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& GRANNIS LLP

October 7, 2010

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

Re: *Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc.*, MB Docket No. 10-56

Dear Ms. Dortch:

On October 6, 2010, Derek Chang, Susan Eid, Stacy Fuller, and undersigned counsel on behalf of DIRECTV met with Rosemary Harold, Legal Advisor to Commissioner McDowell, to discuss the above reference proceeding. Consistent with DIRECTV's filings in this proceeding, they discussed DIRECTV's concerns about the likely effects of the proposed Comcast/NBCU transaction, practical examples of ways in which this unprecedented combination of content and distribution assets could be used to disadvantage rival multichannel video programming distributors, and conditions that should be imposed to safeguard competition. The attached materials were provided during the meeting.

Should you have any questions about this submission, please do not hesitate to contact me.

Respectfully submitted,

/s/

William M. Wiltshire
Counsel for DIRECTV

cc: Rosemary Harold

DIRECTV's Proposed Remedies for the Comcast/NBCU Transaction

The proposed Comcast/NBCU transaction would combine the nation's largest cable operator and largest Internet service provider with two broadcast networks, over two dozen network-affiliated broadcast stations, some of the most popular cable programming available, the film library and production capabilities of Universal Studios, and many of the most important online content sites. Left unchecked, this unprecedented array of assets would give Comcast new opportunities to gain unfair leverage over rivals to the detriment of consumers – enabling it to enhance and extend the sorts of anticompetitive conduct it in which it has engaged in the past.

DIRECTV's economist has demonstrated that the vertical integration resulting from this transaction would enable Comcast to impose substantial price increases on MVPD rivals for carriage of NBCU programming. The Commission has recognized this dynamic in several previous transactions, and required the parties to engage in baseball-style arbitration to resolve impasses in carriage negotiations. DIRECTV proposes that a similar safeguard be imposed here as well, requiring arbitration of disputes involving Comcast/NBCU's broadcast stations and national networks. This safeguard should remain in effect until Comcast/NBCU can show that it is no longer needed due to changes in market conditions. In addition, the arbitration condition currently applicable to Comcast's regional sports networks should be extended to remain in force for the same period.

DIRECTV has also identified a new concern that arises from the combination of Comcast's broadband assets and NBCU's content. Although high-quality content is increasingly made available over the Internet, the Commission's program access rules do not clearly apply to online content. This "online loophole" would allow Comcast to make value-added content available online to its own subscribers while denying it to subscribers of rival MVPDs, just as it has used the terrestrial loophole to deny sports programming in Philadelphia. DIRECTV proposes to prevent such conduct by extending the Commission's program access rules to Comcast/NBCU programming no matter how it is delivered, to ensure that the same content is available to Comcast's MVPD rivals at the same time, at the same quality (e.g., HD or 3D), at the same speed, and on the same terms as it is available to Comcast.

COMPARISON OF CONDITIONS

Potential Conditions	News Corp. – Hughes – DIRECTV (2004, Chairman Powell)	Comcast – Time Warner – Adelphia (2006, Chairman Martin)	DIRECTV-Liberty (2008, Chairman Martin)	Comcast – NBCU (2010, Chairman Genachowski)
Require "baseball style" arbitration for broadcast programming	Yes	N/A (no broadcast programming at issue)	Yes	FCC should impose condition
Require "baseball style" arbitration for regional sports networks	Yes	Yes	Yes	Comcast already subject to condition, but FCC should not allow condition to sunset (sunset now scheduled for 2012)
Require "baseball style" arbitration for national networks	No – transaction presented no new combination of national networks	No – transaction presented no new combination of national networks	No – transaction presented no new combination of national networks	FCC should impose condition because of new combination of Comcast and NBCU national networks
Close "online loophole" by extending program access rules to content distributed over the Internet	No – no new combination of content with broadband distribution and no real prospect of Internet migration at the time	No – no significant new combination of content with broadband distribution and no real prospect of Internet migration at the time	No – no new combination of content with broadband distribution and no real prospect of Internet migration at the time	FCC should impose condition because of (1) unique combination of must-have content with largest broadband distributor; and (2) new ability to migrate content to the Internet and withhold it from Comcast's rivals