

Chairman Michael K. Powell
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Chairman Powell:

On Monday, June 14, 2004, the Federal Advisory Committee on Diversity in the Digital Age held its third meeting. It was a productive and successful meeting in which the Committee approved a wide range of interim recommendations designed to promote diversity in telecommunications and related industries. The minutes of the meeting as well as the Committee's interim recommendations are attached for your information. A summary of the interim recommendations is set forth below.

The Committee recommends:

1. The adoption of a **Tax Incentive Program**, which would defer Federal capital gains tax liability, as an incentive for socially and economically disadvantaged individuals to acquire assets necessary to enter the broadcasting and telecommunications marketplace.
2. The continuation and expansion of the Commission's **Distress Sale Policy**, which allows broadcasters to sell properties to minority owners at reduced rates, as an alternative to losing the assets due to non-renewal or revocation of their licenses.
3. The consideration of several **Incentive-Based Regulations** in which regulatees taking steps to advance minority ownership would be permitted to receive benefits otherwise unavailable, such as a first place in line for future television duopolies and a waiver of the structural ownership, attribution and construction permit expiration rules.
4. The adoption of an **Equal Transactional Opportunity Rule** which would specifically prohibit intentional discrimination on the basis of race, color, national origin, or gender in the purchase or sale of any FCC-licensed facility.
5. The establishment of a **Supplier Diversity Program** which would provide auction credits to companies that conduct business with diverse entities. This program will include three major initiatives: (1) a mentoring program, (2) a resource center and (3) the Minority Communications Supplier Business Development Program.
6. **Recommendations on Spectrum and Access to Capital**
 - a. The Facilitation of Minority Access to Communications Properties, Opportunities and Investment through various means, such as providing a transferable credit or voucher to any winner in an FCC spectrum auction that either certifies that it will use its spectrum

license to provide service to an underserved market or that makes a satisfactory showing that it has entered into a transaction with a socially and economically disadvantaged business.

- b. The Reduction of Regulatory Barriers to the Deployment of Unlicensed Services and Technologies by increasing the amount of spectrum that is set aside for unlicensed use as well as increasing the terms of FCC experimental licenses and special temporal authority authorizations.
 - c. The Facilitation of Access to Opportunities Requiring Licensed Spectrum by increasing the bidding credit for qualifying “small” and “very small” businesses in FCC spectrum auctions and identifying spectrum auctions whereby the licenses assigned cover small geographic areas.
 - d. The support of efforts to increase the awareness of emerging technology opportunities for minority-owned business by expanding the working relationship between the FCC and SBA as well as other government agencies.
7. The recognition of a **report on the best practices** that most effectively promote workplace diversity, entitled “Workplace Diversity: A Global Necessity and an Ongoing Commitment.” The report surveyed leading companies engaged in diversity initiatives in an effort to examine the range of efforts used by companies to promote diversity.

Thank you for your consideration of these recommendations. The Committee devoted a lot of time and effort to create these innovative yet practical solutions. If you have any questions, please contact myself, Jane E. Mago or Maureen C. McLaughlin for more information.

Sincerely,

Julia Johnson,
Chairman, Federal Advisory Committee
on Diversity in the Digital Age

Commissioner Kathleen Q. Abernathy
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Commissioner Abernathy:

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The Committee recommends:

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10. The consideration of several **Incentive-Based Regulations** in which regulatees taking steps to advance minority ownership would be permitted to receive benefits otherwise unavailable, such as a first place in line for future television duopolies and a waiver of the structural ownership, attribution and construction permit expiration rules.
11. The adoption of an **Equal Transactional Opportunity Rule** which would specifically prohibit intentional discrimination on the basis of race, color, national origin, or gender in the purchase or sale of any FCC-licensed facility.
12. The establishment of a **Supplier Diversity Program** which would provide auction credits to companies that conduct business with diverse entities. This program will include three major initiatives: (1) a mentoring program, (2) a resource center and (3) the Minority Communications Supplier Business Development Program.
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Sincerely,

Julia Johnson,
Chairman, Federal Advisory Committee
on Diversity in the Digital Age

Commissioner Michael J. Copps
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Commissioner Copps:

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16. The continuation and expansion of the Commission's **Distress Sale Policy**, which allows broadcasters to sell properties to minority owners at reduced rates, as an alternative to losing the assets due to non-renewal or revocation of their licenses.
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18. The adoption of an **Equal Transactional Opportunity Rule** which would specifically prohibit intentional discrimination on the basis of race, color, national origin, or gender in the purchase or sale of any FCC-licensed facility.
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on Diversity in the Digital Age

Commissioner Kevin J. Martin
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Commissioner Martin
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Commissioner Jonathan S. Adelstein
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

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