

July 9, 2007

By Electronic Filing

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

Re: Consolidated Application of News Corporation and The DIRECTV Group, Inc., Transferors, and Liberty Media Corporation, Transferee, for Authority to Transfer Control, MB Docket No. 07-18

Dear Ms. Dortch:

This is to supplement the Request for Enhanced Confidential Treatment (“Request”), filed on July 3, 2007 by the DIRECTV Group, Inc., News Corporation (“News Corp.”) and Liberty Media Corporation (“Liberty Media”). By this letter, Liberty Media and News Corp. seek to specify and clarify certain responsive information for which they seek enhanced confidential treatment pursuant to 47 C.F.R. §1.1206. Discovery Holding Company (“Discovery Holding”) seeks to join the Request as set forth herein.

Liberty Media and News Corp.

With respect to the materials responsive to Request No. I.A in the respective Information and Document Requests for Liberty and News Corporation, dated June 15, 2007, Liberty Media and News Corp. seek enhanced confidential treatment for the following specific documents:

Parent Disclosure Letter. Among other information, the Parent Disclosure Letter contains separate lists for each of the regional sports networks (“RSNs”) to be acquired by Liberty Media of the employment agreements, advertising and sponsorship agreements, program and production agreements (including rights agreements with professional and collegiate teams and other programming), talent contracts, and affiliation agreements for that RSN. The Parent Disclosure Letter also includes highly confidential financial information regarding the operations of Fox Sports Net and the trial balance for each of the RSNs. It includes the identities of all transferred employees for the RSNs and confidential employee information, including the salary and bonus paid to each employee. All agreements between News Corp. and DIRECTV also are identified. In addition, both actual and potential litigation is described. In short, the Parent Disclosure Letter contains a variety of highly sensitive and proprietary information, the disclosure of which would cause substantial competitive injury to the RSNs. Both competitors and customers would have detailed financial information

regarding each of the RSNs, including individual employee names and salaries, and lists of all programming rights and affiliation agreements. These kinds of information are arguably more sensitive and proprietary than the information concerning sports programming networks which the Commission has recognized as entitled to enhanced confidential treatment. *See Application for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Communications Corp., et al.*, 20 FCC Rcd. 20073 (Med. Bur. 2005) at ¶5 (enhanced confidential treatment for III.B.1-4 which requested for Sports Programming Networks the number of subscribers, affiliate revenues, advertising revenues and other revenues).

Letter Agreement regarding Seattle Mariners and Amendment. This Letter Agreement and Amendment contain highly confidential information regarding the terms and conditions of a television rights agreement of Fox Sports Net Northwest LLC for the Seattle Mariners. The Agreement includes information, which is highly proprietary and maintained in the strictest confidence, regarding the Term of such Agreement, potential contract extensions, team rights and license fees. This information is among the most highly sensitive information requested by the Commission. Disclosure of this information would seriously damage Fox Sports Net Northwest, providing actual or potential competitors, as well as customers, with strategic information placing Fox Sports Net Northwest at a competitive disadvantage in affiliation agreement renewal negotiations and in renewal negotiations with the Seattle Mariners or other professional sports teams. This is precisely the kind of information that cable operators such as Comcast and Time Warner described as “the absolute fulcrum of competition between applicants and [their] competitors” for which the Commission granted enhanced confidential treatment. *Id.* at ¶¶6, 8.

I.A.1 - Form of Fox Sports Net License Agreement. This Agreement provides the RSNs with access to certain Fox Sports Net programming, setting forth the available programming, grant of rights, per subscriber license fee, and terms and conditions such as potential surcharges, exclusivity, clearances and advertising. Again, this is highly sensitive information which is comparable to information contained in sports rights agreements and affiliation agreements for which the Commission consistently has recognized the need for enhanced confidential treatment. As Comcast and Time Warner explained, information regarding the “terms of sports programming contracts,” including the “distribution of live events,” “subscription fees,” and “advertising minutes” are proprietary and “competitors with access to this information would be able to divine the cost and pricing structure and negotiating strategy of the programmer and to act strategically based on this information” in negotiating new carriage agreements or renewing existing ones. *Id.* at ¶5. Again, the Commission granted enhanced confidential treatment to agreements containing such information. *Id.* at ¶8.

I.A.2 - Form of National Advertising Sales Representation Agreement. This Agreement sets forth the specific terms and conditions pursuant to which National Advertising Partners will provide advertising representation services to the RSNs. It includes for each RSN the projected rate card for advertisements, advertising budgeted billings, commissions, allocated time and available advertising inventories. This detailed information also is among the most

sensitive information and its disclosure would cause obvious and substantial competitive harm to the RSNs, which compete with a variety of other media outlets for such advertising sales. Such information clearly is more sensitive and proprietary than the “advertising minutes made available for use by MVPDs” to which the Commission has accorded enhanced confidential treatment. *Id.* at ¶¶5 and 8.

I.A.3 - Form of Technical Services Agreement. This Agreement identifies specific network services to be provided to the RSNs during an interim transition period and separately states the annual service fee to be paid by each RSN for such services. This information also is highly sensitive and confidential commercial information, the disclosure of which would permit competitors and customers to evaluate the cost structure of the RSNs and to permit third-party suppliers of comparable services to have a substantial competitive advantage over the RSNs in future negotiations for such services.

I.A.4 - Form of Transitional Services Agreement. This Agreement identifies specific categories of transitional services to be provided to the RSNs and the service fees to be paid by each RSN for such services. The Agreement also provides for telecast services for certain collegiate sports programming, including the specific rights, advertising time, clearance requirements and rights fees for such sports programming. Disclosure of this information would seriously damage the RSNs, providing actual or potential competitors, as well as customers, with strategic information placing the RSNs at a competitive disadvantage in affiliation agreement renewal negotiations, renewal negotiations for such telecast services or comparable telecast services, and third-party providers of such transition services. Again, cable operators have described such information regarding telecast rights and services as “the absolute fulcrum of competition,” and the Commission has accorded enhanced confidential treatment to such information. *Id.* at ¶¶6 and 8.

I.A.8 - Form of FSD Representation Agreement. This Agreement with Fox Sports Direct supplements certain affiliation agreements of the RSNs, including detailed information regarding the terms of such agreements. The Agreement also provides specific information regarding pricing and service fees and content. Again, this is the very kind of highly sensitive information relating to information contained in affiliation agreements for which the Commission consistently has recognized the need for enhanced confidential treatment. *Id.* at ¶8.

I.A.9 - Form of Regional Sports Network License Agreement. This is a license agreement pursuant to which the RSNs may make certain programming available to Fox College Sports, Inc. for its video programming network. This Agreement includes highly confidential information regarding such programming, scope of the license, term and license fee payable. This is the kind of highly sensitive information, comparable to that contained in rights agreements, for which the Commission consistently has recognized the need for enhanced confidential treatment. *Id.* at ¶¶5 and 8.

I.A.10 - Form of Global Affiliation Agreement Side Letter. This Agreement supplements a number of affiliation agreements which are specifically identified and sets forth additional highly confidential rights and obligations with respect to such affiliation agreements, including potential financial payments. This Agreement also refers to and supplements a highly confidential professional sports team telecast rights agreement. This Agreement contains highly confidential information from and relating to affiliation agreements for which the Commission consistently has recognized the need for enhanced confidential treatment. *Id.* at ¶8.

Liberty Media

Liberty Media submits the following additional clarification regarding its request for enhanced confidential treatment for materials responsive to the Information and Document Request for Liberty (“Liberty Request”):

With respect to Request Nos. I.D and I.E, Liberty Media will defer its request for enhanced confidential treatment and present these requests in the context of any specific documents or types of documents for which it seeks such treatment, except to the extent that documents responsive to Request No. I.E are entitled to enhanced confidential treatment under subparts of Request No. II.

With respect to Request No. II, Liberty Media has withdrawn its request for enhanced confidential treatment for materials responsive to Request Nos. II.A, II.B.1.a, II.B.2.b, II.C.1, II.C.3 and II.C.4, II.D.1, II.D.3, II.D.4, II.K and II.L. Liberty Media will defer its requests for enhanced confidential treatment for II.H and II.J and present those requests in the context of any specific documents or types of documents for which it seeks such treatment.

With respect to Request Nos. III.C.1, III.C.3 and III.C.5, Liberty Media will defer its request for enhanced confidential treatment and present these requests in the context of any specific documents or types of documents for which it seeks such treatment.

Discovery Holding

The Commission forwarded the Liberty Request to Discovery Holding on June 22, 2007, requesting that it “provide written responses and supporting documentation for the questions set forth” in the Liberty Request. Although Discovery Holding does not expect to identify documents responsive to the Requests for which Liberty Media has requested enhanced confidential treatment, it requests enhanced confidential treatment for such categories of documents for the reasons set forth by Liberty Media which previously have been recognized by the Commission as justifying enhanced confidential treatment. Discovery Holding expects to submit a supplemental request for enhanced confidential treatment at least in the context of specific documents or types of documents responsive to Request No. I.D.

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If you have any questions regarding this supplement to the Request, please contact the undersigned.

Respectfully submitted,

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Counsel for Liberty Media Corporation

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\s\
John C. Quale
Counsel for News Corporation

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