

NATIONAL ASSOCIATION OF BLACK OWNED BROADCASTERS

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March 25, 2015

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The Honorable Greg Walden
Chairman

United States Subcommittee on Communications and Technology
2185 Rayburn House Office Building
Washington, D.C. 20510

The Honorable Anna Eshoo
Ranking Member

United States Subcommittee on Communications and Technology
241 Cannon House Office Building
Washington, D.C. 20510

Dear Chairman Walden and Ranking Member Eshoo:

In anticipation of your upcoming hearing entitled *Next Steps for Spectrum Policy*, we write to raise two important points:

1. The FCC Designated Entity program is an important tool for promoting diversity of ownership of the nation's airwaves and must be preserved.
2. The FCC should be encouraged to review all transactions in its auctions to make certain that they are in compliance with the Designated Entity rules, including the Dish Network transactions.

Since the Supreme Court's 1995 decision in the *Adarand* case, the FCC has had no program specifically tailored to promote minority ownership. For the past 20 years, the FCC has discussed the need to promote minority ownership, but has failed to create any program for that specific purpose. The FCC's Designated Entity program is designed to promote small business involvement in spectrum policy as a substitute for a minority ownership policy, on the theory that most minority owned businesses are small businesses. While this assumption is true, minority owned businesses are a mere fraction of the total number of small businesses. As a result, most DE

The Honorable Greg Walden
The Honorable Anna Eschoo
March 25, 2015
Page 2 of 2

companies are not minority owned, and the DE program therefore has only a modest impact in promoting minority ownership of spectrum.

Set against this background, NABOB was pleased to see a minority owned company, SNR Wireless, participate in the recent AWS-3 auction and win a substantial number of licenses. However, we understand why Dish Network's 85% equity interest in that company might generate concern.

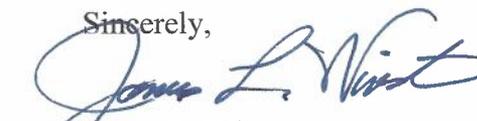
Dish Network appears to have no record of diversity. There are no African-Americans who serve on the Board of Directors or as Executives or Senior Leaders. In addition, absent from Dish's website, unlike its competitors such as Comcast and DirecTV, is any commitment to employee or supplier diversity. Likewise, its channel line-up limits access to programming that appeals to an African-American audience. Channels like BET, OWN and UP are not available on Dish's most widely-penetrated tier. And, TV One, which is African American controlled, and which has been serving the African-American viewer since 2004, has never been carried on Dish.

We find it very troubling that a company of the size and scope of Dish will be leveraging minority ownership to receive a discount on an asset owned by the American public while maintaining a poor record of support for opportunities for minorities. The underlying issue, the lack of business that major corporations are conducting with minority-owned businesses, is ripe for discussion. NABOB has asked the FCC, as it reviews mergers, license applications and other major transactions, to require the companies it regulates to provide written commitments about the specific programs and policies they will put in place to promote diversity. In particular, we have asked the FCC to require those companies to provide information on the minority owned businesses with which they do business. Dish's winning bid in the AWS-3 auction provides an opportunity to ask Dish what it will do in the future to embrace and improve diversity within its own operations.

As we stated above, we wish for the Committee to understand that the DE program is very valuable and important. The DE program may be the only program the FCC has in place that has a chance of increasing minority ownership of the nation's spectrum resources. If a review of the Dish Network involvement in the AWS-3 auction raises any issues requiring improvement of the DE program, the program should be improved but not eliminated.

Thank you for the opportunity to share our views with you in advance of Thursday's hearing. If you have any questions on this matter, please feel free to contact me.

Sincerely,



James L. Winston
President