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CHAIRMAN, FEDERAL COMMUNICATIONS COMMISSION

Before The
Board of Directors of the
COUNCIL OF LA RAZA
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I am glad to have this opportunity to address you this morning, and to acquaint you with recent FCC efforts to increase the participation of Hispanics and other minority groups in all of the industries we regulate. I will only briefly outline these efforts, and save most of my time with you for answering your questions about the FCC and our policies.

I realize that one of the most persistent complaints from ethnic and racial groups is that the broadcast media inaccurately represents the views and aspirations of Hispanics and other minorities. We at the FCC get many letters asking us to ban or require certain specific programs portraying minorities or their viewpoints.

Our answer, in many cases, may appear frustrating. Absent a substantial showing of a clear pattern of demonstrated bias against and exclusion of minority viewpoints, the FCC normally does not get into disputes about "stereotyping" or other specific content issues regarding individual programs or series.

This does not, however, mean that we are insensitive to the need for solutions to this problem. We are actively using structural tools

available to us to attempt to achieve full representation by Hispanics and other minorities in broadcast employment and ownership. This, we believe, can increase minority participation in the decision making process that selects the news, public affairs and entertainment programming aired by radio and television stations, while avoiding the need for detailed government examination of specific station program decisions.

The FCC has been active in promoting increased employment of minorities and women at broadcast stations since 1968. During the last year, the FCC continued to address the employment problem by:

- Modifying the 395 Form on which broadcasters report their EEO statistics, to permit a more accurate review of their EEO performance
- Having our Broadcast Bureau exercise a more stringent review of a licensee's performance at renewal time. This more stringent review has resulted in an increase in the number of stations given short-term renewals and having specific employment goals and timetables set by the FCC.

During the last year, the FCC also imposed strengthened EEO requirements on the cable television industry. To insure compliance by cable operators, the FCC can now impose monetary forfeitures for violations of its EEO rules.

In May 1978, the FCC adopted a milestone Policy Statement on Minority Ownership of Broadcast Facilities. That statement recognized that stimulating increased ownership of broadcast facilities by minorities was another significant way for the FCC to foster the inclusion of minority views in broadcast programming.

The lack of minority ownership of broadcast media when the FCC acted was striking. Although minorities constitute at least 20 percent of the population--and the next census may increase that figure, particularly for Hispanics--they own less than one percent of the 9,600 commercial and public radio and television stations operating in the country. Underrepresentation of minorities as broadcast licensees is particularly troublesome because we expect these licensees to be ultimately responsible for identifying and serving the needs and interests of their broadcast communities.

Two primary policies were endorsed by our Policy Statement to increase minority ownership of broadcast facilities. First, the Commission said it would grant applications for tax certificates that involved sales to parties with a significant minority interest. Tax certificates permit sellers of broadcast properties to defer capital gains taxation of the transaction.

Second, the Commission voted to allow distress sales to minorities. In appropriate cases licensees who face a hearing for violation of FCC rules or policies could sell their station at a price less than full market value to a minority buyer. In the past such sales had not been permitted. The FCC felt that avoidance of time consuming and expensive hearings and the net gain for diversity would be worth the loss of the FCC's potential to more severely punish the broadcaster at the end of the hearing process.

To date, under the tax certificate policy nine stations have been sold to minorities. One, WADO-AM, in New York, was sold to a corporation controlled by Hispanic Americans. The Commission has also approved two distress sales. One involved a network affiliated VHF-TV station in Wisconsin and the other involved an AM/FM in Philadelphia. While both cases to date involved sales to Black entrepreneurs, I understand that other potential distress sales to Hispanics are in the FCC pipeline.

The FCC has also been attempting to expedite regular radio and television applications from minority groups, moving them to the front of the line in our legal and engineering review process. Our staff has worked closely, for example, with Francisco Briones, President of the first Mexican American controlled public television licensee--who is here this morning--to insure that KZLN-TV's application was in proper order for FCC approval.

I am well aware that the dramatic growth of the Hispanic population may increase the need for further FCC incentives to insure that Spanish language broadcasting is allowed to maximize its growth and involvement by Hispanic Americans. To learn more about these issues, I attended last spring the national IMAGE convention in California and met recently with representatives of the Southwest Spanish Broadcasters Association to broadly discuss the status and potential of Spanish language broadcasting in the United States.

We have also committed increased FCC staff to support our minority ownership policies. In May of this year, the Commission created the

Industry EEO and Minority Enterprise Division within the Office of Public Affairs. The Chief of this Division is a Mexican American lawyer, Ed Cardona, who has considerable past experience in broadcasting. This Division has already been instrumental in helping a Mexican-American radio station applicant who proposes to provide a new Spanish language programming service in the Southwest.

I am also aware that the development of regulatory policies that will serve Hispanic Americans necessarily involves the employment of Hispanics at the FCC itself. Since I have been at the FCC, we have more than doubled our number of Hispanic attorneys and have actively and successfully recruited Hispanic public contact representatives for many of our field offices. Carlos Roberts has become the first Hispanic-American to head an operating FCC Bureau.

This record is, however, still not sufficient. More will be done to increase minority employment within the Commission.

I have tried to give you this morning only the briefest overview of the FCC policies that most directly impact on Hispanic participation in the electronic media. We have outstanding numerous proceedings to study the expanding number of radio and television outlets in this country. All of these could potentially increase the opportunities for Hispanics to enter broadcasting. We are reexamining our policies in the field of cable television, which may also provide additional channels for both local and national Hispanic programming. The FCC staff members who are here, and others you can contact through them, will be glad to give you additional information on any of these proceedings. I will also be glad to answer any questions you have on these or other FCC policies.