

# **Racial Bias at Charter Communications**

**Critical steps the FCC must do to correct these issues prior to the Charter/TWC merger**

# Fast Facts

- \$6 billion: Charter's annual programming budget.
- \$2 million (rounding up!): Funds spent by Charter on 100% African American-owned media.
- .03% (rounding up!): Percentage of the programming budget spent towards African American-owned media.
- 0/10: Number of African-American executives at Charter.
- 0/16: Number of African-American board members at Charter.
- \$16.4 million: Tom Rutledge's 2015 compensation. Note that this individual's pay is higher than the amount spent on African American-owned media.

# **Contention 1: Charter has not lived up to the standards of their own “Memorandum of Understanding” on racial issues.**

## **Their own words:**

“In addition, New Charter will develop a framework, to be included in the Diversity Strategic Plan, for enhancing the carriage of programming networks owned and operated by African Americans in a way that supports the business goals of New Charter. For purposes of this commitment, an African American owned and operated programming network is one that produces its programming in the U.S. and is **substantially owned, operated, and controlled by an African-American.**”

## **THUS:**

If the foregoing is Charter's "commitment," as stated in the MOU, then why are they refusing to do business with the one African American owned television company that substantively meets the criteria of their own policy (Entertainment Studios, 100% owned by Byron Allen).

# The issue with their MOU.

- The use of the wording *substantially owned, operated and controlled* is an intentionally chosen vague word so they could launch networks that are not 100% African American-owned.
- Aspire (owned by white cable associate of Comcast's Brian Roberts and Intermedia's Leo Hindery).
- Revolt (owned by Highbridge Capital) a subsidiary of JP Morgan of which Steve Burke is a board member.
- Both have high profile African Americans (Erwin "Magic" Johnson and Sean "P. Diddy" Combs respectively) in partial token ownership roles but who have limited control and not near 100% ownership.

## **Contention 2: African Americans are HEAVILY discriminated against in the entertainment industry. Charter/TWC only worsens the problem.**

“Part of the problem is it’s an incredibly insular industry. The people who make decisions, who green-light projects, tend to surround themselves with people pretty much like themselves.”

**Darnell Hunt, Director of the Ralph J. Bunche Center for African American Studies at UCLA** (taken from the *Washington Post*, 12/23/14).

This quote is in reference to the difficulty faced by African Americans at all levels of the entertainment industry due to lack of African American leaders in the business.

- Charter is a company that has shown great reluctance to incorporate African Americans at a high-level ANYWHERE.
- Charter’s deal with Rev. Al Sharpton does nothing to address the core of the issue which is Charter’s failure to work substantively with African Americans. The fact that they have to suggest appointing African Americans on the board as a condition to the merger illustrates that **the only way they will work with African Americans at a high-level is IF and only IF it is a condition of merger.**

## **Contention 3: The FCC must condition merger on Charter working with 100% African American-owned media.**

- Since it is clear that Charter will only work with 100% African Americans substantively if compelled to as a condition of the merger, the FCC may only approve the merger contingent on Charter allocating a substantial percentage of their programming budget towards 100% African American-owned media including Entertainment Studios. (There should be no retribution towards ES.)
- The FCC has an obligation to African Americans at every level of the entertainment industry to ensure that they do not approve a merger that will lead to further discrimination and further disparity in pay with white counterparts.
- There has been increasing public outcry over diversity in ‘Hollywood’ and the entertainment industry. The FCC has a unique opportunity to actually make substantial change and a long-lasting difference in the industry. **African Americans should be allowed to go into the entertainment industry without fear of suffering discrimination and abuse at every rung of the ladder.**