

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)
)
Promoting the Availability of Diverse and) MB Docket No. 16-41
Independent Sources of Video Programming)

COMMENTS OF STARZ ENTERTAINMENT

Starz Entertainment (“Starz”), submits these comments in response to the Commission’s Notice of Inquiry regarding the availability of diverse and independent sources of video programming.¹

For the past twenty-two years, Starz has operated as one of the leading providers of premium subscription video programming through its flagship STARZ and STARZ ENCORE pay TV networks. Through its networks, Starz showcases premium original programming and movies to U.S. multichannel video distributors, including cable operators, satellite television providers, and telecommunications companies. As of December 2015, Starz served 23.6 million subscribers in the United States and is proud to offer a variety of diverse programming to its subscribers. Starz supports the Commission’s endeavor to begin a conversation regarding the state of independent and diverse programming. Starz is committed to increasing diversity in video programming through the availability, variety and quality of its content. Starz is encouraged by the Commission and its interest as to how it and others can foster greater consumer choice and enhance diversity in the video marketplace.

Starz strongly supports and believes in providing diverse programming to consumers. Starz CEO Chris Albrecht has been vocal in the past about the lack of diverse casts and creative teams in premium cable programming. In an effort to better attend to underserved audiences, Starz has engaged in a diverse programming strategy that builds off the success of its shows rooted in African-American experiences, including the drama “Power” and the comedy “Survivor’s Remorse.” “Power” is one of two series that Starz currently airs, which is run by African American executives, including the show’s creator Courtney Kemp Agboh, and which features a diverse cast that includes Omari Hardwick and Curtis “50 Cent” Jackson. “Power” ranks as Starz’s most watched original series, and in 2015 its season finale drew in about 2.39 million viewers according to Nielsen’s “live plus-3” estimates, which include both same-night viewership (1.54 million) and time-shifted playback over the next three days (850,000). These statistics are up 51 percent from the show’s first season’s finale in 2014.² In 2015, “Power” had the largest concentration of African-American viewers of any premium-cable drama since *The Wire*.³ Even though Starz is available in only about a quarter of all television homes, this past summer “Power” regularly landed on Nielsen’s list of top 20 TV shows among black viewers.⁴

As a provider of premium video programming, Starz has uniquely positioned itself as a premium content provider for underserved audiences by providing content tailored to audiences with diverse

¹ *In the Matter of Promoting the Availability of Diverse and Independent Sources of Video Programming*, Notice of Inquiry, MB Docket No. 16-41 (Feb. 18, 2016).

² Rick Kissell, ‘Power’ Finale Sets All-Time Ratings Records for Starz, VARIETY (Aug. 21, 2015), available at <http://variety.com/2015/tv/news/power-finale-starz-ratings-records-1201573821/>

³ Josef Adalian, *How 50 Cent and a Feminist Action Hero are Finally Putting Starz on the Map*, VULTURE (July 9, 2015), available at <http://www.vulture.com/2015/07/starz-outlander-power-populist-network.html#>

⁴ *Id.*

backgrounds. Over 30 percent of Starz’s current total movie inventory consists of movies in which African Americans, Hispanics or Asians star in the lead role. Of Starz’s linear services, 18 percent specifically target underserved demographics (STARZ IN BLACK, ENCORE BLACK and ENCORE ESPAÑOL), and 27 percent of its original program investment in the past year went to television series targeted towards African American viewers. Starz CEO Chris Albrecht has previously stated in numerous interviews that the premium content space has been largely focused on one audience—white males—and Starz is one of the few networks that has sought to broaden its viewership base by providing a wider variety programming that targets other, diverse audiences. As of 2015, Starz’s audience composition for its scripted series consisted of 53 percent white, 30 percent Black and 49 percent women viewers, compared to its competitors’ audience compositions which averaged 74 percent white, 17 percent Black and 45 percent women viewers.⁵ These numbers show how passionate Starz is about producing content tailored to different audiences and continues to work to secure new projects that include diverse casts and creative teams. In particular, Starz currently has seven new projects in development from female writers, directors and showrunners; eight projects currently in development by Latino creative executives; five projects currently in development by African American creative executives; and five projects in development that are being developed by female creative executives.

Earlier this year Starz also recently unveiled its Hispanic initiative and its plans for expanding its diverse programming offerings, which include reaching and providing programming for Latino audiences. Part of Starz’s Hispanic outreach includes partnering with Televisa USA, an arm of Grupo Televisa, to develop an English-language version of the telenovela “El Malefico,” which ran for 320 episodes in Mexico from 1983-1984, in an effort to reach and provide content to second generation, bilingual Hispanic viewers who watch premium channels.⁶ Starz hopes that these shows will be as successful in reaching target audiences, as “Power” has been with African American viewers and as “Outlander” has been with female viewers. In a recent interview during Starz’s Television Critics Association press tour, Chris Albrecht noted that Latino audiences are often difficult to target due to a variety of cultural elements. However, Starz believes that it is an important audience to direct content towards, and “if [Starz] can lean into them we can show them that Starz has them on our minds.”⁷

Starz’s high viewership statistics for its programming indicate that shows, like “Power”, which feature diverse casts can be successful and popular with consumers. In fact, studies have shown that shows featuring diverse casts that aired during the 2011-2012 and 2012-2013 seasons saw audience ratings peak.⁸ The 2016 Hollywood Diversity Report, released by the Ralph J. Bunche Center for African American Studies at UCLA, compared the median ratings by minority cast share for broadcast scripted shows from the 2013-2014 season in white households, black households, Latino households, Asian American households, and among viewers ages eighteen to forty-nine against cast diversity. The research indicated that a show’s cast diversity had a meaningful and positive relationships to a show’s ratings. Among all minority households, median ratings peaked for shows with casts that were over 50 percent minority.⁹ Among white households, median ratings also peaked for relatively diverse shows with casts that were 41 to 50 percent minority. Median ratings for persons ages eighteen to forty-nine also peaked for shows with high cast diversity. Ratings analyses of cable scripted shows from the 2013-2014 season, also reveal that relatively diverse cable scripted shows excel with most audience segments. Among viewers ages eighteen

⁵ See Nielsen audience composition for 2015 scripted series, based on gross average audience projections.

⁶ R. Thomas Umstead, *TCA16: Albrecht’s Starz Reaching Out to Hispanics*, MULTICHANNEL NEWS (Jan. 8, 2016), available at <http://www.multichannel.com/news/content/tca16-albrechts-starz-reaching-out-hispanic-audiences/396386>.

⁷ *Id.*

⁸ See Dr. Darnell Hunt et al., *2016 Hollywood Diversity Report*, RALPH J. BUNCHE CENTER FOR AFRICAN AMERICAN STUDIES AT UCLA (Feb. 2016).

⁹ *Id.*

to forty-nine and black households, median ratings peaked for cable scripted shows that featured casts that were over 50 percent minority. Meanwhile, among Latino households, median ratings peaked for cable scripted shows with casts that were from 31 percent to 40 percent majority.¹⁰ Studies, like the 2016 Hollywood Diversity Report, dispel the false notion that there is a necessary tradeoff between diversity within programming content and a program's overall success.

Despite data suggesting that consumers generally like and will watch diverse and independent programming, minorities have largely remained underrepresented in television. According to the 2016 Hollywood Diversity Report, people of color were underrepresented nearly five to one among broadcast scripted leads and were underrepresented by a ratio of greater than two to one among cable scripted leads.¹¹

The 2016 Hollywood Diversity Report also indicated that during the 2015-2016 TV Pilot Pipeline, less than a quarter of television pilots in development (22 percent) had at least one minority auspice, which resulted in the underrepresentation of minorities by a factor of nearly two to one at the earliest stages of the television development process.¹²

Starz is hoping that its efforts through its diverse program offerings will help change these numbers and is encouraged by the Commission's interest in an area of television programming that it has long been passionate about. Starz supports the Commission and its efforts to foster greater consumer choice and enhance diversity in the video marketplace.

STARZ

/s/ David Weil

David Weil, Esq.
General Counsel

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*