

Minority Ownership Conference statement of Commissioner James H. Quello

I appreciate the contributions of the panelists from SBA and HEW in informing us of government regulations and restrictions regarding sources of finances for prospective minority owners. However, there is a need for clarification in understandable, specific language.

For example, what if I am a responsible, experienced Black or minority member who has an opportunity to purchase an AM radio station in a small or medium size market or an FM station in a larger market. Let's say the property is a reasonably good buy or considered viable. Let's further suppose the property will cost \$400,000 and the minority seeking ownership or part-ownership and management opportunities has only \$5,000 cash and \$45,000 additional financing from friends for a total of \$50,000. Where can that minority person go for the additional required financial resources? Can SBA or HEW give specific help?

Is there an affirmative financing policy for minorities like there is for affirmative hiring? Practically, this is specifically what many of the minorities here today want to know. I'm afraid the panelists may be too legalistic or technical for most of us to get a good practical working knowledge of what is or what is not available in the way of financial help for minorities. Also, I'm afraid the realities may not meet the expectations of many attending the conference today. Is there some way SBA, for example, could provide help for minority ownership? If not, it seems that all the government can do is provide advice and counsel.

It seems to me some appropriate government agency should set reasonably high standards for qualifying for minority ownership viz: experience, character, motivation and financial viability of the broadcast property. Upon meeting these standards, special financial inducements could be made available to qualified minorities say for a five year period-- This may be too simplistic an approach but it is at least a start of an affirmative action idea or program that is needed to translate rhetoric into constructive action.

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