

January 14, 2020

Statement for the Record

by Brenda Victoria Castillo, President & CEO, National Hispanic Media Coalition

Re: *Lifting Voices: Legislation to Promote Media Marketplace Diversity*, Hearing by the House Subcommittee on Technology and Communications

Dear Chairman Doyle and the Honorable Members of the House Subcommittee on Communications and Technology,

The National Hispanic Media Coalition (NHMC) applauds this Subcommittee for genuine efforts to study, analyze, and address the media ownership diversity crisis our country is facing. Media ownership consolidation is at a dangerous high, leaving large portions of the market in the hands of a select, wealthy few. Latino ownership of media licenses and companies is next to zero, all while our community continues to face vilification, degrading stereotypes, and out-right erasure on air. Born out of this same frustration that Latinos were denied fair representation in front of and behind the camera, the National Hispanic Media Coalition (“NHMC”) was founded in 1986. For more than 30 years, NHMC has organized protests, collected petitions, filed public comments, and worked with policymakers to help ensure that the viewpoints reflected in radio, television, film, and print media are fair and inclusive. NHMC has a long history of defending digital rights of the Latinx community and people of color through coalition leadership, formal comments, Capitol Hill briefings, panel discussions, and opinion pieces.

Part of NHMC’s mission is to educate and influence media corporations on the importance of including U.S. Latinos at all levels of employment. As an organization, NHMC works to develop the pool of Latino talent through our Writer’s programs and Talent showcases. NHMC also monitors and challenges media that carelessly exploits negative Latino stereotypes.

In addition, NHMC's DC-based Policy Team serves as one of the only organizations exclusively serving the Latinx community in the media and telecommunications policy sector.

A. Media Ownership is Still Shaped by the Lasting Effects of the FCC's Discriminatory Practices.

The Federal Communications Commission (FCC)--the agency designated by Congress to distribute and regulate media and broadcast licenses--has a dark past of codifying discrimination into policies that deliberately excluded Latinos and people of color. Until the late 1950s, the FCC operated as a gatekeeper of communications, exacerbating segregation and inequality by withholding licenses from minorities. In 1956, nearly 30 years after its establishment, the Commission seized granting radio licenses to "minority" broadcasters.¹ Raoul Cortez was the first Latino granted a U.S. radio station license in 1946.² In the early 1950's a radio license was issued to Paco Sanchez, a Denver broadcaster.³

II. The State of Hispanic Media Today: Latino Media Ownership Remains Extremely Low

After decades of being shut out of or denied media ownership and programming opportunities, Latinos and people of color still do not have adequate representation in the media marketplace. Broadcast ownership by women and people of color continues to remain excruciatingly low. Less than 3 percent of TV stations and only 5 percent of radio stations are

¹ A. Bush and M. Martin, "The FCC's Minority Ownership Policies from Broadcasting to PCS"; 48 Federal Comm. Law Journal 423, 439 (1996), available at <http://www.fclj.org/wp-content/uploads/1995/01/bush.pdf> ("Bush and Martin").

² Félix F. Gutiérrez, "More Than 200 Years of Latino Media in the United States" (March 30, 2016), National Park Service, <https://www.nps.gov/articles/latinothemestudymedia.htm>.

³ *Id.*

owned by people of color, generally.⁴ The number of Latino-owned media outlets is even more dismal, especially considering that Latinos make up over 18 percent of the U.S. population.⁵ In 2011, Latinos only owned 39 out of 1,348 full power commercial television stations, a mere 2.9 percent.⁶ Latinos owned only 2.7 percent of FM radio outlets.⁷ Latinos didn't fare much better in AM radio, once thought to be a key entry point for people of color, owning only 172 AM radio stations out of 3,830, or 4.5 percent.⁸

People of color remain underrepresented on every industry employment front in 2016-2017 including films, and broadcast and cable scripted leads.⁹ Although Latinos make up a large portion of the U.S population, Latinos are still systematically excluded from ownership and production opportunities in every segment of the media marketplace, all while our community continues to be stereotyped and misrepresented by mainstream media.

Recent studies found that America's increasingly diverse audiences prefer diverse film & television content.¹⁰ Films with casts that were between 31 and 40 percent diverse claimed the

⁴ Third Report of Commercial Broadcast Stations, FCC Form 323 Ownership Data as of October 1, 2015, FCC (2017), https://apps.fcc.gov/edocs_public/attachmatch/DOC-344821A1.pdf.

⁵ Antonio Flores et. al, U.S. Hispanic Population Reached New High In 2018, but Growth Has Slowed, Pew Research Center, July 18, 2019, <https://www.pewresearch.org/fact-tank/2019/07/08/u-s-hispanic-population-reached-new-high-in-2018-but-growth-has-slowed/> ("Flores")

⁶ National Hispanic Media Coalition, "FCC Report Shows That Latino Media Ownership Remains Extremely Low" (November 16, 2012), <https://www.nhmc.org/sites/default/files/FCC%20Report%20Shows%20That%20Latino%20Media%20Ownership%20Remains%20Extremely%20Low.pdf>,

⁷ *Id.*

⁸ *Id.*

⁹ Darrel Hunt et.al., "UCLA Hollywood Diversity Report 2019: Old Story, New Beginnings" at p. 3, <https://socialsciences.ucla.edu/wp-content/uploads/2019/02/UCLA-Hollywood-Diversity-Report-2019-2-21-2019.pdf>.

¹⁰ *Id.*

highest median global box office receipts, while those with majority diverse casts posted the highest median return on investment.¹¹ By contrast, films with the most racially and ethnically homogenous casts were the poorest performers.¹² In 2017, the Motion Picture Association of America found that Latinos have the highest rate of moviegoing--at least once a month, comprising 24 percent of all box office sales.¹³

III. Diversity in Media Ownership Leads to Diversity in Media Content.

Diverse ownership translates to diverse and inclusive programming unique to each local community. According to a study by El Rey Network, diversity has a trickle-down effect in the television industry: diverse production deals lead to diverse show runners, leads to diverse writers, leads to diverse content and representation on screen.¹⁴ The El Rey Diversity Report analyzed the presence of people of color on the television screen during the 2013-2014 season, and found that 69 percent of shows did not feature a single Latino cast member, 44 percent did not feature an African American cast member, and 89 percent did not feature an Asian American cast member.¹⁵ Overall, “[d]uring the 2013-2014 TV Season, 68% of Broadcast and Cable Scripted Shows featured casts that were more than 70% White.”¹⁶ Further, “[n]early half, 42%

¹¹ Id. at p. 4-5.

¹² Id.

¹³ Dave McNary, “Latinos Still Have the Highest Moviegoing Rate in U.S., but Asians Are Close Behind”, Variety (April 4, 2018), <https://variety.com/2018/film/news/latino-asian-moviegoers-mpaa-study-1202743713/>.

¹⁴ State of Diversity in Media & Entertainment, El Rey Network, Vol. 1, at 25 (rel. Dec. 1, 2016), file:///Users/DaiquiriRyan/Downloads/El%20Rey%20Diversity%20Report%202016.pdf (El Rey Study).

¹⁵ El Rey Study at 25.

¹⁶ Id.

had casts that were more than 80% White.”¹⁷ These low numbers directly coincide with the low number of media outlets owned by people of color or members of other marginalized groups.

While services like Netflix, Hulu, and other Over the Top (OTT) content creators have begun to bypass traditional gatekeepers and disrupt the entertainment space with diverse casts (like Netflix’s *One Day at a Time*) television, film, and Hollywood still remain disproportionately White. Diverse and accurate representation in broadcasting (and beyond) is crucial for communities of color and other marginalized communities. As the statistics show, representation on screen translates to tangible, real-life representation across educational institutions, industries, and politics.

IV. NHMC supports Congressman Butterfield’s Expanding Broadcast Ownership Opportunities Act of 2019, an updated revival of the Minority Tax Certificate.

The original Minority Tax Certificate (MTC) was created by the Commission in 1978 to increase and encourage ownership of broadcast or cable property by people of color and women. The MTC awarded a tax break to any person who sold their broadcast entity to a minority purchaser or when an investor who contributed to the start up capital of a minority-operated broadcast or cable entity sold their interest in the entity. Before its abrupt repeal in 1995, the MTC made a significant difference in media ownership: minority purchasers acquired 288 radio stations, 43 television stations, and 31 cable systems. In just under 20 years, the MTC more than doubled minority broadcast ownership and was “proven to be a significantly successful tool in reducing obstacles to minority ownership in the communications industry.”

¹⁷ Id.

Despite the MTC's success in increasing diversity in media ownership, NHMC believes the MTC did not go far enough. It is critical to address both sides of the media ownership problem: access to capital *and* access to licenses. Any proposals lacking a dual-sided solution, are incomplete efforts to increase diverse ownership in broadcasting and are likely positioned to fail.

V. Conclusion

NHMC will continue to advocate for increased diversity in media ownership and fair, accurate representation in media content and employment for the Latinx community. We look forward to this Subcommittee's hard work and thoughtful solutions to come.

Sincerely,



Brenda Victoria Castillo
President & CEO
National Hispanic Media Coalition
bcastillo@nhmc.org

