1 percent of public land, public assets based on
2 affirmative action programs for whites only.
3 In fact, in a case in 1955 the FCC openly said
4 that it would license a segregationist who operated
5 segregated movie theaters because it was consistent with
6 the laws of the State of Louisiana that permitted
7 segregation.
8 Interesting, since 1822, federal policy
9 against discrimination or any federal policy was supposed
10 to overcome a conflicting state policy. But the FCC knew
11 what federalism is. They considered segregation to be
12 federal policy. That is how it happened.
13 We are going to be talking a lot in the next
14 few days, not just about how it happened, but what we can
15 do about it.
16 What we are going to do now is open it up to
17 questions, and I would encourage anyone that has any
18 particular thoughts about what the FCC should do, this is
19 the one chance that we will have where an FCC majority is
20 not part of the problem, it is part of the solution.

1 The Chairman and one of the commissioners will
2 be here.
3 Thank you for the privilege of being here.
4 (Loud applause.)
5 At this time I'm going to ask Congressman Rush
6 to lead us with some questions.
7 Thank you.
8 CONGRESSMAN RUSH: Before we go into the
9 questions from the audience, we are going to ask for a
10 five-minute break so that you can stretch and readjust.
11 (Short recess.)
12 CONGRESSMAN RUSH: All right. Before we get
13 started, David has a couple of announcements that he
14 wants to make. Would you all bring that microphone up
15 forward a little bit?
16 (Here came miscellaneous discussions
17 and announcements.)
18 CONGRESSMAN RUSH: Now, this is the most
19 important part of this, questions from you. If you would
20 like to ask a question, make yourself known and ask the
21 question and designate who is the question directed to.

1 Will you please line up for questions?
2 MR. JORDAN: Frank Jordan. I am with
3 Worldwide Multimedia.
4 As I told you earlier, I wanted to make
5 several observations because some of the key speakers
6 have hit on them.
7 The gentleman talked about the Nielsen ratings
8 that governs what you see on TV. In Los Angeles, 43
9 percent of all blacks that live in California live in Los
10 Angeles County. Only 140 homes have a box. We are
11 talking a million and a half people, but only 140 dictate
12 the black community in Los Angeles.
13 In Chicago you might have less than that.
14 So, that is one way to change this psyche of
15 not only ownership but viewership.
16 Number two, in America today ten companies
17 owns or operates 80 percent of the best radio station
18 frequencies in this country. The average corporation of
19 these ten owns or operates roughly 200 stations each. So
20 when they did this whole thing about deregulation, all
21 you did was get us out of the game.

1 We have been working on the station trying to
2 buy a license for ten years, and thanks for the help of
3 David, we acquired our first license last year, and if it
4 was not for his help and others', we would not have
5 gotten that license. But getting that license out of a
6 ten-year struggle, one thing came about. Through our
7 research in applying for a license for the auction
8 process, and the auction process for minorities is
9 stacked against us, period. One thing that we found out
10 during our research for the auction process is that there
11 can be at least six to ten frequencies added in each city
12 using modern technology.
13 I will give the Chairman a copy of that infor-
14 mation tomorrow.
15 But in each city you can open up ten new
16 frequencies using new technology, which those frequencies
17 should go to the disenfranchised.
18 In a city like Los Angeles, only one radio
19 station is owned by an African-American. That is what it
20 is.

1 In the city of Sacramento, one station is
2 owned by an African-American. I doubt that there are 100
3 black broadcasters in this country.
4 I am saying if you want to talk about oppor-
5 tunity, we are going to talk about ownership. Right now
6 with the playing field being stacked economically and you
7 just hit it, because right now it is going from $10
8 million to $25 million each for the right to use it.
9 So, we can't even get into that game.
10 So new frequencies happened to be opened up.
11 With this new formula, we can use modern technology.
12 I think Reverend Jackson was letting some of
13 us come share the forum that we have, because you are
14 right, most of us feel like the Lone Ranger out there.
15 And to bring us all together under one roof, I thank you
16 for that. Not only do we also have to understand the
17 entertainment industry, our people make the records, our
18 people sell the records, but we are not part of the
19 distribution, or we are not a part of the manufacture.
20 So we are still not a part of the ownership.

1 So that is my observation, and thank you for
2 this conference.
3 (Loud applause.)
4 CONGRESSMAN RUSH: Is there anybody else?
5 Please come to the microphone. Pull that mike back just
6 a little bit back towards you.
7 MS. HARKLESS: Angela Harkless. I am a media
8 entertainment and telecommunications attorney.
9 I want to first of all thank RAINBOW/PUSH for
10 having this conference. I attend many of these, and this
11 is the first time I have been in a room where I wasn't
12 the only African-American female in the room.
13 REVEREND JACKSON: Say that again?
14 MS. HARKLESS: This is the first time I have
15 attended a conference where I wasn't the only African-
16 American and female in the room.
17 Here in the Chicago market we have a local
18 chapter of the Federal Communications Bar Association,
19 and a lot of times I am the only person that represents
20 this community.

1 I wanted to say in going over the panel, each
2 panelist touched upon critical areas. Rev. Jackson
3 talked about ownership, owning the media, even through
4 stockholding. Dr. Gerbner talked about programming and
5 mass cultural programming, and Attorney Sandoval talked
6 about marketing for minorities and how difficult it is
7 for minorities to get advertisers to take them seriously.
8 There was talk by other panelists about
9 employment.
10 I worked as a journalist for nine years. I
11 worked on radio, television and news. I decided to go to
12 law school when I went to work at CBS network in New York
13 when I realized there wasn't any opportunities for me
14 there. It was then I decided to go to law school because
15 I was interested in getting into media ownership and
16 opening up the media tominorities and other groups.
17 My comment is that having worked on both
18 sides, as an employee and now as an attorney, a big
19 problem is -- all these are problems -- but employment is
20 a major issue here. I still have a lot of colleagues who
21 cannot get jobs, cannot stay in jobs, and as long as they

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1 taking us for customers -- because they are making money
2 on us anyway.
3 The FCC can play a major part in getting
4 advertisers to take the minority community seriously
5 because we are the ones who are basically driving this
6 industry. But because they are making money off of us
7 anyway, they are not inviting us to the table, and they
8 are not including us.
9 Thank you.
10 (Loud applause.)
11 CONGRESSMAN RUSH: I am going to ask Cathy to
12 respond to some of your comments.
13 MS. SANDOVAL: Thank you very much for your
14 comments.
15 A couple of things on the employment side. I
16 think that you are right on. That employment -- that
17 experience, those opportunities are really critical.
18 David Honig has been a champion in making sure
19 that there continue to be opportunities for the
20 minorities in the communications industry. We are
21 continuing to work on a rule of making with regard to

1 broadcast employment, looking at ways to try to insure
2 that minorities continue to be employed, that the doors
3 are open, that the companies also report on what they are
4 doing so that people are aware of it, and that there is
5 some tracking there.
6 Chairman Kennard speaks consistently about how
7 important employment opportunities are, and he was
8 mentioning the other day companies are just kind of
9 sending them -- "Oh, here is my affirmative action
10 record, plan," or whatever. But by people speaking about
11 it, it is important. But we do intend to pursue that
12 through our rulemaking process, and also to look at how
13 we can really pursue the employment opportunities in
14 addition to the broadcast area, the communication area,
15 the wireless areas and the other areas.
16 I wanted to mention the NAACP is doing a
17 survey of the telecommunications industry, and I really
18 commend that organization for doing the survey. They are
19 looking at the employment statistics, service to the
20 community, a variety of other factors, and rating how

1 this industry is doing, I think, is incredibly important
2 for all of our communities.
3 So, I encourage all the corporations to
4 respond to the survey, and I think it will be up to all
5 of us to hold the corporations accountable for the rules
6 that come out of that survey.
7 With regard to the system -- as I said, we
8 hope to have that study done within a couple of months.
9 We are really very excited about it being completed and
10 its publication, and I think that will give us a greater
11 factual basis upon which we can have a dialog with
12 advertisers, with the Advertising Council, with the
13 states, you know, so that people are really aware of what
14 is going on. And that we met several months ago with
15 Congressman Jackson, and he was very interested in
16 helping us to facilitate the ad council, and the same way
17 with the NAACP intends to gather industry information and
18 hold the industry accountable, and I think you will be
19 able to use this information and do the same thing.
20 CONGRESSMAN RUSH: David has a response, also.
21 MR. HONIG: Very briefly.

1 Cathy mentioned that the FCC has an EEO rule-
2 making proceeding. It is important to keep in mind that
3 the way the FCC, as a federal agency, makes policy is by
4 a very quiet, non-publicized process of rulemakings that
5 are open to the public. This proceeding is called by the
6 disgraceful name of "EEO Streamlining." It is premised
7 on the assumption that the EEO plans are a burden on
8 majority broadcasters and these so-called burdens need to
9 be lifted.
10 I will say this to be fair. This was not
11 Cathy's idea. It certainly was not Bill Kennard's idea.
12 It was because of the Congress changing hands in 1994,
13 thinking of cutting back on the already very weak EEO
14 enforcement policy.
15 It is important that we know about this
16 because even when we have a Commission which we now have
17 for the first time in history that is sensitive to these
18 issues, they can't be any more empowered to act in the
19 public interest than they are now unless everyone here
20 emphasizes the needs to them.
21 That is why we are having the conference.

1 industry, and we are undergoing that analysis right now.
2 But the huge pace of our consolidation has certainly
3 given us pause and made us sound very weary of an
4 additional consolidation. We continue to look at that
5 issue through rulemaking.
6 Like I said, there areother upcoming
7 opportunities. There are some frequencies that we are
8 supposed to auction that may come to auction later this
9 year if the Commission decides to go ahead and auction
10 those frequencies. Those are the ones which were out of
11 the Bechtel cases, they are called.
12 There will also be some other opportunities
13 that are associated with the transition to digital
14 television. One of the things that we did is that we
15 tried to put most of the new television channels between
16 Channels 2 through 59. And so in the TV channels that
17 are currently 60 to 69, the Commission has decided to
18 make some of that spectrum available for public safety
19 and for police and fire so that they can talk to each
20 other in emergencies, and to make 36 megahertz of that
21 available for future action for flexible use spectrum.

1 majority of the airwaves in this country, and that is
2 wrong.
3 MS. SANDOVAL: One unfortunate consequence in
4 the Telecommunications Act of 1996 has been a tremendous
5 consolidation of the radio industry. The
6 Telecommunications Act basically, dramatically lifted the
7 limits so that you can own up to eight radio stations in
8 some markets, whereas before you were only able to own up
9 to two. And for more than that you needed a waiver. And
10 so this has resulted in approximately, I read it, 40
11 percent of the stations changing hands since 1996.
12 You will hear tomorrow from Larry Irving, who
13 was the Assistant Secretary, the head of the National
14 Telecommunications Administration, Department of Commerce
15 who struggled to make sure that there were at least some
16 limits because there were some people who wanted there to
17 be no market limits.
18 I think that most people were surprised at the
19 huge rate of consolidation, and when they enacted the
20 Telecommunications Act they caused us to look at whether
21 or not we should permit more consolidation in the TV

1 because the power will be so low you are not going to get
2 a community commercial station that is going to reach all
3 of Chicago out of this. This is basically a way of
4 communicating with your community, but we are looking to
5 a variety of ways to make it easier for communities to
6 communicate.
7 CONGRESSMAN RUSH: Dr. Gerbner.
8 DR. GERBNER: The usual counterargument to our
9 observations on diversity and monopolization is that I
10 look at all these new cable channels, looking at digital,
11 they are going to be opening up.
12 I urge you not to confuse the diversity of
13 ownership and channels and the proliferation of channels
14 with the diversity of content. As long as all the
15 channels are similarly market driven, we are going to
16 have standardized, globalized similar content. There is
17 a fundamental change in the way in which we began
18 broadcasting. That fundamental change has to be that
19 public broadcasting should have enough money to produce
20 drama, to produce audience-building types of programs,
21 and like in any other democratic country, the time should

1 To put a perspective on 46 megahertz, right now you need
2 six megahertz in order to operate a TV station.
3 Current cellular operators have 20 megahertz,
4 and most people think you can only operate mobile phones
5 with only 15 megahertz. So we are going to have 36
6 megahertz in communities all across America.
7 This auction will be around the year 2002, at
8 the end of the digital transition. But once again it is
9 now that we should be preparing for that and looking for
10 that opportunity when we are going to get some of the
11 spectrum back from the broadcasters, to make sure that we
12 get some of the spectrum back, and that it is going to be
13 out there, we are going for flexible use. That is what
14 we are proposing so that we can complement your community
15 needs for broadcasting stations, needs for mobile phones
16 or whatever.
17 One last thing is that Chairman Kennard has
18 proposed that we look at establishing a new community-
19 based radio service of one watt stations, which would be
20 a very local community-oriented service. It is one
21 answer to pirate radio. However, we recognize that

1 all the stations in this town 395B forms. They are
2 shamefully low in terms of the number of minorities.
3 So, I don't understand how you can do a study
4 on the industry itself in terms of the employment
5 practices if you don't look at the very form that tells
6 you how many blacks and how many other minorities are
7 hired.
8 MS. SANDOVAL: You are talking about the
9 NAACP. That that is going over all industry studies and
10 I am sure that they will be back at the 395B form. So we
11 are looking at several issues. One is: Are there unique
12 market entry barriers for minorities and women in the
13 sales and transfer of broadcast licenses? Is there dis-
14 crimination in the advertising industry that is affecting
15 our ability to own stations?
16 We are also looking at a fact of minority
17 women ownership on content and the impact of multiple
18 ownership.
19 As part of the examination of the EEO rules
20 and whether or not there should be changes in the EEO
21 rules, we have gone ahead and taken a look at where

1 be divided about half and half between commercial and
2 private and public, and the only way to do that is
3 through Congress, to finance public broadcasting
4 sufficiently as every other democratic country does;
5 therefore, to get a large audience that can get
6 competitively with the private broadcasting.
7 CONGRESSMAN RUSH: Thank you.
8 MR. SESSOMS: I am Furmin Sessoms.
9 At the end of this study that you are doing,
10 this study on the industry and what not, is a lot of that
11 based also on 395B forms regarding their employment
12 practices? Will that be part of the record, part of this
13 study?
14 MS. SANDOVAL: Public records?
15 MR. SESSOMS: And you will be looking at that
16 also?
17 MS. SANDOVAL: For the particular studies that
18 I mentioned, that is not part of the analysis.
19 MR. SESSOMS: That has to be part of the
20 analysis because if you look -- each year I solicit from

1 monopolies. Not that they own all of it, but own so much
2 in certain areas that they are, in fact, a monopoly and
3 they work together with the other monopolies.
4 Somebody said there are six or seven of them.
5 They are a monopoly, you know, in and of itself, because
6 they are the only -- they are so big that they crush
7 everyone else.
8 Now, are you willing to go as far as you say
9 in providing a remedy that for every license that is
10 given to a majority corporation, that on a one-for-one
11 basis, one should be given to a minority entity? Are you
12 willing to make that kind of recommendation? And I would
13 like to hear from all of you.
14 REVEREND JACKSON: Furmin, I think that
15 releasing 400 years of energy on a staff member, that is
16 taking on the mailman and not the post office.
17 I think the fundamental question is: Is the
18 FCC going to be allowed to continue the policy of
19 preference for white males? And now to extend the
20 preference to the merger monopoly arrangements which
21 create a vertical, a vertical class race segregation,

1 minority women are employed in various stations, looking
2 at stations of different sizes so that we can ascertain
3 whether or not there needs to be changes in the rules,
4 given where minorities and women are concentrated, or are
5 not concentrated.
6 MR. SESSOMS: Okay. Let's say for the sake of
7 argument the answer to all those questions is yes. There
8 has been long-term discrimination against blacks and
9 minorities competing in any of these areas. What would
10 be the Chairman's recommendation with respect to how
11 licenses in the future will be doled out, especially for
12 some of these companies who have, as someone said, 300
13 stations and what-not? I mean --
14 FROM THE AUDIENCE: One group that owns 335.
15 MR. SESSOMS: Okay. So let's say you have got
16 a company with 335 stations, and you look at their
17 records across the board, not only how they have employed
18 blacks and other minorities, but also how they have
19 systematically purchased smaller stations, you know,
20 basically just crushed the competition in that area. In
21 other words, creating these pockets of what we call

1 think it creates a combination of interests, different
2 than we think of ordinarily. That is my sense of that.
3 MR. SESSOMS: I withdraw my question.
4 Tomorrow I will provide you with a part of the plan.
5 REVEREND JACKSON: Just don't beat up on my
6 friends.
7 (Loud applause.)
8 CONGRESSMAN RUSH: We have Mr. Joseph Stroud,
9 who is one of the few, if not the only minority owner of
10 a station here in this nation. He is the owner of WJYS
11 here in Chicago, and he has already been at the
12 forefront. I worked very closely with him on a lot of
13 issues regarding minority broadcasting. He always keeps
14 me and my staff very much informed about the issues.
15 So, I just want to introduce Joseph Stroud.
16 STATEMENT BY JOSEPH A. STROUD,
17 President and General Manager, WJYS-TV
18 Channel 62, Chicago
19 MR. STROUD: Thank you very much, Mr. Rush,
20 Bobby Rush. Your experience with the Panthers and with
21 Jesse Jackson was extraordinarily moving to me. It

1 that is more devastating than the old horizontal one.
2 I think there are two answers to that. We
3 will determine that. Slave masters change their minds.
4 For public accommodations we changed their minds. We can
5 change these rules. So that if we leave here tomorrow
6 with our plan for the democratic fair play of the
7 airwaves versus their plan, they're not going to give us
8 a plan to democratize this. We must present our plan and
9 fight for our plan. We are going to win some of those
10 fights.
11 Right now we do not have a plan. That is all
12 I am saying that the people up here can give you informa-
13 tion, but they cannot give us a plan to market. That is
14 not the business they are in.
15 Tomorrow afternoon we should be with our plan
16 for democratizing these areas and then fight, and we ask
17 our allies, Bobby, Jesse and Maxine, help us in the
18 fight. Not that we will have a lot of allies. The
19 allies are going to be whiter than we think. In the
20 sense the resegregation hits the minorities, the revival
21 of the monopoly hits an even broader base than us. So I

1 During that brief period of opportunity I
2 applied 'way back in 1981 to get a television station.
3 All those who applied simultaneously have either gone out
4 of business, been bought out of business or driven out of
5 business. This same Act of Congress to enable us to get
6 in is the kind of attention that must be given throughout
7 the process.
8 So, if you are in one day and out the other,
9 there is no institutional building. There are second and
10 third generations that own the radio stations, and by the
11 time you learn anything about the industry, in five or
12 six years you are booted out.
13 When Reverend Jackson talks about the value of
14 these airwaves, many of these started 40 or 50 years ago,
15 we couldn't even vote. To give an indication of the
16 value of these airwaves, Channel 38 sold for $130,000,
17 the airwaves. Stick value. No wonder they keep us out.
18 Wouldn't you keep us out too?
19 So, I am happy to be a part of this. I whole-
20 heartedly endorse the Reverend as to what he has to say
21 on all subjects, not only this one, and to the degree

1 brought back memories in Oakland, California with Huey,
2 Melvin. All right.
3 Everything that has been said here I just want
4 to give a second to. The degrees and the problems that
5 are faced in ownership or operating a television station
6 or a radio station are all but impossible.
7 If you fight one you can't sell air time.
8 Your ice is no longer cold. So you face the problems,
9 once you get in the industry, how do you stay in the
10 industry.
11 I am the First Vice President of the National
12 Association of Black Owned Broadcasters. We are seeing
13 our ranks decrease, decrease, decrease. It took an Act
14 of Congress to change the Commission's rules to allow
15 minorities to participate in the industry to begin with
16 through the comparative hearing rules. Basically the
17 comparative hearing rules changed to the degree that the
18 ones that didn't have a TV station had a leg up.
19 Integration of ownership and management meant that if you
20 were willing to run the station, you got a leg up, and
21 then added to that was the minority preference.

1 one ever sees and no one understands. We went to the
2 first auction and we stuck the whole thing out, and
3 people think we are MCI because we got family and
4 friends.
5 I am not making excuses about that. We
6 started with a million dollars, family and friends'
7 money, and we won two licenses in places I couldn't
8 spell. I couldn't find them on the map. And my bank
9 said, "Where is this?" I said, "I don't know."
10 We went back to the second auction and we did
11 extremely well. Somebody showed me a list one day of the
12 top 200 companies in the industry, and I wasn't expecting
13 to find our name there, but we are now the one hundred
14 third largest, widest carrier in the country, and before
15 the end of this year I expect to move to the top fifty.
16 But just like Mr. Stroud said, I have nowhere
17 to go for money no matter what I do, and when I do have
18 to go somewhere, this room looks entirely different. I
19 have been to Wall Street and I know what it looks like on
20 the 38th floor in some of those buildings.

1 that we can think of a mechanism by which we can attach
2 policy with reality.
3 How can you get the ownership? How does this
4 equate to ownership? Ownership in the hands of -- If you
5 want CBS, ABC, NBC, corporate America in a partnership
6 arrangement. But some way there is a fundamental creator
7 where we actually have access to buying these stations
8 that are plentiful, but without money or a cooperative
9 effort, how can we end up owning it? Which is key to
10 some significant voice in the media. We still have got a
11 long ways to go.
12 (Loud applause.)
13 MR. BRADLEY: Steven Bradley.
14 Reverend Jackson, I want to thank you for
15 having this event and it certainly is worthwhile, and I
16 echo the comments made by the other speakers.
17 I generally attend most television
18 conferences, and I assure you this room does not look
19 like the room I normally see.
20 Let me just tell you for a second that we are
21 one of those companies that no one ever talks about, no

1 REVEREND JACKSON: We have so much pain. We
2 have been burned so many times. I am asking that we
3 gather back in the morning at 7:30 or 8:00, at our
4 breakfast, because tomorrow is going to be a great day
5 for us. You have never seen a day like tomorrow, even
6 whites have never seen a day like tomorrow. This is a
7 whole new day for everybody.
8 Now, if we can work tomorrow with a plan that
9 we can work up in the morning, even when Kennard got in
10 power, we have got to do a significant thing. A shift
11 from pain to power. Shift, expecting an agenda. Shift,
12 and expecting an agenda to write down, prepare to fight
13 for the agenda that we write and go in with our dialog
14 from whereas to therefore. Apparently those who have got
15 more don't care. Those who don't have power can't help
16 us.
17 I am trying to say something. We need to come
18 out of here with something tomorrow.
19 MR. STROUD: As a point, maybe we should fight
20 for a major fund for buying.

1 If we pull off a deal we are working right
2 now, it will be because a very large majority-owned
3 company wants a piece of this deal.
4 I am saying we need to be able to go to places
5 that look like us, that wants the same thing as we do.
6 In Chicago, the second largest black market in
7 the country, I shouldn't have to fight to service this
8 community. We need to hold accountable the same places
9 that everybody else gets their money from. The auction
10 is about how much money you can bring to the table. And
11 I have been auctioning with the entities that (1) who
12 have put down the most money has the most amount of
13 licenses.
14 There is an auction going on now, which you
15 put down $100 million. It wasn't their money. It was
16 money from other types of public endeavors that we
17 distribute our money to that we can get nothing out of.
18 Until we hold those people accountable, until we hold
19 these people accountable, those people who make those
20 decisions, we won't be doing anything a year from now
21 that we could have done sometime earlier.

1 Joe said we need to form such a bank. They
2 are doing that in Eastern Europe. It's novel, but it
3 ain't new. It is what we are doing about our bailout
4 plans for South Korea. It is novel to us, but it is not
5 new.
6 So, if -- you appreciate what I'm trying to
7 say?
8 We should have a follow-up meeting,
9 Congressman, with even more people than who are here
10 tonight. There are a few more start-up victims who want
11 to be a part of this. There is an amazing number of
12 them, what we would call middle class white companies who
13 have been hit on the monopoly side; we have been hit on
14 the resegregation side. But the drive to end the denial
15 of public accommodations, it didn't come from Congress,
16 it came from Rosa Parks and Dr. King.
17 The Voting Rights Act did not come from the
18 Senate, it came from Selma.
19 This week, by the way, 33 years ago, this week
20 we marched for the right to vote. This week, we are on

1 REVEREND JACKSON: Write that point down. You
2 are saying that in effect using pension funds. Well,
3 what we want to do next is to follow up our Wall Street
4 meeting in January, we want to join around a table of
5 individuals having control of pension funds. If we can
6 pull around in one room a trillion dollars in pension
7 fund money, if we can take five percent of that, that is
8 $50 billion. Multiples of ten, that is $500 billion.
9 Under most prudent guidelines, that money is available.
10 Now, people who got their money ain't going to
11 think that up. People who need it are going to think it
12 up. That is why I thought it up. Talk to me, somebody.
13 All I am trying to say is that psychologically if we keep
14 on recycling the way we are hurting and don't make the
15 big shift of "therefore," turn pain to power, therefore,
16 here is our plan, and I think there are people in the
17 room here that can help us with ten things that we need
18 to do to engage in the struggle from monopoly to
19 democracy.
20 What must we do to get the capital base?
21 Where does the money come from? The pension funds.

1 overtime to beat Bobby Rush. You have got to do a lot of
2 work to beat Bobby Rush.
3 That is not true of confronting a TV station.
4 A TV station is more vulnerable than Congressman Rush is.
5 Do you get what I'm trying to say?
6 So, if we work, when we go out to our after-
7 meetings, Mr. Stroud, on account of what is our plan, so
8 when we meet with Mr. Kennard, we will say, "Here is what
9 we want."
10 So when we meet with Maxine, when we meet with
11 Bill Clinton, or meet with Gingrich or whomever, what we
12 want ain't clear. What we want ain't clear. I think
13 what we want can come out of this, and what we want is so
14 reasonable we might get winners in places we didn't think
15 we even have allies for reasons that may not even occur
16 to us.
17 So I hope when we leave here tonight and begin
18 to do a little shop talk, we come back here tomorrow to
19 listen to what Kennard has to say, what Powell has to
20 say. Then around two o'clock we will have us -- you guys

1 time. This week 33 years ago we were marching for the
2 right to vote in Selma.
3 So fundamentally my conclusion is that we have
4 got everything we fought for and don't have what we need.
5 We got everything we fought for, but don't have what we
6 need.
7 Now, that is not to put down what we fought
8 for. We fought to get out of slavery, we got through
9 that. We fought for anti-lynching laws; we got that. We
10 fought to desegregate the military; we got that. We
11 fought to make apartheid illegal. We fought for the
12 Public Accommodation Bill. We got that. The Voting
13 Rights Act. We got that. Open Housing Act. We got
14 that.
15 We have not fought this fight, but this one is
16 more winnable that the others because we have even more
17 leverage. The private sector is even more vulnerable to
18 our kind of power than the political structure was. That
19 is why you can go to the shareholder meeting because
20 politics are far more insulated. You have got to work

1 Thank you very much, Congressman.
2 MR. MONTGOMERY: I am Bruce Montgomery.
3 CONGRESSMAN RUSH: We are going to end at
4 9:30.
5 MR. MONTGOMERY: Thank you very much,
6 Congressman Rush. And thank you, Jesse Jackson, for this
7 great hearing, and we would look forward to taking care
8 of our business tomorrow.
9 My name is Bruce Montgomery. I am President
10 of a company called Montgomery & Company in Chicago. I
11 am also a member of the RAINBOW/PUSH Telecommunications
12 and Technology working group that we have here.
13 Jesse, you have taught us many times in some
14 of your descriptions that, for example, in Greece, Greeks
15 wouldn't allow Turks to come into downtown Athens to take
16 out the garbage. And they were sitting around watching
17 this going on. You taught us this.
18 REVEREND JACKSON: I said that.
19 MR. MONTGOMERY: We have heard what you said.
20 One prominent example of that. All the
21 studies show that many of the people who can afford

1 can help refine, in reference to lack of access to
2 capital. Does that make sense to you all?
3 The FCC must rule against monopolies and make
4 concentration illegal. Solutions, FCC hearings on
5 mergers and revived tax certificates, that kind of talk.
6 Right now there is little resistance to
7 mergers and monopolies by the government. Is that true?
8 No protection against rate hikes. The capital
9 improvement idea, right. Pension funds.
10 Let's hammer out about ten points and make a
11 big picture that makes sense to us, and then we leave
12 here and we take that case to the media. If we met with
13 Tom Brokaw tomorrow night, we should be able to tell him,
14 "This is what we are fighting about."
15 Right now we can't do that. All we can say
16 is, "We got beat over here, we lost this, we lost that."
17 We would be describing different ways we died. But we
18 are really not describing what we plan to do to win. And
19 I am not cynical about that. I think we can reduce this
20 thing to ten points. I think that it is so legitimate
21 that we will actually win.

1 city, it is not appropriate for us to go out to
2 Naperville and see a $75 million school, and then on
3 Monday see trucks from Naperville coming in to do the
4 wiring and the infrastructure on King High School down
5 here on Drexel Boulevard.
6 Kids sit in the classrooms and see guys in
7 bluejeans going up pulling wire in their schools and they
8 say, "I can do that." But they are not doing it. So the
9 dollars that are being spent to address the
10 infrastructure issues in our schools are going to line
11 the pockets of the people who have the $75 million
12 schools already in their neighborhood.
13 So, we have got a double whammy. They have
14 got the $75 million schools and they are giving in.
15 So, part of the solution is that as we make e-
16 rate available, that e-rate has a provision that the
17 indigenous population of the communities being served be
18 the principal ones who do the work in establishing and
19 wire the infrastructure in those particular entities.
20 That should be a part of the mechanism.

1 computers already own them. Many people who want
2 Internet access already have it in terms of people or
3 whatever else.
4 There are huge markets that are available in
5 technology, the untapped markets are in markets that have
6 not been served. They have been missed out on. And when
7 you, Ms. Sandoval, mentioned about the e-rate, it is a
8 recognition that the reason there are so many unfilled
9 jobs in the United States in technology is because we
10 haven't provided the training and the technology
11 infrastructure in the schools so that people in the inner
12 cities can be taking these jobs.
13 And when we put in effect something like e-
14 rate, sometimes we create a situation where the same
15 people, the WorldCom's, the MCI's, the Cisco's, UUNet,
16 the three Com's, all sit around and divide up how they
17 are going to take advantage of the reimbursement because
18 the way e-rate is set up, it is set up with the filing
19 period, it is set up with an activity, and without
20 getting too technical, now that we have awakened and
21 decided that we have to wire our schools in the inner

1 MS. SANDOVAL: Briefly on the e-rate.
2 One of the things is having meetings with the
3 small minorities, women, letting them know the
4 opportunity to bid. We set it up so that when the
5 schools and libraries put on the Web site, what are their
6 needs? It has to be posted on the Web for 28 days, and
7 anybody can respond. There is no registration
8 requirement, there is no prequalification requirement,
9 and it is going down to the applicants, your local
10 school, or your local school district, or your local
11 library to choose.
12 And so I would suggest that the first thing
13 you do is go to your local school and your local district
14 and ask them who they can choose. And go to your school
15 also and ask them what their plan is for getting the
16 communities wired.
17 I know like when I met with the San Francisco
18 school district, I met with them at their request, and
19 their staff had put together a great plan for wiring
20 their schools, but under their plan they were only going
21 to wire 13 schools this year out of the 130 schools that

1 Another thing about WorldCom and MCI is that
2 already before the merger is even complete we see the
3 evidence of price hikes. It was quoted widely in the
4 trade news that the AOL going up $2 on their subscriber
5 fees was a direct payback to WorldCom or part of the
6 workout that they did when they took over this infra-
7 structure.
8 Now, we need to be concerned about now that
9 the people coming onstream are inner city people, and
10 other people having access. That what portends in a
11 merger that consolidates the bulk of the Internet
12 backbone in the hands of one company is price hikes.
13 So we believe that technology redlining is
14 evidence. We want to limit that as best we can and we
15 believe that provisions should be that if anybody is
16 going to do the wiring, it should be us in our own
17 communities, providing jobs for the kids coming out of
18 our own schools.
19 MR. JORDAN: Reverend --
20 CONGRESSMAN RUSH: I think Cathy wanted to
21 respond.

1 in the next year, or next year and a half. We will have
2 information on contracting opportunities, financing
3 opportunities, also a panel on non-license opportunities
4 such as through resale or through unlicensed services, or
5 through schools and libraries and some of these other
6 types of things so that again you can be prepared on what
7 is coming down the road.
8 MR. JORDAN: Would you add access to new
9 frequencies? But not through the bid process. It is
10 hard to get it together. We have got to put our money
11 where our mouths are, and we have got to roll up those
12 sleeves and go to work.
13 When I was told about this conference I told
14 David I cannot afford to come here. He said, "You cannot
15 afford not to come."
16 So, I loaded up my posse, three children and
17 my sister and we came from San Diego to be here.
18 We have got to go back to old ways, and
19 Reverend Jackson, in this country you are the most
20 effective African-American leader, as well as the most
21 effective leader looking at it for all the people.

1 they had. They did not even communicate. They were not
2 even planning to communicate with the other 90 schools
3 that their program was available to support whatever
4 small wiring was projected out there, until, you know,
5 the San Francisco School Board found out about this
6 opportunity and directed them to make that money
7 available to the schools.
8 So, I think you can start by talking to
9 schools, finding out what their plans are, and most of
10 the schools I talked to don't plan to do all the work
11 this year. There is some work this year, and some work
12 is going to be coming up. So build up a relationship and
13 take an opportunity to bid on the job.
14 We created the work so that you could bid on
15 the job and do the work.
16 And just real quick on another point.
17 Another thing our office is doing, one way you
18 can find out about upcoming opportunities is that we are
19 having a pre-conference in Washington, D.C. It is
20 tentatively June 4, and we are going to be looking at all
21 the services that are going to be coming up for auction

1 When we start talking about broadcasting, we
2 say we can't get people to advertise on our station, and
3 that station owner is providing service to the community.
4 You have to rethink where you go buy your car at. If you
5 are driving a Cadillac and you don't have a Cadillac
6 commercial on your local community radio station, maybe
7 you need to buy a Chevrolet who is advertising.
8 The only way we can change this thing is we
9 have got to change it ourselves, we have got to change
10 our buying market to meet the needs of our community.
11 MR. KYLES: This fight has to take place on a
12 couple of levels: One, it is on the level of people who
13 understand these issues. These are complete issues. The
14 resegregation of this industry -- you are about to have a
15 double whammy. You're talking about technological
16 changes that make a lot of things possible that the
17 general public sees as very positive, but they can have
18 devastating effects, and we have to communicate these
19 issues where people can understand it.
20 Because the vulnerability as to what has been
21 talked about, if people understand what is going on, Tom