



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE
December 18, 2007

NEWS MEDIA CONTACT
Mary Diamond (202) 418-2388
Email: mary.diamond@fcc.gov

FCC Adopts Rules to Promote Diversification of Broadcast Ownership

Expands Opportunities for New Entrants and Small Businesses to Own Broadcast Outlets

Washington, DC – The Federal Communications Commission (FCC) today adopted a Report and Order (Order) which will expand opportunities for participation in the broadcasting industry by new entrants and small businesses, including minority- and women-owned businesses, to own broadcast outlets.

The new rules will help eligible entities with access to financing and availability of spectrum.

Specifically, in this Order the Commission, takes these actions among others:

- Changes its construction permit deadlines to allow “eligible entities” that acquire expiring construction permits additional time to build out the facility;
- Revises the Commission’s equity/debt plus (“EDP”) attribution standard to facilitate investment in eligible entities;
- Modifies the Commission’s distress sale policy to allow a licensee – whose license has been designated for a revocation hearing or whose renewal application has been designated for a hearing on basic qualifications issues – to sell its station to an “eligible entity” prior to the commencement of the hearing;
- Adopts an Equal Transactional Opportunity Rule that bars race or gender in broadcast transactions;
- Adopts a “zero-tolerance” policy for ownership fraud and “fast-track” ownership-fraud claims and seek to resolve them within 90 days;
- Requires broadcasters renewing their licenses to certify that their advertising sales contracts do not discriminate on the basis of race or gender;
- Encourages local and regional banks to participate in SBA-guaranteed loan programs in order to facilitate broadcast and telecommunications-related transactions;
- Gives priority to any entity financing or incubating an eligible entity in certain duopoly situations;
- Considers requests to extend divestiture deadlines in mergers in which applicants have actively solicited bids for divested properties from eligible entities;
- Convenes an “Access-to-Capital” conference that will focus on the investment banking and private equity communities and opportunities to acquire financing, and;

- Announces the creation of a guidebook on diversity that focuses on what companies can do to promote diversity in ownership and contracting.
- Revises the exception to the prohibition on the assignment or transfer of grandfathered radio station combinations

For purposes of the initiatives adopted in the order, an eligible entity is any entity that would qualify as a small business consistent with Small Business Administration standards for its industry grouping, based on revenue.

In the Notice of Proposed Rulemaking adopted as part of this item, the Commission seeks comment on whether it can or should expand its definition of “eligible entity” to include other businesses. The Commission also seeks comment on how best to improve its collection of data regarding the gender, race, and ethnicity of broadcast licensees. Finally, the Commission seeks comment on a number of additional proposals designed to expand ownership opportunities for new entrants and small businesses.

Action by the Commission December 18, 2007, by Report and Order and Third Further Notice of Proposed Rulemaking (FCC 07-217). Chairman Martin, Commissioners Tate and McDowell with Commissioners Copps and Adelstein concurring and dissenting in part. Separate statements issued by Chairman Martin, Commissioners Copps, Adelstein, Tate, and McDowell.

Docket 07-294

-FCC-

News about the Federal Communications Commission can also be found
on the Commission’s web site www.fcc.gov.