

Position Paper
On the possible auction of WHUT-TV

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On October 16, we received an email memorandum from Howard University President Wayne Frederick informing the Howard community of the probability that the radio spectrum currently occupied by WHUT may be offered for auction to wireless telecommunication companies. We appreciate the opportunity to respond to the possibilities you have set forth.

We represent the Howard Media Group (HMG), a team of faculty and graduate students from the School of Communications, Howard University, who believe that scholarship and education have a role to play in shaping communications policy to better serve the public interest. HMG formed in 2006 to dedicate our research to this goal, and we have been actively involved in testifying before the FCC, submitting comments to the FCC on regulatory proposals such as net neutrality and proposed company mergers, producing reports on broadcast ownership by women and minorities, and sponsoring public educational events. Our work fits within the Howard tradition of social justice and its historical commitment to advance knowledge about those from the African Diaspora and other underserved communities. The following comments represent a collaborative deliberation, based on our knowledge of media ownership, public policy, and WHUT's place in the Washington metro market.

We emphasize the following key points in this position paper:

- (1) President Frederick's stated commitment to be strategic with the precious assets of the university,
- (2) WHUT's special and increasingly valuable position as the only remaining public voice for the African American community,
- (3) Strategies currently employed by other institutions of higher education that face the same pressure to auction broadcast spectrum, and
- (4) The short- and long-term value of WHUT to Howard University students, faculty and the public we serve.

We have examined the ongoing struggle by racial minorities to have a public voice that can only be achieved through the media. It is our position and concern that African Americans and other diverse populations that are able to be seen and heard through the station's programming would lose substantially if WHUT were to cease to exist. President Frederick's memo states that Howard must notify the FCC by December 16, if it intends to participate in the Incentive Auction.

Diversity of ownership in U.S.-based media is generally at risk, but in this DC-metro market, diversity in television broadcast has particular salience. WHUT-TV provides programming not available on the other local public (majority-owned) WETA-TV and MPT-TV. If WHUT is sold, there will be no TV station to showcase Black History month, or documentaries on Chinese, Italian, Jewish and other ethnic histories. Each week day, WHUT airs the Tavis Smiley public affairs program, and the Democracy Now news program – both of which provide distinctly progressive views nowhere else available in this greatly diverse metro area. In addition, the station provides coverage of the campus's important gatherings – Convocation, Graduation, high profile visitors.

The Communications Act of 1934 established the broadcast spectrum as a public resource to serve the “necessity, interest and convenience” of the public. In this sense, HMG members believe that while an incentive auction may bring in revenue (and whether it is to be a significant amount of revenue is greatly at issue), this revenue cannot be considered a more compelling interest to the Howard community than assuring our airwaves serve the necessity, interest and convenience of the diverse public that Howard has been established to serve.

As we know, FCC’s relaxation of rules has adversely impacted vulnerable communities of the nation, most specifically minorities and women. The Telecommunications Act of 1996 established the legal framework for transforming the US telecommunications policy landscape. While it has enabled rapid technological advances, it has also created a system of inequality in which African Americans, other ethnic minorities, and females have decreasing access to the airwaves (Byerly, Park & Miles, 2011; Saraswat & Schiano, 2006). Minority ownership of broadcast stations plummeted and so did programming that was designed to serve minority communities.

At this writing, there are only seven full-powered *commercial* television stations (out of 1784) in the United States, and only one full-powered *public* television station – WHUT-TV under African American ownership. The fact that WHUT is the only African-American-owned public television station in the US (Broadcast Engineering, 2013, para 1), illustrates the scarcity of diversity within the broadcast ownership in United States. This also underscores the importance of keeping WHUT-TV under the umbrella, administration, and ownership of Howard University. We look to you to uphold this important responsibility on the behalf of the students, faculty, staff, alumni and others comprising the broader Howard community.

There are those who may advise that the media landscape is changing and that broadcast television is being rapidly replaced with web-based video programming. However, video distribution mechanisms continue to matter. Broadcasting via airwaves provides the greatest reach and for less cost to the consumer. The consumer only needs a receiving set and is not burdened by subscription. WHUT currently reaches 2 million households in the greater Washington metro area. Moreover, the decline in net worth over a five-year period (2005-2009) and reported in 2009, was the largest among this group at 53%. Many in this population are also unemployed. This essentially means that moving away from broadcasting via airwaves may make it more difficult, if not impossible, for this segment of the population to access WHUT’s programming. Is this really what Howard University wants?

HMG members acknowledge that Howard University is undergoing a fiscal crisis of historic proportions and that the sale of the WHUT-TV asset appears especially attractive to those with the fiduciary responsibility for the university. And in this sense, our remarks and recommendations take the present fiscal challenge into consideration. However, we also recall that in President Frederick’s short time as president, several of his speeches to various university stakeholder groups, as well as the media, have stressed the importance of being strategic with the university’s real estate holdings. President Frederick has also

expressed regret at the university's sale of real estate for income, only to see that property escalate in value afterward. We believe that WHUT's value is also likely to increase as the community's reliance on it continues and as it continues to represent the most vocal expression of African American concerns in the Washington DC area.

We emphasize that the electromagnetic spectrum held by WHUT is an asset far more valuable than real estate holdings. It is a scarce resource whose value is usually in an upward trajectory. We believe that selling it under the current condition for which there are competing sellers is not a wise strategy for the university, particularly given Howard's unique relationship to the African American community and broader African Diaspora. Moreover, interest by buyers may not be as high as claimed by some media sources. In September, FCC Chairman Tom Wheeler warned about lukewarm demand and we quote: "We saw reports of big interest and big numbers being tossed around when Sprint and T-Mobile wanted to bid jointly. The rest of the industry, however, has been strangely silent."

Chairman Wheeler was making reference to the reverse auction process conducted by the FCC in which Ultra High Frequency (UHF) broadcast spectrum will be cleared and repurposed for cellular services. AT&T, Dish, Verizon, and T-Mobile won the vast majority of spectrum through an auction procedure held recently. As we are aware, the purpose of a reverse auction is to identify broadcasters willing to relinquish some or all of their spectrum usage rights, and the corresponding incentive payments those broadcasters will be paid based on the maximum amount of their spectrum repurposed. The value of the spectrum will be determined by an "objective" standard set by the FCC and therefore there are no guaranteed payout amounts at this time. Note that the economic possibilities in this current marketplace and in the reverse auction process portend a much smaller payout than the range of \$184 million to \$461 million estimated in your email. Thus, of all options provided in your letter, the first, which is to sell outright the WHUT spectrum, should be taken off the table.

Howard University may take a look at what other higher education institutions, faced with incentive auction, plan to do. We know that Ohio State University has already taken the fourth option on your email list. OSU has chosen "not to participate in the auction at all." Ohio State University declared that it has "no excess" spectrum that it wishes to auction. Bowling Green State University (BGSU) chose your Option #3 which is "Partner or share broadcasting with another television broadcaster." Of course, each university will choose an option that serves its best interest, but it bears noting that Howard is the only HBCU with the enormous burden of making a decision to serve the interests of its large African American audience.

Finally, we emphasize that WHUT-TV is a resource that figures significantly into the students' curriculum. This is clearly reflected in its mission, which is to parallel the overall mission of Howard University, i.e., public service, excellence and commitment, while being a leader in broadcast communications by providing quality programming for its viewing community. Students in the School of Communications are able to perform practica and internships at the station to advance their training and practice in media

production for their baccalaureate degrees. SOC students and faculty also produce several programs that are broadcast through WHUT, e.g., the public affairs program *Spotlight*. Importantly, WHUT is a recruitment tool for the university, particularly for the School of Communications.

WHUT's legacy cannot be ignored, avoided, or erased. WHUT has won 13 Emmys, and numerous other awards such as the Telly, Aurora, and Cine Golden Eagle, and in 2012 the station was recognized for providing a live broadcast of the Supreme Court Ruling on Healthcare. With 1,508 likes on its Facebook page and 86 subscribers in its YouTube page, WHUT's presence at Howard University represents the critical decision point for many prospective students who compare Howard University to its competitors.

What Does HMG Recommend?

HMG adds its voice to the many other campus, local and national organizations' voices urging the University to continue its ownership of WHUT. However, in light of not becoming an obstacle, but instead a friendly hand and an asset during this difficult decision making process, we also take the stand of providing recommendations. The following are based on consideration of the points that we have made above, particularly the value of the radio spectrum to the Howard community. *Again, we realize the university's dire need for funds and the opportunity that this incentive auction provides. We have already dismissed Option #1 which President Frederick included in his October 16 email. We believe that option should not be on the table for Howard University.*

We recommend Option #4 (as outlined in the presidential memo) for various reasons. We believe that Howard University may, on its own and at a later date, find benefit in pursuing a partnership arrangement with another station. The context for this auction is more likely to generate an auction payoff that is devalued because of the possibility of several sellers and few buyers. In essence, considering that WHUT is a multiplexed channel, with two sub-channels, we believe that selling part of the spectrum that WHUT currently occupies, at a later date, has a higher probability of generating greater revenue while preserving WHUT-TV. We note that WHUT is the first and only PBS station licensed and operated by a predominantly African American institution, and the only HBCU licensed public television station in the world. It is located in the ninth largest media market in the country, thus possessing a high factor for appreciation of value in a post-incentive auction market.

We urge President Frederick and others who advise him to think about Howard University, *The Mecca*, and its legacy as they deliberate on a final decision. It is a decision that is not only about the Howard University of today but also about the Howard University of yesterday and of tomorrow. Therefore, because it is a decision that carries responsibility for a larger African American community and the nation as a whole, it should be carefully thought and developed. Those of us comprising Howard Media Group want to offer our assistance should further information or research driven needs arise. We want to help Howard University come up with a serious strategic plan for using WHUT as the valuable resource it is, and thus, to take its place in the new media world.

