

Encouraging Minority Ownership in Commercial Wireless Spectrum

WHEREAS, the Corporation recognizes the economic opportunity created by ownership of commercial wireless spectrum; and

WHEREAS, more than 80% of African Americans and other minorities are avid users of wireless service and devices; and

WHEREAS, the U.S. Department of Commerce's Minority Business Development Agency has found that minority-owned businesses significantly contribute to U.S. innovation and economy; and

WHEREAS, in Section 309(j) of the Communications Act (47 U.S.C. §309(j)), as amended, Congress requires the Federal Communications Commission (FCC) to promote the participation of small, minority- and women-owned businesses (MWBEs), and rural telephone companies in wireless spectrum auctions through the Designated Entity (DE) program, which incentivizes diverse ownership of commercial wireless spectrum; and

WHEREAS, as explained in a recent white paper published by the Multicultural Media, Telecom and Internet Council (MMTC), "Digital Déjà vu: A Road Map for Promoting Minority Ownership in the Wireless Industry," as a result of judicial, legislative, and regulatory actions, the DE program has dwindled in effectiveness, particularly in encouraging new entry and MWBE participation in the wireless industry; and

WHEREAS, reform of the DE rules is needed in light of the FCC's plans to hold, in 2016, a very large wireless spectrum auction—the broadcast incentive auction—which is widely expected to generate more than \$20 billion in revenue; and

WHEREAS, to enhance opportunities for DEs and MWBEs in the long run, the FCC could build inclusion analysis into its consideration of mergers and acquisitions and encourage voluntary secondary market spectrum transactions that are not subject to the DE rules; and

WHEREAS, when the playing field is even, DEs and MWBEs have successfully proven their ability to raise capital.

NOW THEREFORE, IT IS HEREBY

RESOLVED, that the Corporation supports the FCC's efforts to reinvigorate its DE program; and

FURTHER RESOLVED, that the Corporation supports prompt FCC action to foster meaningful participation of DEs, especially those that are minority-owned, in time for the broadcast incentive auction; and

FURTHER RESOLVED, that the Corporation supports incorporating diversity and inclusion analysis into the FCC's consideration of mergers and acquisitions and encouraging secondary market spectrum transactions to facilitate new DE and MWBE entry; and

FURTHER RESOLVED, that copies of this particular resolution be transmitted to the President of the United States, the Vice President of the United States, members of the United States House of Representatives and United States Senate, the Secretary of the U.S. Department

of Commerce, the Director of the Minority Business Development Agency, the Chairman and Commissioners of the FCC, and other federal and state government officials as appropriate.