March 17, 2016

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Ex Parte Presentation in MB Docket No. 15-149

Dear Ms. Dortch:

The undersigned yesterday spoke on behalf of beIN SPORTS and Sports Fans Coalition with David Grossman, Chief of Staff and Media Policy Adviser to Commissioner Mignon Clyburn. The subject was the impact the proposed merger in this docket (“Mega Cable”) would have on independent sports programming.

Mega Cable will have the incentive and ability to coordinate efforts to starve out independent programmers. This could allow the entity to force independent, local and diverse voices to accept below-market terms, thus jeopardizing their viability. Or, Mega Cable could restrict the ability of third-party programmers to distribute their content on competing OTT platforms.

Mega Cable would also be able to leverage its dominance to prevent streaming or MVPD competitors from acquiring affiliated and unaffiliated must have programming, including RSNs, or ensure it acquires programming on more favorable rates and terms than competitors. Due to its enlarged size post-transaction, Mega Cable would be able to enjoy discounts for programming and ensure that rivals get less favorable rates, terms and conditions for programming.

In the case of sports programming, even if an independent programmer like beIN SPORTS can match dollar-for-dollar the bids of cable-owned sports programmers for the right to distribute soccer and other sports within the U.S., the cable-owned programmer will have an advantage in competing for those rights because it can offer better distribution, promotion, and other treatment of its own programming service compared to that of the independent. This poses a threat to the independent sports programmer because without acquisition of video rights from sports leagues around the world, the independent programmer’s key offering is diminished. Moreover, when Mega Cable demands “Most Favored Nation” clauses in affiliation agreements that impede the independent programmer’s ability to secure improved licensing fees and other terms and conditions, the independent programmer is unable to maximize its potential.

As the Commission begins to review the recommendations of the Media Bureau and merger review team, Commissioner Clyburn should ensure that any final order addresses the needs of
diverse, independent programmers, not through Memoranda of Understanding like the failed experiment in the Comcast/NBCU merger order, but through meaningful, effective, practical means.

Sincerely,

/s/
David Goodfriend

cc:    David Grossman