

## **DIVERSITY IN BROADCASTING**

Presented by Wendy Thompson

E Pluribus Unum. The strength of this great nation is founded upon the principle of E Pluribus Unum...out of many, one. The intrinsic value of this coin reflects the progress of this nation throughout history, a prosperity that is clearly rooted in the diversity of its people and consequently of its business community.

The Hispanic community has grown to become the largest minority group in this country. However, Hispanic participation and representation in the broadcasting industry continues to decline, which is both a concern for our community and a concern from a public policy perspective.

I am here today to express unequivocally the importance of protecting and promoting minority representation in the broadcasting industry. As the Federal Communications Commission considers changes in the current ownership rules, it is my sincere hope that it will not allow consolidation and “survival of the *biggest*” to do away with the small and community rooted broadcasters that offer a unique service to the public. On the contrary, it would be my hope that the Commission looks to create and ensure opportunities for small and minority broadcasters to thrive and prosper into the future.

Fifteen years ago, Ronald Gordon, President and owner of our company ZGS Broadcast Holdings, had the vision and commitment to see that the Hispanic market would someday become a strong and prosperous business opportunity. Born and raised in Peru, Mr. Gordon embraced his Hispanic roots and saw potential in serving a community that very few people knew, valued or cared to serve. His pursuit of the American dream – in Spanish broadcasting – was an incredibly difficult and challenging mission. The only viable financial option was Low Power Television and, given the limitations and secondary nature of the LPTV service, no financial institution was willing to support him. Ultimately, it was a Hispanic-run bank that provided him the funds to acquire ZGS’ first station. He risked and personally guaranteed his assets in order to offer our growing Hispanic community a television station it could call its own. Since then, ZGS’ commitment to high standards and service to this community have allowed the company to grow into the largest affiliate of the Telemundo network with LPTV-Class A stations in Boston, Hartford, Springfield, Providence, Orlando, Tampa and Washington DC, along with radio properties in Washington DC and Tampa. Today, ZGS Broadcast Holdings has over 160 employees of which 90% are of Hispanic descent.

My station, WZDC has over 25 employees and each one of us has an unwavering commitment to serve our audience. Through our local news and Washington’s only Spanish-language public affairs program, Línea Directa, the Hispanic community in this area is kept informed of current issues. We are the community’s only vehicle to learn about the services and opportunities available in our region. That is why we devote so much effort toward educational projects such as our Read to Succeed Literacy Campaign that focuses on the importance of literacy and scholastic achievement for the success of our community. We are very proud to be a Hispanic-owned broadcaster, and prouder still

of the difference we make in our community. Our motto says it all: La Voz de la Comunidad – the Voice of the Community.

There are several initiatives that the Commission can consider to encourage and promote diversity in broadcasting. As Community Broadcasters we can appreciate the opportunity that an enhanced LPTV service can offer smaller broadcasters, and would encourage the Commission to review how the coverage and status of this television service can be improved and solidified. “Class A” was a critical initiative for Community Broadcasters, which allowed many small and minority players to stay in the game. ZGS’ stations are all “Class A”, and as you have just heard, we do more in our communities than many full-power stations across the country. Our business is not just about dollars and cents. We would like to think that it represents more public value and better use of the public airwaves than home shopping.

But “Class A” is simply not enough. Like all Broadcasters, small Community Broadcasters need access to distribution: cable distribution. As “Class A” stations, we have to not only comply with all the regulatory requirements of full-power stations, but also provide local programming – which full power stations do not. Bigger is not necessarily better, and my hope is that the Commission will consider providing “Class A” Community stations, which provide local content and a local service, with the same privileges accorded full-power stations, especially “must-carry” status.

I know from my own experience as the General Manager of a local low power Spanish-language television station that securing cable carriage is not an easy task. In spite of the invaluable service that we provide to our Hispanic audience, I was not even given the opportunity to state my case to various cable companies in our region. Without carriage we struggled financially. Advertisers hesitated to place dollars with a station that had a limited number of viewers. When we finally obtained some cable carriage through hard work, perseverance, community pressure and any other means we could muster, our financial outlook and future changed dramatically. “Must-carry” is a must for Community Broadcasters if they are to provide a vehicle to promote and ensure diversity in broadcasting.

Finally, we would like to think that at some point in the not too distant future, ZGS, as a Hispanic broadcaster, will have an opportunity to graduate into the full-power television arena. For companies like ours serving niche communities, full-power television prices are prohibitive, and access to capital for small and minority broadcasters is limited to non-existent. In several markets, we may be endangered because it is not financially feasible to step-up. Lifting ownership restrictions would promote consolidation and more than likely drive up station prices, and at that point only the large broadcasters will be able to play. I would therefore encourage Congress and the Commission to explore small business tax certificates and other fiscal and regulatory initiatives that would facilitate the transfer of broadcast properties to small and minority operators. Please keep in mind that diversity in broadcasting fosters the growth of strong communities, which in turn foster the growth of our great nation.

Gracias.