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MMTC Supports Congressman Butterfield's 'Expanding Broadcast Opportunities Act' to Restore the FCC's Tax Certificate Policy and Expand the Broadcast Incubator Program

WASHINGTON, D.C. (July 25, 2019): Today, Congressman G.K. Butterfield, along with Congressmembers Bobby Rush, Yvette Clarke, Tony Cárdenas, Marc Veasey, and Alcee Hastings, introduced H.R. 3957, the "Expanding Broadcast Opportunities Act," designed to revive the Federal Communications Commission's (FCC) Tax Certificate Policy. The bill, if enacted, would direct the FCC to take proactive steps to increase diversity of ownership in the broadcast industry, reviving a policy that was repealed in 1995 after a successful 17-year history. The Multicultural Media, Telecom and Internet Council (MMTC) strongly supports Congressman Butterfield's renewed effort to promote diverse broadcast ownership, a goal MMTC has sought since its founding in 1986.

The Expanding Broadcast Opportunities Act would promote diversity by using capital gains tax deferrals to incentivize companies to sell stations to socially disadvantaged individuals, including minorities and women. The program would also encourage existing licensees to support minority- and women-owned entrants in the operation of broadcast stations through incubator programs. MMTC, along with the National Association of Black Owned Broadcasters (NABOB), has advocated for a media incubator program for nearly 30 years, since NABOB President James Winston first proposed the concept in 1990.

"To promote inclusive ownership, my bill will re-establish the tax certificate at the FCC and expand the Commission's Incubator Program to include television stations, as well as modifying its eligibility criteria to specifically include minorities and women," Congressman Butterfield stated. "Doing so incentivizes existing owners of broadcast stations to sell to buyers of historically underrepresented communities and encourages meaningful investment in their stations. These efforts will help to ensure that racial minorities and women have an opportunity to purchase commercial broadcast stations and acquire the needed resources to help them thrive in this industry."

In the 17 years that the original tax certificate program existed, minority and women broadcast ownership grew from 60 to 331 radio and television stations through the Commission's issuance of 287 tax certificates to radio stations and 40 certificates to television stations. If enacted, today's bill could yield an entire new generation of minority and women broadcast station owners. MMTC believes this could be a first step toward restoring additional legislation that promotes diverse ownership in related sectors regulated by the FCC, such as wireless, wireline, and cable services.

"The FCC's original tax certificate policy resulted in unprecedented increases in the number of diverse owners in broadcasting, cable, and telecommunication properties," stated MMTC President and CEO Maurita Coley. "Since Congress's repeal of the tax certificate policy, diverse broadcast ownership has languished. MMTC has worked hard with partners like NABOB to restore the one policy that has had measurable increases in the FCC's diversity in ownership mandate under the Communications Act. Access to broadcast ownership not only helps to ensure that historically disadvantaged and disenfranchised communities have a voice that reflects their unique needs, but it also helps to empower these communities economically."

MMTC Board Chair and Treasurer Dr. Ronald Johnson stated, "This much-needed policy will provide welcome access to capital for hard-working individuals, creating opportunities for minorities and women across the nation. At the same time, this bill incentivizes investors who see the inherent value of diverse ownership. As an entrepreneur and advocate over the course of several decades, I am heartened to see continued efforts to support diverse broadcast ownership by removing a major entry barrier to diverse ownership. MMTC enthusiastically extends our support, and we will redouble our advocacy on the Hill to see this bill pass."

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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 in the mass media, telecom and broadband industries, and closing the digital divide. MMTC is generally recognized as the nation's leading advocate for multicultural advancement in communications.