

**Written Statement of J.C. Watts**

**Chairman, Black News Channel**

**Hearing: “The Reauthorization of STELAR”**

**Before the United States Senate Committee on Commerce, Science, and Transportation**

**October 23, 2019**

Thank you Chairman Wicker, Ranking Member Cantwell, and Members of the Committee.

I am J.C. Watts, former member of Congress from Oklahoma. I am here today as the Chairman and Co-Founder of an exciting new business venture — the Black News Channel, or BNC. When BNC launches, it will become the nation’s very first 24/7 news network dedicated to covering the unique perspective of African American communities. It is a new voice that will represent African Americans in mainstream media, and help shed light on the unique social, economic, and political challenges facing urban communities. In doing so, it will help close the image gap that exists today between the negative African American stereotypes found throughout mainstream news and media, and our enterprising black communities.

There are undoubtedly many reasons why it has taken so long for the first news channel dedicated to the African American community to emerge in this country. It is very difficult for any new network to get off the ground. Traditionally, for a network to become commercially viable, it needs to convince cable TV companies and satellite operators to carry it. Despite the rapid growth of streaming, a majority of American households still obtain news and information from cable TV and satellite. That is particularly true with respect to older generations, which tend to be the largest consumers of news and informational programming.

It has been particularly difficult for BNC to obtain carriage from the two major satellite operators. It is our understanding that satellite has relatively low penetration in urban cores due to line-of-sight issues and the difficulty of residents in those areas to place satellite dishes on multi-tenant dwellings. BNC's target audience, however, is more concentrated in urban cores than other ethnic groups. Approximately a quarter of African Americans still live within urban cores, compared to only about 10 percent of whites, 20 percent of Asians, and 17 percent of Hispanics. Satellite providers have told us that due to these issues, it is more difficult for them to justify traditional commercial carriage of a niche network like BNC.

Over the past several years, we have tried various approaches that would make it easier for satellite providers to take a chance on a new network like BNC. And part of that solution requires your help.

BNC supports the reauthorization of STELAR because we believe it is a critical component of preserving satellite as a viable competitive alternative to cable for traditional multi-channel video programming services, as well as to new streaming services.

We also believe Congress should use the opportunity of reauthorizing STELAR to make at least one modest change to the Communications Act, just as Congress has done in the past in deciding to reauthorize this important piece of legislation.

In the 1992 Cable Act, Congress enacted Section 335 of the Communications Act (47 USC § 335), which requires DBS providers to set aside a certain percentage of their channel capacity "exclusively for non-commercial programming of an educational or informational nature." At the time, Congress found a "substantial governmental and First Amendment interest in promoting a diversity of views provided through multiple technology media." 1992 Cable Act § 2(a)(6). Congress has also expressed the goal of reducing "market entry barriers for

entrepreneurs and other small businesses” in order to fulfill a “national policy” of “favoring diversity of media voices.” 47 U.S.C. § 257.

As implemented, however, Section 335 — as well as other provisions of the Act — have failed to provide sufficient opportunities for independent programming of an educational or informational nature. And legislation to date has failed to create a true diversity of views and media voices as Congress intended.

Congress can address the lack of diverse programming by modestly revising Section 335 to allow DBS providers to use their set-aside channels not only for non-commercial programming, but also for independently owned programming of an educational or informational nature. Specifically, Congress should expand the DBS set aside to include any network that is unaffiliated with any MVPD, broadcast network, or movie studio, provided such network produces and televises at least eight (8) hours of original educational or informational programming (including news programming) per day.

The modest expansion of the set aside that we propose would open the door for other types of educational and informational programming to compete for use of this space. This would lower the high entry barriers for entrepreneurial new networks like BNC, who seek to give an on-air voice and platform to an underserved community. It will, in short, fulfill the goals that Congress originally had in mind when it first adopted Section 335, and that are even more pressing today.

On behalf of BNC, I urge this Committee to adopt our suggested language in any proposed legislation for the reauthorization of STELAR. And I urge Congress to reauthorize STELAR, incorporate and approve our proposed language, and fulfill its mission of achieving a more diverse media landscape. Thank you.

## **Appendix: BNC's Proposed Modification to 47 U.S.C. § 335**

To promote diverse programming, Congress should modestly revise Section 335 to allow DBS providers to use their set-aside channels not only for non-commercial programming, but also for independently owned programming of an educational or informational nature. Congress should add the following underlined language to 47 U.S.C. § 335(b)(1)(A):

Except as provided in subparagraph (B), the Commission shall require, as a condition of any provision, initial authorization, or authorization renewal for a provider of direct broadcast satellite service providing video programming, that the provider of such service reserve a portion of its channel capacity, equal to not less than 4 percent nor more than 7 percent, exclusively for noncommercial programming of an educational or informational nature, or for any network that is unaffiliated with any MVPD, broadcast network, or movie studio, provided such network produces and televises at least eight (8) hours of original educational or informational programming (including news programming) per day.