Prepared Remarks of Commissioner Mignon L. Clyburn
New Media Entrepreneurship Conference
May 6, 2010

Thank you, Angela, for that warm introduction and for your kind invitation. It is an honor for me to be a part of your inaugural conference and it is my hope that it will be a mainstay for many years to come. Your work at Black Web 2.0 is an inspiration particularly to upcoming entrepreneurs of color everywhere. You identified what you believed was missing for African Americans in the marketplace, you had a vision for how that void could be filled, and you put your plan into action. Your efforts are paving the way for many and I am pleased that you are continuing your quest by hosting these kinds of gatherings.

For some time now, I have wondered why there have not been more events like this one. It is essential that we develop and highlight opportunities focused on encouraging and training people of color to take advantage of the great broadband business opportunity before us. It seems to me, that in our unitary focus on broadband adoption – which, make no mistake is job one – many have forgotten the importance of ensuring that everyone has the tools to seize the economic opportunity afforded by broadband. So, while step one may be to get everyone on line so that they can have access to the best education, health care, news and information among other things, job number 1a is to help them maximize this rare chance to uplift themselves economically.

As Angela has noted in the past, we need "to make sure that African Americans in general are creators, not just consumers." We need to foster an environment where all Americans can turn a light bulb of an idea into a thriving business.

When it comes to minority ownership – that is the ability for people of color to own things in the media and telecommunications space – the FCC historically has focused its efforts on the broadcast media market. That is not to say that other areas are not important, or that the FCC has completely ignored other telecommunications sectors. Rather, what makes broadcasting unique is that it has a social output. In other words, its value is in the content it produces for the public. This is not the case with a wireless or wireline company in quite the same way.

It, therefore, seems particularly relevant who is responsible for putting the content out into the public. It is not a stretch to imagine that a diverse set of broadcast media owners would yield more diverse and relevant content for all Americans.

The paltry numbers of minority media owners in the broadcast context, however, are almost frightening. On the radio side, of the more than 11,000 commercial AM and FM stations, people of color control just over 800 of those stations or approximately 7.25%. In terms of broadcast television ownership, people of color own a mere three percent of all full-power commercial stations, and African Americans own less than 1 percent of all stations.

This is not merely the product of the lack of FCC effort. Many avenues have been explored. One of the greatest barriers to success is that the legal landscape is not particularly hospitable to attempts to remedy such a disparity in a conspicuous manner.

Thus, as the years pass, opportunities for people of color to own radio and television stations – and, in turn, opportunities for people of color to receive relevant news, information, and entertainment programming – have been falling by the wayside. The current economic climate has only made the prospects for change even bleaker. The capital needed to fund such ventures simply is not available.

This is where the Internet and broadband come in. Technology has given us a new and perhaps even more potent option to address the voices being distributed to our communities. With broadband's rise as a technology through which commerce flows freely, and which currently presents relatively low barriers to entry, I believe we are presented with an opportunity that must be seized. What once seemed impossible to achieve through the broadcast media, is now within reach through broadband.

There are already many exciting examples of this phenomenon. On other occasions I have mentioned Jonathan Moore, the Founder & CEO of Rowdy Orbit IPTV. Rowdy Orbit is an online platform featuring professional produced original programming for minority audiences. Mr. Moore opened Rowdy Orbit's doors as a result of his frustration over the failure of traditional media to include people of color and the difficulties of getting minority content distributed through traditional channels.

With broadband, however, Rowdy Orbit has become a platform for non-traditional media creators to get eyeballs without the cost and culture barriers of traditional media. Crucial to its success is that Mr. Moore got his venture up and running for a mere $526. And that small figure is the only reason he was able to make his dream a reality. As a pure broadcast enterprise, however, Rowdy Orbit would never have gotten off the ground.

Another example is that of budding screenwriter Manny Nieto. In comments recently filed with the Commission, the National Hispanic Media Coalition told the story of his rise as a result of the Internet. Some years ago, Mr. Nieto, a product of the Coalition's screenwriting program, was shopping a script for a comedy TV pilot he had created with a friend. The two men received very few responses, and had to shelve the project and their dreams. Recently, Mr. Nieto decided to revive the project by filming two scenes from the pilot and posting them on YouTube. The results were dramatic. These are his words:

> "As soon as the editing was complete, we immediately submitted the clips to YouTube. We created a list of production companies and began pitching the show. We sent e-mails with the YouTube links attached along with a brief synopsis of the show. Before placing the footage on YouTube, we were lucky if 1 out of 15 companies requested the script. But now, with the clips easily accessible on the internet, 10 out of 20 companies expressed immediate interest in [the show]."

And then there is Warren Brown, CEO of Cakelove. Mr. Brown left the practice of law in order to open a retail bakery and pursue his passion for baking. He creates cakes, cupcakes, brownies, and cookies – all from scratch! In addition to his terrific product, the key to Mr. Brown's success was that he realized how broadband could help his business grow. Due to broadband, Mr. Brown was able to expand his retail presence

to seven stores in seven years. He has been able to manage the bakery's operations in all of his retail stores from his office at home and his Blackberry when he is on the go.

Cakelove also has its own presence online, with the ability for customers to order the bakery's creations on the Internet. Customers can order online and have their purchases delivered. Thus, employees can focus on walk-in customers, and spend less time taking phone orders. Cakelove also has been able to use its website to project its own image and brand. For example, Cakelove provides instructional videos online for those who want to make their own creations, such as Italian meringue butter cream – which you really have to see in order to understand how to make it. Without broadband and Mr. Brown's hard work, diligence, and business savvy, Cakelove would not be the successful bakery it is today.

These are but a few examples of the avenues available for young entrepreneurs of color on the Internet, or as I like to call them, "cyberpreneurs." The Internet offers a gateway to business success – both as an end in itself, and, as we see in the cases of Mr. Nieto and Moore, as a bridge to success with more traditional media.

There is one caveat to my bright-eyed optimism about the future of the Internet. An essential feature is that it must remain open. It simply does us no good if we have this fabulous tool only to be controlled once again by corporate gatekeepers. The beauty of today's Internet is that the barriers to entry are low and the opportunity for success is real.

This equation changes quite dramatically if no one is keeping an eye on the corporate folks who may either feel the footsteps of competition to their own content products or seek to earn additional revenue by charging content creators for priority access. These would be perfectly rational business decisions, but ones that could hurt American consumers and cripple the fantastic opportunities for people of color.

Some have suggested that the Commission's twin aims of universal broadband adoption and an open Internet are in conflict. There is simply no truth to that claim. They are not mutually exclusive aims; rather, they go hand-in-hand. My goal is to get folks on line, and then provide them with the tools and know-how to make the best of the opportunity in front of them. So this morning my question is this: exactly what kind of Internet do you want going forward? One that is yours or one that is controlled, policed, and regulated by industry? For me, the choice is simple.

I want to thank Angela and the good people at Black Web 2.0 again for setting up this terrific conference. By bringing all of these folks together, I have little doubt that you are setting big things in motion. Thank you and good morning.