

women of a certain age, or a certain profile, is unsurpassed.”²¹⁹ Allowing the merged entity to dominate this niche market will harm both viewers and advertisers. Where two companies could make programming decisions about how best to serve this audience, there will be one. Where advertisers had two choices for reaching women (not their children) aged 18-49, there will be one. The Commission should consider these horizontal harms in reviewing this merger.

VII. Conclusion

The evidence presented above illustrates post-merger Applicants’ plan to leverage vertical power, and execute strategies that diminish competition and restrict consumer choice. Moreover, Applicants’ internal documents further undercut the Applicants dedication to their proposed voluntary commitments, which were of questionable value in the first place. Because the purported benefits do not outweigh the pronounced harms resulting from the merger, the Commission should deny the transaction.

²¹⁹ *Declaration* at 42.

**Exhibit 1
The Case Against the Comcast-NBC Universal Merger, Structure, Conduct Performance**

| | Internet | MVPD | Broadcast |
|----------------------------------|--|--|-----------------------------------|
| <u>Structure</u> | | | |
| Distribution concentration | E-17-20; CI7-7-8, 23-29 | S-40-42, 121-122; R-54-55; MX-12-15 | S-30-44; R17-18; D-2; CI-45-52 |
| | | MX-A2-15; CI-15-16, 18-19, 29-35; MC-21-26 | MC-13-14 |
| Must Have Content | S-33,37, 105-106; ACA-35-37; CI-36-46 | S-30, 106-109; MX-16-18; ACA-10-12; MC-26-33; CW-17-30 | S-103-106,109-114; D-13-15; CR-4; |
| Competition | S-15-16, 28, 71-76; W-5-8; CW-34-42 | S-56-71, 127-140; M17-21 | R-9-11; CI-50-51; CR 33-38 |
| - | E-27-32; CI-53-59; MC-3-36; CR-5-13, 29-33 | MX-22-24, A7-16 | |
| <u>Conduct</u> | | | |
| Vertical Leverage Theory | S-76-82; D-11-13; MX-26-28; E-21-23; >> | CI-9-12;MC-14-21, 103-126 >> | |
| Foreclosure Withholding | D-6,28-33, E-39-43 | S-43-56, 76-93; D-8-11; ACA-26-28 | S-82-93,114-115 |
| | | MX-20-22, 30-32 ,A-24-30: CW_33-39 | |
| Demand Exclusives | S-45-56 | | |
| Degrade Quality | W-15-16; E32-39 | | |
| Discrimination | S 96-103 | MX-28-30, A7-12 | |
| Tying/bundling | S-115-118, MX-32-37; CI 65-68; MC-37-61 | S-18,86; MX-37-41, A-30-43; CW-14-15 | S-10-13, 114-115; D-6,33-34 |
| Raising Rival's Cost | | R-18-21; D36-44; ACA-4 | D-23-27 |
| Coordination | S-2,22; E45-47; CI59-63; CR-13-25 | | |
| <u>Performance</u> | | | |
| Prices (cable rate/Retrans Fees) | | S-34,61; R38-40; CI-34: CW 12, 16,30-33; CR 17, 53 | R-14-18,36-37; D-15-23; |
| | | | M-2,21-22; ACA-21-24 |
| Margins | E-24-27 | S-106-109; MX-23, A-7; CR-18,53 | |
| Equity Stakes | | S-9-10, 93-99 | MC-62-102 |
| Departure Rates (Katz Critique) | | S-118-127; M27-32; W-20-24; CR-25-29 | |

Sources: References are to the July 21 filings for the following: ACA= American Cable Association; B=Bloomberg; CI=Cooper/Lynn Initial; CR=Cooper/Lynn Replies (Aug. 19); CW= Communications Workers; D=DirecTV; E=Earthlink; M=Murphy; MC=Cooper; MX=Marx; R=Rogerson; S=Singer

Exhibit 2

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Source: 25-COM-00000594, Slide 9.

Exhibit 3

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Source: 25-COM-00000547, Slide 39.

Exhibit 4

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Source: 25-COM-00000547, Slide 43.

Exhibit 5

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Source: 25-COM-00000194, slide 59.

Exhibit 6

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Source: Comcast_0000096, p. 13.

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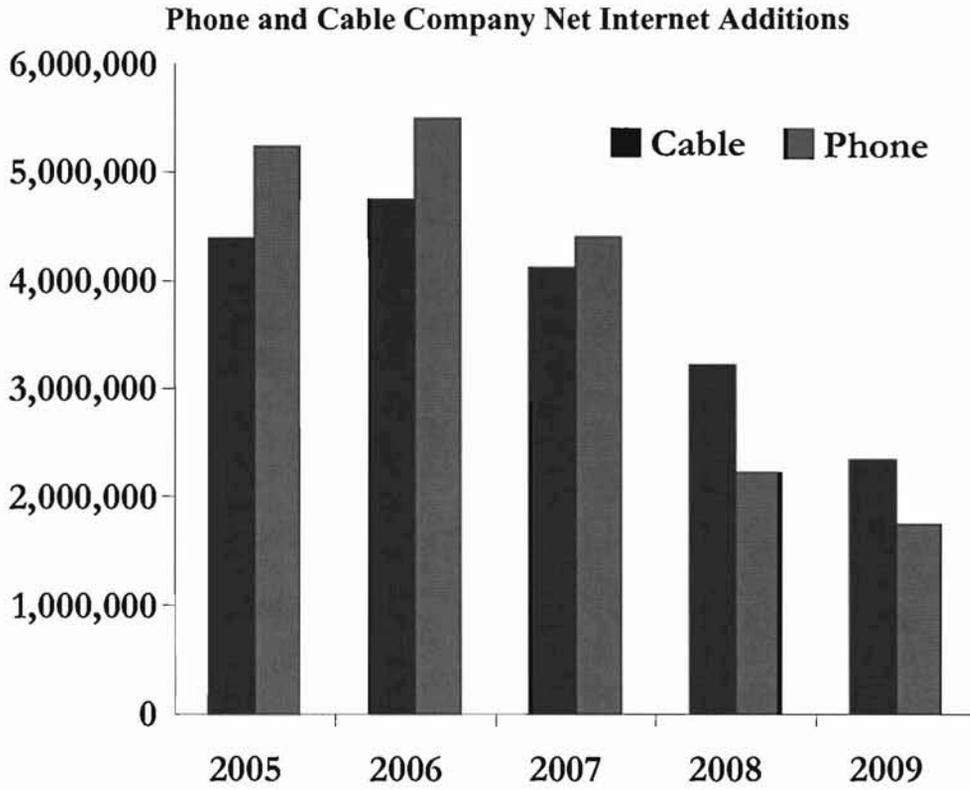
Exhibit 7

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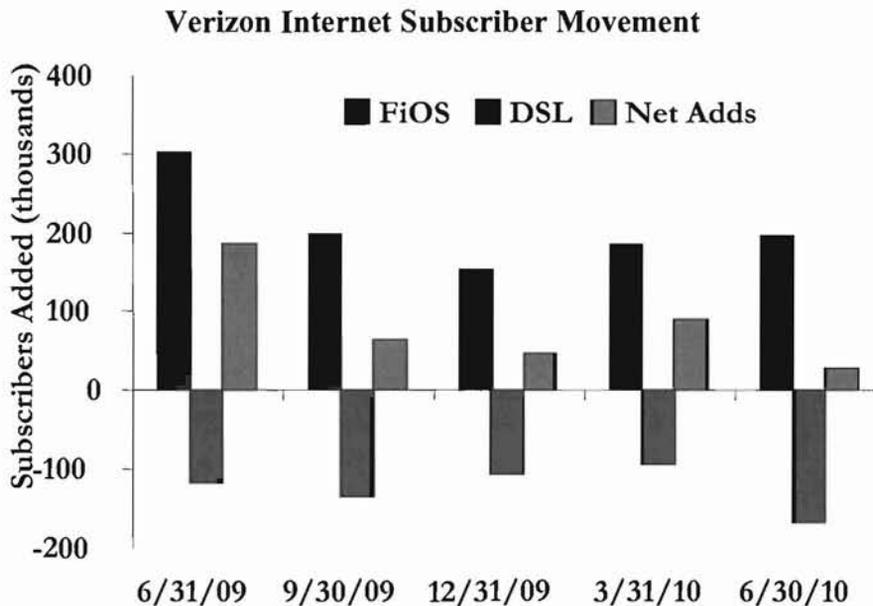
Source: 25-COM-00000278, Slide 4.

Exhibit 8



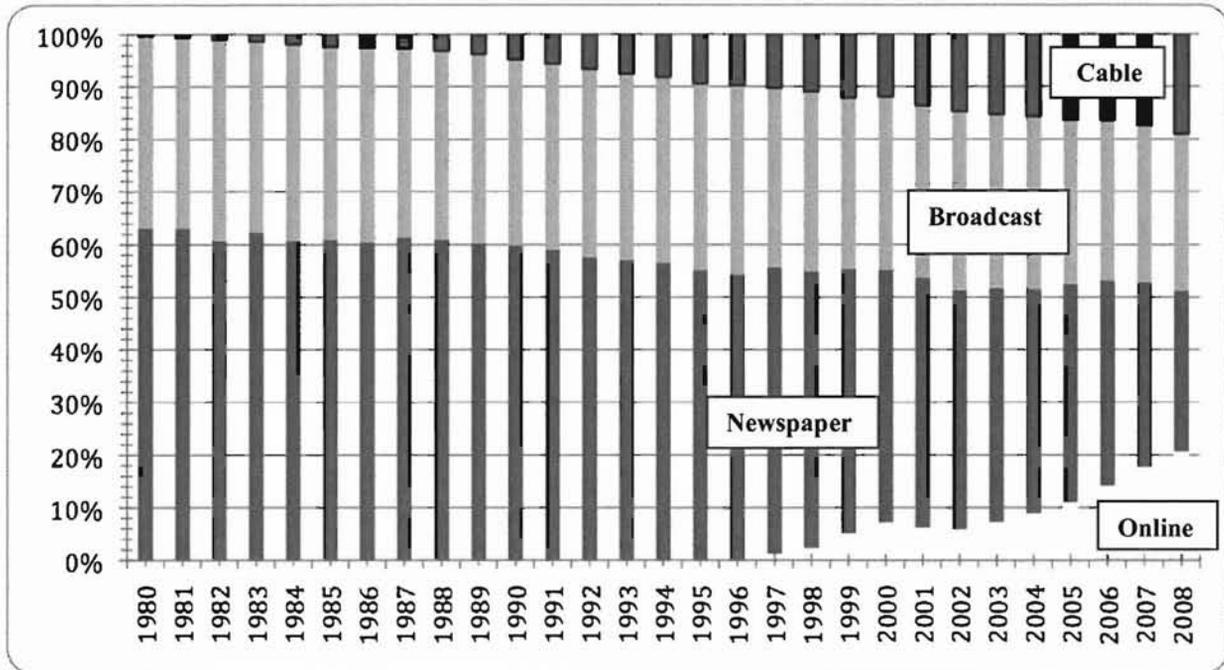
Source: Leichtman Research Group

Exhibit 9



Source: Verizon. Figures calculated through Verizon's quarterly financial statements, p. 18. It is worth noting that in the future Verizon's DSL declines will likely ease, due to the sale of the majority of their non-fiber footprint to Frontier. See e.g. Verizon, "Verizon to Divest Wireline Businesses in 14 states; Significant Benefits to Verizon Shareholders," Press Release, May 13, 2009.

Exhibit 10



Source: Universal McCann Magna Global, "Estimated Annual U.S. Advertising Expenditures," available at the Television Bureau of Advertising.

Exhibit 11

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Source: 11-COM-00000670, Slide 4.

Exhibit 12

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Source: 31-COM-00000298, Slide 29.

Exhibit 13

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Source: 31-COM-00000298: Slide 29.

Exhibit 14
Critical Confidential Documents by Reference Number

Comcast: Third Party Analyses

Cornerstone_000013.
Compass_0000045.
Compass_0000059.
Compass_0000110.
Compass_0000196.
Compass_0000285.
11-COM-00000343.
11-COM-00000670.
11-COM-00000811.
11-COM-00000845.
11-COM-00001194.
17-COM-00090397.
26-COM-00000333.

Comcast: Internal Documents

Comcast_0000960.
Comcast_0000084.
11-COM-00000166.
11-COM-00000280.
11-COM-00000670.
11-COM-00000678.
11-COM-00000739.
25-COM-00000001.
25-COM-00000017.
25-COM-00000194.
25-COM-00000278.
25-COM-00000308.
25-COM-00000507.
25-COM-00000547.
25-COM-00000594.
26-COM-00000001.
26-COM-00000333.
31-COM-00000040.
31-COM-00000298.
31-COM-00001500.
31-COM-00001952.

Comcast: Carriage Agreements

20-COM-00000071.
20-COM-00000028.
20-COM-00000139.
20-COM-00000156.
20-COM-00000173.
20-COM-00000203.
20-COM-00000225.

NBCU: Internal Documents

29nbcu0004283.
29nbcu0005061.
29nbcu0005310.
29nbcu0006866.
29nbcu0012837.
39nbcu0005743.
50nbcu0000051.
50nbcu0000471.
50nbcu0000536.
50nbcu0005390.
50nbcu0006366.
50nbcu0000051.

This Declaration has been prepared in support of the foregoing Reply to Applicants' Opposition to Public Interest Petitioners' Petition to Deny the merger of Comcast and NBC-Universal. I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge.

Executed this 19th day of August 2010.

Signature: _____

Mark Cooper, Ph.D.
Consumer Federation of America

Signature: _____

Adam Lynn
Free Press