

Testimony of

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before the

Committee on the Judiciary

Regarding

Proposed Combination of Comcast and NBC-Universal

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Thank you for inviting me to speak here today. My name is Alex Nogales and I am the President and CEO of the National Hispanic Media Coalition, also known as NHMC. NHMC is a national non-profit organization based here in Los Angeles with chapters across the nation in major metropolitan areas. For 25 years we have been monitoring and pressuring the media to amplify positive portrayals of Latinos and increase Latino employment in all facets of the media industry. NHMC also has a Washington, D.C. office and advocates for media and telecommunications policies that benefit the Latino community and other communities of color.

As the oldest Latino media advocacy organization in the country, we have a long history of holding the media accountable to the public. As part of that effort we have long been opposed to media consolidation as countless studies demonstrate that consolidation diminishes ownership opportunities for people of color. We also have an intimate past with both Comcast and NBC-Universal, both on a national level and locally here in Los Angeles.

Congressmen, Congresswomen, there are a lot of reasons why distinguished individuals and organizations are against this joint venture. NHMC's reasons in all media transactions are always going to be based first and foremost on diversity concerns: diversity in employment, governance, procurement, programming, minority media ownership and philanthropy.

NHMC is not against this joint venture providing, and only providing, that strong, verifiable and enforceable conditions are imposed and agreed to by Comcast. This is a gigantic deal, one of such enormous proportions that it is sure to bring about more media consolidation by other media competitors, Time Warner, Disney and FOX included. For the first time in our history a cable giant, Comcast, will not only have dissemination of content but also own the content of a major film and television network. I know you're aware of all the properties NBC-Universal and Comcast own or manage, but I've listed them nevertheless at the end of my testimony for your ready reference.

NBC has a relatively fair record with the diversity initiatives I mentioned earlier. Comcast does not. In the year 2000, the Multi-Ethnic Media Coalition, consisting of the National Latino Media Council, the NAACP, the Asian Pacific American Media Coalition and Indians in Film and Television, signed Memorandums of Understanding (MOU) with ABC, NBC, CBS and FOX. The initiatives in the MOU were intended to increase the number of people of color both in front and in back of camera, to increase our numbers in procurement, in the Executive ranks and to have programming with minority leads and themes. The progress has been incremental, but it is nevertheless progress - a long way from where we started. At NBC these initiatives under the leadership of Jeff Zucker and Paula Madison have now extended to NBC's other entertainment cable networks, USA, Bravo, Syfy among them. The film entity, Universal, sorely lacks minority participation and we are committed to commencing that process this year.

And now for Comcast... Its diversity record is spotty. NHMC's direct involvement with Comcast began in 2005 at the time of the Adelphia/Time Warner/Comcast License Transfer. At that time, Comcast carried Si TV then the only Latino operated English language cable network in only three small markets. TV One, a predominantly African American network in which Comcast had an economic interest was carried in Dallas. Si TV was not, despite the fact that Dallas has a much greater Latino population than African Americans. Understand, we didn't

begrudge the African American TV One leadership for Comcast's action. However, we did begrudge Comcast for looking out for its economic interest while ignoring the needs of the sizeable Dallas Latino population. Senator Salazar, now Secretary of the Interior, Representatives Baca, Becerra, Ortiz, Gonzalez and Solis, now Secretary of Labor, sent a letter to Comcast President and CEO Brian Roberts, requesting a meeting and a report on Comcast's diversity practices, specifically regarding Latinos.

The National Latino Media Council, of which NHMC is a member, had a heated discussion with Comcast over the Si TV matter as well as its diversity record regarding Latinos. Shortly thereafter Comcast released a report of its diversity numbers and efforts promising along the way to include more Latinos in its employment ranks. The report said little as it gave percentages but failed to provide aggregate data making it impossible to analyze diversity performance.

In July 2005, NHMC filed a petition to deny the transfer of Adelphia Communications' licenses to Comcast. NHMC asked that the transfer be designated for hearing and/or have the following conditions imposed: (1) fulfill enforceable benchmarks for deployment of advanced services, new cable services and customer service to minority communities; (2) provide English language programming oriented to Hispanics and other minorities; (3) submit quarterly reports on national, regional and local employment recruitment of minorities; and (4) increase over time its employment of minorities in decision-making positions.

In November of that same year, it was also announced that Comcast Corporation and the Hispanic Association on Corporate Responsibility (HACR) formed a comprehensive, multi-year partnership in which HACR would support Comcast's continuing outreach efforts to effectively engage the Hispanic community in the company's business operations and assist Comcast with further strengthening its relationships with the Hispanic community. Comcast's ongoing diversity commitment has four major areas of focus: workforce diversity, supplier diversity, programming, and community investment. Comcast formed this partnership with HACR, a coalition of 14 prominent national Hispanic organizations, to help achieve continued growth and success in each of these areas.

This brings us to the present. In December 2009, HACR released a Corporate Inclusion Index, reporting the diversity performance of 34 Fortune 100 companies, including Comcast. The index rates companies on a 100 point scale, based on four criteria: employment which includes workforce and recruitment; procurement; philanthropy and governance. Comcast received only 50 out of 100 points; only 3 companies scored worse, one of which was General Electric, NBC Universal's parent organization, which scored a pitiful 30 out of 100 points. The score was low as a consequence of not answering several questions, which GE felt were proprietary.

Comcast, as I've indicated does not have a great diversity record. But the past is the past, and we can only concentrate on the present and future. This is a gigantic deal and if Comcast wants our support for the merger, it must agree to conditions. NHMC is part of a six Latino organizations team negotiating an MOU with Comcast. We're very close to agreeing on all the diversity initiatives to be contained in the MOU and insist on having verifiable, enforceable data in employment, procurement, governance, programming and philanthropy. And we must have the

right to grade diversity performance without restrictions. Most important of all, people of color must have a piece of the action.

This is not a give away. Latinos currently make up 15% of the U.S. population and with the current census that percentage is expected to rise to 17%. African Americans are expected to hit 15% and Asian Pacific American 5%. Combined, these three groups will make up 35 to 37 percent of the national population.

Allow me to give you some other numbers. In 2008, Comcast earned over \$34.3 billion in revenue. NBC earned \$16.9 billion. Comcast reaches one in four cable subscribers and its service territory covers 52% of all ethnic cable households. NBC owns 25 local television stations and the national broadcast network reaches 99% of U.S. homes with television sets. Reports have indicated that Comcast enjoys an 80% profit margin. In other words, an incredible monetary amount of revenue that a combined Comcast NBC-Universal powerhouse will earn if this deal is approved will come from communities of color. Given these statistics, it is reasonable to expect that people of color should also share in the prosperity by having their own minority owned and operated networks carried and distributed by Comcast in all of their cable systems. We hope you agree, and if this body has a say in approving the joint venture, we hope that it will insist on the diversity initiatives discussed. Thank you.

Comcast and NBC's post merger properties

Cable TV Networks

USA
Bravo
Syfy
Universal HD
CNBC
CNBC World
MSNBC
Chiller
mun2
Sleuth
Oxygen
E!
Golf Channel
Style Network
Versus
G4
The Comcast Network
Comcast Regional Sports Networks
CSN Bay Area (67%)*
CSN California
CSN Mid-Atlantic
CSN Chicago (30%)*
CSN MTN (50%)*
CSN New England
CSN Northwest
CSN Philadelphia (85%)*
CSS (81%)*
SNY (8%)* (not managed)
New England Cable News
Exercise TV (65%)*
Sprout (40%)*
ShopNBC (39%)* (not managed)
The Weather Channel (25%)* (not managed)
Universal Sports (8%)* (not managed)
FearNet (33%)* (not managed)
A&E (16%)* (not managed)
A&E HD (16%)* (not managed)
Biography (16%)* (not managed)
History (16%)* (not managed)
History International (16%)* (not managed)
History en Espanol (16%)* (not managed)
Military History (16%)* (not managed)

Lifetime (16%)* (not managed)
Lifetime Movie Network (16%)* (not managed)
Lifetime Real Women (16%)* (not managed)
Crime and Investigation (16%)* (not managed)
TVOne (33%)* (not managed)
Retirement Living TV (RL TV) (3.4%)*(not managed)

International Channels

Syfy Universal
Diva Universal
Studio Universal
Universal Channel
13th Street Universal
CNBC Europe
CNBC Asia

Broadcast Networks

NBC
Telemundo

NBC Television Network

234 NBC-affiliated stations
across the country

Digital Media Properties

CNBC.com
ivillage.com
NBC.com
fandango.com
movies.com
dailycandy.com
bravotv.com
eonline.com
thegolfchannel.com
golfnow.com
usanetwork.com
oxygen.com
style.com
chillertv.com

syfy.com
versus.com
comcastsportsnet.com
holamun2.com
universalhd.com
g4tv.com
sleuthchannel.com
accesshollywood.com
nbcsports.com
nbcolympics.com
televisionwithoutpity.com
exercisetv.tv (65%)*
sproutonline.com (40%)*
universalsports.com (8%)* (not managed)
fearnet.com (33%)* (not managed)
msnbc.com (50%)* (not managed)
hulu.com (27%)* (not managed)
weather.com (25%)* (not managed)

NBC Local Media Division

10 NBC owned and operated
broadcast TV stations
New York / WNBC
Los Angeles / KNBC
Chicago / WMAQ
Philadelphia / WCAU
San Jose / KNTV
Dallas/Ft.Worth / KXAS
Washington / WRC
Miami / WTVJ
San Diego / KNSD
Hartford / WVIT

Telemundo Stations

15 Telemundo owned and
operated stations
Los Angeles / KVEA
New York / WNJU
Miami / WSCV

Houston / KTMD
Chicago / WSNS
Dallas/Ft.Worth / KXTX
San Antonio / KVDA
Las Vegas / KBLR
San Francisco/San Jose / KSTS
Phoenix / KTAZ
Fresno / KNSO
Denver / KDEN
Boston/Merrimack / WNEU
Tucson / KHRR
Puerto Rico / WKAQ
1 independent Spanish-language
owned and operated station
Los Angeles/KWHY

NBC Universal Domestic & International Distribution

Distributes NBC Universal's first-run,
syndicated and library content
nationally and internationally, including
more than 55,000 TV episodes

Universal Studios/Production

Universal Pictures
Focus Features
Universal Media Studios
Universal Cable Productions
Carnival
Cattleya (18.5%)* (not managed)

Universal Studios Home Entertainment

Distributes more than 4,000 film titles

Parks & Resorts

Universal theme parks
Orlando (50%)*
Hollywood