

Congressional Hearings on the Comcast-NBC Universal Merger

**Testimony from the Rev. Jesse L. Jackson, Sr.
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Good morning. I welcome this opportunity to speak to you today concerning the proposed merger between Comcast and NBC Universal.

In the context of economic emancipation, I ask what is Comcast's Return On Investment (ROI) in assisting in the economic empowerment of African American and underserved communities?

In other words why is it good business for Comcast to address two of the nation's most important challenges: creating jobs and helping to connect every American, especially people of color, to vitally needed news, information and broadband internet services?"

With this proposed merger comes a rare -- and perhaps the last -- opportunity to address critical issues in the global communications landscape. Therefore, we take the following positions as this merger is considered:

- An opportunity exists to create a new global media platform now.
- The opportunity exists to create a new minority-owned venture.
- Diversity should be a top down priority in every aspect of the merger.
- The merger should not hinder new media, but help support it by creating new, more easily accessible technology platforms.
- Minority ownership and control must be a top priority.
- Representation in high level executive positions which ultimately affects programming, hiring within and on-air.
- Hire more people of color in senior level/decision making positions.
- Comcast / NBC Universal must focus recruitment by attending HBCU/Multicultural Career Fairs.
- Training programs must be developed and enhanced to increase minorities in leadership roles.
- Minority mentoring programs must be developed to encourage students and young adults to aspire to work in the telecom industry.
- Spend 25% of all advertising and marketing dollars with minority-owned firms.
- Spend 25% of all vendor dollars with minority-owned firms.

While the scrutiny of the merger transaction has primarily focused on the implications on national media and communications outcomes, this deal would be responsible for significant consequences in individual local markets.

For example, the Chicago area is the nation's third-largest radio and television market. Despite being a large market, Chicago is dominated by a handful of media companies. The proposed Comcast/NBC Universal merger will make this even worse. If this deal goes through, nearly a quarter of Chicago's commercial cable channels in the most popular cable package will be owned by Comcast.

Already, just four companies control nearly two-thirds of the Chicago area's local news market. The owner of the Chicago Tribune, WGN-AM 720 and WGN-TV, controls nearly one-fifth of the local news market for the entire Chicago area.

Television

Large conglomerates, such as Tribune Co., ABC/Disney, NBC/GE and Rupert Murdoch's News Corporation dominate the Chicago TV market. ABC/Disney and News Corporation together control nearly forty percent of the revenue in the market. News Corp., NBC/GE and Univision each own two stations ("duopolies"), accounting for nearly half of the full-power commercial stations in the market. After the merger, Comcast - who already controls much of the cable and Internet service in the city - will also control one of these duopolies.

Only two of the 13 full-power commercial TV stations in Chicago are locally owned and operated (WJYS, an independent affiliate owned by Jovon Broadcasting and WCIU, an independent affiliate owned by Weigel Broadcasting). Jovon's WJYS is the only commercial TV station owned by a racial or ethnic minority in the Chicago market. There are no full-power commercial stations in the greater Chicago area owned by women.

Radio

Clear Channel, CBS, Tribune Co. and Bonneville International are four national conglomerates that dominate the Chicago radio market, with CBS owning seven and Clear Channel owning six stations. Together, these four companies control nearly sixty percent of the revenue share in the Chicago market and capture over half of the entire Chicago radio audience. Nationwide, Clear Channel owns over 800 radio stations, CBS owns 130, and Bonneville owns 28. Non-local owners control over two-thirds of Chicago's commercial radio stations.

Ownership

There are three minority owners in the market, controlling a total of three stations, or less than 5 percent of all the commercial radio stations in Chicago: WJOB-AM 1230, controlled by Hammond, Indiana-based Vasquez Development, a Latino- female-owned company; WLTH-AM 1370, controlled by WLTH Radio, an African-American-owned company; and WVON-AM 1690, controlled by Chicago-based and African-American-owned Midway Broadcasting. Vasquez Development, WLTH Radio and Midway Broadcasting each own just a single station.

Media ownership in Chicago doesn't reflect the diversity of its population. Racial and ethnic minorities are 37 percent of the population in the Chicago TV market; 38 percent of population in the Chicago radio market; and nearly two-thirds of the population in the city of Chicago. However, racial and ethnic minorities own less than 4 percent of Chicago's full-power commercial radio and television stations. Women own just 6 percent of Chicago's full-power commercial radio and television stations, despite comprising over half the population.

We want to make sure that independently owned and controlled minority cable networks don't find it harder to gain carriage if this deal happens.

Back in the late 1960s and early 1970s, the civil rights community held out great hope that the emerging cable industry would be reflective of communities of color in programming, ownership and staffing. Our community hoped to not only own cable networks but cable franchises as well. But this simply hasn't happened.

Comcast is by far the biggest cable company in the country. One out of every four cable subscriber is a Comcast customer.

The FCC must make sure that there's a fair and enforceable process that ensures Comcast carries independent networks and programs and that there is a way for these networks to gain carriage or to resolve carriage disputes. The process must also ensure that Comcast won't favor their own programming and networks over their competitors.

Comcast must commit to making at least 10 percent of all of its networks on the basic tier – owned and controlled by people of color.

In addition, we want Comcast to make public the percentage of people of color employed by NBC News, MSNBC and CNBC and set aggressive benchmarks to ensure they reach parity in staffing.

We also want to make sure that entertainment programming owned by Comcast-NBC is also reflective of society and that the percentage of people of color in front and behind the camera also reaches parity. We want to see aggressive benchmarks to make this a reality.

But to set aggressive benchmarks, it's critical we have the data on the diversity in staffing at Comcast and NBC.

Most importantly, any agreement that is reached with Comcast to increase diversity must be enforceable. Comcast must amend their license application to include these agreements so that the company is accountable to the promises they make.

Finally, there is the increasing control that Comcast will have over access to broadband Internet service.

Citizens who are shut out of the online world are less able to become educated, gain critical job skills, manage their own health and that of their family members, and engage in even the most basic commercial activities and transactions.

Without access to broadband, marginalized groups are ill equipped to contribute to the nation's economy, and they increasingly face lives of diminished opportunity.

With people of color projected to become the majority of the U.S. population before mid-century, the rates at which poorer minority communities gain access to broadband have implications that go well beyond matters of simple fairness and equity and into the realm of strategic national importance.

It is imperative the Comcast NBC Universal merger support the following objectives:

- 1. Create Jobs.** The relationship between capitol investment and job creation is key to creating high-tech jobs that are sorely needed.
- 2. Invest in and partner with minority-owned businesses.** Create new opportunities through investment in new technologies that support broadband and wireless technology.
- 3. Broadband Adoption.** Establish sustainable broadband adoption efforts that aligned with key areas such as education, healthcare and employment that improve quality of life for African American consumers.

4. **Employment.** Reinforce policies to hire, retain and promote African Americans.

Thank you.