

# PROPOSED COMBINATION OF COMCAST AND NBC-UNIVERSAL

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I AM HERE TODAY, TO RELATE MY EXPERIENCE WITH COMCAST, WHAT IT PORTENDS FOR PROGRAM DIVERSITY AND SERVICE TO MINORITY AUDIENCES, AND AS A CONSEQUENCE, WHY I SUPPORT THE COMCAST – GE JOINT VENTURE.

I HAVE HAD A LONG HISTORY WITH MINORITY PARTICIPATION IN MEDIA. THIS INCLUDES MY INVENTION OF THE MINORITY TAX CERTIFICATE WHILE IN THE CARTER WHITE HOUSE AND AT THE FEDERAL COMMUNICATIONS COMMISSION. THE CERTIFICATE DID MORE TO FOSTER MINORITY OWNERSHIP OF BROADCAST AND CABLE MEDIA THAN ANYTHING ELSE BEFORE OR SINCE. I AM ALSO A CO-FOUNDER OF BLACKBIRD (AT BLACKBIRDHOME.COM), AN IDENTITY BROWSER TARGETING THE BLACK COMMUNITY. MY FOCUS TODAY, HOWEVER, IS ON MY EXPERIENCE WITH

COMCAST IN THE ROLE OF FOUNDER AND CEO OF AN ETHNIC LANGUAGE TELEVISION SERVICE CALLED CROSSINGS TV. CROSSINGS REACHS TWO MILLION ETHNIC LANGUAGE PEOPLE IN THE CENTRAL VALLEY OF CALIFORNIA AND NEW YORK CITY.

THE VERY INSPIRATION FOR CROSSINGS CAME FROM COMCAST. IN 2003, THE SENIOR COMCAST EXECUTIVE THEN OVERSEEING NORTHERN CALIFORNIA POINTED OUT, TO MY AMAZEMENT, THAT THERE WAS A LARGE RUSSIAN LANGUAGE POPULATION IN SACRAMENTO FOR WHOM NO LOCAL, IN-LANGUAGE TV SERVICES WERE AVAILABLE. I SEPARATELY DETERMINED THAT THERE WAS A SIMILAR LACK OF SERVICE TO A VARIETY OF OTHER, MOSTLY ASIAN LANGUAGE GROUPS, INCLUDING, HMONG, LAO, VIETNAMESE, CHINESE (INCLUDING MANDARIN AND CANTONESE), SOUTH

ASIAN (INCLUDING PUNJABI, GUJARATI, TELEGU and HINDI)  
AND FILIPINO.

AT THE TIME, I WAS ALSO A PART OWNER OF A FULL POWER  
TELEVISION STATION IN SEATTLE THAT OFFERED A MULTI-  
LANGUAGE SERVICE. THUS, I KNEW THAT THE ETHNIC  
POPULATIONS IN THE IMMEDIATE SACRAMENTO AREA  
WERE NOT LARGE ENOUGH – IN TERMS OF POPULATION OR  
POTENTIAL AD REVENUE -- TO SUPPORT THE ACQUISITION  
OF A FULL POWER TV STATION, EVEN IF ONE WERE  
AVAILABLE. SO, I DEvised A DIFFERENT APPROACH, BASED  
UPON BUYING A LOW POWER TV STATION AT A SMALL  
FRACTION OF THE COST. TO COMPENSATE FOR THE MUCH  
LOWER OVER-THE-AIR COVERAGE AREA, I SOUGHT  
CARRIAGE ON THE COMCAST OWNED CABLE SYSTEM IN  
SACRAMENTO. BUT I FACED A CHALLENGE --- THERE WAS  
AND IS NO GOVERNMENT REQUIREMENT FOR LOW POWER

TV STATIONS TO BE CARRIED BY CABLE. A FURTHER COMPLICATION WAS THAT A PRIVATE EQUITY FIRM INTERESTED IN INVESTING IN MY VENTURE WOULD ONLY DO SO IF WE HAD CABLE CARRIAGE. QUITE SIMPLY, WITHOUT COMCAST THERE WOULD HAVE BEEN NO CROSSINGS TV.

IN 2004, WE APPROACHED COMCAST IN SACRAMENTO, WHICH BY THEN WAS UNDER A DIFFERENT EXECUTIVE FROM THE ONE WHO GAVE ME THE IDEA. HE QUICKLY GRASPED WHAT WE WERE PROPOSING AND SAID HE WANTED TO CARRY OUR SERVICE THROUGHOUT THE SACRAMENTO AREA -- THIS WOULD GIVE US SEVERAL TIMES THE COVERAGE OF OUR LOW-POWER OVER-THE-AIR SIGNAL. BY MID 2005, WE HAD A SIGNED AGREEMENT. WHAT IS MORE, WE APPROACHED COMCAST A NUMBER OF MONTHS LATER ABOUT ALSO BEING CARRIED IN STOCKTON. TO OUR

PLEASURE, THEY NOT ONLY AGREED, BUT SUGGESTED THAT CROSSINGS ALSO BE DISTRIBUTED THROUGHOUT THE ENTIRE CENTRAL VALLEY, INCLUDING FRESNO, CHICO, MODESTO, STOCKTON, YUBA CITY/MARYSVILLE AS WELL AS SACRAMENTO. WE HAVE BEEN ON COMCAST IN THESE AREAS SINCE 2006. WE ARE CURRENTLY ENGAGED IN DISCUSSIONS WITH COMCAST REGARDING OTHER MARKETS WE HAVE TARGETED.

THE QUESTION IS WHY? WHY DID COMCAST DO THIS? COMCAST IS KNOWN FOR ITS FAIR BUT TOUGH-MINDED BUSINESS APPROACH. BASED ON THIS, WE CAME TO THE TABLE WITH A WELL THOUGHT OUT BUSINESS PLAN AND AN EXECUTIVE TEAM WITH THE DEMONSTRABLE ABILITY TO EXECUTE IT. WE MADE THE CASE THAT MUCH OF THE COMCAST GROWTH OPPORTUNITY IN ITS MOSTLY URBAN MARKETS WAS LIKELY TO COME FROM MINORITY

AUDIENCES. COMCAST DECIDED TO CARRY CROSSINGS BECAUSE IT MET A UNIQUE NEED AND BECAUSE IT WAS BASED ON A SOUND BUSINESS PREMISE. CROSSINGS HAS UNIQUE LOCAL PROGRAMMING THAT DRAWS ETHNIC SUBSCRIBERS, WHO MIGHT SIGN UP FOR ETHNIC LANGUAGE PAY TIERS. COMCAST HAS MADE DIVERSE PROGRAMMING A PRIORITY BECAUSE IT SEES THE VALUE IN GROWING ITS BUSINESS. THIS IS ADAM SMITH'S INVISIBLE HAND OPERATING AT ITS BEST, MOTIVATING A LARGE, WELL-RUN COMPANY TO CATER TO UNDER-SERVED AUDIENCES BECAUSE IT BENEFITS COMCAST SHAREHOLDERS. THIS IS WHAT AMERICA IS ALL ABOUT.

THAT SAID, COMCAST SHOULD BE ACKNOWLEDGED FOR REALIZING THE POWER AND THE PROMISE OF THIS COUNTRY'S ETHNIC COMMUNITIES. NOT EVERY MEDIA COMPANY DOES. MY EXPERIENCE WITH THE MINORITY TAX

CERTIFICATE AND THE ABSENCE OF MINORITY ORIENTED MEDIA ALTERNATIVES SUGGEST THAT, TOO OFTEN, COMPANIES EITHER WILFULLY IGNORE OR INCOMPETENTLY OVERLOOK THE BUSINESS OPPORTUNITY REPRESENTED BY THIS COUNTRY'S MINORITIES. COMCAST APPEARS TO BE A STRONG EXCEPTION IN THIS REGARD.

ALL THIS SUGGESTS THAT COMCAST AND NBCU TOGETHER WILL CREATE A MEDIA COMPANY MORE SENSITIVE TO THE NEEDS AND INTERESTS OF MINORITY INTERESTS THAN MOST. THAT IS WHY I SUPPORT THEIR JOINT VENTURE.