

Cultural Daily

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Ominous Takeover of Hispanic Broadcaster by Global Finance Firm

Abel Salas · Wednesday, October 2nd, 2019

In mid-November last year, Estrella TV parent company LBI Media, Inc.—which owns and operates 10 television and 17 radio stations nationwide as well as production facilities in Los Angeles—filed for Chapter 11 bankruptcy based on a plan for reorganization submitted in lock-step with HPS Investment Partners, its primary lienholder. A global finance corporation, HPS has bolstered the privately-held media concern—operating as Liberman Broadcasting—with significant infusions of liquidity for roughly a decade, even as the company struggled with a decline in advertising revenues and profound changes within the media industry driven by the rapid advance of digital technology.

A group of civically-minded Latino community advocates in Los Angeles are understandably concerned by the debt restructuring arrangement approved on April 17 by the U.S. Bankruptcy Court for the District of Delaware because it cedes 100% of all new equity in the Spanish-language broadcaster to HPS. More troubling still, the deal gives the international investment firm far-reaching management, operations and programming oversight by executives who are likely to be—if not misinformed by traditionally stilted or biased media coverage with respect to Hispanic-Americans—unfamiliar with the deeply-rooted cultural significance and centuries-long history of Latinos in the U.S. In essence, it is yet another case of the same old song and dance number when it comes to corporate media interests and Latinos. We provide the faces and exotic allure, but the brushes and the canvas belong to the social elite.

The recent, racially motivated mass shootings in both El Paso and Midland-Odessa, Texas, illustrate the grave ramifications stemming from the consistent lack of Latino representation in media—and on the editorial staffs at major news gathering organizations across the country. Over time, this invisibility has morphed into a self-perpetuating void. Our chronic absence on the screen, hardly based on the reality of our five-hundred-year presence in North America, was exacerbated by media coverage in the aftermath of both El Paso and Midland-Odessa. Although Latinos in El Paso and West Texas were targeted in two of the most horrific hate crimes of the last two centuries, a survey of headlines about those incidents reveals an abject failure by the press to see that aspect of the story as the most relevant. When the president issues proto-fascist rhetoric from the podium and it seeps into the psyches of already disturbed individuals bent on violence, it is an undeniably significant development. It also begs the question, how do we counter the image Trump and his followers have propagated with respect to Latino communities?

In light of that, handing HPS carte-blanche reigns to the fourth-largest U.S. Latino broadcasting

company is a worrisome prospect. There is a particularly egregious strain of hubris prevalent among the moneyed patricians from the far flung reaches of the Eastern seaboard that seeds an endemic belief that we are easily understood and lack the literary, cultural and intellectual sophistication to produce this millennium's new Raymond Carvers, Annie Proulx, and Margaret Atwoods. This justifies a woefully mistaken conviction that the privilege of vetting or greenlighting the broadcast content/programming most suited for us as over-indexing entertainment consumers is naturally within their purview.

It isn't enough that Latinos make up over 18% of the U.S. population and that over a million U.S. citizens of Mexican ancestry are from families that proudly sent their sons to serve as members of the U.S. Armed Forces during WWI, WWII, the Korean War and Vietnam. Or that thousands more whose families originate in El Salvador, Guatemala, Honduras and Nicaragua have sent their sons and daughters to Iraq and are sending them to Afghanistan today as proud U.S. military personnel. Back at home, these men and women should not have to fear deportation based on mistaken identity. Nor should they worry about being murdered while back-to-school shopping with their kids by angry white supremacists wielding assault rifles who know only what free TV, talk radio and Trump have told them about us. To add more historical irony, Central American immigration is fueled largely by the ruins left over from U.S. interventionism during the civil wars of the 1980s. Hondurans in particular are fleeing from the aftershocks of the 2009 U.S.-backed military coup. They are refugees from American-linked violence who migrate only to find themselves targeted within the shopping malls of America itself.

Lifelong Boyle Heights resident and native Angeleno Carlos Vásquez is one of numerous influential Latino leaders who are uneasy with the de facto acquisition and takeover of LBI Media by a world-wide strategic investment juggernaut. Led by globe-trotting traders whose *raison d'être* is not derived from the social contract upon which the broadcaster-audience dynamic was once rooted, HPS was initially spawned as a division of Highbridge Capital Management which was acquired by JP Morgan at the suggestion of, believe it or not, Jeffrey Epstein, known pedophile and recent prison suicide, who earned a \$15 million consulting fee from Highbridge founders Glenn Dubin and Henry Swieca in the process.

Far from an organization committed to "responsible" journalism or media, HPS exists solely to maximize returns for shareholders and investors for whom they manage or control assets worth tens of billions of dollars. The unease reverberating among Latinos at the prospect of a hedge fund plutocracy swooping in to determine what will air and be televised on what has now ceased to be a Latino-owned and operated broadcast media organization is as palpable as it is understandable.

By contrast, consider community advocate and local business owner Vásquez, who has poured heart and soul, countless volunteer hours as well as personal finances into Homeboy Industries as a benefactor. A non-profit which empowers urban youth by making them part of several entrepreneurial initiatives while encouraging diversity in procurement and hiring as part of an innovative two-pronged approach to community economic development, Homeboy Industries has transformed the lives of several thousand young men and women of color written off by society and tracked with astonishing speed and efficiency—almost as if by design—by a justice system that has become increasingly dependent on an expanding network of privatized penal and prisoner detention facilities.

Yes, investors backed by a virulent "law and order" lobby are profiting from the incarceration of black and brown youth. Empty jails mean leaner wallets for these good ole' country white boys

who still aspire to the ranks of those like LBI's new HPS overlords. Recent documents regarding the transition at Liberman delivered to us anonymously imply that the FCC itself has waived its own regulations regarding foreign ownership of media in the U.S. in order to expedite the transfer of broadcast licenses to HPS.

Along with urban planner and entrepreneurial strategist Enrique Aranda, a board member at the United LatinX Fund who supports second chance, restorative justice and decarceration programs integral to the Fund's philanthropic mandate, Vásquez is part of an emerging yet already formidable media-watch consortium comprising representatives from various private and public sector firms, agencies and organizations as well as elected and appointed officials from local and statewide governmental bodies.

Assembled as the newly integrated "LatinX for Equity in Media (LXEM)," the group seeks to identify and engage professionals across the spectrum of online, broadcast and digital media platforms in a campaign to encourage and advocate around increased diversity in media ownership. Latinx media ownership is the surest way to counter the glaring under-representation of Latinos on television, in the news, and throughout the programming delivered by streaming platforms such as Netflix, Hulu and Starz. Despite being the largest U.S. minority—roughly one of every five people in the U.S. is Latino—only 5% of the all the roles, characters or portrayals on episodic TV or in feature films were Latino last year, according to the latest studies. Lead characters written or portrayed as distinctly Latino were even less visible at under 3%.

Aren't these numbers somehow odd given the fact that most content is famously produced in a city bearing a Spanish name and where mega-celebrity Leonardo DiCaprio publicly expresses his love for *pupusas*? It is time to demand that Congress renew tax incentives that can jump start Latino media ownership. Only then can depictions of Latinos more accurately reflect reality and perhaps prevent another El Paso.

The HPS takeover of Liberman effectively decreases Latinx media ownership. At stake is the relationship the broadcaster forged with audiences over the course of the last three decades. Liberman astutely made health and human rights as well as immigrant advocacy central to its community-building efforts, a strategy that, unsurprisingly, boosted advertising revenue. To date, HPS has not produced a plan for upholding and preserving the unique bond audiences enjoy with specific network personalities such as "Don Cheto," for example. If you were raised in the U.S. and weaned on PBS, you need only recall *Mr. Rogers' Neighborhood* to understand the impact a character such as Don Cheto has had on the Latino community across markets where the broadcaster operated radio and television outlets.

As the ultimate source of broadcast licenses, the Federal Communications Commission (FCC) has an obligation to safeguard against the kind of media consolidation that Sinclair Broadcasting Group sought when it tried to buy the rival Tribune Media Company two years ago. Sinclair makes no attempt to camouflage its right-wing sympathies, and continues to defy the tradition of newsroom objectivity. News departments at its stations understand that even local news coverage must pass the ownership's political litmus test. The FCC was right to block the deal; it was entirely antithetical to the principals of free speech and the diversity of opinion competitive news media was meant to nurture and uphold.

It follows logically that a dearth of Latino media ownership presents an equal challenge to democracy, particularly when it breeds intolerance that leads to violence predicated on hate. This

gruesome by-product poses just as serious a threat—on par with international terrorism—to the basic tenets upon which our nation was founded. Indeed, it imperils the lives of innocent men, women and children and sets a dangerous precedent that might have never surfaced had fair, proportionate and more realistic representations of Latino history, culture and life in the U.S. been part of the content broadcast over the air and by which everyday Americans have gotten their news transmitted via local station antennas for most of the last 100 years.

More information on the specific owners of majority stock in HPS, those whose assets were the source of the loans provided to keep Liberman afloat during the last decade before the decision to file for bankruptcy was made, and exactly who is now handling the day-to-day operations at LBI should be readily available to the public. Anything less is suspect. As the Latinx community in Los Angeles, we can no longer afford to sit on the sidelines. Our lives and our children's lives are at risk. Ownership stake in media organizations will guarantee that programming by and for Latinos will reach devices and screens where our absence should never again be accepted as a matter of course. It is time we claimed our due bandwidth and a proportionate segment of the airwaves.

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