

## **The FCC's Unlock-The-Box Proceeding Ensures That Consumers Have Access to More Diverse, Independent, and Niche Content Than Ever Before**

Recently, President Obama joined consumers, newspaper editorial boards, public interest groups, and content creators in supporting the FCC's plan to "unlock the box." This plan stands to greatly benefit consumers, saving families hundreds of dollars a year on pay TV devices that create a multi-billion dollar drain on the economy, harm consumers, and hinder innovation.

The FCC's proposal also directly benefits minority and independent content creators. Large MVPDs currently stand between many creators and their audience, with the incumbent giants deciding what programs get MVPD carriage and serving as gatekeepers for online services and apps that want to offer online video without seeking permission from the MVPD that controls the set top box.

The cable TV industry, and the pay TV marketplace more broadly, have a poor track record when it comes to diversity. Studies show found that **in current cable and satellite markets, minority and diverse voices are underrepresented more than 2 to 1 among lead roles in cable, nearly 5 to 1 among creators of cable shows, and greater than 4 to 1 among writers credited for cable scripted shows.** Byron Allen in particular has illuminated the lackluster diversity in the cable industry—in particular the deplorable absence of carriage of any 100% African American-owned media.

Leading online video services like Netflix and Amazon present similar challenges, making the opportunity proffered by the "Unlock The Box" for independent minority programmers so essential. Online distribution allows creators to reach consumers with far fewer barriers to entry. **Online distribution lets minority and independently-owned creators and companies sidestep incumbent gatekeepers**—whether MVPDs or major online services—to reach viewers directly. As a result, online distribution provides a more friendly venue for programming developed by minority, independent, and niche creators, directed to those audiences or, most importantly, owned by diverse voices.

A broad group of content creators - in particular voices not well represented on pay-TV or existing online platforms - are speaking out about the possibilities they see the FCC's competitive device and app proposal creating for diverse content. Here are some examples:

- Robert L. Johnson, Founder of Black Entertainment Television and RLJ Entertainment: "The **universal set-top box, unlike the leased cable box, opens up the unfettered opportunity for hundreds of minority programming aspirants** who would like to create content success of their own, similar to what I enjoyed with BET."
- Dr. Donahue Tuitt, CEO and Founder of UNIFYme.tv, shared in his comments with the FCC that "In 2004, I set out to launch my own cable channel to bring these alternative images to mainstream consumers, however my channel was refused carriage by satellite and cable channels alike. **The common statement was "We carry BET." or "We have TV One." Cable provider programmers see race and culture through one lens and have not realized there are multiple aspects**

**within an ethnic culture that cannot be captured solely by 2 or 3 channels.** Being shutout of the cable marketplace left me and hundreds of other content owners with programs with no place to share our creative voice in mainstream outlets.”

- Stephen Davis’ Black Education Network could not get carriage on cable, with the explanation that they already had diverse programming (by which they were referring to Mr. Johnson’s Black Entertainment Network). Years later, having realized his dream for the Black Education Network through over-the-top avenues, he says: “On behalf of the dream that was the Black Education Network and **on behalf of all of the other generations of quality programming strangled to demise by a merciless cable system, I enthusiastically applaud the FCC’s efforts to unlock the box!**”
- Eric Easter, chairman of the National Black Programming Consortium and CEO of BLQBOX, a streaming video service: “As long as the streaming world is locked out from the mainstream, many audiences will never find them and they will not succeed. Set-top box innovation would open that system...An open system could mean that **two guys in their basement could create a new set-top software model that makes it easier for anyone to launch a new channel, and out of those new channels, a few smart people are going to get it right—without a cable system deciding whether one is worthy to reach an audience.**”
- The Writers Guild of America, West supports the FCC’s proposal by noting that “set-top box rules that increase competition and enable the integration of television programming and online video on one device **will greatly expand consumer access to a wider range of diverse and independent programming and help level the playing field** that has been dominated by too few companies for too long.”

There are many more stories like those. But the FCC’s current proposal bolsters its ability to ensure that diverse, independent, and niche voices are no longer held hostage by the the MVPD gatekeepers who currently strongarm them into unilateral deals or else reject them outright. Instead, all creators and programmers can create what and how they want and connect directly with their audiences. This is a new form of media ownership and offers new business models for the 21st Century, which present an infinite capacity for channels and opportunities.

Finally, the FCC’s proposal not only provides more opportunities for diverse content to reach consumers, but also enables consumers to locate that content more easily. As Mr. Johnson puts it, “If you have a good program idea, a little financing and access to the Internet, you can find your audience. **But your audience can find you only if they have a modem or a set-top box or software that lets them know you are there and gives them access to your programs unconstrained by the network gatekeeper.**”