



Press Statement

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MMTC Urges FCC to Implement Incentives that Foster Minority Participation in Secondary Market Transactions

WASHINGTON, D.C. (October 20, 2015): The Multicultural Media, Telecom and Internet Council (MMTC) recently filed a petition for reconsideration with the Federal Communications Commission, urging the Commission to address market entry barriers to minority ownership of commercial wireless spectrum through incentives for secondary market transactions. Dr. Coleman Bazelon, an economist with two decades of experience in the wireless sector, offered expert testimony on the four proposals MMTC previously introduced to the Commission. Those proposals were that the Commission:

- consider secondary market transactions as a factor in whether to give a carrier rule waivers relating to ownership, including the mergers and acquisitions (“M&A”) context, and possibly attendant to the IP Transition;
- consider secondary market transactions as a factor in determining whether to report to Congress that the wireless marketplace is competitive;
- work with Congress to restore and refine the Tax Certificate Policy so that it would apply to secondary market transactions, enabling the seller to defer payment of the capital gains taxes on the sale upon reinvestment in comparable property; and
- provide carriers that engage in secondary market transactions with a modest bidding credit in wireless auctions, or an opportunity to pay for the spectrum in installments.

In its July Competitive Bidding Report and Order, the Commission rejected MMTC’s proposals. Yesterday, MMTC petitioned the Commission to reconsider, inasmuch as “the agency clearly agrees with MMTC that more should be done to promote secondary market transactions as a mechanism to advance competition and diversity in a capital-intensive industry vital to the nation’s economy.”

In his declaration, Dr. Bazelon concluded that MMTC’s four proposals “provide potent tools for the FCC to encourage and incentivize minority participation in wireless transactions.”

“While the Commission has made some progress on the Designated Entity program, it’s simply not enough,” stated Kim Keenan, MMTC President and CEO. “MMTC is encouraging the Commission to re-open this matter with additional evidence from an expert in this field so that there is a record to begin developing more opportunities for minority-owned businesses interested in owning spectrum licenses.”

The Petition also requested the Commission to issue a further Public Notice that encourages stakeholders to file comments on MMTC’s four incentive proposals.

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About MMTC:

The Multicultural Media, Telecom and Internet Council (MMTC) is a non-partisan, national nonprofit organization dedicated to promoting and preserving equal opportunity and civil rights in the mass media, telecommunications and broadband industries, and closing the digital divide. MMTC is generally recognized as the nation’s leading advocate for minority advancement in communications.