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5 FIELD HEARING ON COMCAST AND NBC UNIVERSAL:

6 WHO BENEFITS?

7 THURSDAY, JULY 8, 2010

8 House of Representatives

9 Committee on Energy and Commerce

10 Subcommittee on Communications, Technology,

11 and the Internet

12 Washington, D.C.

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16 The subcommittee met, pursuant to call, at 9:00 a.m., in
17 Room 2525, Dirksen Federal Building and Courthouse, 219 South
18 Dearborn Street, Chicago, Illinois, Hon. Rick Boucher
19 (chairman) presiding.

20
21 Members present: Representatives Boucher, Rush and
22 Buyer.

23 Also present: Representative Waters.

24 Mr. Boucher. Good morning to everyone. The Subcommittee
25 on Communications, Technology and the Internet will come to
26 order.

27 Today, at the suggestion of our subcommittee colleague,
28 Mr. Rush, we are in Chicago to conduct the subcommittee's
29 second hearing on the proposed combination of two of our
30 nations largest media and entertainment companies Comcast and
31 NBC Universal.

32 I appreciate the outstanding contributions that
33 Congressman Rush makes to the work of our committee. He is
34 Chairman of our Subcommittee on Commerce and Consumer
35 Protection, and in that role I've had an opportunity to work
36 closely with him as we have together worked to fashion a set
37 of privacy guarantees for internet users. And, of course, he
38 is a member of this Subcommittee, and makes a truly valuable
39 contribution to our work. And I want to thank Congressman
40 Rush and his staff for their excellent help in making the
41 arrangements for today's hearing. It's truly been a pleasure
42 for me to have the opportunity to be here. And I know that
43 our focus today on Comcast-NBC Universal Merger will be aided
44 very much by the testimony that we receive from our witnesses
45 this morning.

46 Comcast is the nation's largest multi-channel video
47 program distributor, the largest retail broadband provider,
48 and the third largest home telephone service provider, as
49 well as the owner of numerous cable channels, and regional

50 sports networks.

51 As measured by annual revenues, NBC Universal is the
52 nation's fourth largest media and entertainment company. It
53 owns the NBC and Telemundo television networks, television
54 broadcast stations in some of the largest markets in the
55 United States, cable channels, a movie studio, as well as an
56 interest in the online video programming provider, Hulu.com.

57 The key question for this Subcommittee, as well as for
58 the FCC, and the U.S. Department of Justice who are reviewing
59 this proposed combination is how the proposed combination
60 will affect consumers. And, of course, both of these
61 companies deliver a range of services, and the question is
62 with regard to those services how will consumers be affected.

63 Some combinations benefit consumers by enabling a more
64 efficient delivery of new and better products and services,
65 but there also is the potential for consumer harm due to a
66 limitation of choices that are available to consumers, or by
67 limiting competition in a way that makes services more
68 expensive than they would be in an open market.

69 In our previous hearing, we examined the potential harms
70 that could arise if the merged company restricts the internet
71 delivery of NBC Universal-owned programs that are offered
72 off-line to the public for free today, to web portals that
73 are available only to the Comcast broadband subscribers. We
74 sought and we obtained commitments and assurances from the
75 companies that access to those programs would not be so

76 restricted.

77 Today, we will focus on other potential effects of the
78 merger, including how it will affect the company's practices
79 with respect to diversity and employment, procurement, media
80 programming and philanthropy.

81 I look forward to the testimony of our witnesses on
82 these and other matters. And I want to thank each of our
83 witnesses for taking time to join us here this morning. A
84 number of them have traveled to Chicago for purposes of
85 sharing their views with us, and I very much appreciate your
86 doing so, and being here today.

87 I'm going to recognize both members of the panel for
88 their opening statements, and then we will turn to the
89 testimony of our witnesses. And I'll begin by recognizing
90 the Republican member of our Subcommittee on Communications,
91 Technology, and the Internet, the gentleman from Indiana, Mr.
92 Buyer.

93 [The prepared statement of Chairman Boucher follows:]

94

95 ***** INSERT *****

96 Mr. Buyer. Thank you very much, Mr. Boucher.

97 Welcome to Chicago, welcome to the Midwest. And, Bobby
98 Rush, thank you for having us come here.

99 I brought some Indiana folks with me last night, and I
100 thought I would take in a White Sox game, and it rained. By
101 my calculation, that was probably about an \$80 beer, so we
102 sipped it slowly, and enjoyed it. And probably the best
103 judgment of the night was during the clearing, we made a run
104 for the taxi.

105 Mr. Rush. Mr. Chairman, if I may add. We do have rain
106 checks in Chicago.

107 Mr. Buyer. Oh, okay. All right. Rain check.

108 I would also like to welcome Maxine Waters for giving up
109 her time in sunny California to come to the Midwest. Thank
110 you, also, for being here.

111 When this joint venture between Comcast and GE was first
112 proposed, I was most interested in the reaction, or, I should
113 say, the lack of reaction not only by policy makers, but also
114 stakeholders and others within industry.

115 My initial reaction, personally, was about the-in our
116 culture we have something that we don't think about very
117 often, but it's silence can be interpreted as acquiescence or
118 an admission. And it's part of our culture. So, when this
119 merger first came out, there was silence. And I was -- my
120 curiosity was I did not believe that the silence would be
121 interpreted as an acquiescence to the merger. And my

122 commitment has been to keep an open mind regarding this
123 merger, and to allow the parties to be able to come together
124 and address concerns. And I thank my friend, Mr. Boucher,
125 for doing this. I brought this to him. He also is feeling
126 the same way I was, and he said yes, we're going to have some
127 hearings on this, and we want to go into it, we want to dive
128 into this.

129 Now, the Chairman in his comments about concerns with
130 regard to consumers, and he's correct. And the Department of
131 Justice will do their review on -- because of anti-trust and
132 the impact on competition, but we also need an over horizon
133 view.

134 The over horizon view, when you do the long view and you
135 look at the data points that are out there, you have to be
136 really careful about trying to define an image based on what
137 we know today. The reason I say you have to be very careful,
138 because as policy makers, we've done this before. And we've
139 tried to define what we thought it looked like at the moment
140 of calling, and got it wrong. And we're in such a highly
141 dynamic industry that we have to be really very, very
142 careful.

143 I decided to do my due diligence, just as, Mr. Chairman,
144 you are doing yours, so since February, I've met with every
145 industry representative out there from broadcasters, pay TV
146 affiliates, non-affiliates, content providers, carriers.
147 I've done big cable, small cable, satellite. I've met with

148 all the stakeholders that I possibly could. But my take-away
149 from all of these meetings is that, it came out of the
150 hearing we had done in February, that there was a real need
151 to define Comcast's commitment to the network affiliated
152 model of free over-the-air broadcasting, especially as it
153 pertains to localism.

154 Also, protect the value of the network and preventing a
155 cycling of key programming, and my migration of this key
156 programming. The other is prevent bypass of the affiliates
157 for first call rights to competing platforms as it pertains
158 to the Comcast providing network programming. And, fourth,
159 protect the integrity of the retrans consent process.

160 And, primarily, my concern there lies with the small
161 cable companies insuring that they not get lost by big cable
162 in the retrans consent process leading to less competition
163 and higher prices for consumers.

164 I want to -- also, as this began to unfold, I also
165 watched how the non-affiliates began to work out their
166 concerns. Rather than immediately rush to the FCC, they came
167 together, the non-affiliates did, and then took their
168 concerns to Comcast, and they were able to come together in
169 the private marketplace agreement.

170 And then not only was that done, but then Comcast-NBC
171 Universal had come together with their own agreements on many
172 diversity issues. So, it's pretty good. They recognize that
173 there's federal oversight, not only by the FCC, by your

174 Committee, Mr. Chairman, but also by DOJ, so there a lot of
175 eyes being placed on this. So, the private sector are
176 proceeding, and my reading of both of these agreements that
177 have been done in the private sector, actually, they go
178 beyond what I was even thinking about and considering. So, I
179 want to congratulate the parties for leaning forward and
180 doing what I think is right. So, with that, I yield back.

181 [The prepared statement of Mr. Buyer follows:]

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183 *****INSERT*****

184 Mr. Boucher. Thank you very much, Mr. Buyer. Thank you
185 for taking the time to take part during this hearing this
186 morning.

187 I, again, want to thank Congressman Rush and his staff
188 for their excellent assistance in arranging for today's
189 hearing, and making sure that we could use the ceremonial
190 courtroom here at the United States Courthouse. And
191 Congressman Rush, I want to recognize you for your opening
192 statement.

193 Mr. Rush. Thank you, Mr. Chairman. And let me begin by
194 thanking you so much for the outstanding cooperation and
195 leadership which you have provided to the Subcommittee. And
196 you have really gone beyond what would be normally expected
197 in regards to this hearing. You're in the middle of a tough
198 campaign, and that you would take the time off to leave your
199 district come to Chicago to convene this hearing. I'm
200 certainly grateful to be part of this. And it's a pretty
201 significant moment in the life of the city of Chicago, here
202 on the eve of the LeBron era. And I will note that I am
203 eternal optimist.

204 (Laughter.)

205 But, Mr. Chairman, I want to welcome you again, welcome
206 your colleagues and welcome Congresswoman Waters, and my
207 colleagues on the Subcommittee, Mr. Buyer from Indiana. I
208 want to welcome each of you to this hearing, and to the city
209 that I love so much.

210 Mr. Chairman on that day that Comcast and NBC Universal
211 secure their last approval from federal and state regulators
212 to combine their highly attractive, and lucrative,
213 distribution and video programming assets, a very powerful
214 and influential media and information colossus will be born.

215 When that will happen, immediate power to determine what
216 our nation watches, what we read, from where we get our news,
217 and even on which electronic and communications devices those
218 images and data will appear.

219 The \$28 billion joint venture between Comcast and NBC
220 Universal will give Comcast, already the country's largest
221 cable and home broadband company, total say and control over
222 the day-to-day operations of the NBC networks; the Telemundo
223 network, NBC's two dozen national cable network channels,
224 including MSNBC, Bravo, CNBC, and partial interests in the
225 Weather Channel, A&E's History and Biography channels, NBC
226 Network News, "The Today Show," "NBC Sunday Night Football,"
227 "Meet the Press," and distribution rights to a library of
228 more than 55,000 TV episodes, not to mention the Universal
229 Pictures movie studio and distribution companies.

230 Many of the purported benefits of this proposed
231 combination have been framed in terms of when and where
232 subscribers will realize benefits. Some of the more widely
233 touted subscriber benefits put forward by the parties are
234 that Comcast cable TV subscribers will be able to see movies
235 more quickly after the first showing in theaters, or that
236 because of this transaction TV shows will appear faster on
237 subscribers' cell phones, video-on-demand web sites, and
238 other digital media platforms, and devices.

239 These "whens" and "wheres" are very important,
240 absolutely very important. And I am concerned about these
241 when and wheres, but I'm also equally concerned, however,
242 about what cable television, broadcast TV, news, public
243 affairs, religious and community programs, sporting events
244 and movie content will not be made available to subscribers

245 of Comcast's competitors, or to the competitors of Comcast's
246 new affiliates.

247 And will the same content that is offered to Comcast
248 broadband subscribers be made available to all broadband
249 users, regardless of whom they subscribe to for broadband
250 service?

251 Despite the critical importance of program access and
252 the equitable carriage of network affiliates on Comcast's
253 cable systems, the most important issue of access, as far as
254 I am concerned, the most important issue is minority
255 ownership.

256 As the largest media and information merger since AOL
257 and Time Warner which, incidentally, disrupts community
258 practices in the cable and broadcast TV programming in so
259 many markets, the significance of this transaction cannot be
260 underestimated.

261 This represents a real opportunity that minority
262 businesses and investors must not miss. They must be fully
263 engaged. And I am cognizant of the commitment that Comcast
264 made publically last month for increasing diversity of
265 ownership, and diversity in programming. Specifically,
266 Comcast plans on adding these channels over the next three
267 years. As you see that half of these channels are minority
268 owned or run represents an important and positive step for
269 increased minority ownership. I am delighted with the
270 developments.

271 However, Mr. Chairman, I think that minorities can and
272 will, and must have better seats at the board room table, and
273 not just in the movie theaters, and watching television in
274 their living rooms.

275 Mr. Chairman, this is an opportunity for us. And I
276 would say during the course of the last few months, I am
277 pleased and interested and somewhat delighted by the approach
278 that Comcast and NBC have made towards satisfying our
279 concerns. I'm still not satisfied. I'm still not there yet,
280 but I want you to know that without any changes, we're just
281 going to end up at the same place. And, Mr. Chairman, with
282 that, I yield back the balance of my time.

283 [The prepared statement of Mr. Rush follows:]

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285 *****INSERT*****

286 Mr. Boucher. Thank you very much, Congressman Rush. And
287 we're pleased to have joining us today a gentle lady from
288 California, Ms. Waters. She is a senior member of the House
289 Judiciary Committee, and while she does not serve on the
290 Energy and Commerce Committee, we're very glad to have her
291 here. She has strong interest in the subject matter we're
292 examining this morning. And, in fact, was a leading
293 participant in a hearing the House Judiciary Committee had on
294 this subject in Los Angeles earlier this year.

295 Ms. Waters, we're glad to have you here, and I'm pleased
296 to recognize you for your statement.

297 Ms. Waters. Thank you very much, Mr. Chairman. I
298 appreciate the opportunity that you've afforded me to come
299 here today to be a part of this hearing. I'm especially
300 appreciative to Congressman Rush for his assistance in making
301 sure that I could participate as a panelist here today. And
302 I'd like to thank all of my colleagues who are here today to
303 participate in what I think is one of the most important
304 hearings relative to media consolidation that we will have on
305 this issue.

306 Mr. Chairman, thank you for organizing this Field
307 Hearing, and, again, allowing me the opportunity to
308 participate. You're right, I have been involved with this
309 issue for quite some time now, and my interest was basically
310 triggered on June 7th, 2010 when the House Committee on the
311 Judiciary held a Field Hearing. Well, it was prior to that
312 time, but I've been in two hearings to date on this issue,
313 and I do have some concern. What I'd like to do is just take
314 a moment and try and explain what those concerns are, and why
315 I have those concerns.

316 Over the past couple of months, I've been active in
317 advocating for a process in the Federal Communications
318 Commission's review of this merger, the opportunities for
319 minorities in media have been severely limited as a result of
320 deregulatory policies, and large media consolidations. This
321 has concentrated our media industry into the control of a
322 mere handful of corporations, constraining opportunities for

323 minority ownership of media licenses.

324 While I'm not presently, and have not indicated direct
325 opposition to the Comcast-NBC merger, I do recognize it as a
326 critical opportunity for both companies to implement a plan
327 of action to address their shortcomings with respect to
328 minority inclusion within their programming, management,
329 ownership, and advertising activities.

330 Ultimately, these diversity considerations are taken
331 into account within the FCC's review proceedings. While both
332 the FCC and DOJ have the statutory authority to review new
333 mergers under our Federal Anti-Trust Laws, the FCC's process
334 allows for a more comprehensive public interest analysis,
335 including a deeply rooted preference for preserving, and
336 enhancing competition, and generally managing the spectrum in
337 the public interest, in the public trust.

338 Therefore, my concerns about this merger are based on
339 the potential impact on diversity, competition, and whether
340 consumers will enjoy diverse and alternative sources of news
341 and entertainment. From what we have gathered about the
342 companies' organizational structures, both Comcast and NBC
343 have a lot of work to do.

344 NBC Universal has 18 corporate executives, while two of
345 the 18 are minorities, including Ms. Paula Madison, who's
346 here today. Their primary responsibilities do not include
347 managing networks, and producing content. Despite Ms.
348 Madison's efforts to work with the key executives to promote

349 diversity throughout NBC Universal, the company continues to
350 fall short in setting tangible benchmarks, and achieving
351 results in increasing minority representation among its high-
352 level management and executive positions.

353 NBCU does not have any African American show runners
354 over its prime time, daytime, or late night programming.
355 This means African Americans are not in positions where they
356 oversee budgets, and the hiring of actors, writers, co-
357 producers, and technical employees. It is important to have
358 diversity in these management positions, because they create
359 employment opportunities for other producers, writers,
360 directors, and actors.

361 Similarly, NBC's Universal Studios do not employ
362 African Americans with the authority to decide which film
363 projects are ultimately given the necessary support to make
364 it to the big screen, that is green light.

365 The President and COO of NBC Universal Studios is a
366 white male. The President and Chairman of Universal Pictures
367 and Focus Features also white. Of the 21 films NBC Universal
368 Pictures released in 2009, only two simply had minority
369 leads. The overwhelming majority of NBC TV content is
370 produced by white individuals, or white-owned production
371 companies. The Presidents of all 12 of the NBC cable
372 networks are white. Ultimately, these individuals are
373 influential in deciding what show runners are hired to
374 produce the television shows that will air on these networks.

375 Thus, it is important to have sufficient minority
376 representation and programming to ensure diversity in content
377 the network produces.

378 Comcast Corporation also has problems with diversity and
379 inclusion. Only one of Comcast's 13 member Board of
380 Directors is an African American. Only two of Comcast's 28
381 corporate executives are African American. Comcast has 33
382 division executives, while three of these executives are
383 minorities, there are no African American division executives
384 listed on Comcast's website who head Comcast's programming
385 group.

386 When broken down further by each of Comcast's individual
387 cable networks, only one has an African American President,
388 and that is the Style network. There is one Latino
389 executive; however, he is responsible for advertising and
390 sales, not programming.

391 The barriers to ownership for minorities and women have
392 been studied by various universities and non-profit
393 organizations. Currently, TV One is the only United States
394 cable network with significant black ownership. That is
395 Video One, Alfred Liggins, President and CEO, owns 37 percent
396 of TV One. While Comcast carries the network on its mostly
397 widely distributed tier, it is worth noting that Comcast owns
398 33 states in TV One. In 2007, minorities owned just 3.2
399 percent of the United States television stations, despite
400 comprising more than 34 percent of the population.

401 In fact, of NBC's more than 200 affiliated television
402 stations, only one is black-owned. Ironically, while the
403 National Urban League and its chapters, among the first of
404 our nation's Civil Rights groups to support the merger, it,
405 too, released a study in 2005 detailing the broadcast
406 networks' failure to have diverse guests on their Sunday
407 morning news shows. The studies included that 60 percent of
408 the Sunday morning talk shows feature no black guest at all,
409 and that 78 percent of the broadcasts contain no interviews
410 with a black guest.

411 Therefore, when we discuss NBCU or Comcast's lack of
412 diversity, it is not merely isolated, or defined as the
413 absence of minorities in front of the camera. Credible
414 involvement of minorities start at the top, and trickles down
415 through every job or position that is necessary to produce
416 and distribute a television program, or motion picture.

417 Therefore, it is imperative that NBC Universal and
418 Comcast show its commitment to diversity, and negotiate, work
419 with those groups to come up with a substantive plan that
420 incorporates minorities in all aspects of its media
421 programming and distribution activities. This begins with a
422 strategy to extend opportunities for minorities in media
423 ownership, management, programming, and advertising.

424 Thank you, Mr. Chairman. And I yield back the balance
425 of my time.

426 [The prepared statement of Ms. Waters follows:]

427

428

*****INSERT*****

429 Mr. Boucher. Thank you very much, Ms. Waters.

430 Appreciate your statement this morning.

431 We now will recognize our panel of witnesses, and they
432 are here by invitation. The witnesses are here by invitation
433 only.

434 Mr. Feldman. Mr. Chairman, I had submitted to your
435 office a request to speak here.

436 Mr. Boucher. Sir, you're out of order. We are
437 recognizing our witnesses at the hearing at this time.

438 Mr. Feldman. I ask you, please, to reconsider. I have
439 testimony that I-

440 Mr. Boucher. Sir, I'm sorry. The witnesses are here by
441 invitation only. And we will now recognize our panel of
442 witnesses.

443 Mr. Jonathan Jackson is the national spokesperson for
444 the Rainbow PUSH Coalition, and is speaking today on behalf
445 of that coalition. Mr. Will Griffin is President and Chief
446 Executive Officer of Hip Hop OnDemand. Mr. Samuel DeSimone
447 is the General Counsel for EarthLink. Ms. Paula Madison is
448 Executive Vice President and Chief Diversity Officer of NBC
449 Universal. And Joseph Waz is Senior Vice President for
450 Comcast Corporation.

451 We welcome each of you, and without objection, your
452 prepared written statements will be made a part of the
453 record. We would welcome your oral summaries. And in the
454 interest of time, because we only have this room until 11:00

455 today, we would ask that you try to keep those oral summaries
456 to approximately five minutes. That will leave for us ample
457 time to take questions.

458 Mr. Jackson, we will be happy to begin with you.

459 STATEMENT OF JONATHAN JACKSON, RAINBOW PUSH COALITION; WILL
460 GRIFFIN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, HIP HOP
461 ONDEMAND; SAMUEL R. DeSIMONE, GENERAL COUNSEL, EARTHLINK;
462 PAULA MADISON, EXECUTIVE VICE PRESIDENT, CHIEF DIVERSITY
463 OFFICER, NBC UNIVERSAL; JOSEPH W. WAZ, JR., SENIOR VICE
464 PRESIDENT, EXTERNAL AFFAIRS AND PUBLIC POLICY COUNSEL,
465 COMCAST CORPORATION

466

467 STATEMENT OF JONATHAN JACKSON

468 Mr. Jackson. Thank you, Chairman. My name is Jonathan
469 Jackson. I'm the spokesperson for the Rainbow PUSH Coalition
470 here in my father's behalf, Reverend Jesse Jackson.

471 First I'd like to say good morning, Mr. Rush, Ms. Waters
472 and other members of the panel. I welcome this opportunity
473 to speak to you today concerning the proposed merger between
474 Comcast and NBC Universal.

475 In the context of economic emancipation, I ask what is
476 Comcast's return on investment in assisting the economic
477 empowerment of African American communities, and the
478 underserved communities?

479 In other words, why is it good business for Comcast to
480 address two of the nation's most important challenges; one,
481 creating jobs, and, two, helping to connect every American,
482 especially people that are marginalized in our country today,
483 to vitally needed news, information, and broadband internet
484 services?

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

489 An opportunity exists to create a new global media
490 platform now. The opportunity exists to create a new
491 minority-owned venture that can be empowered to create
492 sustainable opportunities now. Diversity should be a top
493 down priority in every aspect of the merger. The merger
494 should not hinder new media, but help support it by creating
495 new, more easily accessible technological platforms.

496 On to the point of ownership. There are three minority
497 owners in the Chicago market, controlling a total of three
498 stations, or less than 5 percent of all of the commercial
499 radio stations in Chicago; WJOB-AM 1230, is controlled out of
500 Hammon, Indiana-based Vasquez Development, a Latino-female-
501 owned company; WLTH-AM 1370, controlled by WLTH Radio, an
502 African-American-owned company; and WVON-AM 1690, controlled
503 by Chicago-based African American-owned Midway Broadcasting
504 Company.

505 In a city that's over 40 percent African American,
506 there's a dearth of media ownership happening in Chicago
507 today. What was old media -- what is new media is looking
508 more like more of the old media. I encourage you to let's
509 create the opportunity now, that the ship has now left the
510 station, so to speak. And what we're experiencing now is

511 less diversity than ever before.

512 I can recall growing up when we saw an African American
513 leading the news on CNN, we saw them at the White House years
514 ago, and today it's none. In the City of Chicago, we have
515 two, five, seven, nine, CLTV, what local networks that say
516 you're proud to service the African American community.

517 We know the power of images on television. Until those
518 persons that have the power assume the responsibility to
519 project positive images, how can a community develop and
520 sustain itself?

521 Some people need to be held accountable today. If we
522 look at the music industry, we look at the film industry, I
523 see that there's too much blame fixing on the children, and
524 on the parents. Those corporate titans that have the power
525 to shape the images, to shape the culture are not being held
526 responsible for the music that's being produced, and the
527 music that is being distributed. Some people would say
528 they're only fulfilling the current need, that if people
529 didn't like it, they wouldn't buy it. Well, if people don't
530 have a choice, they succumb to whatever is left before them.

531 That is what I would encourage you to do. Let's create
532 opportunities today. We're going through, if you will, the
533 third evolution, now into the fourth evolution of wireless
534 technology. This Committee has missed it all. We have food
535 banks for over 600,000 people do not have adequate supply of
536 food in the City of Chicago. That's a major issue. We have

537 broadband deserts where people cannot register online cannot
538 take classes online, cannot look up information online. In
539 the heart of Englewood, where we've seen something very
540 tragic happen just yesterday of another officer being killed
541 in as few as two months. So, gentlemen and ladies of the
542 Committee, I ask you to have that in your consideration. I
543 yield the rest of my time.

544 [The prepared statement of Jonathan Jackson follows:]

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546 *****INSERT*****

547

Mr. Boucher. Thank you very much, Mr. Jackson.

548

Mr. Griffin, we'll be happy to hear from you.

549 STATEMENT OF WILL GRIFFIN

550

551 Mr. Griffin. Thank you, Mr. Chairman and members of the
552 Committee, Congresswoman Waters, nice to see you again.
553 Congressman Rush. Thank you for the opportunity to appear
554 before you today to discuss the proposed combination of
555 Comcast and NBC Universal, and who benefits from it.

556 By way of background, I have seen the inner workings of
557 most of the major media companies. While in law school, my
558 faculty advisor was current Deputy Commerce Secretary, Dennis
559 Hightower, who was the first African American President of
560 Walt Disney Television. As the Director of the Harvard
561 Consultation Project, I was advised by former Motown
562 Chairman, Clarence Avant, who opened the door of access into
563 the CEOs of the major record labels which started my career
564 in the media industry.

565 Subsequently, at McKinsey & Company's entertainment and
566 media group, I worked on project at Time Warner during its
567 post-merger integration with Turner, and I remember a
568 discussion with AOL and Time Warner the same discussion,
569 which was lack of broadband access, lack of diversity, and it
570 was going to be the end of life as we knew it for all media
571 companies, and it didn't work out for AOL for all practical
572 purposes. I think all those intentions didn't come to pass.

573 But, subsequently, I joined News Corporate in the
574 Strategy and Marketing Group, and for the past 10 years I've

575 been an entrepreneur in African American media producing film
576 with Reuben Cannon and Bishop TD Jakes, and ultimately
577 running a film and television production company in
578 partnership with Russell Simmons and Stan Lathan, where we
579 created and launch Hip Hop OnDemand on Comcast five years
580 ago.

581 These experiences have led me to support this joint
582 venture with Comcast as the controlling partner for two
583 overwhelming reasons. First, Comcast has the best
584 Infrastructure of Inclusion to build upon in the media
585 industry. And, two, African American consumers and policy
586 makers have more potential leverage over Comcast than any
587 other media company. I do not come to this conclusion
588 lightly, because there is no doubt that the history of
589 African Americans and media consolidation creates a visceral
590 negative reaction to any merger or consolidation.

591 When I watch Congresswoman Waters' hearings or
592 Congressman Rush president over the legislation for Wall
593 Street reform to insure the Side Streets and main street are
594 protected from the excesses of Wall Street, I applaud.
595 Likewise, I applauded the field hearing in June in Los
596 Angeles, and I believe this hearing is vitally important,
597 because I remember sitting in my dorm room in 1992 when Bill
598 Cosby expressed his desire to buy the NBC network, a network
599 that he turned around with African American programming, and
600 was told it was not for sale. It begged the existential

601 question, "Why?"

602 Many African Americans remember when Fox launched with a
603 focus on African American programming. They had iconic shows
604 like Queen Latifah in "Living Single," "Martin," "Roc", "New
605 York Undercover." Then through a series of acquisitions,
606 mergers, stock swaps and expansions into Fox News, the
607 company has morphed into the monstrosity that we see today.
608 From Queen Latifah to Glenn Beck. Why?

609 More recently, when Viacom's UPN and Time Warner's the
610 WB merged, the first casualties were the African American
611 shows, "Girlfriends," "Eve," "All of Us," "Everybody Hates
612 Chris," that made up the bulk of UPN's line-up. Why?

613 Here's my answer; because advertisers have only been
614 willing to pay for a limited amount of African American
615 impressions, and will not pay for every African American view
616 generated. It is why African American icons like Chicago's
617 legendary Johnson Publishing with Ebony/Jet are in decline,
618 and it should be the subject of future hearings. We are just
619 a few blocks from many of the companies that control the main
620 source of revenue in the media industry, and I think that
621 they should be held accountable. That's necessary if we are
622 to remove the primary barrier to growth and sustainability in
623 minority media companies. Your intervention and oversight of
624 the advertising industry is sorely needed.

625 This is true of my own experience with Hip Hop OnDemand.
626 At about the same time that we launched on Comcast, three

627 other African American channels also entered into long-term
628 distribution agreements with Comcast, Video OnDemand, Quincy
629 Jones III's channel, and TV One. Two of the other companies
630 quickly folded because they couldn't secure advertisers.
631 Fortunately, we had General Motors, the Coca Cola Company,
632 and Reebok as charter sponsors. Then foreign-owned Adidas
633 acquired Reebok and zeroed out their African American
634 marketing budget. Then GM experienced their problems, came
635 to Congress to bail them out, and re-emerged to
636 profitability, and they have not come back to our channel,
637 despite the fact that we have experienced viewership growth
638 in each and every quarter. If my company was paid for every
639 one of the 500 million potential ad impressions generated, I
640 could have made my own run at NBC.

641 The root of the problem is this, advertisers'
642 unwillingness to allocate minority marketing budgets in
643 proportion to viewership ratings, which brings me to why I
644 supposed this transaction.

645 Comcast has the best Infrastructure of Inclusion to
646 build upon in the media industry. Some of the very systems
647 at the core of the Comcast media empire were birthed by
648 African American media owners. The Washington D.C. cable
649 system was founded by Bob Johnson, and funded by Herb Wilkins
650 and Syncom. Syncom in Chicago, along with John Johnson and
651 George Johnson, founded the forerunner of Comcast's current
652 Chicago Cable System. When the question is posed, "who

653 benefits," I think this history is important to note. This
654 effort is all the more significant that a city founded by
655 African Americans was the first to put broadband access
656 within the reach for so many African Americans. Chicago was
657 the first of the Comcast markets to go all digital. Analog
658 boxes were able to be traded in for digital boxes at no
659 additional cost to the consumer. This is particularly
660 relevant to African Americans, because broadband access was
661 considered an additional expense. When the digital boxes
662 came in, it became easy to buy broadband access as part of a
663 bundle, which I believe has contributed to helping increase
664 broadband access in Chicago.

665 Chicago is very unique in the United States in that
666 respect in terms of the digital divide and the ability to use
667 cable to get broadband access into African American homes.
668 As more cable boxes are rolled out in other markets it will
669 help bridge the digital divide.

670 So, I think this history of Comcast corporate structure
671 with African Americans is important, because I liken this
672 corporate family tree to the Thomas Jefferson/Sally Hemming
673 descendents, it's in your DNA, you might as well embrace it.

674 I believe they have. I listened with great interest at
675 the Field Hearing on June 7th, and I also listened with great
676 interest to Congressman Rush's Opening Statement in a March
677 hearing with FCC Chairman on the National Broadband plan and
678 its omission of potential benefits to Small and Minority-

679 owned businesses.

680 In 2007, when Comcast allowed all of its Chicago analog
681 subscribers to trade in their boxes, I believe they started
682 going in the direction of what you were asking them in terms
683 of the National Broadband plan. True, it's only a start, and
684 more can be done, but I think this will be a big help in that
685 direction.

686 In minorities, there are substantial minorities in
687 management positions among its tens of thousands of minority
688 employees in Comcast. Moreover, in each of the last five
689 years, that number has continued to grow at a rate greater
690 than that of whites in the corporate structure. The minority
691 composition is vastly superior to any other media company,
692 and is eons ahead of the advertising, telecommunications, and
693 financial services industries. That context is extremely
694 important when we evaluate Congresswoman Waters' numbers,
695 because what she's saying is true. But I think if you begin
696 to look in terms of the direction of where Comcast is going,
697 it's headed in the right direction.

698 I'd also like to highlight some examples of how having
699 thousands of minorities in leadership positions at Comcast
700 has been invaluable to me as an African American media owner.

701 When we launched along with three other channels, it was
702 because Comcast Corporate Vice President, Payne Brown, came
703 to dozens of African Americans in the creative community to
704 educate us on the video on demand platform, and the multi-

705 billion dollar investment that Comcast was making to become
706 the industry leader in VOD. When we saw the ability to get
707 distribution and programming directly to our core viewers, we
708 were one of the few who actually raised the capital, and
709 secured the advertisers to pursue the opportunity. Once we
710 were on the platform, we began to market our channel and get
711 support from the African American General Managers, who run
712 the cable systems here in Chicago, Washington, D.C., Houston,
713 South Florida, and the entire Western Region of the United
714 States, are run by African American General Managers at
715 Comcast. It is no coincidence in the markets with the larger
716 African American populations, and African American GMs are
717 our top performing markets. As part of our ongoing process
718 of making viewers aware of our channel, we have supplied
719 information to Comcast's customer service teams, who are
720 largely African American, and supervised by an African
721 American female Senior Vice President, it helps when
722 explaining our channel to subscribers.

723 The result is that according to a study conducted by
724 Starcom Media Group, African Americans are more than twice as
725 likely to use VOD than any other demographic.

726 Mr. Boucher. Mr. Griffin, you have exceeded your
727 allotted time. Now, if you could just wrap up, we would
728 appreciate that.

729 Mr. Griffin. Sure.

730 Mr. Boucher. We will come back to you for questions.

731 Mr. Griffin. Sure. Well, I was reading the pages, but I
732 believe the proposed Comcast-NBCU joint venture is a step in
733 the right direction. Thank you.

734 [The prepared statement of Mr. Griffin follows:]

735

736 *****INSERT*****

737

Mr. Boucher. Thank you very much, Mr. Griffin.

738

Mr. DeSimone.

739 STATEMENT OF SAMUEL DeSIMONE

740

741 Mr. DeSimone. Good morning, Chairman Boucher, Chairman
742 Rush, Representative Waters. Thank you for inviting me to
743 testify today on behalf of EarthLink.

744 EarthLink is one of the national's largest, oldest
745 independent internet service provider. And by independent,
746 we're not affiliated with facilities-based provider of
747 telephone, cable, or satellite services. We serve nearly 2
748 million customers nationwide with dial-up, broadband, and
749 other internet services, and frequently receive awards for
750 our customer service innovation.

751 I appear today to urge that the approval of the proposed
752 merger between Comcast and NBC be conditioned on Comcast's
753 entering into contractual arrangements with independent ISPs,
754 like EarthLink, for wholesale, non-discriminatory broadband
755 access, services at reasonable rates and terms.

756 Since EarthLink's founding in the dial-up in the mid-
757 1990, our mission has always been to provide consumers a
758 fast, unfiltered direct connection to the content of the
759 entire World Wide Web. EarthLink is one of the only ISPs out
760 of thousands that offered dial-up access business that has
761 been competing in the broadband market during the last
762 decade.

763 As we look at the emerging broadband services and the
764 proposed merger, we believe independent ISPs can and should

765 play an important role in the broadband marketplace. The
766 proposed merger would significantly change the US media and
767 internet landscape. A dramatic increase in the scope and
768 scale of Comcast's control over the programming and content,
769 combined with its dominant gateway control of the broadband
770 network raises the risk that this will result in less
771 competition, less consumer choice, decreased information
772 diversity, reduced broadband investment and higher cost for
773 consumers.

774 The merger will create even broader economic incentives
775 for Comcast to deny wholesale broadband access to competing
776 ISPs. These enhanced incentives will flow from Comcast's
777 need to protect the incumbent cable and anything you have to
778 protect the growth of online video. It is reasonable to
779 expect the push for Comcast to address these online stresses
780 and formulate a business strategy, such as, one, tying
781 consumer access to online content to a cable TV subscription
782 so that the two can either break the bundle or cut the cord.

783 Two, engage in broadband network practices that discriminate
784 against competing online video distributors. Three, withhold
785 information involving rivals from Comcast and NBC affiliated
786 programming and content. Four, enforcing conceptual
787 description of the current cable carriage agreements that
788 prevent video programmers from offering further linkages to
789 other online competitors. Five, increasing the slice of
790 broadband access especially in areas where it's the only

791 high-speed provider to discourage its use for online video.

792 Whether distinctly or in combination, these strategies
793 would harm consumers by forcing them to purchase bundles of
794 services they do not need or want, and at higher prices for
795 Wholesale Broadband Access Service. U.S. consumers would
796 have more choices of broadband providers to access this new
797 generation of internet services.

798 In these difficult economic times, this choice would
799 give consumers the option to break the bundle and purchase
800 only the services they need. Independent ISPs will have
801 strong incentives to bring consumers independent video
802 without bundling of services that dominates the market today.

803 In such an environment, a diverse array of independent video
804 programmers will also benefit because independent broadband
805 ISP will have no incentive to restrict access to their
806 programming. The resulting competition for content diversity
807 will help keep cable prices in check.

808 These arrangements should be modeled on our successful
809 arrangement with Time Warner Cable. Our original agreement
810 with Time Warner arose from conditions imposed by the FCC on
811 the AOL-Time Warner merger in 2000, under which Time Warner
812 grants us the right to provide our award-winning service to
813 consumers over their cable network, and in exchange we pay a
814 mutually agreed upon fee to Time Warner. This agreement was
815 renewed in 2006, and continues to be mutually beneficial
816 today. We have found that bringing consumers a valuable,

817 competitive alternative helps drive broadband adoption and
818 usage.

819 EarthLink's recommended solution is simple, narrow, low-
820 cost, easy to implement, and has already proven to be
821 effective in the marketplace. EarthLink believes competition
822 would help U.S. consumers fully realize the power of
823 diversity, and the possibilities of the internet. Thank you,
824 and I look forward to your questions.

825 [The prepared statement of Mr. DeSimone follows:]

826

827 *****INSERT*****

828

Mr. Boucher. Thank you very much, Mr. DeSimone.

829

Ms. Madison, we'll be happy to hear from you.

830 STATEMENT OF PAULA MADISON

831

832 Ms. Madison. Thank you. Chairman Boucher,
833 Representatives Rush, Buyer, and Waters, it's a pleasure to
834 be here today in Chicago to discuss the Comcast-NBC joint
835 venture.

836 As the home of two iconic African American-owned media
837 businesses, a professional and personal friend and hero of
838 mine, the late, great Vernon Jarrett, the Dean of Black
839 Journalism, the windy city is a fitting backdrop for today's
840 hearing.

841 My written statement discusses in great detail the
842 consumer- and innovation-related benefits of the deal, so I'd
843 like to use my opening statement to highlight another
844 important issue, the positive impact that this transaction
845 will have on diversity.

846 Although I currently serve as the Chief Diversity
847 Officer for NBCU, and report directly to our President and
848 CEO, Jeff Zucker, my career with the company began more than
849 two decades ago in the newsroom as an Assistant News Director
850 at WNBC, our flagship station in New York City.

851 As I rose through the ranks of NBCU to become the first
852 African American female President and General Manager of KNBC
853 in Los Angeles, I experienced first-hand the company's
854 commitment to diversity. During those years, I also made it
855 a personal and professional priority to recruit, cultivate,

856 and promote talented executives of color, so when Jeff Zucker
857 approached me in 2007 about leaving the helm of KNBC to
858 assume the role of Chief Diversity Officer, it was an
859 opportunity that naturally complemented my career in the
860 company.

861 I decided to take on the new challenge, not because I
862 needed to, but because I believe in NBC Universal, and remain
863 deeply committed to helping people of color, both new hires,
864 and existing executives succeed in the media and
865 entertainment industry.

866 One powerful example of the diversity issue within our
867 company is my dear friend, Celia Chavez, the dynamic
868 President and General Manager of WSNS Telemundo here in
869 Chicago, who's here with us today. A 22-year veteran of the
870 television business, Celia joined Telemundo in 1995, and has
871 served in senior leadership roles in several major markets
872 across the country, including Los Angeles, San Antonio, Los
873 Vegas and Denver.

874 Since joining WSNS here in Chicago, Celia has launched
875 several new programs, including Hablando Claro, Speaking
876 Clearly, a public affairs show focused on helping Chicagoans
877 improve their daily lives. This city, NBC Universal, and
878 Telemundo are all lucky to have Celia on their team.

879 On the issue of diversity, enormous progress has been
880 made in the five months since Mr. Zucker and Mr. Roberts
881 testified at length before this Committee. Through a

882 longstanding ongoing open dialogue, we've made real progress
883 in addressing important issues raised by organizations
884 representing communities of color, as well as some concerns
885 members of Congress, as you heard here today.

886 In early June, as an outgrowth of these talks and our
887 own internal discussions, Comcast-NBCU announced a
888 comprehensive series of formal joint diversity commitments
889 covering a wide range of areas, workforce recruitment and
890 career development, supplier diversity, media ownership,
891 programming, and community investments and partnerships.

892 In recent weeks, these important careers have been
893 supplemented by an agreement among Comcast-NBCU, and several
894 prominent organizations, including the National Council for
895 La Raza, the Hispanic Association on Corporate Responsibility
896 and the National Hispanic Media Coalition.

897 I'd like to take a minute to draw your attention to some
898 key details of the joint diversity commitments, which are
899 attached in full to Joe Waz's testimony. Although I hope
900 you'll have an even closer look at these documents, which I
901 have here with me in order to better understand the depth and
902 breadth of the commitments, let me point out some of the
903 highlights of this document.

904 At their core, these commitments not only build upon the
905 success of past efforts at NBCU, but break new ground.
906 Whether it's the establishment of four new external diversity
907 councils to advise senior management, or the commitment to

908 increase diversity among executive ranks with the assistance
909 of professional search firms with proven track records of
910 success, or the continued expansion of the geographic
911 footprint in original programming budgets at Telemundo, or
912 the significant increases in minority procurement and
913 community philanthropic investments. These deal includes
914 concrete and tangible benefits for those who, like me, care
915 deeply about diversity.

916 As a veteran of the broadcast news business, I also want
917 to mention the positive impact the Comcast-NBC new joint
918 venture will have on free over-the-air broadcast television
919 and news. By permitting to invest going forward in Telemundo
920 and NBC News owned and operated stations, Comcast is clearly
921 demonstrating its willingness to support this important
922 industry, which millions of families, a disproportionate
923 percentage of whom are low-income and minority, continue to
924 rely on for their news, weather, sports, and entertainment
925 programming.

926 This deal does not resolve all of the unanswered
927 questions, or solve every problem industry faces, but one
928 thing is clear. It is an important and significant step in
929 the right direction. As Vernon Jarrett famously said in his
930 last column before retiring, the struggle goes on. And just
931 as I have for the past 20 plus years, I remain committed to
932 continuing an open dialogue with anyone and everyone who is
933 willing to work collaboratively and productively with NBC

934 Universal, and the industry as a whole, as we take positive
935 strides forward in advancing the cause of diversity. I look
936 forward to answering the Subcommittee's questions. Thank
937 you.

938 [The prepared statement of Ms. Madison follows:]

939

940 *****INSERT*****

941

Mr. Boucher. Thank you very much, Ms. Madison.

942

Mr. Waz.

943 STATEMENT OF JOSEPH WAZ

944

945 Mr. Waz. Chairman Boucher, thank you, and thanks again
946 for the opportunity to be here with you and your colleagues
947 this morning.

948 You presented the topic of this hearing in the form of a
949 question: "Comcast and NBCU Universal: Who Benefits?" I
950 appreciate the opportunity to answer that question.

951 I believe that the benefits of this transaction will
952 promulgate to the nation's economy, to all subscribers,
953 multi-channel video services, whether for Comcast or our
954 competitors to all who rely on over-the-air broadcasting, to
955 independent programmers, to creators of color, and to many,
956 many others. I'd like to use my time to summarize some of
957 these benefits.

958 By bringing together content and distribution in this
959 transaction, we see significant opportunities to grow our
960 businesses, and to preserve and grow jobs in this sluggish
961 economy. As our Chairman and CEO, Brian Roberts, has said on
962 a number of occasions, "this transaction is a bet on America
963 at a time when few such bets are being placed."

964 Consumers will benefit because this transaction will
965 accelerate the anytime, anywhere digital video future the
966 consumers want and demand. All consumers will benefit
967 because as Comcast becomes more innovative, our competitors
968 in satellite, phone company, and other video providers need

969 to innovate, too.

970 As Ms. Madison explained, this transaction will benefit
971 households that rely primarily on over-the-air broadcast TV,
972 which are disproportionately minorities, senior citizens, and
973 low or fixed income. Although broadcasting is a challenged
974 business, we have committed to invest in NBC and Telemundo to
975 make them stronger and to make the services continue to meet
976 the needs of over-the-air viewers, and all viewers.

977 Independent content providers will also benefit. We can
978 never possibly serve the needs of all viewers solely with the
979 content that this company will own. This transaction will
980 help open up new opportunities on our OnDemand and online
981 platforms, as well as our traditional cable platform, that
982 we'll be pleased to discuss. And we hope that this will make
983 possible many more success stories like those of Will Griffin
984 and other independent content creators and entrepreneurs.

985 In addition, we committed to add 10 new independently
986 owned and operated cable networks over the next eight years,
987 and we will dedicate most of those new opportunities to
988 channels that are already owned and controlled. Moreover, as
989 NBCU divests one of its Los Angeles television stations, it
990 has committed to do its best to insure that a minority owner
991 will acquire this station. And in the event that any future
992 divestitures of broadcast or cable assets, we will take
993 special steps to seek minority purchasers.

994 Diverse communities across America will benefit. We

995 have set a series of diversity goals in procurement,
996 employment, governance and philanthropy to build on our
997 current records, to help implement and monitor these
998 initiatives. As Ms. Madison mentioned, we will establish a
999 joint diversity council to work collaboratively with our
1000 combined companies. The joint council will comprise councils
1001 representing the African American, Hispanic, and Asian
1002 Pacific Islander communities, and a fourth council to include
1003 representatives of veterans, the LGBT community, and people
1004 with disabilities, among others.

1005 Labor unions and guilds who produce creative content
1006 will benefit. We have reached out to them to convey our
1007 commitment to honor existing collective bargaining
1008 agreements, and we are grateful for the favorable comments on
1009 our joint venture for the Teamsters and the Directors Guild
1010 of America. Also benefitting in the transactions and parents
1011 and care givers, minority entrepreneurs, and new technology,
1012 and many others. And I hope to be able to say more about
1013 this during question time.

1014 Many of the public interest benefits I described flow
1015 organically from this transaction. Others are the result of
1016 discussions we've had over the last six months with
1017 responsible organizations and leaders who have thoughtfully
1018 raised their concerns, and worked with us in good faith to
1019 address them. For example, as Mr. Buyer has noted, we had
1020 discussions with NBC network affiliates and non-NBC

1021 affiliates. They wanted to ensure that our commitments were
1022 sincere and we have reached a firm that they believe that.
1023 We've also met with diversity leaders, independent producers,
1024 and many others. We have reached a number of mutually
1025 satisfactory agreements with various stakeholders, and hope
1026 to announce more in the coming weeks.

1027 I think this shows how Comcast has always approached our
1028 business and our public interest responsibilities through a
1029 willingness to have open dialogue with reasonable people
1030 about legitimate concerns. And we always sought resolutions
1031 that are good for all sides.

1032 Mr. Chairman, I'd like to close by noting the massive
1033 record of support for transaction at the FCC. As of last
1034 Friday, over 860 organizations and leaders, including 84
1035 members of Congress, eight governors, over 115 state
1036 legislators, over 40 mayors, and countless Chambers of
1037 Commerce, civil rights, civic and community organizations
1038 have filed supportive comments. More than 100 of these
1039 filings came from Greater Chicago, and, Mr. Chairman, with
1040 your permission, I'd like to ask that they be made part of
1041 the record.

1042 Mr. Boucher. Without objection, that will be included in
1043 the record.

1044 Mr. Waz. Thank you, sir.

1045 Mr. Boucher. Does that conclude your testimony?

1046 Mr. Waz. One last comment, if I may.

1047 Mr. Chairman, I'm also pleased to share with you, with
1048 Mr. Rush's and your acquiescence a letter that our Executive
1049 Vice President and Chief Diversity Officer, David Cohen, has
1050 sent to Congressman Rush. The letter summarizes some further
1051 refinements of our diversity commitments that were brought up
1052 in our discussions with Congressman Rush. We also continue
1053 to discuss certain concerns that Congresswoman Waters has and
1054 were brought to our attention, as well.

1055 And we've very excited about this transaction. Thank
1056 you for the opportunity to share our views, and now I do look
1057 forward to your questions.

1058 [The prepared statement of Mr. Waz follows:]

1059

1060 *****INSERT*****

1061 Mr. Boucher. Mr. Waz, thank you very much. And thanks
1062 to each of our witnesses for sharing your views with us on
1063 the matter this morning.

1064 I have just a couple of questions. Mr. Waz, I know that
1065 Comcast, as part of its voluntary undertaking on diversity
1066 matters has committed to add at least two independently owned
1067 channels to its lineup in each of the next three years. And
1068 it's also committed that at least half of those channels will
1069 have substantial minority ownership interest. Is it your
1070 intent to put those independently owned channels on all the
1071 Comcast cable systems, or only on part of them?

1072 Mr. Waz. Mr. Chairman, first of all, let me begin by
1073 just updating the commitment as we continue to have
1074 discussions with our diversity organizations, and the
1075 agreement we have reached with the Hispanic Leadership
1076 organizations.

1077 We plan to enhance the commitment so that we're now
1078 prepared to add 10 independently owned and controlled
1079 channels over a period of eight years. We intend for four of
1080 those to be owned by the Latinos. And per the letter that we
1081 were sharing with Mr. Rush this morning, we have also
1082 committed to make a minimum of four of those channels,
1083 channels that are owned and controlled by African Americans.

1084 We intend to give them substantial carriage according to
1085 what I'll call customary terms and conditions in the
1086 industry. Each new network needs an opportunity to establish

1087 itself, and we've worked with - I'll give you an example of a
1088 network in which we had an ownership stake, and that is TV
1089 One.

1090 I think TV One stands out as, actually, exactly the sort
1091 of opportunity that Congresswoman Waters and others are
1092 pointing to, which is what can a company, a significant media
1093 company do to help promote media ownership, media
1094 distribution opportunities for African American programming?

1095 And I think as he was alluding in his testimony in Los
1096 Angeles, he stated how important and how sincere the Comcast
1097 commitment was to help them grow that effort.

1098 Even that network at conception did not appear on all
1099 Comcast systems. And even today, we continue to add it on
1100 Comcast systems. So, I would anticipate in each case with
1101 each of these networks that we talk with, we will reach terms
1102 and conditions for appropriate levels of introduction of
1103 these new networks in markets as appropriate across the
1104 country.

1105 Mr. Boucher. Well, I guess my question is, have you
1106 determined what markets are appropriate, and what assurance
1107 do we have that while the commitment you have independently
1108 come to, for example, minority ownership interest in a number
1109 of these channels, new channels added, that we are given to
1110 understand that there are actually going to be carried on a
1111 very large majority of your cable systems. Can we get that
1112 assurance?

1113 Mr. Waz. I can assure that we intend to work with each
1114 independently owned channel, just as we work with several
1115 other new independently owned channels, more than a dozen of
1116 whom I believe have put letters on the record with the FCC
1117 saying that it's independently owned and operated channels.
1118 They work very successfully with Comcast in order to do this.

1119 Mr. Boucher. Okay. Let me ask you another question. As
1120 was indicated by Mr. Jackson in his testimony earlier, there
1121 is a notable lack on major networks of prime time programming
1122 with a minority presence. And we don't have anything on any
1123 of the big four networks today that remotely resembles the
1124 "Cosby Show," for example.

1125 I'm wondering if the diversity commitments that you have
1126 voluntarily made, which I view as extensive, would serve to
1127 increase diversity programming on prime time network
1128 programming, in your opinion?

1129 Mr. Waz. I'm hopeful that that will be among the many
1130 salutary results of -- if I may, if I can defer to Ms.
1131 Madison, who will offer her opinion.

1132 Mr. Boucher. Ms. Madison, do you care to comment on
1133 that?

1134 Ms. Madison. Yes, Mr. Chairman.

1135 We entered into an agreement back in 2000 with four
1136 external watchdog groups, and we've been reporting up to them
1137 annually, and quarterly, actually, for the past three years.

1138 In that time period, we have continued to add diversity both

1139 up front and behind the counter. There's no question that
1140 the industry has a long way to go, and this is not a
1141 situation that's limited to just NBC Universal. But having
1142 said that, and specifically regarding the "Cosby Show," we
1143 have at NBC Universal increased the numbers of on-camera
1144 actors who are diverse year over year, so much so that this
1145 season coming up beginning in September, we have our most
1146 high-profile new drama called "Under Cover," which has two
1147 blacks as the leads in the show. There's a cast of four
1148 people, of that cast, two are leads, one is also African
1149 American, who is also in that cast, and there's one white
1150 male. We also have the President of the United States cast
1151 as an African American in a lead role in another program
1152 called "The Event." And we also have a famous actor, Jimmy
1153 Smits cast as a former Supreme Court justice in another one
1154 of our major dramas that's called "Outlaw." So, we are
1155 moving -

1156 Mr. Boucher. So your answer is, the trend is positive.

1157 Ms. Madison. Yes, it is.

1158 Mr. Boucher. And we would see this confirmation on the
1159 voluntary commitments that it entails as, perhaps,
1160 accelerating that trend?

1161 Ms. Madison. Yes. I think that's reasonable.

1162 Mr. Boucher. Mr. Griffin, let me ask a question of you.

1163 As I'm sure you're aware, NBC, you, and Comcast have made a
1164 number of voluntary commitments respecting diversity in the

1165 areas of corporate governance, employment, procuring
1166 programming, et cetera. You support the confirmation. Is it
1167 your view that these voluntary commitments might encourage
1168 other media companies to step up and follow suit? Could we
1169 expect this to become an example that other media companies
1170 might be expected to follow?

1171 Mr. Griffin. Yes. I think that's the secondary benefit,
1172 but I think the primary benefit would be among advertisers
1173 and private equity and venture capitalists, because they will
1174 step up and say there is a distribution commitment to this
1175 type of programming. And then they will come into the market
1176 and say if it's over a decade, and we know we can invest our
1177 client's money into these companies and then they will get
1178 support, that's a direct benefit to the industry and the
1179 programming.

1180 Mr. Boucher. All right. So that level of investment
1181 would increase the volume of independent programming that
1182 might encourage, entice some of the other media companies,
1183 but select the programming they think is the most attractive
1184 and appealing. You have more volume and more companies might
1185 be willing to accept your content. Would that be a fair
1186 conclusion?

1187 Mr. Griffin. Supply and demand.

1188 Mr. Boucher. Mr. Jackson, would you care to comment on
1189 these letters?

1190 Mr. Jackson. Well, yes. I'd like to share with you that

1191 I tried to purchase Eye on Media this past December when they
1192 were in bankruptcy. I went in with a hedge fund to purchase
1193 the debtor in possession paper. The current management had
1194 offered \$150 million. Our package was \$250 million, at which
1195 time we went through appeal, and went through the courts in
1196 the New York area, and there were aggressive bankruptcy
1197 practices issues that they had. And we were unsuccessful.

1198 But here's another case where minorities, and I was
1199 leading the group, showed up with more money than the current
1200 organization that failed in its operation of 64 radio and
1201 television stations, but we could not have equal access. So,
1202 I'm just a little bit concerned about the conversation that's
1203 happening now, because I'm not really concerned talking about
1204 diversity, I'm talking about equal opportunity in that access
1205 to stations that affect the public interest.

1206 What I'm talking about is equal opportunity, not
1207 diversity. I think it would be too much of a burden to place
1208 upon the owners of Comcast and NBC to have, to be able to
1209 select philanthropy. I think there's enough entrepreneurs in
1210 the community that like to shape our own destiny without
1211 having someone else that needs to work up the bottom line for
1212 their company to be concerned about how they will diversify.

1213 If we had access to ownership, we can diversity ourself. We
1214 can hire, and we can reverse diversity where blacks can hire
1215 Caucasians, or not necessarily Caucasians have to put blacks
1216 in front of the screen. I think that's very important.

1217 And I will tell you that in Chicago, a community that's
1218 over 50 percent female, there's less than 6 percent ownership
1219 in television and radio by females. So, in order to move
1220 America forward, I think women and children have to have a
1221 place on the agenda. So, it's not about getting a black on
1222 the screen, or whatever. It's also effecting what the
1223 demographics are.

1224 I've seen more fictitious programming on a child that
1225 was not in a balloon, dealing with CNN and everybody running
1226 their programming that over 50 million Americans facing
1227 hunger, more than a million American students going to school
1228 that are technically described as homeless by the Department
1229 of Education, so where's the real news, where's the real
1230 content coming from, not just the window dressing. So, I
1231 would like the conversation to be about opportunity, not
1232 philanthropy, not about just diversity, but about the
1233 divestiture, so we can have equal opportunity, and equal
1234 access to create more.

1235 Mr. Boucher. Okay. Thank you very much. My time has
1236 expired.

1237 The gentleman from Indiana, Mr. Buyer, is recognized.

1238 Mr. Buyer. Mr. Jackson, you kind of pulled me in. Do
1239 you want me to believe that minority ownership directly
1240 relates to minority programming? Is that what you want me to
1241 believe?

1242 Mr. Jackson. That minority? Say it again, I'm sorry.

1243 Mr. Buyer. Minority ownership directly relates to
1244 minority programming.

1245 Mr. Jackson. Could you further explain?

1246 Mr. Buyer. No, is that the statement that you want me to
1247 believe based on your statement?

1248 Mr. Jackson. Yes. Correct.

1249 Mr. Buyer. And in order to achieve that, are you saying
1250 that we're to ignore economics principles?

1251 Mr. Jackson. No.

1252 Mr. Buyer. Okay. And if we say no, then how is it
1253 achieved? It's almost like with Mr. Griffin, your testimony.

1254 I was following you all the way up to where you made your
1255 comment, "If my company was paid for every one of the 500
1256 million potential ad impressions, I could make my own run at
1257 NBC." Well, that's if everyone would buy every widget every
1258 manufacturer made in my congressional district, they'd make a
1259 lot of money. I mean, I don't know how -- I know I followed
1260 you all the way up until you made that statement, I want you
1261 to know.

1262 I also want to put this on the record, Mr. Griffin. I
1263 want to congratulate you. I think you've had an
1264 extraordinary career. And I read your statement last night.

1265 I've also followed you, so I want publicly to say, and I
1266 wanted to take the opportunity to say it personally, that I
1267 respect you, and congratulate you on your career.

1268 Mr. Griffin. Thank you.

1269 Mr. Buyer. Your statement with regard to some of the
1270 programming with regard to -- that fell out, "Girlfriends,"
1271 "Eve," "All About Us," "Everybody Hates Chris," there is
1272 something else in the marketplace, is there not, Mr. Griffin,
1273 that the total audience reach must be great enough to cover
1274 the cost of production. Isn't that a basic in your business?

1275 Mr. Griffin. Yes.

1276 Mr. Buyer. Yes. And if it doesn't work, they're going
1277 to cancel the show. That happens a lot, doesn't it?

1278 Mr. Griffin. Well, yes, but there are three parts of
1279 this. One part is the cost of the programming. The other
1280 part is the availability of distribution, and then the third
1281 is revenue generate, or here's the profit.

1282 Here's the problem. When you have a success, like when
1283 you have a "Seinfeld," you make a -- if there are 10 million
1284 viewers, advertisers will pay you for all 10 million viewers.
1285 If you have "A Different World," which was as big as
1286 "Seinfeld," but it was on and 10 million viewers, advertisers
1287 were only paying you for 8 million, because the African
1288 American budget stops at a certain amount, so the minority
1289 budgets at advertisers are smaller, which means their money
1290 runs out, so you don't get paid the same. So, you're
1291 actually being paid less money per viewer than you would for
1292 a white household because the budgets are smaller. And what
1293 that means is there's a defect in the market.

1294 Now, when there are market defects, it creates

1295 opportunities for some people to take advantage of. What
1296 we're trying to say, what we've been saying to Comcast, at
1297 least on the OnDemand platform, what should be independent
1298 areas, and what independent is, there is an opportunity now
1299 to capture more of that market because of the defect, but in
1300 order to solve the defect, we have to go to advertisers and
1301 get them to commit to pay us for every view or impression
1302 generated. I mean, what you're saying is a textbook
1303 argument, which is hey, not enough money, cancel the show.
1304 Yes, but the issue, you know, I think Congresswoman Waters
1305 said it, why isn't there enough money. Because Coca-Cola,
1306 General Motors, Johnson & Johnson will not pay for every
1307 African American impression. That's the bottom line.
1308 There's a defect in the market. It's not working
1309 efficiently, so that creates an opportunity for Comcast and
1310 Universal to go capture it.

1311 Mr. Buyer. Mr. Waz, in the non-affiliates agreements --
1312 first of all, let me also take the opportunity, once again
1313 also compliment what you did in the marketplace.

1314 Mr. Waz. Thank you, sir.

1315 Mr. Buyer. I got a lot of these different companies
1316 together, what I thought was going to happen, even those
1317 outside the non-affiliates would attach their concerns into
1318 the non-affiliates consortium, but you can't get everybody in
1319 the same room. And not everybody, necessarily, agrees, so
1320 you end up with sort of a, even though we have a non-

1321 affiliates agreement that made it to the table, those three
1322 only brought issues which were of consensus. So, even though
1323 there's a piece of paper in front of us, I believe that
1324 there's still work yet to be done. That's just my own
1325 personal sensing from this. And you have to believe that,
1326 too.

1327 Mr. Waz. As with all the agreements that we have
1328 reached, or hope to reach, I'm sure there will be continued
1329 discussions about this.

1330 Mr. Buyer. Is broadcasting still relevant in the new
1331 media environment?

1332 Mr. Waz. Broadcasting is still the way to attract mass
1333 audiences. It's the place where special events in America,
1334 where America still gathers collectively to watch major
1335 events: sports, inaugurations and other events. So, we
1336 believe broadcasting absolutely has a place, and we're
1337 investing to try to make broadcasting in the form of NBC and
1338 Telemundo stronger and sustainable in the future. And
1339 working with the affiliates today.

1340 Mr. Buyer. Thank you, Mr. Chairman.

1341 Mr. Boucher. Thank you very much, Mr. Buyer.

1342 The gentleman from Illinois, Mr. Rush, is recognized.

1343 Mr. Rush. Thank you, Mr. Chairman.

1344 Let me, first of all, begin by asking Mr. Jackson a
1345 question. In your exchange with my colleague from Indiana,
1346 Mr. Buyer, what is your counsel for the need to have more

1347 minorities to own networks, media, and you said that if the
1348 minorities owned the media, then the possibility, or the
1349 proclivity, or reason for this conversation that more
1350 minority ownership would mean higher ads and there would be
1351 more minority programming. Is that correct?

1352 Mr. Jackson. Yes, sir.

1353 Mr. Rush. Now, that's very important, and I agree with
1354 you. But would you limit your ownership, or limit those same
1355 results to -- let me put it like this. If an African
1356 American owned a station that was aimed at say a mostly white
1357 market, would that African American be successful owning that
1358 station, or is it just limited to an African American market
1359 to have to provide media opportunities and media services to
1360 the African American community?

1361 Mr. Jackson. That's a great question. It would speak to
1362 the local demographics, that the NBA can be majority owned by
1363 Caucasians, and predominantly having the players to be
1364 African American. They can have an international market
1365 appeal. Well, that speaks to the demographics as it relates
1366 to basketball.

1367 The same thing would happen, if you're in a rural area
1368 being mostly Caucasian, naturally, you would adjust the
1369 programming. And the same thing would happen here in the
1370 City of Chicago, where the local content and news, we have
1371 very pressing issues, could reflect the community interest.

1372 Mr. Rush. Just because it's African American owned

1373 network does not mean that that network should be, or has to
1374 be geared toward an African American demographic. Is that
1375 right?

1376 Mr. Jackson. Correct. And I would cite the example of
1377 Motown, and the music that it created. There are general
1378 markets that we -- I don't know if Mr. Buyer was asking me a
1379 question, or made a statement, but I would say that as far as
1380 local, about African American ownership and content, that I
1381 would look at -- I don't know if it was denied, or if it was
1382 an oversight, for the first time my son saw the word "hate",
1383 and asked me could I share with him how it was a bad word.
1384 He was looking at an outdoor billboard, and the billboard
1385 read "Everybody Hates Chris." And he's a young African
1386 American male child, and he sees "Everybody Hates Chris," but
1387 "Everybody Loves Raymond." So, if we had access to
1388 opportunity for ownership, we could help shape that imagery
1389 ourselves.

1390 And I would refer you to the FCC document that Mr.
1391 Griffin was-

1392 Mr. Rush. No, you're on my time.

1393 Mr. Jackson. Sorry, sir.

1394 Mr. Rush. I'm being charged with it, so let me move on.

1395 Mr. Buyer. Mr. Rush?

1396 Mr. Rush. Yes.

1397 Mr. Buyer. Will you yield to me an extra minute?

1398 Mr. Rush. Yes.

1399 Mr. Buyer. I just want to touch this, because you
1400 referred to something that I would make comment on.

1401 The reason I had made that perhaps as a statement, I
1402 wanted to get a sense of what you're urging not just us, but
1403 people to believe based off your testimony. Okay? Well, I
1404 can agree with you that you say a minority owner can increase
1405 minority programming, I do not believe that a minority owner
1406 would say that that only means minority programming. I don't
1407 believe that, because it's economics. You're a businessman.

1408 That's why I compliment Mr. Griffin. You're going to follow
1409 the dollar. You're going to also follows the eyes. You're
1410 going to also follow the advertising. You're also an artist,
1411 and you can build things, and want to be creative. You want
1412 to deliver into the marketplace. And that's what's
1413 important, especially capturing the new wave on the delivery
1414 of video services. And that's what Mr. Rush-

1415 Mr. Rush. I'm reclaiming my time, Mr. Chairman. I know
1416 my timing and I do have some very important questions I want
1417 to ask.

1418 First of all, I want to -- after listening to, and
1419 discussing and sometimes heated exchanges with a number of
1420 interested stakeholders, Mr. Chairman, I want to ask for
1421 unanimous consent for this Committee to accept additional
1422 information in the form of a letter, as mentioned by Mr. Waz
1423 earlier as to the agreement that Comcast submitted to the FCC
1424 that outlines their specific plan for including the

1425 minorities in a more robust and regular basis.

1426 Mr. Boucher. No objection.

1427 Mr. Rush. All right. And a little more with the letter
1428 just entered into the record. Can you expound more on, if
1429 you will, on the Venture Capital Fund that you have included
1430 in terms of this letter? Can you expound more on that? What
1431 - can you give us more of the details, and what problems are
1432 you attempting to solve going forward?

1433 Mr. Waz. Mr. Rush, thanks for the opportunity to talk
1434 more about it. I've been a friend of David Honig, the
1435 Minority Media Telecommunications Council for probably three
1436 decades now, and he has fought and tried for many years to
1437 try to create more opportunities for minority ownership,
1438 pursuing policies such as tax certificates, which have been
1439 supported on a bipartisan basis at various points and other
1440 efforts to support minority ownership in traditional media.

1441 Over the last few years, he and I have been talking a
1442 lot about what are the opportunities in new media and in
1443 technology for minorities, and this is an excellent time to
1444 be moving forward to ways that in an internet-based world
1445 where frankly there are fewer barriers, fewer distribution
1446 barriers, that there could be more innovation, more
1447 opportunities for minority entrepreneurs.

1448 I know that Commissioner Clyburn of the FCC has
1449 mentioned on a couple of occasions that she knows someone, an
1450 African American who started a very successful website for, I

1451 believe the number is \$256, that may be on the high side,
1452 those numbers she cited, but it was -- you can do a lot with
1453 a little in this market.

1454 What we think would be beneficial is to create more
1455 opportunities specifically to seek attractive young talent,
1456 people who would be interested in moving into the new
1457 technology fields from the minority community, and coming up
1458 with appropriate funding base to get them started. So, the
1459 notion we've laid out in the letter to you this morning says
1460 that we are prepared to make \$20 million of investment
1461 capital available through a new program within Comcast that
1462 will look exactly to those sort of opportunities, and work
1463 with a diverse leader of that fund effort to identify funding
1464 opportunities.

1465 Mr. Rush. Will you address and expound upon, or you have
1466 in your letter divestiture of 40 assets and minority
1467 ownership. What do you mean by that, and what is that aimed
1468 at?

1469 Mr. Waz. In connection with this transaction, the only
1470 anticipated divestiture of asset is the Station KWAY in Los
1471 Angeles. That station is currently owned by NBCU-Comcast
1472 until its closing and what happened at KWAY. But NBCU has
1473 made a special effort, in fact, has hired an NTC, which has a
1474 brokerage business, has been very successful at finding
1475 minority buyers, minority purchasers for radio, and cable and
1476 TV stations over the years to create that ownership

1477 opportunity there.

1478 In the event of any other cable divestiture, or
1479 broadcast divestiture in the future, which would be required
1480 out of this transaction, we will be similarly creative, and
1481 similarly destructive in looking for minority ownership
1482 opportunities.

1483 Mr. Rush. Mr. Chairman, I yield back.

1484 Mr. Boucher. Thank you very much, Mr. Rush. Ms. Waters.

1485 Ms. Waters. Well, thank you very much, Mr. Chairman. I
1486 would like to preface my remarks by saying that my colleague
1487 was correct about this merger being under the radar screen,
1488 being very quiet, not being talked about until I requested
1489 and received from the FCC an extension of the comment period.

1490 I got 45 extra days for the comment period because it had
1491 been very quiet. And I also requested of the FCC to hold
1492 hearings, and one will be coming up. And I got the Chairman
1493 of the Judiciary Committee, Mr. Conyers, to hold a hearing,
1494 and I'm very appreciative for this hearing.

1495 Why is all of this important? It is important because
1496 neither NBC, nor Comcast, made any of these moves that
1497 they're describing until all of this began to unfold. Since
1498 we have been highlighting this merger, and talking about the
1499 lack of diversity, then we're finally getting some people
1500 coming forward to talk about doing some things.

1501 As a matter of fact, the Latino that was placed on the
1502 board of, what is it, NBC or Comcast? Comcast plans to add a

1503 Latino Board member amid proposed NBC deal. This happened in
1504 the past few weeks. The proposal that you just alluded to
1505 that you're giving to Mr. Rush today, I'm glad we're having
1506 this hearing, so that you can give it to him, because we've
1507 not heard about that until the last few days.

1508 The Memorandum of Understanding that you have with the
1509 Latino group came about in this period of time that we
1510 created to have more comment, and to have hearings. So, we
1511 have to keep up the pressure, because despite the fact that
1512 both NBC and Comcast talk about their commitment to
1513 diversity, it has not been evident. You don't have diverse
1514 companies. I don't know how many years you've been working
1515 at this, but you've not been successful. So, we've got to
1516 help you. We've got to help you to be successful.

1517 It is absolutely unacceptable. We're talking about some
1518 programming, and I think the Chairman asked a significant
1519 question, because the devil is in the details, about whether
1520 or not you create channels and opportunities. We're talking
1521 about distribution and carriage, and there's no commitment to
1522 that. He questioned you very closely, and you did not give
1523 him a specific commitment to distribution and carriage.

1524 Let me just go to another aspect of this that bothers
1525 me. Let's take a look at NBC News. Early today, Glen Berry,
1526 Bill Cowan, Fred -- all white. Today we have some diversity,
1527 Matt Lauer, Meredith Vieira, Ann Curry who I guess is going
1528 to be gone, along with Al Roker, MSNBC, First Look, all

1529 white, Glen Berry, Thomas Roberts, Way Too Early with Willie
1530 Geist, all white. My friend, Morning Joe, Joe Scarborough,
1531 Mepa, Rasinski, Willie Geist, all white. All of this is
1532 MSNBC. The Daily Rundown, Chuck Todd, white. Savannah
1533 Guthrie, white. MSNBC Live, Chris Jansing, Tamron Hall, one
1534 black, Andrea Mitchell Reports, white. Hardball, Chris
1535 Matthews, the Ed Show, my friend Ed Schultz, all white.
1536 Countdown with Keith Olbermann, like him a lot, all white.
1537 The Rachel Maddow Show. Well, what is that?

1538 When you sit here and you talk about this vast audience
1539 that you have, that's depending on the news, you've got to
1540 ask yourself why, why don't we have more diversity in the
1541 news that's reporting from African American, Latino, Asian
1542 perspectives on what's going on. This can't continue. And
1543 if this merger takes place, if this consolidation takes
1544 place, and we don't have a way of enforcement by which we can
1545 force you to live up to commitments for diversity, we end up
1546 in a democracy with consolidation that does not serve the
1547 best interest or the images of all of the people who deserve,
1548 as citizens of this country and this democracy, to be served.

1549 I could go on, and on, and on about all of NBC shows.
1550 When the Chairman first came to the Judiciary Committee, Mr.
1551 Zucker told me that they didn't have any African American
1552 shows in the new season because he couldn't find any
1553 producers and directors. And I said I know a lot of them,
1554 let me help you.

1555 I don't understand how this business works. And we have
1556 staff full-time working to discover exactly how you do work,
1557 and what you have, and what you don't have. And I want you
1558 to know you have failed miserably. I yield back the balance
1559 of my time.

1560 Mr. Boucher. Thank you, Ms. Waters.

1561 I want to say thank you to the witnesses for joining us
1562 here today. Ms. Madison, to you, in particular,
1563 congratulations on your long career, and commitment to
1564 diversity issues. To all of the witnesses, thanks for the
1565 constructive comments that you've made. You have made this
1566 hearing a success, and I very much appreciate the commentary
1567 you have shared with us today.

1568 Mr. Rush, did you want to say a word?

1569 Mr. Rush. Yes, Mr. Chairman, before we adjourn. I just
1570 would like to state for the record that as we proceed down
1571 this path, I'm not sure what is being filed. I'm not sure
1572 whether the FCC, what their final ruling will be. I'm not
1573 sure what the Justice Department's final ruling will be. My
1574 colleague from California, Ms. Waters, made some very
1575 profound statements. And one of the things that I know is
1576 that this is, or can be, or should be if the stakeholders,
1577 the affected parties, Comcast and NBCU, we can begin to
1578 rewrite the sordid history, particularly over the last eight
1579 years, continuing the trend in media ownership.

1580 I sat on this Committee for 15 or more years now, and

1581 the last eight years have been the most horrendous eight
1582 years that I've seen in terms of the FCC. Although the
1583 Chairman, who is the outgoing Chairman, always had a
1584 receptive ear, making empty promises and pledges that he was
1585 going to look for new ownership, he never engaged not one
1586 millisecond in pursuit of media opportunities for ownership
1587 for black people in media ownership. That day is over, and
1588 that time has past. He is gone. This is a new day, new
1589 time, new opportunity. And we have a new administration, new
1590 members of the FCC. We will work vigorously in terms from an
1591 oversight perspective, and also from an activist perspective
1592 to ensure that, whatever you are promising, it's those
1593 promises that you make.

1594 Whenever you return back before the appropriate
1595 authority and that you're going to be dragged through the mud
1596 and the world will know that you have broken your promises.
1597 So I want to know that these were just not being done in the
1598 back room.

1599 I hope that this is the beginning of the something
1600 meaningful and important, and we can try to level the playing
1601 field as it relates to minorities and media ownership. Mr.
1602 Chairman, with that, I yield back the balance of my time.

1603 Mr. Boucher. Thank you very much, Mr. Rush. I'm going
1604 to ask unanimous consent to insert into the record a letter
1605 signed by Tracy Jenkins Winchester, the President of the
1606 Multi-Cultural Network. Without objection, this will be made

1607 part of the record.

1608 Our witnesses have done a great job today. Our thanks
1609 to you, our thanks to members of the panel for their decisive
1610 questions, and this hearing stands adjourned.

1611 [Whereupon, at 11:52 a.m., the Committee was adjourned.]