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December 3, 2003

Via Electronic Filing

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

Re: Proposed Transfer of Control to News Corp of Hughes Electronics from GM, Docket No. 03-124

Dear Ms. Dortch:

On December 1, 2003, I met with Catherine Bohigian, legal advisor to FCC Commissioner Kevin Martin. We discussed issues I have previously submitted in this docket, including the need to reject this proposed transfer. I also focused on the recent filing by Victory Sports, LLC which we view as emblematic of only **some** of the anti-competitive, anti-public interest aspects of this deal. We stated that any conditions imposed must go beyond what Victory and cable operators have requested. They include requiring News Corp. to make a reasonable amount of channel capacity available on a non-discriminatory basis for both commercial and non-commercial programmers (those without either retransmission or must-carry power). Such access would be for both national and local markets. Nondiscriminatory access to NDS software and EPG services would also be required.

Finally, after our meeting, we read the following article from *Variety* about News Corp.'s EPG holding--Gemstar-- signing a new deal with Hughes. We have sent this via email to the senior legal staff of the five commissioners and Ms. Barbara Esbin. We will include it in this record. It's another example of how this transfer is fraught with a series of conflicts, and furthers even more consolidation in the TV business. If the Commission is to be taken seriously, it must address these conflicts fully.

Respectfully,

Jeffrey A. Chester
Executive Director

Variety: Posted: Tue., Dec. 2, 2003, 4:27pm PT

Gemstar-TV Guide pacts with DirecTV

Publication to bow channel; deal includes IPG

By MEREDITH AMDUR

NEW YORK -- The ink hasn't yet hit paper on News Corp.'s acquisition of DirecTV but the company is already behaving like family.

On Tuesday, the News-owned program guide provider Gemstar-TV Guide announced a major licensing agreement with the satcaster, under which DirecTV will launch a TV Guide channel and use Gemstar's technology and brand for its onscreen interactive program guide (IPG).

News Corp.'s \$6.6 billion deal to buy DirecTV is due to close by the end of this year, and chief Rupert Murdoch had already hinted that Gemstar would be the de facto IPG for the platform. Gemstar is also likely to negotiate for rights to produce DirecTV's printed guide, which would significantly expand the subscriber base of its flagship TV Guide magazine.

Flexible license

From January 2004, deal gives DirecTV a patent license to use Gemstar-TV Guide intellectual property and technology in its own IPG or in alternative IPG products supplied to it by its vendors.

"This agreement demonstrates the value of our technology and intellectual property, and indicates that our new flexible licensing approach is being well received in the marketplace, creating a strong foundation for successful business relationships going forward," said Jeff Shell, CEO, Gemstar-TV Guide International. Under the deal, Gemstar will be paid a fee from DirecTV rather than by the set-top box manufacturer.

The satcaster will launch the TV Guide Channel on its "Total Choice" tier.

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