INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

June 21, 2010

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20054

Re: Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc., to Assign and Transfer Control of FCC Licenses
MB Docket 10-56

Dear Ms. Dortch:

The Independent Telephone & Telecommunications Alliance (ITTA) hereby submits these letter comments in the above-captioned proceeding. ITTA represents mid-size telephone carriers that collectively serve 23 million access lines across 44 states, providing end-users with an array of wireline and wireless voice, broadband, and video services. ITTA members providing video do so via cable, satellite, and IPTV. As providers in primarily rural areas of the Nation, ITTA members are committed to bringing consumers valued services at competitive rates. Accordingly, ITTA supports market-driven transactions that gain advantages from scale and other efficiencies. At the same time, however, ITTA urges the Commission to address potential shortfalls that could arise from the proposed NBC-Comcast merger, and ensure that a merger of NBC-Comcast does not result in the leveraging of "must have" content offered by NBC and its local service affiliates or other anti-competitive results. In these comments, ITTA highlights issues for the Commission's consideration as it conducts its review of the instant transaction.

LEVERAGING OF "MUST HAVE" PROGRAMMING WITH UNWANTED CONTENT

The Commission must ensure that the instant merger does not result in leveraging or bundling of "must have" programming with unwanted content. In the rapidly-evolving communications market, new entrants are diversifying their portfolios with video offerings. These new competitors, which include small and mid-size incumbents, have the least ability to protect themselves against anticompetitive conduct by large broadcasters and cable programmers. The proposed merger represents the vertical integration of one of the Nation's largest broadcasters and one of the Nation's largest cable operators. A post-merger NBC-Comcast could be well-positioned to prevent competitors from making meaningful inroads in local markets.

As a major National broadcaster and producer of content, NBC is one of the "big four" that controls "must have" content. That content is a key input to multi-channel video programming distributors (MVPDs), and the Commission must ensure that a post-merger company does not have opportunity to use that power to obstruct competition in local markets. Indeed, a post-merger company could affect outcomes even where retransmission consent is within the province of independent affiliates by demanding fees from those local affiliates. Alternatively, outcomes could be exacerbated adversely where local affiliates rely upon the network provider to negotiate retransmission consent agreements on their behalf. Inasmuch as affiliates rights are

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generally derivative, this is an issue of concern to which Commission attention must be paid. The Commission must ensure that content providers do not exercise their influence over local affiliates in a manner that increases rates or otherwise implicates anti-competitive elements in the marketplace. These issues require particularized attention in the instant proceeding: the merger of a major content producer with a National cable provider should not enable demanded carriage of unrelated programming. This sort of tying interferes with competitors' ability to differentiate their offerings with diverse programming by occupying channel capacity with content that is in low demand by consumers. For these reasons, the Commission should ensure that the proposed merger does not result in the leveraging or bundling of "must have" programming with unwanted content or other anti-competitive actions.

INTERNET-BASED OFFERINGS

The Commission must ensure that the merger does not implicate adverse outcomes for Internet-based offerings. The Commission should, in its evaluation of the proposed merger, view the transaction as a strategic response to new competition that MPVDs face from online video sources. These include sources such as Hulu, which offers users free access to a bank of television programming and devices such as Roku, which enables the viewing of broadband content over a traditional television monitor.

The Commission must ensure that a post-merger Comcast does not have incentives to favor its own online distribution channels to the exclusion of competitors' offerings. For example, "TV Everywhere" enables MVPDs to make video content available to their subscribers over broadband networks. Although numerous MVPDs are considering offering content to consumers online in the TV Everywhere format, permission to offer such content, and the timing and other terms of its availability, are controlled by the programmers. A post-merger NBC must lack incentives to favor Comcast in its agreements by offering content to competing MVPDs at higher prices, in later timeframes, or on other inferior terms, such charging higher prices to new entrants with fewer customers. The ability to do so would impose adverse effects on competitors, and consequent negative impacts upon consumers.

In conclusion, ITTA supports market-driven transactions that gain advantages from scale and other efficiencies. ITTA nevertheless urges the Commission, as set forth above, to address potential shortfalls that could arise from the proposed NBC-Comcast merger, and to ensure that a merger of NBC-Comcast does not implicate adverse effects for competitors, consumers, or other participants in the video marketplace.

Respectfully submitted,

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