

HARDMAN BROADCASTING, INC.
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May 10, 2018

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street SW
Washington DC 20554

Re: MB Docket No. 17-289

Dear Ms. Dortch:

As the FCC considers ways to expand the diversity in the ranks of radio and television station owners, I hope that the programs the FCC adopts will address the greatest barrier to ownership—access to capital.

An avid radio listener as a child, my very first job was working at a radio station in my hometown of Tulsa, Oklahoma, at age 17. I did anything and everything around the station, including scrubbing floors. Eventually, I was given access to the station's studio to make an "aircheck" tape—a demonstration tape used to audition as a radio announcer/DJ. I left that position to attend college at Baker University in Baldwin City, Kansas. The college station offered listeners only one format—all rock, all the time. But it was the early 1980s and a new genre was emerging—rap music. I wanted to bring it to our campus. With the help of other students who petitioned in favor of a rap show, I was able to get on the air, and had multiple successful hip-hop shows throughout my years at Baker.

Returning to Tulsa in 1984, I was determined to continue working in radio. I landed my first job after college at an AM station focused mainly on sports talk and R&B. It took perseverance, but I convinced our programming director that an untapped audience was waiting to hear rap, and that the format was commercially viable. I began with a Saturday morning show, which was the very first all-rap show in Tulsa. I later added a Friday night show that featured local DJs mixing on turntables, the only show of its kind at that time in Tulsa.

My early years breaking down barriers for myself and rap music fans proved to be good training for later challenges. After 20 years of working in both radio and television broadcasting in positions ranging from scrubbing floors to production operator at a network-affiliated television station, I was finally able to enter the ranks of ownership. I founded Hardman Broadcasting, Inc. in 2004. In 2005, I acquired Station WMBH(AM), Joplin, Missouri, from a seller who was in bankruptcy. I entered into a Time Brokerage Agreement pending the sale of

the station, purchased the station for one dollar, and assumed the seller's debt. Over the next five years, I repaid the seller's creditors by successfully operating the station and making periodic payments with station revenues.

I faced significant challenges as an African-American owner of an urban-formatted station in Joplin. While I had a strong base of loyal listeners, others saw me as a threat—and made actual threats against me in return. I also encountered “no-urban” advertising dictates, which seriously hampered my ability to generate ad revenue. In spite of these difficulties, I enjoyed airing programming that appealed to an underserved audience in the local market.

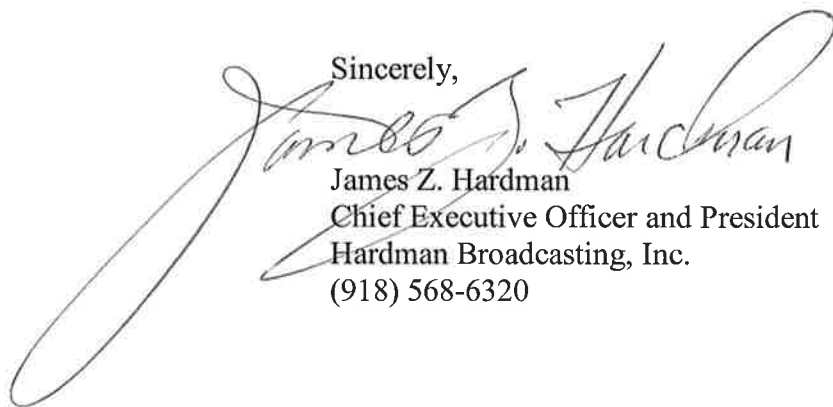
Opportunities to enter the broadcast industry as I did are few and far between. I was able to identify a failing property that would benefit from a new format and new management, enter the market at virtually no cost, and build a business using sweat equity. Absent extensive industry relationships that connected me with the seller, the seller's economic situation dictating flexibility on deal terms, and an untapped audience eager for a new format, I simply would not have been able to enter the business. Most banks are unwilling to make loans at the price point of the stations I was considering. While smaller, local banks are more likely to make smaller loans, they typically have little or no familiarity with the broadcast industry, and are very skeptical of the value of broadcast stations given that their greatest value is a revocable FCC license, not a “bricks and mortar” asset.

Unfortunately, it remains extremely difficult to purchase a broadcast station. Since the sale of WMBH (AM) in 2013, I have continued to search for another station ownership opportunity, but I have not identified the right opportunity at a price point I can afford. On occasion, I have been close to reaching an agreement on deal terms. At least once, I was “outbid” by someone who was actually offering less, but was able to pay in full in cash.

In my many years of working in the broadcast industry, I feel strongly that diversity is important. I got to be part of an entirely new genre of music finding its way onto the airwaves and into the ears of all Americans. Without radio DJs, programming directors, and owners willing to push the envelope, rap might have remained a niche genre listened to by relatively few. I urge the FCC, to find ways for more people to overcome the hurdle of access to capital, because it remains the greatest barrier to entry into the broadcast industry. Establishing incentives for larger broadcast entities to provide financial assistance to new entrants will make a major difference.

Please contact me, if I can provide additional information on this issue.

Sincerely,

A large, stylized handwritten signature in black ink, which appears to read "James Z. Hardman". The signature is written over the typed name and title.

James Z. Hardman
Chief Executive Officer and President
Hardman Broadcasting, Inc.
(918) 568-6320