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New Approaches to Minority Media Ownership
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> This Article outlines a method of pooling equity for acquiring a portfolio of media properties. Each participant receives a security containing an investment return and a management right. The management right goes only to one successful bidder, offering a cash payment to other investors as an access price. By offering repeat bidding on several properties, different members of a pool achieve ownership while diversifying their risk. Alternatively, an investor not wishing management receives a higher compensating return. The procedure is particularly suited to media properties dependent on local advertising such as radio, "free" community newspapers, and television outlets. These properties are more vulnerable to downturns in local markets. The pooling procedure allows local risks to be diversified away into the larger economy.

> Minority-owned companies competing in print publishing, radio, broadcast television, cable, and telecommunications industries have had no shortage of challenges, setbacks, and failures. Minority-owned companies are struggling to stake a claim in the new media frontier. Some challenges they face are unique to the underlying technology, uncertainty, and international reach of the Web. There should be a sense of urgency with respect to minority participation on the Web. If the promise of broadband leads to new media outlets that are profitable and more dynamic than traditional media, then minorities cannot afford to be left out.

This Article details the importance of private equity financing to all sizes and types of media companies. Much of the rapid growth of the Internet has been financed by private equity. The private equity market is an important source of funds for minority media companies. It is a large market, able to meet a variety of financing needs. However, the minority media entrepreneur must realize that this is strictly a profit-oriented investment market. The same investment process and criteria will be applied to minority media proposals as will be applied to non-minority media proposals. This process may present some problems for minority entrepreneurs since most private equity investors are not minorities.

In *Metro Broadcasting, Inc. v. FCC*, the Court found a nexus between minority ownership and diversity of viewpoint. The recent *Lutheran Church-Missouri Synod v. FCC* decision dismissed the government's arguments that a nexus exists between minority employment in broadcast stations and greater diversity in broadcast programming, and that the government has an interest in fostering such diversity. Given the challenge of the *Lutheran Church* opinion and potentially significant changes in the regulation and operation of the broadcast market, sole reliance on *Metro Broadcasting*'s holdings may be ill advised and a new study documenting the continued existence of the nexus may be warranted.

The FCC is mandated to distribute wireless licenses quickly, efficiently, and to a diverse group of licensees. This Article examines the social costs and benefits associated with designated entity preference programs implemented in conjunction with FCC license auctions. The Authors focus on the auctions of licenses for Regional Narrowband Personal Communications and Personal Communications Services C block, finding that while the benefits to designated entity applicants are bid away in the auction process, substantial costs to consumers have accrued from lengthy delays in designate entity license assignments.

In 1995, Congress eliminated the Federal Communications Commission's (FCC) Minority Tax Certificate Program—a nonintrusive method of encouraging increased participation of minority entrepreneurs as owners in the broadcast and cable industries. Since that time, minorities have faced increased difficulties competing in all facets of the communications industry. These difficulties can be attributed to: (1) increased consolidation within the broadcast industry as a result of provisions of the

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