

September 11, 2003

BY ELECTRONIC FILING

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Consolidated Application of General Motors Corporation,
Hughes Electronics Corporation, and The News Corporation Limited
for Authority to Transfer Control (MB Docket No. 03-124)*

Dear Ms. Dortch:

Further to our letter of September 10, 2003, General Motors Corporation (“GM”), Hughes Electronics Corporation (“Hughes”), and The News Corporation Limited (“News Corp.”) (collectively, the “Applicants”) hereby submit additional materials that provide further specification and quantification of the diversity-related public interest benefits arising from the proposed transaction.

Attached hereto is a Supplement to information provided in the Application related to diversity and equal opportunity.¹ Specifically, the Supplement discusses in greater detail both News Corp.’s plan for diversity-related initiatives at Hughes and News Corp.’s track record with such initiatives within its current corporate family. Such information provides additional evidence upon which the Commission can conclude that News Corp. will follow through on its plans to bring its commitment to and experience with promoting diversity and equal opportunity to Hughes.

This submission further demonstrates the public interest benefits of the proposed transaction. Given the absence of any countervailing harm, the Commission should expeditiously grant the Application as in the public interest.

¹ See Consolidated Application for Authority to Transfer Control, MB Docket No. 03-124, at pp. 39-43 (filed May 2, 2003).

Sincerely,

 /s\

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Attachment

ATTACHMENT

SUPPLEMENT TO INFORMATION ON DIVERSITY

One of the most important public interest benefits of this transaction is that News Corp. will bring its commitment to equal opportunity and diversity to Hughes. News Corp. is a recognized leader on diversity issues. Bringing its leadership in this area to Hughes will thus both serve the public interest and further the broad aims of the Communications Act. In this regard, News Corp. plans a series of specific diversity initiatives for Hughes.

First, News Corp. will take steps to increase the amount of programming on DIRECTV targeted at culturally, ethnically, and linguistically diverse audiences. As discussed below on pages 3-4, FOX is already an industry leader in this area, and News Corp. intends to bring this spirit to DIRECTV.

To take just one example, News Corp. believes that today's programming underserves the "English dominant and bilingual Hispanic" segment (many of whom are Hispanic/Latinos born in the United States). News Corp. has identified a number of enterprises developing programming for this population segment, and will put these and other organizations in contact with the appropriate DIRECTV personnel.¹

Second, News Corp. will implement a program for mentoring women and minority entrepreneurs who have the financial backing, but not the "know how," to launch niche cable channels. While this program is in the early stages of development, News Corp. envisions it as including:

- Classes and/or panels on launching and managing cable channels. Lecturers and panelists would include senior Fox Entertainment Group ("FEG") executives with expertise in this area.
- A mechanism for FEG executives, DIRECTV executives, and/or bankers to review draft business plans and programming tapes, for the purpose of providing advice and assistance to participants.
- Networking opportunities with senior FEG and DIRECTV executives.

Third, News Corp. will develop an executive leadership initiative based on similar programs currently in place at FEG business units, discussed below on pages 4-5. These programs take promising junior management personnel from underrepresented groups and, over the course of 18 to 24 months, train them to become senior managers. At

¹ These include: *Mun2* (the first general entertainment network committed to the young Hispanic audience); *SiTV* (the first all-English network designed for the Hispanic/Latino audience); *Expression* (a national network expected to launch later in 2003 for the "new Hispanic generation"); *Entravision* (which has begun to experiment in its Los Angeles stations with a combination of Spanish and English language formats); and *Plural Luna* (which plans to develop and produce shows for the Spanish language market and, eventually, for the English speaking and bilingual markets).

DIRECTV, a similar program could help individuals from such groups advance into more senior positions.

Fourth, News Corp. will develop internship and mentoring programs at DIRECTV for high school, college, and graduate students from underrepresented groups. These programs will be modeled on the existing programs offered by FEG and other News Corp. units such as the “Journey to Excellence Program” and initiatives at Dorsey High School in Los Angeles, which are discussed in greater detail on pages 5 and 6, respectively.

Fifth, News Corp. will evaluate Hughes’ procurement programs to ensure that they provide sufficient opportunities for minority-owned suppliers and contractors. FEG has an established minority procurement program, which is discussed in greater detail on pages 7-8. A comparable program for Hughes could include:

- Establishment of a “supplier diversity committee” (FEG’s program is discussed on page 7).
- Optimization of Hughes’ minority supplier database (FEG’s database is discussed on page 9).
- Organization of networking events designed to increase contact between Hughes and minority suppliers (FEG’s participation in such events is discussed on page 8).
- Development of Hughes’ relationship with the National Minority Supplier Development Council (FEG’s membership in this organization is discussed on page 8).

Sixth, News Corp. will upgrade Hughes’ internal and external communications, including its website, to help it more efficiently institute the diversity initiatives listed above. FEG has made a number of advances in this area, including an automatic resume retrieval system (discussed below at page 8) and an online procurement registry procedure (discussed below at page 9). News Corp. intends to make similar improvements at Hughes.

Seventh, News Corp. will establish a diversity development office within DIRECTV. This office, with assistance from FEG’s own diversity development office, will be tasked with implementing the commitments described above.

* * *

Anybody can make promises about diversity initiatives. In this case, however, “what’s past is prologue.”² In other words, News Corp.’s existing diversity initiatives constitute the best possible evidence of its future intentions for Hughes. Accordingly,

² *The Tempest* (Antonio at Act II, Scene i).

this submission provides additional detail on News Corp.'s current initiatives with respect to: (1) programming; (2) mentoring, executive leadership, and internships; (3) suppliers; and (4) communications.

1. Programming

FEG takes great pride in its diverse slate of programming. This year, for example, the FOX network lineup includes the following programs:

- *Luis*, a new series featuring one American Latino, two American Latinas, two Asian American males and one African American male.
- *The Ortegas*, a new series featuring two American Latinos, and two American Latinas.
- *Skin*, a new series featuring an American Latina and an African American female.
- *The Bernie Mac Show*, which features two African American males and three African American females.
- *Wanda at Large*, which features three African American males (one multi-ethnic) and two African American females (one multi-ethnic).
- *24*, which features one American Latino, two Asian American/multi-ethnic females, one African American male and one African American female.³
- *Boston Public*, which features one African American male, two African American females and one American Latina.
- *Cedric the Entertainer Presents*, which features three African American males, one African American female and one South Asian American male.
- *Mad-TV*, which features one African American male, one African American female and one Asian American male.
- *American Idol*. While this series is enjoyed by a wide range of audiences, 20 of the top 30 contestants, and 6 of the top 10 contestants, as picked by the talent search/viewing audience, were from diverse backgrounds in the series' first year. This year, the "American Idol" title was won by an African American male. Additionally, of the three judges, one was an African American male and one was an Arab American/Latina.
- *The 2003 Essence Awards*, which recognizes the achievements of African Americans who are making a difference in their communities and in the world.

³ This information is from the 2002-2003 season – the full cast for the new season has not yet been announced.

- *The 35TH Annual NAACP Image Awards*, which honors prominent African Americans from the fields of music, television and film.

Moreover, FEG has received over 150 proposals for new show ideas this year from diverse writers and producers (compared with 62 in 2001).

2. Mentoring, Executive Leadership, and Internships

FEG has instituted a number of mentoring, executive leadership, and internship programs. These programs cover practically every FEG activity, from management to writing and directing to acting. Below is a representative sample:

- *FEG Executive Leadership Program*. This suite of 18-24 month programs, now being implemented throughout the FEG organization, prepares junior executives of diverse backgrounds (both from within FEG and new hires) to assume more senior management positions.
 - *20th Century Fox Film Corporation*. This immersion program exposes junior executives to the responsibilities of senior film management. Participants are trained in tracking new talent, understanding pop trends and youth culture, researching potential project ideas, taking pitches, and compiling writer and director lists. Each participant also shadows a senior executive during the production of a feature film. Upon successful completion, participants are considered for more senior positions within the Fox Filmed Entertainment Group. (Two graduates of this program are currently employed at Fox: one, an African American female, is now a senior vice president, and another, an Asian American male, is now a vice president.)
 - *20th Century Fox's Feature Production Department*. This immersion program begins with coursework on "Movie Magic Budgeting" and "Movie Magic Scheduling." Participants then rotate to production on assigned films, where they receive extensive coaching from the production executives. Upon successful completion, participants are considered for more senior positions within the production department. (An African American female, who recently completed the program, has been employed as a supervising producer on a film currently in development.)
 - *20th Century Fox Production Legal Department*. This program identifies second and third year law students to clerk part-time within the 20th Century Fox legal department. Working closely with department attorneys, these law students learn the basic skills necessary to become legal professionals in the entertainment industry. FEG anticipates offering participants full-time positions within the company upon graduation and successful completion of the program.

- *FOX Broadcasting Company.* This new program will place participants in the “current programming” department for supervised work on two of FOX’s more established series. After six months, participants will assume direct responsibility for those shows, working with producers to refine show ideas and concepts. After one year, participants will begin a nine-month rotation in series development. FEG anticipates offering participants more senior positions within the creative division upon successful completion of the program.
- *Fox News.* Six recent college graduates are now participating in a two-year “apprenticeship” program at Fox News, designed to introduce them to the operations of the newsroom. Under the supervision of Fox News executives, participants rotate through the major departments and learn the fundamentals of research, booking, traffic, finance and administration. Participants then return to one of the departments for more advanced training. Fox News anticipates placing participants in management positions upon completion of the program.
- *Fox Cable Networks Group.* Programs similar to those described above are in the planning stages at FEG’s cable programming operations, including sports and general entertainment networks.
- *Writers Initiative.* For the last three years, FEG has conducted a Writers Initiative designed to identify diverse writers for various staff positions on its series. More than 40 individuals of color, many of whom participated in this program, have worked this season on FOX series as writers and producers – approximately 23% of the total number of writers and producers hired.
- *Writer’s Boot Camp.* This is an intensive course designed to improve the “spec writing” of minority screenwriters. Of the 17 participants in this year’s Boot Camp, seven obtained writer’s assistant positions with FOX series.
- *Journey to Excellence Program.* This program targets students at 14 high schools with large minority and economically disadvantaged populations. Students participate in events at FOX geared specifically to them, including motivational presentations, resume writing and interviewing workshops, and financial and health training. After graduation, FOX contacts each student at least once a year, and those who remain in Los Angeles are invited to attend various FOX events and apply for summer intern positions.
- *Hollywood CPR.* This industry-wide program offers vocational training in the trades and skills required for careers in the art and production departments of the entertainment industry to at-risk, disadvantaged youth. Training includes basic construction skills, model and mold making, metal work, upholstery and drapery. Participants in this program gain industry experience, which is a prerequisite to

obtaining union membership (itself a prerequisite to getting a production job with a major motion picture studio). FEG provides referrals for entering the program, offers site visits for participants, and provides speakers for the program. Program graduates are often hired part-time for films produced by major studios as a first step towards full-time employment.

- *FOX American Indian Institute.* FEG and UCLA conducted a residential program to introduce 14 American Indian young adults to career opportunities in the entertainment industry. Students representing ten different tribes from five states attended daily sessions addressing higher education, the entertainment business, and life skills. Discussion leaders included UCLA faculty, FEG employees, and community leaders. After attending the Institute, one participant was accepted into a training program for set construction with Hollywood CPR. Another participant has been accepted to the Los Angeles Academy for the Arts in Pasadena, and a third obtained a position as a production assistant with NA2 Productions.
- *Dorsey High School.* FEG currently supports two programs at Dorsey High School in the Crenshaw district of Los Angeles:
 - *The S.T.A.R. Mentor program.* This program offers Dorsey High School students one-on-one mentoring sessions with FEG employees and workshops on topics such as personal development, higher education planning, career choices, and life skills. One hundred thirty five students have participated so far. A young African American woman who had participated in this program through high school, and worked part time at FOX during college, recently graduated from the California State University at Northridge. She was subsequently hired as a production assistant working for 20th Century Fox Television.
 - *The Film Production Program.* This is an elective course on film production. Approximately 20 students each year learn about production and post-production, receiving “hands-on” experience on a variety of production-related projects. FEG employees teach the course, and others serve as guest speakers.
- *FOX Music Mentor Program.* This program couples students from an inner city high school with mentors in the music field – including Fox Music Division employees, members of the Grammy Foundation, and the Magnet Program for the Performing Arts’ Big Brothers Big Sisters (as case managers). After graduation, FEG keeps track of program participants for possible employment opportunities.
- *LEAD (Leadership, Education and Development).* FEG participates in this program, which places high-achieving minority high school students at prominent business graduate schools for a month-long summer program taught by business school professors. FEG has sponsored groups at UCLA business school, and

tracks participants in its database of potential candidates for internships and professional positions (see below for a discussion of this database).

- *National Association of Black Accountants, Accounting Career Awareness Program (ACAP)*. FEG sponsored the business competition segment of this year's ACAP, a weeklong residential program for 35 high school students of color. FOX Broadcasting Company arranged a meeting with its Chief Financial Officer to discuss opportunities in accounting and finance, provided a tour of its lot, provided content for a case study, and participated in the judging of the case presentation.
- News Corp.'s other units also offer a number of internships and scholarship programs. These include the following:
 - The *New York Post* offers a wide range of high school scholarships, seven paid college summer internships (colleges are either United Negro College Fund schools or community colleges with high Latino and African American populations), and seven paid high school summer internships.
 - Fox News offers two scholarships per semester (for a total of six) to students from Howard University's School of Communication. During a recent twelve-month period, six students have worked as paid interns at the Washington, DC, office of Fox News. So far, six interns have moved into full-time salaried positions at Fox News.
 - News Corp.'s Diversity Development / Government Affairs Department offers a scholarship to a student at Howard University's Arts and Science Department, and, in the summer of 2003, had two paid internships (one filled by a student from Florida A&M's School of Communications, and one filled by a student at Howard University Law School). Two internships will be offered again next summer, one of which is anticipated to be filled by a student from Howard University Law School.
 - The National Geographic Channel offers one summer and one fall paid internship, each for students from Howard University's School of Communications.

3. Suppliers

FEG has an active supplier diversity program. In 2001, FEG formed an internal diversity committee to share information on its existing vendors and to consider ways to increase opportunities to work with vendors owned by members of traditionally underrepresented groups. The committee collected information from every vendor/service provider that does business with FEG in order to determine each vendor's ability to meet FEG requirements. This data was centralized, and is shared within the committee by way of an automated database (see below for a discussion of this database).

The committee also created a web page to facilitate the dissemination of program information to minority groups (see below for a discussion of this website).

FEG has also sought out minority suppliers. In this regard, it hosted a networking event for over 1200 minority-owned suppliers, 150 of which arranged meetings with FEG procurement specialists. Moreover, FEG participated in the Latino Business Association’s annual conference, scheduling meetings with a number of Latino suppliers, all of whom are now included in FEG’s database.

FEG is also a member of the Southern California chapter of the National Minority Supplier Development Council, which provides a direct link between corporate America and minority-owned businesses. FEG is frequently contacted by such companies through this Council and has procured from members represented by it.

In only two years, these efforts have yielded demonstrable success. The table below depicts FEG⁴ minority procurement numbers representing growth from 2001 to 2002.

	Jan - Dec 2001	Jan – Dec 2002	%Change
African American	\$ 1,370,483	\$ 3,045,287	+122%
Asian American	\$ 2,976,093	\$ 4,025,104	+ 35%
American Latino	\$ 8,757,658	\$ 10,586,928	+ 20%
Native American	\$ 889,609	\$ 1,242,290	+ 39%
Total	\$13,993,843	\$ 18,899,609	+ 35%

4. Communication and Outreach

FEG has taken a number of steps to improve its internal and external communications systems, allowing it to better implement a number of the initiatives described above. Below are several examples:

- FEG has automated its applicant and resume retrieval system. This database allows FEG to track individuals from underrepresented groups and find those whose profile suggests that they would be strong contenders for available positions. (This is *not* an applicant pool. It is instead comprised of individuals that the diversity development department has personally met in the course of its outreach efforts through its relationships with educational institutions, professional organizations, community based organizations, and referrals from entertainment industry contacts, many of which are described above.) When a position becomes available that is consistent with an individual’s interest and background, FEG refers him or her for consideration.

⁴ This table reflects figures only from FEG’s Los Angeles-based units.

- FEG's website now allows vendors owned by members of underrepresented groups to register with a separate FEG database. Vendors can provide and update a variety of information concerning their companies. This database allows the supplier diversity department to better track vendors for potential business opportunities, and allows this information to be more easily shared with other FEG units. Candidate vendor profile forms and instructions can be found at <http://www.fox.com/diversity/procurement.htm>.

* * *

News Corp. is proud of its record on diversity issues. In News Corp.'s view, given the changing demographics of America and the increasing buying and viewing power of traditionally underrepresented groups, a strategy of promoting diversity is simply good business. Applicants can think of no better evidence than the foregoing record that News Corp.'s commitment to diversity is real, and that it will extend this commitment to Hughes.