

Press Statement

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<u>MMTC Urges FCC to Reconsider Collateral Damage of Set Top Box NPRM;</u> <u>Focus on Diverse Programming NOI</u>

Washington, DC (February 19, 2016): Yesterday, the Federal Communications Commission (FCC) introduced two important items—the Notice of Inquiry on Promoting the Availability of Diverse and Independent Sources of Video Programming, and the Set Top Box Notice of Proposed Rulemaking (NPRM)—both of which will potentially impact the future of television and the viability of diverse and independent programmers.

"MMTC agrees with the FCC that this week's items are the beginning of a substantive conversation on issues that affect content distributors, programmers, edge providers, and more importantly, consumers," stated MMTC President and CEO Kim M. Keenan. "However, the Commission's approach to making it more convenient for consumers to access programming on their devices is causing collateral damage in the video programming marketplace. Something is gravely wrong with an approach that picks winners and losers and pits the few successful minority programmers against one another while allowing large, non-diverse companies to profit from the content investments of much smaller, diverse companies. We can do better.

"We are concerned that the approach being put forth in the NPRM places the Commission's finger on the scale, forcing an over-the-top, subscription-oriented content model on programming networks before there is a viable marketplace for over-the-top content – the kind of marketplace that funds ideas, that creates jobs, and that provides an ecosystem in which diverse cultural content creators can survive, and thrive. An approach that disrupts minority cable networks without supporting a viable business model for over-the-top channels is the wrong approach; it gives false hopes to burgeoning over-the-top content creators without doing anything to help them to succeed. We need *more* cultural programming diversity—on the side of both the cable networks and over-the-top—not an either/or proposition."

With respect to the set top NPRM, MMTC urges the Commission to let consumers choose whether to buy or lease their devices consistent with the intention of Section 629, but otherwise, let the rapidly evolving tech and apps marketplace govern the integration of cable and over-the-top programming in one device or video interface. This integration is *already happening;* it doesn't need the government's help. We strongly believe that the real focus should be on the Commission's diverse programming NOI; that's the part of the marketplace where the Commission's governmental thumb is needed and welcomed. The general consuming public has a plethora of choices. Viable diverse cultural content is what is missing from the marketplace, largely because the business models to support it are not in place.

MMTC also supports Commissioner Clyburn's issuance of an NOI that addresses the challenges of diverse and independent content producers in a highly competitive video marketplace. We look forward to contributing to the record in an area that reflects one of the core tenets of MMTC's mission—content diversity. We agree with the Commission's view that diverse programmers deserve the opportunity to effectively compete. To this end, we hope the Commission will use the NOI to develop a full record, listen to all sides to ensure that it fully grasps the complexity of the issues from the vantage point of all parties affected, refrain from picking "winners" and "losers" or preferring one business model over another, and establish a level playing field to ensure a competitive and fair environment for businesses, to the ultimate benefit of all consumers.

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About MMTC:

The Multicultural Media, Telecom and Internet Council (MMTC) is a non-partisan, national nonprofit organization dedicated to promoting and preserving equal opportunity and civil rights in the mass media, telecommunications and broadband industries, and closing the digital divide. MMTC is generally recognized as the nation's leading advocate for minority advancement in communications.