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San Francisco Housing Development Corp.
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Southeast Asian Community Center
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West Coast Black Publishers

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July 19, 2010

Via Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Notice of Ex Parte Communication: MB Docket No. 10-56

Dear Ms. Dortch,

In accordance with Section 1.1206 of the Commission's rules The Greenlining Institute submits this letter to advise you that on July 16, 2010 Greenlining, represented by Samuel Kang, Managing Attorney, and Chris Vaeth, Legislative Director, met with the following persons:

- Joel Rabinovitz, Transaction Team, Office of the General Counsel;
- Deborah Broderson, Media Bureau;
- William Freedman, Associate Bureau Chief, Media Bureau;
- Jennifer Tatel, Industry Analysis Division Chief, Media Bureau;
- Jessica Almond, Legal Advisory to the Office of the Bureau Chief, Media Bureau;
- Marcia Glauberman, Deputy Division Chief of the Industry Analysis Division, Media Bureau;
- Judith Herman, Assistant Division Chief of the Industry Analysis Division, Media Bureau;
- Jamila Bess Johnson, Media Bureau;
- Betsy McIntyre, Media Bureau; and
- John Flynn, Senior Counsel to the Chairman for Transactions, Office of the General Counsel.

During this communication, Greenlining presented the perspective of California's twenty-five million minorities regarding the pending Comcast-NBC Universal merger. Greenlining highlighted three areas of concern related to the merger: (i) diversity in ownership; (ii) the impact on our democracy; and (iii) the impact on our economy.

Greenlining noted the vast disparity between the number of minorities in our society and the number of minority owned media outlets. In the case of Comcast, this in part is due to a lack of diversity on its board of directors. While Comcast has made a commitment to add a Latino to its board, it has not addressed or even acknowledged the needs of Asian American communities.

Ensuring diverse ownership and programming is essential because it fosters an informed citizenry and a robust participatory democracy. Unfortunately Comcast and NBC have exhibited similar patters of cutting staff and

gutting local stations in major television markets. This directly reduces the number of diverse viewpoints on television.

Moreover, Comcast has a pitiful history with respect to contracting with minority and women owned firms. It is unwilling to disclose data on its supplier diversity. Therefore, the best case scenario is "no massive layoffs" when it should be job creation and economic growth.

Finally, Greenlining commended the Commission for holding the hearing in Chicago, but urged the Commission to hold additional hearings on the merger. One of these hearings should be held in California, as it has two of the top ten and four of the top thirty media markets in the country. Hearings will enable the Commission to gather public input and ensure transparency.

In accordance with the Commission's *ex parte* rules this notice and the attached letter, a copy of which was hand delivered to the above listed parties, were filed electronically in the above referenced docket today. Please contact the undersigned with any questions about this submission.

Sincerely,



Samuel Kang
Managing Attorney

Enclosures: Letter to the Chairman Genachowski and Commissioners Baker, Copps, Clyburn and McDowell, dated July 15, 2010.



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July 15, 2010

Chairman Julius Genachowski
Commissioner Meredith Attwell Baker
Commissioner Michael J. Copps
Commissioner Mignon Clyburn
Commissioner Robert M. McDowell
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Genachowski and Commissioners Baker, Copps,
Clyburn and McDowell,

Greenlining would like to thank the FCC and its fantastic staff for convening the public forum on the Comcast-NBC Universal joint venture in Chicago. Greenlining would like to thank Commissioner Copps in particular for attending the forum.

As you are well aware, there are a myriad of problems with this merger. This letter is intended to supplement the comments offered by Greenlining at the public forum in Chicago.

Greenlining is part of the national Coalition for Competition, which opposes the merger in its current form. We have filed our formal petition to deny last month with the FCC and will be filing Responses and Replies in the coming weeks. I have also testified on this matter before the House Judiciary Committee in Los Angeles, emphasizing the need for more public hearings conducted by the FCC.

We wish to emphasize three key critical areas of concern involving the merger:

- 1) Diversity in ownership;
- 2) The impact on our democracy; and
- 3) The impact on our economy.

Diversity in Ownership

As Commissioner Copps stated at the forum, minorities comprise over a third of the US population but own only 3% of US television stations. One example shows just how dire the situation is: African Americans do not even own stations in cities with some of the largest

black populations, such as Detroit, Atlanta and New Orleans. As a result, African American owned stations reach just 5% of African American TV households in the United States.

None of Comcast's channels are minority owned. Many of the so-called "minority stations" are owned by large media conglomerates – BET is owned by Viacom; Oxygen is largely controlled by Time Warner.

The disparity of media ownership under Comcast's purview is partially explained by Comcast's leadership. Its Board of Directors only has one African American and one woman. Comcast recently agreed to add one Latino to its Board...in two years.¹ It is perplexing to understand why it would take two years to find a qualified Latino board member when there are so many Latino leaders in the media industry.

For the 18.5 million Asian Americans, Comcast has promised nothing. Rather than addressing their diversity deficiencies in a comprehensive manner, it seems that Comcast would rather do it piecemeal, putting Asian Americans at the back of the line. This critical issue must be addressed.

Undermining Our Democracy

Diverse ownership and programming has a real and significant impact on the health of our democracy. For example, a ground-breaking study released last year showed that where local, Spanish language news was available, Hispanic voter turnout in those markets increased by 5-10%.² Local news in Spanish caused one in five Spanish language viewers who had never voted before to start voting.

The impact of local and accessible media is real and significant. If you provide locally accessible media, people will vote.

Unfortunately, Comcast is inheriting an entity in NBC that tried to systematically dismantle local stations in 5 of the top 10 largest Hispanic TV markets in the country. Comcast has exhibited a similar pattern of cutting and gutting local stations in major TV markets.

Best Case Scenario: "No Massive Layoffs"

As the nation's largest cable company and broadband service provider,³ Comcast procures a substantial amount of its capital in the form of outside contracts. But its contracting with minority and women owned firms is pitiful at best.

¹ Memorandum of Understanding Among Comcast, NBC Universal, and the Hispanic Association on Corporate Responsibility, the National Hispanic Leadership Agenda, and the National Hispanic Media Coalition, Filed with the Federal Communications Commission in MB Docket No. 10-56 (July 6, 2010) available at <http://fjallfoss.fcc.gov/ecfs/document/view?id=7020514899>.

² Felix Oberholzer-Gee & Joel Waldfogel, *Media Markets and Localism: Does Local News en Espanol Boost Hispanic Voter Turnout?*, 99 AM. ECON. REV. 2120, 2127 (2009).

³ Comcast is the leader in the cable industry, providing cable service to 23.8 million customers in 39 states. *In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc.*

In contrast, Verizon and AT&T procured almost \$600 million in diverse businesses in just one year in the state of California.⁴ This huge injection of capital into California's diverse businesses has a direct impact on creating jobs in communities that have been hit hardest by the recession.⁵

Comcast, on the other hand, will not reveal how much of its procurement in California were with minority or women owned businesses. A bigger Comcast, one that competes head-to-head against AT&T and Verizon, means potentially hundreds of millions of dollars being siphoned away from diverse communities.⁶ This means communities that are disproportionately suffering from unemployment will suffer even more.

This scenario is not merely theory. It is rooted in what Comcast CEO Brian Roberts has already confirmed. In a previous Congressional hearing, Mr. Roberts all but assured job losses would directly result from the merger. All that he could promise was that the merger will lead to "no massive layoffs."

It is unacceptable that when everyone is trying to figure out how to create jobs, Comcast's best prognosis is "no massive layoffs." But Comcast is only following its old modus operandi – gut, cut and strut.

Congress 6, FCC 1

A major reason for the gaping deficiencies in Comcast's application is that public input in the regulatory process has barely begun.

After this week, Congress will have held six hearings on this landmark transaction. The FCC will have held one forum. The FCC took an adequate first step with the one event in Chicago. But the FCC cannot stop there. Chicago is not the end zone. Chicago should be the kick-off to other hearings in other parts of the country.

California, for example, has two of the top 10, and four of the top 30 largest media markets in the country. Congresswoman Maxine Waters has called for public hearings

For Consent to Assign Licenses or Transfer Control of Licenses, Applications and Public Interest Statement, at 17 (filed Jan. 28, 2010). Comcast also leads the United States as the largest residential broadband provider, current serving 15.7 million customers but with the potential to reach 50.8 million homes. *Id.* at 19.

⁴ SAMUEL KANG & SAMAR SHAH, THE GREENLINING INSTITUTE, SUPPLIER DIVERSITY REPORT CARD 2010: WHO'S GETTING THE CONTRACTS? 7, 11 (2010) *available at* http://greenlining.org/resources/pdfs/greenlininginst_supplierdiversity2010.pdf.

⁵ The contracts that these large corporations have with diverse contractors and subcontractors constitute a huge source of economic development. This represents a sorely needed infusion of resources, for diverse, small businesses that are the backbone of jobs and economic development in many communities, especially communities of color. In fact, small businesses are expected to drive job creation and economic recovery in California and in 2006, accounted for 52.1% of private-sector employment in California. U.S. SMALL BUSINESS ADMINISTRATION, SMALL BUSINESS PROFILE: CALIFORNIA (2008), *available at* <<http://www.sba.gov/advo/research/profiles/08ca.pdf>>.

⁶ Comcast spent only 15.4% of its supplier dollars with minority, women, and disabled veteran owned business enterprises. KANG & SHAH, *supra* note 4, at 26.

and led this effort by spearheading a congressional hearing in Los Angeles. This is an example that the FCC should follow.

Commissioner Clyburn has said that it is imperative that the FCC get out of the Beltway bubble to gather input directly from the public on this landmark transaction. Commissioner Copps led by example and attended the duration of the Chicago forum from start to finish.

It was equally noticeable that FCC Chairman Julius Genachowski chose not to attend. Although the FCC's adjudication of this landmark transaction will likely define part of this administration's legacy, the Chairman was not there to directly hear input from the public. With no other scheduled public FCC hearings to examine this merger, it is debatable whether the FCC or Congress is the true leader for the public good and transparency.

We have learned from the BP disaster what can happen when there isn't diligent and transparent regulatory scrutiny. That scrutiny must be on the front end, and not an afterthought. I sincerely hope that the FCC's adjudication over the Comcast merger will not be reflective of the current administration's regulation over offshore drilling. Comprehensive scrutiny requires comprehensive public hearings. Otherwise, the consequences could be just as disastrous.

The Golden State is ready to welcome Chairman Genachowski and the FCC. We are hopeful that you will accept our invitation in the very near future.

Sincerely,

A handwritten signature in black ink, appearing to read 'SKang', written in a cursive style.

Samuel Kang
Managing Attorney

CC: Mr. John Flynn
Mr. William Lake
Mr. William Freedman