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APR 20 2007

April 20, 2007

Federal Communications Commission
 Office of the Secretary

Marlene H. Dortch
 Secretary
 Federal Communications Commission
 445 12th Street, S.W.
 Washington, D.C. 20554

RE: MB Docket No. 07-18 – Ex Part Presentatic 1
in Permit-But Disclose Proceeding

Dear Ms. Dortch:

News Corporation (“News Corp.”), by its counsel, hereby provides additional information concerning the status of certain arbitrations being conducted pursuant to the conditions imposed by the Commission’s order approving News Corp.’s acquisition of control of DIRECTV.’ This submission is necessitated by the reply comments in this proceeding of Massillon Cable TV, Inc. (“Massillon”),² which inaccurately describe the context for the current arbitration between Massillon and News Corp. In addition, News Corp. wishes to amend its reply comments in a minor, non-substantive respect concerning the arbitration between it and the National Cable Television Cooperative, Inc. (“NCTC”).

In its reply comments, Massillon implies that Fox Cable Networks Group (a News Corp. subsidiary) has attempted to evade the arbitration requirements

¹ See *In re General Motors Corp. and Hughes Electronics Corp., Transferors and The News Corporation Limited, Transferee, for Authority to Transfer of Control*, Memorandum Opinion & Order, FCC 03-330 (2004) (the “*News Corp./DirecTV Order*”), at Appendix F.

² See Reply Comments of Massillon Cable TV, Inc., MB Docket No. 07-18 (dated April 6, 2007).

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of the *News Corp./DirecTV Order* conditions.³ Massillon faults Fox Cable for “resist[ing] arbitration” over a dispute relating to the terms and conditions of an existing, *unexpired* carriage agreement that already contains mutually negotiated terms and conditions governing Massillon’s carriage of Fox Sports Net Ohio.⁴ Although its contract for the RSN remains in force through the end of 2008, Massillon has demanded arbitration of the terms and conditions of a “new” affiliation agreement because it is now unhappy with the contract it *previously* negotiated (with a third party before Fox began operating the RSN).⁵ By its terms, however, the arbitration remedy only exists in two limited situations: (i) following the expiration of an existing contract for RSN carriage or (ii) after a first time request for such carriage.⁶ Massillon’s demand for arbitration does not arise from either of these two situations as a signed contract governing the parties’ rights and obligations for the next two years already exists. The conditions never were intended to permit a cable system to force News Corp. to arbitrate disputes as to the interpretation or application of an existing contract.

News Corp’s “resistance” to Massillon’s attempt to misuse the conditions to arbitrate a forced renegotiation of an existing contract is both legitimate and reasonable. Nonetheless, and contrary to the implication of Massillon’s reply comments, the question of the arbitrability of the dispute is in fact before **an** arbitrator,

Echoing comments filed by NCTC and the American Cable Association (“ACA”), Massillon also urges the Commission to “condition any approval of the subject application upon preserving the arbitration [conditions]” set forth in the *News Corp./DirecTV Order*.⁷ As it made clear in its Opposition, however, News Corp. has not asked the Commission to modify or eliminate the arbitration conditions relating to the company’s broadcast stations and RSNs.⁸ By their terms, **the** arbitration conditions are scheduled to remain effective until 2010. Accordingly, Massillon’s request is untimely and inapposite, and the Commission

³ *See id.* at 2.

⁴ *Id.*

⁵ *See id.* The contract was negotiated and entered into by Massillon and SportsChannel Ohio Associates in 2004, before the RSN was acquired by Fox Cable in 2005.

⁶ *See News Corp./DirecTV Order*, at Appendix F.

⁷ Massillon Reply Comments, at **4**; *see also News Corp./DirecTV Order*, at Appendix F.

⁸ *See* Opposition and Reply Comments of News Corporation, MB Docket No. 07-18 (dated April 9, 2007), at 15.

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should defer any further consideration of this issue unless and until News Corp. at some time in the future files a petition seeking to modify or eliminate the conditions.

News Corp. notes that in responding to claims made by ACA (but not NCTC) concerning the conduct of arbitrations, News Corp. inadvertently indicated in its Opposition (at 17) that it “provided” to NCTC copies of expiring contracts for cable systems that had appointed NCTC as their bargaining agent. In fact, News Corp. provided NCTC with forms of contracts for those systems, and as indicated in the Opposition, News Corp. also released each of those systems from any confidentiality restrictions contained in their contracts – enabling NCTC to obtain copies of the actual contracts directly from each system. In any event and contrary to ACA’s contention in its comments and reply comments, News Corp. has in fact permitted NCTC to obtain copies of the affiliation agreements for systems NCTC is representing in negotiations with Fox Cable.

Pursuant to Section 1.1206(b)(1) of the Commission’s rules (47 C.F.R. § 1.1206(b)(1)), an original and one copy of this letter are being submitted to the Secretary’s office. Should you have any questions concerning this submission, kindly contact the undersigned.

Respectfully submitted,



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