

Javier Palomarez, Alice Perez and Dora Westerlund: Cable merger would benefit Latino community

By Javier Palomarez, Alice Perez and Dora Westerlund

The proposed Comcast-Time Warner Cable (TWC) merger has received a great deal of attention — and its share of controversy — here in California. Opponents say it will give Comcast too much power to pick winners and losers with television networks and online video providers, and too much power over our local Internet service. They've asked us to oppose the deal on this basis.

But for us, these mergers should be supported or opposed based on a careful study of the merits, and not on bumper stickers, parochial corporate interests or fundraising goals of various advocacy organizations.

And for us, the merits are measured by whether it will create more opportunities for Latino programmers and other businesses, promote more investment in our communities in high-speed networks and help close the digital divide. On this basis, the Comcast/TWC transaction shows some promise.

For starters, the new company plans to invest tens of millions of dollars annually to upgrade the aging and outdated TWC systems in Southern California. This will mean faster Internet speeds at home — Comcast's 150 Mbps service here in California triples TWC's fastest broadly-available speed — while supercharging service for businesses that lack real choice today with speeds as high as 10 Gbps. And it will give us the type of modern network needed to attract new businesses to the region.

Comcast (like most internet service providers) also has a far better record of hiring Latinos and other people of color than do so-called “edge providers” who create applications, content and services online. As the Communications Workers of America recently pointed out, minority hiring among ISPs is as high as 14% — at least three times the minority hiring rate of the content and website companies like Netflix that have criticized the deal.

Comcast notably has led the pack, consistently named one of the top companies in America for Latinos to work: Half of Comcast's new employees are women and minorities, 40% of the overall work force are people of color and so are one in every four managers.

Comcast is also in the midst of implementing a new supplier diversity initiative aimed at increasing the amount of business it does with minority-owned vendors. In just three years, the company has increased spending with diverse suppliers by more than \$4 billion. In California, the impact has been \$64.6 million. A transaction that expands these pro-business, pro-Latino policies will mean powerful new opportunities in our state.

Second, the transaction should mean more and better access to Latino-focused programming for Californians. Comcast has arguably done more than any other cable or satellite company to increase the amount and the reach of Latino-focused content.

Comcast created the industry's first Hispanic-specific service “tier” (Xfinity Latino) with both Spanish and English-language news, sports and entertainment programming. It has helped launch Latino-owned and focused programming networks like ViendoMovies, BabyFirst Americas, and Mexicanal.

Hispanic programmers have testified to the company's strong record on this point: Condista's Jorge Fittere said Comcast is “willing to take risks with us on programming” and SomosTV CEO Jose Antonio Espinal attests, “No company has been a better partner to independent and diversity programmers in this country.” Bringing a company with more than 160 independently owned channels, including scores of foreign language and diversity programming,

to the nation's largest Hispanic market is a no-brainer to us.

Finally, the deal will do far more to bridge California's digital divide than any other program to date. Latinos trail the general population in home broadband subscriptions by as much as 10%; the number widens even further when factoring in income. Internet Essentials has been the best answer yet to this cleave; in just three years Internet Essentials has already changed the lives of 35,000 low-income families — disproportionately Latino, African American and other minorities — in Northern California. That number could double, triple, or more as new California families become eligible under this deal.

Comcast and TWC don't compete against one another for customers, so the typical concerns about consumer harm that accompany most mergers are here unfounded.

Rather, this is a trade: Californians get a company that has made industry-leading efforts to create opportunities for Latino companies and workers, invested in the fastest broadband networks and helped launch minority programming in exchange for a company that has not. On that basis it's hard to see the downside of this deal for California's Latino community.

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