

Joint Center for Political and Economic Studies
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Testimony on the
“Information Needs of Communities: The Changing Media Landscape in a Broadband Age” Report

October 3, 2011

Good morning to the Honorable Chairman of the Federal Communications Commission Julius Genachowski, the Honorable FCC Commissioner Michael Copps, Steve Waldman, and Dean Callahan. The Joint Center thanks you for the opportunity to speak on this very important topic on how we as a nation will tend to the information needs of our citizens in this rapidly evolving media landscape.

My name is Nicol Turner-Lee, and I am the Vice President of the Media and Technology Institute at the Joint Center for Political and Economic Studies. The Joint Center is a 41 year old public policy institute focused on issues of concern to African Americans and other people of color. The Media and Technology Institute was established in 2008 to study how broadband, the media industry and emerging communications technologies can become avenues of advancement for vulnerable groups. Previously, I was Senior Vice President for External Affairs at One Economy Corporation, a global nonprofit that uses the power of technology and information to expand opportunities for low-income people.

The findings in the report, *“Information Needs of Communities: The Changing Media Landscape in a Broadband Age,”* commissioned by the FCC and issued in June 2011, bring both good and bad news about the future health of our media ecosystem. On the positive side, the expansion of digital platforms, and the use of new media have increased the consumption of online content – a trend that will continue to grow. Our prior imaginations of real time information access and hyper-local content have become realities, and broadband has greatly facilitated these gains.

These trends are all good news for both the media industry and consumers. But like a tale of two cities, these new trends have also brought challenges and instability to the environment. Whereas the Internet has broadened one’s ability to find employment, connect with family and friends or diagnose a health problem, the lack of universal access to broadband leaves behind millions of citizens

that are not yet connected. Moreover, the entrepreneurship and employment opportunities that are being enabled by broadband platforms are not necessarily benefitting historically underserved communities who are in dire need of new economic development opportunities. And, many people within these targeted populations are not able to share their distinct voices within national debates because of they are not equipped with or knowledgeable of new media tools.

I want to credit the Commission, especially Steve Waldman who chaired the working group, in the development of a report that acknowledges these disparities. In the same vein as the National Broadband Plan, this report offers a blueprint for how to create a more inclusive media ecosystem, and gives policy and program guidance to the various sectors, whether public, commercial, and nonprofit media outlets, participating in it.

The focus of my comments this morning will be centered on just two of several threats to minority communities, and affirm some of the report's policy recommendations for how we ensure that this changing media landscape is diverse, and promotes racial and cultural inclusivity on all levels – from the board rooms to the living rooms in our great nation.

1. Universal Broadband Access and Adoption Must be a Priority

First, universal broadband access and adoption must be a priority if we seek to create a healthy and inclusive media ecosystem. According to the 2010 FCC Working Paper on broadband adoption and use, 59% of African Americans have broadband connections at home,¹ reflecting a considerable increase from the forty-six percent who had adopted broadband at home in 2009.² Unfortunately, those Americans who stand to gain the most from the Internet are unable to use it to break the trajectories of social isolation, poverty and illiteracy. Seniors, low-income people, people with disabilities, and the less-educated segments of the American population who are wrought with economic and social hardship are

¹ See JOHN B. HERRIGAN, BROADBAND ADOPTION AND USE IN AMERICA 3 (FCC, Omnibus Broadband Initiative, Working Paper Series No. 1, 2010), http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296442A1.pdf

² See JOHN B. HERRIGAN, HOME BROADBAND ADOPTION 2009: BROADBAND ADOPTION INCREASES, BUT MONTHLY PRICES DO TOO 4 (Pew Internet & American Life Project, 2009) <http://www.pewinternet.org/Reports/2009/10-Home-Broadband-Adoption-2009.aspx>.

largely not reaping the benefits of digital access, much less being exposed to the intellectual, social, and financial capital that drives innovation.

Only 24% of people with less than a high school education and 40% of households with incomes under \$20,000 are likely to adopt broadband in America.³ While differences in Internet access have slowly narrowed between whites, blacks and Hispanics, income and educational attainment still define who benefits. The glaring statistics generated by our own research indicated that low-income high school dropouts were three times less likely to have a residential broadband connection than were more affluent and educated individuals.⁴ And even without a residential broadband connection, nine out of ten low-income African Americans regularly searched online for employment.⁵ Many of those individuals were heavily dependent on public institutions, such as libraries, schools or community centers to access the Internet as described fully in the FCC report.

As mentioned in the FCC report, minorities are also over-indexing on mobile broadband use, particularly cell phones. Pew recently reported that African-Americans and Latinos are more likely to use their mobile device to access the Internet, “44% of black and Latino adults are smartphone owners, compared with 30% of whites.”⁶ When addressing critical broadband adoption barriers of affordability, availability and accessibility, mobile devices are bridging a portion of the gap between those with or without a residential broadband connection. What is debatable at this time, however, is the extent to which consumers are color are regularly accessing news content, government resources, and using the technology to solve community problems, or if the limitations of cellular and mobile devices, along with increasing wireless taxes on these devices is limiting their full use.

³ HERRIGAN, *supra* note 115, at 1.

⁴ See JON P. GANT ET AL., NATIONAL MINORITY BROADBAND ADOPTION: COMPARATIVE TRENDS IN ADOPTION, ACCEPTANCE AND USE 30 (Joint Center for Political and Economic Studies, 2010) available at http://www.jointcenter.org/publications1/publication-PDFs/MTI_BROADBAND_REPORT_2.pdf (last visited September 30, 2011)

⁵ *Id.*

⁶ See Pew Internet and American Life Project. 35% of American Adults Own a Smartphone (http://www.pewinternet.org/~media/Files/Reports/2011/PIP_Smartphones.pdf)

Ubiquitous deployment of broadband services also continues to be a challenge, especially in rural America where significant numbers of low-income minority households live. In our research, less than 10% of minority seniors from rural communities have a home-based broadband connection.⁷ In April of this year, the Joint Center was one of a handful of research organizations to analyze data from the National Telecommunications and Information Administration's (NTIA) broadband availability data. In our research, we completed case studies of three distinct regions – the State of South Carolina, Chicago, Illinois and Los Angeles, California. Our focus was on the number of ISPs represented in census tracts with the highest percentages of non-white, poor populations to test the market case for broadband deployment.⁸ While we did identify widespread ISP availability throughout these three regions, the state of South Carolina was scarce in the number of service providers offering broadband service to very poor, communities of color when compared to the coastal, tourist hubs and inland areas. Moreover, broadband availability did not correlate with higher broadband adoption rates throughout the state.

Clearly, more work needs to be done to expand services to these rural areas, and current industry proposals and discussions to reform the Universal Service Fund (USF) can address what will become a national liability if critical services migrate online, especially public safety and public benefits.

The policy recommendations outlined in the FCC report will be critical to cultivating an environment that ensures equitable consumption of information in the broadband age. The need to reallocate spectrum through voluntary auctions without galvanizing local broadcasters and minority station owners is a key component to creating those conditions, especially to the benefit of minority consumers who are leveraging mobile as their point of entry into this new idea marketplace. We need

⁷ See JON P. GANT ET AL., NATIONAL MINORITY BROADBAND ADOPTION: COMPARATIVE TRENDS IN ADOPTION, ACCEPTANCE AND USE 30 (Joint Center for Political and Economic Studies, 2010) available at http://www.jointcenter.org/publications1/publication-PDFs/MTI_BROADBAND_REPORT_2.pdf (last visited September 30, 2011)

⁸ See Nicol Turner-Lee and Ying Li, Does Place Really Matter (Joint Center for Political and Economic Studies, 2011). www.jointcenter.org

more spectrum to support robust applications that serve to deepen citizens' relationships with government and their neighbors, and facilitate exchanges that cultivate a more democratic society. In addition, we need a revamped Lifeline / Linkup program that subsidizes the cost of broadband service for low-income households where cost is a prohibitive factor.

Finally, adoption strategies that not only promote digital literacy training among newly engaged Internet users, but also promote media literacy are essential to transitioning people to the new media landscape. In the FCC report, African Americans, for example, are less likely to access the Internet for news (48%) when compared to whites (61%) and Latinos (67%).⁹ With local news outlets disappearing, it is imperative that we ensure that citizens of color can access stories of interest, and play a role as storytellers, whether as a trained journalist or a volunteer contributor.

It is also worth noting that since the release and adoption of the National Broadband Plan, the FCC has initiated several additional actions to set the stage for more widespread broadband deployment and adoption that include:

- An NPRM and an Order pertaining to E-Rate,¹⁰
- Constitution of a federal-state joint board to determine the best way to subsidize Lifeline-Linkup to support broadband,¹¹
- A Mobility Fund proceeding to determine how to distribute monies relinquished by Verizon and Sprint-Nextel as conditions of their recent mergers. These funds have been earmarked to support broadband build out to rural areas.¹²

⁹ See STEVEN WALDMAN AND THE WORKING GROUP ON INFORMATION NEEDS OF COMMUNITIES, THE INFORMATION NEEDS OF COMMUNITIES: THE CHANGING MEDIA LANDSCAPE IN A BROADBAND AGE (FCC, July 2011), www.fcc.gov/infoneedsreport.

¹⁰ *Broadband Action Agenda*, Federal Communications Commission, <http://www.broadband.gov/plan/broadband-action-agenda.html#wcb-erate2011> (last visited May 2, 2011).

¹¹ *Id.*

¹² *Id.*

- Creation of a Native Nations broadband task force, launched an Office of Native Affairs and Policy and issued an NPRM on spectrum on Tribal lands.¹³

Going forward, the FCC should either provide progress reports on each of these initiatives at broadband.gov--in addition to the checklist it already provides--or provide links to web pages monitoring how Congress and other agencies are addressing these initiatives.

2. Minority Media Ownership is a Key Driver for Diversity and Inclusion

Second, minority media ownership is a key driver for diversity and inclusion in the media landscape.¹⁴ A review of history suggests that the FCC has struggled to develop a longitudinal record on diversity in the media. However, several scholars and public interest organizations have supplemented sparse FCC studies with methodical research on minority ownership trends, employment statistics, and portrayals of minorities in the media. The Kerner Commission Report investigated the causes of the 1967 race riots and included a section discussing the role of the media in downplaying the plight of the poor.¹⁵ In 1999, Kofi Ofori presented a study to the FCC revealing that advertisers routinely refused to purchase advertising time on broadcast stations targeting minorities.¹⁶ In 2000, the FCC released a report studying market entry barriers in broadcast and wireless licensing between 1950 and 2000.¹⁷ Poindexter, Smith, and Heider published a paper in 2003 showing wide disparities in the number of minority anchors and reporters on local news outlets, the types of stories these journalists took on, and

¹³ *Id.*

¹⁴ See Joseph Miller and Nicol Turner-Lee, "From Consumers to Producers: Engaging Minorities in Digital Innovation." Paper presented at Digital Diversity: Serving the Public Interest in the Age of Broadband, May 2011. Fordham University.

¹⁵ EXECUTIVE OFFICE OF THE PRESIDENT OF THE UNITED STATES, REPORT OF THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS (1968).

¹⁶ See Kofi Ofori, WHEN BEING NO. 1 IS NOT ENOUGH: THE IMPACT OF ADVERTISING PRACTICES ON MINORITY-OWNED & MINORITY-FORMATTED BROADCAST STATIONS (Civil Rights Forum on Communications Policy, 1999) available at http://www.fcc.gov/Bureaus/Mass_Media/Informal/ad-study/adsynopsis.html (last visited April 28, 2011).

¹⁷ See IVY PLANNING GROUP, WHOSE SPECTRUM IS IT ANYWAY: HISTORICAL STUDY OF MARKET ENTRY BARRIERS, DISCRIMINATION AND CHANGES IN BROADCAST AND WIRELESS LICENSING (Ivy Planning Group, 2000) available at http://www.fcc.gov/opportunity/meb_study/historical_study.pdf (last visited April 30, 2011).

the extent to which minority citizens were interviewed during reports.¹⁸ Free Press published a report in 2006 on the state of minority and female TV station ownership in the United States which revealed that minorities comprise 33% of the population, but own just 3.26% of all broadcast stations.¹⁹ In 2008, the NAACP reported a 10% drop over the previous year in the number of minorities in theatrical and television roles.²⁰ And, not surprisingly, many of these findings were recently reiterated in a 2011 report released by the National Association of Black Journalists that found that “...people of color fill only 12% of the newsroom management positions” at major national stations.²¹

While the FCC has worked towards improving racial and ethnic diversity in the media since the sixties, a growing body of Supreme Court affirmative action case precedents ultimately culminated with the Court’s decision in *Adarand v. Peña*,²² which established “strict scrutiny” as the standard of review for laws containing racial classifications. Following *Adarand*, the U.S. Congress passed the Telecommunications Act of 1996, which amended 47 U.S.C. §151 to state that the FCC was formed “so as to make available, so far as possible, to all the people of the United States, *without discrimination on the basis of race, color, religion, national origin, or sex* [emphasis added], a rapid, efficient, nation-wide, and world-wide wire and radio communication service.” While the 1996 Act deregulated media ownership caps on the one hand, it also codified three ownership reviews designed to improve media ownership diversity. These modifications included:

- the *biennial review*²³ to assess which telecommunications service ownership rules are no longer in the public interest because of sufficient competition,

¹⁸ See PAULA M. POINDEXTER, ET AL., RACE AND ETHNICITY IN LOCAL TELEVISION NEWS: FRAMING, STORY ASSIGNMENTS AND SOURCE SELECTIONS (Journal of Broadcasting & Electronic Media, 2003) available at <http://whtdoesittake.com/wp-content/uploads/2011/01/poindexter.pdf> (last visited April 28, 2011).

¹⁹ *Id.* at 10.

²⁰ See THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE, OUT OF FOCUS, OUT OF SYNC TAKE 4: A REPORT ON THE TELEVISION INDUSTRY (The National Association for the Advancement of Colored People, 2008), available at <https://files.me.com/hollywoodbureau/xcnv89> (last visited April 29, 2011).

²¹ See National Association of Black Journalists Diversity Census, p.1. www.nabj.org/resources/resmgr/2011_nabj_diversity_census.pdf.

²² *Adarand Constructors, Inc. v. Peña*, 515 U.S. 200 (1995).

²³ See 47 U.S.C. §161(a)-(c) (2011).

- the *§257 triennial review*,²⁴ which is intended to determine the efficacy of regulations in reducing market entry barriers, and;
- the *quadrennial review*,²⁵ of all of the FCC's rules to determine which of them have remained in the public interest and which are no longer necessary for promoting the public interest.

As suggested in the FCC's July 2011 report, real progress toward minority media ownership has been difficult both because of the Commission's enormous backlog, and Congressional actions that have thwarted progress. While its former Advisory Committee for Diversity in the Digital Age has suggested numerous proposals, the FCC has approved comparatively few.²⁶ Further, in 1995, Congress abolished the tax certificate policy, which, since 1978, had led to the creation of 200 minority-owned stations—the golden age of minority media ownership, if ever there was one.²⁷

To be fair, the FCC has addressed key general public interest issues affecting broadcasting in the digital age. Notably, in 2008, the FCC passed a rule requiring broadcasters to certify in their license renewal applications that their advertising contracts contain non-discrimination clauses.²⁸ Earlier this year, the FCC commenced enforcement of the rule and provided guidance for compliance.²⁹ And just last

²⁴ See 47 U.S.C. §257 (2011) (The most recent report was released on March 1, 2011 and can be found at http://www.fcc.gov/Daily_Releases/Daily_Business/2011/db0303/FCC-11-33A1.pdf).

²⁵ See 47 U.S.C. 202(h) (2011).

²⁶ See, e.g. FEDERAL COMMUNICATIONS COMMISSION, ADVISORY COMMITTEE FOR DIVERSITY IN THE DIGITAL AGE, ACHIEVEMENTS OF THE FCC'S ADVISORY COMMITTEE ON DIVERSITY FOR COMMUNICATIONS IN THE DIGITAL AGE (Sep. 11, 2009) available at <http://www.fcc.gov/DiversityFAC/adopted-recommendations/constitutional-sub-rec-fullfile.pdf> (listing 56 proposals of which 4 were approved by the full Commission. The approved proposals included a new web resource directory, a clarification on a procedural issue for bidding credits, retention of Designated Entity Rules in Auction 58, and the Adoption of Designated Entity investment rules.); See also Implementation of the Commercial Spectrum Enhancement Act and Modernization of the Commission's Competitive Bidding Rules and Procedures, 21 FCC Rcd 4753 (2006).

²⁷ See HONIG, *supra* note 8, at 4 ("Between 1978 and 1995, 200 minority owned stations came into being through the Tax Certificate Policy. There is no evidence that even one was the product of fraud or abuse.").

²⁸ See *Promoting Diversification of Ownership in the Broadcasting Services*, Report and Order and Third Further Notice of Proposed Rulemaking, 23 FCC Rcd 5922, 5940 ¶ 40 (2008)(The advertising non-discrimination ban is intended to prevent no-urban and no-Spanish dictates under which advertisers historically discriminated against stations targeting minority audiences.).

²⁹ See Federal Communications Commission, Enforcement Advisory: Broadcasters Are Reminded That They Must Certify In Broadcast Applications That Their Advertising Contracts Do Not Discriminate (March 22, 2011) available at http://www.fcc.gov/Daily_Releases/Daily_Business/2011/db0322/DA-11-500A1.pdf (last visited April 30, 2011); See also Press Release, Federal Communications Commission, FCC Enforcement Bureau Releases Advisory on Requirement for Broadcasters to

week, the Honorable FCC Commissioner said at a town hall at Carnegie Mellon University that the agency should do more to ensure diversity in media ownership, especially applying more stricter scrutiny when reviewing license renewal applications to ensure that local needs and voices are being reflected in programming.

In 2009, the Commission opened a Notice of Inquiry (NOI) into Arbitron's Portable People Meter, which was alleged to have undercounted minority radio listeners.³⁰ This NOI was a key linchpin in advancing a settlement between Arbitron and minority broadcasters.³¹ Both of these initiatives will have a direct impact on the ability of minority-owned broadcasters to continue to thrive.

Today, however, the Internet is challenging traditional media and telecommunications policies in many ways. Using broadband, cable providers are now able to offer digital video recorders which allow consumers to time-shift programming to times when they will be available to watch it ("video on demand"), rather than having the broadcaster or cable channel dictate when and where to watch. As mentioned, the explosive growth of smartphones has placed unprecedented demand on mobile spectrum and challenged the FCC and Department of Commerce's spectrum allocation policies. Perhaps most significantly, however, the Internet's comparatively low barriers to entry have empowered citizens to participate in content production and innovation with little else than a computer, a broadband connection and the gumption to learn and create—assuming the right circumstances.

The open source and applications development movements have resulted in numerous Internet success stories, including Google, Facebook, Amazon, EBay and Etsy. These companies are often held up as exemplars of what any ordinary citizen can accomplish in their metaphorical garages with simply a

Certify that Advertising Contracts are Non-Discriminatory (March 22, 2011) *available at* http://www.fcc.gov/Daily_Releases/Daily_Business/2011/db0322/DOC-305332A1.pdf (last visited May 2, 2011)(FCC Chairman Julius Genachowski said in a statement that the FCC would "vigorously enforce" the nondiscrimination rules and that discrimination "simply has no place in broadcasting.").

³⁰ See Federal Communications Commission, *In the Matter of Impact of Arbitron Audience Ratings Measurements on Minority Broadcasters* (May 15, 2009), *available at* http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-09-43A1.pdf (last visited April 30, 2011).

³¹ See Arbitron, SBS Enter Settlement Agreement (June 2, 2010), Radio Ink, *available at* <http://www.radioink.com/article.asp?id=1825909&spid=24698> (last visited May 1, 2011).

computer and an Internet connection. However, in evaluating the biographies of the founders of these Internet companies and the circumstances surrounding their early successes, one begins to see patterns emerge. The same patterns of privilege—word-of-mouth hiring, close proximity to both financial and intellectual capital and a lack of interest among investors in content and technologies that address the needs of minority communities—have become entrenched in the online world.

Consider these findings that no more than one of the top 100 websites was founded by at least one person identifying as African-American, Latino or Native American.³² In January 2010, Nielsen Media ranked the Top 100 websites based on each site's unique audience and total visits.³³ Thirty-four of Nielsen's Top 100 sites were extensions of existing major corporations.³⁴ An Experian Hitwise report revealed similar trends. According to Experian Hitwise, on April 23, 2011, Facebook led all other websites in their share of site visits (10.84%), followed by Google (7.83%), You Tube (3.47%), Yahoo! Mail (3.01%) and Yahoo! (2.41%).³⁵ Half of the sites in Nielsen's 2010 website rankings also appeared on the Experian Hitwise ranking. This suggests a strong level of online, media concentration. None of the sites listed in either the Nielsen or Experian Hitwise reports appear to have been founded by African-Americans, Latinos or Native Americans.

Similar trends appear in the blogosphere. Technorati, an online company that offers a proprietary ranking system for bloggers, maintains a list of the Internet's Top 100 blogs.³⁶ With the exception of Matthew Yglesias (#31) and Balloon Juice (#95), none of the blogs on Technorati's list

³² We did not conduct an empirical study to determine the race and ethnicities of individual founders. We conducted a simple online search for bios and photographs of founders to make this determination. While this is an admittedly superficial approach, we concluded that it was necessitated by the lack of reliable data on this important issue.

³³ *Super Power: Visualizing the Internet* (Mar. 12, 2010), BBC News, <http://news.bbc.co.uk/2/hi/technology/8562801.stm> (citing and linking to research conducted by Nielsen Media in January, 2010).

³⁴ *Id.*

³⁵ EXPERIAN HITWISE, TOP 20 SITES AND ENGINES (April 23, 2011) available at <http://www.hitwise.com/us/datacenter/main/> (last visited April 26, 2011).

³⁶ TECHNORATI, TECHNORATI TOP 100 available at <http://technorati.com/blogs/top100/> (last visited April 27, 2011).

appeared to be owned or operated by African-Americans, Hispanics or Native Americans.³⁷ Just two, Michelle Malkin (#12) and Yanko Design (#89) seem to be Asian-American owned or operated.³⁸

Available data suggests that the employment of minorities in technology companies, including new media companies, is also abysmally low.³⁹ The reportedly high employment rate of Asian-Americans may be inaccurate. Some Asian-American groups have accused Silicon Valley companies of categorizing H1-B visa workers from abroad as “Asian-American” in their employment reports, resulting in Asian-American employment rates of up to 50%.⁴⁰ The unemployment rate of African-Americans and Hispanics in the high tech industry is higher for Blacks (10.2%) and Hispanics (10.8%), compared to Whites (6.3%).⁴¹

Stimulating innovation in minority communities is critical not just for increasing digital diversity, but improving American competitiveness. In an environment where global spending on information technology is increasing and new media startups and mature IT companies are positioned for economic growth, it is imperative to create new ways for minorities to benefit from the economic value generated from digital innovation, in the same way that we focus on broadband adoption and use.

Unlike broadcast, the broadband-enabled Internet presents a different challenge. It has created a marketplace of ideas, and placed value on the exchange of these ideas. The Internet has also made

³⁷ *Id.*

³⁸ *Id.*

³⁹ Mike Swift, *Blacks, Latinos and Women Lose Ground at Silicon Valley Tech Companies*, Silicon Valley Mercury News, Feb. 13, 2010 available at http://www.mercurynews.com/ci_14383730 (last visited April 29, 2011)(“An analysis by the Mercury News of the combined work force of 10 of the valley’s largest companies — including Hewlett-Packard, Intel, Cisco Systems, eBay and AMD — shows that while the collective work force of those 10 companies grew by 16 percent between 1999 and 2005, an already small population of black workers dropped by 16 percent, while the number of Hispanic workers declined by 11 percent. By 2005, only about 2,200 of the 30,000 Silicon Valley-based workers at those 10 companies were black or Hispanic. ... The share of women at those 10 companies declined to 33 percent in 2005, from 37 percent in 1999. There was also a decline in the share of management-level jobs held by women.”); See also Mike Swift, *Minority Leaders Protect Hiring Practices at Tech Companies*, Silicon Valley Mercury News, Feb. 10, 2011 available at http://www.mercurynews.com/business/ci_17352998?nclick_check=1 (last visited April 29, 2011).

⁴⁰ See Press Release, Black Economic Council, Latino Business Chamber of Greater LA & National Asian American Coalition (Feb. 29, 2011) available at <http://www.blackeconomiccouncil.com/news/2011/2/9/bec-press-release-protest-at-google-headquarters.html> (last visited April 29, 2011)(“Faith Bautista, President and CEO of the National Asian American Coalition, said, ‘On the surface, everything is well for Asian Americans at Silicon Valley since up to 50 percent of their employees are listed as Asian Americans. Sadly, up to 90 percent are improperly classified as Asian Americans but, are in fact, H-1B visa workers from abroad. The President’s new Job Czar should make this his highest priority.’”).

⁴¹ See BUREAU OF LABOR STATISTICS, UNEMPLOYMENT RATES IN HIGH TECH INDUSTRIES BY RACE AND HISPANIC ORIGIN (June, 2010).

the value chain much more fluid; thereby, creating both positive and negative effects for minority innovators. For minority entrepreneurs and businesses with access to capital and a thorough understanding of intellectual property laws, the Internet can be fertile place for opportunity. However, those with capital constraints, limited digital literacy, and lack of online business acumen face tremendous disadvantage. And, in this contemporary era, post-civil rights, affirmative action mandates are no longer a popular solution to addressing inequalities.

Returning to the FCC's role, narrowly tailored policies that encourage more minority engagement cannot be drafted without empirical evidence of these inequalities. The FCC's ownership reviews, especially the §257 triennial review, and its collection of EEO data via Form 323 have the potential to yield meaningful data to inform both race neutral and race conscious policies. In addition, more data is needed reflecting diversity trends among content developers and entrepreneurs who use communications technology to develop and commercialize their ideas. Such fact-based evidence will provide the basis for more legitimate policies that encourage and monitor diversity in digital age broadcasting and broadband.

The policy recommendations offered in the FCC report should be given serious consideration to ensure diverse outlets for content creation and distribution. Lowering the barriers to entry by sharing information about Low Power FM broadcast opportunities, restoring the tax certificate program to encourage media ownership among people of color, and exposing minority entrepreneurs to programs that can finance their dreams of ownership in both traditional and new media can stimulate this sector. Moreover, gathering and disseminating industry data on minority ownership and employment in radio, broadcast and the high tech sectors can enable the creation of narrowly tailored programs and policies that get at the heart of the problem.

An additional recommendation is to create a fund that helps traditional black owned newspaper and media find its place in the broadband age. As stated in the FCC report, “[b]lack newspapers will

continue to be relevant in the lives of African Americans, even as these papers transition to online and new media platforms.”⁴² With the daunting challenge of maintaining the sensitivity of local news in communities of color, we must find ways to feed the piper, rather than allow it to fall victim to the sign of the times.

Conclusion

The first chapter of the FCC report laid out the premises for why we should care that citizens are getting the news, information and reporting that they want and need; and, in subsequent chapters laid out several recommendations for aligning public policy with the nature of more modern media markets. Working to preserve the flow of information within and across communities is our critical challenge, and the proper utilization of broadband as a platform to enable those exchanges will be essential to the new media landscape. Yet, as outlined in my remarks, historically under-served, and currently under-connected communities of color should not have to be absent from the conversations, simply because they lack a broadband connection or do not have enough bandwidth for their device or in their community. Moreover, individuals of color must be included in the innovation strategy as media producers and owners, not just consumers, to make sure their voices are shared, stories are captured, and dreams fulfilled.

Thank you again for the opportunity to offer these remarks at this formal hearing today.

⁴² See STEVEN WALDMAN AND THE WORKING GROUP ON INFORMATION NEEDS OF COMMUNITIES, THE INFORMATION NEEDS OF COMMUNITIES: THE CHANGING MEDIA LANDSCAPE IN A BROADBAND AGE (FCC, July 2011), www.fcc.gov/infoneedsreport.