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TIMOTHY J. WALZ
CONGRESS OF THE UNITED STATES
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VETERANS' AFFAIRS
Oversight

April 23, 2010

The Honorable Eric Holder
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW Room 1145
Washington, DC 20530

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Dear Attorney General Holder and Chairman Genachowski:

I write to you regarding concerns about the potential impact of Comcast's proposed acquisition of NBC Universal (NBCU). Without careful analysis and conditions to ensure a level playing field for competition, the increased market power and concentration of content from the merger has the potential to lead to higher costs for programming across the industry and higher fees for consumers – especially for customers of small multi-channel video programming distributors (MVPDs) in rural America.

As you know, the proposed merger would bring together the country's largest cable provider and internet service provider with one of the leading television broadcasters, which also owns several cable networks. A Comcast/NBCU combination would yield enormous market power. This giant post-merged company has the potential to charge its competitors and MVPD customers an overblown rate to access programming and establish onerous conditions. A combined Comcast/NBCU would have incentive and ability to set anti-competitive rates, terms, and conditions, which are already too often the norm with regard to contracts negotiated by video programming content providers today. These rates and conditions may negatively impact the rural multichannel video distribution market, and the merger demands thoughtful oversight.

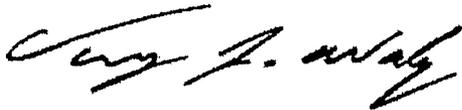
Small, rural MVPDs already face significant barriers in their efforts to serve rural America. Adequate merger conditions are necessary in order to prevent the situation from further deterioration. Therefore, I recommend two policies be enacted to safeguard against the risks such market concentration may have on stifling competition. These suggested conditions include:

1. Require Comcast and NBCU to provide the Department of Justice and FCC full access to program contracts between Comcast and NBCU and other MVPDs, including access to clauses covering the prices, terms and conditions of programming, currently guarded under non-disclosure agreements.

2. Prohibit Comcast/NBCU from offering its own programming exclusively to its subscribers.

Thank you. I look forward to hearing from you regarding these matters.

Respectfully,

A handwritten signature in black ink, appearing to read "Tim Walz". The signature is written in a cursive style with a prominent flourish at the end.

Tim Walz
Member of Congress