In the Matter of
Applications for Consent to the Transfer of Control of Licenses

Comcast Corporation and AT&T Corp., Transferors,
To
AT&T Comcast Corporation, Transferee

OPPOSITION TO PETITIONS FOR RECONSIDERATION

Pursuant to section 1.106(g) of the Commission’s rules, Comcast Corporation ("Comcast") and AT&T Corp. ("AT&T") hereby file this opposition to the petitions for reconsideration filed by James J. Clancy ("Clancy Reconsideration Petition") and Dennis J. Kelly ("Kelly Reconsideration Petition") in the above-captioned proceeding. As shown below, these petitions are completely without merit and should be denied summarily.

I. Clancy Reconsideration Petition

In its decision approving the Comcast/AT&T Broadband merger, the Commission denied the “Ex Parte Petition of James J. Clancy to Deny Applications and Revoke

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1 47 C.F.R. § 1.106(g); Petition of James J. Clancy for Reconsideration (filed Dec. 13 and 16, 2002); Petition for Reconsideration (filed Dec. 16, 2002 by Dennis J. Kelly on behalf of Lisa Burton, Carmen (Robinson) Gonzalez, Betty Maina, Tracey Massay, Osmisa Peacock, Kizzie Sanders, Anthony Scott, Deborah Maria Shepherd, Maria Smith, Gloria Marie Mitchell Taylor, Zelda Tepper, and Patrick Young).
Licenses” (“Clancy Petition”), finding, among other things, that it was untimely and that “Clancy’s allegations do not justify action on the petition in the context of this proceeding.”\(^2\) Much of the Clancy Reconsideration Petition seeks to dispute a footnote in the Merger Order stating that “Clancy’s petition references several exhibits and attachments that, at the time of adoption, still had not been received by staff reviewing the transaction.”\(^3\) However, these arguments attempt to ignore a key procedural flaw that in and of itself justified dismissal of the Clancy Petition: it was filed more than six months after the deadline for filing petitions to deny. As the Merger Order states, the Clancy Petition “was extremely untimely, having been filed 189 days after the date for the filing of such petitions.”\(^4\)

The Commission’s general policy is not to accept late-filed pleadings, and it has on numerous occasions dismissed petitions to deny on the grounds that they were untimely.\(^5\) Although the Commission has discretion to accept late-filed materials in

\(^2\) Applications for Consent to the Transfer of Control of Licenses from Comcast Corporation and AT&T Corp., Transferors, to AT&T Comcast Corporation, Transferee, Memorandum Opinion and Order, MB Docket No. 02-70, FCC 02-310, ¶¶ 213, 231 (released Nov. 14, 2002) (“Merger Order”).

\(^3\) Id. n.649. Notwithstanding these arguments, Clancy concedes that he submitted at least some of his “supporting evidentiary exhibits” as late as November 13, the adoption date of the Merger Order. Clancy Reconsideration Petition at 12.

\(^4\) Id. ¶ 213.

appropriate circumstances, it has stressed that it will do so only upon a showing of "good cause" by the requesting party. The Clancy Petition made no effort whatsoever to show good cause. Indeed, it neither acknowledged that the petition was untimely nor asked the Commission to accept the petition notwithstanding that it was filed months after the deadline specified by the Commission.

The Clancy Reconsideration Petition, at 16, asserts that the Clancy Petition "was filed within the time period designated by the FCC for the making of 'ex parte presentations,' was filed in compliance with the instructions of FCC staff and the procedure described in 47 CFR Section 1.1206, and was filed before the expiration of the '180-day Timeline' established as the 'internal agency guideline’ for the ideal disposition of the Proceeding.” These assertions, even if true, are irrelevant. Neither the ex parte rules nor the 180-day merger review guideline override the requirement established by public notice in this proceeding that “[i]nterested parties may file comments or petitions to deny the [Comcast/AT&T] applications no later than April 29, 2002.”

6 See Meredith/New Heritage Strategic Partners, Memorandum Opinion & Consolidated Order, 9 FCC Rcd 6841, ¶ 6 (1994). Cf 47 C.F.R. § 1.46(a) (“It is the policy of the Commission that extensions of time shall not be routinely granted.”).

7 In a belated attempt to justify this tardy filing, the Clancy Reconsideration Petition, at 17-18, tries to blame the U.S Department of Justice for the delay, claiming that Clancy had filed an obscenity complaint against AT&T with the Department of Justice which, according to Clancy, failed to notify the Commission of his complaint after not acting on it for a period of time. This justification is not only extremely late in coming – it was not even mentioned in the late-filed petition to deny – it also utterly fails to establish good cause for the late filing. Clearly it was Clancy’s obligation to follow well-established FCC procedures requiring the timely filing of his petition to deny.

8 AT&T Corp. and Comcast Corp. Seek FCC Consent For a Proposed Transfer of Control, Public Notice, 17 FCC Rcd 5907, at 2 (released March 29, 2002) (emphasis added). The 180-day timeline is a non-binding guideline regarding the Commission’s review of a merger, and certainly does not relieve parties of the obligation to file timely petitions to deny. The Commission has also long made clear that its ex parte presentation
In sum, although Clancy himself represents that the matters addressed in his petition to deny came to his attention at least 18 months before the April 29, 2002 filing deadline, he nevertheless allowed an additional six months to elapse before finally submitting his petition. He has failed to provide good cause for his very untimely petition to deny, and in fact failed even to acknowledge the untimeliness of his petition when it was filed on November 4, 2002. The Commission had ample justification on this basis alone for dismissing the Clancy Petition, and should therefore deny the Clancy Reconsideration Petition.

Aside from Clancy's failure to file his petition in a timely manner, the Commission had other grounds for denying the Clancy Petition. The Commission correctly found that "Clancy's allegations do not justify action on the petition in the context of this proceeding." These allegations were wholly unrelated to the merger under review, and the Commission has repeatedly held that it "will not consider arguments in [merger] proceeding[s] that are better addressed in other Commission proceedings, or other legal fora." Consequently, the Commission properly excluded

rules cannot be used to evade the deadlines for filing petitions to deny. See Rules Governing Ex Parte Communications in Hearing Proceedings, Report & Order, 1 F.C.C.2d 49, ¶ 9 (1965) (The ex parte rules "should not be construed as authorizing communications or pleadings which deviate in other respects from established procedures, merely because service is made or advance notice of such communications is afforded the parties. Thus, for example, parties must adhere to the time limits prescribed in the Commission's rules for filing various pleadings regardless of whether the pleadings are served.").

See Clancy Petition at 3, ¶ 6 (indicating that Clancy was aware of the matters raised in his petition to deny since October 2000).

Merger Order ¶ 213.

those irrelevant claims from its review of the merger. Moreover, it is well established that “when evaluating assignment and transfer applications under section 310(d), [the Commission does] not re-evaluate the qualifications of transferors. The exceptions to this general rule occur where issues related to basic qualifications have been designated for hearing by the Commission or have been sufficiently raised in petitions to warrant the designation of a hearing.” Clancy’s allegations concerning AT&T, one of the transferors in this proceeding, fall well short of this standard.

II. Kelly Reconsideration Petition

The Kelly Reconsideration Petition claims that the Commission “totally ignored” the malicious prosecution allegations set forth in a petition to deny filed by a group of individuals represented by Kelly (the “Kelly Petition”) and that the Commission failed to

Inc. v. FCC, 56 F.3d 1484 (D.C. Cir. 1995). Indeed, the Merger Order, ¶ 213, stated that the Commission would refer the Clancy Petition to the Enforcement Bureau “for any further action it deems appropriate.” See also FCC Signs Memorandum of Understanding with Department of Justice Concerning Obscenity and Indecency Complaints, News Release, 1991 FCC LEXIS 1966 (April 19, 1991) (“Under the MOU, the Department [of Justice] will bear primary responsibility for processing complaints involving the transmittal of allegedly obscene programming by cable.”).


See Litigation Recovery Trust, Memorandum Opinion and Order, FCC 02-279, ¶ 8 (released Oct. 28, 2002) (rejecting argument that Comsat violated public interest standard by allegedly transmitting obscene programming to hotels; stating that petitioner “has not shown any evidence that a court has adjudged that any [such] programming ... is or was 'obscene.'”); Applications of Capital Cities/ABC, Inc. (Transferor) and The Walt Disney Company (Transferee), 11 FCC Rcd 5841, ¶¶ 29-32 (1996) (allegations regarding alleged broadcast of indecent programming and other rule violations did not raise prima facie case that character qualifications of transferor should be called into question in merger proceeding and referring allegations to Enforcement Bureau).
accord these individuals “administrative due process.” The Commission, however, duly considered these allegations and found that the record evidence does not persuade us that Applicants have actually violated any Federal, state, or local law. Specifically, the parties do not raise material questions of fact regarding whether AT&T, or Comcast for that matter, has engaged in any conduct unbecoming a Commission licensee. Further, it appears that the complaining parties appropriately have resorted to other fora to resolve their disputes with Applicants. The arguments presented, therefore, do not form any legitimate basis for the Commission to deny the merger based on character qualification.

The Commission was correct in making these findings and denying the Kelly Petition. As stated in the Applicants’ Reply to Comments and Petitions to Deny, the unsubstantiated claims set forth in the Kelly Petition were wholly unrelated to the merger under review, were already the subject of state court litigation, and did not form a legitimate basis for the Commission to deny the merger based on character qualifications. Finally, as noted above, in reviewing a license transfer application the Commission does not re-evaluate the qualifications of a transferor except in rare circumstances. The Kelly Petition’s allegations regarding AT&T, one of the transferors

14 Kelly Reconsideration Petition at 2, 4.
15 Merger Order ¶ 212.
16 Reply to Comments and Petitions to Deny Applications for Consent to Transfer Control, MB Docket 02-70, at 130-31 (filed May 21, 2002). The Kelly Reconsideration Petition, at 9-10, argues that AT&T’s alleged conduct is “so egregious as to shock the conscience and evoke almost universal disapprobation,” thus warranting denial of the merger applications even prior to the resolution of the Georgia state court proceeding that is adjudicating these claims. The Commission should reject this conclusory, frivolous argument. The Kelly Petition’s claims amount to no more than “mere allegations of ... non-FCC misconduct.” They clearly provide no basis for denying the merger applications. See Policy Regarding Character Qualifications in Broadcast Licensing, Policy Statement and Order, 5 FCC Rcd 3252, ¶ 7 (1990) (prohibiting licensing decisions “based on mere allegations of ... non-FCC misconduct”).
in this proceeding, clearly do not present such circumstances. The Commission should consequently deny the Kelly Reconsideration Petition.

III. Conclusion

For the foregoing reasons, the Commission should deny the Clancy Reconsideration Petition and the Kelly Reconsideration Petition.

Respectfully Submitted,

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