

CHARLES B. RANGEL
15TH CONGRESSIONAL DISTRICT
NEW YORK
DEPUTY WHIP

COMMITTEE:
WAYS AND MEANS
CHAIRMAN, SUBCOMMITTEE ON
SELECT REVENUE MEASURES
SUBCOMMITTEE ON OVERSIGHT

DOCKET FILE COPY ORIGINAL

RECEIVED
63

Congress of the United States
House of Representatives
Washington, DC 20515-3215

June 3, 1994

EX PARTE OR LATE FILED

The Honorable Rachelle B. Chong
Federal Communications Commission
1919 M Street, N.W. - Room 844
Washington, D.C. 20554

RECEIVED
A3-253

JUN 17 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

- ABC Richard*
- 2252 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3215
TELEPHONE: (202) 225-4385
 - DISTRICT OFFICES:
 - MS. VIVIAN E. JONES
DISTRICT ADMINISTRATOR
 - 163 WEST 125TH STREET
NEW YORK, NY 10027
TELEPHONE: (212) 863-3900
 - 601 WEST 181ST STREET
NEW YORK, NY 10033
TELEPHONE: (212) 927-5333
 - 2110 FIRST AVENUE
NEW YORK, NY 10029
TELEPHONE: (212) 348-9830

PLEASE RESPOND TO
OFFICE CHECKED

Dear Commissioner Chong:

I write on behalf of Pierre M. Sutton and Percy E. Sutton, business and civic leaders within my district who seek your support in their effort to become meaningful participants in the upcoming Federal Communications Commission auction of Personal Communication System licenses.

Mr. Pierre Sutton heads the Inner City Broadcasting Corporation, a highly respected radio broadcast, television production, and entertainment company here in New York City, with other properties in California and Texas. His father, Mr. Percy Sutton, is founder and Chairman Emeritus of Inner City Broadcasting Corporation, and is a valuable colleague of mine of long standing.

The Suttons have joined with other well-known African American business leaders (see enclosed May 18, 1994 press release) in a partnership to bid in the aforementioned auction.

In order for the Sutton group or any other African American group to have a real opportunity for success in the ownership and operation of a Personal Communications System, the FCC must first recognize the many disabilities that have traditionally impaired the access of African Americans to capital financing, and their difficulty in securing significant communications properties.

As you are aware, the FCC and other Federal agencies and departments are presently permitted and encouraged to modify rules and regulations to assist African Americans and other minorities in becoming more meaningful participants in the American economy.

No. of Copies rec'd
List ABCDE

Copy

The Honorable Rachelle B. Chong
June 3, 1994
Page 2

I am advised that Pierre and Percy Sutton have met with you and asked for your support for the following items:

1. The set-aside of certain 30 MHz MTA's, open only to minority bidders.
2. The granting of a 25% or higher bidding credit to African Americans and other minorities and their partners, and
3. Permission for African Americans and other minorities to pay for their licenses on an installment plan.

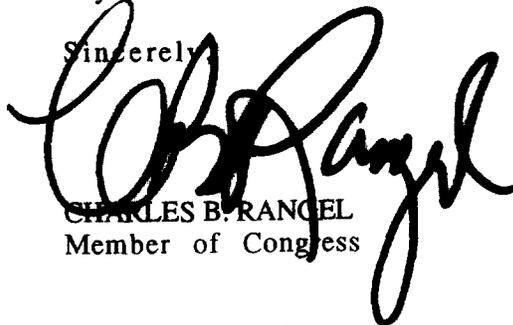
While I have heard arguments made against set asides for minorities, it is significant to note that the Federal Communications Commission was able to set aside billions of cellular licenses for the Baby Bell telephone operating companies by granting those licenses at no cost in their operating areas.

While the Suttons and their colleagues ask for a set aside in addition to a 25% or greater bidding credit, it may well be that they request too low a bidding credit. Perhaps a 40% or greater bidding credit would be necessary to ensure appropriate access for African Americans and other minorities to ownership of this new medium on the Information Superhighway.

In determining a specific percentage for a bidding credit, you may wish to consider the wealth of FCC material on this issue. Your decision could send a clear signal that this Administration welcomes African Americans and other minorities on the Information Superhighway.

I thank you in advance for your consideration, and look forward to hearing from you soon.

Sincerely,



CHARLES B. RANGEL
Member of Congress

CBR/ts
Enclosure: Media Release of May 18, 1994