probably know, the Office of Communication very much opposes the removal of the comparative renewal standards. And in the current debates in the House, at least over the quantification scheme, we don't see the quantification scheme as any trade-off for removing the comparative renewal process. We think it very much needs to be in place to keep the broadcasters honest right now.

Mr. WIRTH. I've heard that view before but unhappily, not from as many voices as we would like to hear it.

Mrs. Collins.

Mrs. COLLINS. Thank you, Mr. Chairman.

Mr. Rodriquez, I think it's fine that you mentioned the Tax Incentive Act, H.R. 2331. I think Congressman Leland will be very interested in your testimony regarding this comment.

Would you tell me, please, Mr. Rodriguez, what you think is the biggest obstacle to minorities interested in purchasing communications facilities today?

Mr. RODRIGUEZ. It's obvious the answer to that is lack of capital and the inability to put together a good package from a dead equity perspective, make a good bid at a company.

Mrs. COLLINS. What do you see the Congress on the FCC being able to do in order to insure the type of followthrough with minorities who wish to become owners?

Mr. RODRIGUEZ. One area is to open an area of the SBIC to permit them to view that as a source of additional capital to go out and enable an entrepreneur to make a bid for a cable franchise.

I think what also needs to be done is that Congress has to be aware of the fact that there is a changing, ongoing market out there and that probably an entrepreneur is interested in not only purchasing one system, but maybe a cluster of systems at a time.

Mrs. COLLINS. That's a good idea.

Mr. Hoard, what do you think needs to be done with regard to the FCC monitoring cable's compliance with EEO?

Mr. HOARD. I just believe a stronger look at 395, and how it's filled out. I believe there is enough built in the loopholes, the way the form is filled out right now, that a cable company can get by without being monitored. For instance, if they have a few cluster franchises, for instance, with five or less employees involved there, they may be rotating the employees and actually, the entire cable company may be 40,000 or 50,000 homes and 100 employees but if you have enough small franchises, where you can stock offices with less than 5 employees, you can get around the entire rule because the cutoff is 5 or less full-time employees at an office.

Mrs. COLLINS. We're often told as minorities that the way into the future is going to be in cable and satellite, and right now, we've also been told the jobs just aren't there, and the facts that you aren't going to have massive numbers of employers of cable systems employing minorities. Why is that? Is that because there are so few people needed?

Mr. HOARD. Not so much few people needed, as much as getting the right people into the right place. There are quite a few competent and able people in electronics, which is going to be one of the large fields, as well as marketing. Those are going to be the two critical fields because of the technology and having to sell new ideas to the consumer. They are not being approached, they are being, I believe, systematically weeded out and they usually choose just enough minorities to meet the requirement if they do that much, instead of going after several really competent people that are out there.

Mrs. COLLINS. Mr. Nielsen, do you think that parity goals in H.R. 1155 should be applied to the FCC, also?

Mr. NIELSEN. Most definitely. I think there is no reason for the Commission as the regulator to not follow guidelines, and then expect the industry which it is regulating to follow stricter guidelines. To serve as a model, the FCC should put together a model program to show that it can be done and it can be done very well and then place a challenge before the industry to be able to meet that model.

Mrs. COLLINS. What do you think about the FCC's rules to assist minority participation in the industry's deregulatory policies?

Mr. NIELSEN. I, personally, think that the deregulatory policies of the FCC do not aid minority participation in the industry, that they work against the exact area that you are talking about, that it will systematically exclude and continue to cast in stone the status quo, allow for the continued vertical integration within the industry, to the exclusion of the small business and minority business entrepreneurs.

Mrs. COLLINS. What would be your personal opinion, based upon your very broad knowledge of the situation, of the FCC's statement sometime ago to look into EEO within the industry, itself? Where do you think that leads to?

Mr. NIELSEN. I don't think the FCC's movement toward looking into the EEO is really going anywhere. I think it is shuffling its feet back and forth and maybe walking backwards, at times. I would hope that with legislation such as H.R. 1155, it will give a clear guide, a clear measure and a clear direction to the FCC, to force its move forward and to stop shuffling its feet and to have a specific goal, rather than debate rhetoric as it now does.

Mrs. COLLINS. Thank you.

Dr. Engsberg, what do you think, do you think that broadcast legislation should include EEO provisions to broadcast legislation?

Dr. ENGSBERG. Definitely.

Mrs. COLLINS. Why?

Dr. ENGSBERG. I think we have over a decade of experience with the FCC regulating equal employment opportunity, as you and others were indicating as I was coming in this morning. I think the figures show that there has been some improvement, but it hasn't been what we would like to see. The Office of Communication has continually criticized the FCC because of its enforcement procedures in this area.

I think these factors demonstrate openly enough that the FCC needs continued prodding to step up its enforcement procedures and we have concluded that the time may be now for Congress to step in and say to the FCC, "We're watching you now. We are commanding through law that you have this responsibility."

Mrs. COLLINS. What do you think that Congress or the FCC can do now to see to it that professional positions occurring in broadcasting cable are being filled by minorities at a faster rate than they are today?

Dr. ENGSBERG. First of all, I think we've got to look at the data that exists more carefully than we have up to now, to the analysis of the FCC forms 395 and 395-A, for broadcasting and cable, respectively, the annual employment reports. We get gross statistics from the FCC. The office of communication has taken the same data and done a different kind of computer analysis of it and we come to some different conclusions sometimes, especially in the upper four job categories, where the decisions are made. We see that the gross statistics we receive from the Commission, taken alone, obscure what's happening behind the scenes.

There is a lot of misclassification of jobs. Job titles don't reflect the responsibility that the person holding that job may have. We have found over the years that as pressure has come to bear on the broadcast industry for improving its equal employment profile, there have been paperwork promotions. They haven't been real promotions. There is one way to monitor this more carefully. But the FCC has, of course, been reluctant to ask for salary data or to ask for job titles in each job category or to arrange titles by salary so that you can get an idea of the relative importance of that position in the overall structure.

Until we can look more deeply at the facts and figures, we're not going to see where the problems are. And the Commission has been reluctant to do this.

Another way the Commission might push to encourage that enforcement with even the current parity guidelines be stepped up a little bit is maybe if it wielded a little bit more muscle and a little bit more pressure to enforce the rules that are on the books now. It's one thing to talk about improving or stepping up the rules, but nothing is going to happen unless we step up the enforcement as well. And by tying broadcast EEO enforcement to the license renewals, we're going backward instead of forward right now, as we are increasing the length of time for the license term instead of shortening it.

In my written statement, I have suggested that perhaps an annual computer analysis of the 395 data might be in order, with penalties actually attached to those that are not in compliance. I might add that there is for cable approximately a 7- to 9-percent failure to file rate. That doesn't say anything about compliance with the parity guidelines, it just says they don't even bother to file the forms. With broadcasting, the failure to file rate is at 5 percent.

Mrs. COLLINS. Thank you. I have one final question and anybody on the panel or all of you, if you would like, can answer. I'm interested in knowing whether you think Congress should consider enacting a set-aside program for minorities, to be more involved in the business side of the marketplace, either of you or any of you.

Mr. NIELSEN. Well, I think that there was—if recollection serves me right—and the chairman may be able to correct me or aid my memory—that in one of the rewrites of the Communications Act, a minority telecommunications fund that would be funded by a spectrum use fee. I know that the chairman has been under some fire for spectrum use fees. I hope he will hold to his guns and not back down on that issue, that there is good use that can be made of such funds and that, precisely, is one of the recommendations that has been made.

Mrs. COLLINS. Mr. Chairman, I have no more questions.

Mr. WIRTH. Thank you, Mrs. Collins. If you care to look at H.R. 1155, what kind of sanction should you build into the legislation if, say, a broadcaster would refuse to comply?

Mr. HOARD. It could be done on the point system for where when the broadcasting or the licensing comes up for renewal, that a set number of penalty points for various things that have gone on during the license, groups that have filed complaints with the Commission on actions that the radio and television, this would count as a certain number of penalty points against the renewal of the license.

Mr. WIRTH. So that would suggest that you would support some kind of quantification approach to identifying what the public interest standard is?

Mr. HOARD. Yes, sir.

Mr. WIRTH. Mr. Nielsen.

Mr. NIELSEN. I would urge you not to follow that course of action. Rather, let us deal with that term that is always hard for me to pronounce, called marketplace forces, and with any sanction on business, you have to make it more costly to violate the goal or the standards than to pay the fine or the sanction. Mandatory fines clearly would be in order. And setting up the hearing process at a certain point, so that if you are so far below a goal you must go for formal hearing and possible revocation proceedings. But it clearly has to be made in the economic self-interest of the licensee, broadcaster, et cetera, to comply with the standards.

The point system would allow them to go to the edge and say, "Well, I won't comply up to this point, then I get in trouble."

Dr. ENGSBERG. I would agree with Mr. Nielsen, that you have to hit them in the pocketbook, where they sit up and take note. I think fines are definitely in order and applaud the Commission's recent move to look at failure to file rates and to fine broadcast stations that have not filed 395 forms in the past few years, to fine them $1,000 for failure to file.

I think for noncompliance in the parity area, that the fine, perhaps, should be even higher. I urge again that the evaluation for complaince to EEO not be tied solely to license renewal. In fact, with cable, we don't have a license to renew so I think we have to get away from that kind of that scheme.

Nonetheless, I think if a broadcast station is under consideration, there are further sanctions that can be had simply because there is a license.

Mr. WIRTH. Mr. Rodriguez.

Mr. RODRIGUEZ. I just would like to add, I think you have to recognize the fact when we look at broadcast stations and their tremendous cash accounts and when you look at cable companies, that potential is there, also. I think if you had a fine system, that will probably be just be a slap on the wrist.

Mr. WIRTH. If you read the May 20, "Radio and Records," it notes that some 19 stations were fined for failing to file their 395's in 1981 and 1982. How material is a $1,000 fine and that's the question you had raised, right, Mr. Rodriguez?

Mr. RODRIGUEZ. That's correct. If you're looking at a corporation that has a station that has revenues $10 to $20 million, what's a $1,000 fine?

Mr. WIRTH. We'll take it to the next step. Filing is one thing. What about compliance? In terms of enforcement of what the guidelines are and what, as in Mrs. Collins' legislation, might be written in the legislation? What kind of sanctions should be there for noncompliance with the law, beyond filing?

Mr. NIELSEN. I think the exact point that Mr. Rodriguez raised with the low level of the fines that can be brushed off is exactly the point. If the fines are too low, they should be increased so that you can reach the level of sanction that the broadcaster is going to sit up and take notice; in other words a monetary sanction can be placed at a level high enough that it is in the broadcaster's self-interest to comply. Clearly, the question is of numbers. It's not that the concept of the sanction is not workable. It's a question of how forceful that sanction is.

Dr. ENGSBERG. I might add here that this is one of the first times the Commission has decided to levy fines in trying to enforce its rules and I think we really don't know quite yet what those levels are, where the breaking points are in the numbers, where it's in the broadcasters' and the cable systems' best interest to comply with the rules or to be fined very heavily. I think we need some further research in this area to see where the breaking points are in the numbers.

Mr. WIRTH. Can't the argument be made that if Congress would decide to move toward some kind of a quantification scheme as compared to renewal, that as I think you were suggesting, Mr. Hoard, the level of compliance with EEO requirements could be fed into that and that might be one of the easiest ways to go about doing it, rather than trying to figure out whether a small fine for a small radio station or a big fine for a large-medium market television station is appropriate? Does that seem to make sense?

Mr. NIELSEN. I think there are still problems with that approach, in that the quantification, as a whole, can have serious problems for policies if one still ascribes to the concept of localism for broadcasters, since you cannot set a national policy that's going to be applied nationwide evenhandedly across the country, when broadcasters, their systems, telecommunications systems throughout the country vary by area. The minority populations and participations in the work force in different States and localities, are different across the country. And we need to take into account those considerations.

But, more importantly, with respect to the EEO and the point system, it allows for the EEO to be just one of many other considerations and points. It allows you to not meet the goal of EEO and, nonetheless, still be able to retain a license, as such, because you've done whatever is necessary for some of the other points, so that the EEO requirements do not offset enough and even the point system, in a sense, urges the broadcaster or licensee not to meet those guidelines, except at that point where it runs into problems. But he can go to the brink without much concern. And it's looking at things in a larger, topical area rather than looking specifically and urging specific goals.

Mr. WIRTH. Mr. Rodriguez.

Mr. RODRIGUEZ. I will just add to what Mark's saying. If I was an owner of a cable system and I had a point system, I'd sit down with the Director of Community Affairs and say, "How far can we go before we get in trouble?"

In most cases, it doesn't really affect the bottom line. The management probably would sit on it or not move along in the appropriate manner.

Mr HOARD I think the Commission should go about the route of just setting the goals, if the goals are stringent enough, the broadcasters will find a way to meet them one way or another The point mentioned by Mark on EEO not being mentioned, not being charged after all the other points are taken merely means that the EEO wasn't weighted heavily enough

That's one of the policies to decide, whether your license should be withdrawn or whether action should be taken against your company

Mr WIRTH Any other comments?

Dr ENGSBERG Yes, I do want to comment just simply to reiterate that if we are to seriously discuss the quantification scheme, then I think EEO needs to be considered as part of the package I don't think there is any question about that But what that does, if you look at it alone and say, "Either have this a quantification scheme or the current EEO enforcement at the FCC," what you're saying is that you're tying EEO enforcement to license renewal And as I commented in my statement I think we need to get away from that as the sole leverage for enforcing EEO This was why I was arguing that some kind of annual assessment at the FCC with some kind of sanctioning procedure attached to it would also be important I would not remove consideration of EEO at license renewal time but I would not want it to be the only kind of evaluation for EEO

Mr WIRTH Well let me just close by saying that the Subcommittee is seriously considering quantification of the public interest standard We would be delighted to receive comments from any of you who would like to suggest to us what should be included in that standard not only EEO provisions but I think there is a very significant concern related to minority programing children's programing and so on that also ought to be put into the mix if we're going to seriously look at a quantification standard that needs something in terms of the public interest

Mrs COLLINS Mr Chairman, in line with that if I may be permitted, if they could give us those suggestions and recommendations rather quickly because I'm sure that most of you are aware that we have already begun hearings in that area

Mr WIRTH Yes, we would certainly appreciate that We had our first hearing on that May 24 and that is going to continue throughout the summer Mrs Collins is right we're on a relatively tight timeframe in terms of coming to some conclusion

Thank you all very much

Dr ENGSBERG Just a question Have there been [illegible] hearings scheduled?

Mr WIRTH [illegible] scheduled in June and [illegible]

Thank you all very much for being with us We [illegible] ate it and we will leave the record open for any further materials that you might like to submit

Members of our second panel a mixture before the first and second, are here and we would like to welcome them to the witness table

I think you are familiar with the rules and procedures of the subcommittee We would ask each one of you to summarize your testimony in [illegible] minutes or less Your full testimony will be included in the record. We will go right down the row from Mr. Horton, Mr. Williams, Ms. English, and Mr. Singer. I will then come back and ask if any of you would like to comment on what the others have said before we go into questions.

Mr. Horton.

STATEMENTS OF WILL HORTON, EXECUTIVE DIRECTOR, MINORITIES IN CABLE AND NEW TECHNOLOGIES; BERNARD WILLIAMS, PRESIDENT, WILLIAMS COMMUNICATION, INC.; KARIN E. ENGLISH, CHICAGO, ILL., AND WILLIAM S. SINGER, CHICAGO, ILL.

Mr. HORTON. Mr. Chairman, Honorable Collins—first, Honorable Collins, I would like to congratulate you on your efforts to enhance greater participation for minorities and women in telecommunications.

Members of the subcommittee, my name is Will Horton. I am the founder and executive director of Minorities in Cable and New Technologies (MCNT).

MCNT is a not-for-profit organization working to enhance greater minority participation in cable television and new technologies. We have been intimately involved in cable TV, all phases of the cable TV process, I might say, both on the local and national level, representing over 500 members. Because of the hard work of MCNT and other organizations, minorities in Chicago have one of the most progressive EEO mandates in the country, parity of employment in all job categories.

Our continued charge will be to monitor the hiring practices of all the cable companies to ascertain if they are living up to the EEO mandate.

MCNT has a national job bank and has placed managers, engineers, production personnel, sales and other positions in cable television. To educate and inform our members, MCNT conducts various seminars and workshops. We publish quarterly newsletters which presents articles on topics which includes developments in cable and new technologies, question and answer section, a career corner listing jobs and events and special features for our members.

I am proud to say that we have become a well respected organization as a result of our activities. However, much, much more work needs to be done. I am reminded of a statement made by Percy Sutton, chairman of the Inner City Broadcasting Corp., as he spoke before the Subcommittee on SBA and SBIC authority, minority enterprise and general small business problems of the Committee on Small Business, House of Representatives.

He said:

> I believe that [illegible] and the [illegible] business. I believe in the free enterprise [illegible] that [illegible] operates best when all people in that society have [illegible]

I concur with Mr. Sutton and that is another reason why I am honored to be here this morning and so enthusiastic about H.R. 11[illegible]

Minorities have historically been underrepresented in cable and telecommunications entities in the area of employment, ownership, and general participation. While minorities comprise almost 30 percent of this beautiful and free country, minorities own less than 20 percent of the 171 of the 10,134 commercial radio and television stations, and less than one-third of 1 percent, or 44, of the estimated over 15,000 cable franchises.

Of the over 6,000 cable systems that are operating today, less than 15 are minority owned. The significant element here, education, politics, and finance, and I'm proud to say that we're doing something about education.

Minorities have to be educated about the career opportunities in the burgeoning fields of telecommunications. Our elected officials have to become more sensitive to minority issues and concerns and adopt a philosophy and spirit of a free enterprise system that our society operates best when all people have an opportunity to participate.

According to the final report of the Advisory Committee on Alternative Financing for Minority Opportunities in Telecommunications, to the Federal Communications Commission, May 1982, it stated "The single greatest obstacle" to minority ownership of telecommunications property is a lack of adequate financing and investment capital. Therefore, expanded and alternate sources for financing minority ownership of communications property is necessary. MCNT encourages the passage of H.R. 2331.

The status of minority employment in broadcasting is even more critical than ownership. Employment in broadcasting is an area where minorities look not only to gain professional training, expertise and career opportunities but a vehicle leading to future ownership and greater control of a powerful media that has tremendous impacts on our daily lives and us, as a people.

Only 15 percent of broadcastings 150,000-plus full-time employees are minorities. There are only 3 commercial TV general managers, 3 news directors and 5 TV program managers of over 700 commercial TV stations. As you can see, minorities lack decisive input in broadcasting.

Cable TV fares no better. Of over 40,000 full time cable TV positions, minorities comprise less than 13 percent and to add insult to injury, most are employed in the low level, low paying positions.

There is a need for greater minority participation in telecommunications. MCNT encourages passage of H.R. 1155, the Minority Telecommunications Development Act of 1983.

I will be happy to answer any questions you may have.

Mr. WIRTH. Thank you very much, Mr. Horton.

Mr. Williams.

STATEMENT OF BERNARD WILLIAMS

Mr. WILLIAMS. Good morning. My name is Bernard [illegible]. I am here today to present testimony in support of H.R. 1155, the Minority Telecommunications Development Act of 1983.

I've made studies covering broadcast, cable and new technologies and according to the office of Congresswoman Cardiss Collins, there is less than 1 percent parity of jobs throughout the industry.

The sad fact is that there have been no gains in employment and ownership throughout the telecommunications industry since 1970.

We have before us a bill that revises the Communications Act of 1934 by strengthening FCC regulations. That the Federal Communications Commission has taken a position of deregulation, in no way meets the question of increasing parity of minorities in telecommunications industry.

For years I have worked in various technical capacities throughout the industry. I have seen discrimination in unions, management and in overall hiring practices of businesses within the telecommunications field.

An affirmative action program is necessary and should apply to new technologies.

There have been many discussions of the impact of the mass media on the black community. In a recent position paper from the Congressional Black Caucus it was noted that mass media has failed miserably in reporting actively and honestly the day by day news emanating from the black community.

Media has failed miserably to adequately and accurately portray black people. The media and its allies also have failed to allow equal access to information necessary for full participation in a democratic society.

This bill addresses the needs that are [illegible] in the telecommunications industry today. Statistics show, according to previous document studies that in cable television there is a 1 to [illegible] percent overall minority participation in employment and management in the State of Illinois. These figures are deplorable.

According to census figures there are 35,000 jobs in the cable and television industry. According to statistics, minorities have lost ground in employment and management and programing throughout the industry. Broadcast, cable, as well.

For the last 10 years, new technologies—well, future new technologies will develop thousands of new jobs in low power TV, cellular telephone networks, and cable broadcast TV.

When I entered the field of broadcast TV 14 years ago, blacks held fewer than 1 percent of the jobs in the industry, nationwide. I think we're still at less than 1 percent of the work force. If this is not addressed via the codification and strengthening of many existing FCC regulations, we will never gain parity in numbers reflective of our population.

H.R. 1155 addresses the current need for affirmative action program in the communications industry. New technology is advancing by leaps and bounds and is now a major source of revenue to the American economy. We should all have equal opportunity to work. The citizen participation budget spoken of in the bill should be larger, I think, to accommodate more citizen participation in the Washington hearings process.

Thank you for inviting me to speak today. I look forward to assisting you in the future on an revision to the 1934 Communications Act.

Mr. WIRTH. Thank you very much, Mr. Williams.

Ms. English has been with us before, as well as other representatives of the National Black Media Coalition and we're delighted to have you back with us. Thank you very much for joining us.

STATEMENT OF KARIN E. ENGLISH

Ms. ENGLISH. For the record, my name is Karin English. I live in Chicago, Ill., and am here representing the interests of all people, specifically the interest of minority participation in the telecommunications industry.

There are really several areas I would like to address with respect to the legislative proposals pending before this body, encouraging minority involvement in the telecommunications industry.

Let me first make some brief observations. For years, the subject of minorities and their involvement in this industry have been prevalent. And for years, the problems have always been the same: Fewer minorities in the industry and fewer opportunities for them to get access. In this vein, allow me to raise some levels of consciousness.

The integrity of minority participation can never be accurately considered and, therefore, must always be violated in the telecommunications industry.

To consider or respect the integrity of minority calls for the exposure of truth about white consciousness which would destroy the fantasies and the myths of whites about the rest of the world.

This is clearly one of the problems with full or even considerable minority participation. In order to justify historical myths, minorities must never be considered in respectful or equitable numbers in all areas of telecommunications involvement.

I submit that after 50 plus years of broadcasting, minority ownership hovers around 2 percent. Even since 1952, after the Federal Communications Commission lifted its freeze, minority involvement has been stunted by the observations just made.

Clearly, the "haves" have a 26-mile lead in the marathon and the "have nots" have not a chance of catching up for these reasons. First, the spectrum is virtually soaked up, particularly in areas where the return on investment is attractive and new technologies are fast becoming out of reach for minorities. Much of the dichotomy of the haves and the have nots is the reason for minimal minority involvement and for us being here today.

I do not, in all honesty, believe that after all these years, the mind-set is going to change. I do, however, believe that something can be done to assist in the elevation of participation through some drastic measures and not mild ones. This addresses the legislation before us.

Section [illegible] of H.R. [illegible] calls for the Commission to incorporate eligibility criteria in line with the intent of the legislation. In a constructive rather than a destructive light, may I point out that the FCC's 1965 policy statement on comparative hearings called for seven criteria when two or more applicants are seeking the same facility. These criteria: diversification of control of the media, full-time participation in station operation of the owners, proposed program service, past broadcast record, efficient use of the frequency, character and other factors.

In reviewing these criteria, the mechanism for minority lock-out is in place and is not addressed completely in the legislation.

I would propose that a new policy statement on comparative hearings be developed and encompass both application and acquisi tion of facilities The vague standard of comparative hearings is to the detriment of minorities

For example, given the employment statistics of minorities in the broadcast industry, how many of them will be able to establish past broadcast records? They, therefore, lose points under the comparative process

Under the area of diversification, a control of the media, the seven rule, in all honesty, prevents diversification from occurring. Should, however, the seven be eliminated and the number of properties owned by a group limited to a smaller number, it is my belief that the diversification would occur I am certain that there would be a tremendous uproar but can you imagine if five were the rule, how many opportunities would exist for minorities to get involved?

I would propose investiture of the current state of broadcast ownership by a rewrite of the seven rules The comparative process, which would appear in the legislation proposed

These are two pressure points that must be included to increase and encourage the level of minority participation in the industry In addition once minorities have gotten into the industry they have to survive and be profitable Advertising is the key in this respect

The [illegible] impacts this area and makes it much more difficult to deal with I would propose that the new legislation would earmark funding for the development of minorities in the advertising sector

Mind you this is not going to change the mind sets that exist No legislation really will But it will assist minorities in opening their opportunities in all areas that impact ownership

Have you ever caught yourself singing a record or commercial that you didn't even like? The reason for this is simple The words are simple, silly, and banged into your head every day If minorities are given a piece of this action with earmarked dollars for development of advertising agencies, minorities in ownership would have a better chance of survival

I suppose what we're proposing is a tier of minority involvement, including areas that are not regulated but related Advertising is the top and middle tier To clarify Advertising sponsor programs that they will soon generate consumer dollars. Owners buy programs they think advertisers want The circle is a vicious one excluding opportunities for minorities to get involved

At this point I would go off into the need for earmarked funds for programing development production and into trying to solve quickly

Recently I [illegible] sponsorship of a program The scale is small but comparatively speaking, relative. The market the show was targeted to was teens This is not the issue and the show received sponsorship incidentally—the problem came because I happen to be black The amount of dollars committed to the show changed to supportive but minimal level, regardless of the fact that the show was targeted to a general population and not black teens This is the mind set I'm talking about that cannot be regulated. How you regulate that under free enterprise, I can't begin to imagine but it is a real problem and, perhaps, earmarked funds for production, including the full development of production houses is the answer.

I, therefore, propose that this body take a leadership roll of assuring funding is available, specifically for programing development, distributions, syndication, and advertising agency development, so that trenches our way to support each other.

Perhaps the establishment of a corporation for minority broadcasting set up with competitive and comparative dollars would be successful in the marketplace. Under the minority business development program, the Small Business Administration grant and loan program, the economic development program and more dollars at significant levels of minorities are necessary, if only for startup purposes because even the most narrowminded understands the bottom line and if the bottom line continues to inflate, the possibility that the minority involvement will increase exists.

Sweat equity is not enough and history for minorities certainly proves that. I believe the proposed legislation could expand and include crucial areas, such as those mentioned. advertising, production, distribution, syndication, and the comparative process issue.

There certainly are other areas outside the broadcast industry and the cable TV industry, such as monopolization of the common carrier industry. Time, however, does not permit me to deal with those.

Perhaps I can take this opportunity to invite you back to deal with minorities in the telephone and related industries. I think it would take another hearing to deal with all of that.

Mr. WIRTH. Thank you very much, Ms. English.

Our final witness on the second panel is a gentleman, Mr. William Singer.

STATEMENT OF WILLIAM S. SINGER

Mr. SINGER. Thank you, Mr. Chairman and Congresswoman Collins. It is a pleasure to be here today. I do not hold myself out as an expert witness on all facets of communications policy. I do have some background, particularly in the cable field, and that is the reason for my being here today, I believe, and my testimony will be confined to issues related to cable, particularly minority involvement in cable employment and cable programing.

I do not have prepared testimony but I certainly believe that my remarks can be summarized for the record. As you know, I'm also going to be testifying in Washington before your committee Wednesday, dealing with questions of public access.

Approximately 1 month ago, I testified before a panel convened by the Congressional Black Caucus, at the behest of Congresswoman Collins. At that time, the import of my testimony was that I believed that true minority participation in cable is dependent upon the degree to which minorities can be owners of the medium.

So I talked at great length about how in the city of Chicago, a very strong mandate was built in, as Mr. Horton mentioned, on EEO levels but that mandate also was built into the ownership provisions in both the enabling ordinance in the city of Chicago's cable franchise legislative structure and the requests for proposals, which were sent back by the city of Chicago for prospective bidders for cable franchises. I believe that with strong minority ownership, strong minority participation will follow in areas of employment and programing.

My concerns since that day in Washington, have increased dramatically, I would say, over the future of policies that might, at the local level, be able to implement this kind of local mandate, locally-mandated minority ownership and minority participation in both programing and employment.

That concern stems from the pendency of legislation in the Senate of the United States, otherwise known as S. 66. I am concerned that while S. 66 is technically silent on the issue of local mandates for ownership, employment, and/or programing services by minorities, the clear intent, as I read the bill, is to restrict local authorities in areas that they may set cable policy. And to the extent that it would be silent, I would say that any court interpreting the import of S. 66, should it become law in its present form, should there be a challenge to a provision such as Chicago's, which mandated local parity as Mr. Horton mentioned, should there be a challenge to such a position, I would say that the local legislative history at this juncture would have to indicate a ruling in favor of exclusive jurisdiction by federal authorities over such issues.

I would point to provisions particularly the question of ownership in S. 66 which is described in section 605. "Ownership or control of cable systems." Section 605 says, "The intent of the committee is to prevent any State or local cross-ownership and multiple ownership restrictions." That clearly reflects the interest the committee has in cross-media ownership and it is essentially silent on all other forms of ownership including, I might add, Mr. Chairman, for purposes of the Wednesday hearing, it says, "In any case in which a State, subdivision," and so forth acquires any ownership interest, it is prohibited from owning, controlling, directly or indirectly, the content of any of the programing area.

This raises the question about set-asides of channels to local non-profit corporations, for purposes of access or public access.

What I am suggesting here is that the ownership section is entirely silent. But more important than the ownership section being silent on the issue, section 2 of the act deals with exclusive jurisdiction and it says that unless otherwise expressly provided, in this act, "The Federal Government shall have exclusive jurisdiction over broad band telecommunications regarding matters covered by title VI," which is cable.

"Thus the committee believes that there is no need for Government at any level to continue or begin to unduly regulate or otherwise impose unnecessary restrictions on the cable industry."

It goes further. "It is not intended to insure that State and local authorities may not implement regulations or laws in the franchise agreement which would be inconsistent with congressional causes."

Finally, section 2 provides that States, franchises, authorities, et cetera, may exercise jurisdictions over matters which are strictly of local concern and which are necessary for reasons of public health, safety, and welfare, including the terms and conditions for the granting of a franchise and construction and operation of the cable system and enforcement of the administration.

Under the heading of Terms and Conditions, it says, "Duration of the franchise, definition of the service area, rules and procedures for consideration of the initial applications and for selection of the cable operator." No mention anywhere in there of mandates for ownership or employment or programing at the local level.

I suggest, Mr. Chairman, that one of the areas that you may want to consider today, as your own committee considers its own version of cable legislation before it winds its way through the congressional process, that in any effort that you make to define the relative rolls of State and local authorities over cable jurisdiction, there be an expressed statement that nothing contained in this legislation shall prevent local authorities from issuing goals, mandates, whatever words you want to use, regarding minority employment and/or minority ownership and/or minority participation in programing services

That would allow local officials, if they so desire, if it seems in the interest of the local municipality to encourage minority ownership and say that they view with extreme interest bids by qualified minority bidders, that they will look at each bid to determine that the degree to which bidders have set aside plans, programs for training and employing minorities and for programing, then I think, Mr Chairman that cable legislation will protect what I believe is a local prerogative and which is a justifiable prerogative and which can be best administered at the local level

I think without ownership, you don't get the other attributes I think with ownership, you will and I think that cable legislation, as is now written, tends to drastically restrict the degree to which cities may require certain things, including mandates for minority ownership and participation

If you read though the current draft, the distinctions between the franchising authority may require and what the cable operator may offer come down very heavily on the side of what the applicants may offer, as opposed to what the municipalities or franchising authorities may require.

I think language to the effect that nothing in the new legislation shall prevent local authorities from seeking to increase minority ownership and/or participation in employment and programing would be a healthy and appropriate Federal step in any of the legislation that winds its way through Congress

Thank you

Mr Wirth Mrs Collins

Mrs Collins M. Chairman, thank you very much

Mr Singer, I would very much like to work with [illegible] I know how hard first of all that you have worked to see to it that our cable foundation, if you will in the city of Chicago is one that is going to be fair to minorities and I know he feels very strongly about this, as do I Because of that, I would sincerely like to be able to work with you, so that when we get to our cable hearings in Washington and any other legislation that might come up, I'd be prepared in a very major way to go about seeing to it that the local authorities have the kind of responsibility and that it's not taken away from them

Mr. SINGER. I would be delighted, Congresswoman, to assist your committee, your subcommittee or the chairman and his subcommittee, in any way I can.

Mrs. COLLINS. Mr. Chairman, since you've yielded the time, may I also abuse the privilege by making one other comment, and that is to thank Mr. Singer for not only the number of times he's appeared before our full committee and our subcommittee, particularly, but also for the number of the times and the vast information that he has given to us in the Congressional Black Caucus by coming to Washington, by giving us information on the phone and really sort of being a mentor, if you will, on some of the issues that are extremely important.

Mr. WIRTH. Do any members of the panel have comments they would like to make on what other members have said?

If there is no disagreement, I gather from the thrust of your comments, that you all believe that the ownership is really the key, both to EEO and to programing. It starts there, is that right?

Mr. WILLIAMS. I would say ownership and employment because in order to own you should know something about it. And given our participation in minorities in general in the fields, there would leave very little area for one to learn how to efficiently run a television station if he has not had previous employment.

Mr. WIRTH. Well, you heard reference earlier and we're in the midst of this discussion about quantification, in terms of broadcast license renewal, and we're struggling with what ought to be involved in that, whatever standards that ought to be looked at, if we are going to be serious about quantification.

Mr. Marshall testified on that subject last Tuesday 2 weeks ago. He testified on that behalf. I would just appreciate for the record, if you, Mr. Williams or you, Mr. Horton, have any comments that you might like to submit to this subcommittee, as discussed with the previous panel. This issue is moving quite quickly in Congress and we would like to have your input on what specific items should be included, if any, in our examination of the question of quantification, if you're familiar with what we're talking about.

Mr. HORTON. First, I would like to kind of reemphasize the point I made earlier on the significance of employment and you alluded to the fact that a lot of emphasis has been put on ownership. But just as much emphasis should be on the employment of minorities' entry into telecommunications, as well as ownership.

The reason, as I stated in my testimony, that an attention to learning and the skills necessary, the management skills necessary to operate a telecommunications entity and developing career paths in communications, one looks forward to owning an entity and we're finding that a lot of the owners lack the necessary management skills, the necessary management support vehicles to successfully operate their broadcasting entities, once they have acquired them.

So while ownership is significant, I want to reiterate that employment is just as significant because it is through that employment that gives us the opportunity to obtain management experience, management expertise in the various departmental jobs in a communications entity.

Mr. WIRTH. In other words, it's not enough to allow those who would suggest that, "Well, you really don't have to worry about EEO until you take care of the ownership issue; that ought to come first," and what you and Mr. Williams are both saying and, as I think Mr. Marshall said a couple weeks ago, you have to hit on all three fronts, ownership, EEO and programing.

Mr. HORTON. Exactly.

Mr. WIRTH. Mrs. Collins.

Mrs. COLLINS. Mr. Chairman, I have no questions. I know that we're running very short of time and you have to get back to Washington and because all of these panelists happen to be from the City of Chicago or work in it, I would like to ask them if I could contact them in the future if I had more questions regarding H.R. 1155 or 2331.

Mr. WIRTH. Let me summarize, then, in the couple minutes remaining. We've talked about minority programing and we've talked about EEO and employment and ownership.

Now, last week we had a hearing in Los Angeles, in which there was a very distinguished panel of black producers, who were very concerned, deeply concerned, not only about employment in studios and ownership of studios, but about what happened in terms of programing that appeared and the impact of that programing on kids. They were concerned about the images that children develop as a result of watching television and they felt that was, perhaps badly paraphrase them, potentially very destructive of our hope of having an equitable and just society. There were particular comments made, for example, of programs such as "The Jeffersons" and so on, as being, in their opinion, not helpful to the goals I think most Americans share.

Do any of you have any comments on that?

Ms. ENGLISH. That's always been one of the problems at the Commission and around, in terms of censorship and the content question. No one wants to deal with the content of programing and 2 years ago before the Commission, we changed the word to "character", so that we wouldn't get into content and it still wasn't dealt with under Mark Fowler.

Chairman Fowler has been quoted as saying that he doesn't see the Commission as having a role in dealing with programing, particularly children's programing, because content is not something the Commission regulates. It's always been a problem. I was going to bring it up today but decided I was getting a little lengthy and testy there.

As long as those kinds of programs exist, there will never be any growth in the industry for minorities, which was my point about being an establishment of funds for production companies and distribution points and syndications. I don't know if you're aware, but I've switched roles, straddling the horse now between ownership and advocacy and find that if I don't own the distribution point and the production facility, that the program does me no good to produce it. The outlets are limited because of the advertising and I think you'll find most independent producers, specifically those out in California, have a hard time when they raise the money to produce the good, quality programing, that advertisers are not supporting them and, therefore, those people currently owning the spectrum are not on the programing, which makes positive role models hard to get on the air.

Mr. WIRTH. This is a difficult issue but it seems to me that we can't continue to hide behind it, as it seems to me we do. We hide behind that umbrella of the first amendment—is that because the first amendment is there—the issue can't be addressed.

The longer I'm on this subcommittee, the more I get a sense that that becomes a convenient device for avoidance.

Ms. ENGLISH. It always has been. So if you can deal with it, believe me, I offer my services to help you deal with it.

Mr. WIRTH. Not throwing papers?

Ms. ENGLISH. Not throwing papers.

Mrs. COLLINS. Mr Chairman, if I may, let me point out that that is a very serious concern of mine, as well. Recently, I sent letters to a number of people to form sort of an ad hoc advisory committee who are going to be talking about some of the things we could do about minorities in programing, et cetera, and it's one that is really in the embryonic stage but something I'm very much interested in. I would certainly be happy to report to everybody involved, how they get along with that and also to solicit your input.

Mr WIRTH Interestingly, last week, the panel requested that the subcommittee undertake a very broad examination of this whole issue and in response, Congressman Leland and Congresswoman Collins said they were going to look at a process, whereby we might do that, given the limited resources of our own. There are all kinds of resources on the outside, just as you're talking about, Cardiss, that we can be drawing upon to better understand this issue. Also, how we can avoid first amendment avoidance behavior and start to think about quite more specifically than we have so far, what the impact of television is on kids and in the socialization of those kids and their understanding of what a pluralistic society is all about.

Mr. WILLIAMS. The Federal Government, to an extent, had a program that was in place about 5 or 6 years ago, the ESSA title VI, and ... it they appropriated x number of millions of dollars toward production, designed to desegregate on an educational basis, playing some role of desegregation in the school system by producing programs made by and for minorities, avoiding excessive violence and trying to give clearer and better roles and you know, points of interest within that. That was done. I don't know if it's still in effect. I don't think it is.

Mr WIRTH I think it probably went the way of a variety of other programs.

Mr WILLIAMS But that's one way of addressing it.

I think another way would be to encourage some of the current production companies in the private sector and financiers to supply or make available moneys to set up a small production company or a writer who has a program that he might want to produce involving minorities. She had addressed the problem of advertising in her report.

I think if there was an initiative taken by the Government, they might, in effect, talk to some of these financiers, companies who make up the industry and let them know that we are, you know, that the Government is looking towards having them help with any sort of effort in dollars and cents.

Mr. WIRTH. Unhappily, we're getting to the time where I have got to leave to catch a plane.

I wanted to emphasize and bring up this point for you all to think about and be in touch, please, with Ms. Collins and the subcommittee, as this gets wrapped up. You know, a lot of studies and so on have been done and as we were talking in California and as Ms. Collins and I have talked, you can study this sort of thing to death and it doesn't do you any good to have another study on the shelf collecting dust. What we're after is some way we can put this into the kind of legislative format, which is part of the reason we're here today. We have two pieces of legislation that have been introduced: Ms. Collins' bill and Mr. Leland's bill. We want to look at both of those carefully and, also look at this other question as to how we get in underneath this kind of defensiveness that's there. There are certainly a lot of resources around and we'd like to be able to call upon all of you for your help in this very difficult but obviously extraordinarily important examination When you talk about today, equal employment, ownership and so on, get into the socialization and we're talking about tomorrow and the next 50 or 60 or 70 years, the impact that that's going to have The media can have an enormous impact on kids and certainly on all others, as well, but I would certainly suspect most impressionably upon young kids watching television when they are 3, 4, 5, 6

Mr HORTON Very quickly content analysis and concern for quality programing has been an interest of mine for some time and I'm happy to see that you're moving for this direction because I think that someone has to look out for the interest of those who lack the ability and motivation and enthusiasm to look out for themselves.

Mr. WIRTH. You would suggest that the free hand of Adam Smith does not work in terms of television programing necessarily, is that right?

Mr. HORTON. The broadcasters are concerned about ratings and the cable operators are concerned about subscribers. And who's concerned about the people? Hopefully, you.

Mr. WIRTH. Final word from Ms. English.

Ms. ENGLISH. The other issue is in terms of ownership and I keep coming back to ownership because that's where I'm at these days, is educating minorities about ways of getting involved in ownership. I don't think a lot of minorities getting into the industry are aware of the ways that capital can be raised to do things. There was a lot that I didn't know existed and I'm focusing on children, which is how I got here in the first place.

I have to send someone white in if I want to raise additional capital for programing to sell my show that they will know that, not assume that because I'm black, the programing is black So I'm having to balance my business here

Mr. WIRTH. We're all learning as we go, sort of taking off levels of the onion and in many ways, the more levels of the onion you take off, the more you cry.

Thank you all very much for being with us and, again, Congresswoman Collins, thank you very much for putting together the hearing and having us in Chicago. We look forward to working with all of you.

As a final note, I would like to once again congratulate Congresswoman Collins on 10 years of service in the U.S. Congress, which is today.

Thank you.

[Whereupon, at 11:15 a.m., the hearing was adjourned.]

[The following statements were submitted for the record:]

NATIONAL ASSOCIATION OF BROADCASTERS
[illegible]

TOTAL BROADCAST STATIONS IN THE U.S. (ON AIR) = 10,134

COMMERCIAL AM - 4,630

COMMERCIAL FM - 3,346

EDUCATIONAL FM - 1,116

9,092 (TOTAL RADIO)

COMMERCIAL TV

VHF - 52[illegible]

UHF - [illegible]

EDUCATIONAL TV

VHF - 1[illegible]

UHF - 1[illegible]

[illegible] TOTAL TV

Statistics [illegible] Federal Communications Commission [illegible]

[illegible]

-- [illegible]

-- [illegible]

-- [illegible]

MINORITY-OWNED COMMERCIAL BROADCAST FACILITIES

(11/1/82)

TOTALS OF MINORITY-OWNED COMMERCIAL STATIONS

Black-owned stations in 1981-82

Television	11 ([illegible] VHF, [illegible] UHF)
Radio	125 (81 AM, [illegible] FM)
Total stations	136
Total Black owners	[illegible]

1980-81

Television	[illegible] (6 VHF, [illegible] UHF)
Radio	117 (76 AM, [illegible] FM)
Total Stations	[illegible]
Total Black owners	[illegible]

Hispanic-owned stations in 1981-82

Television	[illegible] VHF, [illegible] UHF)
Radio	[illegible] AM, [illegible] FM)
Total stations	[illegible]
Total Hispanic owners	[illegible]

[illegible]

Television	[illegible]
Radio	[illegible]
Total stations	[illegible]
Total [illegible]	[illegible]

MINORITY TOTALS 1981-82

Television	16
Radio	155
Total Stations	[illegible]
Total Minority Owners	11[illegible]

1980-81

Television	13
Radio	150
Total stations	163
Total Minority owners	1[illegible]6

CABLE TELEVISION/NON-COMMERCIAL BROADCASTING STATISTICS:

TOTAL MINORITY-OWNED CABLE FRANCHISES/SYSTEMS

Black-owned *

KBLE, Ohio
Columbus, Ohio

Telecable Broadcasting
East Cleveland, Ohio

Delta Development
Management Corporation
Mound Boyon, Mississippi

* There are twenty-four additional minority-owned cable franchises (16 Black and 11 Hispanic). However, those listed above are the only franchises currently in operation.

MINORITY-CONTROLLED NON-COMMERCIAL FACILITIES

Black Television	2
Black Radio	9
Hispanic Television	1
Hispanic Radio	8
Native American Television	1
Native American Radio	8
Asian/Pacific Island Television	[illegible]
Asian/Pacific Island Radio	3
Total	32

BLACK-OWNED BROADCAST FACILITIES

ALABAMA

Bob Carl Bailey, Pres.
Muscle Shoals Bd [illegible]
WZZA-AM
P.O. Box 2062
Muscle Shoals, AL 35660
205-381-1862

Bob Carl Bailey, Pres.
Muscle Shoals Bd stg.
WTQX-AM
P.O. Box 1307
Selma, AL 36701
205-87[illegible]-9062

George H. Clay, Pres.
All Channel TV Service
WBIL-AM
P.O. Box 666
Tuskegee, AL 36083
205-727-2100

George H. Clay, Pres.
New World Comm.
WBIL-FM
P.O. Box 666
Tuskegee, AL 36083
205-727-[illegible]

Howard Sanders, Pres.
WENN-AM
1523 5th Avenue [illegible]
Birmingham, AL 3[illegible]
205-32[illegible]-33[illegible]

Howard Sanders, Pres.
WENN-FM
1523 5th Avenue
Birmingham, AL 3[illegible]
205-32[illegible]-33[illegible]

Viola M. Garrett, Pres.
Garrett Bd [illegible]
WE[illegible]P-AM
[illegible]
[illegible]
[illegible]

ARKANSAS

[illegible]

John [illegible], Pres.
Quadra[illegible]
KDEW-FM
P.O. Box 326
Dewitt, AR 720[illegible]
501-946-1[illegible]

George Lewis, Pres.
Southwest Comm. Inc.
KYDL-AM
P.O. Box 5086
Pine Bluff, AR 71611
501-534-1523

CALIFORNIA

Willie Davis, Pres.
All Pro Bdcstg. Co.
KACE-FM
1710 East 111th St.
Los Angeles, CA 90059
213-564-7951

N. John Douglass, Pres.
National Group Television
KSTS-TV 48
2349 Bering Drive
San Jose, CA 95131
408-946-3500

Dr. Carlton Goodlett, Pres.
Frontier Comm., Inc.
KLIP-AM
P.O. Box 127
Fowler, CA 93625
209-834-3156/834-3000

Steveland Morris (Wonder)
President
TAXI Productions
KJLH-FM
3847 S. Crenshaw Blvd.
Los Angeles, CA 90008
[illegible]

[illegible] Peterson, Pres.
[illegible]
K[illegible]-AM
[illegible] Harford Ave. [illegible]
[illegible]
[illegible]

[illegible]

Pierre Sutton, Pres.
Inner City Bdcstg. Corp.
KRE-AM
601 Ashby Avenue
Berkeley, CA 94710
415-848-7713

Pierre Sutton, Pres.
Inner City Bdcstg. Corp.
KBLX-FM
601 Ashby Avenue
Berkeley, CA 94710
415-848-7713

Pierre Sutton, Pres.
Inner City Bdcstg. Corp.
KGFJ-AM
5900 Wilshire Blvd.
Ste. 33
Los Angeles, CA 90036
213-937-5900

Pierre Sutton, Pres.
Inner City Bdcstg. Corp.
KUTE-FM
5900 Wilshire Blvd.
Ste. 33
Los Angeles, CA 90036
213-937-5900

Ed Wright, Pres.
Wright Comm. Corp.
KNAC-FM
3[illegible] Pine Ave., Ste. 1100
[illegible]
[illegible]

[illegible]

[illegible] (Mac[illegible])
[illegible]Z-AM
West [illegible]
[illegible]lewood, [illegible]
[illegible]-761-[illegible]

[illegible]

[illegible]

Harold Lawson, Pres.
Lawson Bdcstg. Co.
WNAB-AM
Broadcast Center
Bridgeport, CT 06608
203-335-254[illegible]

DISTRICT OF COLUMBIA

James Queen
District [illegible]
WPST-AM
[illegible] V Street, N.W.
Washington, DC [illegible]
202-562-[illegible]

Dewey Hughes, Pres.
Almic Bdcstg. [illegible]
WOL-AM
680 Wisconsin Ave., N.W.
Washington, DC 2000[illegible]
202-338-5600

Robert Taylor, Gen. Mgr.
WHUR-FM
Howard University
2600 4th Street, N.W.
Washington, DC [illegible]
202-23[illegible]

Howard Sanders, Pres.
WYCB-AM
National Press [illegible]
202-737-[illegible]

[illegible]

Ragan Henry, Pres.
BENI
WPYV-FM
9090 Hogan Road
Jacksonville, FL 32216
904-642-1055

Art Gilliam, Pres.
Gilliam Comm.
WERD-AM
P.O. Box 2467
Jacksonville, FL 32203
904-389-1111

Rudolph McCleod, Pres.
Gulf South Comm. LTD.
WTMP-AM
P.O. Box 1101
Tampa, FL 33601
813-626-4108

GEORGIA

Dr. Robert Lee, Pres.
WOKS-AM
Box 1998
Columbus, GA 31902
404-323-3603

Dr. Robert Lee, Pres.
WFXE-FM
Box 1[illegible]
Columbus, GA [illegible]
404-3[illegible]-1766

[illegible]

ILLINOIS

John H. Johnson, Pres.
Johnson Publishing Co.
WJPC-AM
820 South Michigan Ave.
Chicago, IL 60605
312-322-9400/322-9200

Wesley South, Pres.
WSOL-AM
3350 South Kedzie Ave.
Chicago, IL 60623
312-247-6200

INDIANA

Anderson Schweich
Chicago Metro Assurance Co.
WLTH-AM
3669 Broadway Street
Gary, IN 46409
219-884-9409

Ragan Henry, Pres.
BENI
WTLC-FM
2126 N. Meridian Street
Indianapolis, IN 46206
317-923-1456

KANSAS

Dr. Marvin Wilson, Pres.
Shawnee Bdcstg. Inc.
KTPK-FM
910 First Nat'l Bank Tower
Topeka, KS 66603
913-234-2627

Charlie Pride, Pres.
[illegible]-Pride Bdcstg.
KFYN-AM
[illegible] Salina Avenue
Wichita, KS 67[illegible]

[illegible]

Henry Cotton, Pres.
North Delta Bdcstg., Inc.
KTRY-AM
P.O. Box 1075
Bastrop, LA 71220
318-281-[illegible]

Henry Cotton, Pres.
North Delta Bdcstg., Inc.
KTRY-FM
P.O. Box 1[illegible]
Bastrop, LA 71[illegible]
318-281-[illegible]

Thomas Lewis, Pres.
Inter-Urban Bdcstg.
WYLD-AM
2906 Tulane Avenue
New Orleans, LA 70119
504-82[illegible]

Thomas Lewis, Pres.
Inter-Urban Bdcstg.
WYLD-FM
2906 Tulane Avenue
New Orleans, LA 70119
504-82[illegible]

Ben Johnson, Pres.
Winnfield Life Bdcstg.
P.O. Box [illegible]
WXOK-AM
Baton Rouge, LA [illegible]
504-[illegible]

MAINE

Dr. Jasper Williams, [illegible]
Chairman
Seaway Comm.
WVII-TV
[illegible]
Bangor, [illegible]
[illegible]

MARYLAND

[illegible]

MASSACHUSETTS

Ken Nash, Pres.
Ken Nash Comm.
WILD-AM
390 Commonwealth Avenue
Boston, MA 02215
617-267-1900

MICHIGAN

Dr. William V. Banks, Pres.
WGPR, Inc.
WGPR-FM
3146 East Jefferson Street
Detroit, MI 48207
313-259-8862

Dr. William V. Banks, Pres.
WGPR, Inc.
WGPR-TV
3146 East Jefferson Street
Detroit, MI 48207
313-259-8862

Mrs. Mary Bell, Pres.
Bell Bdcstg. Corp.
WCHB-AM
32790 Henry Ruff Road
Inkster, MI 48141
313-278-1[illegible]

Mrs. Mary Bell, Pres.
Bell Bdcstg. Corp.
WJZZ-FM
[illegible] East Grand Blvd.
Detroit, MI 48207
313-[illegible]

[illegible], Pres.
WFWP-AM
P.O. Box 828
[illegible], MI [illegible]
[illegible]

[illegible], Pres.
Flint [illegible]
[illegible]
[illegible]
[illegible] Flint Street
[illegible], MI [illegible]
[illegible]

[illegible]

MISSISSIPPI

Vernon C. Floyd, Pres.
Circuit Bdcstg. Co.
WORV-AM
605 Cossie Avenue
Hattiesburg, MS 39401
601-5[illegible]-1951

Aaron Henry, Chair.
TV-3, Inc.
WLBT-TV
P.O. Box 1712
Jackson, MS 39205
601-948-3333

William Jackson, Pres.
Interchange Comm.
WESY-AM
P.O. Box 350
Greenville, MS 38701
601-378-9[illegible]

William Jackson, Pres.
Interchange Comm.
WBAD-FM
P.O. Box 4426
Greenville, MS 38701
601-335-9265

MISSOURI

Andrew Carter, Pres.
KPRS Bdcstg. Corp.
KPRT-AM
3 Crown Center, Ste. 118
Kansas City, MO 64108
816-471-2[illegible]

Andrew Carter, Pres.
KPRS Bdcstg. Corp.
KPRS-FM
3 Crown Center, Ste. 118
Kansas City, MO 64108
816-471-2[illegible]

Johnny Roland, Pres.
[illegible]
[illegible]-AM
P.O. Box [illegible]
St. Charles, MO 6330[illegible]
314-[illegible]

[illegible]

Eugene Jackson, Pres.
Unity Bdcstg. Corp.
WZEN-FM
1139 Olive Street
St. Louis, MO 63101
314-241-5100

NEW JERSEY

James N. Wade, Pres.
Wade Bdcstg., Inc.
WSSJ-AM
1315 Walnut Street
Ste. 716-20
Philadelphia, PA 19107
215-732-5300
609-365-5600

Larry Hayes, Pres.
Atlantic Business
Community Dev. Corp.
WUSS-AM
1500 Absecon Avenue
At[illegible]ic City, NJ [illegible]
[illegible]

[illegible]

[illegible]

[illegible]
[illegible]
WNJR-AM
1700 Union Avenue
Union, NJ [illegible]
201-688-5000/8,6-011[illegible]

NEW YORK

Eugene Jackson, Pres.
Unity Bdcstg. Corp.
WWRL-AM
41-30 [illegible] Street
Woodside, NY [illegible]
21[illegible]

Ragan Henry, Pres.
BENI
WHEC-TV
191 East Avenue
Rochester, NY [illegible]
716-[illegible]-567

Andrew [illegible]
Monroe County [illegible]
WDFA-FM
1[illegible] East Main [illegible]
Rochester, NY [illegible]
[illegible]

Ron Davenport, Pres.
Sheridan Bdcstg. Corp.
WUFO-AM
89 LaSalle Avenue
Buffalo, NY 14214
716-834-1080

Pierre Sutton, Pres.
Inner City Bdcstg. Corp.
WLIB-AM
801 2nd Avenue
New York, NY 10017
212-661-334.

Pierre Sutton, Pres.
Inner City Bdcstg. Corp.
WBLS-FM
801 2nd Avenue
New York, NY 10017
212-661-3345

Norman F. Pinkard, Chair.
PAL Bdcstg. of Johnstown,
NY, Inc.
WMYL-AM
P.O. Box 307
Johnstown, NY 12095
518-762-5631

Norman F. Pinkard, Chair.
PaL Bdcstg. of Johnstown,
NY, Inc.
WIZR-FM
Johnstown, NY 12095
518-762-5631

NORTH CAROLINA

Ralph Coleman, Pres.
WARR, Inc.
WARR-AM
P.O. Box [illegible]
Warrenton, NC 27589
919-257-[illegible]

[illegible]

[illegible]

S.N. Lennon, Pres.
Ebony Enterprises, Inc.
WVOE-AM
P.O. Box 328
Chadburn, NC 28431
919-654-5621

Charles O. Johnson, Pres.
Radio Station Weed, Inc.
WRSU-FM
P.O. Box 2666
Rocky Mount, NC 27801
919-442-9776

OHIO

Ragan Henry, Pres.
BENI
WCIN-AM
106 Glenwood Avenue
Cincinnati, OH 45217
513-281-7180

Ragan Henry, Pres.
BENI
WBLZ-AM
Ste. First Nat'l Bank Bldg.
3rd & High Sts
Hamilton, OH 45011
513-863-3600

LaRue Turner, Pres.
WELX-AM
P.O. Box 219
Xenia, OH 45385
513-372-[illegible]

OKLAHOMA

Jimmy Miller, Pres.
All American [illegible]
KALT-FM
P.O. Box 11[illegible]
Oklahoma City, OK 73136
[illegible]

PENNSYLVANIA

[illegible]

Ron Davenport, Pres.
Sheridan Bdcstg. Corp.
WAMO-FM
1811 Blvd. of the Allies
Pittsburgh, PA 15249
412-971-2181

James Drayton, Pres.
Phyldel Comm. Corp.
WVAM-AM
2727 Albert Dr.
Altoona, PA 16602
814-944-9456

James Drayton, Pres.
Phyldel Comm. Corp.
WVAM-FM
2727 Albert Dr.
Altoona, PA 16602
814-944-9456

Dr. Samuel Hart, Pres.
Hart Bdcstg. Co, Inc.
WYIS-AM
400 Main Street
Phoenixville, PA 19460
215-933-3819

Noble Blackwell, Pres.
Lifestyle Productions
WCDL-AM
Salem Road
Carbondale, PA 18407
717-282-2770

Noble Blackwell, Pres.
Lifestyle Productions
WCDL-FM
Salem Road
Carbondale, PA 18407
717-282-2770

Ragan Henry, Pres.
RENI
WJAS-AM
Broadcast Place
Crane Ave.
Pittsburgh, PA [illegible]
412-531-[illegible]

RHODE ISLAND

[illegible]

SOUTH CAROLINA

I.S. Levy Johnson, Pres.
Nuance Corporation
WOIC-AM
P.O. Box 565
Columbia, SC 29202
803-791-1820

I.S. Levy Johnson, Pres.
Nuance Corporation
WTNF-FM
P.O. Box 753
Moncks Corner, SC 29202
803-7111

Mary Forbes, Chair.
Trident Comm.
WQIZ-AM
P.O. Box 903-904
St. George, SC 29202
803-563-4533

Mary Forbes, Chair.
Trident Comm.
WDWQ-FM
P.O. Box 903-904
St. George, SC 29202
803-563-4533

William & Vivian Galloway
WSIB-AM
1210 Boundary Street
Bufort, SC 29902
803-524-4700

TENNESSEE

Samuel Howard, Pres.
WMAK-FM
Box 23850
Hendersonville, TN 37202
615-256-6556

Samuel Howard, Pres.
Phoenix of Nashville
WVOL-AM
P.O. Box [illegible]
[illegible]
Nashville, TN 37[illegible]
615-[illegible]

[illegible]

Dr. Thomas Crawford, Pres.
Broadcast media of Knoxville
WBMX-AM
P.O. Box 6920
Knoxville, TN 37914
615-525-7771

TEXAS

Willie Davis, Pres.
All Pro Bdcstg. Corp.
KYOK-AM
3001 La Branch
Houston, TX 77004
713-526-7131

Dr. John B. Coleman, Pres.
KCOH, Inc.
KCOH-AM
5011 Almeda Street
Houston, TX 77004
713-522-1001

Earl G. Graves, Pres.
EGG Dallas Bdcstg. Inc.
KSAX-AM
3601 Kimbo Street
Fort Worth, TX 76111
817-429-8421

Earl G. Graves, Pres.
EGG Dallas Bdcstg. Inc.
KNOK-FM
3601 Kimbo Street
Fort Worth, TX 76111
817-429-8421

Dr. Robert Lee, Pres.
PRIMA, Inc.
KLBK-TV
7400 S. University Ave.
Lubbock, TX 79408
806-745-2345

Dr. Robert Lee, Pres.
PRIMA, Inc.
KTAS-TV
P.O. Box [illegible]
Abilene, TX 79[illegible]
[illegible]

VIRGINIA

[illegible], Pres.
[illegible]

- 12 -

Tyrone Dickerson, Pres.
Drum Comm.
WENZ-AM
4719 Nine Mile Road
Richmond, VA 23901
804-392-811[illegible]

Dr. Charles Cummings, Pr[illegible]
WKIE-AM
6001 Wilkinson Road
Richmond, VA 23227
804-264-1540

Levi Willis, Sr., Pres.
Willis Bdcstg.
WPCE-AM
1010 Park Ave.
Norfolk, VA 23227
804-622-4600

Levi Willis, Sr., Pres.
Willis Bdcstg.
WOWI-FM
1010 Park Ave.
Norfolk, VA 23227
804-622-4600

Levi Willis, Sr., Pres.
Willis Bdcstg.
WGOE-AM
3122 W. Cary Street
Richmond, VA 23221
804-355-179[illegible]

Cicero M. Green, Jr.
President
North Carolina Mutual
Comm.
WBMG-AM
P.O. Box 156
Williamsburg, VA 23185
804-229-[illegible]

Cicero M. Green, Jr.
President
North Carolina Mutual
Comm.
WBCI-FM
P.O. Box 156
Williamsburg, VA [illegible]
804-[illegible]

WASHINGTON

Patr[illegible], Pres.
[illegible]
[illegible]
[illegible]
[illegible]

Willie Davis, Pres.
All Pro Bdcstg. Co.
KQIN-AM
148-B S.W. 153rd
Seattle, WA 98166
206-355-1144

Lloyd Edwards, Pres.
North Star Bdcstg.
KFOX-AM
1305 3rd Avenue
Seattle, WA 98101
206-624-9650

WISCONSIN

Willie Davis, Pres.
All Pro Bdcstg. Co.
WAWA-AM
12800 W. Bluemond Rd.
Elmgrove, WI 53122
414-786-1590

Willie Davis, Pres.
All Pro Bdcstg. Co.
WLUM-FM
12800 Bluemond Rd.
Elmgrove, WI 53122
414-786-1590

Jerrel W. Jones, Pres.
Courier Communications
WNOV-AM
3815 North Teutonia Ave.
Milwaukee, WI 53206
414-449-9668

Dr. Jasper Williams, Sr.
Chairman
[illegible]way Comm.
W[illegible]O-TV
Box 858
[illegible] Oneida Ave.
Rhinelander, WI [illegible]
[illegible]

ADDITIONS

[illegible] Russell, [illegible]
Russell Rowe Comm.
W[illegible]-TV
P.O. Box [illegible]
[illegible], GA [illegible]
[illegible]

PROPOSED

John Johnson, Pres.
Johnson Publishing Co.
WLOU-AM
2549 S. Third Street
Louisville, KY 40208
502-636-3535

Joe Jones, Pres.
WHCT-TV
555 Asylum Street
Hartford, CT 06105
203-525-2611

HISPANIC-OWNED BROADCAST FACILITIES

ARIZONA

Jose Molina
Continental Bdcstg. Corp.
KPHX-AM
197[illegible] S. Central Avenue
Phoenix, AZ 8[illegible]
602-[illegible]

CALIFORNIA

Alberto Rodriquez
Radio Fiesta, Corp.
KAZA-AM
P.O. Box 1290
San Jose, CA 9[illegible]
408-[illegible]-1290

Guadalupe Assoc.
KNEZ-AM
322 N. H Street
Lompoc, CA 93436
805-736-3[illegible]

KBSA-TV
18[illegible] Skypark South
Suite D
Irvine, CA 927[illegible]
714-641-[illegible]

De Oro Bdcstg. [illegible]
KZON-AM
P.O. Box 1116
Santa Maria, CA 9[illegible]
805-922-712[illegible]

KNSE-AM
Box 5000
Ontario, CA 91761
71[illegible]-981-889[illegible]

Eugenio Mijares
Bilingual Bdcstg.
[illegible]
[illegible]
P.O. Box [illegible]
Santa [illegible]
[illegible]

COLORADO

[illegible]

CONNECTICUT

Jose Grimalt
President
WLVH, Inc.
WLVH-FM
7[illegible] Main Street
Hartford, CT 06103
203-[illegible]-117[illegible]
203-33[illegible]

FLORIDA

Percy Lopez-Capestar
President
Minority Bdcstg., Inc.
WOCN-AM
P.O. Box [illegible]
Miami, FL 331[illegible]
305-371-14[illegible]

Salvador Lew
President & Gen. Mgr.
Radiocentro Bdcstg. Co.
WRHC-AM
2260 SW 8th Street
Miami, FL 33135
305-541-3300

ILLINOIS

James M. Benigos
President
WMPP-AM
1000 Lincoln Hwy.
East Chicago Hts., IL 60411
312-758-1500

NEW MEXICO

Jose Molina
President
KXKS-AM
5000 Marble NE
Albuquerque, NM 871[illegible]
505-2[illegible]

[illegible]
President
Albuquerque [illegible]
KABQ-AM
P.O. Box [illegible]
[illegible]
Albuquerque, NM [illegible]
[illegible]

[illegible]
[illegible]
KBIM-AM
P.O. Box [illegible]
Roswell, NM [illegible]
505-[illegible]

NEW YORK

[illegible]
Chairman
[illegible] Bdcstg. Assoc.
[illegible]
666 3rd Avenue
New York, N.Y. 10017
212-[illegible]-2701

TEXAS

Manuel Davila
KCCT, Inc.
KCCT-AM
701 Benys Street
Corpus Christi, TX 78405
512-289-0[illegible]

Marcus Rodriquez
President
Latino American
Bdcstg. Co.
KESS-FM
661 Seminary Drive
Fort Worth, TX 7611[illegible]
817-429-1[illegible]

Pedro Diaz
President
Magic Valley Bdcstg.,
Inc.
KIWW-FM
302 W. Adams
Harlingen, TX 78550
512-423-3211

Marcus Rodriquez
President
Spanish Bdcstg. Corp.
KLAT-AM
[illegible]
Houston, TX [illegible]
713-[illegible]

[illegible]

Edward Gomez
President
KQXX-FM
608 S. 10oth Street
McAllen, TX 78501
512-686-2111

Edward Gomez
President
Rio Bdcstg. Co.
KIRT-AM
6055 10th Street
McAllen, TX 78501
512-686-2111

Permian Basin
Television Corp.
KWAB-TV
P.O. Box 6699
Midland, TX 79701
915-563-4210

Permian Basin
Television Corp.
KIPX-TV
P.O. Box 6699
Midland, TX 79701
915-563-4210

Felix H. Morales
President
KFHM, Inc.
KLVL-AM
[illegible] North North [illegible]
Houston, TX 77002
713-[illegible]

Felix H. Morales
President
KFHM, Inc.
KFHM-AM
267 S. [illegible]
San Antonio, TX [illegible]
512-[illegible]

Manuel [illegible]
President
[illegible]
KEDA-AM
[illegible] Street
San Antonio, TX [illegible]
512-[illegible]

[illegible]

Del Sol Broadcasting
KVEO-TV
394 N. Expressway
Brownsville, TX 78520
512-[illegible]-2323

ADDITIONS

Marcelino Miyares, Pres.
WBBS-TV
5525 North Broadway
Chicago, IL 60640
312-271-7171

26-674 O—83——11

COMMERCIAL BROADCAST FACILITIES:

AMERICAN INDIAN-OWNED

ASIAN AMERICAN-OWNED

American Indian-Owned

Don H. McLeland, Pres.
Oklahoma Communications, Inc.
WNAD-AM
4000 W. Indian Hills Road
Norman, OK 73069
405-329-0640

Lorraine B. Benkelman, Coml. Manager
Tuscola Broadcasting Co.
WKYO-AM
101 N. State Street
Caro, MI 48723
517-673-2136

Lorraine B. Benkelman, Coml. Manager
Tuscola Broadcasting Co.
WIDL-FM
101 N. State Street
Caro, MI 48723
517-673-2136

Asian-American-Owned

Henry Silver, Pres.
WHAV Broadcasting Co., Inc.
WHAV-Am
30 How Street
Haverhill, MA 01830

Henry Silver, Pres.
WHAV Broadcasting Co., Inc.
WHAV-Fm
30 How Street
Haverhill, MA 01830

BROADCAST/CABLE EMPLOYMENT

TOTAL BROADCASTING EMPLOYMENT

FULL-TIME [illegible]81
BROADCASTING EMPLOYMENT
TRENDS BY JOB CATEGORIES

	TOTAL EMPLOYMENT	TOTAL MINORITIES	TOTAL WOMEN
Official & Managers	32,171	2,954 (9.2%)	8,585 (26.7%)
Professionals	48,193	6,720 (13.9%)	13,134 (27.3%)
Technicians	28,551	4,874 (17.1%)	3,074 (10.8%)
Sales Workers	18,262	1,608 (8.8%)	6,854 (37.5%)
Office/Clerical	23,413	5,819 (24.9%)	20,748 (88.6%)
Craftsmen	1,861	340 (18.3%)	228 (12.3%)
Operatives	871	237 (27.2%)	93 (10.7%)
Laborers	260	117 (45.0%)	33 (12.7%)
Service	1,163	713 (61.3%)	214 (18.4%)
Total	154,745	23,382 (15.1%)	52,963 (34.2%)

Minority Groups:
(M & F)

	Number of Employees	% of Total
Black	13,857	9.0%
Hispanic	7,058	4.5%
Native American	835	0.5%
Asian	1,632	1.0%
*Total of 154,745	23,382	15.1%

FULL-TIME 1981

BROADCASTING HEADQUARTERS EMPLOYMENT

TRENDS BY JOB CATEGORIES

	TOTAL EMPLOYMENT	TOTAL MINORITIES	TOTAL WOMEN
Officials & Managers	4,368	399 (9.1%)	1,112 (25.5%)
Professionals	4,735	589 (12.4%)	1,689 (35.7%)
Technicians	4,618	760 (16.5%)	440 (9.5%)
Sales Workers	295	39 (13.2%)	75 (25.4%)
Office/Clerical	4,975	1,394 (28.0%)	3,939 (79.2%)
Craftsmen	830	148 (17.8%)	47 (5.7%)
Operatives	220	38 (17.3%)	13 (5.9%)
Laborers	32	13 (40.6%)	3 (9.4%)
Service	248	117 (47.2%)	34 (13.7%)
Total	20,321	3,497 (17.2%)	7,352 (36.2%)

CATEGORY EXAMPLES:

* Officials & Managers: Station Manager, General Manager, Sales Manager
* Professionals: News Writer, Reporters, Announcers
* Technicians: Engineers
* Sales Workers: Account Executives
* Office/Clerical: Secretaries, Administrative Assistants
* Craftsmen: Building Trades, Foremen
* Operatives: Carpenters, Attendants
* Laborers: Gardeners, Car Washers
* Service: Cleaners, Charwomen, Cooks

	[illegible] EMPLOYEES	[illegible]	[illegible]
Officials & Managers	[illegible]	[illegible]	[illegible]
Professionals	[illegible]	[illegible]	[illegible]
Technicians	[illegible]	[illegible]	[illegible]
Sales Workers	[illegible]	[illegible]	[illegible]
Office/Clerical	[illegible]	[illegible]	[illegible]
Craftsmen	[illegible]	[illegible]	[illegible]
Operatives	[illegible]	[illegible]	[illegible]
Laborers	[illegible]	[illegible]	[illegible]
Service	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]

* Officials & Managers [illegible] Manager

* Professionals [illegible]

STATEMENT BY WILBERT C. BLAKE,
PRESIDENT OF CAREERWORKS, INC.
FOR THE RECORD IN SUPPORT OF THE
[illegible] COMMUNICATION [illegible]

[illegible]

[illegible] testimony to the [illegible] they review [illegible]

[illegible]

[illegible]

[illegible] company operating in the urban employment and training field. [illegible] interested in commenting on [illegible] participation [illegible] employees, [illegible] that unskilled, unemployed urban minorities are the [illegible] employment. The comment that we hope to make [illegible] employment opportunities, regardless of who owns the [illegible] would [illegible]

Similar to teen-agers, the minority unemployment problem is one of increasing concern both for states and the nation. To date, substantial federal job efforts have had limited impact on reducing the numbers of minorities out of work. Although at times the figure [illegible] somewhat, they remain consistently high. There are many well-documented barriers to employment of minorities. The major ones include discrimination, and lack of education, skills or transportation.

[illegible] while [illegible] however [illegible] almost [illegible]

RECOMMENDATION

[illegible] suggested [illegible] consideration [illegible], with the Minority Telecommunications Development [illegible] recommendation

[illegible] the Minority Telecommunications Development Act [illegible]

[illegible] telecommunications [illegible]

[illegible]

And

[illegible]

[illegible] Development [illegible] the Minority Telecommu[illegible]

[illegible]

APPENDIX

[illegible]

[illegible] in Detroit [illegible] employment and [illegible] residents and taxpayers of the City of Detroit. Since that time, curriculum for related [illegible] in the Cable TV Industry has been developed and State of Michigan [illegible] licensing has been obtained.

Following the appointment of the Detroit Cable Communications Commission, an encouraging response was received regarding the [illegible] Now, with the selection of a Cable [illegible] and the installation schedule set, the time is appropriate to again focus energies on a centralized employment and training effort in the City of Detroit for Cable Television.

The following [illegible] suggests that [illegible] expand its current intermediary role with the City of Detroit Employment and Training Department and combine it with the organization's emerging capacity for Cable TV training for the benefit of all concerned. Specifically, those who benefit will be unemployed Detroit residents who can become employed and self-employed in this exciting new field, as well as Detroit taxpayers who are expecting the best possible service from the Cable TV personnel who [illegible] and maintain the cable system.

[illegible] selection [illegible] for Detroit residents. Total involvement of the City's Employment and Training Department is envisioned as the primary referral source. In this way employment in the Detroit Cable TV Industry will reflect the demographic needs and make-up of its citizens.

[illegible] UNEMPLOYMENT

[illegible] economy [illegible] extremely ill. In terms of total numbers [illegible] Detroit suffers the worst statistical and [illegible] in the State of Michigan. It is predicted [illegible] automobile industry will [illegible] former employment level, even if sales [illegible] previous [illegible].

[illegible] State address, Governor Blanchard suggested [illegible] economic illness. State and local government and volunteer organizations continue to look [illegible] to the sick economy generally, and [illegible] high [illegible] technology will not become [illegible] industry and, worse yet, it will not absorb [illegible] skilled [illegible] unemployed in Detroit.

[illegible] for the City of Detroit [illegible] thousands of jobs for several years [illegible] Moreover, this industry will [illegible] new [illegible] That industry is the [illegible] However, if the cable communication [illegible] to the problem of [illegible] immediately.

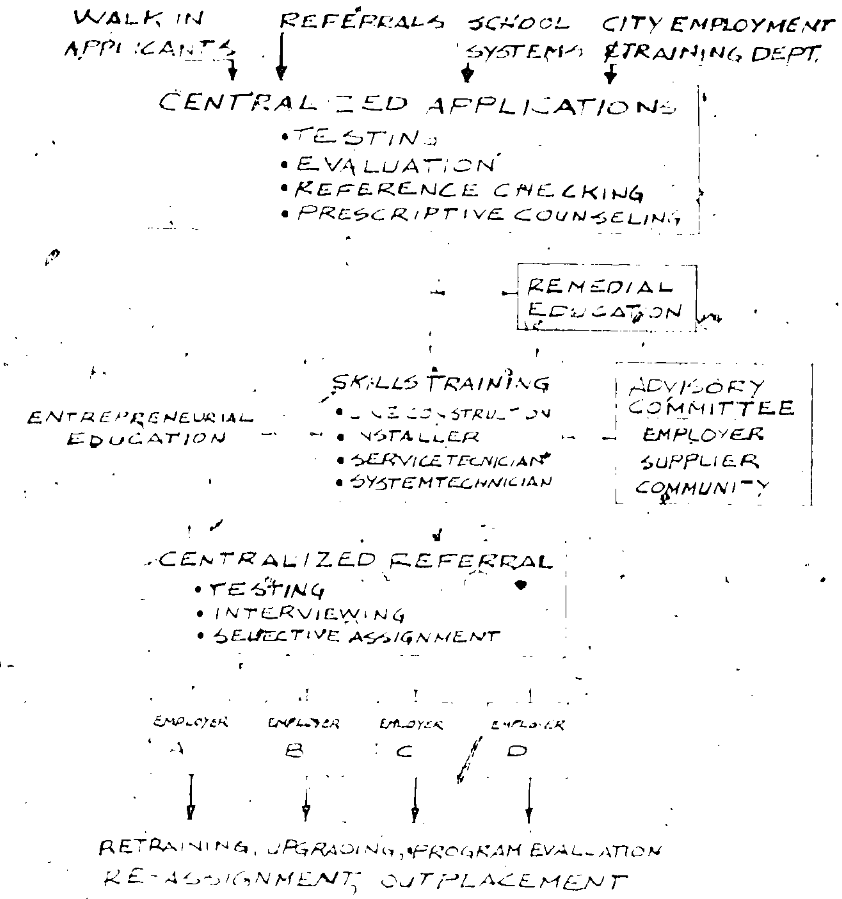
[illegible] 1984 [illegible] Division [illegible] within the City of Detroit limits will be in full swing.

Conservative estimates are that at least three thousand worker will be hired or slated for hire by that time. These predicted hires represent a tremendous opportunity for the City. Detroit has the opportunity to make [illegible] taxpayers and currently unemployed residents into future taxpayers by training them in the skills necessary to contract, install and maintain the Cable System. Can the City of Detroit afford not to retrain its residents and encourage companies to exceed their local content hiring [illegible]?

[illegible] further [illegible] designed.

CITY OF DETROIT

CABLE COMMUNICATION INSTITUTE



PROPOSED: A CITY OF DETROIT CABLE COMMUNICATIONS INSTITUTE

CareerWorks, Inc. proposes to install and operate an exciting multi-phased Institute to serve the City's emerging Cable Communications Industry and thus, the residents of the City of Detroit. The chart on the preceding page depicts the major components of the entire Institute system, as well as the flow an applicant might experience. The following briefly highlights these components.

. Centralized Applications

A centralized "first stop" will be maintained to assure uniform professional treatment of all applicants. Referrals from employers and current students will be received. Linkages with public and private school systems will be established for referrals. Walk-in applicants also will be processed. Periodically, selective outreach and recruitment will be instituted when deemed necessary.

In terms of serving the unemployed, the most important referral relationship will be with the City of Detroit Employment and Training Department.

This centralized effort will utilize the latest in testing and assessment methods. Records will be maintained and evaluation will be expedited through the use of computer managed systems. The end result will be accurate, rapid prescriptive training and referral recommendations.

. Remedial Education

A self-paced remedial learning center will be installed. The learning objectives will range from a brief refresher to a substantial re-development of math and reading skills. Regular interim testing will be administered to assure that the most cost-effective remedial efforts are being applied.

. Skills Training

CareerWorks currently delivers a program for Cable Television Installer. Other Skills Training Programs are under development for Line Construction, Service Technician, and Warehouse Coordinator. Plans are now under way to design a program for System Technicians. All will be thoroughly developed by CareerWorks, inc and will be delivered in an interesting multi-media learning format. As with other CareerWorks programs, "hands-on" training applications will be emphasized.

For display purposes, a general course description and course objective are provided for the Cable Television Installer. This is a 180 hour, 6 week curriculum:

Course Description:

The CareerWorks, inc Cable Television training program is designed to prepare students for entry level positions in the Cable Television Industry. This program recognizes the substantial amount of construction and installation activity that will occur in the immediate metropolitan area and will provide the classroom and laboratory "hands-on" training necessary to develop a pool of skilled technicians that the cable companies can draw.

This course familiarizes students with the whole cable plant so they may choose and specialize in one of the job classifications practiced.

On a daily basis, this course will provide related lecture information plus an opportunity to manipulate and operate the particular tool or piece of equipment that is currently in use in the industry.

This course will allow the student to function in the laboratory, which shall consist of a mini cable system, in a similar manner to that of an operating system, construction, and/or installation contract.

The course will cover reading cable strand maps, installing strand, cables, electronics, home drops, utility poles, test meters and in each area the student will be required to practice, manipulate and perform these tasks.

Course Objectives:

Upon completion of this course, the students will be able to:

1. Climb a 21 feet utility pole.
2. Frame a utility pole for strand.
3. Install an anchor for guys.
4. Know all of the clearances from power, bell transformers and foreign cables on the poles.
5. Read a strand map.
6. Know all of the symbols for strand, cable, electronics and utility poles used by the National Cable Television Assoc.
7. Know the safety regulations for installing cable.
8. Install a single family drop.
9. Prepare a Pole Re-arrangement Sheet.
10. Set up trailer and pull out strand run.
11. Set up trailer and pull out coaxial cable run.
12. Use all of the hand tools for lineman and installers
13. Install an extension arm.
14. Splice in a multi tap, line extender and amplifier.
15. Recognize the various types of cable.
16. Swap the lasher.
17. Make a flat bottom expansion loop.
18. Use corner blocks.
19. Recognize various types of connectors.
20. Use the extension ladder.
21. Test cable for signal levels.
22. Calculate cable attenuation.
23. Be able to read and perform duties on a work order.
24. Be able to communicate intelligently and effectively with customers.
25. Be able to present themselves in a workman like manner and carry out their respective work assignments in a professional like way.

PARTNERSHIPS - COLLABORATION, THE KEY

The City of Detroit Cable Communications Institute will only realize its full potential of service to Detroit residents if all the major partners work together cooperatively and constructively. Mention has already been made of the planned Advisory Committee and the all important role it would play. Specific energy has been applied to acquire participation of four very important groups:

. Community Endorsement

Endorsement is being sought from important community groups that serve the City of Detroit. The endorsement of the concept is essential. Participation is sought throughout the development, installation, and operation of the Institute.

. Operator Involvement

CareerWorks, Inc has already been in contact with the three finalists in the bidding and award process for the City of Detroit Cable Communication System.

To their credit, Barden Communications, City Communications, Inc and Detroit Inter-Unity Bell have all expressed their support of the basic concept of the Communications Institute and are committed to having it help relieve some of the unemployment woes of the City of Detroit.

. Employer Commitment

It is obvious from the flow chart, which depicts all of the activities of the Communications Institute, that commitment from employers will make it work. The commitment of these cable system sub-contractors will have to be active, not passive. The Communications Institute is committed to an employer-serving system built on the foundation of employer-specific training. Consequently, job entry criteria, as well as specific task analysis, will be required.

Specific letters of commitment for full endorsement and active participation are being sought from these system subcontractors-the eventual employers of Institute graduates.

. Supplier Cooperation

Suppliers to the [illegible] Cable Industry [illegible] the key to the [illegible] technology [illegible]. In all of its pursuits, CareerWorks, Inc has been committed to state of the art training on industry-specific materials and equipment. The fact that CareerWorks, Inc implements training that places strong emphasis on hands-on training makes supplier cooperation even more necessary.

Individual supplier-by-supplier contact is planned prior to the launch of the Communications Institute.

. Entrepreneurial Education

The Cable Communications Industry lends itself to opportunities for independent contractors. Whether in Systems Marketing, Installation or Maintenance, Cable companies are willing to deal with independent contractors. Individuals, on the other hand, find this field ideal to start a business because of low initial capital requirements and relatively simple business planning. Moreover, the "American Dream" of owning one's own business cannot be denied.

CareerWorks, inc is prepared to include a one week, five session curriculum as part of the Institute. This option will include resource analysis, financing, business planning, tax considerations, marketing strategies, and self-diagnosis.

. Advisory Committe

CareerWorks, inc realizes that every cable system is new and unique. The specific instructional applications do not readily transfer from one system to another. Consequently, an Advisory Committee will be formed to assure that the specific details are being correctly introduced by the City of Detroit Cable Communications Institute. Employers will be involved on this committee to assure that employers are committed to the program and that the training is revelant to the needs of the local cable industry. Suppliers will be invited to introduce what is coming "on line", to speak to the state of art and applicable equipment. Finally, community representatives will sit on the Committee to assure that the entire Institute is responsive to City of Detroit resident needs.

. Centralized Referral

Job orders from employers will be received centrally. Job referrals will be made after a job requirements are carefully matched to individual qualifications. Additional testing, interviewing and reference checking will be done as a service to employers.

Both employees and independent contractors will be referred through this Centralized Referral System. Employers will maintain the right of final selection.

. On the Job Coaching

CareerWorks has developed extensive experience with on the job training programs. To assure that new hires assimilate to their new work assignments, as well as to continually evaluate the program's applicability to the job. CareerWorks will maintain an on the job counseling effort.

. Retraining & Upgrading

The entire City of Detroit Cable Communications Institute is regenerative in that it has the capacity to constantly evaluate its effectiveness, the employer's needs, and the supplier's technology. The result of this ongoing evaluation is that employers from the early stages of installation can be retrained and upgraded for ongoing Cable system development and maintenance.

COSTS

This concept for a City of Detroit Cable Communications Institute is being written so that it can encourage a joint funding process.

CareerWorks, inc recognizes that an effort of this magnitude is frequently stalled because one single benefactor cannot be readily found. CareerWorks, inc is certainly willing to contribute its developed Cable TV curriculum and related experience. Moreover, its expertise in designing, launching, and administering the system described will be done at cost.

It is expected that the State of Michigan Bureau of Employment and Training and the City of Detroit Employment and Training Department will recognize their obligation as related to training and services.

The National Programs division of the U.S. Department of Labor should play a role - especially since this project represents a model that can be replicated across the country. Similarily, the Departments of Commerce or local foundations should be interested in the entrepreneurship program to be offered by the Institute.

CareerWorks, inc stands ready to go anywhere at anytime to explain this concept, discuss the need and promote the eventual effort. Please contact us for further discussions.

PEOPLE UNITED TO SAVE HUMANITY

TEXT OF REMARKS FOR TESTIMONY ON TELECOMMUNICATIONS LEGISLATION PROPOSED BY CONGRESSWOMAN CARDISS COLLINS (7th D. ILL.)

AT A HEARING SCHEDULED JUNE 6, 1983 IN CHICAGO, ILLINOIS TODAY, WE THANK CONG. COLLINS FOR EXTENDING AN INVITATION TO OPERATION PUSH TO TESTIFY AT THIS HEARING. WE WISH TO COMMEND HER FOR THE FORESIGHT AND PERCEPTIVENESS THAT THIS INITIATIVE REPRESENTS.

IT WAS TOM PAINE AND AESCHUYLUS WHO RECOGNIZED THAT CONTROL OF THE COMMUNICATIONS NETWORKS OF THE NATION, CONSTITUTED CONTROL OF THE NATION ITSELF. TODAY, TELECOMMUNICATIONS NETWORKS AND INSTRUMENTS OF BROADCASTING REPRESENT FAR MORE THAN WAS EVER CONCEIVED BY PAINE, OR EVEN THE MOST SOPHISTICATED OF OUR FOUNDING FATHERS. ITS PENETRATION IS FAR GREATER THAN THE WILDEST DEVICES OF THE IMAGINATION RECORDED BY THE CHALDEANS OF OLD, OR THE BIBLICAL PROPHET EZEKIEL.

THE IMAGINATION HAS BEEN RECASE AND COMPLETELY REORIENTED - SOME HAVE VENTURED TO SAY EVEN DISORIENTED BY CONTEMPORARY ELECTRONIC MEDIA. WE ARE EONS, INDEED WORLDS AWAY FROM ANYTHING THAT GEORGE ORWELL EVER CONCONCTED--- SOME MONTHS BEFORE THE ACTUAL 1984. IF A DEMOCRACY IS TO BE EFFECTIVE, HOWEVER, THOSE WHO HAVE AGREED BY AN INTERNAL COMPACT TO BE CONSENTING CONSTITUENTS IN A COMMONWEALTH, MUST FEEL THAT THEY HAVE A STAKE IN WHAT TAKES PLACE WITHIN THAT COMMONWEALTH. THE CHANNELS OF MASS COMMUNICATION, PARTICULARLY PRINT AND ELECTRONIC MEDIA, MUST BE SEEN AS SPEAKING RELEVANTLY TO AND FOR THE NEEDS OF ALL ELEMENTS OF THE POPULATION.

EXPERIENCE HAS TAUGHT US IN PAINFUL AND TORTUROUS WAYS THAT THIS WILL NOT BE THE CASE UNLESS ETHNIC CLAIMANTS WITHIN SOCIETY POSSESS THEIR OWN MEDIA, TO WHICH THEY CAN TURN TO BE INFORMED ABOUT EVENTS WITHIN THEIR COMMUNITY.

THAT IS, PUBLIC INFORMATION IS PUBLIC FORMATION AND TO THAT EXTENT DEMANDS THAT THE INTERPRETATION OF EVENTS IS SENSITIVE TO THE NEEDS, EXPERIENCES AND REALITIES WHICH FACE A RACIALLY OPPRESSED MINORITY.

BLACK AMERICANS ARE 12% OF THIS NATION'S POPULATION. WHEN OTHER ETHNIC MINORITIES ARE ADDED, THE MINORITY COMPONENT IN THIS NATION IS AT LEAST 17% OF THE TOTAL. THIS YEAR BLACK AMERICANS WILL SPEND AT LEAST $153.6 BILLION, OR OVER $400 M PER DAY IN THE ECONOMY OF THIS NATION. THE COMBINED MONETARY OUTPUT OF BLACK AND HISPANIC PEOPLES IN THIS NATION IS A QUARTER OF A TRILLION DOLLARS. BY 1985, BLACK AMERICANS ALONE WILL BRING $250 BILLION INTO THIS ECONOMY AND AUGMENTED BY THEIR HISPANIC COMPATRIOTS WILL CONTRIBUTE NEARLY A HALF TRILLION DOLLARS TO THE NATION'S WEALTH.

WE PURCHASE PRODUCTS IN THIS ECONOMY. INDEED, AS BLACK AND HISPANIC PEOPLES ARE A YOUNGER POPULATION BY AT LEAST SEVEN YEARS (10 TO 12 WHEN SOME HISPANIC GROUPS ARE STUDIED) THERE ARE PROPORTIONATELY MORE OF US SHOPPING THAN IS TRUE OF WHITE AMERICA. YET, YOU WOULD NEVER KNOW THIS WHEN OBSERVING THE SPONSORSHIP OF NUMEROUS PROGRAMS --- CHARLIE'S ANGELS, COLUMBO, CHIPS, ALL MY CHILDREN, DALLAS, KNOTTS LANDING, YOU NAME IT -- LILY WHITE TELEVISION WITH AN OCCASIONAL TOKEN BLACK GUEST STAR OR ENTERTAINER. ONLY THIS PAST WEEK, THE TELEVISION INDUSTRY WAS TAKEN TO TASK BY SUCH REPUTABLE HIGH POWER BLACK STARS AS SYDNEY POITIER AND HARRY BELAFONTE.

WHO WILL TELL BLACK AMERICA'S STORY? NOT DISTORT IT WITH IDIOCYNCRATIC CARICATURES LIKE "THE JEFFERSONS." OUR OFFICE HAS LEARNED THAT

- [illegible] OF SOME 542 UHF CHANNELS [illegible]
- [illegible] OF SOME 473 UHF CHANNELS [illegible]
- [illegible] OF SOME [illegible] EDUCATIONAL UHF CHANNELS [illegible] ARE BLACK
- [illegible] OF SOME [illegible] EDUCATIONAL UHF CHANNELS [illegible] AT HOWARD UNIVERSITY IS BLACK.

THUS, AFTER MORE THAN 30 YEARS OF TELEVISION, BLACKS OWN 12 CHANNELS. WE ARE GRAPPLING FOR STRAWS AND FOR ACCESS AND ARE SWIMMING IN A SEA OF WHITE MEDIA-CREATED BY, FOR, AND WITH THE MEGABUCK SPONSORSHIPS OF WHITE CORPORATE AMERICA.

BLACK AMERICANS ARE NOT SIMPLY INTERESTED IN OWNERSHIP OF TV CHANNELS, BECAUSE WE SEEK OUTLETS FOR A [illegible] OF BLACK GRIEVANCES. WE WANT OPPORTUNITY TO EXPAND OUR EDUCATIONAL CAPABILITIES WITHIN THE BLACK COMMUNITY. BUDGETARY CONSTRAINTS HAVE PLAYED HAVOC WITH PUBLIC SCHOOLS IN BLACK AREAS AND VIRTUALLY EVISCERATED OPTIONS FOR HIGHER EDUCATION. THE LAST REPORTS ON BLACK COLLEGE ENROLLMENT DISC[illegible]ED THAT THE AVERAGE INCREASE DURING THE HEIGHT OF THE PRE-BAKKE YEARS AVERAGED 5% PER YEAR.

YET, A FOOTNOTE IS NOT WITHOUT RELEVANCE, THAT DR. NORVEL NORRIS HAS DOCUMENTED THE PRESENCE OF 23 MILLION FUNCTIONALLY ILLITERATE AMERICANS WHO NEED THE BEST IN EDUCATIONAL RESOURCES THAT EMPHASIZE VISUAL LEARNING. BLACKS HAVE AN OPPORTUNITY TO DO REAL WORK ON THE MISSION OF EDUCATING A NATION.

TODAY, THE SUGGESTION THAT BLACK AND OTHER MINORITIES ARE HAVING A FREE RIDE AND THAT AFFIRMATIVE ACTION IS CARVING PATHS OF GOLDEN UNEARNED OPPORTUNITIES FOR THEM IS POUNDED HOME DAILY IN AMERICAN MEDIA. WHITE PRINT AND ELECTRONIC MEDIA HAS DECLARED WAR ON AFFIRMATIVE ACTION, SINCE DAY ONE! FOR HISPANICS, IT MOVED FROM ONE-TENTH OF ONE PERCENT TO 1.2%. AS OF 1980, THERE WERE LESS THAN 25 BLACK AND 10 HISPANIC PHYSICIANS PER 100,000 PERSONS. THIS IS THE SILVER PLATE OF AFFIRMATIVE ACTION IN PRACTICE!

BLACK INCOME IS YET ONLY 57% OF THAT OF WHITES AND OUR CURRENT WAGE GAP STANDS AT $1[illegible] - $1[illegible] BILLION.

WE NEED TO BE APPRIZED OF THE LARGER DECEPTION WHICH LIES AT THE BASE OF SUCH PROPAGANDA AS THE ADMINISTRATION'S RECENT ANNOUNCEMENT THAT IT PRESENTLY SPENDS $543 M ON [illegible] BLACK COLLEGES, THAT IS ABOUT 2% OF THE FEDERAL GRANTS TO THE TEN TOP INSTITUTIONS OF HIGHER LEARNING RECEIVING FEDERAL GRANTS AS REPORTED BY THE NATIONAL [illegible].

BEYOND THIS REALITY ARE THE TOTAL IMPLICATIONS OF THE FACT THAT THERE ARE FEWER THAN 250,000 BLACK BUSINESSES - WHOSE RECEIPTS CONSTITUTE LESS THAN 5/10 (five-tenths) OF THE TOTAL RECEIPTS IN AMERICAN BUSINESS - STRUGGLE TO REPRESENT BUSINESS OR ENTREPRENUEL ENTERPRISE IN THIS NATION. MOREOVER, THE CONCENTRATION OF OUR BUSINESSES SCREAM OUT FOR INCREASED OPTIONS, AS SOME 68% OF BLACK FIRMS, FOR EXAMPLE, EARNING 61% OF THE GROSS RECEIPTS ARE IN RETAIL AND SELECTIVE SERVICES.

ALTHOUGH THERE HAS BEEN A 62% INCREASE IN AREAS OF HEALTH, FINANCIAL AND LEGAL SERVICES SINCE 1972, OUR REALITY IS YET TO BE PAINTED IN THE STARK COLORS OF A REPORT BY DR. ANDREW BRIMMER (PUBLISHED BY THE BOSTON FEDERAL RESERVE BANK) NOTING THAT OF 25 INDUSTRY TROUPS IN WHICH BLACKS ARE CONCENTRATED, 4-6 AT MOST CAN ANTICIPATE MOVING INTO A "TAKE-OFF" POSITION DURING THE 1980's AND INTO THE NEXT CENTURY.

AS OF THIS MOMENT, 37% OF BLACK-OWNED FIRMS (85,705) WITH 40% OF THE GROSS RECEIPTS ARE LOCATED IN CALIFORNIA, TEXAS, NEW YORK, ILLINOIS AND OHIO. WHILE BLACKS CONSTITUTE SIGNIFICANT MARKETS IN AT LEAST 50 CITIES OR S.M.S.A.S. IN THE NATION, 43% OF THE TOTAL NUMBER OF BLACK EARNED FIRMS CLAIMING 60% OF THE GROSS RECEIPTS ARE CONCENTRATED IN TEN S.M.S.A.S.

WHAT IS SO INTERESTING IS THAT THREE OF THE LARGEST FIRMS ARE ON THE N.Y. EASTERN SEABOARD AREA - TWO OF THEM BEING INNER CITY BROADCASTING CORPORATION AND BROADCAST ENTERPRISES NATIONAL, INC.

OF COURSE, WHAT WE SAY HERE IS IN PART ALL BUT OBVIATED BY THE OTHER SIDE OF THE TELECOMMUNICATIONS GAME - NAMELY ADVERTISING. ADVERTISING AGE WAS TO REPORT THAT IN 1981, 100 OF THE NATION'S TOP ADVERTISERS SPENT A MINIMUM OF $14.8 BILLION ON ADVERTISING AND PROMOTION - A SUBSTANTIAL AMOUNT OF THIS WAS CHANNELED INTO TELECOMMUNICATIONS ADVERTISING.

IT IS INTERESTING TO VIEW THE WAYS IN WHICH THE ADVERTISING BUDGET OF THE 100 TOP ADVERTISERS VIRTUALLY DWARFS THE TOTAL SCALE OF BLACK AND MINORITY BUSINESS. FOR EXAMPLE, THOSE 100 FIRMS HAD BUDGETS OF OVER HALF THE GROSS RECEIPTS OF 560,000 MINORITY BUSINESSES IN THE NATION. WHEN IT IS REMEMBERED THAT BLACK FIRMS CLAIMED ONLY 41% OF THE MINORITY FIRMS AND JUST ONE-THIRD OF THE RECEIPTS (OF 8.5 BILLION) THE INCREDIBLE DISTANCE IS REVEALED. FOR WE ARE COMPARING GROSS RECEIPTS IN THIS INSTANCE WITH ADVERTISING BUDGETS AND THE 235,000 BLACKS ARE JUST 65% IF THAT MUCH, OF THE AD BUDGETS (1981 AT THAT) FOR 100 RECESSION PRESSURED COMPANIES.

I SUBMIT THAT THIS AND OTHER RELEVANT ISSUES - WHETHER THEY CONCERN PUBLIC SCHOOLS OR HOUSING AND COMMUNITY FUND BLOCK GRANTS, JAILS OR ADMISSIONS TO PROFESSIONAL COLLEGES, WILL NOT BE PRESENTED ADEQUATELY TO BLACK AMERICA UNTIL WE HAVE THE MEANS AND RESOURCES TO TELL OUR OWN STORY AND INDEED TO PROJECT THAT STORY TO WHITE AMERICA WHICH NEEDS ALSO TO KNOW IT, AND THE COSTS OF SUCH TO THE GROWTH AND DEVELOPMENT OF THE NATION.

WE SUPPORT THIS LEGISLATION BECAUSE IT RELATES TO OUR SURVIVAL. WE CANNOT LIVE AS A PEOPLE ISOLATED FROM THE INFORMATION EXPLOSION THAT IS PERMEATING THE NATION'S AIRWAVES AND HOUSEHOLDS.

WE ARE AN INTEREST GROUP IN THIS NATION AND MUST BE ACCORDED RESPECT. FOR EXAMPLE, OUR CURRENT SOUTHERN TOUR TO REGISTER BLACK AND OTHER REJECTED INTEREST GROUPS WARRANTS OPPORTUNITY TO BE PRESENTED IN TERMS THAT DEAL WITH THE REALITIES OF POWERLESSNESS. THE TRUTH IS THE POSSIBLE ELECTION OF TEN TO FIFTEEN BLACK CONGRESSPERSONS AND THE REGISTRATION OF 2 MILLION BLACK VOTERS, MEANS THAT CERTAIN BOLL WEAVILS AND REAGANITE REPUBLICANS REASSESS THEIR AGENDAS WITH RESPECT TO THE FUNDING OF SOCIAL PROGRAMS AND EDUCATION OR THEY FACE RETIREMENT.

THOSE WHO HAVE ENJOYED AN IRON GRIP ON KEY STRATEGIC COMMITTEES, WHETHER AGRICULTURE, ECONOMICS, APPROPRIATIONS, ARMED SERVICES, OR LABOR AND EDUCATION, HAVE TRADITIONALLY PERFORATED OUR FUTURES AND HAD A STRANGLE-HOLD ON OUR PRESENT. WE HAVE AN OBLIGATION TO WAKE THE TOWN AND TELL THE PEOPLE TO APPLY THE PROFOUND COLLOQUIALISM OF OUR PRESIDENT, REV. JACKSON ... AND PROCLAIM ANEW LIBERTY IN ALL THE LAND.

THIS LEGISLATION IS ONE STEP, AND ONE SIGNIFICANT INSTRUMENT TOWARD OUR REALIZING SUCH A GOAL. WE URGE ITS SUPPORT WITH THE FOLLOWING RECOMMENDED AMENDMENTS:

RECOMMENDATION

PUSH PROPOSES THE ESTABLISHMENT OF EITHER A SEPARATE FINANCIAL AUTHORITY TO FACILITATE APPLICATIONS FROM CERTIFIED INVESTOR BODIES OR INDIVIDUALS FOR RECEIVING FINANCIAL BACK-UP NECESSARY TO ORGANIZE TELECOMMUNICATIONS OUTLETS,

OR

THE RESTORATION OF A PROGRAM DEVELOPED WITHIN THE SMALL BUSINESS ADMINISTRATION DURING THE LATE 1970'S WHICH PROVIDED FINANCIAL ASSISTANCE TO FIRMS OR INDIVIDUALS INVESTORS, ETC., THAT WERE FORMING TELECOMMUNICATIONS OUTLETS.

FUNDING FOR SUCH ENTITY SHOULD BE ADEQUATE TO EFFECTIVELY PURSUE THE QUESTION OF CAPITAL FORMATION FOR TELECOMMUNICATIONS UNITS AND NOTHING OF THIS TYPE WOULD BE TAKEN SERIOUSLY WITH FUNDING OF UNDER $25 MILLION.

AN IMPLEMENTATION STRATEGY

WHILE WE ARE AWARE OF THE DANGERS INHERENT IN THE PROLIFERATION OF BOARDS, COMMISSIONS AND OTHER ADVISORY BODIES, OPERATION PUSH RECOMMENDS THAT FORMATION OF A TELECOMMUNICATIONS COMMISSION TO OVERSEE IMPLEMENTATION OF THIS ACT IS AN APPROPRIATE RESPONSE TO THE MATTER FACING THE HEARING PANEL TODAY.

THE COMMISSION SHOULD HAVE A FULL STAFF, INCLUDING STAFF COUNSEL AND ACCOUNTANTS AND SHOULD BE EMPOWERED TO INVESTIGATE, CONDUCT HEARINGS AND PURSUE A VARIETY OF ALTERNATIVES, INCLUDING CREATIVE AND SKILLFULLY SHAPED, JOINT OR CO-VENTURES TO IMPLEMENT THE PURPOSES OF THIS LEGISLATION.

THE COMMISSION SHOULD ALSO BE EMPOWERED TO RECOMMEND WITHDRAWAL OF LICENSES FOR FAILURE TO COMPLY AND FOR FAILURE TO ESTABLISH APPROVED GOALS AND TIMETABLES FOR MEANINGFUL IMPLEMENTATION OF THE LEGISLATION.

AS A FOOTNOTE TO THIS MATTER, FEDERAL AGENCIES SHOULD BE REQUIRED TO PROVIDE A 30% MINIMUM SET ASIDE WITHIN THEIR ADVERTISING AND PROMOTIONAL BUDGETS FOR THESE MINORITY TELECOMMUNICATIONS OUTLETS.

Hearings on H.R. 1155
before the U.S. House of Representatives,
Committee on Energy and Commerce, Subcommittee
on Telecommunications, Consumer Protection and
Finance at Chicago, Illinois, Klyczynski Federal
Building, June 6, 1983

Submitted by

Cecil C. Butler
2122 North Lincoln Avenue

Minority ownership of broadcast properties is miniscule. Past efforts to increase such ownership have had little impact upon the penetration of minorities into that area of American enterprise, except to demonstrate that such ownership is possible and can be successful.

Minority ownership of broadcast properties in major markets where minority populations constitute significant percentages of population totals remains statistically insignificant. In the present stifling climate of broadcast deregulation which threatens to lock into perpetuity predominantly non-minority ownership of broadcast license, legislation to promote greater participation by minorities in ownership is a breath of fresh air.

It is an axiom of the broadcast industry that broadcasting is a people business. As such it is the primary goal of every broadcast operation, from the small market daytime only AM radio station to the major market VHF television station, to provide program services which meet the needs of the market's audience. The business of broadcasting involves the generation of advertising revenues from local merchants who pay to commercialize their products to the broadcaster's audience. To be successful the broadcaster must secure strong support from local merchants. A successful broadcast property must be highly visible in its

market through the establishment and promotion of strong community relationships with people, groups and institutions as well as with business. The synergy of these relationships produces economic success to the broadcaster and service to the community.

Ownership of broadcast properties can generally be achieved in three ways. Properties can be purchased on the open market at fair market value; or, where spectrum allocation permits and applications are authorized, one can apply for a construction permit to construct a new station. Finally, under authority from the FCC an applicant can challenge the renewal of the license of a licensee who has failed to serve the public or violated other applicable regulations or laws.

Open market purchase and construction of new stations are likely to generate very few additions to minority ownership for two principle reasons. First, since minority populations are concentrated in major broadcast marekts where broadcast property valuations are highest, few minority purchasers can capitalize a purchase. Second, there is little if any spectrum availability for licensing in any major market.

For the reasons stated above, I view as especially significant the introduction of H.B. 1155 and these hearings on it. This legislation should not be looked upon in a vacuum as the solution to problems of minority business. It constitutes one of several elements of an overall strategy to broaden the base of opportunities available for minorities to participate in the business opportunities offered by this nation.

In light of the ownership impediments presented by the open market purchase and new station construction, it is especially important that H.R. 1155 be strengthened where it provides for consideration of licenses designated for revocation or comparative hearings for renewal applications. I believe, that in addition to providing incentives for licensees in this category to transfer or assign such licenses, other considerations must be recognized. First, under other legislation now before this Committee (H.R. 2382 and 2370 both essentially enacted as S. 55) deregulation essentially abolishes comparative hearings altogether. This means that the most viable means of achieving more minority ownership will become little more than a symbol. If this deregulation statute is enacted, the applicable provision of H.R. 1155 will result in very little if any new minority ownership.

The justification for this position is that minority ownership of broadcast properties is not only essential to the viability of minority business ownership but an elementary principle of communication law. The FCC has officially recognized the desirability of diversification of control of the media of mass communication since 1965 in Policy Statement on Comparative Broadcast Hearings, 1 F.C.C. 2d 393 (1965). The First Amendment ("free speech") policy basis for this preference to encourage the diversification of media ownership to achieve diversification of programming content assumes that the public welfare is best promoted through the broadest dissemination of ideas and information from different and racially diverse ownership. This policy was restated in Senate and House Conference consideration of the Communications Amendments Act of 1982 (H.R. 3239 and S. 929) (P.L. 97-259) of the Communications

Act of 1934 at Senate Report No. 97-404, pages 43 and 44, Legislative History P.L. 97-259, page 2287 and 2288:

> A third important factor in diversifying the media of mass communications is promoting ownership by racial and ethnic minorities - groups that traditionally have been extremely underrepresented in the ownership of telecommunications facilities and media properties. The policy of encouraging diversity of information sources is best served by not only awarding preferences based on the number of properties already owned, but also by assuring that minority and ethnic groups that have been able to acquire any significant degree of media ownership are provided an increased opportunity to do so. It is hoped that this approach to enhancing diversity through such structural means will in turn broaden the nature and type of information and programming disseminated to the public. The Conferees find that the effects of past inequities stemming from racial and ethnic discrimination have resulted in a severe underrepresentation of minorities in the media of mass communications, as it has adversely affected their participation in other sectors of the economy as well. We note that the National Association of Broadcasters recently reported that of 8,748 commercial broadcast stations in existence in December 1981, only 164, or less than two percent, were minority owned. Similarly, only 32 of the 1,386 noncommercial stations, slightly over two percent, were minority owed.
>
> One means of remedying the past economic disadvantage to minorities which has limited their entry into various sectors of the economy, including the media of mass communications, while promoting the primary communications policy objective of achieving a greater diversification of the media of mass communications, is to provide that a significant preference be awarded to minority-controlled applicants in FCC licensing proceedings for the media of mass communications.
>
> ...It is clear that the current comparative hearing process has not resulted in the award of significant numbers of licenses to minority groups. Many minority applicants are simply unable to participate in comparative hearings which often take a considerable period of time and require substantial economic resources...

Resources Inc.

MINORITY BUSINESS INVOLVEMENT

IN THE

TELECOMMUNICATIONS INDUSTRY

FINAL REPORT

December 30, 1982

Contract No. BE-82-SAC-10237

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ACKNOWLEDGEMENT

Resources, Inc. acknowledges the following staff and consultant contributions in the preparation of this report:

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EXECUTIVE SUMMARY

Introduction

It has long been established that minorities must own and manage businesses if they are to be assured a place in the economic mainstream of American society. It is through such involvement in the economy that minorities can made an enduring contribution to the general welfare as employers and producers of goods, services, and technological innovation.

Minority-owned businesses are typically small, as defined by the White House Conference on Small Business, i.e. having 500 or fewer employees.[1] Yet it is the small businesses that develop the overwhelming majority of new jobs and provide cost efficient technological innovation.[2] Such productive capacity is of crucial importance to minorities who currently suffer from massive unemployment and economic hardship. The problem however, is that there are so few minority-owned businesses. Minorities own businesses at 1/5 the rate of non-minority business ownership.[3] Moreover, the minority-owned firms are most concentrated in industries experiencing little growth, i.e. retail

Statement of the Problem

Minority-owned telecommunications firms are typical of their non-telecommunications counterparts. They are typically small and comprise an extremely small percentage of the number of telecommunications firms. For instance, less than two percent of the broadcast industry is minority-owned and controlled despite the fact minorities comprise close to 20% of the population.[4] Minority ownership in cable is far less than that in broadcasting (less than one percent). The percentage of minority-owned firms in other telecommunications markets, such as specialized common carriage, radio common carriage, basic and/or enchanced data transmission, terminal equipment and switching equipment manufacture, and/or distribution subscription television (STV), low power television (LPTV), multipoint distribution (MDS), video cassettes and video discs,[5] is even smaller to the extent such firms exist at all.

This lack of participation is extremely serious for several reasons. First, minority ownership of information distribution firms such as TV, CATV, Radio, STV, MDS, LPTV, and others can have a profound impact upon the diversity of information which American society receives about itself and the world. Consequently, the Federal Communications Commission has established policies favorable to minority ownership of broadcast facilities and is currently exploring ways to apply these policies to the newer technologies.[6]

Second, the telecommunications industry is currently undergoing substantial technological innovation and growth. It therefore presents considerable opportunities for market entry and/or expansion by existing and new minority-owned firms. The probability of a substantial increase in new jobs is high given the established tendency of small businesses to provide disproportionately great employment opportunities. The subsequent positive impact on minority employment could be significant.

Third, the immense technological growth in telecommunications is occuring amidst the implementation of a federal policy of industry deregulation. Concurrently, there is an increasing concentration of ownership and control of telecommunications firms in a limited number of large majority-owned firms.[7] This new phenomenon is likely to increase and will serve to limit the entry and expansion opportunities of small firms given the cost of financing[8] and economies of scale in delivering services.

The lack of minority ownership in telecommunications at a time of rapid technological gorwth, increasing ownership concentration, and high capital costs creates a substantial danger that minorities will be left behind in the industry. Given the tremendous opportunities and benefits to be gained and the probable future difficulties in creating political and regulatory initiatives to secure market entry for minorities, the need for concerted effective action on the part of government and private entities cannot be overemphasized.

This report and source book identifies existing minority-owned telecommunications firms and their needs for information and assistance. It also identifies current sources of information and assistance available to minority telecommunications entrepreneurs, and proposes a method of aggregating and dispersing the information and assistance through the Minority Business Development Centers of MBDA.

Objectives of the Report

Resources, Inc. was contracted to develop this report and source book by the Minority Business Development Agency (MBDA). The report was generated in response to requests by the FCC's Advisory Committee on Alternative Financing for Minorities, and MBDA for a definitive analysis of minority business involvement in the telecommunications industry.

Specifically, the objectives of this report are:

- the identification and compilation of minority-owned and managed telecommunications businesses;
- A directory of minority-owned and managed telecommunications businesses;
- the identification of key role models in the larger minority enterprise arena;
- the literature search for the identification of the assistance needed by minority-owned telecommunications firms;
- the identification of the assistance needed by minority-owned telecommunications firms;
- A specialized assistance program for minority businesses in or entering the telecommunications industry;
- A matrix of existing and potential problems associated with small and/or start-up minority businesses in the industry; and
- A strategy for the interconnection of government and private industry sources to facilitate the provision of needed assistance to minority-owned and managed businesses.

Methodology

Resources, Inc. reviewed and analyzed literature from the trade press, government publications, speeches and policy statements, and trade associations which addressed minority enterprise, telecommunications regulatory policy, telecommunications technology, antitrust law, business, finance, and economics. Resources, Inc. staff also attended conferences and/or meetings and engaged various government and trade association staff in informal conversations concerning telecommunications matters pertaining to minorities. It is noted that current and reliable data were unavailable on selected economic characteristics of minority-owned telecommunications businesses as well as certain telecommunications industries. The scope of this report and source book is therefore limited to the data available (as identified in the text).

Findings, Conclusions, and Recommendations

This section presents a summary of the findings and conclusions in the areas of minority-owned telecommunications firm percentages, needed assistance, and strategies to interconnect government and private industry sources to facilitate the provision of needed assistance to minority owned and managed businesses.

Summary of Findings and Conclusions

Minority Ownership

- While minorities comprise approximately 20% of the American society, they own no more than one percent of the currently operating telecommunications firms.
- This lack of representation continues despite federal policies favoring increased minority ownership of telecommunications facilities.
- Minority ownership of telecommunications firms is overwhelmingly concentrated in radio broadcasting (69%), one of the oldest technologies and one that has served small, discrete local audiences such as minorities.
- Very little minority ownership is in the new video technologies (2%) or the common carrier technologies (8%). Value added services account for 15% of minority-owned firms. (The remaining 6% are television outlets.)
- The current deregulatory trends in telecommunications is a double-edged sword for minority ownership opportunities. When entry barriers are lowered, previously precluded large firm entry as well as small firm entry increase competition and the chance of failure.

Key Role Models

- There are a sufficient number of demonstrably competitive, minority-owned firms within the larger minority business community that can serve as role models for would-be minority telecommunications entrepreneurs. Many of the role models are themselves telecommunications firms. The role models are among the more successful MBE firms.
- In 1981-82, the average MBE role model had approximately 500 employees and had gross revenues of $52.4 million.
- These firms are still small according to the White House Conference on Small Business.

Identified Needs

The key needs of minority entrepreneurs and/or operating businesses seeking to enter or expand in the telecommunications industry are:

- information on the regulatory, technical, and market aspects of the proposed business.
- assistance in assessing the real cost of the business, identifying available sources of financing, and preparing detailed financial plans and financing proposals.
- management and technical assistance to prepare business plans and license applications, and to select appropriate personnel.
- a system for disseminating the information and assistance which is geographically convenient to the entrepreneur.

Interconnection Strategies

- The Business Development Center concept of MBDA, when supported by the requisite federal and private sources of information and assistance, as well as feedback mechanisms, can provide a greatly needed service to minority telecommunications entrepreneurs.

Recommendations

- The BDC concept should be employed for the delivery of information and assistance to minority telecommunications entrepreneurs and businesses.
- The FCC should be encouraged to seriously examine the impact of its deregulatory efforts on minority ownership initiatives.
- Efforts to increase minority ownership of telecommunications facilities must begin to focus on the new video technologies, traditional common carrier technology and value added services. MBDA should take an active role in this regard.
- This source book should be made available to all BDCs in a loose-leaf format, and should be updated on an ongoing basis.
- The Census Bureau should be encouraged to conduct annual studies of minority business enterprise and to further refine its standard industrial classification codes (SIC) to better relect the growing differences between the characteristics of various new technology and value added telecommunications firms. Such activity by the Census Bureau would greatly enhance the ability of MBDA to monitor the program's success.

I. IDENTIFICATION OF MINORITY OWNED AND MANAGED TELECOMMUNICATIONS FACILITIES

A. Procedure and Methodology

The various communications markets are identified to facilitate the identification of minority-owned and managed firms. Major market delineations were ascertained from various federal documents including conference reports, speeches and agency publications. Publications by the trade press and associations as well as other literature searches and surveys were also used.

B. Telecommunications Industry

The telecommunications industry may be conveniently divided into two separate industries: (1) the services and information industry, which includes data processing, home security and answering service industries (services or value added services) and video and audio service markets (information); and (2) the traditional common carrier industry, which includes the long distance (interexchange) industry, the local distribution industry, and the telecommunications equipment industry.

1. Services and Information

a. Services (Value Added Services)

The data processing, home security and answering service sub-industries offer single and multi-dwelling units and businesses ("remote customers") a variety of services via the use of local or long distance distribution facilities leased from common carriers. Data processing firms manipulate and compute, process and/or analyze information for customers.[9] They rely on telephone, private or coaxial voice or data grade transmission lines to connect their computer facilities to the customer's businesses.

Home security (alarm) firms[10] provide two forms of service to the public. The first service uses dedicated leased private lines from the alarm company to the customer's premises. The lines are monitored by alarm company personnel to detect and respond to instances of burglary, robbery and fire. The second service is a passive system operating on the customer's existing phone line. When the alarm is activated, a device seizes the phone line and dials a preprogrammed number, or numbers (police, fire, etc.).

Telephone answering firms[11] store and transmit phone call information via the use of conventional telephone switchboards, concentrator identifiers, and transmission lines connecting the firms to their customers. Concentrator identifiers switch incoming calls to the appropriate customer's location on the switchboard. Answering services require that the customers pay installation fees and monthly charges for hookup to the answering service concentrators, which are separate from the charge for basic telephone services.

All of the above service markets are highly competitive because the cost of entry is relatively low. The entrepreneur need only purchase the computer (data) switching equipment (answering services) and/or dedicated transmission lines (home security); consequently there is no large outlay for plant equipment.

b. Information

The video industry is comprised of firms which distribute and/or exercise editorial control over the provision of video information and entertainment programming to the public. This industry may be subdivided into the advertiser-supported ("free") and subscriber supported ("pay") services. Firms included in the "free" video distribution category are traditional broadcast VHF and UHF television stations which generate their revenues through the sale of broadcast time to advertisers seeking access to the audience the stations attract via programming.[12] These stations are increasingly subsidizing their income by also offering one way data transmission over the unused portion of their broadcast channels (video text). These stations may be full power stations and/or, in the future, low powered or VHF "drop-in" stations. Low power television stations will have their signals confined to a smaller geographic area than SMSA markets which full power stations cover with their signals.[13] VHF "drop-ins" may be full or partial power depending upon the number and location of the existing TV stations in the market in which the "drop-ins" are to be placed.[14]

The "pay" services include operational and potential cable television systems which deliver video programming from the cable outlets (the headends) to their subscribers who are connected to the headends via coaxial cable.[15] Cable systems also charge a separate "pay per view" fee for recent movie box office hits and championship sports.

Other pay service firms are currently competing with traditional broadcast and cable firms for local, regional and national video markets.* These service, subscription television (STV), multipoint distribution systems (MDA), satellite master antenna television systems (SMATV), and direct broadcast satellites (DBS), rely on one or a combination of the three technologies used for the transmission of video signals (terrestrial, satellite, and cable technologies).

Subscription television systems transmit scrambled microwave signals from full power UHF or VHF television stations to subscribers who pay a monthly fee.[16] Some systems provide "pay per view" programming as well, similar to that offered by cable. These systems provide programming on one channel, and require subscribers to purchase decoders to unscramble the signal. STV systems provide the majority of their service to single family dwellings within an SMSA.

Multipoint distribution systems are common carriers which use omnidirectional microwave signals to deliver video and other information to single-family dwellings, hotels, apartment buildings, and cable systems.[17] MDS operators have traditionally leased most of their station time to pay movie program suppliers such as Home Box Office. MDS is presently a local single-channel service, which requires that subscribers purchase supplemental reception equipment to that used to receive traditional broadcast signals.

Satellite master antenna systems are a combination of satellite and cable technologies. The systems service large multi-dwelling units such as apartment and condominium complexes with video signals received from satellites and distributed to subscribers via cable.[18] SMATV systems also provide premium program services for pay.

Direct broadcast satellite systems would be comprised of high powered satellites transmitting video programming on a multi-channel basis directly to inexpensive receivers owned by single and multi-family dwellings and cable systems.[19] One of the nine DBS licensees has secured a 1986 satellite launch date on the space shuttle. The DBS technology has the potential to provide as many as 30 to 60 channels of video programming to local, regional, and national markets. The number of channels made available will depend upon the number of satellite orbital positions and the amount of spectrum space the United States receives at the 1983 Regional Administration Radio Conference. The receipt of one orbital slot per time zone and 500 MHz of space would allow for the creation of 30 video channels. Two orbital slots would allow the creation of 60 channels.[20]

The audio industry is composed of AM and FM radio broadcast stations.[21] There is presently no action on policy initiatives to increase the number of audio outlets. All of the audio outlets except those which are public radio stations, are advertiser supported. A major portion of the minority-owned and managed telecommunications properties are audio outlets.

2. Common Carrier Industry

a. Long Distance Transmission

The long distance (interexchange) industry provides one and/or two way transmission of voice, data, and video information to public business consumers.[22] The industry is dominated by AT&T which it is estimated controls 95% of the market. The other 5% of the market is shared by specialized common carriers (SCCs), satellite carriers, enhanced value providers, record carriers, resellers, and radio common carriers.

Specialized common carriers are firms which are not telephone companies but which are authorized by the FCC to provide point to point communications services on an interstate, first come first serve (common carrier) basis.[23] Satellite carriers provide long distance transmission service by satellite as opposed to microwave transmission. Enhancement (value added) firms, process or repackage data or voice information transmitted over their privately owned or leased lines.[24] Record carriers engage in the transmission of information which provides a visual record at the point of reception (e.g. telegrams).[25] Resellers lease transmission lines from the telephone companies, usually at a bulk discount, and resell the transmission lines to customers at a price above cost.[26] Radio common carriers (such as cellular mobile radio) are licensed by the FCC to receive and transmit signals carrying voice, video, or audio information.[27] They provide radio communications service from fixed stations to mobile stations or between mobile stations.

b. Local Distribution

The local distribution industry provides switched voice and data links, one-way and interactive (two-way) services in a limited geographic area.[28] Local distribution systems generally interconnect subscribers within an exchange area by wire or radio. Telephone companies (telcos), broadcasters, cable operators, cellular mobile radio-telephone systems, land mobile systems, and some data firms provide local distribution facilities. However, the broadcast, cable, and data firms mentioned above develop, select, and/or process the information they distribute. Local telcos, and the land and cellular mobile systems provide the bulk of the common carrier local distribution business. The local distribution industry is not presently very competitive. New firm entry is greatly discouraged because no presently available technology can provide the needed capacity at an affordable cost to compete with the telco's ability to serve the dispersed demand for universal local service. The local distribution industry also has its share of enhanced value resale firms (See the discussion of enhanced value and resale services in the long distance section above.)

c. Telecommunications Equipment

The telecommunications equipment industry is comprised of firms which provide equipment to be attached at either end of a transmission line or lines for use by business and residential users, as well as equipment which operates within a network for use by telephone companies.[29] The majority staff of the House Subcommittee on Telecommunications argues persuasively that the equipment industry serves two distinct markets.

The terminal equipment market is comprised of business and residential users of telephones, PBX's, communicating computers, and word processors. The network equipment market is comprised of telephone companies using complex network equipment which switches and transmits millions of phone calls that pass through central offices on a daily basis. The distinction is made because terminal and network equipment serve different needs. Moreover, there is less competition in the network equipment portion of the industry because operating companies of AT&T and other dominant carriers secure their network equipment from the dominant carrier's manufacturing subsidiaries via restrictive procurement policies.[30] The divestiture of the Bell operating companies as a result of the recent AT&T settlement with the Department of Justice may have the effect of reducing AT&T's control over the network equipment market. Other dominant carriers were not affected by the settlement, however, and will no doubt maintain their procurement policies.

C. Federal Policies to Facilitate Minority Ownership

Minorities are defined as persons who are Black, Hispanic surnamed; American Eskimo, Aleut, American Indian, and/or Asiatic-American extraction. Minority owned and managed outlets are corporations in which an excess of 50% (50.1% or more) of the shares and/or control is vested in minorities.[31] The ownership criteria are used in administering the FCC's minority ownership program. Among other things, the policy allows the following:

(1) in the case of a limited partnership, minority ownership and management exist where the general partner is a minority and owns 20% or more of the partnership;

(2) the granting of tax certificates,[32] allowing capital gains deferral for a broadcaster or cable operator selling an outlet to a minority group, and

(3) the allowance of distress sales permitting a station at risk of losing its license to be sold to minority groups at a reduced price before an administrative hearing.

The rationale for the ownership definition stems from FCC acknowledgement that (1) video and audio ownership carries with it editorial control over program content, and (2) contrary to the public interest, media ownership configurations in which minorities are underrepresented fail to fairly portray, represent, and service minorities and their viewpoints. Thus, the FCC has stated:

> We are compelled to observe that the views of racial minorities continue to be inadequately represented in the broadcast media. This situation is detrimental not only to the minority audience but to all of the viewing and listening public. Adequate representation of minority viewpoints in programming serves not only the needs and interest of the minority community, but also enriches and educates the non-minority audience. It enhances the diversified programming which is a key objective not only for the Communications Act of 1934, but also of the First Amendment."[33]

The justification for the extension of the ownership policy to the common carrier industry is the FCC's policy determination that minority enterprise is good for the American economy. In December of 1980, the FCC sponsored a two day conference on business opportunities for the minority ownership of private radio and radio common carrier services.[34] In September of 1981, the FCC created a blue ribbon industry committee on alternative financing for minority ownership of various telecommunications properties. The Committee's report was adopted by the FCC in May of 1982.[35]

A summary of the Committee's major recommendations to the FCC follows:

Policy

Develop a position in the Office of Public Affairs that can present the Commission with information to maximize opportunities for minority ownership in entry policies and licensing procedures for new technology; and to present information on the impact of deregulatory and structural proposals on minority ownership.

Consider amending the percentage ownership requirement in partnerships for determining the sufficiency of minority ownership interest in distress sales and expedite the processing of distress sale requests.

Clarify the 1978 Statement of Policy on Minority Ownership of Broadcasting Facilities to indicate that minority general partners holding more than 20 but less than 50 percent interest can exercise control and meet the test for tax certificates and distress sales.

Expand the tax certificate policy to include such nonbroadcast properties as cable, common carrier and land mobile.

Adopt a "capitalizing feature" for tax certificates to enable shareholders with less than controlling interest in a minority-owned or controlled entity to sell their interest to the controlling shareholder(s) and become eligible for a tax certificate.

Amend the multiple ownership rules so venture capital companies can increase their equity participation in minority-operated entities seeking to acquire telecommunications facilities.

Encourage the establishment of a nonprofit public foundation in Washington, D. C. to complement existing resources, that would provide minorities with comprehensive, expert information about the telecommunications industry.

Management

Development of specific literature and courses that address the critical management and technical aspects of telecommunications businesses.

An increase of sponsored or financed interchanges (workshops, seminars, etc.) between experts and minority entrepreneurs experiencing serious problems.

An increase in the level of awareness in the minority business community of the risks involved in telecommunications ventures. A minority entrepreneur would have a more professional financial perspective from which to determine the soundness of business ventures prior to any commitments and from which to sucessfully operate a business.

Active advocacy by advertising clients in promoting the use of minority-owned telecommunications businesses, especially those businesses in the broadcasting industry. A satisfied client advocating the use of a minority-owned business greatly enhances the firm's marketing efforts.

A better flow of information to the minority community about telecommunications business opportunities.

More extensive follow-through assistance from the entry stage to an appreciable period of the business operation.

Sign a memorandum of understanding with the Department of Commerce to develop a system whereby interested entrepreneurs would be referred to appropriate minority business development centers that would have access to a national network of specialized consultant and technology commercialization centers.

Financing

Grant rules waivers to permit an established broadcaster to acquire an equity interest in a minority controlled property that otherwise would exceed multiple ownership limits or adversely affect diversification.

Explore expanding the rights of sellers as creditors, including the rights of a reversionary interest in a broadcast license, in those cases where the seller provides financing.

Survey financial institutions to augment existing surveys to determine the kinds of financing available for telecommunications ventures.

Develop a primer to help minority entrepreneurs present attractive proposals to potential clients.

Prepare a tax bibliography and collect materials that discuss various tax advantages.

Help lender [illegible] more aware of the existence and availability of federal and state loan guarantee programs.

[illegible] provide [illegible]

[illegible] Section [illegible] of the Internal Revenue Code to substantially raise the limitation of equipment purchased when a minority controlled firm is purchasing an operating telecommunications system.

On [illegible] 1982 the FCC acted upon several of the recommendations of the report. The major recommendations were:

- the issuance of a policy statement on the advancement of minority ownership of broadcasting via:
  - making the tax certificate and distress sales policies available to limited partnerships in which the general partner(s) is a minority owning more than 20% of the business and is in control.
  - allowing minority entrepreneurs to attract capital to finance the acquisition and early operation of the station by guaranteeing the majority investor a tax deferral on any capital

- gain made on his/her investment. The gain would be realized upon the sale of the majority interest back to the minority entrepreneur.

- the issuance of a notice or proposed rulemaking regarding the expansion of the creditor rights of the seller of a broadcast station who finances the purchase of the facility by a minority to include the right to take back the property (reversionary interest) in the vent of default.

- the expansion of the tax certificate policy to the sale of cable television systems subject to Congressional amendment of Section 1071 of the Internal Revenue Code.

- proposed amendment of the investment tax credit provision of the Internal Revenue Code to raise the amount of used equipment a taxpayer may count in computing the credit from $125,000.00 to $5,000,000.00. As a result, the maximum credit allowed would increase from $12,500.00 to $500,000.00. Also proposed amendment of the Communications Act to extend the minority ownership policies to telecommunications businesses, other than broadcast and cable.

- the signing of a memorandum of understanding between the FCC and the MBDA to provide management assistance to minority telecommunications entrepreneurs (See Appendix)

- expediting the processing of distress sales

D. Minority Owned and Managed Telecommunications Businesses

The compilation of the list of current minority owned and managed telecommunications businesses was derived from information secured from various sources. The source list include The National Association of Broadcasters (NAB), the National Cable Television Association (NCTA), the Society for Private and Commercial Earth Stations (SPACE), the National Association of Spanish Broadcasters (NASB), the North American Telephone Association (NATA), FCC, NTIA, the U. S. Department of Commerce, and SBA, as well as various periodicals listed in Appendix A.

Unfortunately, the industry data from the sources mentioned above are not for the ame year (Commerce 1977, Congress 1980, trade associations 1982) if they exist, and the number of firms varies between sources. As a result, the U. S. Department of Commerce data for 1977[7] will be used except few industries in which comprehensive data on ownership has been kept, the number of minority owned properties increased from 37 in 1977 to 169 properties in 1982 (an increase of 450%). This increase reflects the success of the 1978 federal assistance package put together by NTIA, FCC, and SBA among others.

The paucity of such information on other industries makes growth comparisons, and adequate assessment of minority penetration within an industry of limited value. While much of this information might be available as a result of extensive surveying via properly constructed questionnaires, the necessary OMB review of the questionnaire requires a time period for review which exceeds the contract time period.

Contractor has placed its 1982 list of minority-owned firms in the report as Appendix B.

1. Services and Information

a. Services (Value Added),

- Data Processing

In 1977, there were approximately 32 (Commerce data 1977) minority-owned data processing firms. They constitute approximately two percent of the industry. The minority-owned firms had average receipts of $290,750.00. By contrast, in 1980, the industry as a whole numbered 2,150 firms averaging approximately $2,325,581.00 in revenues.[38]

Contractor has identified only 26 minority-owned firms known to be operating in 1982. Financial data on these firms is incomplete.

- Home Surveillance

Contractor has identified three home surveillance firms owned by minorities. These firms constitute less than one percent of the 12,000 companies in existence in 1980.[39]

- Answering Services

Contractor has identified only one minority-owned live answering service operating in 1982. In 1980, there were 5000 answering services.[40] Commerce data does not separately identify such firms and research has failed to uncover any record of revenues generated by this industry.

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- Answering Services

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t. Information

- Audio

The majority of all minority owned telecommunications firms are radio stations (approximately 69%). The 150 minority commercial radio stations constitute less than two percent of the total of commercial radio properties.[41]

A disproportionate share of the minority owned radio stations are the less competitive AM facilities which suffer from less than adequate channel width for the transmission of stereophonic sound (66% for minorities versus 58% for the industry).

- Video

There are 19 minority-owned video outlets of which 14 are television facilities, three are cable systems and two are satellite master antenna systems. The 14 television stations constitute less than two percent of the 772 commercial television properties in the United States.[42] The three cable systems constitute less than 1/10 of one percent of the 4,360 cable systems in the nation.[43] The two SMATV outlets constitute two percent of the 100 SMATV pay operations estimated to exist nationwide.[44] There is one minority-owned DBS firm which has entered into a joint venture agreement.[45]

2. Common Carrier Industry

a. Long Distance/Local Distribution

In 1977, Commerce identified three minority-owned common carrier firms.[46] Two were telephone common carriers providing voice grade transmission lines. The other firm was a record common carrier engaged in telegraphic communications service. None of the firms had paid employees and revenue data was withheld. There were 1,445 firms providing similar service in 1981 at an annual operating revenue of $71,700,000,000.00. The minority-owned firms, if still in operation, would constitute 2/100 percent of the market.

b. Telecommunications Equipment

Contractor has identified 16 minority-owned telephone equipment manufacturers. This compares with the 13 such firms identified by Commerce in 1977.[47] The commerce data listed the 13 firms gross receipts at $17,203,000.00 total. By comparison, the 1981 data for the entire industry of similar firms was 264 firms with $12,170,000,000.00 in revenue. Minority firms would constitute 5% of the industry, however, the revenues of the larger minority-owned firms in 1982 exceed the revenues garnered by the entire minority industry in 1977.[48]

The bottom line of this analysis, is that while minorities constitute approximately 20 percent of the population, they own on average less than one percent of the telecommunications companies of this nation. While data is not conclusive, it is highly likey that they are accurate in the portrayal of minority ownership.

II. IDENTIFICATION OF KEY OR LARGER AND SUCCESSFUL MINORITY-OWNED FIRMS (ROLE MODELS)

A. Criteria for Selection

The key and/or larger, successful minority-owned and managed firms were selected on the basis of:

(1) success in a start-up or expansion into high technology markets

a. having moderate to high entry costs, and

b. experiencing rapid growth and intense competition.

(2) long term viability measured in terms of growth in numbers of individuals employed and/or increasing sales revenues.

The market entry criteria are justified because they reflect the environment which minority and small business firms face in entering the communications markets. The viability criteria are self explanatory. Although a more detailed viability criteria would be preferred, i.e one measuring percentage growth in net operating profit as well as sales revenues and employee numbers, over time, the data is not easily obtainable. The development of net operating profit data would require the use of surveys necessitating OMB review and thus requires a time period for approval which exceeds the contract time period.

B Sources

The sources used for the selection criteria may be found in Appendix A. Sources include federal, trade association, and general literature, reports, and documents.

C. Overview Key-Role Models by Region

The key role models selected are divided into communications and noncommunications firms. Within the communications grouping, there are media conglomerates (firms owning more than one type of communications business) as well as single business firms.

The media conglomerates best typify the ideal role model for aspiring minority entrepreneurs. These firms have entered a competitive communications market, consolidated and grown over time, and have then entered other competitive high technology communications markets. These firms have also demonstrated long term economic viability in terms of growth in the numbers of employees and sales revenues over time.

For instance, Inner City Broadcasting had revenues of 22 million in 1981, an improvement of over seven times the revenue it produced in 1975. Inner City Broadcasting has successfully entered the audio, video distribution, equipment, and programming markets.[49]

The non-conglomerate communications firms have demonstrated long term viability within a highly competitive industry (telephone and telegraph construction, print, and recording) which is intimately related to one of the major telecommunications industries either as a service supplier, competitor, or product manufacturer.

For instance, Church and Tower of Florida, Inc. is a telephone and telegraph building contractor. In 1981, it had 360 employees and annual revenue of 13 million.

The noncommunications firms were selected because they have demonstrated the ability to stay in competitive business and grow over time. Firms are in the manufacturing, retail, wholesale, energy, and construction industries. They range in number of employees from 30 to 1800 and in revenue from $10 million to $150 million.

The complete listing of key role models by region is located in Appendix C.

III. IDENTIFICATION OF NEEDED ASSISTANCE

A. Sources

Fairly detailed general and industry specific information exists on the broad areas of assistance needed by minority entrepreneurs - seeking entry and/or expansion into communications markets. Transcripts and reports of several federal conferences and task forces on minority ownership of communications facilities have been identified and relied upon in making this report. Reports of Congressional hearings, trade press, and general press articles were also used. Appendix A contains a detailed listing of literature sources.

B. Needs

The literature identified four major areas of need. Broadly stated, they are information, financial assistance, technical assistance, and management assistance.

1. Information

a. Domestic Telecommunications

Regulatory, technological and market information is needed by potential and actual minority entrepreneurs seeking entry into telecommunications markets. The meeting of this need is crucial. First, current, reliable information is a necessary prerequisite to viable entry. Without reliable information, a firm stands an excellent chance of failing because of inadequate sales and/or competitive weakness; the two causes which account for 75% of business failures.[50]

Second, the telecommunications industries are currently experiencing rapid reorganization fueled by technological change, pro-competitive regulatory policies, and the concomitant removal of market entry restrictions on large firms. Thus, for example, satellite technology and FCC authorization of DBS, SMATV and STV services are creating opportunities for new firm entry into the video marketplace. Similarly, computer and microprocessor technology and the settlement terms of the antitrust suit against AT&T are creating opportunities for new firm entry into the common carrier marketplace.

However, this technological change and pro-competion policy shift is accompanied by federal policies favoring an unregulated "free" market place in which there is virtually no restriction on large firm entry. The overall impact of this set of double edged regulatory policies is to make opportunities for entry into the marketplace available to small firms while placing them at a disadvantage in competing with larger firms for lucrative markets and financing. A fact of which the Commission has been advised regarding the Video marketplace:

> The FCC promulgated ownership and other rules to promote diversity of media control . . . their abrupt removal could result in greater market dominance by established entities, less diversity and fewer opportunities for new entrants into broadcast ownership, including minorities.[51]

Thus, in the video-industries, the FCC, in response to what it perceives as a technologically motivated increase in the potential number of video outlets, is questioning whether there is a continued need for limitations on the number and types of video firms a single entity may own.[52] Current regulations seek to avoid undue industry concentration by various ownership limitations. The rules proscribe: (1) newspaper ownership of television stations in the same market, (2) broadcast and cable station ownership in the same market, (3) TV network ownership of cable systems, and (4) the ownership of more than 7 television stations by one entity.

For instance, a significant portion of the FCC appears to favor elimination of the rule prohibiting television network ownership of cable systems. Each of the three networks presently owns facilities giving each of them direct access to 22% of the national video market. Only one other video entity has such extensive access. This access percentage is sufficient to significantly influence and in a large measure control the production and distribution of programming to the American public. No other video distribution firms have such access and control. Elimination of the rule would allow the networks to increase their percentage of the market, and their control over the market.

The FCC is also considering the expansion of video outlets via the authorization of DBS applications, ten new MDS channels per SMSA market, VHF drop-ins, low power television service, and SMATV.[53] Only DBS and SMATV licenses are presently being awarded however. The FCC delay in this area will only serve to further compound any sale and/or competitive disadvantages which small firms will incur. If the networks and other large communications conglomerates are allowed market entry into competitive video industries, their size and market power will combine with the technological limits of services such as MDS, LPTV, and SMATV to render small firm entry and viability extremely difficult.

Numerous articles have been written and while no one can predict the future with any assurance, all agree that competition in the video marketplace will be exceedingly tough.[54] For instance, current broadcasters have experienced a loss in audience share due to cable penetration. Sizeable losses in share will result in lower revenues. Future audience loss could also be attributed to STV, LPTV, SMATV and MDS outlet transmissions in uncabled local markets and DBS transmissions into local and national markets. These new services along with videotapes and discs, would not only seriously undermine consumer demand for the premium pay services which cable offers, but would also foster intense competition among pay services for the pay market.[55] Product differentiation will be extremely important for all competitors. A city such as Washington, D. C. could go from having 8 video channels to over 100 channels. While it is probable that some of the channels will be used to provide non-video services such as text and data transmission, it is unclear that the marketplace can support all of the advertiser supported and pay channels which would be left.

Potential entrepreneurs must recognize, for instance, that LPTV and MDS outlets have technical limitations that will render them less competitive with cable, full power television and DBS. LPTV is prohibited by regulation of signal strength and limited market coverage, (1/10 the normal area) from interfering with the quality of any station signals in the markets where the LPTV stations are placed.[56] MDS systems' signals will not go around or through tall buildings or other obstructions. Thus, the system may find its coverage area is smaller than full power television stations, cable systems and DBS systems.[57] Smaller coverage areas tend to reduce a system's revenue base by reducing the potential audience for service.

Other considerations for an entrepreneur seeking to purchase or construct LPTV, MDS, SMATV, and DBS services are (1) the extent of consumer demand for pay programming, (2) the availability of quality, differentiated pay programming, and (3) the level of consumer willingness to purchase supplemental one-channel and multi-channel receivers to get the pay offerings. None of these considerations are adequately answered in the current literature because the industries are so new, the future is unclear, and expertise is evolving.

Consequently, knowledge of the technical capabilities and limitations of the proposed services in a competitive market (which includes a range of small to conglomerate enterprises), the time table for their introduction, the availability of quality product and the regulatory constraints under which the services will operate must be known by any entrepreneur seeking entry and/or longevity in the industry.

Aside from the problems which minorities face as small entrepreneurs, other more traditional problems are still in existence. Minority entrepreneurs must be made aware of them. For instance, it is an accepted fact that minority audiences are inadequately surveyed by current media ratings survey methodologies, consequently the size of various minority broadcast audiences is poorly defined.[58] Further, their purchasing strength as minorities continues to be discounted by advertising agencies which are not inclined to view minorities as distinct national and regional markets with culturally defined purchasing habits. This practice continues despite documented evidence to the contrary. As a result, minority owned and oriented stations do not get their fair share of ad agency advertising budgets. Thus, the National Association of Black Owned Broadcasters has emphasized that:

> "The role of advertising agencies in selecting the various markets and stations in those markets for advertising should be fully explored . . . the concern of minority broadcasters is that where the target audience is or includes the minority population, minority broadcast stations ought to be among the principal stations selected for advertisement."[59]

Hispanics wishing to enter the broadcasting field share most of the same difficulties experienced by other minority entrepreneurs. In the case of Spanish format broadcasting, Hispanics face some additional barriers, namely, the lack of universally accepted marketing information on the U. S. Hispanic population, and the unfamiliarity of advertisers and financing institutions with the

U. S. Hispanic market and Spanish broadcasting. Yet the Spanish broadcasting industry favors Hispanic participation at every level, from employment to ownership.

The lack of information on the U. S. Hispanic market makes the identification of economically viable markets for Spanish format stations, as well as the development of feasibility studies, and programming and marketing strategies more difficult. The rating deficiencies understate the actual audience reached by Spanish format stations, resulting in limited advertising revenues. The unfamiliarity of advertisers and financing institutions with the U. S. Hispanic market and Spanish broadcasting discourages investments in either area. And due to their unfamiliarity, advertisers and financing institutions demand particularly extensive substantiation and documentation before making an investment, documentation that the entrepreneur is hard pressed to provide. In every case, the dearth of reliable and comprehensive marketing information on the U. S. Hispanic population is accentuated.

Similarly, information is critical to small and minority firm entry into the common carrier industry. Significant portions of the current markets are full of promise while the regulatory environment is fraught with uncertainty.

The AT&T Justice Department settlement is the single most important regulatory and market development in the common carrier industry. Because AT&T had previously been involved in nearly all aspects of the industry, the settelment's modification of AT&T's market presence has profound impacts on the long distance, local distribution, resale, value added, and terminal equipment industries.[60]

Prior to the antitrust action and subsequent settlement, AT&T had maintained its monopoly position in the common carrier industry through its ownership of the local distribution subsidiaries (operating companies). In the long distance industry, the local distribution subsidiaries did not supply AT&T's competitors with access to their exchange areas in a nondiscriminatory manner. The competitors were charged higher rates for access to the exchanges and were given inferior quality lines on which to transmit.[61] AT&T also used the revenues of the operating companies to subsidize its long distance services so that they were priced lower than the prices of the resale and specialized commom carrier competition.

AT&T must divest itself of the operating companies under the settlement agreement. Further, the operating companies are required to provide all long distance common carriers with equal nondiscriminatory access.

The net effect of the divestiture on local distribution is to increase the number of autonomous "local" distribution firms by at least seven or as many as 22. AT&T at its discretion may combine the 22 operating companies into seven regional companies.[62]

Prior to the antitrust suit and the settlement, the operating companies through restrictive procurement practices favored the purchase of equipment from AT&T's manufacturing subsidiary. Thus, the market for terminal and network equipment was not openly competitive.[63] The divestiture of the operating companies coupled with: (a) the restriction that they may not manufacture terminal equipment, and (b) the prohibition against discriminating between AT&T and other equipment manufacturers in: (1) procurement, (2) the establishment of equipment standards, and (3) the dissemination of technical interconnect information, should result in increased competition in both equipment markets. However, it is not clear as to what extent the former AT&T employees at the operating companies will still be predisposed to favor AT&T in their business transactions.[64]

Aside from the significant competitive changes wrought by the settlement in the common carrier industry, the services industry is also affected. Among the areas that AT&T may enter are the data processing and electronic publishing markets.[65]

The actual details of the divestiture will not be made public until March of 1983. Beyond 1983, the actual impact of the settlement will still be developing.

The net result of all of the changes is to create a more competitive environment for small and minority firm entry. The changes also create a less structured industry and hence, more uncertainty. The need for information will be greater, not less as the current FCC trend toward deregulation reaches the more competitive industries in common carrier such as enhanced services and terminal equipment, where a great degree of product differentiation and low barriers to entry are said to exist.

b. International Telecommunications

Aside from the domestic (U. S.) markets which this study addresses in detail, minority entrepreneurs must be made aware of the growing telecommunications equipment and service demands in the third world. However, each developing country must be approached as a separate entity - with its own level of social, political, and economic development, as well as a unique culture and geography.[66] For each country will have its own set of diplomatic and trade relations with the United States and other countries. Consequently, the market demand for telecommunications and the host of conditions to be addressed before services can be supplied, must be carefully analyzed.

To summarize the above discussion, the telecommunications industry is undergoing substantial long term change. This state of flux is caused by the complex nature of the environment in which the industry operates. The environment consists of regulatory requirements, technical requirements and/or limitations, and the market. Regulations constrain market entry, business ownership and business operations. Technical requirements/limits will often constrain the competitive ability of the business and its production costs. Finally, the regulatory and technical variables influence market characteristic such as size, the number of actual and potential competitors, consumer demand, and product differentiation.

2. Financial Assistance

Depending on the market to be entered and the attendant size of the business, the capitalization requirements can range from under $100,000.00 to millions of dollars. Unfortunately, the regulatory, technical, and market aspects of telecommunications businesses substantially qualify any generalizations of the necessary business requirements. The potential entrepreneur must recognize this fundamental fact when approaching potential investors and lenders. As a result, the entrepreneur must know with even greater certainty, the parameters of his/her potential business.[67]

Once the homework regarding the regulatory, technical, and market aspects of the business is done, the entrepreneur should be ready to tackle the financial aspects of the business. Broadly stated, there are three major aspects to consider: (1) the financial parameters of the business, (2) the development of a financial plan for the business, and (3) the identification and selection of sources of finance and their requirements.

The financial parameters of the business are usually embodied in the balance sheets and pro-forma documents. In these documents, the entrepreneur identifies the revenues the business is expected to secure, based upon historic or current revenue information, or upon typical cash flows generated by similar firms under circumstances like those of the new business. The revenues are then projected over varying lengths of time (3 to 15 years) based upon the anticipated length of loan repayment and type of business.

The operating expenses are based upon the annual cost of plant, equipment, and labor needed to produce the service. The expenses are subtracted from revenues to determine the operating profit. Once taxes are subtracted, the net operating profit is secured. Once the net operating profit figure is known, the entrepreneur has a notion of the outside limit on the debt the business can support.

At this point, the entrepreneur should determine how much money (equity) he/she and any partners are able to invest in the business. The more equity a business venture secures, the less debt financing it generally needs. Once the equity is identified, the entrepreneur can determine the amount of debt financing required.

The financial plan will incorporate the financial and market parameters of the business to give the lenders/investors (and the entrepreneurs) an adequate idea of how sound the proposed venture is likely to be. The better and more thorough the plan is, the more likely it is to be funded. An outline for a model plan, as well as outlines for a broadcast station acquisition and a cellular mobile telephone start-up system follow. They are taken from model plans written or printed by the American Association of MESBICS, the National Association of Broadcasters, and Telocator Magazine.

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BUSINESS PLAN (AA MESBICS)

I. COVER LETTER

A. Dollar amount requested
B. Terms and timing
C. Type and price of securities

II. SUMMARY

A. Business description

1. Names
2. Location and plant description
3. Product
4. Market and competition
5. Management expertise

B. Business goals
C. Summary of financial needs and application of funds
D. Earnings projections and potential return to investors

III. MARKET ANALYSIS

A. Description of total market
B. Industry trends
C. Target market
D. Competition

IV. PRODUCTS or SERVICES

A. Description of product line
B. Proprietary position: patents, copyrights and legal and technical considerations
C. Comparison to competitor's products

V. MANUFACTURING PROCESS (if applicable)

A. Materials
B. Sources of supply
C. Production methods

VI. MARKETING STRATEGY

A. Overall strategy
B. Pricing policy
C. Sales terms.
D. Methods of selling, distributing and servicing products

VII. MANAGEMENT PLAN

A. Form of business organization
B. Board of directors composition
C. Officers: organization chart and responsibilities
D. Resumes of key personnel
E. Staffing plan/number of employees
F. Facilities plan/planned capital improvements
G. Operating plan/schedule of upcoming work for next one to two years

VIII. FINANCIAL DATA

A. Financial history (3 years to present)
B. Three year financial projections (first year by quarters; remaining years annually)

   1. Profit and loss statements
   2. Balance sheets
   3. Cash flow chart
   4. Capital expenditure estimates

C. Explanation of projections
D. Key business ratios
E. Explanation of use and effect of new funds
F. Potential return to investors compared to competitors and the industry in general

BROADCAST ACQUISITION FINANCIAL PLAN (NAB)[68]

I. OVERVIEW

A. Identify buyer and seller
B. Idnetify property
C. Statement of current station format and proposed changes, if any
D. State purchase price
E. Identify financing required
F. State terms being sought

II. THE PROPERTY

A. Station Description
B. Station Audience
C. Current Programming
D. Current Staffing Pattern
E. Present Owners
F. Community Reputation of Station
G. The Asset Package

III. MARKET PROFILE AND ANALYSIS

A. Audience Analysis

1. Size and composition of overall market
2. Define potential audience in overall market that is within reach
3. Specify proposed target audience
4. Apparent broadcasting competition
5. Total advertising dollars in geographic area
6. Percent of these advertising dollars devoted to target audience
7. Seasonal or yearly fluctuations in advertising dollars

B. Market Opportunity

IV. DESCRITPTION OF BUYER

A. Principal (owners) in Corporation
B. Corporate Structure
C. Financial Structure
D. Organization and Management

1. Key positions and individual to be employed
2. Outside consultants or other management support groups
3. Plans for further employee and management development

V. OPERATING STRATEGY

A. Revenue Strategies

1. Audience Development
2. Pricing Approach
3. Sales Development

B. Expense Strategies

1. Salaries and Other Compensation
2. Other Expenses

C. Capital Strategy

D. Management Strategy

1. Staffing Plans
2. Controls on Business Activities
3. Community Involvement

E. Financial Policies

1. Collections
2. Promotions
3. Trade/Barter
4. Controls
5. Incentives, Deferred Incomes, etc.

VI. FINANCIAL INFORMATION

A. Current

1. Balance Sheet
2. Market Value Balance Sheet
3. Statement of Income and Cash Flow
4. Management and Analysis of Operating Results
5. Short-term, Seasonal Financing Requirements
6. Dividend Policy
7. Banking Relationships

B. Historic (5 years)

1. Revenues by Source
2. Operating Costs
3. Profitability and Cash Flow

C. Project (5 years)

1. Assumptions
2. 5-year Projected Earnings
3. 5-year Projected Balance Sheet
4. 5-year Projected Sources and Uses of Funds
5. 5-year Projected Debt Service Coverage

VII. PURCHASE PRICE RATIONALE

A. Independent Appraisals
B. Comparison to Other Station Selling Prices
C. Relationship of Price to Key Financial Data
D. Special Analyses

VIII. FINANCING PLAN

A. Description of Total Package
B. Equity Financing Plan
C. Debt Financing Plan
D. Additional Funding Sources
E. Dividend Plan

CELLULAR MOBILE BUSINESS PLAN (TELOCATOR)[69]

I. INTRODUCTION

1. Market Demand Forecast
2. Radiophone Unit
3. Subscriber Billable Usage
4. System Design Criteria
5. System Expenditures
6. Tariff Schedule
7. Toll Revenue
8. Roamer Traffic
9. Resale
10. Operating Stafffing
11. Operating Expenses
12. Capital Requirements
13. Financial Flexibility
14. Inflation

II. MARKET DEMAND FORECAST

1. Demand Factors
2. Demand/Price Relationship
3. Total Potential Market Demand
4. Growth in Potential Demand Base
5. Number of Subscribers
6. Units per Subscribers
7. Rate of Acceptance
8. Market Share
9. Allocation of Demand to Cells or Census Tracts

III. RADIOPHONE UNITS

1. Lease/Purchase Mix
2. Mobile/Portable Mix
3. Retail Price
   (a) Mobile
   (b) Portable
4. Trend in Prices
5. Gross Profit Margin
   (a) Mobile
   (b) Portable
6. Lease Rate
   (a) Mobile
   (b) Portable
7. Service Rate
   (a) Mobile
   (b) Portable
8. Installation Charges
9. Cash Flow/Profits
   (a) Sale of Units
   (b) Leasing
   (c) Service
   (d) Installation

IV. SUBSCRIBER BILLABLE USAGE

1. Minutes of Billable Usage/Subscriber Unit per Month
2. Trend in Usage

V. SYSTEM DESIGN CRITERIA

1. SMSA Geographical Coverage
2. SMSA Population Coverage
3. Subscriber Billable Usage
4. Usage Design Criteria
   (a) Percentage of subscribers in traffic during busy hour
   (b) Calls per subscriber during busy hour
   (c) Average call length
   (d) Initial blocking rate in busy hour
   (e) Maximum permitted blocking rate in busy hour
   (f) Erlang formula
   (g) Usage per subscriber in busy hour (Erlangs)
5. Billable Usage as Percentage of "Off Hook" Time
6. Overall Billable Usage Capacity
7. Number of Cells
8. Number of RF Channels
9. Expandability

VI. SYSTEM EXPENDITURES

1. Fixed Expenditures
2. Volume Sensitive Expenditures
3. Construction Timetable
4. Equipment Vendors
5. Ongoing Annual Expenditures
6. System Costs
   (a) Switch Equipment
       Switch
       Channelizing Equipment
       Spares
       Generator and Power Supply
   (b) Cell Equipment
       Transmitters/Receivers
       Antennas and Transmission Lines
       Power Plant, Moderns
       Spares
       Miscellaneous Equipment
   (c) Installation Cost
   (d) Land, Building and Towers
   (e) Nonrecurring Wireline Charges
   (f) Furniture, Fixtures, Billing Equipment, Test Equipment, and Leasehold Improvements

7. Capitalized Costs
   (a) Pre-operating
   (b) Application Expenses

VII. OPERATING STAFFING

1. Operations
   (a) Chief Engineer
   (b) Switch and Cell Sites (Manager and Technicians)
   (c) Roamer Operator
2. Installation Service
   (a) Manager/Team Leaders
   (b) Installers
3. Marketing
   (a) Marketing Manager
   (b) Outside Salespeople
   (c) Inside Salespeople
   (d) Customer Service
4. Administration
   (a) Controller
   (b) Data Processing
   (c) Accounts (Supervisor and Clerks)
   (d) Credit and Collections (Supervisor and Clerks)
5. Executive
   (a) Regional Manager
   (b) Operating Manager

VIII. OPERATING EXPENSES

1. Operations
   (a) Salaries
   (b) Site Leases
   (c) Utilities and Other
2. Telco Cost
   (a) DID
   (b) DOD
   (c) FX lines
   (d) Four Wire Connections
   (e) Usage
3. Installation
   (a) Salaries
   (b) Rent
4. Marketing
   (a) Salaries
   (b) Advertising
   (c) Resale Commissions
5. Administration
   (a) Salaries
   (b) Rent
   (c) Bad Debts and Billing
   (d) Insurance, Legal, Accounting
   (e) Other

6. Depreciation
   (a) Life of Assets
7. Interest
8. Volume Sensitivity

IX. TARIFF SCHEDULE

1. Usage and Subscribers
2. Equipment Costs
3. Operating Expenses
4. Usage Sensitive versus Non-usage Sensitive Costs
5. Base Year
6. Return on Capital
7. Base Fee
8. Usage Unit Fee
9. Usage Time Unit
10. Peak versus Non-peak Usage Fee
11. Volume Discount
12. Initial Connect or Reconnect Fee
13. Roamer Usage Fee
14. Local Access and Usage Charges

X. TOLL REVENUE

1. Percentage of Overall Usage that is Toll Usage
2. Average Toll Charge per Usage Unit

XI. ROAMER TRAFFIC

1. Percentage of Overall Usage that is Roamer Usage
2. Roamer Tariff

XII. RESALE

1. Percentage of New Subscribers
2. Resale Discount
3. Minimum Usage of Subscriber Level

XIII. CAPITAL REQUIREMENTS

1. Equipment Expenditures
2. Mobile Expenditures
3. Initial Start-up Costs
4. Debt
5. Equity

XIV. FINANCIAL FLEXIBILITY

1. Cash Flow Projections
2. Breakeven Analysis - Usage and Subscribers
3. Timing of Construction Expenditures
4. Tariff Level

XV. INFLATION AND MONEY COSTS

1. Expected Inflation
2. Equipment
3. Operating Costs
4. Tariffs
5. Telco Charges
6. Cost of Debt
7. Cost of Equity

Once the financial plan is complete, the entrepreneur is ready to seek financing. There are many potential sources of finance aside from equity supplied by the entrepreneur and his/her investors. Commercial banks, insurance companies, pension funds, commercial credit firms, small business investment companies, venture captial firms and various federal loan programs are all potential sources of financial assistance.[70]

Commercial banks vary in their ability and/or willingness to fund telecommunications businesses.[71] Money center banks (large banks operating in major financial centers such as New York or Chicago and which have an international market) tend to make large loans (over $1,000,000.00) to established businesses. Regional banks (important corporate lenders in multi-state areas) tend to make smaller loans ($500,000.00 and up) but usually lack expertise in financing communications properties and tend to be too conservative. Local banks (retail banks to the local small business community) tend to make small loans ($500,000.00 down) but tend not to fund new enterprises without the existence of substantial collateral.

Insurance companies and investment banking companies, like money center banks, tend to prefer making sizeable loans ($1,000,000 00 or more) to established firms Pension funds tend to make smaller loans due to their smaller asset base.

The lending criteria of the above mentioned commercial lending institutions varies,[72] however, all will look to the following items.

- management capability and experience
- a sound financial package with adequate debt service coverage
- business characteristics and operating strategy
- market analysis
- borrower's financial history

Federal loan sources include the Small Business Administration and the Farmers Home Administration. The SBA has two basic types of loans.[73] It can guarantee up to 90% or $500,000.00 of a bank loan whichever is less, or, it can make a direct loan of up to $150,000.00. These loans are available to provide working capital, purchase of inventory, equipment or supplies, or for building and expansion. The agency requires that the potential borrower meet its lending criteria by being able to:

- Show that the borrower has sought financing from one or more lending institutions and has been turned down.

- Show the proposed loan is of sound value or so secured as reasonable to assure repayment.

- Show that the past earnings record and future prospects of the firm indicate ability to repay the loan and other fixed debt, if any, out of profits.

- Be able to provide from his own resources sufficient funds to have a reasonable amount at stake to withstand possible losses, particularly during the early stages, if the venture is a new business

The Farmers' Home Administration (FmHA) provides another source of financing where the potential borrower seeks to develop a project in a small town/rural area.[74] The agency can guarantee up to 90% of the principal and interest of a loan. There is currently no limit on loan size. The loans are available to cover daily operating costs, building, equipment, supplies, research, and other non-operating costs. Investor equity of 10% (of the cost of the venture) is required to provide reasonable assurance of project success. The borrower applies for the loan through his/her bank.

Small Business Investment Companies (SBICs) provide equity capital and long-term loan funds for small businesses. SBICs organized under section 301(d) of the Act specialize in providing equity funds, long-term loans, and management assistance to small business concerns owned by socially or economically disadvantaged persons. Many SBICs were at one time called Minority Enterprise Small Business Investment Companies (MESBICs). However, the 1972 amendments to the Small Business Investment Act broadened the term from "minorities" to "disadvantaged Americans" and the official title of MESBIS is now a section 301(d) SBIC.

SBICs can provide services such as (1) direct investment in either preferred or common stock, (2) direct loans, (3) guarantees, and (4) management and technical assistance to small business concerns. Section 301 (d) SBIC's contribute to a well-balanced national economy by facilitating ownership in small concerns by persons whose participation in the free enterprise system is hampered because of social or economic disadvantages. A small business concern which is at least 50 percent owned and managed by individuals from groups that are underrepresented in the free enterprise system qualify. Such groups include, for examples, Blacks, Indians, Eskimos, Aleuts, and Americans of Mexican, Puerto Rican, Cuban, Filipino, or Oriental extraction.

Venture capital companies are usually formed by wealthy individuals, corporations and/or lending institutions which pool their investment capital to make loans which fail to meet normal criteria. The financed businesses must have the potential to develop further business for the venture capital firm.

Because of the breadth and complexity of the current technological explosion in telecommunications, there are numerous opportunities to engage in research and development. Given the fact that a disproportionate amount of R and D is provided by small firms, minority entry into this area is by no means precluded. For instance, Advance, Inc., of Washington, D. C., is involved in an R&D effort in the DBS area.[75]

Traditional sources of risk capital demand such high rates of return for high risk R and D ventures, that many R and D efforts are not cost effective. Luckily, a relatively new tax sheltered financing mechanism has evolved to assist R and D financing efforts. The R and D limited partnership provides a legitimate source of risk capital which complements conventional equity financing.[76] The mechanism uses the tax benefits of the venture to reduce the investor's after-tax capital at risk and supplement the past tax payout. As a result, the potential rate of return is increased at no additional cost to the investor or the corporation conducting R and D.

A well structured R and D partnership enables the inventor/corporation to keep a larger interest in the technology while providing investors with a more attractive risk/rate of return ratio than that of conventional equity investments.

Minority entrepreneurs should take advantage of the tax shelter for R and D whenever possible. However, there are restrictions on its use. Competent counsel should be retained to provide guidance in these matters.

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The potential entrepreneur must contend with his/her own lack of knowledge about financial requirments and market conditions as well as that of traditional private and government lending sources.

In the video market, the high cost of entry, due to substantial risk and typically low levels of personal capitalization of minorities have spawned specialized venture capital firms. A list of financial firms including specialized venture capital firms and MESBICs is included as Appendix D. Unfortunately, low earnings growth in broadcasting has resulted in the loss of that industry's appeal to venture capital firms.[77] Creative financing vehicles such as the tax certificate and distress sales policies, mentioned earlier, have also been developed in the regulatory arena.[78] Others are currently being proposed, changes such as:

- Grant rules waivers to permit an established broadcaster to acquire an equity interest in a minority-controlled property that otherwise would exceed multiple ownership limits or adversely affect diversification.

- Explore with Congress the possibility of amending Section 48(c) of the Internal Revenue Code to substantially raise the limitation of equipment purchased when a minority-controlled firms if purchasing an operating telecommunications system.

- Explore with Congress extending the minority ownership program to telecommunications facilities other than broadcast and cable.

Meanwhile, federal funding sources tend to provide inadequate direct loan support and limited guarantees because of limited funds and unrealistic restrictions on loan size given the cost of entry.

While key aspects of the telecommunications market enjoy current favor with venture capital firms (i.e., data), the would-be minority telecommunications entrepreneur faces the same difficulties his video counterpart faces. Both the entrepreneur and the lender have so little knowledge of such a rapidly changing market environment. Although some of the specialized venture capital firms may consider new areas such as cellular mobile radio common carriage, others such as Broadcap are limited to audio and/or small traditional video enterprises. Traditional funding sources too often decline proposals for new ventures due to the lack of experience and expertise available to the lenders in assessing the risk factors and setting reasonable debt requirements.

Given the above scenario, the need for competent financial packaging expertise is crucial. Without it, the venture never gets off the ground. Another key development in both industries is the large number of capital-rich dominant firms which are also bidding for scarce financing dollars at a time of high interest rates. In such an environment, financial packaging expertise and the ability to sell the venture based on the lending institution's criteria are of paramount importance.

3. Management and Technical Assistance

All of the major government and industry programs to stimulate minority ownership of telecommunications facilities have specifically recognized the necessity of management and technical assistance. Indeed the recognition of this need figures prominently in the proposals put forth by the Minority Telecommunications Development Program of NTIA, the FCC Minority Ownership Task Force, and the FCC Advisory Committee on Alternative Financing for Minority Opportunities in Telecommunications.[79]

Thus the FCC Task Force noted in 1978 that "when seeking to become the owner of a broadcast facility, the minority applicant will need the help of professionals. Specifically, ... access to media brokers, attorneys, engineers, and station personnel."[80] Similarly, one prominent industry observer has concluded that "lack of expertise in planning, engineering, and packaging their applications is the crux of the problem for minorities."[81]

The lack of minority industry expertise emanates from several factors. General factors such as the complex regulatory environment and technical requirements of the telecommunications industries necessitate reliance on and knowledge of specialized information, nomenclatures and support services. This probelm is exacerbated by the rapid technological growth of the industries which is outstripping the ability of many firms to secure the available expertise.

Minorities must also contend with the fact that the lack of management and technical expertise noted by the FCC Advisory Committee is in major part the result

The lack of minority industry expertise emanates from several factors. General factors such as the complex regulatory environment and technical requirements of the telecommunications industries necessitate reliance on and knowledge of specialized information, nomenclatures and support services. This problem is exacerbated by the rapid technological growth of the industries, which is outstripping the ability of many firms to secure the available expertise.

Minorities must also contend with the fact that the lack of management and technical expertise noted by the FCC Advisory Committee is in major part the result of limited minority employment in the telecommunications industry. Hence the Communications Task Force of the National Conference of Black Lawyers has stated:

> ". . . the need for industry related management and technical expertise on the part of minority entrepreneurs would not be as great were there more opportunities for minority employment."[82]

Thus, broadly stated, minorities require assistance in securing short term, industry specific expertise in financing, regulation, engineering, personnel selection, and management. They must also be assured of the long term availability of expertise via policies which facilitate minority employment across the full spectrum of communications properties.

The following Matrix of Existing and Potential Problems Associated with Small and/or Start-Up Minority Businesses in Telecommunications was developed by Resources, Inc. to graphically guide the reader to the specific areas of concern in ten of the telecommunications industries. Following the previous discussion of needed assistance, Section III-2, A, the reader can categorize the problem (information, financing, technical and management assistance) and identify the resource per industry group.

In addition, the reader is advised to supplement the matrix with reading the material specified in the bibliography.

Resources, Inc.
Contract No. HE-82-SAC-10237
1982

MATRIX OF EXISTING AND POTENTIAL PROBLEMS ASSOCIATED WITH SMALL AND/OR START-UP MINORITY BUSINESSES IN TELECOMMUNICATIONS

	INFORMATION			FINANCING			MANAGEMENT AND TECHNICAL ASSISTANCE		
	Regulation	Technical	Market	Entry Financial Requirements	Financial Plan	Financial Resources	Legal	Engineering	Business Management and Planning
RADIO	- Federal (FCC)* o Rules: 47 C.F.R.* Subchapter C, Part 73, Subparts A and B. o Areas of Regulation: Equipment, Technical Standards, Operations, Licensing, Ownership, Programming. o FCC Form Nos. 301, 302, 316, 323.	Frequency Power Signal Reach	o Size: Local or Regional o Competitors: other radio stations in area of license.	$200,000.00 +	Model Plan Available (NAB)*	Commercial Banks, Insurance Companies, Venture Capital Firms, MESBICS* SBA Loan Programs* FmHA Loan Program*	Lawyer to prepare and file various applications with accountant and engineer.	o applications o site selection o transmission equipment o signal contours o signal strength	MBDA/BDCS* SBA* Trade Associations Academia
TELEVISION/ SUBSCRIPTION TV	- Federal (FCC)* o Rules: 47 C.F.R.* Subchapter C, Part 76. o Areas of Regulation: Equipment, Technical Standards, Operations, Licensing, Ownership, Programming. o FCC Form Nos. 301, 303, 314, 315, 323.	Frequency Power Signal Reach	o Size: SMSA* & (area of License) o Competitors: multiple competitors (television, STV, SMATV, MDS, Cable, DBS)	$500,000.00 +	Model Plan Available (NAB)*	SAME	SAME	SAME	SAME
LOW POWER TELEVISION	- Federal (FCC)* o Rules: 47 C.F.R.* Subchapter C, Part 76. o Areas of Regulation: Equipment, Technical Standards, Operations, Licensing, Ownership, Programming. o FCC Form Nos. 346, 347.	Frequency Power Signal Reach	o Size: Approx. 1/10 SMSA (area of License) o Competitors: (same as television)	$500,000.00 +	Model Plan Available (NAB)*	SAME	SAME	SAME	SAME
CABLE TELEVISION	- Municipal/County: (Franchise) - Federal (FCC)* o Rules: 47 C.F.R.* Subchapter C, Part 76. o Areas of Regulation: Franchise Standards, Broadcast Signal, Program, Carriage, Ownership, Technical.	Frequency Channels	o Size: Local or Regional (SMSA or political subdivision) o Competitors: multiple competitors (television, STV, SMATV, MDS, DBS)	$500,000.00 +	Required No Model Plan Available	SAME	SAME	Applications Equipment Selection	SAME

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	INFORMATION			FINANCING			MANAGEMENT AND TECHNICAL ASSISTANCE		
	Regulation	Technical	Market	Entry Financial Requirements	Financial Plan	Financial Resources	Legal	Engineering	Business Management and Planning
SATELLITE MASTER ANTENNA TELEVISION (SMATV) (Earth Station/ Antenna)	- Local: Municipal or County Zoning Laws - Federal: (Earth Stations) o Rules: 47 C.F.R.* Part 25.	Frequency Reception	o Size: Local, limited to building being served. o Competitors: television, MDS, possibly cable, DBS will compete by 1986-87. o Information: Trade Associations, Academia, MBDA, FCC.	$100,000.00 +	Necessary None Available	SAME	SAME	o Applications o site selection o reception equipment	SAME
MULTIPOINT DISTRIBUTION SYSTEMS (MDS)	- Local: Municipal or County Zoning Laws - Federal: o Rules: 47 C.F.R.* Subchapter B, Part 21, Subpart K. o FCC Form Nos. 451-M, 459-M.	Frequency Transmission Reception	o Size: Local, limited to geographic area receiving good signal. o Competition: television, cable, DBS, SMATV, LPTV. o Information: Trade Associations, Academia, MBDA, FCC.	$500,000.00 +	SAME	SAME	SAME	o Applications o site selection o transmission & reception equipment o signal strength o signal contours	SAME
PRIVATE COMMON CARRIER (Local and Long Distance)	- State (Rates) - Federal: Communications Act of 1934, Title II. o Rules: 47 C.F.R.*, Part 68 o FCC Form Nos. 401, 402, 435, 459.	Frequency Allocated Interference	o Size: Local, Regional, National; Market Areas vary. o Competition: Cable MDS, Broadcast Subcarriers. o Information: Trade Associations, Academia, MBDA, FCC.	$1,000,000.00 +	SAME	SAME	SAME	o Applications o transmission and/or reception equipment	SAME
RESALE	o Rules: 47 C.F.R., Part 68 o FCC Forms: None (Service Deregulated)	SAME	o Size: Local, Regional, National; Market Size varies. o Competitors: Other common carriers. o Information: Trade Associations, Academia, MBDA, FCC.	$500,000.00 +	SAME	SAME	SAME	SAME	SAME

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	INFORMATION			FINANCING			MANAGEMENT AND TECHNICAL ASSISTANCE		
	Regulation	Technical	Market	Entry Financial Requirements	Financial Plan	Financial Resources	Legal	Engineering	Business Management and Planning
CELLULAR MOBILE	- State: (Rates) - Federal: • Rules: 47 C.F.R.*, Part 22, Subpart K (See especially Section 22.911). • FCC Form Nos. 401, 714.	System Design Frequency Signal Power Signal Reach Signal Configuration	• Size: Local • Competition: Other common carriers. • Information: Trade Associations, Academia, NMCA, FCC.	$1,500,000.00 +	Necessary, Plan Available (Telocator)	SAME	SAME	SAME	SAME
VALUE ADDED	- Federal Equipment Interconnection Transmission • Rules: 47 C.F.R.*, Part 64, Subpart G, Section 64.702. • FCC Form: None (Services Deregulated)	Interconnection	• Size: varies • Competitors: Other Other similar companies and other common carriers. • Information: Trade Associations, Academia, NMCA, FCC.	$100,000.00 +	Necessary, None Available	SAME	OPTIONAL	OPTIONAL	SAME
TERMINAL EQUIPMENT (Mfg.)	• Rules: 47 C.F.R., Part 68 • FCC form No. 730.	Equipment Design Compatibility with transmission system	• Size: varies • Competitors: many • Information: Trade Associations, Academia, NMCA, FCC.	$1,000,000.00 +	Necessary, None Available	SAME	OPTIONAL	NECESSARY	SAME
TERMINAL EQUIPMENT (Sales and Service)	• Rules: 47 C.F.R., Part 64, Subpart G, Section 64.702, Part 68.	SAME	• Size: varies • Competitors: Other similar companies and other common carriers. • Information: Trade Associations, Academia, NMCA, FCC.	$500,000.00 +	Necessary, None Available	SAME	OPTIONAL	OPTIONAL	SAME

* Abbreviated Terms

FCC - Federal Communications Commission
C.F.R. - Code of Federal Regulations
SMSA - Standard Metropolitan Statistical Area
NAB - National Association of Broadcasters
MESBIC - Minority Enterprise Small Business Investment
SBA - Small Business Administration
FmHA - Farmers' Home Administration, U.S. Department of Agriculture

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IV. STRATEGIES FOR INTERCONNECTION OF EXISTING SOURCES OF ASSISTANCE FOR MINORITIES IN TELECOMMUNICATIONS

In 1978, the Department of Commerce, in conjunction with the White House, instituted the Minority Telecommunications Development Program at NTIA. The program was notable because it combined in one place the resources of six federal agencies and several trade associations. Although very successful, the program was limited by its geographic location (only in Washington, D. C.) and the size of its staff (one full-time person). As a result, the "hands on" assistance necessary to facilitate the market entry of individual minority entrepreneurs was sometimes unavailable. Moreover, the MTDP was limited in its focus. It concentrated on the broadcast industry to the exclusion of the new video and expanding common carrier technologies.

Any new program to assist minority entry must be comprehensive in scope. It must have the ability to discover, monitor, analyze, assimilate, and disseminate complex information about a myriad of new telecommunications opportunities. The information must include industry specific regulatory, technical, market and financial data; and management and technical assistance expertise. The program must have the capability to deliver these outputs to the geographically dispersed entrepreneurs on a continuing basis. It must also have the ability to monitor the development and growth of the minority telecommunications industry segment, so that the impact of various federal policies on minority telecommunications enterprises can be known and communicated.

To this end, the following is proposed. The Program should include the major government agencies, MBDA and SBA, responsible for the development of minority and small business enterprises (minority businesses are small businesses); the major government agencies responsible for the regulation of and development of policies concerning telecommunications (FCC and NTIA); the government agencies responsible for authorization and oversight of federal government procurement (OFPP); as well as, the government agency responsible for industry data compilation, statistics, and projections (Census Bureau). The Office of Small and Disadvantaged Business Utilization at each agency would have the responsibility to monitor and facilitate the provision of information from its agency. THE OSBDUs would also be responsible for coordinating the flow of information between agencies and briefing its respective agency head on the scope and progress of the program.

Information generated by the agencies would be supplied to MBDA where it would be placed on computer for use by the MBDA Business Development Centers (BDC). This resource document and other information, including sophisticated computer assisted business, market, and financial analysis would also be available. The one hundred BDCs would then make the information available to minority entrepreneurs and key role MBE models, trade associations, members of their financial communities and relevant state and local entities.

These groups would in turn be able to feed information back to the BDCs regarding market and finance information, minority business needs, and the impact of federal and state regulatory policies on telecommuniations, and small and minority businesses. The BDCs would then funnel the field information back to MBDA. Census, through an annual survey of minority business enterprises would also funnel industry statistics into MBDA.

MBDA would then compare the field data against the information and policies generated by the agencies. Information and policies could then be updated, modified, or abandoned as needed.

The proposed program captures the intent of and is consistent with the President's policy statement on minority business enterprise dated December 17, 1982.[83] It is also consistent with the intended focus and function of the BDC's the most reasonable way of dispersing the needed information and assistance.[84]

A chart of the proposed interconnection strategy follows.

PROPOSED PROGRAM FLOW CHART

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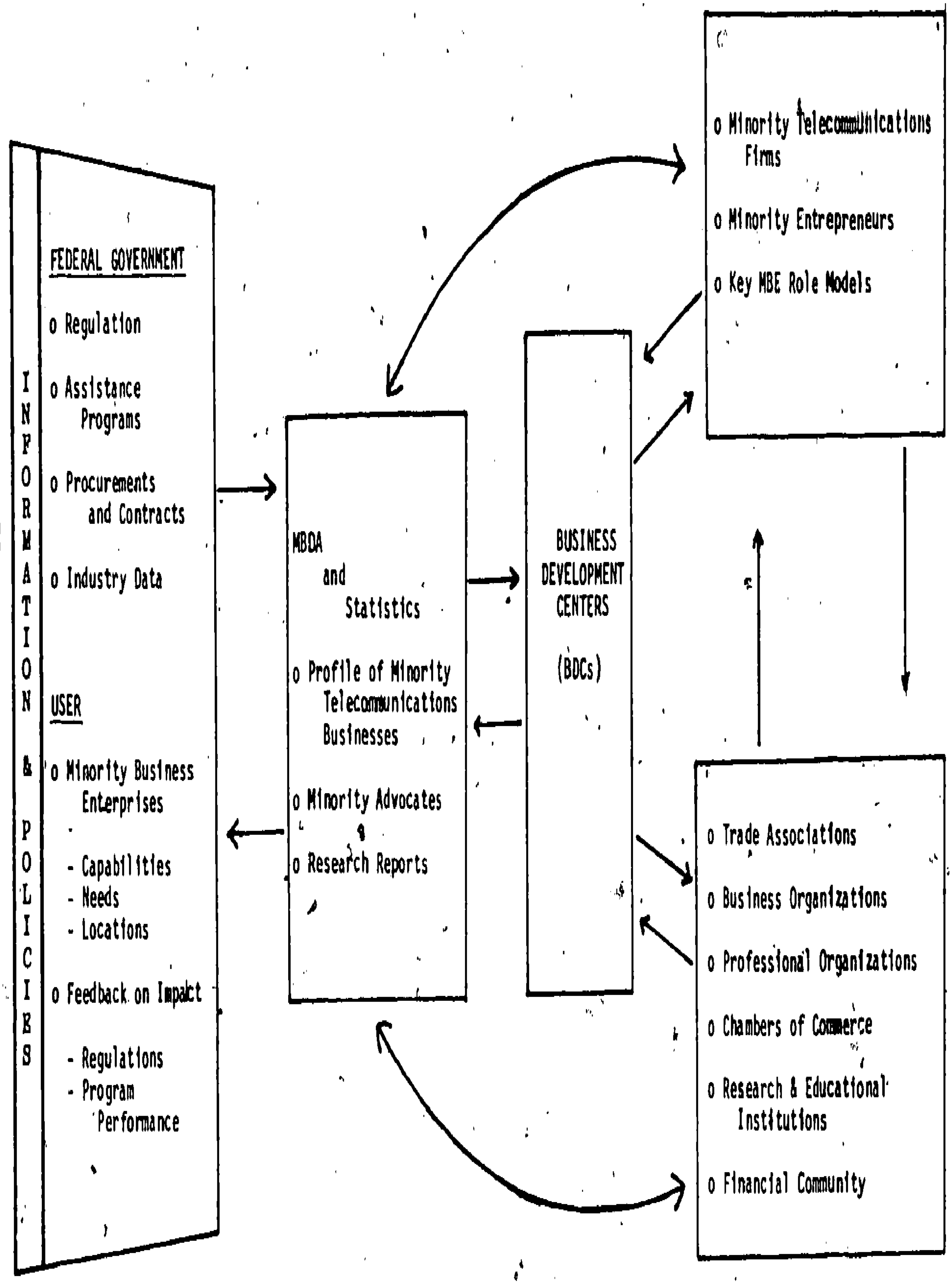

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PROGRAM ILLUSTRATION

The program would work in the following manner. For example, satellite master antenna television (SMATV) is a new technology particularly suited for densely populated, uncabled urban areas having many high-rise apartement complexes. If an entrepreneur comes to a BDC seeking information on SMATV, the BDC would supply the entrepreneur with the relevant sections of this resource document. It would also be able to determine and identify the key regulations controlling the development of the business, the cost of entry, the cost of product, the best locations for the business, the level of cash flow necessary to make the business profitable, the necessary financial resources, and relevant trade associations such as the Society of Private and Commercial Earth Stations (SPACE), which might be of assistance.

In such an instance, the BDC would also note the need for the business to conform to local zoning ordinances, and the absence of a local or national uniform zoning law approach to SMATV. The BDC would continue to assist the entrepreneur while alerting MBDA to the necessity for uniform SMATV sensitive zoning laws. MBDA would then contact SPACE and organizations such as the National League of Cities and various minority trade associations to develop and draft appropriate laws for local, state, and national legislative consideration.

FOOTNOTES

1/ White House Commission on Small Business, America's Small Business Economy, Washington, D.C., U.S. G.P.O.

2/ Minority Business Development Agency, "Minority Business Enterprise Today: Problems and Their Causes," January 1982, page 1.

3/ Ibid.

4/ Minority and Special Services Dept., N.A.B., Broadcasting Facts, February 1982.

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INFORMATION

BROADCAST AND CABLE

TOTALS ON MINORITY-OWNED COMMERCIAL STATIONS

Black-owned Television (7 VHF & 4 UHF)	11	(WHMM-TV, PBS, Wash, DC p. 2, not included)
Black-owned Radio (76 AM & 41 FM)	117	
Total:	128	
Hispanic-owned Television (2 VHF 7 1 UHF)	3	
Hispanic-owned Radio (20 AM & 8FM)	28	
Total:	31	
Native American-owned Television	0	
Native American-owned Radio (2 AM & 1 FM)	3	
Total:	3	
Asian-American-owned Television	0	
Asian-American-owned Radio	2	
Total:	2	
TOTAL MINORITY-OWNED STATIONS	164	

TOTAL MINORITY STATION OWNERS

TOTAL BLACK STATION OWNERS	82
TOTAL HISPANIC STATION OWNERS	25
TOTAL NATIVE AMERICAN OWNERS	2
TOTAL ASIAN-AMERICAN OWNERS	1
TOTAL MINORITY STATION OWNERS	110

CABLE TELEVISION/NON-COMMERCIAL BROADCASTING STATISTICS:

TOTAL MINORITY-OWNED CABLE FRANCHISES/SYSTEMS

Black-owned *

KBLE, Ohio
Columbus, Ohio

Telecable Broadcasting
East Cleveland, Ohio

Delta Development
Management Corporation
Mound Boyon, Mississippi

* There are twenty-four additional minority-owned cable franchises (16 Black and 11 Hispanic). However, those listed above are the only franchises currently in operation.

MINORITY CONTROLLED NON COMMERCIAL FACILITIES

Black Television	2
Black Radio	9
Hispanic Television	1
Hispanic Radio	8
Native American Television	1
Native American Radio	8
Asian/Pacific Island Television	0
Asian/Pacific Island Radio	3
Total:	32

COMMERCIAL BLACK-OWNED BROADCAST FACILITIES (as of 1/1/82)

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Muscle Shoals Bdcstg.
WZZA-AM
P.O. Box 2562
Muscle Shoals, AL 35560
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Muscle Shoals Bdcstg.
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WHMM-TV (PBS)
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WJPC-AM
820 South Michigan Ave.
Chicago, IL 60605
312-322-9400/322-9200

Wesley South, Pres.
WXOL-AM
3350 South Kedzie Ave.
Chicago, IL 60623
312-247-6200

INDIANA

Anderson Schweich
Chicago Metro Assurance Co.
WLTH-AM
3669 Broadway Street
Gary, IN 46409
312-978-6784

Ragan Henry, Pres.
BENI
WTLC-FM
P.O. Box 697
Indianapolis, IN 46206
317-923-1456

KANSAS

Dr. Marvin Wilson, Pres.
Shawnee Bdcstg. Inc.
KTPK-FM
910 First Nat'l Bank Tower
Topeka, KS 66603
913-234-2627

Charlie Pride, Pres.
Long-Pride Bdcstg.
KEYN-AM
2829 Salina Avenue
Wichita, KS 67204
316-838-7741

Charlie Pride, Pres.
Long-Pride Bdcstg.
KEYN-FM
2829 Salina Avenue
Wichita, KS 67204
316-838-7741

LOUISIANA

Henry Cotton, Pres.
North Delta Bdcstg., Inc.
KTRY-AM
P.O. Box 1075
Bastrop, LA 71220
318-281-3656

Henry Cotton, Pres.
North Delta Bdcstg., Inc.
KTRY-FM
P.O. Box 1075
Bastrop, LA 71220
318-281-3650

Thomas Lewis, Pres.
Inter Urban Bdcstg.
WYLD-AM
2906 Tulane Avenue
New Orleans, LA 70019
504-822-1945

Thomas Lewis, Pres.
Inter-Urban Bdcstg.
WYLD-FM
2906 Tulane Ave.
New Orleans, LA 70119
504-822-1945

Ben Johnson, Pres.
Winnfield Life Bdcstg.
P.O. Box 60475
WXOK-AM
Baton Rouge, LA 70896
504-926-3314

MAINE

Dr. Jasper Williams, Sr.
Chairman
Seaway Comm.
WTII-TV
41 Farm Rd.
Bangor, ME 04401
207-945 6457

MARYLAND

Dorothy Brunson, Pres.
Brunson Bdcstg. Corp.
WEBB-AM
Clifton & Dennison Sts.
Baltimore, MD 21216
301-566-92[illegible]

Ragan Henry, Pres.
BENI
WITH AM
5 Light Street
Baltimore, MD 21202
301-528-1230

MASSACHUSETTS

Ken Nash, Pres.
Ken Nash Comm.
WILD-AM
390 Commonwealth Ave.
Boston, MA 02215
617-267-1900

MICHIGAN

Dr. William V. Banks, Pres.
WGPR, Inc.
WGPR-FM
3146 East Jefferson St.
Detroit, MI 48207
313-259-8862

Dr. William V. Banks, Pres.
WGPR, Inc.
WGPR-TV
3146 East Jefferson St.
Detroit, MI 48207
313-259-8862

Mrs. Mary Bell, Pres.
Bell Bdcstg. Corp.
WCHB-AM
32790 Henry Ruff Rd.
Inkster, MI 48141
313-278-1440

Mrs. Mary Bell, Pres.
Bell Bdcstg. Corp.
WJZZ-FM
2994 East Grand Blvd.
Detroit, MI 48202
313-871-0591

Richard Culpepper, Pres.
WKWM-AM
P.O. Box 8[illegible]
Kentwood, MI 49508
616-942-2430

Vernon Merritt, Pres.
Flint Metro Mass. Media
WDZZ-FM
1980 East Genesee Tower
1 East Flint St.
Flint, MI 48501
313-767-0130

Pierre Sutton, Pres.
Inner City Bdcstg. Corp.
WLBS-FM
15565 Northland Drive
Room 200 E
Southfield, MI 48075
313-557-1557

MISSISSIPPI

Vernon C. Floyd, Pres.
Circuit Bdcstg. Co.
WORV-AM
604 Gussie Ave.
Hattiesburg, MS 39401
601-544-1941

Aaron Henry, Chair.
TV-3, Inc.
WLBT-TV
P.O. Box 1712
Jackson, MS 38205
601-948-3333

William Jackson, Pres.
Interchange Comm.
WESY-AM
P.O. Box 340
Greenville, MS 38701
601-378-9405

William Jackson, Pres.
Interchange Comm.
WBAD-FM
P.O. Box 4426
Greenville, MS 38701
601-335-9265

MISSOURI

Andrew Carter, Pres.
KPRS Bdcstg. Corp.
KPRS-FM
3 Crown Center, Ste. 118
Kansas City, MO 64108
816-471-2000

Andrew Carter, Pres.
KPRS Bdcstg. Corp.
KPRT-AM
3 Crown Center, Ste 118
Kansas City, MO 64108
816-471-2000

Johnny Roland, Pres.
Bronco Media, Inc.
KIRL-AM
P.O. Box 1374
St. Charles, MO 633[illegible]
314-946-6600

Eugene Jackson, Pres.
Unity Bdcstg. Corp.
KATZ-AM
1139 Olive St.
St. Louis, MO 63101
314-241-5100

Eugene Jackson, Pres.
Unity Bdcstg. Corp.
WZEN-FM
1139 Olive St.
St. Louis, MO 63101
314-241-5100

NEW JERSEY

James N. Wade, Pres.
Wade Bdcstg., Inc.
WSSJ-AM
Radio CATV
1315 Walnut St.
Ste. 716-20
Philadelphia, PA 19107
215-732-5300
609-365-5600

B 16

Larry Hayes, Pres.
Atlantic Business
Community Dev. Corp.
WUSS-AM
1500 Absecon Avenue
Atlantic City, NJ 88401
609-345-7134

Donald McMeans, Pres.
Renaissance Bdcstg. Co.
WRBV-TV
145 Tyler Dr.
Willingboro, NJ 08046
609-871-2316

Daniel Robinson, Chair
1430 Associates
WNJR-AM
1700 Union Avenue
Union, NJ 07083
201-688-5000/826-0115

NEW YORK

Ragan Henry, Pres
BENI
WHEC TV
191 East Avenue
Rochester, NY [illegible]
716-546-9670

Andrew Langston, Pr.
Monroe County Bdcstg
WDKX-FM
1337 East Main St
Rochester, NY 14607
716-288-5470

Ron Davenport, Pres
Sheridan Bdcstg. Corp
WUFO-AM
89 LaSalle Ave.
Buffalo, NY 14214
716-834-1080

Pierre Sutton, Pres.
Inner City Bdcstg. Corp.
WBLS-FM
801 2nd Avenue
New York, NY 10017
212-661-3344

Pierre Sutton, Pres.
Inner City Bdcstg. Corp
WLIB-AM
801 2nd Avenue
New York, NY 10017
212-661-3344

Norman T. Pinkard, Chair.
P&L Bdcstg. of Johnstown,
NY, Inc.
WMYL-AM
P.O. Box 307
Johnstown, NY 12095
518-762-4631

Norman T. Pinkard, Chair.
P&L Bdcstg. of Johnstown,
NY, Inc.
WIZR-FM
Johnstown, NY 12095
518-762-4631

NORTH CAROLINA

Ralph Coleman, Pres
WARR, Inc.
WARR-AM
P.O. Box 577
Warrenton, NC 27589
919-257-2121

Ms Mutter Evans, Pres.
Evans Bdcstg. Corp.
WAAA-AM
P.O. Box 11197
Winston-Salem, NC 27106
919-767-0430

Garfield Harris, Pres
Harris Communications
WGIV-AM
2520 Toomey Ave.
Charlotte, NC 28203
704-333-0131

S.N. Lennon, Pres.
Ebony Enterprises, Inc.
WVOE-AM
P.O. Box 328
Chadburn, NC 28431
919-654-5621

Charles O. Johnson, Pres.
Radio Station Weed, Inc.
WRSU-FM
P.O. Box 2666
Rocky Mount, NC 27801
919-442-9776

OHIO

Ragan Henry, Pres
BENI
WCIN AM
106 Glenwood Avenue
Cincinnati, OH 45217
513-281-7180

Ragan Henry, Pres.
BENI
WBLZ-FM
804 First Nat'l Bank Bldg.
3rd & High Sts.
Hamilton, OH 45011
513-863-3600

LaRue Turner, Pres.
WELX-AM
P.O. Box 219
Xenia, OH 45385
513-372-7649

OKLAHOMA

Jimmy Miller, Pres.
All American Bdcstg., Inc.
KAEZ-FM
P.O. Box 11333
Oklahoma City, OK 73136
405-424-3376

PENNSYLVANIA

Eugene Jackson, Pres
Unity Bdcstg. Corp.
WDAS-AM
Belmont Ave & Edgley Rd
Philadelphia, PA 19131
215-878-2000

Eugene Jackson, Pres
Unity Bdcstg. Corp.
WDAS-FM
Belmont Ave. & Edgely Rd
Philadelphia, PA 19131
215-878-2000

Ron Davenport, Pres.
Sheridan Bdcstg. Corp.
WYJZ-AM
1811 Blvd. of the Allies
Pittsburgh, PA 15219
412-471-2181

Ron Davenport, Pres.
Sheridan Bdcstg. Corp.
WAMO-FM
1811 Blvd. of the Allies
Pittsburgh, PA 15219
412-971-2181

James Drayton, Pres.
Phyldel Comm. Corp.
WVAM-AM
2727 Albert Dr
Altoona, PA 16602
814-944-9456

James Drayton, Pres.
Phyldel Comm. Corp.
WVAM-FM
2727 Albert Dr.
Altoona, PA 16602
814-944-9456

Dr. Samuel Hart, Pres.
Hart Bdcstg. Co., Inc.
WYIS-AM
400 Main Street
Phoenixville, PA 19460
215-933-5819

Noble Blackwell, Pres.
Lifestyle Productions
WCDL-AM
Salem Road
Carbondale, PA 18407
717-282-2770

Noble Blackwell, Pres.
Lifestyle Productions
WCDL-FM
Salem Road
Carbondale, PA 18407
717-282-2770

Ragan Henry, Pres.
BENI
WJAS-AM
Broadcast Place
Crane Ave.
Pittsburgh, PA 15220
412-531-9500

RHODE ISLAND

Henry Hampton, Pres.
East Providence Bdcstg.
WHIM-AM
125 Eastern Ave.
East Providence, RI 02914
401-434-2400

SOUTH CAROLINA

I.S. Leevy Johnson, Pres.
Nuance Corporation
WOIC-AM
P.O. Box 565
Columbia, SC 29202
803-791-1320

I.S. Leevy Johnson, Pres.
Nuance Corporation
WTWF-FM
P.O. Box 758
Moncks Corner, SC [illegible]
803-889-7111

Mary Forbes, Chair.
Trident Comm.
WQIZ-AM
P.O. Box 903-904
St. George, SC 29202
803-563-4533

Mary Forbes, Chair.
Trident Comm.
WDWQ-FM
P.O. Box 903-904
St. George, SC 29202
803-563-4533

William & Vivian Galloway
WSIB-AM
1210 Boundary Street
Bufort, SC 29902
803-524-4700

TENNESSEE

Samuel Howard, Pres
Phoenix of Nashville
WVOL-AM
P.O. Box 8085
1320 Brick Church Pike
Nashville, TN 37207
615-227-1470

Art Gilliam, Pres
Gilliam Comm
WLOK-AM
363 South 2nd Street
Memphis, TN 38103
901-527-9565

Dr. Thomas Crawford, Pres
Broadcast Media of Knoxville
WBMX-AM
P.O. Box 6920
Knoxville, TN 37914
615-525-7771

TEXAS

Dr. John B. Coleman, Pres.
KCOH, Inc.
KCOH-AM
5011 Almeda Street
Houston, TX 77001
713-522-1001

Earl G. Graves, Pres
EGG Dallas Bdcstg. Inc.
KNOK-AM
3601 Kimbo Street
Fort Worth TX 76111
817-429-8421

Earl G. Graves, Pres.
EGG Dallas Bdcstg. Inc.
KNOK-FM
3601 Kimbo Street
Fort Worth, TX 76111
817-429-8421

Dr. Robert Lee, Pres.
PRIMA, Inc.
KLBK-TV
7400 S. University Ave.
Lubbock, TX 79408
806-745-2345

Dr. Robert Lee, Pres.
PRIMA, Inc.
KTXS-TV
P.O. Box 2997
Abeline, TX 79604
915-677-2281

VIRGINIA

Shirley Everette, Pres.
Everette Bdcstg.
WPAK-AM
P.O. Box [illegible]
800 Old Plank Road
Farmville, VA 23901
804-392-8114

Tyrone Dickerson, Pres
Drum Comm.
WENZ AM
4719 Nine Mile Road
Richmond, VA 23901
804-222-7003

Dr. Charles Cummings
President
WKIE-AM
6001 Wilkinson Road
Richmond, VA 23227
804-264-1540

Levi Willis, Sr., Pres.
Willis Bdcstg.
WPCE-AM
1010 Park Ave.
Norfolk, VA 23227
804-622-4600

Levi Willis, Sr., Pres.
Willis Bdcstg.
WOWI-FM
1010 Park Ave.
Norfolk, VA 23227
804-622-4600

Cicero M. Green, Jr.
President
North Carolina Mutual
Comm.
WBMG-AM
P.O. Box 180
Williamsburg, VA 23185
804-229-4068

Cicero M. Green, Jr.
President
North Carolina Mutual
Comm.
WBCI-FM
P.O. Box 180
Williamsburg, VA 23185
804-229-4068

WASHINGTON

Patrick Prout, Pres.
KUJ-AM
P.O. Box 513
Walla Walla, Wa 99362
509-529-8000

Willie Davis, Pres.
All Pro Bdcstg. Co.
KQIN-AM.
P.O. Box 66160
Burien, WA 98166
206-243-8803

Lloyd Edwards, Pres
Golden Gate Bdcstg.
KYAC-AM
Seattle, WA 98101
206-223-3900

WISCONSIN

Willie Davis, Pres.
All Pro Bdcstg Co.
12800 W. Bluemond Rd.
Elmgrove, WI 53122
414-786-1590

Willie Davis, Pres.
All Pro Bdcstg. Co.
WAWA-AM
12800 Bluemond Road
Elmgrove, WI 53122
414-786-1590

Jerrel W. Jones, Pres
Courier Communications
WNOC-AM
3815 North Teutonia Ave
Milwaukee, WI 53206
414-449-9668

Dr. Jasper Williams, Sr.
Chairman
Seaway Comm.
WAEQ-TV
Box 858
S. Oneida Ave.
Rhinelander, WI 54501
715-369-4700

26-674 O—83——18

COMMERCIAL HISPANIC-OWNED BROADCAST FACILITIES (as of [illegible])

ARIZONA

Mauricio D. Mendez
President & Gen. Mgr.
Hispanic Comm. Corp.
KIFN-AM
147 E. Garfield
Phoenix, AZ 85004
602-257-9363

Jose Molina
Continental Bdcstg. Corp.
KPHX-AM
1975 S. Central Avenue
Phoenix, AZ 85004
602-257-1351

Ernesto Portillo
General Manager
Radio Fiesta, Inc
KXEW-AM
889 W. El Puente
Tucson, AZ 85713
602-623-6429

CALIFORNIA

KOQI-AM
Hayward, CA

Jose Molina
KROQ AM
117 S. Los [illegible]
Pasadena, CA 9110[illegible]
213-578-0830

Alberto Rodriguez
Radio Fiesta, Corp.
KAZA-AM
P.O. Box 1290
San Jose, CA 95108
408-998-1290

Jess Carlos &
Eduardo Caballero
KNEZ-AM
322 N. H Street
Lompoc, CA 93436
805-736-3496

KBSA-TV
Newport Center Dr.
New Port Beach, CA 92660

De Oro Bdcstg. Co
KZON-AM
P.O. Box 1116
Santa Maria, CA [illegible]
805-922-7323

KNSE-AM
Box 5000
Ontario, CA 91761
805-640-1434

Eugenio Mijares
Bilingual Bdcstg.
Foundation, Inc.
KBBF-FM
P.O. Box 7189
Santa Rosa, CA 95401
707-545-8833

COLORADO

Ed Romero
President
Latino Bdcstg. Corp.
KBNO-AM
1601 W. Jewell Ave
Denver, CO 80223
303-922-1151

CONNECTICUT

Jose Grimalt
President
WLVH, Inc
WLVH-FM
750 Main Street
Hartford, CT 06103
203-549-1175
203-335-6522

FLORIDA

Percy Lopez [illegible]
President
Minority Bdcstg., Inc
P.O. Box 1450
Miami, FL 33131
305-371-1450

Salvador Lew
President & Gen. Mgr.
Radiocentro Bdcstg. Co.
WRHC-AM
2260 SW 8th Street
Miami, FL 33135
305-541-3300

ILLINOIS

James M [illegible]
President
WMPP-AM
1000 Lincoln [illegible]
East Chicago Hgt. [illegible]
312-758-1400

NEW MEXICO

Edward Gomez
President
Albuquerque Corp.
KABQ-AM
P.O. Box 4486
1309 Yale, S.E.
Albuquerque, NM 87106
505-243-1744

Belarmino R. Gonzales
President
Pan American Bdcstg. Co.
KDAZ-AM
P.O. Box 4338
Albuquerque, NM 87106
505-884-7373

Reginaldo Espinozo
President
KRDD-AM
P.O. Box 1615
Roswell, NM 88201
505-623-8111

NEW YORK

Nelson Lavergne
Chairman
Command Bdcst Associates
WADO-AM
666 3rd Avenue
New York, N.Y. 10017
212-599-2701

TEXAS

Roberto C. Villanueva
President
Dynamic Communication
of Austin
K[illegible]-FM
121 E. 8th Street
Austin, TX 78701
512-478-5699

KLSN-FM
240 Coggin Avenue
Brownwood, TX 76801
915-686-5576

Manuel Davila
KCCT, Inc.
KCCT-AM
701 Benys Street
Corpus Christi, TX [illegible]
512-884-2426

Marcos Rodriguez
President
Latino American
Broadcasting Co.
KESS-FM
661 Seminary Dr.
Fort Worth, TX 76115
817-429-1037

Pedro Diaz
President
Magic Valley
Broadcasting, Inc.
KIWW-FM
302 W. Adams
Harlinger, TX 78550
512-423-3211

Marcos Rodriguez
President
Spanish Bdcstg. Corp.
KLAT-AM
101 N. Mildy
Houston, TX 77003

KODA-AM
Houston, TX

Marcelo Tafoya
President
LaFiesta Bdcstg. Co.
KLFB-AM
2700 Marshall
Lubbock, TX 79417
806-765-8114

Edward Gomez
President
Bravo Broadcasting Co.
KQXX-FM
608 S. 10th Street
McAllen, TX 78501

Edward Gomez
President
Rio Broadcasting Co.
KIRT-AM
6055 10th Street
McAllen, TX 78501
512-686-2111

Permian Basin
Television Corp.
KWAB-TV
P.O. Box 6699
Midland, TX 79701
915-563-4210

Permian Basin
Television Corp.
KTPX-TV
P.O. Box 6699
Midland, TX 79701
915-563-4210

Felix H. Morales
President
KFHM, Inc.
KLVL-AM
111 North Ennis
Pasadena, TX 77003
713-225-3207

Felix H. Morales
President
KFHM, Inc.
KFHM-AM
207 S. Concho
San Antonio, TX 78207
512-224-1166

Manuel G. Davila
President
D & E Broadcasting
KEDA-AM
2267 Dolorosa Street
San Antonio, TX 78205
512-224-1166

Marcelo Tafoya
Tafoya Broadcasting Co.
KGRT-FM
P.O. Box 6354
Austin, TX 78702
512-255-1261

COMMERCIAL BROADCAST FACILITIES:

AMERICAN INDIAN-OWNED

ASIAN AMERICAN-OWNED

American Indian-Owned

Don H. McLeland, Pres.
Oklahoma Communications, Inc.
WNAD-AM
4000 W. Indian Hills Road
Norman, OK 73069
405-329-0640

Lorraine B. Benkelman, Coml. Manager
Tuscola Broadcasting Co.
WKYO-AM
101 N. State Street
Caro, MI 48723
517-673-2136

Lorraine B. Benkelman, Coml. Manager
Tuscola Broadcasting Co.
WIDL-FM
101 N. State Street
Caro, MI 48723
517-673-2136

Asian-American-Owned

Henry Silver, Pres.
WHAV Broadcasting Co., Inc.
WHAV-Am
30 How Street
Haverhill, MA 01830

Henry Silver, Pres.
WHAV Broadcasting Co., Inc.
WHAV-Fm
30 How Street
Haverhill, MA 01830

B-19

APPENDIX B

SERVICES

SMATV SYSTEMS

Will F. Daniel
WILCO ELECTRONIC Systems, Inc.
Carriage House
Benson East
Jenkinstown, Pennsylvania 19046

Wendell Harp
Earth Com Systems, Inc.
74 Dwight Street
New Haven, Connecticut 06511

277

TRADITIONAL COMMON CARRIER TERMINAL EQUIPMENT

Contract Systems Associates, Inc.
Brown Field, Building 2067
San Diego, California 92173

SBA Sideband Associates, Inc.
686 E. Gish Road
San Jose, California 95112

Apoca Industries, Inc.
467 Brook Avenue
Deer Park, New York 11729

Sparatec, Inc.
84-182 Dayton Avenue
Passaic, New Jersey 07055

Tele-Signal Corporation
185 Oser Avenue
Hauppauge, New York 11787

Ohtech Enterprises, Inc.
308 S. River Drive
Tempe, Arizona 85281

AVI Manufacturing
18805 Laurel Park Road
Compton, California 90220

Bisafa Research, Inc.
3209 N. Alameda, Building 2
Compton, California 90222

Control Parks Distributors
1260 Second Street
Los Angeles, California 90026

Leemah Electronics, Inc.
1171 Mission Street
San Francisco, California 94103

Superior Engineering & Electronics
360 Martin Avenue
Santa Clara, California 95050

P.I. Incorporated
1328 New York Avenue, N.W.
Washington, D.C. 20005

APPENDIX B

TRADITIONAL COMMON CARRIER TERMINAL EQUIPMENT
Page -2-

King Research Laboratory Incorporated
801 S. 11th Avenue, Box 2
Maywood, Illinois 60153

Sonicraft Incorporated
8850 S. Greenwood
Chicago, Illinois 60619

Progress Aerospace Enterprises
2783 Roberts Avenue
Philadelphia, Pennsylvania 19129

Transtronics Corporation
3616 Dividend
Garland, Texas 75042

KEY ROLE MODELS BY REGION

APPENDIX C

REGION	FIRM NAME	COMMUNICATIONS CONGLOMERATE	COMMUNICATIONS SINGLE INDUSTRY	NON COMMUNICATIONS	NUMBER OF '81 EMPLOYEES	REVENUES '81 (millions)
Northeastern	Earl Graves Publishing New York, New York	X			65	9 m
	Essence Publishing New York, New York		X		65	14 m
	Fedco Foods Corp. New York, New York			X	575	80 m
	Goya Foods, Inc. Secaucus, New Jersey			X	1100	150 m
	Inner City Broadcasting Co. New York, New York	X			200	22 m
	Philadelphia International Philadelphia, Pa.		X		[illegible]	25 m
Southeastern	Church and Tower of Florida, Inc. Miami, Florida		X		360	13 m
	Herman J. Russell Construction, Co. Atlanta, Georgia			X	250	55 m
	Sedona Supermarkets, Inc. Miami, Florida			X	500	66 m
	Wallace & Wallace Enterprises Atlanta, Georgia			X	30	81.9 m
Central	Johnson Products Chicago, Illinois			X	575	41 m
	Johnson Publishing Company Chicago, Illinois	X			1500	81 m
	Sonicraft, Inc. Chicago, Illinois			X	200	13 m

APPENDIX C
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REGION	FIRM NAME	COMMUNICATIONS CONGLOMERATE	COMMUNICATIONS SINGLE INDUSTRY	NON COMMUNICATIONS	NUMBER OF '81' EMPLOYEES	REVENUES '81' (millions)
Southwestern	Diaz Enterprises, Inc. Rio Grande City, Texas			X	1800	[illegible]
	Meridian Industries, Inc. Laredo, Texas			X	500	10 m
Western	AMEX Systems, Inc. San Diego, California			X	750	48 m
	Coast Citrus Distributors San Diego, California			X	160	66.5 m
	Motown Records Los Angeles, California	X			215	92 m

MINORITY ENTERPRISE SMALL BUSINESS INVESTMENT COMPANIES (MESBICs)

(Partial Listing)

NM = NABOB Member (Associate)

ALLIANCE ENTERPRISE CORPORATION Richard Cummings, President	2000 Market Street, 2nd Floor Philadelphia, PA 19103 (215) 972-[illegible]
BANCAP CAPITAL CORPORATION William L. Whitely, President	155 East 43rd Street, Suite 805 New York, NY 10017 (212) 687-6470
BROADCAP (NM) Sam Ewing, President	1771 N Street, N.W. Washington, D.C. (202) 293-3574
COMINVEST OF HARTFORD Vern Mendez, GM	18 Asylum Street Hartford, Connecticut 06103 (203) 246-7259
CVC CAPITAL CORPORATION Jeorg G. Klebe, President	666 5th Avenue New York, N.Y. 10016 (212) 246-1980
EQUICO CAPITAL CORPORATION (NM) Harvey Roberts, President	1211 Avenue of the Americas New York, N.Y. 10036 (212) [illegible]-8413
GREATER PHILADELPHIA VENTURE CAPITAL Corp. Wilson DeWald, GM	225 South 15th Street Philadelphia, PA 19102 (215) 732-3415
MASSACHUSSETTS VENTURE CAPITAL CORP Charles T. Grigsby, President	141 Milk Street, Room 1115 Boston, Massachussetts 02109 (617)426-0208
MCA NEW VENTURES (NM) Rod Hamilton, Exec. Vice President	100 Universal City Plaza, University City, CA 91608 (213) 985-4321
MINORITY BROADCAST INVESTMENT CO. (NM) Walter L. Threadgill, President	1220 19th Street, N.W., Suite 501 Washington, D.C. (202) 293-2977
MINORITY EQUITY CAPITAL CO. Patrick Burns, President	275 Madison Avenue, Suite 1801 New York, NY 10016 (212) 686-9710
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Now You See It, Now You Don't:

Minority Ownership in an "Unregulated" Video Marketplace

by Al Hammond © 1983

Introduction

Recent technological innovations and liberalized FCC entry policies have stimulated an explosion in the number and type of video program distribution facilities. FCC decisions authorizing multi-point distribution service (MDS),[1] low power television (LPTV),[2] and direct broadcast satellite distribution (DBS)[3] combined with the removal of programming restrictions on cable television (cable)[4] and subscription television (STV)[5] services have served to hasten the creation of what most observers term the new video marketplace. The above services are presently being joined by satellite master antenna television services (SMATV),[6] a hybrid of satellite and cable technology.

Like cable in the early seventies, this new cornucopia of video outlets provides major opportunities for small and minority firm entry into the expanded marketplace of the eighties. Historically minorities have owned and operated few video distribution outlets and have received little minority-relevant programming. Currently, less than one percent of the operating video outlets are minority-owned despite the fact that minorities comprise more than 20% of the American population.[7]

The lack of minority participation in ownership is extremely serious for several reasons. First, minority ownership of video production and/or distribution firms can have a profound positive impact upon the diversity of information which the American society receives about itself and the world. Second, the current technologically motivated innovation and growth within the video industry could spawn small firms which are more likely to create disproportionately greater employment opportunities and more innovative services than their larger established counterparts.[8] Third, increased minority ownership would facilitate the expansion of an economic base within the minority community and allow minorities to make a more enduring contribution to the general welfare as employers, and as producers of goods, services, and innovation.[9]

Rapid technological growth in video distribution facilities has stimulated two major developments: 1) federal reassessment of the Commission's ownership restrictions,[10] and 2) accelerated merger and acquisition activity by large established video distribution firms.[11] The impetus for the reassessment of the ownership rules by the Executive Branch, the Congress and the Commission is the conclusion that the presumed plethora of distribution outlets will dispell the need for federal regulation of media concentration to assure program diversity. Instead, the large number of competitive outlets will assure that consumer demands for program service are met.

Meanwhile, the large established video distribution firms are moving to protect or expand their market shares by merging with or acquiring other distribution facilities. This phenomenon is understandable in light of the competitive risk which attends the potential entry of new competitors in local and national markets. However, the actions of the established firms when combined with the removal of federal ownership restrictions threaten to destroy the entry and competition opportunities which technology and the government have created.

The danger of the adoption of the current set of "market regulation" l'aissez faire policies is that the removal of ownership restrictions at a time of accelerated merger and expansion activity by large communications firms will seriously undermine minority and small firm entry into the video marketplace. The cost of capital and entry into lucrative markets will be substantially increased by virtue of competition from larger better financed telecommunications firms which have previously been unresponsive to specialized consumer demand. The conclusion that the increased number of present and potential outlets will force entrepreneurs to provide responsive programming to presently underserved groups is at best uncertain and at worst unwarranted. Advertiser or subscriber based demand for services will continue to reflect current target market preferences (albeit more specialized) by virtue of the distribution of wealth. Moreover, the ultimate cost of the production and distribution of specialized programming is relatively unknown,[12] as programmers and/or distributors seeking to serve distinct groups must compete for limited financing with other competitors seeking to serve audiences perceived as more desirable. Hence the warning of former FCC Commissioner Margita White in a policy paper submitted to the FCC is particularly apt:

> "... the FCC in structuring entry and establishing licensing procedures for new and developing technologies must continually consider whether its proposed policies will encourage or preclude minority entrants.
>
> For example, the FCC promulgated ownership and other rules to promote diversity of media control, including minority ownership. ... their abrupt removal could result in greater market dominance by established entities, less diversity and fewer opportunities for new entrants ... including minorities." 13

This article examines the efficacy of the Commission's proposed move to eliminate the ownership rules under the current market conditions. It assesses the likelihood of significant minority ownership of new and existing video distribution systems in a "workably competitive" unregulated marketplace, and makes alternative policy proposals based upon economic theory, anti-trust law, the First Amendment and the history of minority business development in the United States.

I. The Minority Experience in the Video Marketplace

A. The Image of Minorities: An Historical Perspective

> "By showing us worlds we would otherwise seldom see, by determining the elements of those worlds on which to

focus, and by presenting them in a context of good and bad, television helps to shape what we know about our world, what we believe about it and what we feel about it." 14

"... [I]t is primarily the constant bombardment of our minds with modern day Toms, picanninies, mammies, and dim-witted coons as a role model for our children and our minds that inflict the fatal paralysis of self hatred." 15

Television has historically been criticized for its failure to portray minorities in a fair and balanced manner. There are many sources of the criticism including journalists, academicians, government agencies, public interest and civil rights organizations.

In the 1950's, television was said to have the potential to produce a prejudice free era in popular entertainment. Unfortunately, then, as now, "shows stressing authentic images [of blacks] failed to establish lasting success." 16

Amos 'n' Andy, the first long running network program in which blacks (or any minority) starred, was a sterotyped depiction of black life. The characters were so offensive to many blacks that the National Association for the Advancement of Colored People (NAACP) demanded that the program be removed from the air.[17] American Indians were frequently depicted in an unsympathetic manner in westerns. Asian Americans were primarily seen in stereotyped roles in the Charlie Chan or "Fu Manchu" roles, or as "the enemy" is World War II films. Hispanic Americans were seen in western movies as stereotyped

Mexicans.

The Civil Rights Movement of the 1960's created an environment in which two series featuring positive black roles could exist. Yet, in 1968, the limited appearance of Afro-Americans in non stereotyped roles, did not deter the National Advisory Commission on Civil Disorders (the Kerner Commission), from concluding that television's failure to "... portray the Negro as a matter of routine and in the context of the total society ... (had) contributed to the black-white schism in this country."[18] Meanwhile, other minorities remained virtually absent from T.V. drama of the period.

During the seventies, minorities were regularly featured in situation comedies (sitcoms) and "police shows," but rarely in serious dramas addressing serious issues.

In 1977, the United States Commission on Civil Rights (USCCR) presented an historical review of the portrayals of minorities and women in prime time programming from 1969 through 1974. It concluded that minorities in prime time T.V. drama were disproportionately underrepresented in numbers and prestigious occupations.[19] In 1978, the Federal Communications Commission (FCC) was "... compelled to observe that the views of racial minorities continue to be inadequately represented in the broadcast media."[20] The U.S. Commission on Civil Rights published a second report on the T.V. portrayals of minorities and women in 1979. It found that portrayals had not improved between 1975 and 1977.[21]

Finally, in 1982, despite the critical and financial success of "Roots I and II," a major television network "may" reduce the weight given a movie proposal "if any of the central characters are other than white Americans."[22] While, [a]side from sitcoms and ... a few soap operas, blacks have nearly vanished from television."[23] Consequently, the NAACP and the National Urban League are seeking to increase black participation in broadcasting and the removal of negative T.V. and film stereotypes via boycotts and concerted advocacy respectively.[24] Concurrently, the League of United Latin American Citizens has filed a class action discrimination complaint with the Equal Employment Opportunity Commission against the major television networks, production studios and advertising agencies.[25] The complaint alleges that the "lack of news coverage of Hispanics and the failure of the networks and production studios to portray [Hispanics] in a positive manner gives Americans a distorted picture of the Hispanic community."[26]

The concern embodied in the allegations of the League of United Latin American Citizens' complaint has been stated on numerous occasions by other civil rights organizations, federal agencies and commissions, social scientists and the press. Many believe television's pervasive, stereotypic, largely comedic portrayals of minorities are negative in their impact upon minority and majority America.

The negative images are said to create feelings of inferiority and self hatred in minorities while creating unfounded feelings of superiority in whites.[27]

Social science research has begun to document such feelings. Studies have shown that heavy television viewers (viewers of four or more hours per day) regard television as more true-to-life than it really is.[28] Heavy viewers are more likely to perceive minorities as inferior.[29] This perception was held by heavy users regardless of socio-economic strata. It is therefore still reasonable to conclude as the Kerner Commission did in 1968, that "...[i]f what the white American ... sees on television conditions his expectation of what is ordinary and normal in the larger society, he will neither understand nor accept the Negro American."[30]

Implicit in such a conclusion is the recognition that the negative portrayals of blacks (and other minorities) fosters ignorance and racism on the part of white Americans regarding their perception of minorities. The impact on blacks and other minorities is no less profound. The only difference is the focus and target of the ignorance and racism. In the case of minorities, the focus and target is ourselves. Such a situation is detrimental not only to the minority audience but to all the viewing public and contributes to the minority-majority schism in this country.

B. Minority Access to Videoland: Underrepresented, Undercounted and "Unregulated"

Access to and control over the video program distribution system is a function of the economic and regulatory power which the consumer/citizen can exert. Minorities exert little power over the video distribution system and consequently enjoy little access and less control. There are several reasons for this situation.

First, advertisers, and videocasters[31] tend not to view minorities as desirable culturally distinct markets for the consumption of goods and services.[32] The business realities of electronic mass media require that videocasters seek to attract and hold the segments of the viewing audience controlling the largest portion of disposable income. These audience segments are typically white females and males 18 to 49 years of age.[33] While minorities control an increasing share of the nation's wealth and consume a wide array of products,[34] the mass audience focus of the electronic media (especially broadcasting) eschews specialized programming and/or programming with a wider appeal for fear of alienating the "main" audience.

The second reason for the limited consumer access control which minorities exert over videoland is the innacurrate information on minority program consumption patterns. The ratings services' sampling and data retrieval techniques too often result in data that give an incomplete picture of minority audience preferences,[35] and reinforce notions that minorities act in the same manner as their majority audience counterparts.

Minorities own less than two percent of the video outlets currently in operation and consequently exercise limited control over the production and distribution system.[36] Moreover, because the current information regarding minority preferences and consumption patterns is so inadequate, minority owned media receive little economic incentive to distribute more minority oriented and/or responsive programming.

Finally, many of the regulations which seek to alleviate the lack of minority economic power are necessarily restrained by constitutional prohibitions against government censorship. Regulations which affirmatively require quantities of informative programming[37] of a balanced, fair,[38] culturally sensitive,[39] and non-defamatory nature[40] are alleged to be unconstitutional because the government might impose its notions of appropriate programming on the licensee.[41] As a consequence, the effectiveness of the regulations are sometimes compromised in balancing public interest and first amendment considerations.[42] Thus the FCC has refused to deny a broadcasting license when the broadcast material was false and defamatory of a minority group. All the licensee need do is be fair in the future.[43] In only two instances has the FCC denied license renewals for failure to provide service to minorities. In both cases the failures were glaring and eggregious and yet the FCC still refused to deny the renewals immediately and in one case, deferred action until several years after the advent of the activities which made the denials necessary.[44] These examples are indicative of the difficulties minorities experience when they seek redress through the regulatory process.

In summary, minorities exercise little economic or regulatory control over the video distribution system because they are not the most preferred consumers, their preferences are not accurately determined, they own few outlets, and they receive limited assistance via the regulatory process.

II. The Evolving Video Marketplace

> "The new video marketplace will be different in kind from one dominated by free television programming universally distributed to the consumer . . . . [T]he video infrastructure is evolving into a shape which more closely parallels the audio industry infrastructure[,] . . . Markets once characterized by scarcity are increasingly characterized by abundance." 45

A. The Entry of Alternative Video Distribution Facilities

The electronic video distribution system is undergoing substantial change. Over the last seven years,[46] innovations in video program delivery technologies and federal policies favoring the dissolution of technological barriers to market entry, have brought the video marketplace to the brink of an era of abundance. The distribution monopoly which the broadcast technology has enjoyed since the late 1940's is giving way to video delivery systems based upon innovative uses of broadcast and common carrier technologies.

1. The established outlets

There are approximately 797 commercial television (TV).

broadcast stations serving 213 markets nationwide.[47] These markets are comprised of 81.5 million households having at least one television set.[48] The overwhelming number of commercial broadcast stations are advertiser supported,[49] however, 27 of the stations are subscriber supported. Subscription television (STV) stations operate in 18 markets comprised of more than 25 million T.V. households. These STV outlets presently have in excess of 1,300,000 subscribers,[50] but account for little more than 1% of the total TV households nationwide.

Of the 797 full power commercial and subscription TV services, approximately 495 are owned by 165 entities, averaging 3 stations each. Altogether, these 165 group owners own half of the nation's TV stations[51] and 2/3 of the commercial stations. The most prominent group owners are the three networks and Metromedia.[52] These corporations, through their stations, each reach between 20 to 22 percent of the TV households nationwide.[53]

Cable television systems (Cable) are currently television's major competitors. There are in excess of 4600 cable systems serving markets nationwide.[54] Cable reaches about 31% of TV households, and has approximately 25 million basic subscribers.[55] The top fifty multiple cable system owners (MSOs) reach approximately 72% of the basic cable subscribers. Sixty percent of the basic subscribers are reached by the top 25 MSOs, while approximately 40% of the subscribers are reached by the top eight.[56]

Multipoint Distribution Systems (MDS)[57] are a small but significant competitor of both TV and Cable. There are two MDS channels allocated to each of the top fifty markets and one channel each to the remaining 163.[58] At present, there are 73 MDS operators accounting for approximately one percent of TV households.[59]

Satellite master antenna television systems (SMATV) number approximately 100 and serve apartments and condominiums in markets. SMATV has approximately 500,000 subscribers.[60]

2. <u>The potential outlets</u>

There are a number of possible new outlets on the horizon. Direct Broadcast satellites (DBS) could provide from 30 to 60 new channels per market.[61] DBS is expected to begin service in 1986. There are nine authorized licensees.[62]

Low Power Television (LPTV) applications number 6000.[63] These proposed outlets would have ranges of from 10 to 15 miles.[64] The number of potential outlets varies in the 213 markets.

Aside from DBS and LPTV, there will be increases in the number of cable systems (as many franchises are not built),[65] and STV services. The number of MDS outlets may mushroom if the FCC expands the spectrum space available to MDS, thereby increasing the number of MDS channels to 8 per market.[66] Finally, the Commission could also increase the number of VHF television stations by at least 162 should it authorize the creation of short spaced VHF drop-ins.[67]

The number of competitive video program outlets is increasing. Further increases are likely in the future. The inevitable result of such a large influx of outlets, should they actually enter the marketplace under separate ownership, would be heightened competition,[68] market segmentation and greater program diversity.

B. The Importance of the Current Video Outlet Explosion to Minorities

The current video technology explosion is of great importance to minorities. It could result in new video distribution outlets which could force greater competition and market segmentation. Greater video outlet competition and audience segmentation within current national and local markets could lead to the establishment of new minority-oriented video outlets much as competition from television and increased radio outlets forced the segmentation of radio and the development of minority-oriented radio formats in the 50's.[69] The development of sophisticated video audience segmentation would in turn create opportunities to aggregate and serve minority audiences. Once aggregated, the minority audience could stimulate the production of more minority-responsive programming via concentrated consumer demand.

After a distribution and programming base is developed, minority-owned production companies could begin to compete in the national markets. This result would closely parallel the rise of firms such as Motown in the 60's.[70] When minority-owned programming firms begin to compete nationally, cultural diversity becomes achievable.

Some critics may argue that minority ownership of production and distribution firms will not guarantee the development and dissemination of minority responsive programming. Two reasons might be tendered. First, general market demand and economics will force the minority entrepreneur to produce and program in a manner responsive to homogeneous tastes.[71] Second, minority-responsive programming may and has in the past been provided by "culturally neutral" majority entrepreneurs.[72] Thus the fact that the entrepreneur is a minority adds nothing.

The history of minority involvement in the audio industry belies this criticism. First, the influx of competitive audio and video outlets in the 50's and 60's created the economic incentive for radio broadcasters to serve smaller discrete audiences.[73] Second, from the 50's through to the present, the overwhelming majority of minority-oriented radio stations have been majority owned.[74] The criticism of these stations by the minority communities spans three decades. Chief among the criticisms is the lack of responsive programming.[75] Television has consistently been criticized by minorities as unresponsive.[76] Indeed, recent developments emphasize the justifications for such criticism.[77]

It is therefore not surprising that the Commission should find the broadcast industry lacking in diversity.[78] Nor is it surprising that the FCC found minority ownership a crucial component in its attempts to assure the legitimate presentation of minority viewpoints.[79] On the other hand, instances of minority petitions to deny against minority-owned broadcast outlets are few.[80] Thus being a minority can and does make a difference.

III. Minority Ownership and Unregulation of the Video Marketplace

The current Commission has acknowledged the continued need for a federal minority ownership policy.[81] It has recently issued policy statements expanding the applicability of the policy to cable[82] and enhancing the ability of the tax certificate[83] component to attract investment in minority owned media.[84] Many Commissioners have publicly announced their support for the policy as well.[85] It would appear then, that the policy is assured of continued fruitful existence. However, recent proposals by members of the Commission to remove various cross and multiple ownership restrictions[86] and to tie minority ownership more closely to service to significant minority populations,[87] would seriously jeopardize the current thrust of policy, if enacted. While the inconsistencies between the minority ownership policies and the Commission's "unregulation efforts may not be readily apparent, a closer examination of the mechanics of the ownership policy, its regulatory justification and its place within the context of prior Commission efforts to maximize diversity, provide further clarity.

A. The Policy

At base, the minority ownership policy is a regulatory tool for affirmatively increasing diversity of program selection and ownership control within the video industry.[88] As such, it seeks to facilitate the same laudible first amendment goals as the Commission's limits on media concentration in markets,[89] group ownership generally,[90] regional concentration,[91] and cross ownership of competitive media.[92] Instead of restricting the number and types of video facilities an individual or entity may own however, the minority ownership rule facilitates minority entry by providing financial, procedural and regulatory policy incentives which encourage the inclusion of minorities as owners of video properties.

The policy provides financial incentives for majority owners of broadcast and cable properties to sell to minorities via the use of the tax certificate and distress sales components.[93] The tax certificate component allows owners of all or a part of broadcast or cable properties to defer the payment of capital gains tax on their profit when the facility is sold to a minority controlled company[94] and the proceeds are reinvested in similar media facilities within three years.[95] The distress sale component allows a majority entrepreneur who faces the loss of his/her station license because of potential disqualifying issues to avoid the possible loss of their financial interest in the outlet by selling to a minority at no more than 75% of the actual value of the property.[96]

The other major component of the policy is the awarding of merit in comparative hearings to entities having significant minority ownership and participation.[97] Expedition of the consideration of minority broadcast license applications is also employed.[98] Aside from the Commission's policy, there are federal loan programs and venture capital available to minority broadcast entrepreneurs as a result of ownership initiations begun by the Carter Administration and continued by the Reagan Administration.[99] The combined federal effort has been moderately successful, from 1978 to 1983, the percentage of minority owned broadcast facilities increased from one to two percent of existing operating facilities.[100]

B. Regulatory and Policy Justifications for Minority Ownership of Telecommunications Facilities

The Courts, the Executive Branch, the Commission and the Congress have found that the structurally oriented minority ownership policy benefits the public by increasing the diversity of media control[101] and program selection[102] in a nondiscriminatory manner[103] while avoiding direct government intrusion into the programming decisions of media outlets.[104] The policy has sought to alleviate the chronic under-representation of minority viewpoints by increasing the number of minority owners in broadcasting who, through the exercise of editorial control, may then diversify the selection of programming available to the public.[105] A more diverse selection of available programming increases the opportunities for diversity of expressed viewpoints. The result accrues without government interference with the editorial control licensees exercise over program content, thereby satisfying the First Amendment goal of increased diversity without government infringement on broadcast speech.[106] Moreover, the implementation of the program is constitutionally sound.[107] The facets of the policy are in large measure components of pre-existing Commission policies each of which allows race and ethnic origin to become one of many competing comparative criteria to be considered in furthering service to the public.[108] Finally, minority ownership promotes minority economic growth and employment opportunities,[109] thereby creating a kind of economic diversity as well.[110]

As early as 1971, the U.S. Circuit Court of Appeals for the District of Columbia stated:

> Since one very significant aspect of the "public interest, convenience, and necessity" is the need for diverse and antagonistic sources of information, the Commission simply cannot make a valid public interest determination without considering the extent to which the ownership of the media will be concentrated or diversified by the grant of one or another of the applications before it.[111]

Later the Court clearly established the nexus between diversity and minority ownership when it held that:

> It is consistent with the primary objective of maximum diversification of ownership of mass communications media for the Commission in a comparative licence proceeding to afford favorable consideration to an applicant, who, not as a mere token, but in good faith as broadening community representation, gives a local minority group media entrepreneurship . . . We hold only that when minority ownership is likely to increase the diversity of content, especially of opinion and viewpoint, merit should be awarded. 112

Finally, in Garrett v. F.C.C., the Court affirmed its holding in TV-9, reiterating that:

> The entire thrust of TV 9 is that [minority] ownership and participation together are themselves likely to bring about programming that is responsive to the needs of the [minority] citizenry . . . 113

While the Court was making pronouncements regarding minority representation in broadcasting, the Commission was examining ways to increase minority involvement. In 1976, the Commission, in response to the Court, its own precedent, and an awareness of the Kerner Commission finding that television's misrepresentation of minorities was a contributor to the volatile racial climate of the sixties, (1) awarded enhanced credit in comparative proceedings where minority owners would participate in management,[114] and (2) expedited the processing of licence applications containing significant minority ownership.[115]

The judicial and regulatory actions of the early and mid seventies did not, however, significantly increase minority ownership of broadcast stations. Thus in 1977, the Commission held a conference on minority ownership, seeking to determine the extent of minority underrepresentation and ways to remedy it. There, as was later to be the recurring theme, the necessity to promote greater diversity of opinion in the media, was advanced as intrinsic to policies favoring minority ownership.[116]

The conference bore substantial fruit less than a year later when in January of 1978, the Carter Administration established its Minority Telecommunications Development Program (MTDP).[117] The MTDP was a multi-agency initiative to aggressively further minority ownership via the proposal of regulatory policies to assist minorities[118] and the provision of federal and private financial assistance to minority broadcast entrepreneurs.[119] The Administration, in petitioning the Commission, stated that:

> In light of the miniscule minority ownership in the broadcast industry compared with the substantial minority population in many areas, a strong case exists to promote increased minority ownership ...[120]

The Commission responded to its conference and the Carter Administration's filing by later publishing its <u>Report on Minority Ownership in Broadcasting</u>,[121] and promulgating its <u>Statement of Policy on Minority Ownership of Broadcasting Facilities</u>[122] in May of 1978. Both documents emphasized the value of the Commission's minority ownership policies in increasing diversity of content and programming.[123] Thus the Commission found:

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> Adequate representation of minority viewpoints in programming serves not only the needs and interests of the minority community but also enriches and educates the non-minority audience. It enhances the diversified programming which is a key objective not only of the Communications Act of 1934 but also of the First Amendment. . . . ...the Commission believes that ownership of broadcast facilities by minorities is another significant way of fostering the inclusion of minority views in the area of programming.[124]

The Executive Branch initiatives and Commission policies met with significant success. From 1978 to 1981, the number of minority owned broadcast stations increased from to [125] Despite this increase, minorities were still substantially underrepresented as they owned no more than two percent of all existing broadcast facilities and less than one percent of broadcast television stations.[126] As a result, the Commission, in realistically appraising the progress of the ownership program, recently acknowledged the ever present "dearth of minority ownership in the telecommunications industry to be a serious concern." [127]

In an attempt to further increase minority ownership, the Commission created the Advisory Committee on Alternative Financing for Minority Opportunities in Telecommunications ("Committee") in September of 1981.[128] The Committee was to identify and recommend ways in which the Commission might further facilitate minority ownership.[129] It recommended many items[130] some of which were recently adopted by the Commission in two policy statements.[131] The Commission also presented legislative proposals to Congress[132] and set another significant item for rulemaking.[133]

C. Unregulation: Marketplace Theories and Marketplace Realities

> "We believe that the goals of our Communications policy are best served when we allow the marketplace to function as much as possible. Government meddling however well meant, ought to be avoided. Consumer choice and entrepreneurial initiative should be emphasized over pervasive government direction."[134]

1 Unregulation of Ownership

Recent Commission proposed policy reversals regarding its multiple and cross ownership rules emanate from several Commissioners' belief that the restrictions are arbitrary, inefficient and anticompetitive. And, to the extent that they rely on a public policy assumption that there is a scarcity of video outlets, the rules are illogical. Multiple and cross-ownership rules are alleged to be arbitrary in that the proscribed levels of concentration are not based upon a finding of identifiable harm (i.e. a substantial dimunition of diversity and/or quality of service).[135] They are arguably inefficient because they do not assess relevant geographic market shares in determining whether sufficient diversity exists.[136] And, they are anticompetitive because they may thwart firm attempts to develop competitive economies of scale at the local and national market level through merger and/or acquisition.[137]

Commission reliance on policies enhancing diversity of ownership are said to allegedly fail to acknowledge that maximum diversification of viewpoints is a function of structural competition rather than diversity of ownership per se.[138]

Secondarily, critics of the rules posit that to the extent Commission ownership restrictions rely on prior findings of scarcity, the rules are illogical.[139] The number and availability of video distribution outlets is no longer dependent upon spectrum limitations.[140] Refinements in spectrum management, Commission policies favoring the entry of new technology, and the availability of actual and potential competitive substitute video outlets have eliminated scarcity as a concern in all but the smallest markets.[141] Further, to the extent that scarcity may still be argued to exist, it is a function of the market's ability to support competing outlets and the Commission's television allocation policies.[142] Consequently, it is reasoned that the Commission should eliminate current numerical and co-locational limitations on ownership of like or substitute distribution outlets.[143] Instead, the Commission should either eschew regulation and rely on the antitrust laws[144] or develop an index of industry concentration with which to determine when sufficient concentration exists to undermine diversity, and therefore require regulation.[145]

B. The Limits of Unregulation

> "[E]xperience cautions us against giving too much power over the new media to established private interests . . .

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> Established firms argue that the efficiencies their experience and resources can bring to bear on the new technologies outweigh the dangers of concentration. It is important to remember, however, that concentration poses special dangers in the communications area, whatever the economic import .... With many of the new technologies just getting off the ground, a diligent pursuit of structural strategies offers a real opportunity to avoid the mistakes of the past. Instead of allowing communicications giants to grow to a size requiring content regulation, we could encourage a "thousand flowers to bloom" from the outset and limit government regulation to content-neutral ones."[146]

The theoretical and practical undergirding of the Commission's deregulatory thrust regarding ownership restrictions have received significant criticism. The proposals are criticized as failing to adequately assess the potential for economic harm should the rules be abruptly removed.[147] Absent restrictions, many large firms would have the incentive to grow to a size beyond which efficiencies of scale accrue in order to secure monopoly profits.[148] While it may be argued that the Commission or the Justice Department might then be able to invoke the antitrust laws, how will they know when the theoretically proscribed level of concentration has been reached?[149] At best, concentration ratios provide an incomplete view of the impact of firm expansion on market competition.[150] The efficacy of their use has been questioned on numerous occasions.[151]

Moreover, the loss or gain in market efficiencies is difficult to measure in merger and acquisition cases. "Given the present state of economic knowledge, one cannot measure with certainty the minimum structural conditions ... necessary to ensure competitive behavior."[152] Consequently, one cannot know for certain when the minimum conditions for competition have been circumvented, and hence, when antitrust enforcement is appropriate or possible.[153] Conversely, one cannot know if, and at what juncture, the current ownership rules may injure competition or reduce consumer welfare.

Even if the limitations of current market measurement efforts were not extant, the marketplace theory of regulation in broadcasting and in videocasting generally is said to fail on other grounds. Consumer demand does not control the provision of broadcast programming, advertisers do.[154] "No matter how efficient broadcasting is as a supplier of viewers to advertisers, ... the current program mix could be inefficient."[155] Thus there is no guarantee that the broadcast frequencies will be used efficiently if they are deregulated.[156]

Ethical considerations of wealth distribution render economic theory's support for subscriber technologies less compelling.[157] Ultimately, an efficient marketplace will do no more than reflect the inequitable distribution of wealth. This assumes that consomer preferences are stable and articulate.[158] However, there is some question as to whether video programming merely reflects or creates and/or changes consumer preferences. To the extent that video programming has the potential to change viewer preferences, there may be no standard against which to measure the ability of videocasters to satisfy consumer demand.[159]

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Aside from the theoretical infirmities to which the marketplace theory is said to be subject, there are also practical considerations. Many critics insist that there is still a scarcity of video outlets. They point out that cable, and the other new pay services have not yet penetrated the majority of the video market.[160] Previous allegedly pro-broadcast Commission policies are said to have limited cable and STV development in the past. Current financial market conditions and city franchising demands may continue to limit cable penetration, and will certainly slow it down.[161]

Commission movement to expand spectrum usage by introducing VHF drop-ins and expanding MDS service has been labelled dilatory,[162] while the sluggish introduction of low power television may render it moot by the time low power enters the market.[163] Meanwhile, merger and acquisition activity continues at almost record rates in broadcasting and cable.[164] The net effect of the current regulatory and market developments is at best slow, minimal erosion of the dominant market position of broadcasting, not the plethora of competitive outlets some allege to already exist.

At worst, the competitive threat to the established technologies may arguably be diminishing at a time when prudence and economic theory[165] argue it should expand. This situation has led some critics in Congress to conclude:

> [illegible] tions that the present Commission believes a fully competitive market has already arrived and that it has no affirmative pro

> competition responsibility. Ignoring the data, the Commission asserts that because of potential competition ... that is today provided by a host of new outlets, it must immediately achieve 'unregulation'... To argue for allowing marketplace forces to govern, instead of regulation, while taking actions that limit competition, both disserves the industry and undermines the public interest." 166

Conclusion: Unregulation and Minority Ownership

> "There are only 134 Black owned television and radio stations: 134 out of 9000 licensees, that is only one and one half percent of all the broadcast stations in the United States. . . Certainly this represents progress, but it is not yet the diversity in ownership that we need and that the public interest requires. Where are the black owned common carriers? ... Where are the black owned cable systems in any kind of significant numbers? 167

Recent Commission activity seeking to increase minority ownership of the established technologies has been lauded on several occasions. The expanded and new initiatives are needed to render many minority entrepreneurs more financially competitive. They will undoubtedly be used. However, the Commission declined to extend the ownership policy to the newer services such as MDS.[168] It also seeks to decrease or eliminate its current multiple and cross ownership rules as well as other regulatory mechanisms for achieving structural diversity.[169] The contradictory nature of the Commission's actions have caused growing concern that "the deregulation package has a minority ownership ribbon wrapped around an empty box."[170]

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Efforts to stimulate meaningful minority media ownership requires the unrestricted availability of affordable competitive outlets for purchase. Commission restrictions on the numerical concentration of media ownership have contributed significantly to the assurance of such availability. Without such ownership restrictions, the utility of the financial initiatives is substantially diminished, for the economic cost of entry can be bid up by larger firms capable of paying inflated rates for preferred properties.[171] Current minority experiences in seeking to acquire cable systems and franchises[172] as well as current merger and acquisition trends among large communications conglomerates support such observations.[173] Moreover, the proposed policy shift has serious implications for the continued viability of the underlying justification for the minority ownership effort. Commission diversification policies which rely on marketplace competition rather than diversity of ownership must necessarily diminish the importance of a minority ownership policy based upon diversity of ownership.

If structural competition is most likely to facilitate maximum diversity of viewpoints, minority ownership becomes superfluous because the market will provide for minority viewers consistent with the relative priority of their articulated demand. If market share rather than the number and location of outlets is the operative criteria upon which levels of concentration and hence diversity are assessed, the number of facilities owned by many firms will likely grow beyond current limits. Concomitantly, as previously stated, the most of entry will most likely rise higher than current levels, as the cost of highly valued properties and the percentage of the market necessary to insure the ability to compete increases.[174] Consequently, the theoretical basis for minority ownership is undermined while the practical ability to facilitate it is diminished substantially.

The subsequent impact of the Commission's deregulatory efforts on minority ownership of and service from the video distribution industry is likely to be significant and largely negative in terms of economic self-sufficiency and diversity.[175] Such a result would be tragic, and inequitable not only because it would be manifestly unresponsive and contrary to the nationally recognized need for substantially increased minority socio cultural and economic representation in the media. It would also be tragic because it is based on the premature implementation of a suspect regulatory philosophy which is at best ill conceived and at worst, wrong. The Commission must seriously reexamine and reevaluate its current deregulatory thrust. Though admirable in its intent, the new policy direction threatens to "throw the baby out with the bathwater." Such a result would hardly be in the public's interest.

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Now You See It, Now You Don't:
Minority Ownership in an "Unregulated" Video Marketplace

Footnotes

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1 Multipoint distribution service (MDS) is a common carrier service using omnidirectional microwave signals in the super high frequency broadcast band to deliver video, data, text and other information to single and multiple dwelling units and businesses.

As the licensee of a common carrier service, the MDS entrepreneur must offer his/her service for hire on a first come-first served non-discriminatory basis. MDS entrepreneurs have traditionally leased a significant portion of their program time to subscription services which receive their programming from pay program suppliers. Subscribers of MDS must purchase a special antenna and a down converter which changes the MDS signal to a standard VHF television frequency and sends the signal down a cable to the subscriber's television set. See generally, 1983 Field Guide to the Electronic Media, Channels of Communications (hereinafter cited as "Channels Field Guide" 34; National Association of Broadcasters, New Technologies Affecting Radio and Television Broadcasting (hereinafter cited as NAB) pp. 6-8.

The Commission regulates MDS pursuant to Title II of the Communications Act of 1934, 201-21, 47 U.S.C. 201-24. The rules governing MDS operations may be found (19) in the Report and Order in Docket No. 19493, 45 FCC 2d 616 (1974); and the Opinion on Reconsideration, 57 FCC 2d 301 (1975). The Commission has recently adopted 3 notices of proposed rulemaking regarding increased MDS channel allocations (General Docket 80-112, released May 2, 1980); new MDS technical standards to minimize harmful interference between MDS stations (General Docket 80-113, released April 24, 1980) and the most "efficient" method of assigning MDS frequencies (Common Carrier Docket 80-116, released 1980). The Commission has not published final rules and procedures at this time. For further discussion of the regulatory policy aspects of MDS, see Botein, Jurisdictional and Antitrust Considerations in the Regulation of the New Communications Technologies, 25 New York Law School Law Review 863, 872-73 (1980); Staff, New York Law School Law Review, The Development of Viedo Technology, 25 New York Law School Law Review 789, 801-6 (1980); Report by the Majority Staff of the Subcommittee on Telecommunications, Consumer Protection and Finance of the Committee on Energy and Commerce, U.S. House of Representatives, Telecommunications In Transition: The Status of Competition in the Telecommunications Industry (hereinafter House Report) November 3, 1981, pp. 25, 255, 304.

2 Low power television (LPTV) is a new class of television service comprised of small stations broadcasting subscription or advertiser supported programming over limited distances of from 10 to 15 miles. LPTV stations would be removed from the air if they cause co or adjacent channel interference to existing full power stations. Aside from subscription services, the LPTV station will not require its potential viewership to purchase new receiving equipment. See generally Channels, Field Guide Supra p. 62 and NAB, Supra pp. 11-13.

The Commission currently has 6,593 applications for approximately 4000 LPTV facilities and has issued a freeze on further applications from all but remote rural areas. (Channels Field Guide) Congress has authorized the Commission to select LPTV licensees by lottery in order to reduce the administrative burden of selecting between mutually exclusive applicants and diversity ownership. See the Omnibus Budget Reconciliation Act of 1981, Pub. L. No. 97-35, 1242 (a), 95 Stat. 725 (1981) and Section 309 (i) of the Communications Act of 1934 (1981), 47 USC 309 (i) (1981). The Commission has yet to institute a lottery although it has issued a notice of proposed rulemaking requesting public comment on various proposals for instituting a lottery system and apportioning preferences for those groups presently under-represented in the ownership of telecommunications facilities. See General Docket 81-768 and the comments filed therein; Notice of Proposed Rulemaking, 46 Fed. Reg. 58110 (1981). LPTV is regulated by the Commission pursuant to Title III of the Communications Act of 1934, 47 USC Title III (19). See also, Further Notice of Proposed Rulemaking regarding Low Power Television Service, 46 Fed. Reg. 42478 (1981); Notice of Proposed Rulemaking regarding Low Power Television Service, 45 Fed. Reg. 69878 (1980) Notice of Inquiry regarding Low Power Television Service, 43 Fed. Reg. 38346 (1978); as well as Broadcast Docket No. 78-253 and the comments filed therein.

[3] Direct braodcast satellite systems will be composed of high powered multi-channeled satellites transmitting programming over wide geographic areas to single, multi-dwelling homes and cable systems. Earth stations (uplinks) transmit signals to a satellite which receives, amplifies and retransmits the signals to receivers. The DBS technology could potentially provide from 30 to 60 new channels of video programming to local, regional and national markets. The actual number of channels is dependent upon the number of satellite orbital positions and the amount of spectrum alotted to the United States at the 1983 Regional Administration Radio Conference. One orbital slot and 500 MH_z of spectrum would allow 30 new video channels to exist. Pitsch, "Home Video Competition: What Should Regulators Do?" TVC Magazine,

October 1, 1982, at 83, ; Channels Field Guide supra, note , at 30; NAB supra note , at 17. While the Commission has adopted licensing criteria for DBS, the ultimate exercise of its regulatory authority is unclear. Because DBS will involve "the transmission of radio signals in interstate commerce," it is clearly covered by Title III of the Communications Act. However, DBS may also be regulated as a common carrier under Title II of the act, or as a "hybrid service" under Titles II and III. Report and Order in the Matter of Direct Broadcast Satellites, FCC 82-285 released July 14, 1982; Notice of Proposed Policy Statement and Rulemaking regarding DBS, 46 Fed. Reg. 301 24 (1981); Notice of Inquiry regarding DBS 45 Fed. Reg. 72719 (1980). For a detailed discussion of the jurisdictional and regulatory considerations see Ferris, Direct Broadcast Satellites: A Piece of the Video Puzzle 33 Fed. Com. L. J. 169 (1981); Hammer and Lyons, Deregulatory Options for a Direct Broadcast System, 33 Fed. Com. L. J. 185 (1981); Botein, supra note , at 873.

4 Cable television systems are multichanneled distribution facilities which transmit video programming by coaxial (or fiber optic) cable to subscribers. Programming services provided via cable may be advertiser supported or subscription services. Basic cable systems are comprised of towers with antennas or satellite dishes to receive broadcast television or satellite signals, a "headend" which processes,

amplifies and retransmits the signals, and the wire network through which the transmitted signals reach the subscribers. Pitsch, supra note , at ; Channels Field Guide supra note , at ; NAB supra note , at ; Law Review Staff supra note , at . The Commission currently engages in "limited" regulation of cable. See 47 C.F.R. 73. -73 ( ); Subcomm. Staff Report supra note , at 250.

5 Subscription television (STV) systems are television stations which broadcast scrambled signals to subscribers who for a fee use special decoders for unscrambling the signal. STV provides the majority of its service to single family dwellings in communities where cable service has been slow to get started. Also, see Channels Field Guide supra note , ~~at~~ ; NAB supra note , at . STV station operations recently underwent significant deregulation. The Commission removed regulations which: a) restricted the markets in which STV stations could operate; b) required the weekly broadcast of 28 hours of conventional television programming by STV stations; c) prohibited the sale of signal decoders; and d) required applicants for STV authorization to ascertain the needs and interests of their community of license for subscription television. Third Report and Order (regarding STV) FCC 82-281, released June 29, 1982; Further Notice of Proposed Rulemaking, 88 FCC 2d 213 (1981); In the Matter of Subscription Television Program Rules, 52

FCC 2d 1 (1974).

6 Satellite master antenna services (SMATV) are a hybrid of satellite and cable technologies. They are essentially private cable systems which receive their programming via the use of a satellite receiving antenna (dish) and distribute the signals to subscribers via cable. SMATV usually serves large multi-dwelling units such as apartment and condominium complexes in markets where cable has been slow to start. SMATV is essentially unregulated by the Commission. SMATV systems are currently embattled with pay programming services delivered by satellite because many SMTAV systems receive and distribute the programming without permission and the paying any fee for its use. In other instances, SMATV operations have been refused programming by some pay cable networks. They have also encountered political and legal opposition from certain municipalities seeking to protect cable revenue bases from which cities derive franchise fees. Pitsch, supra note , at ; Channels Field Guide supra note , at ; Gits, "Getting Even," Cablevision Magazine, September 20, 1982 at 14; "Small Earth Stations Blossom into Big Business," December 22, 1980 at 31.

7 Hammond, Warner, Guernica, Mezier and Feltcher, Minority Business Involvement in the Telecommunications Industry, U.S. Department of Commerce Contract No. BE-82-SAC-10237, at 1, (1982).

8 Minority Business Development Agency, "Minority Business Enterprise Today: Problems and Their Causes," at 1, (January, 1982); National Science Board, Science Indicators, 1976, Washington, D.C.; U.S. Government Printing Office, March, 1979.

9 The value of minority entrepreneurship has been recognized by the administration of President Reagan. See, The White House Office of the Press Secretary, "Statement of the President," December 17, 1982; Denton, "Reagan Proclaims Concern for Blacks," Washington Post, September 16, 1982 at A-1.

10 See pages infra. The Commission's multiple ownership rules (rule of sevens) prohibit any one entity from owning more than seven television stations (of which no more than 5 may be VHF), seven AM radio stations and seven FM radio stations. (See 47 C.F.R. 73.35 (b) (AM); 73.240 (a) (FM) and 73.646 (TV). The rules are the embodiment of the Commission's view that: "the operation of broadcast stations by a large group of diversified licensees will better serve the public interest than the operation of broadcast stations by a small limited group of licensees. Amendment of the Multiple Ownership Rules, 18 Fed. Reg. 7796 (1953); 19 Fed. Reg. 6102 (1954). The rules and the Commission's authority to make them were upheld in United States v. Storer Broadcasting Co., 351 U.S. 192, 76 S. Ct. 763 (1956).

Fundamentally, the rules seek to ". . . promote diversification of ownership in order to maximize diversification of program and service viewpoints as well as to prevent any undue concentration of economic power contrary to the public interest." Amendment of Multiple Ownership Rules, Id., at 7796.

Recently, the rules have again come under attack as being arbitrary and capricious and inefficient. The alleged theoretical basis for the negative assessment may be found in a 1980 report to the Commission on the feasibility of the development of new television networks. Network Inquiry Special Staff, New Television Networks: Entry, Jurisdiction, Ownership and Regulation, Volume 1 at 316, 325 and 360 (1980). More recently, Congress has sought to modify the impact of the rules in comparative hearings. See, S.55, Cong., 1st Sess., Cong. Rec. , (1982); H.R. 1928, Cong., Sess., Cong. Rec. , (1982); H.R. 3475, Cong., Sess., Cong. Rec. , (1982). Substantial support for the modification or elimination of the rule of seven is likely to continue in both the House and Senate. See "Policy: Marketplace Has Become the Watchword," Broadcasting Magazine, January 3, 1983 at 62; "Broadcast Cable Deregulation Occupy Hill," Broadcasting Magazine, February 21, 1983 at 31; and

The National Telecommunications and Information Administration (NTIA) has supported Congress' efforts in this regard. See Statement of Bernard J. Wander, Jr., Assistant Secretary for Communications and Information, U.S. Department of Commerce, before the Subcommittee on Communications, Consumer Protection and Finance, Committee on Energy and Commerce, House of Representatives on Broadcast Regulation Reform Proposals (H.R. 4726, H.R. 4781, H.R. 4780) (1981). Significant calls for repeal have also emanated from members of the Commission. See "FCC in 1983: Undaunted Deregulatory March," Broadcasting Magazine, January 17, 1983 at 78; Fowler and Brenner, A Marketplace Approach to Broadcast Regulation, 60 Tex. L. Rev. , at ;

The Commission has also issued notice of its intent to revise the current attribution rules with which it determines the extent of a multiple owner's "cognizable interest" in broadcast, cable and newspaper properties. Under the current rules, widely held corporations (51 or more shareholders) are determined to be owners if they own 1% of the voting stock, closely held corporations (50 or less shareholders) any voting partnership or proprietorship interest is significant. Passive investors (banks, investment and insurance companies) may own up to 5% of voting stock before they are considered owners. 74 C.F.R. 73.

The proposed changes would allow all utilities to own anywhere from 5% to 20% before being considered owners for the purposes of the rules. See Notice of Proposed Rulemaking in the Matter of the Revision of the Multiple Ownership Attribution Rules, FCC 83-46, January 27, 1983; "FCC Wants to Redefine Owner," Broadcasting Magazine, January 31, 1983 at 34.

11 Brown, "ABC's Wide World of Risks," Washington Post, January 16, 1983 at F-1; "Changing Hands 1982," Broadcasting Magazine, January 10, 1983, at 45, 46 and 48; "Cable 1981: A Taste of Reality," CableVision Magazine, January 4, 1982 at 26; "The 'Urge to Merge': Cable's Consolidation," TVC Magazine, October 1, 1981 at 86; Phillips, "Busting the Media Trusts," Harper's Magazine, July, 1977, at 23. The increase in the concentration of ownership has been the focus of extensive Congressional and Federal Trade Commission concern. Cable Television Hearings 1982: before the Subcommittee on SBA and SBIC Authority Minority Enterprise and General Small Business Problems of the Committee on Small Business, House of Representatives, 97th Cong., 1st Sess. 1981; Media Concentration, Parts 1 and 2, 1980: Hearings before the Subcommittee on General Oversight and Minority Enterprise of the Committee on Small Business, House of Representatives, 96th Cong., 2nd Sess. 1980; Proceedings of the Symposium on Media Concentration, Vols. I and II, Barea of Competition, Federal Trade Commission, December 1978.

12 There is a 50%+ mortality rate among narrowcasters. Major

program distributors such as CBS have failed in new pay program distribution ventures. Meanwhile, audience preferences, as measured by the amount of switching between pay offerings ("churn") remain very difficult to access. See

Di Santi, "Who Will Survive," Multichannel Programming, July 19, 1982 at 8.

13 Advisory Committee on Alternative Financing for Minority Opportunities in Telecommunications, Strategies for Advancing Minority Ownership Opportunities in Telecommunications: Final Report, 1982 at 1.

14 United States Commission on Civil Rights, Window Dressing on the Set: An Update, (1979) at 45.

15 Brown, "Black TV Image Month," Tony Brown's Journal, October/December 1982 at 2. Hatcher, "Mass Media and the Black Community," 5 Black Scholar 4, (1973); Johnson, Telecommunications Technology and the Socialization of Black Americans: Issues, Concerns and Possibilities, Thesis, Washington University, St. Louis, Mo. 1974 at 158.

16 "Blacks In White TV," Tony Brown's Journal, October/December

1982 at 7.

17 U.S. Commission on Civil Rights, supra note 14, at 1.

18 Report of the National Advisory Committee on Civil Disorders (New York: Bantam Books, 1968) at 383.

19 U.S. Commission on Civil Rights, supra note 14, at 61.

20 Statement of Policy on Minority Ownership of Broadcasting Facilities, FCC 78-322 (1978) at 3.

21 U.S. Commission on Civil Rights, supra note 14, at 60-61.

22

Broadcasting Magazine.

23 Early, "Lou Gosset Jr.'s Tough 'Gentleman'" Washington Post August 23, 1982 at C-1.

24 "Is TV Off-Color?", Tony Brown's Journal, October/December 1982 at 13.

25 "Hispanics Claim TV, Ad Bias," The Washington Times, October 15, 1982 at 3A.

26 Id

27 See footnote 15 infra.

28 See Newsweek Magazine (198) at

29 Id.

30 Report of the National Advisory Committee on Civil Disorders, supra note 18 at 383.

31 The author uses the term "videocasters" to refer to those commercial firms which distribute video programming over the air, by wire and/or by satellite. The term includes broadcast television regardless of power, cable (whether coaxial or fiberoptic assisted) MDS, and satellite assisted systems such as DBS and SMATV. The program services provided by the firms may be advertiser and/or subscriber supported. Videocassette and videodisk retail and/or rental firms are not included.

32 Hammond, et. al. supra note at 28; National Association of Black-Owned Broadcasters, Policy Statement on Legislative, Regulatory and Industry Objectives, September, 1982; C.C.G., Inc. Minority Ownership of Broadcast Facilities, Volume 1 at , January 1979; Federal Communications Commission Report on Minority Ownership, 1978 at 25; Hammond, "The Rewrite of the Communications Act: Are Minorities Written Out?", 1 Cross Reference 453 at 458 (1978).

33

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34 Various minority commentators have placed minority black income at more than 100 billion dollars annually. Eugene Jackson, President of the National Black Network, has estimated that the average projected income of Black workers in 1980 was $125.8 billion, increasing to $225 billion in 1985. See "The Black Market Becomes a Must Buy," Broadcasting Magazine, October 6, 1980, at 22. A more conservative estimate from 1978 placed the "Black GNP" at 70 billion dollars. See D. Gibson, 70 Billion in the Black (1978).

35 See generally, the sources cited in footnote 32 infra.

36 See Hammond and Guernica, supra note at 1 and 19.

37 Although radio stations are exempt from the requirement,

the Commission still requires television licensees to air at least 10% non-entertainment programming out of their total hours of broadcast operations. It also requires television licensees to comply with each of the promises it makes in its renewal application concerning the weekly average of the maximum amount of commercials and the minimum amount of news, public affairs, all other non-entertainment programming and public service announcements. The percentages are determined based on a sampling of a "composite week" drawn from random days selected throughout the 5 year license term. Radio Broadcast Services; Revision of Applications for Renewal of License of Commercial and Noncommercial AM, FM and Television Licensees, 46 Fed. Reg. 26236, at 26244 (1981); Report and Order on the Deregulation of Radio, 46 Fed. Reg. 13888, at 13990 - 94, and 13948, (1981). The Commission, through its ascertainment requirements and its 1960 Programming Statement, has indicated its desire that the television licensee's entire community of license be served. Ascertainment of Community Problems, 27 FCC 2d 650 (1971); En Banc Programming Inquiry Statement, 44 FCC 2303 (1960).

38 Licensees are required to devote a reasonable amount of programming time to controversial issues of public importance, and offer reasonable opportunity for the presentation of controversial issues. In the Matter of the Handling of Public Issues Under the Fairness Doctrine, BC Docket 78 60.

adopted April 1?, 1982; Report and Order, 74 F.C.C. 2d ..3 (1979); Notice of Inquiry 67 F.C.C. 2d 730 (1978); Reconsideration of the Fairness Doctrine Report, 58 F.C.C. 2d 691, (19); Fairness Doctrine Report, 48 F.C.C. 2d 1 (1974); Notice of Inquiry, 30 F.C.C. 2d 26 (1971).

39 One of the major elements of broadcast service identified by the Commission is service to minorities in the licensee's service area. See En Bave Programming Inquiry Statement supra note 37, at . The Commission seeks to assure programming responsive to various groups via its Equal Employment and ascertainment requirements as well as its minority ownership policy

40 While defamation of individuals and businesses is usually a state matter, the Commission has addressed the matter as it relates to alleged defamation of ethnic groups. Anti Defamation League v. F.C.C., 403 F.2d 169 (D.C. Cir. 1968) art. div. 394 U.S. 930 (1969).

41 Fowler, supra note at . See also, Jones, Cases and Materials on Electronic Mass Media (1979) Chapters IV, V and VI and accompanying footnotes.

42 Hammond, "The Rewrite of the Communications Act," supra note 32, at 455 56

43 Anti Defamation League, supra note 40

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44 Alabama Educational Television Commission, 50 F.C.C. 2d 461 (1975); Lomar Life Broadcasting, Inc. 38 F.C.C. 1143 (1963), reversed sub. nom. Office of Communication of the United Church of Christ v. F.C.C., 425 F. 2d. 547 (D.C. Cir. 1969).

45 NAB, supra note , at IX.

46 From approximately 1976 on, Commission repeal of restrictive cable and STV regulations (sometimes with encouragement by the courts), coupled with the development of low cast satellite interconnection and Commission introduction of MDS, LPTV and DBS services has brought the video marketplace to the brink of an era of abundance. See generally Telecommunications in Transition supra note at 244 257; "2001: What's Ahead," Broadcasting Magazine, October 12, 1981 at 249-258 and 261-269.

47 Total of commercial television broadcast stations was determined by review of the Commission's September 1982 announcement regarding broadcast station totals. Broadcast Station Totals for August 1982, September 30, 1982. The 213 markets are based on the geographic unit of measurement employed by the Arbitron and A.C. Nielsen rating services. Each television market is defined exclusive of others based upon measurable viewing habits. The markets, called areas of dominant influence (ADI's) by Arbitron, include the geographical unit employed by the U.S. Department of Commerce (the standard metropolitan statistical area (SMSA)) as well as

the area of license as determined by the Commission. Inside the New Television Marketing Report, Arbitron Television; Arbitron Ratings, Television: Audience Estimates, May 1982. See generally, Eastman, et al. supra note 33, Chapters II and VII, and Heat et al., supra note 33, Chapter 14 at 382.

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50 Third Report and Order: In the Matter of Amendment of Part 73 of the Commission's Rules and Regulations In Regard to Section 73. 642 (a) (3) and Other Aspects of the Subscription Television Service, F.C.C. 82-281, released June 29, 1982, at 3.

51 Eastman, supra note 32, at 107

52 Id.

53 Id.

[54] National Cable Television Association, Cable Television Developments, August 1982.

[55] Id.

[56] Id.

[57] See note infra at p.

[58] Id.

[59] Telecommunications in Transition, supra note , at

[60] Hammond and Guernica, supra note , at

[61] See note infra.

[62] Channels Field Guide, supra note at

[63] Id., at

[64] Id., at

[65]

[66] See note infra and the sources cited therein.

[67]

[68] Telecommunications In Transition, supra note at ; NAB supra note at

[69] Rosse, Federal Trade Commission Proceedings of the Symposium on Media Concentration, Vol. 1, 1978, at 144; D. Bachman,

"The Dynamics of Black Radio," ( ) at 13; B. Garnett, How Soulful Is "Soul Radio?", Race Relations Information Center: Nashville, Tenn., March 1970.

70 B. Garnett, supra note 69, at 16-18.

71 See part IV infra and the accompanying footnotes.

72 B. Garnett, supra note 69, at 5-6.

73 See the sources cited in footnote 69 infra.

74 B. Garnett, supra note 72. Indeed, during the mid-seventies, there was confusion as to whether many black oriented stations were black owned.

75 Id., at 15, 18, 25 31, 35 41 See also, Hammond, "The Rewrite of the Communications Act" supra note 32 at

76 See footnotes and accompanying text infra.

77 See footnote infra.

78 Statement of Policy on Minority Ownership, supra note at

79 Id.

80 Hammond, "The Rewrite of the Communications Act," supra note 32, at

81 _Policy Statement and Notice of Proposed Rulemaking In the Matter of Commission Policy Regarding the Advancement of_

Minority Ownership in Broadcasting, F.C.C. 82-523, released December 13, 1982 at 1-6.

82 Policy Statement on Minority Ownership of Cable Television Facilities, F.C.C. 82-524, released December 22, 1982.

83 The tax certificate component is authorized under 1071 of the Internal Revenue Code, 26 U.S.C. 1071, which authorizes the Commission inter alia to issue tax certificates to majority broadcast station owners who sell their properties to minority-owned firms or entrepreneurs. The certificate enables the sellers to defer the payment of federal taxes on the capital gains resulting from sale of the properties. The Commission's grant of a tax certificate is contingent upon its determination that the sale or exchange of property is necessary or appropriate to facilitate the adoption of, or change in a policy relating to ownership and control of broadcast properties. Policy Statement, supra note 81, at 10-11.

84 The Commission will now make tax certificates available to investors regardless of identity who divest themselves of shares initially purchased prior to, or within one year of the issuance of a broadcast license. The investors must show that their capitalization either enabled the minority controlled firm to acquire the broadcast property or was the source of necessary start up capital Policy Statement, supra note 81, at 12.

85 See Mark S. Fowler, Chairman, F.C.C., Statement on Recommendations of Advisory Committee on Minority Ownership, December 2, 1982; Statement of Commissioner Henry M. Rivera Re: Legislative Proposals, December 2, 1982.

86 See sources cited in note infra.

87 Other recent Commission action raises the spectre that minorities may not receive the unrestricted market access which the First Amendment, the Courts and the Commission's long standing commitment to diversity require. . . irrespective of considerations of scarcity. While the tax certificate component applies to broadcasting and has been extended to cable, it has not been applied to MDS and other common carrier video distribution systems. At least one Commissioner believes that the extention of the tax certificate to the financing and/or sale of non-broadcast firms such as MDS would be inappropriate. Because MDS is a common carrier, the nexus between ownership and editorial control is not extant. Hence the underlying justification of the minority ownership policy is absent. FCC Acts to Increase Minority Participation in Telecommunications Field; Concurring Statement of Commissioner Mimi Weyforth Dawson Regarding: Legislative Recommendations of the Advisory Committee on Alternative Financing for Minority Opportunities in Telecommunications, Report No. 5112 December 3, 1982.

Of far greater significance to the continued success

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of the federal government's minority ownership initiatives are the limitations proposed in the dissenting opinions of Commissioners Fowler and Sharp in Waters Broadcasting Corp., 88 FCC 2d 1204 (Rev. Bd. 1981); FCC 82-483, released December 1, 1982; and the Commission majority in, In Re: Application for Assignment of License of UHF Television Station WJAN, Canton, Ohio from PTL of Heritage Village Church and Missionary Fellowship, Inc. (PTL) to David Livingston Missionary Foundation Inc., Report No. 18597, released December 8, 1982. (Hereinafter cited as PTL). In the former, the two dissenting Commissioners argued that minority ownership of a potential licensee was less compelling than the local participation of the competing applicant. Thus concluding, in essence, that minority ownership is desirable only where it is likely to serve the needs of a significant minority population rather than the needs of a majority population.

In PTL, the Commissioner declined to designate for hearing on disqualifying issued a licensee which allegedly defrauded its viewing public and lied to the Commission. See Motion for Stay and Petition for Reconsideration filed in the PTL case by the National Black Media Coalition, The National Association of Black Owned Broadcasters, the Stark County Branch of the NAACP and the Akron Branch of the NAACP, January 7, 1983. Instead, the licensee was allowed to assign its license to a third party thereby circumventing the hearing and the possible opportunity for a minority to purchase the station under the distress sale

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component. The decision further undermined the utility of an initiative already seriously weakened by the Commission's deregulation of radio. There have been no distress sales of radio stations since the deregulation of radio took effect.

88 Policy Statement and Notice of Proposed Rulemaking supra note at 1; Statement of Policy on Minority Ownership, supra note at 4.

89 47 C.F.R. 3.35 (a); 73.240 (a) (1); 73.636 (a) (1) (1979). The "One to a market rule" prohibits the ownership or control of both a radio station (AM or FM) and a television station within a market the coverage area of one station is completely encompassed by that of the other.

While the Commission did not adopt the rule retrospectively 74 C.F.R. 3.35 n. 3 (1977), "grandfathered" combinations do not survive the attempted assignment or transfer to a new common owner. 47 C.F.R. 73. 240 (a) (1) n. 8 (1979).

90 See the discussion of the rule of sevens, supra note

91 The ownership of three stations is prohibited where it would result in any two of the stations being within one hundred miles of the third, and where an overlap of primary service areas exists. 47 C.F.R. 73.636 (a) (2) (1979).

92 The crossownership of a cable system and a television station

is prohibited where the broadcast station's grade B contour overlaps any part of the cable system's coverage area and there is a "cognizable interest" in each facility. 47 C.F.R. 76.501 (a) (1977).

See note supra for a discussion of the term "cognizable interest" and the Commission's recent proposal to change the ownership attribution rules.

The Commission also prohibits the common ownership of a broadcast station and a daily newspaper where the station's contour encompasses the entire community to which the newspaper publishes. 47 C.F.R. 73.35 (c); 73.240 (c); 73.636 (c) (1979). See the discussion of Commission prohibition of cable/television network cross ownership supra note

93 Statement of Policy on Minority Ownership, supra note

94 See Policy Statement and Notice of Proposed Rulemaking, supra note at 8-12.

95 Id.

96 Statement of Policy on Minority Ownership, supra note at 7-9.

97 Id., at 5-6.

98 Id., at 6

99 Hammond and Guernica, supra note at 31-47; National Association of Broadcasters, Buying or Building a Broadcast Station, October 1982 at 1-15; Minority Telecommunications Development Program, Fact Sheet Update, Fall 1980.

100 Hammond and Guernica, supra note at 1.

101 Bunkfeldt Broadcasting Corporation v. FCC, No. 82-1212, (D.C. Cir. 1983), filed January 6, 1983; Garrett v. FCC, 513 F. 2d 1056, 1063 n. 52. (1975) (D.C. Cir. 1975); TV9, Inc. v. FCC, 495 F. 2d 929, 937 (D.C. Cir. 1973), cert. den., 419 U.S. 986 (1974); Citizens Communications Center v. FCC. 447 F. 2d 1201, 1213 n. 36 (1971); Policy Statement and Notice of Proposed Rulemaking supra note at 1; Statement of Policy on Minority Ownership, supra note at 4; Executive Order No. 12046 (Establishment of the Minority Telecommunications Program) January, 1978; Petition for Issuance of Policy Statement or for Notice of Inquiry In the Matter of Establishment of Policy to Promote Broadcast Ownership by Minorities, and Related Implementing Policies, RM-3055; Dkt. No. 78-355 January, 1978; H.R. 1155, 98th Cong., 1st Sess. (1983). (Minority Telecommunications Development Act of 1983); H.R. 13015 413.709 (1978); H.R. 10132 (1977).

H.R. 1155 among other things seeks to codify the Commission's Tax Certificate and Distress Sales Components as they apply to minority ownership of broadcasting. It would extend the applicability of the components to cable. (H.R. 1155 4). It would also allow the Commission to waive its multiple ownership attribution percentages for small business investment corporations chartered under section 301 (d) of the Small Business Investment Act of 1958, 15 USC 301 (d) (1958). (H.R. 1155 4).

102 See cases, policy statements and Petition filed in Commission Dkt. No. 78-355 cited supra note 101.

103 Bunkfeldt, supra note 101. See also the brief of the Respondent (FCC), in Bunkfeldt, at 20, citing University of California Regents v. Bakke, 438 U.S. 265, 316-18 (1978).

104 See cases, policy statements and Petition filed in Commission Dkt. No. 78-355, supra note 101.

105 Id.

106 Id.

107 See sources cited in note 102.

108 Id.

109 Hammond and Guernica, supra note at 1 and 2.

110 Id.

111 Citizens Communications Center v. FCC, supra note 101.

112 TV 9, Inc., supra note 101.

113 Garrett, supra note 101.

114 Berryville Broadcasting Co., 70 FCC 2d 1 (1978); Rosemond Broadcasting Co., Inc. 54 FCC 2d 394 (1976).

115 Hagadone Capital Corporation, 67 FCC 2d 1608 (1978); Atlas Communications, Inc. (WJPC), 61 FCC 2d 995 (1976).

116 Minority Ownership Task Force, Report on Minority Ownership in Broadcasting, at 4 (1977).

117 Executive Order No. 12046 supra note 101.

118 Id.

119 Id.

120 Petition filed in Commission Dkt. No. 78-355 supra note 101, at

121 Report on Minority Ownership in Broadcasting, supra note 116.

122 Statement of Policy on Minority Ownership, supra note

123 Id., at 4; Report on Minority Ownership in Broadcasting, supra note at 4.

124 Statement of Policy on Minority Ownership, supra note , at 3.

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127 Policy Statement and Proposed Rulemaking supra note , at 1.

128 Id., at 4, n. 15.

129 Id.

130 See discussion supra notes 93-96 and accompanying text.

131 Id.

132 Advisory Committee on Alternative Financing for Minority Opportunities in Telecommunications, Strategies for Advancing Minority Ownership Opportunities in Telecommunications, May, 1982. (Hereinafter cited as the Advisory Committee Report.) Among the proposals made by the Advisory Committee were: 1) the extension of the tax certificate (1071 (a) of the Internal Revenue Code) to the sale and/or financing of purchases of non broadcast entities such as cable, and common carrier firms, Id. at 7; and 2) the amendment of 48 (c) of the Internal Revenue Code to increase the limit on depreciable property which can be considered in establishing the investment tax credit, Id at 40. On January 17, 1983, the two legislative proposals were transmitted

to the Senate and the House. Letter of Mark S. Fowler, Chairman, Federal Communications Commission, to the Vice President of the United States, United States Senate, January 17, 1983; Letter of Mark S. Fowler, Chairman, Federal Communications Commission, to The Speaker of the House of Representatives, January 17, 1983. Both letters were accompanied by copies of the "Commission's" proposed legislation regarding 26 U.S.C. 48 (c); 1071 (a).

133 The Advisory Committee Report also proposed that the Commission explore expansion of the rights of seller-creditors to include a reversionary interest in the event of a default on payment of the seller financed loan by the minority purchaser. At present, the seller may take a security interest in the physical assets of the station or the stack of the corporate licensee. The creation of a reversionary interest would, it was argued, create greater seller incentive to finance the sale of the property. Id., at 33-34. In response, the Commission has issued a Notice of Proposed Rulemaking Regarding Seller-Creditors' Rights. See Policy Statement and Notice of Proposed Rulemaking, supra note at 14-16.

134 Statement of Mark S. Fowler, Chairman, Federal Communications Commission, Before the Subcommittee on Telecommunications, Consumer Protection, and Finance, of the House Committee on Energy and Commerce Oversight Hearing on the Broadcast -

mass media activities of the Federal Communications Commission, at 5, December 1, 1982.

[135] Wirth, Fowler and Brenner, supra note at 246; Network Inquiry Special Staff, supra note , at 360-363.

[136] Id.

[137] Wines, "The FCC and Its Critics Are at Odds On How to Control the Video Explosion," The National Journal 1408, at 1409 (1982) citing comment of Commissioner Mimi Weyforth Dawson, Office of Plans and Policy; FCC Policy on Cable Ownership, at 109-125, 1981; Network Inquiry Special Staff, supra note , at 401.

[138] Network Inquiry Special Staff, supra note , at 364.

[139] Wines, supra note 137 at 1413. Fowler and Brenner, supra note , at 225.

[140] Fowler and Brenner, supra note , at 222-225.

[141] Id., at 24.

[142] Id., at 224-25.

[143] Id., at 235-36.

[144] "An Index in the Act on Multiple Ownership," Broadcasting Magazine, at 35, 36 (July 19, 1982).

145 "Dawson's Herfindahl Proposal," Broadcasting Magazine, at 44, 45 (August 2, 1982).

146 Bazelon, "The First Amendment's Second Chance," Channels Magazine at 16, 17 (February/March, 1982).

147 Wines, supra note 137, at 1413; Barber, "The Second American Revolution," Channels Magazine, 21 at 24-25, 62 (February/March 1982); Brown, "Fear of Fowler," Channels Magazine, 21, at 22 (December/January, 1982).

148 Network Inquiry Special Staff, supra note , at 344.

149 Id., at 358-359.

150 Id., at 351-52.

151 Id., at 355.

152 Id., at 358.

153 ". . . even the most discriminating approach . . . will require that some subjective judgements be made and some inexact balances be struck." Id., at 359.

154 Brennan, "Economic Efficiency and Broadcast Content Regulation,"

at 13-15 (1982).

155 Id., at 13.

156 Id., p. 13-15.

157 Id., at 6 and 25.

158 Id., at 16-19, 24-25.

159 Id.

160 Wines, supra note , at 1408 and 1413; Barber, supra note , at 23 and 24; Telecommunications In Transition, supra note , at 27.

161 Channels Field Guide supra note at ; Technology and Economic Inc. "The Urban Franchising Context" from "The Emergence of Pay Cable Television" (Cambridge, Mass.) August 1980; "The Gold Rush of 1980" Broadcasting Magazine, March 31.

162 "Fowler's Report Cards," Broadcasting Magazine, January 24, 1982, at 78; Auerbach, "Conservative Study Faults Reagan Deregulation Effort," Washington Post January 16, 1983; Wines, supra note at 1411.

163 "Fowler's Report Cards," supra note 162, at 78; Channels Field Guide supra note , at .

164 See note infra.

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166 Telecommunications In Transition, supra note ____, at 27.

167 Remarks by Commissioner Joseph R. Fogarty, Federal Communications Commission, before the National Black Media Coalition, Washington, D.C., September 30, 1982, at 2.

168 See concurring statement of Commissioner Mimi Weyforth Dawson supra note .

169 See notes and accompanying text infra.

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171 Despite the increases in the number of broadcast and cable facilities over time, the costs of acquiring a broadcast station, cable system or cable franchise is growing steadily. "Changing Hands 1982," supra note ; "Mixed Reviews on 1982 from Brokers," Broadcasting Magazine (January 10, 1982) at 66 (Remarks of Cecil Richards), also at 67 (Remarks of Howard Stark); Henderson, "Minorities and Small System Operators: Falling Further Behind?", TVC Magazine (December 1, 1981) at 116-117, and 127.

172 The transition of the cable industry from small rural and suburban areas to the major market urban areas is placing small and minority-owned cable television companies at a

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decided disadvantage. Faced with the necessity to bid on large urban systems which are not being franchised as multiple systems, small and minority firms typically lack the equity investment, technical resources and franchising expertise to compete against the larger multiple system owners (MSO's). Cable Television Industry, Hearings Before the Subcommittee on SBA and SBIC Authority, Minority Enterprise and General Small Business Problems, of the Committee on Small Business, House of Representatives, 97 Cong., 1st Sess., (1981). See also, "Brother, Can You Spare $10 Million?", Broadcasting Magazine (May 10, 1982) at 82; Henderson, supra note 171, at 116; "Examining the Barriers to Minorities In Cable Franchises," Broadcasting Magazine (November 9, 1981) at 54-56; "Minorities In Cable: Oversight Hearings Continue," Broadcasting Magazine (October 19, 1981) at 49-50; "House Hearings Examine How Small Business Can Get Into the Big Business of Cable," Broadcasting Magazine (September 28, 1981) at 39; "Reviewing the Prospects for Minorities," Broadcasting Magazine (July 27, 1981) at 109.

173 Baird and Moozakis, "The Urge to Merge Cable's Consolidation," TVC October 1982 at 78-85; See generally Media Concentration (Parts 1 and 2), Hearings before the Subcommittee on General Oversight and Minority Enterprise of the Committee on Small Business, House of Representatives, 96th Cong., 2d Sess. (March 1980). Especially, the Testimony of Ellen Berland Sachar at 156; Testimony of James Dertouzous at 3 and 7; Testimony of John Lyons at 413.

174 See sources cited supra note 171.

175 See Hammond and Guernica, supra note at 1.