

The Advisory Committee on Diversity for Communications in the Digital Age

Monday, June 14, 2004
Federal Communications Commission
445 12th Street, SW, Washington, D.C.
Commission Meeting Room (TW-C305)
2:00 p.m. – 5:00 p.m.

Minutes

1. The Advisory Committee on Diversity for Communications in the Digital Age held a public meeting on June 14, 2004, from 2-5 pm, in the Commission meeting room at FCC headquarters, Washington D.C.
2. Attendees included:
 - a. FAC members:
 - Julia Johnson*, President, NetCommunications, Chair Emerging Issues Policy Forum
 - Jenny Alonzo*, President, National Association for Multiethnicity In Communications, and Vice President, Production & Inventory Operations, Lifetime Television
 - Decker Anstrom*, President, COO, Landmark Communications
 - Andrew Barrett*, Managing Director, Barrett Group, Inc. (by telephone)
 - Matthew Blank*, Chairman, CEO, Showtime Networks
 - Maria Brennan*, Executive Director, American Women in Radio and Television
 - Anthony Gee*, Managing Partner, The Carthage Group
 - Benita Fitzgerald Mosley*, President, Women in Cable and Telecommunications
 - Priscilla Hill-Ardoin*, Senior Vice-President, Regulatory Compliance, SBC
 - Steve Hillard*, President, CEO, Council Tree Communications
 - David Honig*, Executive Director, Minority Media and Telecommunications Council
 - Jamie Howard*, COO, BigBand Networks, Inc. (by telephone)
 - Alfred C. Liggins, III*, President, CEO, Radio One (represented by *Linda Villardo*)
 - Vonya McCann*, Senior Vice President, Federal External Affairs, Sprint
 - Francisco R. Montero*, Fletcher, Heald & Hildreth,
 - Henry Rivera*, Partner, Vinson & Elkins
 - Riley Temple*, Partner, Halprin and Temple
 - Lauren Tyler*, Partner, Quetzal/JP Morgan Partners
 - Terdema Ussery*, President, CEO, Dallas Mavericks, and CEO, HDNet

Jim Winston, National Association of Black-Owned Broadcasters (by telephone)
Kelvin Westbrook, President, CEO, Millennium Digital Media
Roscoe Young II, CEO, KMC Telecom (represented by *Marva Johnson*)

The following FAC members did not attend:

Joan Gerberding, President, Nassau Radio Network
Ginger Lew, CEO, Telecommunications Development Fund
Alex Wallau, President, ABC Television Network

The following FAC experts also attended: *Michele Farquahar*, *Mark Dever*, *Ari Fitzgerald*, *Stacey Meaders*, *Yvette Mouton*, *Jenelle Trigg*, *Debbie Smith*.

- b. FCC Officials: Chairman Powell, Commissioner Copps, Commissioner Adelstein
 - c. FCC Staff: Jane E. Mago, Designated Federal Officer (DFO); Maureen C. McLaughlin, Alternate DFO; Sherille Ismail, Office of Strategic Planning; Erin Boone, Office of Strategic Planning; Richard Lee, Office of Strategic Planning; Kyle Dixon, Media Bureau; Jamila Bess-Johnson, Media Bureau.
 - d. Members of the public who presented oral or written statements: Gloria Tristani, United Church of Christ.
 - e. Other members of the public: Several members of the public attended the meeting.
3. Description of matters discussed and their resolution.
- a. Welcoming remarks: Chairman Powell and Commissioner Adelstein made opening remarks. Commissioner Copps joined the meeting in progress and made remarks.
 - b. Chairman Powell announced that the Media Bureau would issue a public notice seeking comment on constitutionally permissible ways to further the mandates of Section 257 of the Telecommunications Act of 1996, 47 U.S.C. § 257, which directs the FCC to identify and eliminate market entry barriers for small telecommunications businesses, and Section 309(j) of the Communications Act of 1934, 47 U.S.C. § 309(j), which requires the FCC to further opportunities in the allocation of spectrum-based services for small businesses and businesses owned by women and minorities. [Tab 1.]

- c. Chair Julia Johnson announced that the subcommittees would present progress reports, to be followed by items requiring action by the Committee.
- d. Francisco Montero, on behalf of the Financial Issues subcommittee, reviewed the history of Commission efforts to further the goal of minority access to capital, beginning with the Rivera Commission report in 1982, the NTIA study on radio stations in 1997-1998, and other studies. He also reported on the subcommittee's efforts to gain current information by holding a series of public hearings with experts in the financial and investment community. Mr. Montero concluded that there had been little progress in improving the ownership status of socially and economically disadvantaged members. [Tab 2.] The Committee voted to accept the subcommittee report without objection.
- e. Steve Hillard, Chair of the Transactional Transparency and Related Outreach subcommittee, described the subcommittee's task as essentially to identify means of promoting "deal flow" that promotes ownership of communications properties by minorities and women. Mr. Hillard noted that the subcommittee held weekly conference calls with public and private experts. Based on this information-gathering, he noted that, time and time again, the experts stressed the importance of reinstating the tax certificate program as the most effective means of promoting diverse ownership. He urged the Commission to make support of tax incentives a high priority. [Tab 3.] Chairman Powell said he supported the reinstatement of tax certificates. The Committee voted to accept the subcommittee report without objection.
- f. Riley Temple, Chair of the Subcommittee on New Technologies, stated that the subcommittee would have several recommendations to facilitate opportunities for minorities and women in new technologies. [Tab 4.] The Committee voted to accept the subcommittee report without objection.
- g. Jenny Alonzo, Chair of the subcommittee on Career Advancement, described the subcommittee's efforts in connection with its report on "best practices." Ms. Alonzo noted that overall there had been a decline in employment of minorities and women in the industry. [Tab 5.] The Committee voted to accept the subcommittee report without objection.
- h. Chair Julia Johnson opened the floor for comment, before proceeding to the action items. Chairman Powell noted, as a general matter, that the focus of the discussion appeared to be broadcast-centric, though in his view the companies likely to gain strength in the future were likely to come from the new and emerging industries. Though it was appropriate to focus on the mature industries, he also urged the Committee to focus more

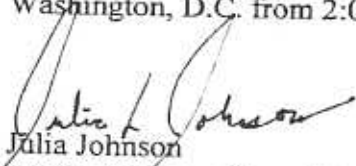
on the emerging industries. Several members joined in a discussion of this topic.

- i. The subcommittee on Financial Issues subcommittee urged the Committee to adopt the following recommendation: (1) tax incentive program; (2) distress sale policy; and (3) incentive based regulations. [Tabs 6, 7, 8.] The Committee voted to adopt all three recommendations without objection.
- j. The subcommittee on Transactional Transparency and Related Outreach urged the Committee to adopt an equal transactional opportunity rule. [Tab 9.] The Committee voted to adopt the recommendation without objection.
- k. The Subcommittee on New Technologies urged the Committee to adopt a supplier diversity program. [Tab 10.] The Committee voted to adopt the recommendation without objection.
- l. The Subcommittee on New Technologies urged the Committee to adopt several recommendations on spectrum and access to capital (with respect to increasing access to capital). [Tab 11.] The Committee accepted an amendment to modify the language of the recommendation to add, in the relevant section, the following underlined language: "Consider whether it would be advisable to allow private lenders to take a security interest in FCC licenses." [Tab 12.] The Committee voted to adopt the recommendations as amended.
- m. The Subcommittee on New Technologies urged the Committee to adopt several recommendations on spectrum and access to capital (with respect to facilitating minority access to communications properties, opportunities, investment). [Tab 13.] The Committee accepted an amendment to modify the language of the recommendation to add, in the relevant section, the following underlined language: "socially and economically disadvantaged business." [Tab 14.] The Committee voted to adopt the recommendations as amended.
- n. The Subcommittee on New Technologies urged the Committee to adopt several recommendations on spectrum and access to capital (with respect to reducing regulatory barriers to the deployment of unlicensed services and technologies). [Tab 15.] The Committee voted to adopt the recommendations without objection.
- o. The Subcommittee on New Technologies urged the Committee to adopt several recommendations on spectrum and access to capital (with respect to facilitating access to opportunities requiring licensed spectrum). [Tab 16.] The Committee voted to adopt the recommendations with one dissenting vote (McCann).

- p. The Subcommittee on New Technologies urged the Committee to adopt several recommendations on spectrum and access to capital that could be effected without legislative action or FCC rules changes). [Tab 17.] The Committee voted to adopt the recommendation without objection.
- q. The subcommittee on Career Advancement urged the Committee to accept and commend to the Commission's attention the report titled "*Workplace Diversity: A Global Necessity and an Ongoing Commitment.*" [Tab 18.] The Committee voted to adopt the recommendation with one concurring vote (Honig).
- r. Chair Julia Johnson invited public comment. In response, Gloria Tristani, on behalf of the United Church of Christ, stated that the Committee should have addressed other issues such as expressing a commitment to equal employment opportunity. She said she welcomed the Committee's intent to address those issues in subsequent phases of these proceedings.
- s. Chair Julia Johnson announced that the next meeting of the Commission was scheduled for September 17, 2004. The meeting was then adjourned.

4. Certification

I, Julia Johnson, Chair of the Advisory Committee on Diversity for Communications in the Digital Age ("Diversity Committee"), hereby certify that the above minutes accurately describe the third meeting of the Diversity Committee, held on June 14, 2004, in the Commission Meeting Room (TW-C305) at the Federal Communications Commission, 445 12th Street, SW, Washington, D.C. from 2:00 p.m. – 5:00 p.m.



Julia Johnson

Chair, Advisory Committee on Diversity for Communications in the Digital Age