Introduction

The mission of this innovative, life-changing network is to provide intelligent programming that is informative, educational, entertaining, inspiring, and empowering for its African American audience. Black Television News Channel’s (BTNC) original programming targets a dynamic, high-growth, loyal consumer who finds himself, today, marginalized to soundbites concerning sports, crime or entertainment by the mainstream news media and is grossly underserved by cable television’s programming options.

The development of Black Television News Channel’s operational model and programming concepts began several years earlier, when a regional news channel partnered with an African American entertainment network to produce a nightly one-hour newscast. This pilot newscast was delivered to more than 10 million cable television homes during an 18-month trial period. Simultaneously, feature “news-talk” programs targeting African Americans were produced and distributed to approximately two million cable homes throughout the State of Florida. This multi-million dollar trial period not only enabled BTNC’s management to evaluate the demand for its programming, but also offered an opportunity to create valuable news gathering “content” partnerships. Likewise, the trial period enabled BTNC’s management to test new IP video transmission platforms and forge strong marketing and promotional alliances within the black faith-based community, as well as with African American business leaders, entertainers and lawmakers.

Black Television News Channel’s experienced management team is led by former Congressman
J.C. Watts, Jr.  Mr. Watts is a graduate of the University of Oklahoma’s College of Journalism, a celebrated athlete, an ordained minister, a popular television commentator and a successful entrepreneur.  Mr. Watts offers BTNC a lifetime of experience and relationships in business, political and black communities.  Bob Brillante, co-manager, and Frank Watson, vice president/general manager, are in charge of BTNC’s operations.  Mr. Brillante is a 35-year cable television veteran.  In 1998, Mr. Brillante founded Florida’s News Channel (FNC), building the nation’s first all-digital news gathering and television production facility.  FNC pioneered the use of high-tech virtual reality news environments and switched broadband video transmissions.  Mr. Brillante’s creative use of content partnerships and high-tech television transmission and production technologies propelled Florida’s News Channel to the forefront of the nation’s regional news channels.  Mr. Watson has 30 years of experience in broadcast operations, and he has managed ground-up projects involving leading edge technology in radio, television and the Internet.

BTNC promises attractive equity growth and strong cash flow for its investors because of its (1) launch to more than 35 million TV households; (2) tested and proven programming models; (3) cost saving content partnerships; (4) operational efficiencies and multiple revenue streams.  BTNC will launch as a public interest channel for a temporary three-year period.  At the beginning of the network’s fourth year of operation, BTNC will convert to a traditional for-profit commercial channel.  Once BTNC converts to a traditional “full” commercial channel, the network plans to collect a $.14 per subscriber per month license fee.  Collection of license fees will increase revenues by more than $69 million annually.  Revenues generated by BTNC’s eMall merchandising service, mobile streaming, commercial production services, HDTV simulcast license fees, and video news and entertainment podcasts are not represented on the Ten Years Source and Use of Funds financial forecast.  BTNC’s healthy subscriber base and robust subscriber growth are at the foundation of the network’s strong equity valuation.  BTNC’s plan to launch as a public interest channel will provide the network 22.5 million satellite TV homes at launch.  In addition, BTNC’s ability to reach the nation’s African American households through its faith-based and historical black colleges marketing alliances promises strong subscriber lift for its satellite distribution partners, Dish Network and DirecTV.

Cable television’s multi-system operators (MSOs) such as Comcast and Time Warner Cable were enticed to provide carriage for BTNC’s programming for two obvious reasons:  (1) MSOs want to avoid the migration of their 17 million African American cable TV customers from terrestrial cable service to satellite TV; and (2) MSOs are required to satisfy diversity and pro-competition legislative and regulatory obligations.  This regulatory oversight has been adapted to protect independent networks such as BTNC.  The recent NBC/Universal acquisition by Comcast Cable has focused the attention of regulators and policy makers on the current dearth of cable programming options available to the nation’s most voracious consumers of cable TV programming.
Strong Equity Growth

During the past five years, the sale of established cable TV networks has ranged in value between $54 and $60 per subscriber. Using this price per subscriber benchmark, BTNC’s valuation at launch will be an impressive $1.8 to $2.0 billion. With these numbers in mind, BTNC is seeking $15 million for startup operating expenses; and an amount significant to cover operating cash flow challenges during the Public Interest launch period.

Ten Year Sources & Uses of Funds Forecast

Unlike the network’s operational expenses that can be controlled by an experienced management team, enhanced underwriting and advertising sales are greatly influenced by external factors. Therefore, BTNC’s revenue forecast is based on the following four considerations:

1. Most newly launched networks tend to overestimate the market’s response to its relatively unproven product without a history of verifiable audience ratings.

2. The sale of BTNC’s overnight time periods to prepaid gospel programmers, inspirational television ministries and commercial programming brokers provides a predictable revenue stream. Adult African Americans are an extremely attractive target audience for gospel and inspirational programmers. BTNC has already received an multi-million dollar offer to

In 2010, national TV (network, cable, and syndicated) advertising dollars aimed at African American audiences were primarily dedicated to cable TV, which saw increases of 17%. Network and syndicated TV saw some declines.

Total advertising expenditures spent in African American media reached $1.9 billion in 2010, increasing 3% versus 2009.

African-American % of U.S. Population

Year | Percentage
--- | ---
2000 | 12.9%
2005 | 13.3%
2010 | 13.6%
2015 | 13.8%
2020 | 14.0%
2025 | 14.2%

Source: U.S. Census Bureau, Census-Based Projections
purchase its overnight advertising availabilities.
3. Several marquee brand companies are expressing interest in sponsoring programs on BTNC, including those companies that participated in the trial period. This interest is extremely encouraging.
4. The availability and growth of culturally-specific advertising dollars targeting African Americans between the ages of 25 and 54 years of age, as well as the absence of original television programs serving this audience today, creates an attractive environment for BTNC’s market entry.

Subscription Television’s Most Valuable Customers
Currently, African Americans spend nearly $5 billion per year on subscription television services. This amount constitutes the majority of the African American consumer’s entertainment dollar. African Americans are also the nation’s fastest growing group of on-line service subscribers; the numerical majority in the top markets for bundled services; and, as a group, 28% of the nation’s premium service subscribers to services such as Home Box Office® and Showtime®. African Americans subscribe to these services at twice the rate of any other group. It is not surprising, given this segment’s heavy media usage, brand loyalty, and high discretionary spending, that culturally-specific advertising targeting African Americans is now a $2 billion market—a market that has tripled in the last 15 years.

African Americans are the heaviest and most loyal television viewers. Overall, African Americans watch 60 hours of television per week, between 40% and 50% more than any other group. Consequently, African Americans watch 44% more ad-supported television, including 43% more daytime television and 63% more late night television. African Americans also watch 44% more ad-supported basic cable, 28% more cable network news, and 7% more television news overall. However, none of the currently available television news channels place among the top 20 rated networks for African Americans.

In addition to watching more television more often, African Americans have significantly different viewing habits from any other culture. African Americans are less dependent on “appointment” viewing habits, according to a 2012 Nielsen Research Study. In other words, African Americans are a perfect fit for a 24-hour news programming service because they tune in throughout the day and evening rather than simply during certain “regularly scheduled” program hours.

It seems that the African American community is not only a highly valued audience for television’s advertisers, but also a highly interested audience. According to a study conducted among 4,000 adults by Jack Myers Media Business Report, African Americans, along with watching significantly more television on average than any other group, are also significantly less likely to skip through commercials and significantly more likely to stop and view television commercials.

According to the Myers report, African Americans are also more likely to have a DVR than average TV viewers. Yet, only 53% of African Americans who own a DVR say they skip all or most commercials, compared to 83% of Caucasian audiences and 63% of Hispanic viewers.

A Powerful, High Growth Target Market
Although the nation’s Hispanic population growth has exceeded the population growth of African Americans during recent years, African Americans are, economically, the largest and fastest growing market in the country today. The African American market represents more than 43 million people, more than 19 million households and more than one trillion in buying power. African American median household income is the highest ever recorded; and this income level is...
growing at a faster rate than any other group, a trend that has been sustained every year for the past 15 years. African American homeownership reached an all-time high. For the first time in the nation’s history, more than 50% of the African American population owns a home. According to the 2011 Nielsen Report on African American earnings, the number of African American households earning $75,000 or more grew by 63.9%, a rate 11.7% greater than the change in the overall population, between 2000 and 2009. Additionally, the percentage of households earning $50,000 or less has decreased, representing a full shift upward in the income of the overall community.

Even during these troubling economic times, the impressive growth of the African American market is expected to continue into the foreseeable future. The African American population is projected to grow at three times the rate of the non-minority population for the next 12 years, resulting in an African American population of more than 47.5 million people by year 2020. Likewise, more than 70% of the increase in national purchasing power during this period will come from African Americans, potentially making the African American economy the sixth largest in the world by 2020.

The explosive growth of black entrepreneurship is creating new advertising and merchandising opportunities every day. Black-owned businesses are the fastest growing segments of the American economy, according to the U.S. Commerce Department’s Minority Business Development Agency. The number of black-owned businesses has grown by an impressive 45% since 1997, more than four times the national rate for all businesses.

**Dissatisfaction of the Target Market with Current Product Offerings**

It seems that while the nation is becoming more diverse, broadcast television—in particular television news—is not. A majority of African Americans believe that television news focuses
negatively on their communities and perpetuates stereotypes. African Americans feel they are only represented in stories involving crime, drugs, and black-on-white homicide. Although examples of this disservice abound, a few of the more telling statistics show that:

- While homicides within the African American community decreased by 33% over the past decade,

- While less than 1% of all arrests are black-on-white homicides, these arrests represent more than 30% of television crime news coverage; and

- African American spokespersons tend to be “ghetto-ized” to sports and entertainment news coverage.

A one week audit of television news sound bites on the economy, foreign affairs, politics, and sports and entertainment shows the following:

<table>
<thead>
<tr>
<th>News Topic</th>
<th>White Sound Bites</th>
<th>Black Sound Bites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Affairs</td>
<td>99</td>
<td>1</td>
</tr>
<tr>
<td>Economics</td>
<td>86</td>
<td>1</td>
</tr>
<tr>
<td>Electoral Politics</td>
<td>79</td>
<td>0</td>
</tr>
<tr>
<td>Sports &amp; Entertainment</td>
<td>35</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Entman-Rojecki Index of Race and the Media

Dissatisfaction with traditional television news among African Americans is very real...and growing. Almost unanimously, African Americans are aware of the importance of how they are represented in television newscasts, with more than 70% of those polled saying it is “very important” to have a fair portrayal of African Americans in television news. More than 80% of those polled say it is “very important” to have a news channel programmed for African Americans.

Considerable Demand for the Product

As mentioned previously, more than 80% of African Americans polled say it is “very important” to have a news channel programmed for African Americans. African Americans, who comprise roughly 13% of the general population, will switch to culturally-specific programming and away from non-African American oriented programming with a 250% greater frequency than any other consumer segment. Unfortunately, the programming African Americans have been provided, to date, is merely a “TV ghetto” of sitcoms.
<table>
<thead>
<tr>
<th>Perception</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Believe that Black media is more relevant to them</td>
<td>91%</td>
</tr>
<tr>
<td>Believe that products advertised on Black media are more relevant to them</td>
<td>81%</td>
</tr>
<tr>
<td>Believe that Black media has a better understanding of the needs and issues that affect them</td>
<td>77%</td>
</tr>
<tr>
<td>Would like to see more Black models/actors used in ads, and over half (51%) would purchase a product if the advertising portrayed Blacks positively</td>
<td>78%</td>
</tr>
<tr>
<td>Believe that Black media keeps them in touch with their heritage</td>
<td>73%</td>
</tr>
<tr>
<td>Want to see more commercials directed specifically to Black audiences</td>
<td>68%</td>
</tr>
<tr>
<td>Want to see more advertising targeting Black consumers</td>
<td>67%</td>
</tr>
</tbody>
</table>

Source: Burrell 40, 2011
African Americans watch more television than any other group. Not only does the average African American household have four or more televisions, but also spends an average of seven hours 12 minutes each day—or 213 hours per month—watching them. This amounts to about 40% more viewing time than the rest of the population.


African American TV viewers are extremely loyal to programming that accurately represents them. Each of the top 10 rated shows among African Americans features black casts and black lead characters.

Considerable research has been conducted over the past decade concerning the lack of African American cable programming and the predictable cry for parity from within the African American community. Much of this research appears in academic journals and media trade publications. A sampling of this research has been compiled by BTNC and is available upon request. Several studies conducted in the aftermath of Hurricane Katrina look into the impact of negative “imagery” and stereotyping of African Americans by mainstream media news, particularly as it relates to political, economic and social policy. The findings are alarming!

Research conducted by Nielsen and Simmons demonstrates an attractive opportunity to create new and incremental news audiences among African American women and among middle-aged African American men. Even as early as 2001, a quantitative and qualitative viewing study conducted by Florida State University found that the representation of African American women in the audience for Florida’s News Channel indexed far above their representation in the overall viewing population. African American women comprised 22% of all women in the markets surveyed. However, as a percentage of the weekly audience for Florida’s News Channel, African American women ranged between 24.4% and 45.8%. The qualitative side of the study reveals that many of these female African American viewers watched Florida’s News Channel exclusively for their news. Before the launch of Florida’s News Channel, these African American females had been lighter, or non-existent, news viewers. The respondents cite Florida’s News Channel’s de-emphasis of violent crime coverage; the presence of an African American lead anchor, Gordon Graham; and live coverage of events with particular interest to African Americans as the reasons for their viewing behavior.
African American adult women continue to be a prime demographic target for Black Television News Channel. African American adult women are also a prime target for culturally-specific advertising on BTNC.

**Industry and Market Trends**

**Support the Introduction of the Product**

At the center of the business case for launching Black Television News Channel is the strong overall demand for news programming and the subsequent high profitability of news channels. Also at the center of the business case for launching BTNC is the fact that African Americans are both subscription television’s most profitable consumers and subscription television’s most severely under-served customers. For the cable television industry that serves 17 million African American households, the risks involved in not meeting the demand of African Americans for a more representative news network are enormous.

On the broadcast network side of the industry, a limitless news appetite manifests itself in the consistently high ratings of news “magazine” shows like *60 Minutes*, *Dateline* and *20/20*—and, to some extent, the popularity of non-scripted “reality” shows like *Survivor* and *The Apprentice*. However, none of these broadcast shows accurately represents African Americans nor targets African Americans as a viewing audience. The same can said of cable news networks.

Black Entertainment Television (BET), the long-time single “outpost” of African American programming, essentially abandoned news coverage and the African American audience over 25-years-old when the network revamped its programming line-up following its acquisition by media giant Viacom.
An environmental scan of today’s television programming reveals a sizeable gap waiting to be filled by news-oriented programming that targets African American adults abandoned by BET and culturally misrepresented by mainstream television news. Furthermore, studies show that African American targeted advertising, today, exceeds $4 billion, despite the relative absence of television venues serving black adults. Magna Global’s Director of Industry Analysis, Brian Wieser, states that “cultural self-identity and ethnicity has become an increasingly important fourth dimension [of marketing] for the media along with gender, age and personal interests.”

**Innovative Launch Strategy**

**Public Interest Channel**

*Launch*—The success of a cable network can be measured by its ability to acquire distribution, attract viewers and sell its advertising availabilities. Success begins with “distribution.” The first step of BTNC’s distribution strategy was to ensure that the network is launched on Dish Network and DirecTV as a *public interest* channel to 22.5 million households. With this subscriber count, BTNC can aggressively compete for national underwriting and corporate sponsorships. BTNC’s distribution agreement with cable TV giant, Comcast, will enable the network to reach 52 percent of the nation’s African American households.

**Widespread Social and Political Support**

BTNC has garnered widespread political and regulatory support at each level of government. Three major rulings at the Federal Communications Commission (FCC) adopted this past summer will significantly advance the financial gains of BTNC.

This summer began with the FCC’s announcement of new and very detailed “programming carriage” rules that specifically prohibit cable TV operators from demanding the payment of launch support and/or equity ownership of an unaffiliated
network in return for carriage. This ruling could save BTNC millions of dollars. NewsCorp paid a reported $450 million in what the industry described as “launch support dollars” to secure access to 45 million cable TV and satellite homes. TV One, an African American targeted entertainment channel, gave Comcast 49 percent of the network’s equity in order to secure its cable TV carriage.

A major development in the launch of independent networks was announced on August 1, 2011 when the FCC promulgated its intention to “make it easier for independent television programmers (such as BTNC) to get their channels carried on cable system lineups and to prevent cable companies from discriminating against independent channels that may compete with their own networks.” Both Time Warner and Comcast provide nationwide distribution and pay handsome license fees (between $.32 and $.75 per subscriber, per month) to their affiliated news channels CNN, CNN Headline News, MSNBC, and CNBC, respectively. BTNC should be afforded comparable distribution and license fee payments.

The FCC’s most recent decision was announced on August 31, 2011 and addressed BTNC’s concerns of “channel positioning.” Channel positioning can be vitally important to the success of a newly launched cable network. The FCC’s ruling requires a cable TV distributor to provide newly launched news channels, such as BTNC, a favorable position on the channel lineup. Coining the term “neighborhooding,” the FCC has cited the importance of placing a newly launched cable news network adjacent to (or in the “neighborhood” of) other news channels, such as Fox News, CNN, CNBC, MSNBC, and Bloomberg News.

At the state and municipal level, BTNC has been offered state sales tax abatement, local franchise fee abatement, property tax discounts, and payroll tax assistance. In addition, BTNC will benefit from various job training and employment assistance programs offered by the District of Columbia’s Economic Development Counsel.

*Multichannel News*, subscription television’s most widely reviewed trade magazine, printed a special report on ethnic programming recognizing the dearth of African American programming currently available. The trade magazine’s special report stated: “One market that both cable and satellite seem to be overlooking is African
Americans. While there are more than 70 Hispanic channels, only a half-dozen specifically target African American viewers. And major cable and satellite providers offer no African American programming packages. That’s despite the fact that African American customers spend more on cable than any other group....

A Creative Plan for Growth

*BTN C’s Faith-Based Marketing Alliance*—Pollster George Gallup notes that “black Americans are the most religious people in America.” Gallup surveys find that 82% of black Americans are church members (vs. 67% of white Americans); 82% of black Americans state that religion is “very important in their life” (versus 55% of white Americans); and 86% of black Americans feel that “religion can answer all of today’s problems” (versus 60% of white Americans). The eight major black religious denominations, alone, encompass more than 65,000 churches and more than 30 million members.

Black ministries wield unchallenged influence over their congregations. Black ministers hold a lofty status among their people because they play the role of “dual interpreter.” Simply put, black ministers are socially “bilingual,” with an ability to communicate across racial lines. Likewise, the cultural expectation that ministers can communicate across racial lines gives them considerable social and political clout.

The black church has started transforming itself. The increasing prosperity of African Americans in the 1990s and consequent migration to the suburbs has contributed to the rise of black “mega” churches. These churches are characterized by congregation memberships ranging from 10,000 to 25,000 members, arena-sized sanctuaries, wholly owned business subsidiaries, and high-tech television ministries.

Black ministries are being asked to use their vast resources to promote Black Television News Channel to their congregations. African American clergymen view BTNC as a “ministry” capable of reversing decades-old negative media images of African Americans. Likewise, African American clergymen believe BTNC provides a highly credible platform for values-based, pro-social messages.

Original Programming—Tested and Proven Audience Appeal

Black Television News Channel creates strong viewer loyalty by instilling a sense of “ownership” among its viewers. The brand identification tag line for Black Television News Channel is “Our Voice.” By positioning the network as “Our Voice” in the mind of viewers, BTNC encourages the perception of ownership and involvement. Simply put, if consumers feel they have a stake in the product’s
success and are involved in the product’s design, then they remain loyal to the product.

In a 100-channel plus environment, it is critical that the newswheel and prime time feature programming contain instantly recognizable and understandable content; and the content complements, rather than competes with, the network’s brand identity. The content for each of the network’s newswheel modules is based on well-researched African American viewer preferences; and each newswheel module is refreshed every half hour. Each module’s title, and the title of each of the recurring programming segments, incorporates the brand’s ownership attribute with the use of the word “our.”

The format for BTNC’s prime time programming consists of flexible “report out” styles, including stand-ups, voice-overs, live interviews, archival footage, viewer call-in, and investigative reporting. At the same time, the rundown is rigid with regularly scheduled segments within each show.

The typical programming day for Black Television News Channel consists of 12 hours per day of news, six hours per day of feature prime time programming, and six hours per day of paid, overnight gospel programming.

The network’s prime time block will feature three one-hour “news-talk” programs. Each of the feature “news-talk” programs addresses the social, healthcare, political and topical interests of the day with entertaining hosts, analysts and special guests. The prime time block repeats from 9 p.m. until midnight. Early mornings and other non-prime time feature programs showcase hometown heroes, profile black leaders and address the educational, historical and inspirational needs of black youth.

**BTNC’s Cost Saving Content Partnership Network**—Black Television News Channel is creating strong and diverse content partnerships across a wide spectrum of news sources. BTNC will function more as an “aggregator” of African American news from diverse sources and less as a “producer” of news in the traditional sense. A
number of technological and marketplace factors afford BTNC the opportunity to tap into a deep and wide pool of content from multiple sources, as well as produce a high definition news product at a fraction of the cost of traditional approaches. The Political Network incorporates live and pre-produced material from the nation’s most respected African American public policy organizations and the members of the Congressional Black Caucus. The Education Network utilizes the considerable resources of the nation’s 103 Historically Black Colleges and Universities (HBCUs). The Radio/Television Broadcast Affiliate Network covers every corner of the nation with more than 250 local broadcast television stations, cable TV networks and radio news affiliates. The Newspaper/Magazine Network draws on the nation’s oldest federation of more than 200 African American community newspapers and six leading African American periodicals.

Analysis and Viewpoints—All journalists are prejudiced by their own life’s experiences. These biases can be very subtle or blatantly obvious. Nonetheless, these biases influence the way events and news stories are presented to readers and viewers. BTNC is the only television news network with news programming gathered, written, produced, and presented “by people of color for people of color.” BTNC will provide a unique and comprehensive platform from which African Americans can engage in the political, social and economic debate of the country. BTNC will be the true “voice of the African American community.”

Topics and Focus—Existing broadcast and cable news networks select news stories and events that appeal to the broadest audience possible, often ignoring stories or news that is of interest to African Americans. Unlike other news networks, BTNC provides coverage of events and activities of specific interest and cultural significance to African Americans.

Private-Public Partnership with Historical Black Colleges and Universities (HBCUs)

BTNC’s core mission is to produce original television and broadband content designed to inform, educate, inspire, and empower our African American communities. Whereas this mission, itself, is a noble one, there are also many benefits that will be afforded to BTNC’s public partners—the 103 Historical Black Colleges and Universities, including Florida A&M’s renown College of Journalism. Some of these benefits are listed below.

• Facilities upgrade. BTNC will contribute more than $4 million to the improvement and enhancement of the HBCUs’ broadcasting facilities. The enhancements will include an HDTV studio upgrade, virtual reality production facilities, and a fully functional newsroom system. Students will experience real world skills training in a state-of-the-art broadcast news environment.

• Long-term financial contribution. BTNC will contribute up to 2.5 percent of its annual earnings to support HUBCUs’ Colleges of Communications.
• National and international recognition. BTNC will provide national and international recognition for the 103 HBCUs. Faculty, alumni, and students will be able to access a mainstream media outlet to demonstrate their talents, talk about their achievements, promote their causes, and more. BTNC will provide HBCUs the opportunity to highlight staff, authors, musicians, artists, athletes, inventors, and others.

• Job placement. Employment with BTNC and its affiliated companies will offer HBCU students an attractive career in the fields of communications, journalism, television production, marketing, and advertising sales.

• Student fellowship/internship/mentor programs. BTNC will provide career path training through a variety of financial and in-kind contributions.

• Brick and mortar. The renown Florida A&M’s College of Communications has offered BTNC unrestricted access to its newly constructed broadcast facility housed on the FAMU campus. This facility includes eight digital edit suites, two Sony production studios, a sound room, and more. FAMU will also provide BTNC office space for up to 20 of BTNC’s production and engineering staff. Other historical black colleges will house BTNC field reporters. The FAMU facility, alone, will save BTNC in excess of $7 million.

• Student talent. Historical black college student talent will conduct research to support BTNC’s feature programs; populate the Web with blogs; fulfill many of BTNC’s studio production needs; produce graphic teasers/bumps; support BTNC’s part-time field photographers; and support the development and maintenance of BTNC’s broadband offerings. FAMU’s faculty and student population can save BTNC more than $500,000 each year.

• Network of “on-air” contributing analysts. Historical black college faculty and alumni will offer BTNC access to a rich and diverse pool of academic experts, analysts and specialists in just about every area of interest to BTNC’s audience (e.g. health, Constitutional law, economics, African American culture, theology, science, education, history, psychology, etc.). The Association of HBCU Schools of Journalism has offered to organize faculty and alumni from 103 historical black colleges across the country to support the production of BTNC’s daily programming. Access to this rich and diverse pool of on-air contributing analysts will save BTNC more than $1 million of operating cost annually.

• Charitable giving strategy. Historical black colleges are well established and respected institutions serving the African American community. BTNC’s public/private partnership with the historical black colleges will generate a great deal of goodwill among African American opinion elites including local, state, and federal lawmakers and regulators.

• Promotion of BTNC programming. The historical black colleges are one of the African American community’s most revered institutions. Second only to our nation’s black ministries, historical black colleges influence the lives of more black people in this country than any other venue. This network of college campuses, broadcast facilities, and alumni publications will enable BTNC to widely promote its educational programming, special events, and broadband services.

BTNC.TV Broadband and Mobile Data Services

Once at the epicenter of the digital divide, African Americans are today 30% more likely to download video via the Internet than other ethnic communities. According to the 2011 Nielsen Report, 54% of African Americans owned a smartphone, and African Americans tended to be heavier users of mobile data features. The Nielsen Company reports that on average African Americans utilize
their smart phones more than other demographics for features such as texting, Internet access, and mobile video downloads.

BTNC will leverage its promotional properties to position its online and mobile data service as the sole destination for African Americans to access all forms of digital content. BTNC.TV will provide a dynamic platform for African Americans to access news in an interactive setting. BTNC.TV’s virtual mall will specifically target African Americans with a wide variety of consumer products, as well as offer shoppers the opportunity to evaluate products and services. African Americans will also use BTNC.TV’s social network to express themselves on blogs or through user generated (UGEN) video. BTNC.TV, like BTNC’s enhanced TV services, will convert the passive television viewer into an active, dynamic user by creating a culturally specific portal capable of providing access to information, products, and services desired by African Americans.

Conclusion

BTNC commits to provide intelligent programming that informs and educates, while serving to entertain, inspire and empower its African American viewing audience. The framework for BTNC was tested and proven during an 18-month trial period that rendered solid operational models, innovative program concepts, and a highly experienced management team. A creative and new approach to developing newsgathering content partnerships and utilizing production technologies allows BTNC to generate original programming that caters to the needs, interests, and viewing habits of African Americans, subscription television’s most valuable customer.

Black Television News Channel is an attractive opportunity for wise investors because even conservative revenue forecasts show strong financial returns and healthy equity growth. Likewise, BTNC’s target audience is, economically, the largest and fastest growing market in the country today. So there are both viable industry and market trends that strongly support the introduction of BTNC to the marketplace and considerable demand for the product by the African American community that has grown weary and dissatisfied with programming options that do not reflect the needs, values or reality of black men and women.

BTNC plans to launch 35.2 million households at the starting gate. This strategy, along with active participation in legislative and regulatory efforts to promote diversity, has gained widespread support among elected government officials, consumer advocacy groups and America’s opinion elite. Building on its unique launch strategy, BTNC charters new avenues for growth by partnering with America’s black faith-based community and Historical Black Colleges and Universities to forge an innovative marketing alliance that grows new viewers at a substantial rate.

Finally, Black Television News Channel clenches its success in the marketplace by following through on its original mission. The network sets a high standard of programming integrity by remaining a television news network with news programming gathered, written, produced and presented “by people of color for people of color”; and nothing less.