



# Comcast seeking minority support

## Signs deal with NAACP on diversity program

By TED JOHNSON

While pressure builds on federal regulators to render a decision on Comcast and NBC Universal's proposed joint venture, the two companies have been lining up support from minority groups to address one of the more sensitive issues about the transaction: diversity.

On Friday, Comcast and NBC U announced an agreement with African-American orgs the NAACP, the National Urban League and the National Action Network that's designed to boost hiring and representation, including a pledge to add four cable networks in which African-Americans have a majority or substantial ownership interest. At least two of the channels will be added in the first two years following the close of the transaction, with the remaining two over the next eight years. Overall, Comcast has pledged to add 10 independently owned channels, eight of which will be controlled or operated by minorities.

Those steps, however, are unlikely to appease longtime critics of the transaction, who have not only called such steps insufficient but also have warned the \$30 billion deal would have an overall detrimental impact on the ability of independent channels to flourish. Comcast pledged such commitments last summer in advance of House and FCC public hearings on the deal.

**"They have unveiled (the agreements with the orgs) in order to convert some of the momentum moving against them," said Stanley Washington, president of the National Coalition of African American Owned Media, which has called for Comcast to set aside 10% of its channel capacity and 10% of its programming budget to networks that are wholly owned by African-Americans. He said such a ratio would better reflect Comcast's African-American audience, and for regulators "the real question is whether they are going to acknowledge that this merger will put a stranglehold on equity" among minority and independent content creators.**

**Last week, his org took out a full-page "open letter" to President Obama in the Washington Post in which it quoted from a letter that Obama sent in 2007 to then-FCC chairman Kevin Martin, warning about the impact of media consolidation on diversity. Martin is working with Washington's org and now an attorney with the D.C. firm of Patton Boggs, which represents a number of orgs and companies opposed to the deal, including Bloomberg.**

Few observers believe the FCC and the Justice Dept.'s antitrust division will not give the greenlight -- the question is when and with what conditions. Comcast reps have been meeting almost daily with agency officials, including chairman Julius Genachowski's chief of staff, Edward Lazarus, and his senior counsel for transactions, John Flynn.

Comcast's agreement with the African-American orgs, following ones with Asian-American and Hispanic groups, also includes the establishment of "diversity advisory councils," publication of an annual progress report and a \$20 million venture capital fund for minority entrepreneurs.

The anticipation that a decision is coming soon has triggered a flurry of lobbying from the transaction's supporters and detractors.

Comcast got a boost on Friday from Rep. Hank Johnson (D-Ga.), chairman of the House Judiciary Subcommittee on Courts and Competition Policy, who sent a letter to FCC commissioners in which he urged the agency to complete the review by year's end and approve the deal, noting that the parties "have made meaningful commitments to improve diversity of ownership." He added that Comcast already has shown "commendable initiative" in serving minority communities, citing its collaboration with the venture Radio One.

Among those also weighing in recently are Ted Leonsis, owner of the Washington Capitals and SnagFilms, who met with Genachowski on Wednesday to argue that the transaction will expand opportunities for independent filmmakers, according to FCC records.

Also on Wednesday, reps from Viacom met with commissioner Mignon Clyburn and one of her staffers to express concerns that Comcast would have new market power to dictate the placement of independent programming and Web video on its platforms, as well as the ability to favor its own content.

Comcast exec VP David L. Cohen has been arguing to FCC officials that the Comcast-NBC U combination would have "strong incentives to promote the distribution of video online, not impede it," according to FCC records. There has been anticipation that the commission will impose some conditions with regard to Web video, and Cohen told the FCC staffers that any restrictions "should be narrowly tailored."