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2 COMMISSIONER LAKE: Good afternoon and
3 welcome. I am Bill Lake, Chief of the Media
4 Bureau of the Federal Communications Commission.

5 Thank you for attending today's public
6 forum on the proposed Comcast/NBCU/GE Joint
7 Venture. The input that we receive will be made
8 part of the record in our review of this
9 transaction and will no doubt be very useful to us
10 in considering the issues.

11 The proceedings are being Webcast live
12 over the FCC's website and will be broadcast later
13 via C-Span.

14 After a short video presentation by FCC
15 Chairman, Julius Genachowski and opening remarks
16 from Commissioner Michael Copps, we will proceed
17 with two panel discussions: The first on on-line
18 video distribution issues.

19 And the second, on multi-channel
20 programming distributor issues.

21 We'll take a short 15-minute break between
22 the two panels. We will later have a special
23 segment, from 6 to 8 p.m. this evening, during
24 which members of the public will be given an

1 opportunity to make comments or ask questions via
2 an open microphone.

3 Those wishing to comment during that
4 segment must sign-up at the registration desk
5 beginning at 5 p.m. Questions from the internet
6 audience can be submitted throughout the course of
7 the public forum, via e-mail to:
8 Livequestions@FCC.GOV or via Twitter using the
9 hash tag; FCCNBC.

10 We want to thank Northwestern University
11 Law School for hosting us so gracefully --
12 graciously in these beautiful surroundings.

13 Chairman Genachowski regrets that other
14 commitments prevent him from being here. But we
15 are happy to have an opening statement from him
16 via video.

17 Commissioner Clyburn had planned to be
18 here today, but a last-minute obligation prevented
19 her from attending.

20 We'll now hear from Chairman Genachowski.

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COMMISSIONER GENACHOWSKI: Hello, I'm Julius Genachowski, Chairman of the Federal Communications Commission.

Good afternoon and welcome to today's public forum to discuss the proposed transaction involving Comcast, NBC Universal and General Electric.

Today's forum is very important. The forum will help identify the issues, collect the information we need and provide members of the public an opportunity to voice their views and opinions.

I want to thank each panelist and member of the public here today for taking the time to be a part of this process.

I also want to extend a special thanks to my colleagues, Commissioners Copps and Clyburn for being here today and devoting their time to this important exchange of ideas.

The FCC's review of this proposed joint venture, like all transactions that come before us, must be thorough, efficient and transparent.

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It must fair and objective.

It's our job to compile a comprehensive record that contains the best available data analysis upon which to base our decision.

I'm committed to insure that the agency's procedures meet the highest standards, and minimize costs and delay, while allowing our staff to fully consider the realm. Doing so will enable us to fulfill the Commission's statutory obligation. The important one of protecting the public interest. Your participation today is very important in that process.

The Commission approaches this proceeding mindful that maintaining a vibrant, innovative, consumer-friendly and competitive communication sector is essential for our economy, our society, and our democracy.

Communications policy affects the lives of all Americans and is becoming ever more important everyday.

Communications represents a major component of our economy, touches the daily lives of all Americans and a plays a vital role in addressing many of the challenges our nation

1 faces. The communications and media marketplace
2 in which Comcast and NBCU operate is rapidly
3 evolving.

4 Even as millions of Americans continue to
5 rely on traditional media. New media and
6 technologies are an increasingly important part of
7 this landscape. Not only for the entertainment
8 that they enjoy. But also for the news and
9 information that we all need to make informed
10 decisions as citizens, hold our government
11 accountable, take necessary precautions in times
12 of emergency and improve the quality of our lives
13 and those of our families.

14 The communications and media landscape
15 today is very different from what it was five or
16 ten years ago, and will be very different five or
17 ten years from now.

18 But as the marketplace changes, certain
19 core values remain constant. Robust and healthy
20 competition is essential to producing consumer
21 benefits, better services at lower prices.

22 Continued access by all Americans to diverse in
23 vibrant sources of news and information is the
24 lifeblood of our democracy.

1 Part of our responsibility at the
2 Commission is to ensure that transactions do not
3 enable firms to frustrate innovation or raise
4 prices ultimately paid by consumers.

5 We must ensure that Americans continue to
6 enjoy all the benefits of competition and choice
7 in a rich media environment that upholds vital
8 First Amendment values.

9 Investment, innovation and job creation
10 are key objectives. As is the rapid and
11 widespread deployment of advanced communication
12 services, like broadband. These and other
13 traditional goals and values will inform our
14 review.

15 Our dedicated Commission team has been
16 hard at work reviewing this proposed transaction,
17 including the thousands of petitions and comments
18 that have already been filed.

19 The team members come from across the
20 agency's bureaus and offices and bring to bear
21 many years of experience.

22 I have directed our staff to learn from
23 experience, to examine similar past transactions
24 and see with the benefit of hindsight what the FCC

1 did right or where the agency could have done
2 better.

3 We're already applying these lessons we
4 learned to the procedures that we're following in
5 this review. We're also consulting and
6 cooperating closely with our colleagues at the
7 Department of Justice.

8 This public forum is another important
9 step in our process.

10 Today, the Commission will hear a wide
11 range of voices, opinions and ideas. Those
12 participate -- those participating include;
13 industry, public interest, scholars and consumers.
14 And other members of the public may be affected by
15 the proposed transaction, as well as Commissioners
16 and FCC staff members.

17 Thank you again for being a part of this
18 process. Learning your thoughts and concerns is
19 vital to our consideration of this proposed
20 transaction. We look forward to hearing what each
21 of you has to say.

22 Thank you.
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We are very pleased that Mr. Copps is able to be with us today. And he will add his own opening remarks.

COMMISSIONER COPPS: Good afternoon. Thank you all for coming out today. Thank you first to our hosts here at the Northwestern University Law School for their hospitality and for letting us use this beautiful venue today.

Thanks to the City of Chicago. It's not the first time we've been out here for hearings on the future of our media.

And I have always left those hearings knowing a lot more about the subject than I did when I came in. That's because I get to hear directly from the folks who are on the receiving end, both of what media produces and what Washington produces and usually that doesn't combine into an Emmy winning show. Far from it.

(Laughter.)

So the necessary input for a decision likely would be called upon to make in this

1 particular transaction has to include input from
2 citizens across the land.

3 Who know better than anyone what media is
4 or is not serving their needs. My biggest thanks
5 to all those citizens who have taken the time
6 today and this evening to come out and share their
7 perspectives with us.

8 I'm also grateful to our panelists for
9 coming here this afternoon and for the work they
10 have put into fashioning their perspectives on
11 this transaction. And I hope on the state of our
12 media generally, too.

13 So I look forward to a candid exchange of
14 their thoughts and ideas as the day goes on.

15 To put it plainly, the proposed merger
16 between Comcast and NBCU it's huge, really huge.
17 While in some respects it is similar to
18 transactions that we have witnessed before.

19 In other ways, it is new and novel. It's
20 about traditional media, broadcasting in cable.
21 But it's about new media, broadband and the
22 internet, too.

23 So it will alter not only the media
24 environment that we're already familiar with, but

1 it's going to be a scene setter for the future and
2 play a large role in configuring the kind of media
3 we will be living with for years and years to
4 come.

5 It goes to how much control a few
6 individual companies should have over the
7 distribution of media. It compels us to answer
8 whether extending that control beyond distribution
9 to content itself does anything to advance
10 diversity, localism and the public good.

11 It raises questions about whether good
12 public policy mean blessing more media
13 consolidation, like the FCC has blessed so many
14 times in recent years, or is it time to begin
15 pushing back the tide.

16 And it asks whether we are so happy with
17 our present day media that we want our new media
18 future on the internet to travel down the very
19 same road.

20 The last few decades, with all too brief
21 interruptions, have not been kind to the public
22 interest. On top of the industry consolidation
23 that developed from the hyper-speculation of
24 recent years, hyper-speculation blessed by

1 government, not just in communications, but across
2 a wide whole swath of our economy's activities.

3 We also witnessed a rapid deterioration of
4 public interest, oversight by the Federal
5 Communications Commission, the very agency charged
6 by law to protect consumers. Put those two
7 together; bad private policy choices and equally
8 horrendous public policy choices and you end up
9 with serious harm to the basic tenants of the
10 public interest, localism, diversity and
11 competition.

12 I am not of the opinion that our media
13 environment can take too many more bad choices.
14 Our failure to recognize the power and centrality
15 of media to our civic life has cost this country
16 dearly. The history of heedless deregulation is
17 well-documented. It's an adverse impact on our
18 society is everywhere you look.

19 Take our news and information: All of the
20 industry consolidation that we have endured, all
21 of the newsroom cutbacks made as companies fight
22 for economies of scale to curry favor with the
23 Wall Street marketeers and all of that ideology
24 driven FCC evisceration of the public interest

1 have, rather than reviving the news business
2 condemned us to less real news, less serious
3 political coverage, less diversity of opinion,
4 less minority and female ownership, less
5 investigative journalism and fewer jobs for
6 journalists.

7 We are skating perilously close in this
8 country to denying ourselves the news and
9 information and quality civic dialogue that
10 democracy ultimately depends upon.

11 Will we learn from this history or are we
12 doomed to repeat these mistakes again and again?

13 Broadband and the internet holds such vast
14 promise for all of us. I call high-speed, high
15 broadband American's great enabler. There is
16 hardly a challenge confronting this country, be it
17 jobs or education or energy or healthcare or
18 climate change or opening the doors of equal
19 opportunity that doesn't have an important
20 broadband component as part of a successful
21 resolution.

22 But the rules of the broadband game must
23 be as open and dynamic as the technology itself.
24 And one thing is clear above all else, broadband

1 and the internet can't become the province of
2 gatekeepers and toll booth collectors.

3 If we allow that to happen, not only do we
4 burden ourselves, but we kill the wonderful
5 promise that this technology holds for us.

6 What an awful irony of history that would
7 be, not to mention the burden on those who are
8 expected to pay the tolls.

9 So when it comes to protecting the genius
10 and openness of internet, I want to know what the
11 rules are. I want the industries to know what the
12 rules are. I want consumers to know what the
13 rules that protect them are. And I want a venue
14 where when things go wrong they can be made right.
15 That is not burdensome bureaucracy. That is not
16 government meddling. That is not expecting the
17 unattainable.

18 Plain and simple it is consumer protection
19 101. And none of us should be asked to settle for
20 less.

21 After all, that's what the FCC was
22 designed to be over 75 years ago, isn't it? A
23 consumer protection agency.

24 I cannot, I will not accept half-hearted

1 pledges of fairness from industry when the future
2 of the web is at stake.

3 And right now the assurances and
4 conditions that we have received on this
5 Comcast/NBCU proposal do not pass the red-faced
6 test.

7 How many times do we have to experience
8 the fallout when critical decisions are entrusted
9 only to those in industry without credible public
10 policy oversight.

11 Do we need another round of pillaging from
12 our financial houses to tank our economy one more
13 time?

14 How many more oil soaked beaches and lost
15 livelihoods across the Gulf must we endure before
16 we understand that our future is ours to make,
17 yours and mine?

18 And when it's the media we are talking
19 about; how we communicate, our civic conversation,
20 our democratic dialogue that our future depends
21 on, we realize how necessary vision and vigilance
22 are.

23 Lose the media and we set ourselves up to
24 lose everything else.

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One final thought: When I mentioned that word "diversity," it can have several meanings. Diversity of opinion, diversity of content, diversity of formats. Each of those is relevant to this particular transaction. So is something called diversity of ownership.

This transaction has positively huge implications for our country's minorities and diverse populations. Anyone who actually thinks that ownership of our media does not significantly affect how our country is being informed is just not paying attention.

While minorities currently comprise roughly 34 percent of the nation's population, they own, get this, only 3.15 percent of full-power commercial television stations. Think about that.

And women, who comprise 51 percent of our population, own only about 5.8 percent of full-power commercial television stations.

Those numbers are appalling. They mean, that not only are minorities not getting a fair share of the action. But that their interests,

1 their particular challenges, their many
2 contributions that they make to the nation's daily
3 life don't get anything approaching the attention
4 that they should in all justice have.

5 Shortchanging ownership diversity is
6 shortchanging our civic dialogue.

7 If the central tenet of our FCC mandate is
8 to promote diversity in the media, which it is.
9 Then let's make sure that we consider this
10 challenge as we consider scene setting deals like
11 this particular transaction.

12 So let's hear from everyone with an
13 interest today and this evening. Let's consider
14 all of the arguments, let's answer the new and
15 novel questions this transaction thrusts upon us,
16 and then let's get onto a decision.

17 The good news is that I believe we are on
18 track to do that. And I will tell you that I am
19 encouraged by the depth and breath of the process
20 that Chairman Genachowski has set up for the
21 consideration of this proceeding.

22 It is a level of investigation and
23 analysis that has no equal in the nine years that
24 I have been at the FCC.

1 I am grateful for the hard work being done
2 by the special team assembled at the FCC, headed
3 by John Flynn, to sort through the numerous
4 details and the mountains of paperwork filed. And
5 to give us a level of really professional analysis
6 that will encourage some enlightened
7 decision-making.

8 I'm pleased as well with the hearings and
9 attention that members of Congress have afforded
10 this far-reaching transaction, including an
11 official hearing right here in the city last week
12 by my friend, Congressman Bobby Rush.

13 His hearing and other forums that have
14 already been held have asked significant new
15 questions and pointed to areas requiring the
16 spotlight of public attention.

17 I also want to thank Bill Lake who heads
18 our FCC media bureau and is here with us;
19 Sherrese, Jennifer Tatel, Jessica Almond and Bill
20 Freedman for organizing this forum and for
21 inviting me to attend.

22 And thanks also to Lyle Ishida and team
23 for handling the logistics for this meeting, which
24 is no small feat, but it is appreciated.

1 As for me, I have said before, that
2 approval of this proposed transaction would be a
3 very, very, steep climb.

4 No one who knows where I have been on
5 these issues will be at all surprised by that.
6 Now, I plan to spend the rest of the afternoon and
7 evening listening.

8 I do have one request of you, however, and
9 it's really my only ask. I ask that you stay
10 involved in these kinds of debates, because they
11 are so central to future of our country. Not just
12 this one proposed agreement, huge though it is,
13 but all of the many questions regarding the future
14 of the media, both traditional and new.

15 The future of journalism, the nourishing
16 of our democratic dialogue. So much of what our
17 country will be, so much of what it can be rides
18 on the kind of media we have. And that's up to
19 all of us. It's partly up to those who operate
20 the media everyday, of course. It's partly up to
21 the legislators who write the laws. And it's
22 partly up to those at the FCC who implement rules
23 of the road.

24 But in the end, it's up to what the

1 people want, and expect and demand and that's the
2 blessing of democracy. And that's why I'm so
3 pleased to be here today. Thank you all very much
4 for coming.

5 (Applause.)

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BILL LAKE: Thank you very much,
Commissioner Copps. As we move to our first panel
discussion, I'd like to review the ground rules
very briefly.

Panelists, each of you will have seven
minutes to make your remarks.

Members of the audience; please listen
respectfully to the panelists, even if you
disagree with the views they are expressing. I
know that the issues we're discussing today runs a
lot of public interest and they're deeply held
views.

But for this public forum to run smoothly
and be successful, we need to maintain basic
decorum and avoid unnecessary interruptions.
Thank you.

I would now like to turn it over to our
moderator for our first panel, John Flynn, Senior
Counsel to the Chairman for transactions.

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MR. JOHN FLYNN: Thank you, Bill.

This first panel will be on on-line video distribution considerations. And before I introduce the panelists who joined us here today, I wanted to introduce you to the third member of our panel on this side, joining Bill and me, is Sherrese Smith, legal adviser to Chairman Julius Genachowski for media, consumer, and enforcement issues.

Participating on the panel today we have: Jeffrey Blum, the Deputy General counsel of DISH Network.

Susan Crawford, Professor of Law, Cardozo School of Law and Visiting Research Collaborator, Princeton University.

Markham Erickson, a Partner, Holch & Erickson and an Executive Director of NetCoalition.

Travis Parsons, Senior Director, Business Development, Sezmi.

Josh Silver, President and CEO, Free Press.

Scott Wallsten, Vice President and

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Research and Senior Fellow, Technology Policy
Institute.

And Susan Whiting, Vice Chair, the Nielsen
Company.

Thank you all for being here.

And Mr. Blum, do you want to kick us off?

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MR. JEFFREY BLUM: Thank you for inviting me here today.

My name is Jeff Blum. I'm the Senior Vice president and Deputy General Counsel of DISH Network.

DISH Network wants to applaud Commissioner Copps' statements.

Government oversight of a merger of this magnitude is absolutely essential and a forum like this is so important to hear the various voices so the right decision is made.

DISH is the nation's third largest paid TV provider with over 14 million subscribers. We pride ourselves in offering the most HD programming, cutting edge technology and award winning customer service.

My testimony today will focus on how a combined Comcast/NBC would impact the on-line video market. This topic is immensely important to the future of the entire video distribution industry.

Comcast and NBC claim that their proposed transaction is benign in nature and will only

1 improve the on-line video experience. We
2 disagree.

3 Perhaps, you're wondering why a satellite
4 TV provider would be interested in this subject.
5 Let me begin by outlining DISH's stake in the
6 merger.

7 In order to compete with the likes of
8 Comcast, DISH must integrate on-line video with
9 our traditional satellite service.

10 DISH is actively innovating to achieve
11 this integration. With our partner, EchoStar, we
12 have developed products such as DISH on Demand,
13 which offers 10,000 VOD movies. And Sling, which
14 allows you to watch your cable or satellite TV on
15 any PC or mobile device.

16 These products give DISH subscribers the
17 on-line video offerings they demand, allowing them
18 to watch what they want when they want it.

19 But in order to function effectively,
20 these technologies rely on a broadband connection.
21 And in order to provide our customers with the
22 optimal viewing experience that connection must be
23 neutral and nondiscriminatory.

24 By nondiscriminatory, I mean, internet

1 service providers like Comcast must not interfere
2 with DISH's data flowing through their broadband
3 pipe. Because Comcast is one of DISH's main
4 competitors in the video marketplace for both
5 linear TV service and on-line video, Comcast has
6 an incentive to steer DISH subscribers to Comcast
7 cable service.

8 One of the most pernicious ways for them
9 to do that is through their control over the
10 broadband pipe by discriminating against DISH's
11 on-line offerings.

12 These broadband enabled features mirror
13 consumer trends in on-line video consumption,
14 generally. According to the Pew Internet Project,
15 69 percent of American adults have used the
16 internet to watch or download a video. Of these
17 viewers, 89 percent have broadband at home.

18 Clearly, on-line video has entered the
19 mainstream and the market will only grow.

20 The proposed merger, therefore, represents
21 a serious threat to competition in the TV
22 industry. It is essential that the Commission
23 implement strict conditions to allow for
24 continued, legitimate competition in this

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industry.

Both Comcast and NBC are deeply involved in the on-line video market. And both Comcast and NBC have demonstrated a propensity to leverage their market power, to limit competition, or push competitors out of the market completely.

If allowed to combine, Comcast/NBC's unprecedented market share would further enhance its ability to discriminate against competitors like DISH in the on-line video market.

Comcast has already shown its cards so to speak when it comes to discrimination. We all know about the Bit Torrent case, where Comcast was covertly injecting reset packets into Bit Torrent, making it virtually impossible to use the service.

Clearly Comcast has no hesitation of blocking or degrading the internet traffic of its choosing. Once you add NBC's marquee content and partial ownership of Hulu to the mix, there is even greater incentive and ability for Comcast to discriminate against competing on-line video traffic.

Think of it like this: If the merger were to be approved, Comcast subscribers may get access

1 to Hulu content in full HD.

2 On the other hand, non-Comcast subscribers
3 using Hulu may not have -- may not have access to
4 that HD content.

5 Worse, nonsubscribers access to NBC's
6 on-line content, like Universal Studios could be
7 blocked completely.

8 The merger would also present a unique
9 ability for Comcast to engage in what I call
10 economic broadband discrimination.

11 Imagine this scenario: You are a DISH
12 Network TV subscriber and you have a subscription
13 to Comcast high-speed internet service at your
14 home and that is capped at 250 gigs per month.

15 Your Comcast internet service allows you
16 to watch on-line video applications, like Hulu on
17 your PC, and also powers the many broadband
18 enabled, On Demand cinema offerings that are
19 included as part of your DISH service.

20 You watch TV shows on NBC.com such as The
21 Office and *30 Rock*. And use DISH On Demand to
22 order Universal Studio movies like *Gladiator*, *Jaws*
23 and *ET*.

24 When you receive your Comcast internet

1 bill at the end of the month, you find that you've
2 been charged for exceeding your monthly cap. You
3 call Comcast to demand an explanation.

4 The agent tells you all that all the NBC
5 programs and Universal films you've watched count
6 against your bandwidth cap, because you are not a
7 Comcast video subscriber.

8 Meanwhile, your neighbors down the street
9 bundles their Comcast high-speed internet with
10 Comcast Xfinity Video service.

11 Comcast does not count NBC Universal
12 content against their bandwidth cap simply because
13 they subscribe to Comcast video service.

14 Given the charges you incur by not
15 bundling with Comcast, tell me what do you think
16 about switching to Comcast video service?

17 Better yet, think about the implications
18 of this sort of discrimination would have for the
19 competition in the video distribution market.

20 To prevent such practices, the Commission
21 should do three things:

22 First, it should apply its proposed open
23 internet rules to Comcast and prohibit all forms
24 of discriminatory conduct on Comcast broadband

1 network.

2 Second, Comcast must make transparent its
3 network management practices so that the
4 Commission and the public are well aware of any
5 unsavory activities Comcast engages in.

6 Finally, Comcast must offer a stand-alone
7 retail high-speed broadband service and provide
8 consumers with the ability to use third-party
9 internet service providers who have been given
10 wholesale access to Comcast broadband pipe.

11 And these conditions should be coupled
12 with strong and decisive enforcement procedures.
13 These conditions would ensure competitive, fair
14 play and to give consumers choice in the on-line
15 video market.

16 If the proposed merger is permitted, these
17 conditions must be implemented to protect
18 consumers and competition in the video market.
19 Regardless of the stone-faced promises from the
20 Comcast and NBC camps, this merger represents a
21 very real threat to competition in the on-line
22 video marketplace.

23 Neither the Commission nor the American
24 public can afford to take this threat lightly.

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Thank you.

MR. FLYNN: Thank you, Mr. Blum.

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MR. FLYNN: Miss Crawford.

MS. CRAWFORD: Good afternoon. My name is Susan Crawford. I'm a Professor of Law at Cardozo School of Law and also a Visiting Research Collaborator at Princeton. I'm a former special assistant to the President for Science, Technology and Innovation Policy. And I have no client relationships or payments to disclose.

I am, however, worried about the future of the internet.

Comcast believes that increased participation in content will delay the day when its pipe is just a pipe.

Comcast is already involved in content. The question before the Commission is whether the addition of NBCU content to the Comcast lineup is likely to foreclose competition in such a way that an unconditioned merger is not in the public interest.

My concern is that adding NBCU content to Comcast current dominant distribution operations, and particularly the addition of popular must have

1 continuous addictive content, like live sports and
2 business news.

3 These cable channels that Comcast will be
4 able to shield from real competition will give
5 Comcast the incentive and ability to constrain the
6 development of nascent competitive on-line pay TV
7 distributors.

8 Comcast would like to use NBCU content to
9 continue building a moat of barriers to entry
10 around its existing distribution business, that's
11 unlawful. That's not unlawful is what I'm trying
12 to say. The problem is that this very popular
13 NBCU content may allow the building of a moat that
14 no competing on-line video distribution provider
15 will be able to cross in the short term.

16 That may not be good consumers, for new
17 on-line industries or for society as a whole. The
18 internet is not the friend of the incumbent media
19 companies in America, because it generally lowers
20 the barriers of entry on which they have relied so
21 far.

22 For this reason, most media companies
23 would like to avoid the growth of over-the-top
24 video distribution.

1 Four elements will operate here that could
2 allow Comcast to work with the programmers
3 following the merger to ensure that the growth of
4 alternative on-line distribution mechanisms for
5 video is slowed.

6 First, Comcast control over these must
7 have NBCU cable channels. Second, Comcast control
8 over 25 percent of the video distribution market.
9 Third, the fact that Comcast requires consumers to
10 pay for a cable subscription in order to get
11 access to its TV Everywhere product on-line.

12 And fourth, it's standing as the nation's
13 largest highest high-speed internet access
14 provider.

15 Here's exactly how this could work:

16 First, Comcast market power and
17 distribution currently gives Comcast substantial
18 control over programmer behavior. It will allow
19 it to protect NBCU content, especially business
20 and sport from competition, because it's so
21 important to programmers to reach Comcast's 25
22 percent share of the population.

23 Comcast already has the power to exact
24 substantial concessions in terms of equity in

1 channels, agreements not independently make
2 programming available on-line other than through
3 TV Everywhere and most-favored nation pricing and
4 other discounts that a smaller distributor would
5 not get.

6 Comcast, also, has virtually complete
7 discretion in the way it decides to distribute
8 programming through channel placement, and tiering
9 and pricing, subject only to program carriage
10 rules that have the extremely difficult and costly
11 to enforce by claimants.

12 Comcast can use this discretion to protect
13 NBCU content from competition. Particularly CNBC
14 and the bundle of NBC Sports, Versus, and its
15 local regional sports networks.

16 Second, Comcast's ability to require
17 programmers not to put their programming on-line
18 independently as a condition of carriage by
19 Comcast, heightened by its control over this must
20 have NBCU content, plus the TV Everywhere tie may
21 allow it to stave off competition from on-line
22 aggregators of long form professional content.

23 Here's how: Without certain access to
24 this name brand programming, including potentially

1 Hulu.com, on-line distribution competitors will
2 not be attract the investment, advertising,
3 sponsorships and subscriptions that they'll need
4 at scale in order to constrain Comcast's pricing
5 power.

6 The tie between Comcast's TV Everywhere
7 service and it's cable subscription service is a
8 crucial tool here. It may allow Comcast to make
9 it uneconomical for on-line video distributors to
10 emerge.

11 Adding NBCU content to the TV Everywhere
12 product will make the network affects of TV
13 Everywhere even greater. No programmer will want
14 to be left out.

15 Comcast's ability to tie free TV
16 Everywhere access to subscription to Comcast cable
17 services, effectively prices competing on-line
18 video distribution services at zero.

19 People who already pay for Comcast or Time
20 Warner Cable and thus will be getting free access
21 to TV Everywhere will have no interest in paying
22 more for a rival on-line distribution package.

23 In general, Comcast operates with
24 enormously high barriers to entry that will be

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greatly enhanced by the addition of NBCU content.

The Commission should work with the Department of Justice to see whether merger conditions can be created that will render this consolidation in the public interest. Or whether indeed the merger should be blocked.

Because Comcast will be one of very few ways that Americans will be able to send large quantities of bits across the internet, Comcast should not be allowed to discriminate in favor of its own business plan or affiliated plan.

Thanks for the opportunity to testify. I look forward to your questions.

MR. FLYNN: Thank you, Miss Crawford.

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MR. FLYNN: Mr. Erickson.

MR. ERICKSON: Good morning, my name is Markham Erickson. Thank you for having me here. I am a telecommunications and internet lawyer with Holch & Erickson and I'm here on behalf of NetCoalition, which includes Amazon.com, Bloomberg LP, ebay, IAC, Google, Wikipedia and Yahoo.

Our nation is at a very interesting time of communications policy. We are at the beginning of a new era where consumers increasingly will be able to view and interact with an almost limitless diversity of content over multiple platforms and in new and interesting ways.

Our concern with the proposed merger is that the combination of Comcast and NBCU would create a content delivery and content production conglomerate that would have the technical ability and financial incentive to reduce competition, diminish choice, decrease information diversity, reduce broadband network investment and raise prices for consumers.

1 The proposed merger raises significant
2 issues surrounding the vertical integration of a
3 major content distributor and a major content
4 provider. But also represents a horizontal
5 combination of two leading providers of a separate
6 product, on-line video.

7 Consequently, we urge the Commission to
8 scrutinize the proposed merger carefully. If it
9 decides to approve it, the Commission should at a
10 minimum require a divestiture of certain assets and
11 propose certain consumer protection conditions on
12 that combined entity.

13 Consumers are increasingly looking for
14 alternatives to traditional linear television.
15 And broadband internet provides a platform that
16 has enabled internet and technology companies to
17 provide consumers with new ways to access and
18 interact with an unprecedented diversity in this
19 content.

20 Many of these alternatives compete with
21 Comcast Cable System and Comcast is certainly
22 concerned. In documents filed at the FCC,
23 Comcast stated that its cable systems face the
24 risk of competition from quote, on-line services

1 that offer internet video streaming, downloading
2 and distribution of movies, television shows and
3 other video programming, unquote. And suggest
4 that it faces direct competition from on-line
5 viewer services provided by Hulu, Google, Juiced,
6 Amazon.com, NetFlix, YouTube, and others.

7 Why is Comcast so concerned? Well, over
8 time, on-line video will dominate the video
9 market. From 2007 to 2009, on-line viewership of
10 movies or television programming doubled from 16
11 percent to 32 percent.

12 Moreover, 800,000 households have dropped
13 their cable and television subscription entirely
14 in favor of on-line options and that number is
15 expected to double in the next year.

16 What are the challenges to this growing
17 market and how could Comcast thwart this growth?
18 Comcast could inhibit consumer's access to content
19 over the internet.

20 For example, Bloomberg Television
21 distributes all of its content over the internet
22 without charge.

23 Bloomberg TV, which makes its content
24 available via television and the internet. For

1 Bloomberg TV, a Comcast TV Everywhere model could
2 result of Blumberg television being forced to
3 decide between carriage on Comcast systems and
4 continuing to provide its highly valued content to
5 its customers, via the internet.

6 Comcast/NBCU also could pressure
7 independent channels to remove or limit content
8 available on the internet. Especially, those
9 offering programming competing with Comcast/NBCU
10 programming channels.

11 Comcast/NBCU could do so by offering
12 independent channels discriminatory or unfavorable
13 terms if they choose other platforms like the
14 internet to distribute their content.

15 In addition, Comcast could engineer its
16 pipe to restrict bandwidth available to users to
17 access video via the internet, while increasing
18 bandwidth dedicated to the new NBCU proprietary
19 programming.

20 Comcast can also restrict internet content
21 available on set top boxes. A challenge in this
22 on-line video space is that systems providing
23 television and other premium content are largely
24 closed.

1 Think about the last time that you were at
2 Best Buy, lots of laptops and desktops that can
3 connect to the internet very easily. But you
4 don't see set top boxes for sale. That is because
5 if the cable companies ultimately open the set top
6 box to the internet.

7 Then cable companies like Comcast can be
8 disintermediated. Why would cable companies be
9 necessary if users can navigate directly to sites
10 featuring shows and movies they are looking for?
11 In both -- this merger also raises concerns about
12 diversity of programming.

13 Let's take an area that my organization,
14 NetCo, has been long concerned about. Mainly, the
15 availability of financial information to the
16 average investor.

17 In recent years we have seen more and more
18 Americans assuming responsibility for their own
19 retirement accounts and children's education
20 funds. This is happening at that time when
21 confidence in Wall Street is at an all time low.

22 There are over 50 -- 50 million Americans
23 that access a financial member website like
24 YahooFinance every month. The numbers are only

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rising.

NetCo has fought at the SEC and the courts
to urge the broad availability of financial
information to consumers via the internet.

We believe that broad availability of
different vantage points and insights analyzing
this data is not only critical to anyone
investing, but, also, frankly, much more critical
to the guy who trims who hedges on the weekend
than the guy who runs the hedge fund during the
week.

Consumers need and want basic business
information and insights. Under the merger the
largest distributor of content in the country will
come to own CNBC, a business news channel that
controls more than 85 percent of the business news
market.

Comcast would have significant incentives
and opportunity to impose substantial barriers to
entry in order immunize from competition, an
entity that is already the overwhelmingly dominant
figure in an incredibly concentrated market. I
don't see how that can be consistent with the
public interest standard in the Act as well as

1 consumers' desire for diverse sources of news and
2 information programming.

3 These interests would require the
4 imposition of conditions on the merger to protect
5 such independent sources of news and information.

6 Consequently, the Commission should
7 require Comcast to divest itself of CNBC. In
8 doing so, Comcast's incentivised to carry
9 competitors to CNBC on its cable platform.

10 Without divestiture, Comcast has every
11 incentive to limit CNBC competitor's access to its
12 cable platform.

13 If the Commission were to decide to
14 approve the merger, there would have to be certain
15 specific conditions: First, Comcast should be
16 required to neighborhood, which is to place
17 adjacent competing news channels to CNBS on its
18 cable platform.

19 In addition, the merged entity should be
20 prohibited from reducing or degrading the quality
21 of transmission of signals or feeds of competing
22 networks on all Comcast platforms, including
23 business news networks.

24 Comcast has a history of interfering with

1 certain kinds of content, such as peer-to-peer
2 file-sharing transfer systems. It will have the
3 incentive to diminish or degrade the terms or
4 level of service, or quality of signal delivery of
5 programmers in competition with Comcast's
6 programming.

7 Comcast should also be required to comply
8 with open internet rules that are similar to those
9 proposed by the Commission. The Commission should
10 adopt a condition that prohibits any restriction,
11 limitation, or disincentive on the ability of
12 alternative or competing business news networks to
13 offer their content on other platforms, including
14 but not limited to the internet.

15 Thank you for the opportunity to testify
16 and I look forward to answering your questions.

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18 MR. FLYNN: Thank you.
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MR. FLYNN: Travis Parsons.

MR. PARSONS: Good afternoon everyone, My name is Travis Parsons. I'm the Senior Director of Business Development, Sezmi. It's a pleasure to be here today and I appreciate the FCC for inviting me to participate in this panel on the public forum with regards to Comcast and NBCU joint venture.

In order to truly understand what's going on in the environment that we sit in, I do want to take the time to give you a little bit of an overview on Sezmi. And in particular, the relationships that we actually go out there and we form in terms of partnerships with content owners, with broadcasters and with distribution channels.

When Sezmi started, the goal was to create an alternative to cable and satellite at half the cost of what cable and satellite provides to them today. So to go out there and deliver a better consumer experience, but not deny anybody access to that content and do it at a reasonable price.

I'm pleased to say that we succeeded in

1 that with our launch recently in Los Angeles. But
2 in order to achieve this goal, it's vital that we
3 continue to have fair and equal access to content,
4 the broadcast spectrum and the broadband
5 distribution networks that are delivering that
6 content into the home. If we do not have that,
7 Sezmi will certainly thrive and the real loser at
8 the end of the day will be the United States
9 television consumer. And that's why I'm up here
10 today.

11 Commissioner Copps said: Get involved,
12 stay active in this process and that's exactly
13 what I and Sezmi intends to continue to do.

14 For those of you that are not aware, Sezmi
15 is a complete end-to-end personalized television
16 service that allows consumers to watch what they
17 want to watch, when they want to watch it, and,
18 again, at a fraction of the cost of what cable or
19 satellite costs.

20 We take all that live over the air
21 content, internet content and video, on-demand
22 content, movie content and we bring it all into
23 one service that makes it very simple for the
24 consumer to access. And we're able to do that

1 because of the system and the network architecture
2 that we created.

3 And that's really designed or based off of
4 three technologies in terms of how we deliver the
5 content into the home.

6 The first in use of the ATSC or the DTV
7 broadcast spectrum that we've been hearing so much
8 about with regards to the DTV transition over the
9 last several years.

10 We designed an indoor antenna that looks
11 like about the size of a bookshelf speaker that
12 picks up all of those over the air signals and
13 allows consumers to watch that on their
14 television.

15 For example, in Los Angeles, the Sezmi
16 consumer can actually pick up 80 plus over-the-air
17 channels. And what is unique about this is that
18 that's a wide variety of programming, whether it's
19 local sports, religion, foreign language content
20 that historically is not well-served by cable or
21 satellite providers.

22 Sezmi is able to bring that -- bring all
23 of that content onto system.

24 The second technology that was used is our

1 own private broadcast network that we created in
2 partnerships with broadcasters in each
3 marketplace.

4 So we use that ATSC spectrum and we
5 license the spectrum from a handful of
6 broadcasters in the market. It might be network,
7 it might be public, it might be independent
8 broadcasters and that is how we deliver that most
9 popular cable network programming.

10 We combine those two with the
11 broadband connection that comes into the home or
12 the set top box and that allows us to deliver all
13 of that niche or long tail content that is so
14 important to everybody.

15 This approach allows us to use spectrum in
16 the most efficient manner possible, which is we
17 broadcast out the most important -- or excuse
18 me -- the most popular content. And we use the
19 broadband connection to deliver the more
20 niche-oriented content that may not be as popular
21 to the masses, but it is still incredibly
22 important to you and I as individual consumers.

23 However, with this innovative architecture
24 and approach that we've created, it's vital for us

1 to survive, and for the consumer ultimately gets
2 what -- what they would like to have. Is that we
3 continue to have fair and equal access to the
4 content, the broadcast spectrum and the broadband
5 networks that deliver that content.

6 The topic of this FCC panel is on-line
7 video distribution considerations. I've been
8 giving you a little bit of a background on Sezmi.
9 I now want to shift our focus to the relationships
10 that we deliver on and how we are going to go out
11 there and bring this system into the marketplace.

12 The first relationship is distribution
13 relationships, getting Sezmi into consumer's
14 hands. Followed by the broadcaster's
15 relationships with how we deliver content on those
16 devices. And then the content relationships,
17 obtaining the content that consumers want to be
18 able to watch.

19 If I look at the distribution
20 relationships: In today's environment it's very
21 difficult to deploy a television service. We
22 partner with national retailers, telcos and ISP
23 providers to do so.

24 Publicly, we've already announced our

1 partnership with Best Buy on a nationwide scale.
2 And we recently launched Los Angeles, where
3 consumers can actually go in or buy on-line the
4 Sezmi system and take it home with them.

5 It's a self-installed model that allows
6 them to get up and running and to start watching
7 HD television in a matter of minutes, as opposed
8 to days or weeks waiting for cable or satellite
9 provider to come into the house.

10 We also, recently just announced ten
11 cities that we'll be rolling out with nationwide.
12 And we'll be able to deliver this service for as
13 little as \$4.99 a month.

14 We also work with the telcos and ISP
15 providers that are out there. Now, what's unique
16 about this is they're looking for an end-to-end
17 television service that they can bundle with part
18 of their triple play or of their quadruple play.

19 We create a foundation of their customer
20 relationships and this acts as a key tool for
21 customer retention.

22 However, our efforts with our distribution
23 partners to get tens of millions of Sezmi systems
24 out there in households would be done in vain if

1 we do not partner with the broadcasters.

2 I'd mentioned earlier the use of the ATSC
3 spectrum and how we create our own private
4 broadcast network. So we allow broadcasters to
5 have a way to grow their viewership, enhance
6 targeted interactive advertising and increase the
7 overall brand recognition over time.

8 This is all examples of how innovation and
9 how traditional broadcasters can build their
10 brands and expand their core audiences, especially
11 coming out of this DTV transition.

12 None of this would be complete, however,
13 without having the ability to provide access for
14 consumers to access the range of content they
15 desire. And over the last few years, this is what
16 we've been doing tirelessly.

17 Licensing content from cable networks,
18 Hollywood studios, the small and independent
19 content owners, as well as the internet
20 programming services that are coming to the
21 internet.

22 The fact of the matter is that the
23 environment has changed. People don't watch
24 television for consumer content the way they did

1 several years ago. We're designing a platform
2 that allows all of those content owners and
3 producers to deliver that content in this new age
4 into digital media.

5 They're delivering a basket of goods.
6 It's no longer just the consumer linear -- excuse
7 me, the cable linear channels, but also all the on
8 demand programming, the direct internet videos and
9 the library programming.

10 In closing, Sezmi has designed a service
11 that allows you to go out there and give consumers
12 access to the programming they care about.

13 As it relates to the Comcast/NBCU/GE joint
14 venture, we currently have great relationships
15 with NBCU and are working on relationships with
16 Comcast.

17 We expect these positive relationships
18 will continue after the completion of this merger.
19 However, we can see the possibilities that the
20 joint venture may have different incentives with
21 respect to the access to content, the licensing of
22 broadcast spectrum and the delivery of video
23 content over Comcast's network.

24 These incentives, in turn, may also have a

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negative impact on consumer choice and
competition.

So I urge the Commission to keep these
points and my statements in mind for everyone.
And I think that I speak for everyone up here when
I say: In the end, we want to make sure that the
United States public is the winner, and the way to
do that is to ensure the fair and equal access to
content, the broadcast and the broadband networks
that are used to deliver that content.

Thank you again for the opportunity to
speak here today and with regards to what Sezmi is
doing and the innovation or technology that's
taken place.

MR. FLYNN: Thank you, Mr. Parsons.

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MR. FLYNN: Mr. Silver.

MR. SILVER: I can see why Mr. Parsons is the head of business development, because I just wrote down "I've got to get Sezmi service set up." Very compelling.

(Applause.)

(Laughter.)

MR. SILVER: My name is Josh Silver. I am the President and CEO of Free Press. We're a national, nonpartisan, nonprofit organization working for media and technology policy in public interest.

Free Press has been an outspoken critic of consolidated media ownership and of the proposed Comcast/NBC Universal merger.

Free Press opposes the merger for several reasons, but beyond the technical factors, which we'll be discussing often today, there is a broader historical context that we ignore at our peril.

Policymaking is at the behest of the largest companies across industries is threatening

1 our economy, our oceans, our security and the very
2 viability of our democracy. Just look at the
3 ongoing recession or the disaster in the Gulf of
4 Mexico for the most recent examples.

5 Allowing the Comcast/NBC merger would be
6 yet another giveaway the industry titans at the
7 public's expense. Insufficient government
8 oversight has already allowed companies like
9 Comcast to overcharge customers who have no
10 alternative providers when bills are too high and
11 service quality is too low.

12 Failure of regulators to ensure
13 competition and reasonable prices has left our
14 nation with broadband service that is far slower
15 and far costlier than in other nations.

16 We've slipped from fourth to 22nd in
17 broadband adoption in just the past decade.

18 With the proposed merger, the facts speak
19 for themselves. Comcast is the nation's largest
20 cable provider, largest high speed internet
21 service provider and is a leading provider of
22 regional sports and news.

23 NBC Universal is huge. It owns one of the
24 only four major broadcast networks and just one of

1 two national spanish language networks. It is an
2 important producer of local and national news and
3 has, of course, a major motion picture studio.

4 The proposed merger represents the first
5 time such a vast range of large media properties
6 would be housed under one corporate roof.

7 The merger would allow a single company to
8 own a huge array of popular content and to exert
9 excessive control over how it's distributed over
10 the airways, cable and internet.

11 In such dominance over any one of these,
12 provides sufficient reason for the FCC to block
13 the transaction. The merged giant power over all
14 three platforms requires that regulators stop the
15 deal.

16 By combining vast programing assets with
17 distribution dominance, the merger would
18 dramatically increase Comcast's incentive and
19 ability to increase Comcast's incentives and
20 ability to raise prices, block competitive entry,
21 force bundles on other cable systems and
22 discriminate in carriage of competing programming.

23 For consumers, this would spell even
24 higher prices, fewer programming and provider

1 choices in a market that is already uncompetitive.
2 Diminish media diversity and hurt innovation,
3 especially in on-line video.

4 Indeed, this would be the first major
5 media merger since the deployment of internet
6 technology capable of distributing high-quality
7 video content. While the anti-competitive effects
8 would be felt across multiple sectors of content
9 and distribution. It is the threat to nascent
10 on-line video markets, as it's been described by
11 other panelists, that distinguishes this merger.

12 Comcast ownership of NBC Universal Films
13 and content as well as an equity stake in the
14 on-line site Hulu, provides the company with a
15 powerful weapon to kill off emerging
16 internet-based competitors before they even get
17 off the ground.

18 It would also increase Comcast's
19 incentives to degrade or block consumer's access
20 to competing on-line video providers.
21 Furthermore, if Comcast decided to enhance access
22 to its own content or to degrade access to
23 competing content or providers, the FCC does not
24 currently have net neutrality rules in place to

1 protect consumers.

2 The threat is not imaginary, as we have
3 heard about the Bit Torrent case. Even more
4 alarmingly, a court recently ruled that the FCC
5 lacks authority to even enforce net neutrality and
6 other key consumer protections.

7 With increasing broadband speeds, any
8 website could have the reach of a television or
9 radio network. Breaking open access and
10 distribution of media content and allowing anyone
11 with an internet connection to have a voice in the
12 public square.

13 This merger is a direct threat to that
14 historic opportunity. Locally, the implications
15 of the deal are equally alarming. In Chicago, a
16 merged Comcast/NBC would own the dominant cable
17 system, the dominant broadband system, and not
18 one, but two broadcast stations as well as all of
19 NBC cable networks like NBC -- CNBC, excuse me.

20 That means, Comcast would control cable
21 access, internet access and nearly a quarter of
22 all commercial channels offered in the most
23 popular expanded basic package.

24 I don't need to tell you that the FCC has

1 a special role in reviewing this merger. The
2 agency is required by law to ensure that mergers
3 will affirmatively promote the public interest,
4 convenience and necessity.

5 What's more, Comcast and NBC bear the
6 burden of proving to the Commission that the
7 transaction will not only no harm consumers and
8 competition, but that it will actually advance
9 public interests goals.

10 Comcast and NBC have not made and cannot
11 make the showing. Anyone who thinks that they can
12 is likely among those who cheered the gutting of
13 regulatory oversight of big banks and big oil.

14 Some have suggested that is we place
15 conditions on the deal, everything will be okay.
16 But requiring conditions to neutralize the harms
17 of a bad merger is not the same as ensuring that
18 the merger affirmatively produces real public
19 interests outcomes.

20 Importantly, such conditions would expire
21 in a few years. With this deal, the
22 anticompetitive incentives would be part of the
23 DNA of the merged company. Making conditions with
24 a shelf life about as helpful as putting a

1 band-aid on a broken leg.

2 The realities simply don't support the
3 agency's blessing of the merger and neither do the
4 American people. Once people understand the size
5 and scope of this deal, they overwhelmingly oppose
6 it.

7 Yet there exists a conventional wisdom in
8 Washington D.C. that Comcast/NBC is done a deal
9 that can be patched up with a few conditions.
10 Such conventional wisdom, however, is anything but
11 wise. It is the result of tens of millions of
12 dollars spent by Comcast on PR firms, think tanks,
13 lawyers, and lobbyists. Many of them, former
14 members of Congress to cajole and arm twist
15 regulators and manipulate public opinion. To
16 embrace their rhetoric requires that we ignore the
17 real threats as was done in the financial and oil
18 industries.

19 If the FCC follows suit and puts Comcast's
20 interests ahead of the interests of the American
21 people, it will cause irrevocable harm to our
22 nation's 21st Century communications system. The
23 stakes are that high.

24 And in closing, I do want to say, thank

1 you to Commissioner Copps for being here once
2 again to this, perhaps, your third dozen of public
3 hearings, that I can't even count anymore. And
4 for the FCC staff for being here.

5 I do want to say, that I'm disappointed
6 that Chairman Genachowski chose to stay in
7 Washington instead of -- coming here to Chicago.
8 Washington is a bubble and policymakers need to
9 get out of that bubble.

10 He did find the time, last week, to rub
11 elbows with the most powerful media and technology
12 leaders at an elite conference in Idaho.

13 It is a shame that he was not able to be
14 in Chicago to hear the voices of the people his
15 agency is charged with protecting.

16 I thank the Commission for the opportunity
17 to speak. I look forward to hearing from my
18 fellow panelists as well as from members of the
19 public. Thank you.

20 (Applause.)

21 MR. FLYNN: Thank you, Mr. Silver.

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MR. FLYNN: Mr. Wallsten.

MR. WALLSTEN: Thank you very much. My name is Scott Wallsten. I'm a Senior fellow at the Technology Policy Institution.

I'd like to thank the Commission for inviting me to participate in the panel today, and also for inviting someone whose names comes after mine in the alphabet. For once I'm not the last one.

(Laughter.)

So in the interest of full disclosure, let me say that Comcast is a donor to my organization, the Technology Policy Institute, as are many other companies, including; Google, Verizon, and others, as well as foundations.

All of our donors are listed on our website: TechPolicyInstitute.org.

Everything I say here, though reflects only my opinions, not those of anyone else at TPI or its donors.

My goal is to provide an economic overview of the implications of on-line video. The

1 proposed Comcast/NBC Universal transaction is
2 primarily a vertical merger that also has less
3 significant horizontal components. The vertical
4 aspect is the combination of a video producer and
5 a video distributor.

6 The horizontal aspects are, first: Adding
7 NBCU's programming to Comcast's programming.

8 And second, adding NBC-owned broadcast
9 stations to Comcast terrestrial video delivery
10 network.

11 Because Comcast's national program
12 offerings are relatively small, and because
13 Comcast has promised to keep free over-the-air
14 broadcast of NBC, most debate has focused on the
15 vertical aspects of the transaction. I'll focus
16 on those vertical aspects today.

17 Vertical mergers can have procompetitive
18 efficiency enhancing effects. But they can also
19 have anticompetitive effects.

20 Theory, therefore, can not tell us whether
21 the net effect of any vertical merger will be
22 positive or negative.

23 Empirical research of previous vertical
24 transactions, however, tends to find positive

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outcomes.

A recent survey article in the *Journal of Economic Literature* noted the vast majority of studies on vertical transactions find net efficiency enhancing results of vertical integration.

Nevertheless, as Dr. Leslie Marx points out in her filing on behalf of Bloomberg. The empirical research on the effects of vertical integration in cable TV firms reaches mixed conclusions.

The challenge for antitrust authorities is to determine which effect dominates and possibly to impose conditions that can mitigate anticompetitive effects, but will not sacrifice more than they gain in efficiency.

Any merger review involves assumptions about the future. And the nascent nature of on-line video makes the effects of this transaction even more difficult to evaluate.

Nobody knows what the future of on-line video will be. It's probably safe to say, however, that it will not be free or even solely ad supported, given that the cost of producing

1 high-quality network shows run about 4 million
2 dollars an hour, plus distribution costs.

3 Given the uncertainty about what business
4 models may be successful, firms are experimenting
5 with several on-line models today, including; pay
6 per views, like iTunes and Amazon and subscription
7 services, NetFlix; advertising, Hulu and
8 combinations of those, Huluplus, Fancast and
9 Xfinity.

10 And at least one firm who's innovative
11 business model, over-the-air broadcast, as part of
12 the service, Sezmi, we just heard from.

13 Because it's impossible to say with any
14 certainty how on-line video markets will develop.
15 Let alone how say they should develop. It becomes
16 extremely difficult to know how the merger will
17 effect that trajectory.

18 Nevertheless, in the context of this
19 transaction, and on-line video, we can enumerate
20 the potential procompetitive and anticompetitive
21 features.

22 Let's look at each side in detail:

23 Procompetitive effects of this vertical
24 transaction include increased incentives to invest

1 in on-line content, to experiment with new
2 content, and new methods of distributing content,
3 and investing in the delivery platform itself.

4 Making new content available on-line often
5 involves aggregating disparately owned, which
6 creates delays that slow innovation. An
7 avertically integrated content and distribution
8 company should have fewer such delays.

9 The merger will also eliminate inefficient
10 double marginalization which occurs because for
11 each additional subscriber an independent NBC will
12 charge a fee above marginal cost for the rights to
13 carry its programming.

14 As a merged entity, Comcast would
15 internalize the extra fee and its marginal costs
16 will become the true marginal cost of an
17 additional subscriber to NBCU.

18 This effect is a standard benefit for
19 vertical mergers and economists generally that it
20 yields consumer benefits.

21 The analysis should probably also consider
22 the effect of the merger on NBCU, itself.

23 Press reports suggest GE no longer
24 believes that NBCU is a sufficiently profitable

1 part of its portfolio and would prefer to invest
2 its resources elsewhere.

3 Comcast would presumably have strong
4 incentives to invest heavily in NBCU. As more and
5 better content increase demand for all of Comcast
6 products, including its would-be new venture.

7 Merger authorities must balance those
8 potential positive effects against the potential
9 negative effects of a merger, which we discuss
10 next.

11 The key antitrust question of vertical
12 mergers is whether a newly vertically integrated
13 firm can leverage the vertical relationship to
14 raise rivals' costs, anticompetitively and reduce
15 output.

16 In this case, does Comcast have the
17 incentive and ability to deny NBCU content from
18 competing MVPDs or on-line distributors. In other
19 words, would foreclosure be profitable for the
20 merged entity?

21 In the 2004 News Corp/Direct TV
22 transaction, the FCC adopted a common sense
23 approach to answering this question.

24 The economists on both sides of this

1 merger acknowledged to be appropriate.

2 Stated simply, the merged entity has an
3 incentive to foreclose, if foreclosure yields
4 increased net profits.

5 One factor in determining whether
6 foreclosure would be profitable is whether on-line
7 video complements or substitutes for traditional
8 television viewership?

9 If it's a complement, then by definition,
10 on-line video stimulates more -- more demand for
11 traditional viewing.

12 In that case, Comcast has little incentive
13 to foreclose, since wider distribution increases
14 profits no matter who shows Comcasts/NBCU content
15 on-line.

16 If it's the substitute or will become one
17 soon and on-line videos causes people to cut the
18 cord or reduce their subscription levels, then
19 foreclosure becomes a potentially profitable
20 strategy.

21 The economists' filings in the current
22 case disagree about whether on-line video
23 complements or substitutes for traditional
24 viewing.

1 Dr. Mark Israel filing on behalf of
2 Comcast argue that they are complements. They
3 cite data from Wall Street analysts. And Nielsen
4 noting at the end of 2009 traditional TV
5 viewership continued to increase to more than
6 eight hours per day on average an all time high.

7 At the same time, on-line video was
8 growing but still accounted for only about one
9 percent of all video watched.

10 Dr. Hal Singer, filing on behalf of the
11 Communications Workers of America, does not
12 contest the information viewing habits but points
13 out that those trends don't necessarily mean that
14 on-line and traditional viewing are complements in
15 the sense of one stimulating demand for the other.

16 He also questions whether on-line and
17 traditional viewings are likely to remain
18 complements, even if they are today given that
19 MVPDs, themselves have claimed that on-line video
20 is at least a potential substitute.

21 For now, the data seems to suggest that
22 on-line video is not a substitute. But for the
23 purpose of thinking about the possible
24 anticompetitive aspects of the deal, I'll treat

1 on-line video as though MVPDs believe that it has
2 the potential to become a substitute in the near
3 future.

4 Foreclosure would likely have opposing
5 effects on the net profits of the joint company.
6 If Comcast limited content to its own platforms
7 and consumers value that content, this foreclosure
8 could increase demand for Comcast's MVPD service
9 or for its internet services if it also had
10 on-line exclusivity.

11 This increased demand resulting from
12 foreclosure could increase Comcast profits. At
13 the same time, foreclosure means fewer people will
14 have access to or view NBCU content.

15 Meaning, less advertising revenues, less
16 affiliate fees and fewer opportunities to promote
17 related content or services.

18 Less content available to others on-line
19 could also reduce the demand for Comcast's own
20 internet services. Reduced viewership and demand
21 for internet service could decrease Comcast's
22 profits.

23 Because nearly all of the content Comcast
24 would control is national in scope and the Comcast

1 infrastructure network covers about 25 percent of
2 the U.S. population.

3 Comcast would incur all of the losses
4 described above, but reap only about one-fourth of
5 the benefit.

6 Whether Comcast/NBC has an incentive to
7 foreclose depends on whether it expects the
8 effects of increased profits to offset the effects
9 that reduce profits.

10 You will be shocked to hear that the
11 economists filing in support and in opposition of
12 the merger reach different conclusions as whether
13 the net effect of foreclosure on profitability
14 would be positive or negative.

15 Because I don't have access to the
16 confidential data, which is redacted from all
17 public versions of the filings, I can't evaluate
18 each side's calculations and assumptions.

19 So to summarize and to conclude, the
20 mergers have benefits and costs that in theory can
21 lead to benefits or net harms.

22 Estimating the net effects is inherently
23 difficult. Especially in this case, because it
24 involves the nascent and highly dynamic business

1 of on-line video.

2 But because theory does not provide much
3 help to answer these questions, the way the
4 Commission can assess the merger is to engage in
5 careful empirical analysis to weigh the
6 procompetitive effects against the probability of
7 foreclosure times the harm if foreclosure is in
8 the interest of the merged entity.

9 It's not just the merger that has costs
10 and benefits. Any conditions that the Commission
11 chooses to impose will also. So the Commission
12 should use a similar cost benefit approach to
13 evaluating potential conditions.

14 Finally, all of us have to temper out
15 analyses by recognizing that we cannot know how a
16 decision will affect the rapid growing market,
17 such as on-line video.

18 While the Commission risks leaving
19 consumers worse off, no matter what it decides, a
20 careful empirical analysis could at least ensure
21 it makes the right choice given the information
22 available today.

23 Thank you very much.

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MR. FLYNN: Thank you, Mr. Wallsten.

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MR. FLYNN: Ms. Whiting:

MS. SUSAN WHITING: Thank you.

Commissioner Copps and members of the Commission Staff. I'm Susan Whiting, vice-chair of the Nielsen Company, and I appreciate the opportunity to appear before you this afternoon.

Nielsen is the leading global information and measurement company. We deliver critical media information, analysis and industry expertise on what consumers watch, including television, on-line and what consumers buy.

For that reason, we believe it might be helpful to you and others for us to share our knowledge of rapidly changing environment.

In my remarks, I'll take no position in support or opposition to the merger what I will share with you is data on video consumption by the American public.

Focusing in particular on trends in on-line video. As you assess the impact of the proposed merger on the future of on-line video, I hope the information I provide will help you

1 better understand the current market for video
2 content and the trends that are developing for the
3 future of video consumption of the proposed merger
4 in the future of on-line video. I hope this is
5 helpful information.

6 For the past three years Nielsen has
7 issued what we call out our Three Screen report, a
8 quarterly update of what Americans are watching on
9 their televisions, on the internet and on their
10 mobile devices.

11 Three screens is a terms that describes
12 the trends we have seen during the past three
13 years. Consumers are increasingly combining the
14 use of television, the Internet and mobile devices
15 to watch video at the time and in the places that
16 are most convenient for them.

17 While television remains by far the
18 primary source of video consumption. The average
19 American watches approximately 35 and a half hours
20 of television each week, a number that continues
21 to rise.

22 On-line video continues to gain in
23 popularity. Here's some observations from our
24 latest Three Screen report that covers the first

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quarter of 2010.

During that first quarter the level of broadband penetration in American homes reached 63 and a half percent, which is a 24 percent increase from the same period two years ago.

That growth in high speed connections has allowed for improved higher quality on-line video delivery and is likely to continue to increase on-line video use.

We've also seen a continued increase in the number of Americans who watch video on the internet. With that figure growing nearly three percent in the first quarter year-to-year to 35 million.

The time spent watching video on the internet each month is also growing from year-to-year up six percent to three hours and ten minutes a month.

One other finding: While not directly related to on-line video use, does demonstrate how consumers are integrating their use of television and the Internet.

The average time spent simultaneously using TV and the Internet in the home grew almost

1 10 percent to 3 hours and 41 minutes per month.

2 This is just another sign that consumers
3 are becoming very comfortable using multiple media
4 platforms. I should also note while it's not
5 specifically topic of this hearing smart phones
6 with ability to deliver quality video are making
7 it easier for consumers to see watch video on
8 these devices.

9 Nearly a quarter of American households
10 now have smartphones, an increase of 38 percent
11 from a year ago. And, devices like the recently
12 introduced iPad are giving consumers even more
13 options to access video. We have some right here
14 on the table.

15 In summary, we see consumers viewing more
16 content and increased expectations for ever
17 greater control of how they watch that content,
18 when they watch it and where they watch it.

19 Consumers will use the best screen
20 available, not eliminating one for other but
21 adding new devices and viewing options.

22 We draw several conclusions this data and
23 related research Nielsen has conducted.

24 First, at the present time, viewers appear

1 to be adding to rather than replacing viewing
2 platforms. On-line video viewing and mobile video
3 viewing are increasing at the same time that
4 traditional TV viewing continue to rise.

5 On-line video, thus currently appears to
6 be a complement to TV rather than a substitute.

7 Secondly, this multi-screen environment
8 content owners want to embrace widespread
9 distribution of content.

10 On-line video represents additional
11 revenue stream that make the network and brand
12 stronger.

13 If NBC were to limit its on-line
14 distribution, that would be lost revenue for NBCU.

15 Third, arguments about the rise of cord
16 cutting in which viewers cancel their TV service
17 in favor of internet or mobile video seem to be
18 slightly exaggerated.

19 Only a limited amount of cord cutting is
20 actually occurring, so the argument that cable
21 operators will withhold content from online
22 distributors due to concerns over revenue loss
23 does not match up with the data that we have seen.

24 Fourth, as a consumer's choice for video

1 consumption grows, marketers and advertisers must
2 seek out a greater variety how and where to reach
3 today's increasingly connected consumers.

4 For instance, two-screen advertising,
5 advertising that occurs both on TV and the
6 internet is better than either platform along for
7 marketers.

8 Therefore, driving increased brand
9 awareness, recognition and recall. So many
10 advertisers are looking at media holistically
11 across these platforms and trying to find
12 opportunities.

13 Fifth, we think the FCC should proceed
14 cautiously in evaluating the need for regulation
15 in this area. The landscape is shifting rapidly.
16 The numbers that I've just talked about
17 demonstrate that.

18 The proliferation of new formats and
19 channels, such as mobile devices, social networks,
20 and other forms of user generated media have lead
21 to an increasingly fragmented consumer base.

22 Consumers increasingly chose to view their
23 favorite shows from many different sources and to
24 incorporate media in their lives in many new ways.

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I'll conclude by saying that over the past four years, we've seen the continuing increase in the integration of media platforms for the distribution and consumption of video.

Consumers want and expect to get video when they want it, where they want it, and are willing to use whatever devices work best for them to see a video.

You can only anticipate this trend will continue unabated.

Again, thank you for the invitation to appear today and I look forward to answering your questions.

MR. FLYNN: Thank you, Miss Whiting.

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MR. FLYNN: Most of the discussion has been focused on vertical issues. Are there horizontal issues here on the internet side.

For instance, from the combination of the various web properties, an impact on advertising. Anything else.

MS. SUSAN CRAWFORD: Sure.

Hulu is becoming extraordinarily popular, second really only to YouTube and quite different from YouTube.

So it commands enormous attention. Comcast's ability through its collaboration with other programmers to make Hulu unavailable to other on-line video distributors would substantially raise the costs of operation of the competing video distributors.

So actually, Hulu is another central player here along with the TV Everywhere tie to the success of that companies would otherwise be undermining market share and distribution.

MR. JEFFREY BLUM: And let me just add:

1 Today Hulu is making a choice about its licensing
2 arrangement. So it will grant licenses to on-line
3 streaming providers, but require that you have to
4 use a Hulu application.

5 And so the quality of the content itself
6 is higher on the Hulu.com site than it is on
7 licensed entities who are using the Hulu app.

8 Additionally, Hulu is reserving some of
9 the richest metadata for searching and things like
10 that for itself, and only giving basic metadata to
11 some of its licensees.

12 And certainly, we think it is horizontal
13 because Comcast sees on-line as important.

14 NBC's in the market. So it's definitely
15 horizontal in that respect.

16
17 MR. WILLIAM LAKE: A number of you have
18 expressed the concern that Comcast as a broadband
19 provider might discriminate against independent
20 on-line content and in its delivery of that
21 content.

22 The Commission as you know is exploring
23 that risk with respect to all broadband providers
24 in a proceeding on net neutrality.

1 In what respect does this merger make
2 Comcast unique in that respect? Is there some
3 increase in Comcast's ability or incentive to
4 discriminate? That would make it appropriate for
5 us to address net neutrality issues in connection
6 with this merger a part of the proceeding for the
7 whole industry.

8
9 MR. JEFFREY BLUM: You should do both. I
10 think incentives for discrimination are greater
11 here. Comcast has to protect their 25 percent
12 market share. Their revenue from the cable
13 subscription is enormous. And I think it is with
14 the application of this content whether you call
15 it must have or critical content gives them the
16 incentive and ability to really misuse that
17 content by discriminating on their pipe.

18 And I also think the Commission has the
19 ability to impose real conditions to protect the
20 open internet. And I think hopefully will set the
21 ground work for what the Commission we hope will
22 do in the Open Internet Proceeding.

23
24 MS. SUSAN CRAWFORD: The Commission should

1 certainly do both. Ample opportunity in the
2 merger to say the addition of NBC content gives
3 Comcast more of a reason to discriminate on-line
4 to avoid these nascent on-line video distribution
5 providers.

6 And the risk for the Commission in the
7 wider proceedings, the definition of managed
8 services comes to encompass exactly what Comcast
9 wants to do here, which is to provide a TV
10 Everywhere like product.

11 So I think it would be incumbent on the
12 Commission to use the merger as an opportunity to
13 grapple with what managed services and reasonable
14 network management mean in the context where the
15 stakes are being raised by the addition of NBC
16 content.

17
18 MR. MARKHAM ERICKSON: Yeah. I agree with
19 both of those statements. This is the first
20 merger of this size that's -- that's occurred when
21 the technology now exists in -- in a widely
22 deployable form to allow a broadband internet
23 service provider to manipulate user's internet
24 experience to monitor what they're looking at on

1 the internet, to delay or to interfere with those
2 connections to favor their own content or
3 affiliated content in ways that really weren't
4 feasible in some of the previous mergers.

5 So the technology exists, the financial
6 incentive to engage in that kind of discriminatory
7 conduct exists.

8 We have here in this case an example of a
9 company, the first company that's ever been held
10 by the FCC to have violated some basic tenets of
11 openness rules relating to how what not to do in
12 terms of blocking internet content.

13 And so those rules are extremely important
14 and they ought to be applied to the merger.

15 I think one of the -- the big ticket items
16 in the net neutrality rules that would be very
17 helpful is the requirement that Comcast display
18 some transparency on how it manages its network.

19 It is increasing its so called managed
20 services and favoring its proprietary linear
21 programming and providing more bandwidth into the
22 pipe for those kind of programs and making the
23 open internet smaller, the best efforts internet
24 would be smaller.

1 What that does is that has an impact on
2 the consumer's ability to access content from
3 Amazon.com or iTunes to stream these videos live
4 might be impaired.

5 Or they may have to pay more for that
6 through increased bandwidth charges. Where it
7 would be less expensive for the consumers just to
8 use Comcast's own Video on Demand services or
9 their competing products.

10 They would also -- they would be certainly
11 incentivized to -- to discriminate against on-line
12 content that is -- that competes with Comcast
13 proprietary content.

14 So there are many, many, many financial
15 incentives for Comcast to behave badly here and
16 these network neutrality rules I think are
17 extremely important to ensure that the public,
18 one; knows what is happening on the network.

19 And two; could be assured that their
20 choices about what kind of content that they're
21 using aren't -- aren't officially manipulated by
22 the broadband provider.

23
24 MR. ERICKSON: Yeah, I agree with both of

1 those statements. This is the first merger of
2 this size that's occurred when the technology now
3 exists in a widely deployable form to allow a
4 broadband internet service provider to manipulate
5 user's internet experience, to monitor what they
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23 the requirement that Comcast display some
24 transparency about how it manages its network.

1 If it is increasing its so-called managed
2 services and favoring its proprietary linear
3 programming and providing more bandwidth into the
4 pipe for those kind of programs and making the
5 open internet smaller, the best efforts internet
6 smaller, what that does is that has an impact
7 where consumers' ability to access content from
8 Amazon.com or iTunes to stream those videos live
9 might be impaired or they may have to pay more for
10 that through increased bandwidth charges where it
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13 their competing products. They would also be
14 certainly incentivized to discriminate against
15 online content that is -- that competes with
16 Comcast proprietary content.

17 So there are many, many, many financial
18 incentives for Comcast to behave badly here. And
19 these network neutrality rules, I think, are
20 extremely important to insure that the public,
21 one, knows what's happening in the network. But
22 two, can be assured that their choices about what
23 kind of content they are viewing aren't
24 artificially manipulated by the broadband

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provider.

MR. PARSONS: Yeah. I'll be brief here because I think Markham, Susan and Jeffrey hit the nail on the head with all their comments. Jeffrey covered it in his opening remarks with regards to the bandband cap which is absolutely essential. And Markham's most recent statement with regards to transparency, you know, not just with bandwidth cap, but also as it relates to throttling.

I think that you've got to make sure that all that is taken into account and -- with regards to this merger because there are just too many incentives.

MR. SILVER: I often feel like I'm the translator for this very wonky area of work we're in. And just to be clear, net neutrality being this basic idea that's existed for the 40 years that the internet has existed that all content, more or less, moves at the same speed. My video is going to run -- upload to the web at the same time, at the same speed as ABC's.

With that in mind, our concern is frankly

1 about the mechanics of the policy making and the
2 fact that in 2010 in Washington D.C. the sheer
3 influence of the telecommunications lobby, in this
4 case the Comcast, Verizon, AT&T, their lobby is so
5 incredibly powerful, they're the second largest,
6 biggest spending lobby in this country second only
7 to big pharma and big health, that it's so
8 formidable that these ideas that Susan referred
9 to, like managed services or reasonable network
10 management, these are sort of catch words for big
11 hunks of cheese to put big swiss sort of holes
12 through that you can figure out ways to manipulate
13 content in order to make more money.

14 And that is both the butchering of an
15 analogy, but also a really -- a critical -- a
16 critical warning for the Commission, that we need
17 a very clear, solid net neutrality rule that
18 doesn't have a bunch of ways for folks to get
19 around it. It's very simple.

20
21 MR. WALLSTEN: I think it's natural to ask
22 that question since net neutrality is again, a
23 vertical -- largely a vertical issue. And I
24 thought Susan made a good point that this is --

1 this is a good opportunity to grapple with some of
2 these complicated issues.

3 But I also think that the Commission needs
4 to be careful to focus specifically on the
5 merger-related issues rather than something
6 that's, you know, a broader issue in a different
7 -- in a different proceeding.

8
9 MS. WHITING: I don't have anything to
10 add.

11
12 MS. SMITH: I want to talk a little bit
13 about some of the conditions that have been
14 proposed. As most of you know, Comcast has
15 proposed a number of conditions, and I think most
16 of them have limits or, you know, expire after a
17 certain amount of years.

18 Because things are changing so rapidly and
19 there is such innovation in the space, what do you
20 think about these conditions and kind of the
21 limited period for which they exist, that the
22 proposal exists?

23
24 MR. BLUM: We propose in our comments, you

1 know, five years but Comcast could come to the
2 Commission and say if it's not in the public's
3 interest anymore, that the condition may not be
4 appropriate. You have to balance the conditions
5 that mean something, that prohibit Comcast from
6 engaging in this type of discrimination we think
7 they will engage in absent these conditions.

8 But we recognize the field is moving and
9 things could be different three or four years from
10 now. So to have that ability for them to come in
11 and see whether that condition should apply
12 anymore makes sense.

13
14 MS. CRAWFORD: It is another tough area
15 for the Commission. Program carriage needs to be
16 overhauled, program access needs to be overhauled.
17 The Department of Justice needs to be brought in
18 to make sure that these rules are enforceable and
19 that they apply online as well in the cable
20 context. It's a tremendous task and I don't want
21 to undersell it.

22 But the commitments that Comcast is making
23 so far don't go to these deep structural problems
24 with the market that the merger raises for all of

1 us. That we have the nation's largest broadband
2 provider, the largest cable company merging with
3 this enormous content provider.

4 Just as in the '92 Act, Congress tried to
5 set up a set of rules that would constrain the
6 ability of these actors to extract monopoly rents
7 from consumers, this is another one of those
8 moments. But it's going to take very simple
9 enforceable rules that the Department of Justice
10 comes in on.

11 Because we've seen with the '92 structure
12 how easy it is to evade it with bundling and
13 pricing and just complications that these
14 companies can get around. So that's your task.

15
16 MR. ERICKSON: We've supported the Dish's
17 proposal for a five year -- for a five year period
18 of conditions with some ability to -- for the
19 Commission to revisit those. In addition, I think
20 there's some divestiture issues that obviously
21 would be permanent.

22 I think its stake in Hulu ought to be
23 questioned as well as its stake in CNBC.

24

1 MR. PARSONS: We haven't come out with any
2 specific terms or anything to that nature, but I
3 think as Susan identified, you know, it is a
4 tremendously difficult task that the Commission
5 has. And the only thing that we -- like you said,
6 is that the technology is changing drastically and
7 you want to try to position yourself to have the
8 flexibility to make sure that innovation continues
9 to thrive in the years to come.

10
11 MR. SILVER: As I said in my testimony,
12 the problems of this deal are baked into the very
13 structure of the new company. And frankly, the
14 only way that you would have conditions that were
15 sufficient to protect the public interest would be
16 so stringent and permanent that the deal would
17 probably be no longer appealing to Comcast.

18
19 MR. WALLSTEN: I believe in empirical
20 analysis of any -- of anything actually. And
21 because I don't have access to any of the data, I
22 can't do that here. So surprisingly enough, I
23 don't have an opinion.

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MS. WHITING: I don't either on that question.

MR. FLYNN: Question for Ms. Whiting. You mentioned statistics and we've read statistics about high levels of TV viewing and increasing levels. And something I've wondered about and wonder about now in assessing the statistics is: Does Nielsen or in the ratings -- or any other entities, assess just whether the TV is on or whether people are watching the television? And if the latter, how is that done.

MS. WHITING: So what we do to measure -- and in my remarks, I talked about television, online and mobile as well. But for TV, it's a consistent measurement over time. So it's real change that we're seeing in terms of increasing tuning to different channels. And we measure up to every ten seconds that panel members who we recruit are -- have their TV set on. It can be any set. It can be watching video programming in any way that it's distributed, including with a DVR and fast-forwarding through commercials.

1 But basically we collect, through a panel
2 we recruit, information about what's being viewed
3 on every TV set. And we ask people to, through a
4 remote control, to indicate they're in front of
5 the TV set. So we automatically and passively
6 know, once we have your permission and we've
7 measured your set, that it's on and what
8 programming you're watching. But then we ask you
9 to indicate who is in front of the TV with a
10 remote device. And there's a button for each
11 household member. And so you sit down, you turn
12 on your TV, and you would be prompted to punch in
13 Button 1 when you started and when you left.

14 And so that's how we get the who, which is
15 connected to a more automatic and passive
16 measurement of what is on TV. And that
17 measurement has been very consistent, the
18 technology and methodology of that over years. So
19 we are seeing real change.

20 And I think it was unexpected in many --
21 in many areas, but we believe it's driven by not
22 only more channels and in some ways the economy,
23 but also HD, DVRs and other things making TV just
24 more flexible for consumers' choices.

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MR. LAKE: We have a question from the internet, which I'll address to Mr. Wallsten, because you touched on some of the potential benefits of the merger as well as the potential risks.

"Is the combination of Comcast and NBC Universal more or less likely to make NBC a stronger competitor of CBS, ABC and Fox which seemingly have left NBC in the dust over the last few years?"

MR. WALLSTEN: So what we've seen, at least according to press reports, is that GE has let NBC slip. And whether or not you think that Comcast would use NBC for anti-competitive purposes, they've got to have an incentive to invest in it. And so one would imagine that further investment in NBC's -- NBC's programming would make it a stronger competitor.

It's certainly -- nobody -- we haven't discussed issues in competition among programming among networks, which is a whole -- which is a completely different issue, and which is what this

1 is getting to. And I think that's certainly
2 something the Commission should consider,
3 basically what is the effect of no merger, what
4 would happen to NBC? Would it --

5 You know, would it -- which, I mean, I
6 suppose, one possibility is that GE decides to
7 begin investing in it again to try to rebuild it.
8 Another possibility is a horizontal merger that a
9 different programmer would buy it which would
10 present -- horizontal mergers are generally more
11 problematic than vertical mergers. Or a different
12 vertical merger, but if the Commission rejects
13 this one, it's unlikely, of course, that someone
14 would want to try another one.

15 So you know, it's perfectly -- if Comcast
16 has the incentive to invest in NBC, which one
17 would imagine that it does because it's hard to --
18 it's hard to imagine why it would have any
19 incentive otherwise whether or not you thought it
20 was going to engage in anti-competitive practices
21 or not. Then you would imagine that it would have
22 benefits in terms of putting more competition on
23 the other programmers. But it's all speculation,
24 of course.

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MS. CRAWFORD: To add a word on that one, I'm distressed by this because I grew up with Walter Cronkite at the dinner table. But it turns out that the networks are not the interesting part of this deal for Comcast at all. It really is cable all the way. Cable has enormous profit margins. It accounts for something like, god, 80 percent of the deal's value. It's really in the cable channels.

So although it is distressing, one reason NBC wasn't getting much attention from GE is that it wasn't a very big product for them. And I'm afraid that it won't be a very big product for Comcast either.

MR. FLYNN: Okay.

MS. CRAWFORD: It's true. It's sad. Sorry.

MR. FLYNN: Thank you everybody for your remarks and for answering the questions. We're going to take a recess at this point until 3:15 at

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which point we're going to reconvene with the
second panel.

(Recess)

MR. LAKE: To review again briefly the
ground rules, panelist each of you will have up to
seven minutes to make your remarks. And members
of the audience, please listen respectfully to the
panelists, even if you disagree with the views
that they're expressing. I know that the issues
we're discussing today arouse a lot of public

1 interest and there are deeply held views. But for
2 this public forum to run smoothly and be
3 successful, we need to maintain basic decorum and
4 avoid unnecessary interruptions. This has been
5 true so far and we're very delighted with that.
6 Thank you.

7 Participating in this panel are Colleen
8 Abdoulah, President and CEO of WOW! Internet
9 Cable and Phone, Tyrone Brown, President, Media
10 Access Project, Brian Lawler, President Chairman,
11 NBC Television Affiliates and Senior Vice
12 President of Television, the E.W. Scripps Company.
13 We were to have William Rogerson with us, a
14 Professor of Economics here at Northwestern. He
15 unfortunately had a bicycle accident last night
16 and we're delighted -- he's okay, we understand.
17 But we're delighted that Tom Cohen of the law firm
18 of Kelly Drye will be subbing for Professor
19 Rogerson. We have Ken Solomon, Chairman and CEO
20 of the Tennis Channel, and James Speta, Professor,
21 Northwestern University School of Law.

22 Again, joining me in questioning the
23 panelists will be John Flynn, Senior Counsel for
24 Transactions to the FCC Chairman, Julius

1 Genachowski, and Sherrese Smith, legal advisor to
2 the Chairman for Media, Consumer and Enforcement
3 issues.

4 We'll begin with Ms. Abdoulah.

5
6 MS. ABDOULAH: Thank you. I appreciate
7 being able to represent WOW! Internet Cable and
8 Phone and discuss our concerns about this merger.

9 We have the experience and the history to
10 say that the Commission must impose robust,
11 complete and long-lasting conditions on this deal
12 or else it will result in material harm to
13 consumers and to competition.

14 WOW! provides residential services to
15 over 460,000 customers in five Midwest markets
16 including 22 communities here in the Chicago metro
17 area. We face fierce competition in all our
18 markets and 66 percent of all our video customers
19 today are also passed by Comcast, whom we compete
20 directly with in Illinois and Michigan. We know
21 firsthand the benefits to customers of having
22 choice and are proud of our record in bringing
23 competition to the cable and broadband market.

24 We're here today as a buyer of

1 programming, both cable and online. If Comcast
2 and NBCU are permitted to combine, they will gain
3 significantly more market power in the programming
4 arena and use this power to otherwise harm
5 purchasers such as WOW!, our customers and overall
6 competition.

7 We are not here to seek exceptions or
8 special advantages. We know how to compete by
9 differentiating ourselves with a customer-centric
10 approach. Customers rated us the Number 1 cable,
11 phone and internet provider this year in Consumer
12 Reports. They've recognized us with ten J.D.
13 Power awards in the past seven years.

14 But in order for us to continue to compete
15 and to provide customers with a choice, we must
16 have access to programming at fair rates.
17 Unfortunately, that often doesn't occur today.
18 And this proposed merger will make a bad situation
19 much worse.

20 Let me explain what I'm referring to. In
21 Illinois, we negotiate with Comcast for the
22 regional sports network. We also negotiate
23 separately with NBCU for its local broadcast
24 station and its suite of national cable networks.

1 For WOW! all of this programming is what we
2 consider must have.

3 If we lost any access to these channels or
4 the block of channels, our customers would leave
5 us in significant numbers.

6 So owners of this content have
7 considerable market power in negotiating with us.
8 Post-merger, rather than engaging in separate
9 negotiations, we would be dealing with one
10 consolidated programming entity which controls
11 multiple blocks of must-have content. This would
12 give Comcast/NBCU even greater and, in fact,
13 unprecedented leverage to extract higher fees from
14 operators and from our consumers.

15 I'm not assuming this. I know it. For
16 example, we operate in a TV market where one
17 broadcaster owns the ABC affiliate and controls
18 the operations of another broadcaster's Fox
19 affiliate. Because this broadcaster controls two
20 must-have programming channels in one market, it
21 has more market power than either company would
22 possess separately. As a result, this broadcaster
23 extracts higher fees other than -- higher fees
24 than other station owners we deal with separately.

1 This is exactly what will happen if
2 Comcast is permitted to combine its programming
3 with NBCU without adequate conditions. Operators
4 like WOW! across dozens of markets will be charged
5 higher prices for all the Comcast/NBCU programming
6 and these costs will end up being passed along to
7 our customers. This harms consumers who will lose
8 out on the benefits of a more competitive market.

9 Now, I expect companies to compete on
10 their own merits. Yet WOW! and other operators
11 who do not only buy programming from Comcast but
12 also compete head to head against their cable
13 systems, know that there is yet another serious
14 concern. If this deal is approved without
15 adequate conditions, Comcast will have greater
16 incentive and the ability to deny us access and
17 charge higher fees to WOW! for NBCU's broadcast
18 station and their national cable networks knowing
19 that our customers could become theirs.

20 These harms also flow to online
21 distribution. Earlier this year, WOW! experienced
22 problems with initiating our own version of
23 Comcast's online Xfinity TV, sometimes referred to
24 as TV Everywhere, because we were unable to obtain

1 content from Comcast and other content providers
2 who had already struck a deal with Comcast for
3 their Xfinity service. This occurred despite the
4 fact that Comcast claims the content used in its
5 online services is non exclusive.

6 Now, since raising this issue at
7 Congressional hearings, we have been approached by
8 Comcast about acquiring their online rights to its
9 content. However, we are still not certain these
10 rights will be made available to WOW!, and if we
11 do obtain the rights, whether they will be granted
12 on a non discriminatory basis.

13 Now, in defense of these concerns, Comcast
14 has offered to abide by the flawed program access
15 rules that exist today. This concession is weak
16 at best and demonstrates that Comcast recognizes
17 that there are legitimate harms arising from this
18 deal. But in actuality, they don't seem to want
19 to effectively address them. The program access
20 rules are flawed because they were originally
21 intended to address anti-competitive problems
22 resulting from a cable operator owning cable
23 programming. They do not address the increase in
24 market power that will result by combining

1 ownership of Chicago's NBC station, Comcast
2 regional sports network, and the NBCU's suite of
3 national cable programming. This is a serious
4 problem where a remedy is desperately needed.

5 Comcast's current concessions are
6 meaningless because the program access rules fail
7 to remedy abuses today. They provide no real
8 assurance on competitive terms and conditions.
9 And for example, they provide no effective
10 restraints on unfair discount -- quantity
11 discounts. They provide no automatic right for
12 continued carriage of programming while a
13 complaint is pending. They do not address
14 arbitrary internal transfer pricing. And they do
15 not apply potentially to online distribution of
16 programming.

17 The FCC's current baseball style
18 arbitration process is also not a viable remedy
19 for mergers with vertical integration issues,
20 particularly for the small and mid-sized
21 operators.

22 When we were unable to negotiate a fair
23 and reasonable rate increase for Comcast regional
24 sports network, WOW! considered using the

1 arbitration process. We discovered the cost to
2 begin the process was close to the amount of the
3 unreasonable increase Comcast was demanding.
4 Along with the time and resources it would take
5 for the process to finish, it would be of no help
6 in our dispute. In the end, we had no choice but
7 to eat the enormous rate increase. So the
8 arbitration process as it stands today essentially
9 gives us a right without a remedy.

10 In closing, we obviously believe in
11 competition. And because there is substantial
12 harms that flow from this deal if approved, the
13 government must impose robust, complete and
14 long-lasting behavioral and/or structural relief.
15 Our goal must be threefold. Let's protect
16 consumers from rising costs and/or denied
17 programming. Let's insure competitors are not
18 squeezed out of the market. And let's set a
19 positive precedent for future mergers of this
20 type. Thank you.

21
22 MR. LAKE: Thank you, Ms. Abdoulah.
23 Mr. Brown.

24

1 MR. BROWN: Thank you. Commissioner
2 Copps, Mr. Lake, Mr. Flynn, Ms. Smith, I want to
3 thank you for taking the time to conduct this
4 field hearing in Chicago. The Commission is to be
5 commended for employing this approach along with
6 many others to secure citizen comment on this
7 immensely important proposed merger between
8 Comcast and NBC Universal.

9 The Commission must decide whether it will
10 approve as part of the merger transfers to Comcast
11 at more than 25 licenses of NBC TV broadcast
12 stations. I'm here today as a former commissioner
13 and as President of Media Access Project, a
14 communications public interest law firm and
15 advocacy organization. I'm here also as an
16 individual who often has helped to direct and
17 sometimes has been an active investor in start-up
18 minority controlled communications and media
19 companies.

20 As a sometimes struggling entrepreneur,
21 I'm very impressed by Comcast's recently announced
22 commitments, if the merger is approved, to advance
23 minority ownership and fuller minority
24 participation in programming in program

1 distribution companies. If these commitments are
2 made enforceable conditions of the merger, they
3 would be clear pluses.

4 In a close case, they would make me
5 sympathetic to this merger. But this is not a
6 close case. The former entrepreneur in me is
7 certain that approval of transfer of the CBS
8 broadcast stations to Comcast, especially those
9 that are co-located with Comcast Cable Systems in
10 some of our largest markets would give Comcast
11 market-moving power that it would deploy to the
12 detriment of the MVPD competitors and the viewing
13 public.

14 The former commissioner in me is equally
15 certain that approval of these licensed transfers
16 would result in significant diminishment of what
17 the Supreme Court has called the "free and open
18 marketplace of ideas". Preservation of that
19 marketplace is critically important to our
20 democratic society. And its protection is the
21 FCC's most special mission.

22 One has difficulty getting their mind's
23 arms around the enormity of the proposed
24 ComCast/NBC combination. I have many nightmare

1 scenarios. An AT&T, ABC, Disney combination would
2 not compare in terms of video distribution
3 capacity. To that combination, one would need to
4 add both Time Warner Cable and Cox Cable to
5 approximate the size and muscle of ComCast/NBC's
6 unified TV program capacity. A Verizon, Fox,
7 Direct TV combination would be only half as strong
8 as ComCast/NBC in terms of MVPD homes reached
9 nationally. And it would be even less of a force
10 in the largest markets.

11 In ComCast/NBCU's co-located markets, in
12 the give and take of negotiations, Comcast will
13 most certainly deploy the power of NBC's
14 over-the-air and cable networks, along with
15 Comcast's own impressive power as cable operator
16 to select, tier, neighborhood, bundle, package,
17 all with the intent to gain leverage over
18 competing MVPDs. Against this dynamic, no amount
19 of FCC review will overcome the adverse impact to
20 other MVPDs.

21 Comcast will operate within the rules, but
22 it will also exact arbitrage from other MVPDs and
23 their customers. I think Comcast will use the
24 enhanced market power to drive up consumer prices

1 across the board, and Comcast will
2 disproportionately reap the benefit of those
3 increases.

4 This result is neither desirable nor
5 necessary. Under the public interest standard,
6 the Commission is obligated to ask whether the
7 proposed licensed transfers will increase or
8 decrease competition in the marketplace of ideas,
9 whether they will increase or decrease diversity,
10 and in deed, whether they will serve or disserve
11 the goals of localism. This merger would decrease
12 competition in the marketplace of ideas.

13 As surely as we sit here today, Commission
14 approval will be viewed in the future as a
15 milestone in a journey to a program marketplace
16 where three mega-companies, or at most four, will
17 effectively control every aspect of the production
18 chain from creation of programming to its
19 distribution to customers.

20 This is exactly the opposite of what we
21 were led to expect when cable emerged as a
22 predominant MVPD vehicle. This merger will
23 decrease diversity. Assured adverse impact on
24 competitors in the marketplace of ideas and

1 resulting harm to the viewing public far outweighs
2 certain -- less certain benefits that might
3 eventuate from Comcast's diversity commitments.
4 This merger is not likely to serve the goals of
5 localism.

6 Comcast has had ample resources and
7 opportunity to contribute its own programming to
8 the pool of locally originated programming in the
9 communities where it's franchised. Aside from
10 public service announcements and regional sports
11 programming about which Comcast is very
12 aggressive, it's largely declined to get into the
13 mix of creating its own locally owned local
14 programming.

15 Based on past performance, Comcast is more
16 likely than not to decrease rather than maintain
17 or increase local program at the MVPD owned
18 stations.

19 These are the reasons why I urge the
20 Commission not to approve the licensed transfers
21 contemplated in the proposed merger, to the extent
22 that they would result in co-location of Comcast
23 Cable Systems with leading NBC TV stations in any
24 TV market. Thank you.

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MR. LAKE: Thank you, Mr. Brown.

Mr. Cohen, thank you again for stepping in on short notice.

MR. COHEN: You're welcome, Bill. Thank you for inviting Bill Rogerson to appear here today and thank you for permitting me to fill in. I'll read Bill's prepared statement, and to the extent I can, make any points reflecting Bill's views on the proposed combination of Comcast and NBC Universal.

I am Tom Cohen, an outside counsel to the American Cable Association. And I worked with Bill on the recently filed comments by the ACA. As part of those comments, Bill has written a lengthy economic analysis of the competitive harms of this proposed transaction. The comments that follow are based on the analysis and conclusions presented in that paper.

The proposed combination of Comcast and NBC Universal will affect competition in two vertically integrated -- or two vertically-related industries: The downstream multichannel video

1 programming distribution industry, MVPD industry,
2 which provides subscription TV services to
3 consumer, and the upstream video programming
4 industry, which provides MVPDs with the networks
5 that they distribute to their subscribers.

6 NBCU operates only in the programming
7 industry. Most notably, it owns the NBC network
8 including ten owned and operated affiliates, O&Os,
9 and a large number of the most popular national
10 cable networks, including the Number 1 ranked USA.
11 As the nation's largest cable system operator,
12 Comcast is of course, a significant participant in
13 the downstream MVPD industry. However, Comcast is
14 also a significant participant in the upstream
15 programming industry. The crown jewels of
16 Comcast's programming assets are its nine regional
17 sports networks, the RSNs.

18 From an economic perspective, this means
19 that the proposed combination has both horizontal
20 and vertical aspects, and that a complete economic
21 analysis of the potential competitive harms must
22 consider both aspects. In a sense, we can think
23 of this proposed merger as really consisting of
24 two somewhat distinct mergers: A horizontal

1 merger and a vertical merger.

2 The horizontal merger consists of the
3 combination of NBC's programming assets with
4 Comcast's programming assets. The vertical merger
5 consists of the combination of NBC's programming
6 assets with MV -- with Comcast MVPD aspects --
7 assets. I believe both aspects of this merger
8 will cause significant competitive harms and I
9 will devote my initial prepared remarks today to
10 explaining why this is so.

11 Most of the public discussion of this
12 proposed merger has focused on the potential for
13 vertical competitive harm. Perhaps we normally
14 think of Comcast as primarily a cable operator.
15 While I believe that this merger likely will
16 generate significant vertical competitive harms, I
17 want to particularly stress in my remarks today
18 that this is only part of the story. In
19 particular, the merger is also likely to create
20 significant horizontal harms.

21 Let me begin with that. We investigate
22 the issue of horizontal harm by asking the
23 question: Would a merger between NBCU and a
24 hypothetical firm that only owned Comcast

1 programming assets create any competitive harms?

2 I believe that the answer to this is yes. The
3 horizontal harm is that the combined ownership of
4 NBCU and Comcast programming will increase the
5 joint venture's market power over programming and
6 allow it to charge higher programming fees.

7 These fee increases will be substantially
8 passed through to subscribers in the form of
9 higher subscription prices. Comcast and NBCU each
10 currently possess significant amounts of market
11 power because of the programming assets that each
12 firm owns. The Commission itself has concluded
13 that the signals of local NBC affiliates and RSNs
14 are must-have programming. In the sense that if
15 this programming were withheld from an MVPD, it
16 would have a competitively significant affect on
17 the MVPD through a material loss of customers.

18 Similar considerations suggest that the
19 block of popular cable networks owned by NBCU
20 likely confers comparable amount of market power.
21 The best available evidence on the affect of the
22 combined ownership or control of multiple blocks
23 of must-have programming comes from the markets
24 for retransmission consent for signals of the big

1 four networks.

2 This evidence suggests that joint
3 ownership or control of multiple big four stations
4 in the same local television market increases
5 retransmission consent fees by at least 20
6 percent. The greatest threat of horizontal harm
7 from this transaction exists in the regions of the
8 country served by an NBC O&O and a Comcast RSN.

9 Six major metropolitan areas containing
10 approximately 12.1 percent of all television
11 households have these characteristics and are thus
12 at greatest risk of suffering competitive harm.
13 Chicago is one of those areas, as well as
14 Philadelphia, San Francisco, Oakland, San Jose,
15 Miami, Ft. Lauderdale, Washington D.C. and
16 Hartford, New Haven.

17 The transaction also threatens competitive
18 harm in regions of the country served by a Comcast
19 RSN, but not served by an NBC O&O. Approximately
20 27.9 percent of all television households are
21 located in those regions. Combining both types of
22 the regions, this means that 40 percent of TV
23 households are located in regions of the country
24 that are most threatened by horizontal competitive

1 harm because of this merger.

2 Now I will turn to the issue of vertical
3 harm. We investigate the issue of vertical harm
4 by asking the question: Would a merger between
5 NBCU and a hypothetical firm that only owned
6 Comcast Cable Systems produce competitive harm?
7 Once again, I believe that the answer to this
8 question is yes.

9 When NBC sells programming to MVPDs that
10 compete with Comcast, this reduces Comcast profit.
11 The merged entity will take this effect into
12 account when it negotiates programming fees, and
13 as a result, will be able to negotiate higher
14 programming fees. These fees will be increased
15 and will be substantially passed along to
16 subscribers in the form of higher fees for them.

17 The impact of the transaction will be most
18 significant in local television markets served by
19 an NBC O&O where Comcast has a significant
20 presence as the incumbent cable provider. It
21 turns out that the six -- same six regions of the
22 country that are at greatest risk of horizontal
23 harm from this merger are also the regions at
24 greatest risk of vertical harm from this merger.

1 This is because Comcast has followed a
2 clustering strategy of creating RSNs in regions of
3 the country where it had already had a substantial
4 cable presence. Under plausible parameter
5 assumptions, the retransmission consent fees
6 charged by NBC O&Os to rivals of Comcast will
7 approximately double in these local television
8 markets.

9 These rivals include the two DBS
10 providers, Direct TV and Dish, telephone providers
11 of cable services such as AT&T and Verizon, as
12 well as cable over-builders that compete with
13 Comcast.

14 WOW! falls into that category. The
15 transaction will have a smaller but still
16 significant impact on the fees the merged entity
17 charges for NBC's national cable networks.

18 In sum, NBC is solely in the programming
19 business, but Comcast is both in the programming
20 business and in the MVPD business. From an
21 economic perspective, this means that the proposed
22 combination has both horizontal and vertical
23 aspects and that a complete economic analysis of
24 the potential harms of both must be considered in

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this transaction.

For the reasons that I have described, I believe the transaction will cause significant harm of both types. Thank you.

MR. LAKE: Thank you, Mr. Cohen, And in absentia, Professor Rogerson. Mr. Lawler.

MR. LAWLER: Thank you, Bill.

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MR. LAWLER: Thank you, Bill. Good afternoon. My name is Brian Lawler and I'm speaking to you today as President and Chairman of the NBC Television Affiliates Association. Our association represents some 200 independently owned local television stations in markets around the nation that are affiliated with the NBC television network. I appreciate the opportunity to appear before you today.

For more than 60 years local NBC affiliates and the NBC network have worked as partners to serve local communities and the public interest. The results of this partnership include local and national news, weather, sports and entertainment programming along with emergency information and other quality programming and services directed to the tastes and needs of local communities.

To put it simply, the combination of local and national programming aired by an NBC affiliate is greater than the sum of its parts.

Moreover, the affiliate makes the package of local and national content available for free

1 throughout its market.

2 The question before the FCC is whether the
3 public interest will continue to be served if the
4 nation's largest cable system and an owner of many
5 cable programming channels is allowed to acquire
6 our network partner, NBC. We have three main
7 concerns that arise out of this transaction which
8 the Commission should address by adopting
9 transition-specific conditions. If these FCC
10 conditions are in place, we support approval of
11 this transaction.

12 First, there needs to be a condition in
13 place to prevent Comcast from migrating important
14 sporting events like the Olympics and the
15 Superbowl from the NBC network to Comcast cable
16 channels. Keep in mind that among Comcast cable
17 properties are two national cable sports networks.
18 Consider what it would mean to the people of
19 Illinois if during football season they could
20 watch the Bears only by subscribing to Comcast's
21 pay sports channel Versus instead of seeing their
22 NFL teams for free on their local NBC affiliate.
23 That would be an immediate and significant loss to
24 affiliates and leave millions of loyal Bears fans

1 disenfranchised.

2 Second, if the transaction goes forward
3 the station suppliers of network programming and
4 their single largest cable distributor will be
5 under one roof.

6 This means that many affiliates will have
7 to negotiate with Comcast both to keep their
8 affiliation of the NBC network and to determine
9 how their station will be carried on Comcast cable
10 systems. This will give Comcast tempting
11 opportunities to use its control over the NBC
12 network to unfairly benefit its cable systems and
13 vice versa.

14 For example, a combined NBC Comcast could
15 force affiliates to agree to unfavorable terms of
16 affiliation as the cost of getting market-based
17 retransmission consent payments. This would
18 undermine the market for the retransmission
19 consent which supports the health of local
20 stations and allows them to invest in local news
21 and community service.

22 To address this concern, the FCC should
23 adopt a condition that requires Comcast to keep
24 network affiliate -- to keep network affiliation

1 negotiations with the NBC network and
2 retransmission consent negotiations with Comcast
3 Cable as separate in the future as they are today.

4 Third, we are concerned about the ways
5 that Comcast could use its control over the NBC
6 network to benefit its cable systems all in a way
7 that would weaken local NBC affiliates and hamper
8 their ability to invest in local programming and
9 services.

10 In particular, Comcast could provide or
11 threaten to provide its cable system with a direct
12 linear feed of NBC network programming if Comcast
13 does not like the terms of retransmission consent
14 being proposed by a local affiliate. No other
15 cable or satellite provider has this sort of
16 leverage over local broadcast affiliates.

17 Another related concern is the possibility
18 that Comcast could deny NBC affiliates network non
19 duplication rights in future affiliation
20 agreements. The NBC network has historically
21 granted network non duplication rights, which
22 insure the cable systems do not undermine an
23 affiliate's local service by importing a distant
24 NBC affiliated station signal into a local

1 affiliate market. But this could change once
2 Comcast owns the network and it has motivation to
3 benefit cable systems in retransmission consent
4 negotiations.

5 To protect the broadcast medium as a
6 strong and economically viable platform, the
7 Commission needs to adopt a condition that
8 counters Comcast incentives for undermining
9 affiliate market integrity in these ways.

10 Fortunately, the three risks that I have
11 discussed today are not insurmountable. The FCC
12 can address these risks by imposing targeted
13 transition-specific conditions. And in our
14 comments we have proposed language for those
15 conditions. This language comes from a private
16 agreement between Comcast and the NBC television
17 affiliates. As recently as last Friday here in
18 Chicago, Comcast and NBCU have cited our private
19 agreement as a reason why the proposed transaction
20 will serve the public interest. But this is only
21 true if the FCC takes the next step of
22 incorporating the agreed-to language on these
23 three issues as enforceable FCC conditions, a step
24 that we expect Comcast and NBCU to support.

1 With respect to these three issues, a
2 private agreement alone is not sufficient to
3 protect the public interest. We have felt from
4 the beginning and continue to feel that these
5 three issues are of such importance to the
6 preservation of free over-the-air television and
7 the investment affiliates make in supporting local
8 news operations that the Commission must impose
9 transaction-specific conditions.

10 The continued success of the network
11 affiliate model and its ability to provide high
12 quality programming to local communities across
13 this country is at stake and these stakes are too
14 important for the FCC to ignore as it determines
15 whether to approve the transaction and its
16 viability in the public interest.

17 In addition, Comcast's desire to retain
18 NBC's ten owned and operated stations in some of
19 the country's largest markets including right here
20 in Chicago is important to us and we support it.
21 Ownership of these stations will provide Comcast
22 with positive incentives to serve local television
23 viewers and the public interest just as the NBC
24 affiliates have.

1 With these positive incentives intact and
2 transition specific FCC conditions in place to
3 guard against public interest risks, we would
4 support approval of the transaction and believe
5 that it could strengthen the network and enhance
6 the distribution of quality content on free
7 over-the-air television. Thank you.

8
9 MR. LAKE: Thank you, Mr. Lawler.
10 Mr. Solomon.

11
12 MR. SOLOMON: Thank you, Mr. Lake. My
13 name is Ken Solomon and I'm the Chairman and CEO
14 of the Tennis Channel. I'm also Chairman of a
15 separate independent network called Ovation, which
16 is dedicated to art and serving the cultural and
17 creative class and is currently in about 40
18 million homes. Other than both being passion
19 categories and me, they're completely separate
20 companies.

21 Earlier in my career I've held senior
22 positions in a number of companies involved in
23 different facets of content development,
24 programming and distribution, including Universal

1 Television, Dreamworks, Scripps, NewsCorp, Disney
2 and -- and I think that's enough for now.

3 I'm honored to be on this panel today and
4 to be among such esteemed company. And I want to
5 thank the Commission for giving me the opportunity
6 to participate in today's discussion on certain
7 public interest implications raised by the
8 proposed Comcast/NBCU transaction.

9 By way of background, Tennis Channel is
10 the sole network in the United States dedicated
11 exclusively to covering tennis. And we're
12 currently in just under 30 million homes. We
13 offer a diverse and dynamic programming mix that
14 includes coverage of all four of the sports grand
15 slam events. And we've just finished recently
16 Rolland Garros, the French Open and Wimbledon and
17 are about to -- gearing up for the US Open. We
18 also have live match play throughout the year of
19 the top 100 tournaments in the world and also
20 produce original series and specials geared
21 towards our viewers' interests.

22 The success and growth of Tennis Channel
23 is reflected in our superior ratings, our growing
24 advertising and the critical acclaim that the

1 network's received. In fact, recently we were
2 just nominated for an Emmy award for our Wimbledon
3 coverage. It's also validated by other top sports
4 programmers who have engaged us to produce
5 tournament coverage for them, including the majors
6 and those include both NBC and ESPN.

7 The Tennis Channel is not a subsidiary nor
8 controlled by any multichannel video distributor,
9 programming distributor. And as such, we view the
10 proposed Comcast/NBC transaction principally from
11 the perspective of a programming supplier that
12 must compete for distribution with other suppliers
13 who are affiliated with MPVDs -- MVPDs. From that
14 perspective, the proposed transaction raises
15 serious questions that the Commission must address
16 in order to determine that the transaction would
17 be consistent with the public interest.

18 Congress, the Commission and the industry
19 participants have recognized for decades that as
20 an inherent natural extension of their vertical
21 integration, MVPDs have an incentive to exhibit
22 favoritism towards their own programming with
23 respect to the terms and conditions of carriage.
24 Likewise, there is an incentive to discriminate

1 against unaffiliated programming especially when
2 such programming competes against MVPD-owned
3 programming.

4 By way of a little bit of history, it's
5 important to remember that these incentives and
6 rules were crafted to address threats to
7 independent programmers from such incentives, and
8 that they existed even at a time when there was
9 far less vertical concentration in video
10 programming than there is today. That
11 concentration, of course, will be significantly
12 more pronounced should the NBCU/Comcast
13 transaction be consummated.

14 It's no secret that the proposed
15 transaction will create an unprecedented level of
16 vertical integration in a single media company by
17 bringing together the nation's largest MVPD which
18 already has significant economic interests and a
19 sizeable collection of programming assets,
20 particularly in sports, with the vast content
21 holdings of NBC Universal. It's also worth
22 remembering that it was just a few years ago that
23 NBC Universal itself was considered a merger among
24 giants and under serious question.

1 As a result of this amalgamation of
2 content, a company that has a -- Comcast, a
3 company that does have a history of facing
4 allegations of affiliation-based discrimination
5 will have an even greater incentive to engage in
6 such conduct, whether subtle or overt. It favors
7 its own programming and disadvantages programming
8 with which it's not affiliated.

9 To take just one example, if the
10 transaction closes, Comcast will then be in a
11 position to leverage its control of NBC Sports,
12 one of the giants in the industry, to the benefit
13 of the numerous sports networks in the Comcast
14 family, most of which compete against unaffiliated
15 networks for viewers, advertisers and advertising
16 revenue and licensed revenues as well as, of
17 course, for programming.

18 Thus. In assessing the proposed
19 transaction, it's very important that the
20 Commission recognize the threat posed to
21 programmers not affiliated with Comcast and take
22 steps necessarily -- necessary to ameliorate that
23 threat.

24 Now, as explained in detail in our

1 comments, the optimum way to address that threat
2 is through the imposition of reasonable conditions
3 that will reduce the potential danger of this
4 transaction of programmers that are not affiliated
5 with Comcast. Those conditions, in brief, would
6 require Comcast to treat non affiliated networks
7 that compete with Comcast affiliated networks on
8 the same basis as it treats its own network
9 services.

10 To the extent that there are differences
11 in treatment, Comcast would bear the burden of
12 proving the differential treatment -- that the
13 differential treatment was not based on
14 affiliation.

15 Now, the Tennis Channel isn't alone in
16 expressing these views. Others have submitted
17 comments in these proceedings and also see the
18 risk to non affiliated programmers presented by
19 the transaction and have called upon the
20 Commission to mitigate that risk should it approve
21 the application.

22 Indeed, Comcast and NBC have themselves
23 recognized the centrality of conditions concerning
24 this very issue to the Commission's decision

1 process. And that's why in their application they
2 propose to add two new independent networks over
3 the next -- each of the next three years, and why
4 they have now added further comments in that
5 regard. Their voluntary commitment, however,
6 falls short in at least two critical respects.

7 First, this non binding voluntary
8 commitment does nothing to insure that new
9 networks will be able to obtain terms and
10 conditions of carriage that are comparable to what
11 Comcast offers its own affiliated networks that
12 compete with the new networks.

13 In our business, terms like packaging,
14 license fees, and the rest are business makers or
15 business breakers.

16 In fact, Comcast could conceivably satisfy
17 its promise by giving these new networks minimal
18 distribution on narrowly penetrated tiers with
19 reduced or even no license fees and charging
20 customers a premium to subscribe, thus severely
21 curtailing the ability of those nonaffiliated
22 networks to compete with Comcast affiliates and
23 significantly limiting public access to
24 potentially desirable programming.

1 Second, as conceived by Comcast/NBCU this
2 voluntary commitment unfortunately stops at the
3 entry door. The commitment would have no impact
4 on affiliated -- on non affiliated programmers
5 once they are carried by Comcast or a currently
6 carried programming services. This omission is
7 hardly trivial. The applicants have stated that
8 even after the transaction closes, nearly six of
9 seven channels, 86 percent carried by Comcast will
10 be independent and not affiliated with Comcast.

11 Put another way, Day 1, one out of every
12 seven networks carried will already be owned by
13 Comcast/NBC Universal. And while Comcast points
14 to this figure as a sign of openness to networks
15 with which it's not affiliated, it actually
16 highlights the need for conditions that go beyond
17 what Comcast/NBC so far has been willing to offer.

18 In other words, if the Commission adopts
19 conditions that do not cover programmers once
20 they're carried by Comcast, any such conditions
21 would be of limited utility in protecting the
22 public interest in terms of programming
23 competition and diversity.

24 The vastly altered future of the US media

1 landscape that this merger protends provides the
2 clearest evidence as to the rapidly changing
3 market. This is why both new and existing
4 services must be protected on an on-going basis in
5 order to best serve the public interest. This is
6 a game changer for independent voices. Conditions
7 along the lines suggested in our comments, binding
8 rules that apply equally to new programmers and
9 independent programmers who are already on, who
10 are not affiliated with Comcast, will address both
11 of the shortcomings of this applicant's voluntary
12 commitment. Moreover, such conditions are the
13 appropriate mechanism for addressing the risk to
14 public interest presented by the proposed
15 transaction.

16 If the Comcast/NBC transfer proceeding is
17 not the place -- I'm sorry. The Comcast NBCU
18 transfer proceeding is not the place for the
19 Commission to review nor revise rules of general
20 applicability. Rather, the Commission should
21 consider this transaction and determine whether in
22 light of this deal and these parties conditions
23 will advance the public interest.

24 The Tennis Channel recognizes the

1 Commission's program carriage rules provide a
2 mechanism for seeking redress in those cases where
3 an MVPD has engaged in affiliation-based
4 discrimination. In fact, Tennis Channel is a
5 complainant in such a proceeding against Comcast.
6 However, as we make clear in our comments, we do
7 not wish to litigate that dispute in the context
8 of this proceeding.

9 The program carriage case is a distinct
10 matter that will resolve itself on its own
11 schedule without regard to the merger. However,
12 our program carriage dispute with Comcast does,
13 like any other, underscore why the remedies
14 afforded by Section 616 are not a substitute for
15 prospective transaction-specific agreements in the
16 most conditions. And the most important reason
17 being that Section 616 is retrospective. By
18 definition, Section 616 proceedings are not
19 brought until after there is an allegation of
20 discrimination.

21 The conditions imposed by this proceeding
22 will be forward looking. The conditions we
23 propose will provide Comcast with clear benchmarks
24 to insure that it treats unaffiliated programmers

1 in a fair and nondiscriminatory manner. And
2 should that not happen, give programmers a quick
3 and cost-effective way to obtain relief.

4 In addition, those conditions will make
5 clear to the market that both established and new
6 networks not affiliated with Comcast will be able
7 to properly challenge discrimination should it
8 occur and will be able to compete on the merits
9 for fair distribution, a prospect that will
10 benefit all in the development and investment of
11 new programming.

12 And in closing, it's equally important to
13 know that such conditions will send an
14 unmistakable message to the public that the
15 Commission values the importance of diverse
16 programming voices and will only find the proposed
17 transaction to be consistent with the public
18 interest if appropriate safeguards are put in
19 place to make certain that all programmers are
20 able to compete on a level playing field when
21 dealing with the nation's largest MVPD.

22 Once again, I want to thank you for
23 participating. I apologize for going a little bit
24 long. We did come a long way and we look forward

1 to further discussing the issues that are raised
2 by this proposed transaction both today and in the
3 months ahead. Thank you.

4
5 MR. LAKE: Thank you, Mr. Solomon. And
6 last through the tyranny of the alphabet, but not
7 least, Professor Speta.

8
9 MR. SPETA: Thank you, Mr. Lake, and thank
10 you to the Commission for the opportunity to
11 participate here.

12 The proposed transaction is, of course, a
13 significant merger in a significant market. But
14 to my mind, its fundamentals are hardly
15 unprecedented. We've already seen combinations of
16 content providers, mergers of distribution
17 entities, and we have previous examples of
18 combinations of content and distribution.

19 To be sure, the scale and scope of this
20 transaction are great, as the Commissioner said,
21 "Huge."

22 But I do not believe that it is necessary
23 for the Commission to rewrite video policy simply
24 to evaluate this deal. In fact, most of the

1 challenges to this transaction strike me as either
2 capable of straight-forward competition analysis,
3 a matter in which the Commission should defer to
4 the anti-trust authorities, or more properly the
5 subject of industry-wide proceedings.

6 I suppose I should say that I am not
7 retained by any party in the transaction nor by
8 any party challenging the transaction, nor in
9 fact, by any party in any affected communications
10 industry. My comments therefore are based on my
11 research and history in the communications -- in
12 communications study. I'm a professor here, so my
13 commute was not quite so long. And I have for 12
14 years focused my research on questions of
15 communications policy and market structure.

16 Overall, the transaction strikes me as an
17 appropriate and interesting response to a
18 marketplace in complete turmoil, one in which the
19 technology, the business models and even the
20 consumer preferences are rapidly changing. It is
21 hard to overstate the magnitude of these changes,
22 changes that to my mind call into question even
23 the Communication Act's premise that video needs
24 special regulation.

1 I wish to make three general points in
2 opening and will be happy to speak more in the
3 discussion. First, several challenges to the
4 merger that are being presented as competition
5 issues are not, in fact, competition issues in the
6 sense of presenting anti-competitive effects that
7 harm consumers.

8 Second, the genuine competition arguments
9 in the merger can be dealt with through customary
10 anti-trust analysis that focuses on the limited
11 horizontal aspects of the merger.

12 And third, many of the media-specific
13 issues being raised in connection with the merger
14 are really questions of market structure or of
15 regulatory design and these are already the
16 subject of general FCC proceedings or they should
17 be.

18 First, the merger has been challenged from
19 some corners on the grounds that the newly merged
20 entity will be able to offer products or services
21 that other media companies will not be able to
22 duplicate.

23 For example, some have worried that
24 NBC/Comcast because of the breadth of its content

1 distribution and internet properties maybe able to
2 offer advertising packages that other market
3 participants such as independent broadcasters may
4 not be able to duplicate.

5 But the merged company's ability to offer
6 new products and services is a benefit of the
7 merger; it's not a harm. If participants in the
8 advertising market find such bundling valuable,
9 then the merger is pro-consumer, not
10 anti-consumer, even if the competitors of the
11 merged company must find new ways to compete.

12 Similarly, worries that the merged company
13 will deploy new internet products allowing
14 consumers to watch video online in different ways
15 or deploy new interactive advertising technologies
16 must separate out anti-competitive from
17 pro-competitive effects. If the merger allows the
18 combined company to innovate, in general, those
19 innovations will benefit consumers, even if they
20 force other media companies to change their
21 business practices or suffer declines in their own
22 businesses.

23 To be sure, moving content online could be
24 a way to circumvent program access rules, on which

1 I'll say more below, and enable certain
2 foreclosure strategies. But an analysis of these
3 possibilities must go beyond a functional
4 description, beyond merely a statement that the
5 merger will enable Comcast/NBC to do new things.

6 One of the possible benefits of the
7 transaction, for example, is that it could cut
8 through thickets of legacy rights which create
9 high transaction costs and currently prevent
10 innovation in the media space.

11 Second, some arguments concerning the
12 merger, of course, do fit a classic competition
13 analysis such as concerns that NBC/Comcast will
14 have market power in content or in distribution
15 and will use that market power to the detriment of
16 its consumers or to foreclose competitors. And
17 we've heard a lot about this already today.

18 But each of these arguments depends on
19 making one of two findings. Either that one of
20 the companies currently has market power in either
21 content or distribution and that the transaction
22 will make the exercise of that market power
23 relevantly anti-competitive, or that the
24 transaction will create market power where

1 currently there is none. Arguments that one of
2 the parties currently possesses market power, such
3 as that NBC has must-have content, standing alone
4 is not a reason to reject the merger.

5 Of course, one must take seriously the
6 arguments being made in this regard, but these are
7 straight-forward applications to my mind of
8 customary merger analysis, that is the existence
9 or acquisition of market -- market power in
10 horizontal markets. Even the arguments concerning
11 the use of content to effect foreclosure depend on
12 finding that the combined entity will have market
13 power over content sufficient to affect the
14 strategy.

15 Personally, I'm skeptical of the
16 foreclosure claims although I, and frankly no one
17 else, can not judge these matters definitively
18 without access to the data. I'm skeptical because
19 with one possible exception, the horizontal
20 aspects of the merger do not seem terribly
21 significant.

22 At the distribution level, it is true that
23 in some markets NBC has owned and operated
24 stations, but we know that only a small percentage

1 of the US population watches television over the
2 air and we know that only a minority of
3 broadcasters rely on must-carry rights. As a
4 result, the merger would seem to create only a
5 small increase in the combined entities' control
6 over distribution outlets.

7 At the content level, Comcast's national
8 cable networks are not currently big players. The
9 current focus then is in the areas where Comcast
10 owns a regional sports network. But even in those
11 areas, the analysis must be cautious. It could be
12 that both broadcast network and regional sports
13 network content are so-called must-have content,
14 but the merger does not combine the only two
15 sources of must-have content in the market as some
16 of the models being advanced seem to suggest. And
17 therefore, the analysis must be nuanced.

18 On the one hand, the transaction does
19 combine some significant NBC sports programming
20 with the RSNs. On the other hand, the NBC sports
21 programming does not grow out of ownership of
22 underlying assets such as teams or arenas. And
23 one can therefore expect the owners of the content
24 or the events that NBC licenses to attend to their

1 interests in maximum distribution, at least over
2 the long run. Moreover, it maybe the case that
3 the absence of some must-have content can be
4 addressed by other distributors through exclusive
5 deals to carry must-have content of their own.

6 The foregoing naturally flows into a
7 discussion of the Commission's program access
8 rules and other general market structure issues.
9 These are the subject of FCC proceedings on the
10 program access rules, for example, in which the
11 FCC has already taken the significant step of
12 closing the terrestrial loophole.

13 The transaction, due to its size and
14 historical importance of NBC, does create an
15 opportunity to rethink our approach to video
16 policy, but I believe that the transaction
17 approval itself is not a vessel for that
18 rethinking. Instead, the transaction should be
19 evaluated under traditional competition analysis
20 and broader issues should be addressed in broader
21 industry-wide proceedings.

22 I do not mean to suggest that the merger
23 presents no possible competition issues. I take
24 no position on the few that I have identified.

1 But some of the concerns currently being expressed
2 are either concerns that innovation is bad because
3 it changes existing market structures, market
4 structures by the way that no one seems to be
5 particularly happy with, and -- or are concerns
6 that apply to our rapidly changing media
7 environment more generally. Thank you for the
8 time.

9
10 MR. LAKE: Thank you very much, Professor
11 Speta and to all of our panelists.

12 One recurring concern that we've heard
13 today and elsewhere is that if the NBC content and
14 Comcast-owned content are combined, the merged
15 entity may have more incentive and ability to
16 either deny its programming to independent
17 distributors or to competitors, or to increase the
18 price of that programming.

19 We do at the Commission have program
20 access rules that are intended to address this
21 concern on an industry-wide basis. We have also
22 in particular mergers in the past imposed
23 particular program access requirements suited to
24 that merger.

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I'll ask any of the panelists: Are there program access conditions that you think could be attached to this merger that would be more effective than our general rules and would address the concerns that have been expressed about discriminatory withholding or excessive pricing programming?

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MS. ABDOULAH: I'll start. I won't get into the specifics on what the exact conditions would be. I know we're working with ACA and they'll be submitting those conditions in subsequent filings to come. But I would want to highlight again that there are key issues that the current program access rules do not address that need to be addressed.

Specifically the ones that I commented on when I talked about unfair quantity discounts, that exists today. If -- it's not that discounts for quantity are a bad thing in the context of themselves, but they're unfair currently because there's such a huge gap between what those that have higher quantities than we have, a smaller competitor, mid-sized to small competitors have. It's not a discount of three, five, ten percent. It can be as high as 20 percent or greater. And it doesn't cost the programmer any more to provide that product to a small, mid-sized person as to a large entity.

And the second thing is when we have a dispute, right now the program access rules do not

1 require that that network stay on. I'll give you
2 a very quick, specific example. We had removed --
3 we were out of contract with two networks. We had
4 removed one of them. The company that owns both
5 networks took issue with that and said that they
6 would remove the one we did want to negotiate with
7 them on within 24 hours if we didn't give them
8 what they were asking. And we had nowhere to go
9 to say it has to stay on until the negotiation is
10 done. So that needs to occur.

11 And thirdly, there's no current --
12 anything in the program access rules that
13 addresses internal transfer pricing. Meaning that
14 this new entity could easily say okay, we're going
15 to charge you, WOW!, a lot more and we're going to
16 charge ourselves a lot more for that. Well,
17 there's an internal pricing scheme where you can
18 take it from one pocket and put it in the other
19 pocket. So they don't mind paying more because
20 they're going to get it on the other side.

21 And lastly, right now they do not apply to
22 online distribution of programming. It's not
23 certain that they do, and that's important with --
24 based on everything that we've talked about in the

1 panel before this and that we've talked about so
2 far today. Online distribution is critical for us
3 to be able to compete.
4

5 MR. BROWN: I would simply say that in the
6 absence of quick inexpensive third-party
7 arbitration, an opportunity for such, I don't see
8 how the Commission really can establish effective
9 safeguards here.
10

11 MR. SOLOMON: On the sort of hidden
12 concerns from the program creation standpoint is
13 not the allegations of discrimination that have
14 come forward in the past, but that the chill has
15 been created among new voices. It's sort of well
16 known that the door is effectively closed if
17 you're not an owned program service in terms of
18 launching new ones.

19 And for -- we have laid out the conditions
20 that we think prospectively can help that process,
21 but you are in a situation where effectively the
22 recent history has been to attempt to say no at
23 every turn. And if you manage to get on, you are
24 going to be disadvantaged in terms of

1 distribution, advertising, marketing and probably
2 the acquisition of rights going forward.

3
4 MS. SMITH: Actually kind of follow up a
5 little bit on that. One of the things we haven't
6 talked a lot about today, I think, is some of the
7 independent programmers. Mr. Solomon, you've
8 given us some suggestions, but I would love to
9 hear from some of our other panelists about how
10 the Commission in this transaction could encourage
11 additional independent programmers, unaffiliated
12 programmers, to get on a system if the merger went
13 through. Don't all rush at one time. Or do you
14 think it's impossible? Maybe that's the other
15 question.

16
17 MS. ABDOULAH: Well, I can speak as a
18 cable operator that would like to put on some of
19 these more independent channels. I mean, when
20 we -- these large providers of programming content
21 that have the kind of market power that this new
22 entity would have, we see today what happens is
23 we're somewhat forced to take channels that we
24 necessarily don't want to take. That limits our

1 bandwidth. That limits our ability to be able to
2 have enough bandwidth to offer space for the
3 independent channels that our customers do want to
4 watch and do want to pay for. We're not able to
5 do that.

6
7 MR. SPETA: We hear that a lot. I guess I
8 have a third answer to the question unfortunately
9 than the two you suggested, which is: It's not
10 clear to me that we're -- that consumers are
11 suffering from a fundamental lack of independent
12 programmers on multichannel distribution platforms
13 or that there's been a fundamental inability of
14 programmers who want to develop new programming to
15 get those programs to the public in some manner.

16 And so you know, I'm not sure I agree with
17 the premise that the Commission needs to do
18 something to make sure independent programmers
19 have more access than they have.

20
21 MR. SOLOMON: There's a very specific
22 delineation between cable and other forms of media
23 access. And the difference is that it's a
24 subscription-based service with a government

1 license. And so unlike the movie business where
2 in every year that you have an Avatar you have a
3 Hurt Locker or in the record business where you
4 have a major act like a U2 and out comes a couple
5 of years a Norah Jones or a John Mayer.

6 In this business there is control. One in
7 approximately four homes in the United States is
8 controlled by one player. And the limitation of
9 access in favor of owned services is a stifling
10 factor. And I'm quite sure of it because there
11 are many great voices that haven't even thought
12 about investing in this business because either
13 they can't find it or they just simply know that
14 it's -- it's too difficult because it's not there.

15
16 MR. FLYNN: Back a moment ago on Bill's
17 question we were talking about the rules and the
18 perceived limitation of the Commission's rules and
19 requests for changes in terms of conditions here.
20 I'm wondering, as you know, the Commission in
21 prior transaction has imposed additional
22 requirements beyond the rules, in particular
23 arbitration and baseball arbitration and mandatory
24 carriage, and what the views are on those

1 additional rules in terms of whether they've been
2 effective, how they've been effective, and to the
3 extent they haven't, what ways they could be made
4 to be more effective.

5
6 MR. COHEN: Well, I'll start on that one,
7 John. The Commission has had over the last 20
8 years incredible number of opportunities to deal
9 with mergers and has imposed a variety of
10 remedies, both behavioral and structural. In the
11 recent Bell mergers or any cellular deal, you are
12 spinning off somebody. Those tend to be clean.
13 They tend to be effective. You move on.

14 Whenever you get in the realm of
15 behavioral remedies, the question is: Are they
16 commercially feasible? You have had a couple of
17 experiences with NewsCorp and Direct TV and then
18 most recently Adelphia, Time Warner and Comcast.
19 And you've imposed quite an extensive array of
20 behavioral remedies.

21 At this point let me quote a -- Senator
22 Hollings, since Commissioner Copps is here. And
23 one of his favorite lines, which is "There is no
24 education in the second kick of a mule." These

1 remedies tend not to be commercially feasible.
2 You get involved in them and all of a sudden time
3 runs out. It doesn't mean you can't do them, but
4 I think you need to be real precise and look at
5 the harms that flow here.

6 If you go back, for instance, to what the
7 Justice Department did in the horizontal
8 transaction in effect or horizontal conclusion in
9 Corpus Christi where you had a group of local
10 broadcasters colluding in retransmission consent,
11 in effect what we see here, which is a local
12 collusion we contend is going to occur.

13 Justice jumped in and imposed a remedy of,
14 in a sense, separating them. You can't work
15 together out there because when you do, you raise
16 rates excessively above the horizontal merger
17 guideline levels.

18 And so I think as you go through this and
19 you look at the each of the harms, you need to
20 delve in, is it structural remedy, behavioral.
21 And if you're going to go behavioral, the level of
22 precision has got to be greater than you've done
23 before. I would be more precise and we will be
24 when we file our upcoming comments.

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MR. LAKE: Because we have both programmers and distributors represented on the panel, I'd like to ask whether in the marketplace today, do programmers negotiate for MVPD and online distribution of their content at the same time or do they do that separately? And in your experience, do carriage agreements with MVPDs in any instances include limitations on the ability of the programmer to release the content also online.

MS. ABDOULAH: I can say from WOW!'s experience most cases they negotiate separately for the online. And as I mentioned in my testimony, we have had issues to date in being able to negotiate for online content, content that Comcast either owns and operates or has a share in or content that they have been able to get agreements for their Xfinity online service and we have not been able to.

MR. LAKE: And have you as a programmer been asked to limit the online distribution of

1 your content as a condition of carriage? Or
2 you're not --

3
4 MS. ABDOULAH: I'm not a programmer.

5
6 MR. LAKE: You're on the --

7
8 MS. ABDOULAH: I'll give it to a
9 programmer though.

10
11 MR. LAKE: I'll ask a programmer.

12
13 MS. ABDOULAH: Over to you there, Ken.

14
15 MR. SOLOMON: It's fun being us. The
16 answer in short is yes. I think there's one thing
17 that's probably worth noting which is, the word
18 independent, meaning non affiliated, non owned, is
19 probably a bit of a generalization in terms of how
20 things really work. You have major independent
21 programmers like an ESPN/Disney and what
22 Comcast/NBCU will be. And then you have more true
23 non verticalized independents.

24 So there's obviously a modicum of leverage

1 with what say Viacom goes in when they're
2 negotiating, you know, the MTV networks or the
3 Nickelodeon networks. And Colleen can tell you
4 all about that.

5 It's markedly different than a new program
6 service that's attempting to emerge. We generally
7 negotiate simultaneously. We generally don't have
8 a lot of strength in that regard. And we are
9 generally told that everything and anything that
10 is conceived even remotely related to our brand
11 will be included under this agreement on any
12 platform now or conceived in the future.

13 So you are sort of tied up at the
14 beginning and at the mercy of the distributor in
15 terms of them limiting your ability on other
16 platforms.

17
18 MS. ABDOULAH: Real key, the distributor
19 who has leverage.

20
21 MR. SOLOMON: The large, large vertical --
22 pardon me.

23
24 MS. ABDOULAH: You have to have some

1 leverage to be able to ask that of you.

2

3 MR. SOLOMON: Very fair point. Large
4 verticalized distributors.

5

6 MR. SPETA: That has to be the rational
7 strategy from each side. From the perspective of
8 the content owner, you have to consider the
9 distribution windows and the interaction between
10 the distribution windows.

11 One of the things we've known in video
12 markets forever is that a certain level of price
13 discrimination is necessary. And every video
14 industry that has ever existed has had some form
15 of windowing, be it released to movie theaters and
16 then released to television or released to cable
17 and then to television or what the DVD -- every
18 form of video industry has relied on some form of
19 price discrimination.

20 And from the distributor's perspective,
21 you have to think about those things rationally as
22 well because a different window takes into account
23 -- or takes away from the window to which you have
24 rights.

1 And so I wouldn't expect a rational market
2 to work in any other way except to think about the
3 bundle of rights and the interaction between the
4 different distribution windows. And to some
5 extent, one of the things that we are in a major
6 problem with right now in getting new products out
7 to market is legacy window rights. And you know,
8 we've got to find some way to overcome those entry
9 barriers.

10
11 MR. SOLOMON: I would add that while those
12 are very good points that Professor Speta makes,
13 that there are differences between windows and
14 warehousing. And you have to sit in that room to
15 understand that when someone says anything that
16 you might do related to this category we will have
17 control over it whether we use it or not.

18 And I would contend someone -- being
19 someone who used to manage large libraries and try
20 to window effectively, again very good point, but
21 there is a difference between the two. And it
22 needs to be looked at.

23
24 MR. LAKE: It's a fairly common practice

1 in the industry today that programmers in dealing
2 with distributors will negotiate for carriage of a
3 bundle of their programs, entities that own
4 multiple programs.

5 If this merger goes forward and the NBC
6 content is combined with Comcast content, would
7 you expect that the combined entity would
8 negotiate to provide that content as a bundle to
9 other distributors? And would that be a concern
10 in this instance that's greater than the concern
11 as to the practice in the industry generally.

12
13 MS. ABDOULAH: I would say absolutely yes
14 simply because it's happening today. NBCU as a
15 separate entity to Comcast does that today. They
16 come in and they price and they negotiate
17 according to the bundle of the services that they
18 offer, whether you want them all or not.

19 And so if they're doing that today, when
20 Comcast combines with them, I would say it's 100
21 percent sure they'll do that with their combined
22 services. It's to their advantage to do that.

23
24 MR. BROWN: My point would be that whether

1 they do it or not, they will do it.

2

3 MR. COHEN: They're -- and I'm trying to
4 channel Bill Rogerson a bit here hopefully. The
5 question is, yes they're going to do it, should
6 you be concerned at that point? And the first
7 threshold issue is: Are they compliments or
8 substitutes? I think you've seen enough in terms
9 of Bill Rogerson's documents to know that he
10 believes they're, in this instance, substitutes.
11 That is there's an overlap, but not in the
12 traditional sense that if you buy one, you don't
13 buy the other. But in an economic sense, that is,
14 for a person purchasing them the marginal value
15 decreases as you buy each one. So they're weak
16 substitutes.

17 The question after that is okay, still, is
18 the price effect significant in terms of the
19 horizontal merger guidelines and alike? Do they
20 go -- does the price increase enough? And you go
21 out there and you try to do your empirical work in
22 this type of market and see it. What Bill has
23 done is look at the closest analogy. And again,
24 builds off of sort of the Corpus Christi case

1 where you had big four broadcasters colluding and
2 what happens with pricing there.

3 And if you look at the effects of
4 documents put into the Commission, Suddenlink's
5 filing, more recent filings in the retransmission
6 consent proceeding, what you see is the prices go
7 up, as Bill said, at least 20 percent it appears,
8 potentially much higher. The horizontal merger
9 guidelines have five percent threshold.

10 So this looks like it's very significant
11 out there and will cause prices to go up
12 considerably. And so they not only will tie, but
13 when they do it, prices -- they will gain
14 sufficient market power, the prices will go up.
15 Will the prices necessarily go up -- is that the
16 only effect? No.

17 Other effects, they can extract that
18 market power in various ways. Carry other
19 programming, which has an affect both on bandwidth
20 but also on independent programmers who get on.
21 And so that then becomes that horizontal concern
22 that we think in effect drives this. And by the
23 way, I think if you look at the documents
24 submitted by Comcast/NBCU, you will find

1 supporting information for that. But that's
2 what's going to occur.

3
4 MR. LAWLER: I would just apologize for
5 being uncharacteristically quiet here. The first
6 couple of questions have obviously been
7 programming and cable questions. And bundling is
8 not another issue that is something that currently
9 exists among all of our affiliates. So I'll be
10 passing on this question as well.

11
12 MR. LAKE: Well, I'll ask one that's close
13 to your heart then. But to the other panelists,
14 one of the concerns Mr. Lawler expressed is that
15 we've seen some migration in the marketplace of
16 sports to the cable platform away from the
17 broadcast platform. And the concern expressed was
18 that the combined entity might have an incentive
19 to migrate some of the sports that's now shown
20 over the air on the NBC network onto a cable
21 platform. Should that be a concern for the
22 Commission.

23
24 MR. SOLOMON: I sure think it is.

1 **Absolutely.**

2

3 **MR. LAWLER:** We absolutely think it is.
4 We think that there's great value and a public
5 interest to get free over-the-air television and
6 there's tremendous value and local passion is
7 needed as it relates to sports.

8 And so we feel very strongly that through
9 our conversations with Comcast and NBC they've
10 committed to continue to put the premier sports on
11 NBC as a free over-the-air network. But in order
12 to protect that guarantee, we would ask you to
13 have an enforceable condition that in fact would
14 support that.

15

16 **MR. SPETA:** I have some limited experience
17 with this. The sport that my daughter
18 participates in is fencing, which you don't see on
19 a lot on broadcast television. And in fact, the
20 NBC Olympics in Beijing were going to carry all
21 the fencing online, except we learned we weren't
22 subscribed to an ISP that had done a deal to get
23 that carried.

24 My view of this is -- and we learned a

1 lesson here when the Black Hawks made their run
2 and Versus had rights to the Black Hawks, which is
3 not carried in a basic tier on all the cable
4 channels or cable systems here in Chicago.

5 My view of this is, it may be a thing that
6 happens, but it's hard for me to imagine that the
7 NFL and the Chicago Bears are going to negotiate a
8 deal where their distributor is sending it to a
9 channel that not a high percentage of the
10 population is going to have access to or another
11 set of distribution rights, right.

12 And so we do talk about the programmers.
13 We do talk about the distributors. But most of
14 the programming we're talking about has a level
15 that's even above that, which is the rights
16 owners, the teams owners, the league owners,
17 etcetera. And they're a dynamic check on
18 distribution stories that end up in not lots of
19 people seeing -- seeing programming.

20
21 MR. SOLOMON: I think just sort of as a
22 sidecar issue to this, the concentration of sports
23 rights negotiations going forward are clearly
24 going to add vast leverage to that combined

1 entity. And so I'm not sure if I would -- I would
2 not question or try to answer Brian's question
3 which could be existential which is, you know, you
4 could use another metaphor and look at ABC and
5 ESPN and see Monday Night Football moving to a
6 cable network. That's certainly troubling to ABC
7 affiliates, needless to say.

8 There's a greater concern that sports
9 rights are -- it's a much more subtle negotiation
10 because there are -- there are rights that go
11 along with other rights. And you can see other
12 rights being leveraged away. And then again, in
13 the past there has been warehousing of those
14 rights in order to keep it away from competitive
15 programming services.

16 We have a great relationship with NBC as
17 it pertains to the French Open. We produce NBC's
18 semi -- one semifinal. We air the other. They
19 then air the men's final and we air a repeat of it
20 that we produced ourselves. We product another
21 250 hours of cable broadcast of that event. I
22 could see a situation where that relationship with
23 NBC going forward isn't what it is today if it's a
24 company that is also in business with a Versus, a

1 Golf Channel or some other prospective sports
2 cable network that I'm not aware of yet.

3

4 MS. ABDOULAH: And the net of all of this
5 and why the FCC should care is the rising prices
6 that will be charged to the distributors and hence
7 to the customers.

8

9 MS. SMITH: I want to ask another question
10 to Mr. Lawler since said we haven't heard from you
11 a lot. See, you opened yourself up.

12

13 MR. LAWLER: Great. I should be quiet.

14

15 MS. SMITH: So what impact do you think
16 this deal would have on your potential revenues or
17 the revenues of local affiliates? Do you think
18 that more of the revenue would then go to
19 NBC/Comcast and away from you guys for local news,
20 local programming, etcetera? Or --

21

22 MR. LAWLER: No. I mean, I think a great
23 value of this is the importance of, you know, the
24 combination of a network and local combined

1 entity. And quite frankly, it's our hope that
2 through Comcast ownership, they will create a
3 stronger, more viable NBC network which would
4 allow us to obviously increase our, you know, our
5 advertising rates as it relates to a larger
6 audience, and therefore be able to invest those
7 additional revenues in increased local news
8 commitment, in local programming, public service,
9 those kinds of things.

10
11 MR. COHEN: To add to that, it's again,
12 sort of the coming off the horizontal effects that
13 we talked about. And we talked about the region
14 where that would occur, which is the overlap where
15 you have an NBC O&O and an RSN or in areas where
16 there's just an RSN.

17 I think there's an incentive here given
18 what we believe to be the effects, that is the
19 potential increase in market power for the new
20 entity to begin to say, you know, one, I want to
21 swap out certain O&Os that I have into those areas
22 where I have an RSN or cable property. They
23 become more valuable then.

24 So certain markets, they'll say goodbye to

1 the O&O, get a new one. And that could happen
2 relatively quickly.

3 The second effect is, again, because when
4 I negotiate for more, I get more. I have more
5 programming, I get more. I'm thinking about maybe
6 I go to the affiliates and say let me negotiate
7 for you because I can get more for both of us.
8 And then pass those costs on to competitors and
9 alike and that causes prices to increase
10 elsewhere.

11 So I think you need to, you know,
12 understand that that dynamic which may not be
13 apparent when first looking at the deal is a
14 likelihood as it spins out.

15
16 MR. LAWLER: Just touch on Tom's point,
17 and I made this in my opening comment. But we
18 feel like it's really important that NBC retains
19 ownership of those ten O&Os. For them to get out
20 of the local industry would then have them less
21 vested in the importance of commitment to
22 over-the-air sports, to network prime, to network
23 news.

24 And so all of those things are clearly,

1 you know, in the free over-the-air business in the
2 public's best interests.

3 And so by retaining ownership of those
4 O&Os, it keeps them vested in the preservation of
5 that network and that free over-the-air model.

6
7 MS. SMITH: Mr. Solomon, you seem to --
8 you shook your head a little bit. Do you have a
9 comment.

10
11 MR. SOLOMON: I was just agreeing.

12
13 MR. BROWN: Since -- I clearly disagree,
14 if I might. I envision a possibility that an NBC
15 group of O&Os, the network and affiliates might
16 become stand-alones; that they might have to
17 develop a different approach to the marketplace;
18 that they might, for example, have to look at the
19 issue of how they might maximize a portion of the
20 spectrum available to them; that they could become
21 real innovators and changers of this -- of the
22 existing marketplace. And I think that could well
23 be a benefit for the consuming public and for
24 those stations.

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MR. LAKE: I have a question for Ms. Abdoulah. We've heard discussion of must-have programming. If one of your systems was unable to obtain the rights to the local NBC affiliate, what would be the impact? How significant would the impact be on you? And have you been able to obtain the rights to regional sports networks? And if you're unable to do that, what's the affect on you with that.

MS. ABDOULAH: It would be significant. If we were -- those are must-have content. That's must-have content for us. If we did not have the NBC affiliate, our customers would leave. If we didn't have the regional sports network, our customers would leave.

And that's why I used the case in point in my testimony about when Comcast came to renew at time of renewal of our regional sports network, it was a huge double digit increase that we just couldn't rationalize. And when we tried to negotiate reasonably, we couldn't. And that's when we tried the arbitration process and realized

1 how flawed it was, and that it was going to cost
2 us more than the actual increase. So we had to
3 agree to it. Because we knew if we lost that
4 programming, we would not be able to compete and
5 guess where our customers would go, to Comcast.

6
7 MR. FLYNN: One of the long-running issues
8 in the MVPD arena is that of set top boxes. Would
9 this transaction have any impact on the
10 development of set top boxes that the Commission
11 ought to be concerned with? And is there anything
12 about proposed rules regarding set top boxes that
13 might have any impact on this transaction in terms
14 of conditions if the transaction were approved.

15
16 MS. ABDOULAH: No, none.

17
18 MR. SPETA: No. I think you're on the
19 right track.

20
21 MS. SMITH: One of the things we haven't
22 talked a lot about is the impact of this deal on
23 Telemundo. You know, we have at least some regime
24 set up for kind of the major broadcasters. And

1 you know, you can argue about whether it's
2 successful or not. But how do you think this
3 impact would -- how this deal would -- or
4 potential merger would impact Telemundo and some
5 of the services that are provided by a channel
6 such as that?

7 Do you think that there would be tying of
8 those services to other -- to say regional sports
9 networks or other things?

10

11 MS. ABDOULAH: I mean, I would -- I would
12 just assume that, yeah. Again, this is all about
13 market power and leverage. And this new entity
14 will have incredible market power. And so when
15 they're negotiating with distributors who maybe
16 today don't carry Telemundo, they'll have a huge
17 number of suite of products to be able to say,
18 well, if you want the rest of this, you better
19 take it.

20 So it will help distribution of all their
21 products, whether it be Telemundo or others that
22 we're not potentially carrying today.

23

24 MR. COHEN: It goes back to the harm as

1 you being to deal with it and, again, you could
2 tie programming together and then you need to see
3 when you do that, what's the price increase going
4 to be off that with the enhanced market power.

5 You tie must-have programming -- like big
6 four stations are the examples we gave -- you get
7 a bigger effect.

8 The effect you get off the Telemundo will
9 be there.

10 Will it be as significant in order to get
11 the price up so that you need to be concerned?
12 And I think that's something we're still working
13 on. But the odds are, yeah, it becomes part of
14 the cluster, part of the negotiations.

15
16 MR. SPETA: This is -- I mean, this is the
17 issue raised by the -- by the Telemundo example.
18 If you have an incredibly popular channel, an
19 incredibly must-have or whatever channel, you can
20 do two things with it, right?

21 You can charge an incredible amount of
22 money for it or you can make people take things --
23 make them take other channels, right?

24 That's just a price. It's not anything

1 different than deciding to charge a whole ton for
2 the channel.

3 It you're the programmer, you decide,
4 instead of charging a whole ton, I'm going to
5 bundle another channel with it. When there's an
6 economy that you can exploit on the combined sale
7 of advertising that that bundle enables you to do
8 on the back end. Okay?

9 If Comcast and the combined entity has a
10 much bigger menu of channels from which it can
11 make different kinds of bundles available to the
12 distributors, there might actually be less forcing
13 from the perspective of the distributor than there
14 is by a -- by an entity that has a must-have
15 channel but a limited number of additional
16 channels in order to bundle with it. Right?

17 So I don't -- yes. They're going to be
18 bundling, right?

19 Why?

20 Because bundling's a rational strategy
21 when you have a must-have channel. But if you
22 have a must-have channel, you can just price the
23 heck out of it too, right?

24

1 MR. COHEN: The question is: And I don't
2 disagree with Jim, is when you put them together,
3 do you get extra market power?

4 Something extra occurs out of it. And
5 then can you extract it?

6 And it becomes an empirical question about
7 whether that's the case. And I think as we've
8 said, we've seen it in the case of when entities
9 negotiate together for big four stations in a
10 local market, you get these significant price
11 increases.

12 And we think there is other evidence that
13 both the Commission and the Department of Justice
14 are examining what gives you concern at that
15 point.

16 But I think Jim, you know, it goes to your
17 point: It isn't okay, you have these entities
18 today and you have them tomorrow. It's that
19 something new occurs because of that in terms of
20 extra market power.

21
22 MR. SPETA: Right. I don't -- I don't
23 disagree with that all. And as I say, if you look
24 at the data, it might be the case that you

1 conclude that there's a significant increase in
2 market power.

3 But if the only thing you can conclude
4 right now is that the entity that has must-have
5 programming is also going to have now a larger
6 menu of complements.

7 The bundle might be able to be produced in
8 such a way that it's more customized and you'll
9 have less forcing and less consumer loss from a
10 bundle that doesn't well match what the consumer
11 actually -- actually desires.

12
13 MR. SOLOMON: There -- there is the point
14 in terms of, again, I think that's -- it's
15 absolutely true. It's often called the sales tax.

16 I mean, you've -- you're getting the big
17 networks and so here are the others that are
18 coming along.

19 I think the question comes in as to -- and
20 it's certainly hard to regulate -- is to how is
21 that extra leverage is being used. If it's being
22 used to develop exciting new services, then
23 where -- and there are plenty of holes in the
24 market to be programmed to -- that is sort of

1 proven every day.

2 It's proven in other areas every
3 day, certainly. It's harder to prove it in this
4 business. That's wonderful, whoever it's coming
5 from.

6 Very often that's not the case.
7 What the case is, is what library do we have --
8 forgive me -- lying around and how can we -- since
9 we can't sell it anywhere else, let's -- let's
10 roll it into a network, put some marketing around
11 it, and make sure that Colleen takes it, right?

12 The result is that anybody who's doing a
13 single or a small group of networks is probably
14 going to suffer in the negotiation if they can get
15 to the table.

16
17 MS. ABDOULAH: Well -- and let's go back
18 to the customer, because that's what we should be
19 focusing on -- is there is limited resources.

20 You know, bandwidth isn't in -- infinite,
21 you know, and -- and financial resources are not
22 infinite, especially for the smaller, midsize
23 cable operator.

24 If we're paying more for these bundles of

1 channels that are, quote, complements, we're not
2 going to have the money and resources to put on
3 things that people do want in advance services
4 especially.

5 People are constantly desiring higher
6 speeds. That takes money, that takes
7 bandwidth.

8 There are the independent channels, the
9 niche networks that -- that customers do want. We
10 get the calls where customers are asking for these
11 channels and you can't put them on because you
12 have limited resources, so the consumers are
13 impacted.

14 MR. SOLOMON: And that's where innovation
15 is stifled. That -- that is sort of the
16 difference between using leverage to just put more
17 ground round, Hamburger Helper, if you will,
18 versus a flourishing opportunity or -- and there
19 are holes.

20 There are things people want to see that
21 are not on. They may or may not be fencing, I'm
22 not sure. They might be. But you're not going to
23 find out. If -- if -- if, you know, Dr. Speta was
24 able to actually get all of the great fencing

1 programming together and -- and -- and
2 get an investor to put -- he's not going to get --
3 he's not going to get the chance to find out.
4 It's just not going to happen.

5
6 MR. LAKE: Just to be clear: When you
7 refer to limited resources, are you talking
8 principally of financial resources or with today's
9 technology is there really a scarcity of
10 bandwidth?

11
12 MS. ABDOULAH: There's not necessary --
13 both, in that it's financial and you have to
14 manage your bandwidth appropriately. That's why
15 many of us are going to the all-digital platform
16 or an IP platform, hybrid platform, which our
17 company is going to be doing. There -- you have
18 to constant be -- constantly be looking at ways to
19 increase your bandwidth so that you can provide
20 the speeds, you can provide HD services, you can
21 provide advanced two-way interactive services.

22
23 MR. LAKE: There have been a couple of
24 references to the advertising market and two

1 potential horizontal effects of this merger will
2 be would -- if it's -- if it's approved, a
3 combination of content and combination of
4 distribution resources, at least in markets where
5 there's both a Comcast cable system and an NBC
6 station.

7 Do you see either of those as causing
8 effects on the advertising market that we should
9 be concerned with?

10
11 MR. LAWLOR: From the affiliates'
12 standpoint: The scenario you just laid out is not
13 relevant since the market -- the markets where
14 that scenario would exist would be owned and
15 operated markets where we wouldn't have an
16 affiliate.

17
18 MR. BROWN: I'm hardly an expert here.
19 But I would be very concerned about sports,
20 sports, sports in terms of the -- the -- the power
21 of the combination to garner an extraordinary
22 amount of the dollars in the marketplace in that
23 area. I -- let me say that I think the company
24 we're dealing with here is a marvel of enterprise.

1 These people came from the days
2 when -- when cable was treated as a very poor
3 stepsister to over the air broadcasting. They had
4 the courage, the vision, and the toughness to
5 stick with their economic model and develop it
6 over the years to become a giant in the area of
7 programming distribution.

8 That is something that I truly, truly
9 admire. I just happen to think that this time
10 we're going a couple of bridges too far.

11
12 MR. SOLOMON: There's at least one other
13 small side to the advertising point, which is by
14 controlling the eyeballs, you in effect control
15 access to a certain level of advertising,
16 potential sale, for -- if -- if -- if a program
17 provider is blocked from getting into one in four
18 homes in the United States, then a significant
19 portion -- at least 50 percent probably -- of the
20 advertiser -- the advertising agencies aren't
21 going to let you in the door.

22 So it's both an offensive and a defensive
23 sword potentially, not on necessarily the
24 affiliate and network combined side and RSN side,

1 which you're talking about, but just in terms of
2 -- of how it trickles down to programmers.

3
4 MR. LAKE: Thank you very much to all of
5 our panelists for participating today and to the
6 audience for being with us. We will now recess
7 and restart at 6 p.m. to begin the public comment
8 period.

9 As a reminder, any member of the public
10 who would like to make a comment or ask a question
11 must sign up at the registration desk, and the
12 sign-ups will be open now.

13 Thank you very much and we'll be back at
14 six o'clock.

15
16 (Recess taken.)

17
18 MR. LAKE: Good evening. If we could have
19 your attention.

20 We're prepared to start this public
21 comment portion of this public forum on the
22 proposed Comcast/NBCU/GE joint venture. We look
23 very -- very much forward to hearing your views
24 about the issues presented by the merger and we'll

1 first have a brief introduction and welcome from
2 Commissioner Copps.

3
4 MR. COPPS: Good evening one and all and
5 welcome. On behalf of the FCC, I would like to
6 welcome you to this forum this evening.

7 Earlier today we had the opportunity to
8 hear from two excellent panels to explore the many
9 ramifications of the proposed Comcast/NBCU merger.

10 I also had the opportunity at that time to
11 unburden myself of a few thoughts on that
12 particular transaction. And if you're
13 interested, my comments are on the FCC Web site at
14 fcc.gov, and I think our friends from C-SPAN and
15 others are here.

16 So I won't take time from you folks
17 tonight to repeat that, except to say that you're
18 here because you're concerned and I'm here because
19 I am concerned, and this is a deal that's actually
20 huge in its ramifications for America's media. By
21 that I mean our traditional media of broadcasting
22 and cable, but also because it impacts a whole new
23 world of broadband and the Internet.

24 Maybe this is the first such merger we've

1 had that so directly impacts the future
2 configuration of our media environment.

3 What we do on this deal is going to have a
4 tremendous impact on the shape of America's media
5 environment for years and years to come, so we're
6 well advised to hear from the experts as we did
7 this afternoon.

8 We're better advised to hear from the
9 American people and get out of Washington, D.C.
10 and outside the cocoon of the fabled Beltway and
11 hear what's going on across the country.

12 Who better to tell us how America --
13 America's media is doing than the people who are
14 on the receiving end of that media.

15 So I'm going to listen tonight and not
16 further delay these proceedings. We want to hear
17 what's on your mind. I only have one request,
18 which I said earlier and I'll repeat for this
19 crowd.

20 I've seen some of you folks before in
21 Chicago. I know that some of you folks here
22 tonight have been interested in the future of our
23 media for a long, long time. I know you're
24 interested in the Comcast/NBCU merger and I

1 want you to be involved in that and we want your
2 thoughts on that, but I ask you all to stay
3 involved in this dialogue because it goes even
4 beyond that merger.

5 It goes to the whole future democratic
6 dialogue of this country, of the news and the
7 information that we get or we're -- more
8 accurately, the news and information we're not
9 getting in recent years as a result of all the
10 consolidation and homogenization and
11 corporatization of media that we've had, and as a
12 result of God awful decisions on the part of the
13 Federal Communications Commission where I
14 work.

15 You folks have been involved before. I
16 think you understand that citizen involvement can
17 make a difference. The future of the media will
18 be decided in part by the people who run the media
19 day in and day out. The future of the media will
20 be decided in part by the legislators who write
21 the laws under which media operates. The future
22 of the media will be decided in part by regulators
23 who implement rules of the road.

24 And most of all, it can be decided by you

1 and it's what you want and what you expect and you
2 demand that can make the difference.

3 When I first came to the FCC about nine
4 years ago everybody said, when I would say
5 something like that, oh, you're -- you're crazy in
6 the head. The American people don't really care
7 about this stuff. It's too arcane.

8 That was at a time when Chairman Michael
9 Powell was trying to change all the media
10 ownership rules that put some limits on how many
11 outlets one corporation could own. Surprisingly
12 to them -- not so surprisingly to me -- we went
13 out, held hearings around the country, and we
14 heard from three million Americans.

15 I didn't know there were three million
16 people who knew there was a place called the FCC.
17 Well, the American people did know. They knew
18 something was wrong with the media and they didn't
19 like what that particular commission was trying to
20 do, and they stood up and demanded action and
21 eventually we stayed the imposition of those
22 rules.

23 But in spite of that, we are still in
24 quite a serious fix with regard to our media, so

1 before I get off any further I just want to thank
2 our media bureau, the folks up here who have put
3 this forum together. I appreciate their holding
4 it and I'm pleased to be out here and as far as
5 I'm concerned, the rest of the evening is yours.
6 But remember to stay involved, make a difference,
7 and you can make a difference. Thank
8 you.

9
10 MR. LAKE: Thank you, Commissioner Copps.
11 And now we look forward to hearing from you, and
12 to kick off the public comment period, I'm happy
13 to turn it over to Bill Freedman, associate bureau
14 chief of the media bureau who will explain the
15 ground rules.

16
17 MR. FREEDMAN: Thank you, Bill.

18 On behalf of the Commission, I'd like to
19 welcome all of you to the public comment portion
20 of our forum today. Before we get started, I'd
21 like to briefly go over the rules of how we would
22 like to proceed during this portion.

23 We thank you all for coming out and
24 we're eager to hear what each and every one of you

1 has to say. Those wishing to comment should have
2 signed up at the registration desk beginning at 5
3 p.m. and those of you who did should have received
4 a number which will establish the order in which
5 we're going to call on you to speak.

6 With your cooperation we're going to get to hear
7 from everybody that took the time to join us and
8 sign up.

9 If, after you give your comments or if
10 you'd had -- didn't have an opportunity to sign
11 up, you would like to comment on this proceeding,
12 there's an information sheet that's available on
13 the tables outside the hall that gives you all the
14 information that you need as to how to file either
15 electronically or the old fashioned way by paper,
16 and we urge you, again, to make your comments
17 known either here or that way or both ways.

18 In light of the number of you who have
19 signed up and the limited time that we have this
20 evening, your comments should be limited to two
21 minutes each. And we're going to strictly enforce
22 this time limit so that everyone who signed up
23 tonight has an opportunity to express their views.

24 There's a clock facing each of these two

1 microphones that are in the aisles here
2 where we'd like you to talk, and the clock will
3 give you information on how much time is
4 remaining, as well as if your time has expired.

5 Again, please honor the time limits so
6 that we can get to everybody.

7 And for the same reason, to avoid
8 unnecessary interruptions, I ask members of the
9 audience to not applaud or react vocally to the
10 comments that are being made.

11 What this will do is it will consume
12 valuable time that we could devote to hearing your
13 views on the issues.

14 Instead, please listen respectfully to
15 each commenter, whether or not you agree with the
16 views that they express. For this portion of the
17 forum to run smoothly and be successful, we need
18 to maintain basic decorum so that we can hear the
19 views of each speaker, which, again, that's what
20 we've come here for.

21 Thank you in advance for your cooperation.

22 Now, here's the Washington fine print for
23 you with regard to how we're going to run the --
24 the proceeding. As we call your numbers out,

1 you'll notice that they're not sequential. That's
2 because at five, because of the gratifying number
3 of you that were standing in line, we wanted to
4 process you as quickly as possible, so we had two
5 separate lines at the check-in table with each
6 line simultaneously issuing numbers.

7 So one line's numbers went from
8 about 1 through 35 and the second line's went from
9 76 to 90.

10 We'll call those speakers from each line
11 to a separate microphone, which those in the first
12 line -- this one marked A -- will go to that line.

13 Those in the second group will go to
14 microphone B, which is in that aisle. We'll
15 alternate speakers from one microphone to the
16 other, so regardless of what number you have,
17 we'll go in the order that you signed up.

18 I'll be calling speakers in groups of 20
19 at a time, with 10 from each of these sign-up
20 groups.

21 When I call out the numbers and you hear
22 your number called, please make your way to the
23 appropriate microphone -- again, A for the lower
24 numbers, B for the higher numbers. So our first

1 20 commenters, numbers 1 through 10 will be here,
2 and 76 through 85 will be here.

3 There will be people from the FCC at
4 each microphone to help you line up in the correct
5 order.

6 So with this explanation, we'd like to get
7 started. For our initial group I'd like now to
8 invite numbers 1 through 10 at microphone A and 76
9 through 85 at microphone B. Excuse me.

10 Slight correction: The first group is 1
11 through 50, the second group is 51 through 100.
12 So what we'd like to do is have 1 through 10 here
13 and 51 through 60 here. Okay. Number 1.

14

15 MR. FELDMAN: My name is Elan Feldman
16 (sp).

17 I represent my family. Sometime in 2005 Comcast
18 trespassed on my property and performed
19 unauthorized installation of cable at the
20 premises, resulting in serious damage to
21 my building, my business, and my family lifestyle.

22 Local ordinances of both City of Miami,
23 Miami Dade County, and the laws of the state of
24 Florida and federal laws prohibit the cutting of

1 utility cables and make it a crime offense to
2 interfere with Comcast cable, even when you're
3 trespassing, a violation of the Constitutionally
4 protected bundle of rights.

5 Miami police reports show I'm a victim of
6 criminal mischief, a felony. Miami Dade County,
7 the state of Florida, the commission disclaimed
8 authority, showing the void of authority. My
9 efforts to negotiate with Comcast in this
10 resolution of problems was met with stonewalling
11 at the seat.

12 Unreasonable demands by Comcast that I
13 sign a receipt -- a release that would allow their
14 permanent occupation of my property with no
15 compensation for the use, a violation of the Fifth
16 and Fourteenth Amendments.

17 Congress gave Comcast freedom to promote
18 competition cable communication to minimize
19 unnecessary regulation that would impose an undue
20 economic burden on cable systems. I don't believe
21 Comcast -- Congress felt to give Comcast free rein
22 to deprive the American people.

23 They also attacked my reputation by
24 applying to Dade County that I'm a criminal

1 involved in insurance fraud. All this while
2 violating my Constitutional and civil property
3 rights in refusing to pay just compensation as
4 required by law in the Communication Act.

5 I wish to state my property was my legacy
6 of my family -- a paid off warehouse with my wife
7 and children owning most of it. I remind you of
8 Comcast's David Cohen's statement before the
9 committee of the judiciary United States Senate.
10 We have a proven track record.

11 We have never blocked our customers'
12 access to lawful content and we repeatedly have
13 committed that we will not block our customers'
14 ability to access any lawful content application
15 or service available over the Internet.

16
17 MALE VOICE: Time.

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19 MR. FELDMAN: I asked, did they lie and
20 did they fill seats at an FCC meeting to block the
21 entrance to people and did --

22
23 MALE VOICE: Time.

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MR. FREEDMAN: This should be -- you should be 51; is that correct?

MS. WORK: Right.

MR. FREEDMAN: That -- that's a great relief to me. Go ahead.

MS. WORK: Thank you.

Hi, my name is Peggy Work (sp) and I'm speaking on behalf of Beacon Therapeutic Diagnostic Treatment Center. Before I can tell you how Comcast became angels in our lives, let me tell you a little bit about the children we serve.

For the past 41 years, we have addressed the needs of the homeless children via our shelter outreach service program to our intense outpatient programs.

Beacon is relentless in assuring fulfillment of its mission: Empowering children and families by helping them find their way to a better future by -- by providing accredited educational, mental health, and social services.

1 Beacon seeks to accomplish the mission by
2 providing innovative services to the most fragile
3 children and their families in the metropolitan
4 Chicago area. Being able to succeed in school can
5 be the most daunting challenges our students face.

6 Actually, just about every moment of every
7 day is a challenge for them. The corporate
8 citizenship of Comcast sends a clear message to
9 our children that people who don't even personally
10 know them want to reach out in their community
11 because they care. This imprint of hope will be
12 carried in their hearts for all of our children.

13 Comcast Care Day single day of service has
14 touched the lives of Beacon's south side high
15 school students in so many levels. Comcast
16 provided the plans, the supplies, the tools, the
17 manpower, and enthusiasm to pull together a
18 painting project too large for our budget.

19 Together with the students, we completed
20 painting all the classrooms and landscaped the
21 entrance of the high school.

22 All students were taught one-on-one how
23 to paint, how to take pride in their work, and how
24 to respect the present learning environment that

1 they created, and to help each and every day as
2 they walk in their new classrooms.

3 These students exuded confidence when they
4 spoke about the Comcast days as they shared their
5 stories of the employees who became role models
6 and friends.

7 These kids, who get little community
8 support and are rarely recognized, as well as
9 having corporate people embrace them. We're proud
10 of our partnership with Comcast and making a
11 difference in the lives of our children. We are
12 grateful for their commitment, their energy, and
13 their resources.

14 They are so willing to share with the
15 community in such desperate need. Comcast has
16 joined our mission of empowering children and
17 families by helping them find the ways --

18

19 MALE VOICE: Time.

20

21 MS. WORK: Okay. Thank you.

22

23 MR. FREEDMAN: Thank you very much.

24 Please go ahead.

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MS. SCHWARTZ: Good evening. My name is Susanna Schwartz and I'm with By The Hand Club For Kids, and we're an after school program serving 726 at-risk youth here in Chicago and Cabrini-Green, Englewood, Alcar (sp) Gardens, and Austin, and Comcast is a wonderful supporter of ours. They've really helped us tremendously.

One way that they've helped us is they've helped us with our reading program through funding and this past year, all of our kids enter with GPA of lower than 2.0 and lower than 25 percent of their ISAT test scores, and this past year we had 45 percent of our kids end the year with A's, B's, and C's up from D's and F's, and 130 kids on the honor roll.

And Comcast has not only helped us financially, but they've also helped us through sending role models to volunteer with our kids and really help them see people in the regular workplace and lots of different career opportunities.

They also -- like I said, their organization helped us with their Comcast Cares

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Day.

They brought up 50 volunteers to volunteer at our Englewood site and totally helped change and rehab our location there in Englewood, and they've been a wonderful supporter and partner and we are just so thankful for our partnership with Comcast.

Thank you.

MR. FREEDMAN: Thank you. Thank you very much.

Please go ahead.

MS. SCHMIDT: Good evening. My name is Cynthia Schmidt.

I'm with the Association House of Chicago. We're an historic institution here in Chicago serving the Greater West Town near north Humble Park areas. We've been here for more than 110 years.

I'm here tonight to let you know, as you hear testimony about the proposed merger, the incredible role that Comcast has played in the life of Association House. They have given major

1 support to help life-changing programs, such as
2 children's literacy and tutoring. Comcast has
3 donated countless hours of free air time,
4 including "Newsmakers," "Community Connections,"
5 and "Inside Comcast" to share information about
6 critically needed programs for some of the most
7 underserved communities here in Chicago and
8 beyond.

9 Hundreds of their employees as you've
10 heard have volunteered at agent -- at our agency
11 during Comcast Care Days, but also, key leaders of
12 their company have served on our board, shaping
13 policy that is truly making a difference to those
14 citizens most in need.

15 Our organization has thrived because of
16 Comcast and for more than a decade, Comcast has
17 made a difference and we -- we were just counting
18 the numbers since they -- since we became a
19 community partner, and more than a half a million
20 families have come through our agency during the
21 time they have supported us.

22 And I know we're just one of hundreds of
23 organizations here in Chicago that have been
24 helped by Comcast, so as you hear testimony, just

1 bear in mind the extraordinary commitment of this
2 company to the citizens of Chicago and far beyond.

3 Thank you.

4
5 MR. FREEDMAN: Thank you for your
6 comments.

7 Please go ahead.

8
9 MS. LOGAN: I am Phyllis Logan, a HUD
10 certified housing counselor, the housing committee
11 chair. And I host our call-in show every week on
12 public access television for the Chicago west side
13 branch, NAACP.

14 We're a 100-year old civil rights
15 organization.

16 The mission of the National Association
17 for the Advancement of Colored People is to ensure
18 the political, educational, social, and economic
19 equality of rights of all persons and to eliminate
20 racial hatred and racial discrimination. One of
21 our principal objectives is to seek the enactment
22 and enforcement of federal, state, and local laws
23 securing civil rights. Our fight has always been
24 for equal rights and equal justice.

1 We strongly urge the FCC to execute its
2 mission to keep barriers down and to foster
3 localism and diversity. We urge the FCC to stop
4 any existing or new discriminations against PEG
5 channels, including AT&T's U-verse system.

6 Bigger is not always better and too big to
7 fail eliminates freedom of speech and freedom of
8 choice.

9 Our organization uses a public access
10 television to provide information and answers
11 to families within our many Chicago communities.
12 Public access, CAN TV, has been vital to us in
13 reaching many homeowners who are faced with
14 foreclosure due to economic hardship. Having
15 affordable, accessible television options to reach
16 our many communities has been our -- has been
17 absolutely critical.

18 Freedom to choose what to watch on basic
19 television's public access channels should not be
20 diminished or eliminated. Our referrals on the
21 show have resulted in many families having access
22 to resources that they need to keep their home.

23 We're able to reach renters seeking
24 affordable rental housing and homeowners wanting

1 to apply for President Obama's Making Home
2 Affordable Program. We need the support of
3 government regulations from the FCC to
4 safeguard the public's access PEG. We ask the FCC
5 not to allow any bait and switch on new
6 technologies and television.

7 We urge east -- we urge FCC not to let
8 companies or cities exclude the public.
9 Discrimination is never acceptable.

10 Thank you.

11
12 MR. FREEDMAN: Thank you.

13 Let me just mention one thing before we go
14 a little further:

15 All of the comments that you're
16 providing today are going to be a part of the
17 official record of the commission and the docket
18 that's considering this transaction and there will
19 be a transcript, so it would be useful at the
20 start of your comments, if you could, to state
21 your name and spell it out so that we get it
22 correctly.

23 And if you're speaking tonight with regard
24 to a group that you're affiliated, if you could

1 mention that as well, that would be useful.

2 Thank you.

3 Go ahead.

4

5 MR. FORCARO: My name is Nick Forcaro (sp)
6 and I'm here representing a small media arts
7 organization in Chicago, (inaudible) films.
8 Worked in public access television and public
9 broadcasting with social media documentaries, and
10 I'm speaking on behalf of public access television
11 and challenging the FCC towards a greater role in
12 removing barriers and stopping discrimination
13 against public access, and I speak on behalf of
14 personal experience.

15 My career began in a public access
16 station. Provided skills for me as an
17 11-year-old, and two degrees later, I'm now
18 working as a documentary film maker and more
19 importantly, the role of public access channels
20 not necessarily merely as providers of job
21 skills for just media and film-related
22 organizations and jobs, but also as an incubator
23 for responsible public citizens and a vital public
24 sphere for people who learn the way to express

1 their voice, not necessarily through media
2 organizations, but learning those tools through
3 their lessons and opportunities provided.

4 Thanks.

5
6 MR. FREEDMAN: Thank you.

7 Please go ahead.

8
9 MR. POWLEK: My name is Brian Powlek (sp)
10 and I'm here on behalf of the League of United
11 Latin American Citizens, LULAC Council 5218 in
12 Aurora, Illinois, one of Comcast's local community
13 partners.

14 LULAC is the nation's largest Hispanic
15 civil rights organization and has been involved in
16 groundbreaking programs more than 80 years. Our
17 local LULAC Council has worked to defend the civil
18 rights of our residents, provide social services
19 to those in need, and to award more than \$150,000
20 in college scholarships to local students.
21 Education is crucial to the success of our youth,
22 especially in the Hispanic community.

23 Through our scholarship program, we try to
24 provide the opportunity to succeed to as many

1 local students as possible. Thankfully, we've had
2 a wonderful partner in Comcast.

3 For several years, Comcast has been a
4 sponsor of our scholarship program. As you know,
5 every dollar makes a difference and Comcast's
6 generosity has made a big difference with the
7 kids. Comcast has also used its airwaves to
8 promote our events to the community.

9 In fact, Comcast has been active throughout
10 the entire Aurora community. Comcast has
11 sponsored community festivals and children's
12 events.

13 Comcast employees have joined with Aurora
14 residents to clean up our neighborhoods. Comcast
15 worked with the city to revitalize a historic park
16 which used to be known for its crime and vagrancy
17 and now offers a beautiful, safe place for
18 families and a neighborhood park.

19 One of the best things about Comcast is
20 its willingness to partner with local
21 organizations to fund local projects. In these
22 tough economic times, it's hard to find corporate
23 partners of any kind and often these partnerships
24 are created a regional or national level,

1 preventing the funds from reaching local
2 organizations like ours.

3 However, Comcast's community affairs
4 structure is localized and it's different. Our
5 Comcast community affairs manager has been out in
6 the community, even with our residents, planting
7 flowers, cleaning up neighborhoods, seeing the
8 first-hand impact of Comcast's partnership in the
9 community.

10 She attends our scholarship banquets and
11 meets with the students who benefit from Comcast's
12 sponsorship. This is truly what a community
13 partnership should be.

14 LULAC and the greater Aurora community are
15 proud of our partnership with Comcast and the
16 benefits that this partnership has had on our
17 residents. We look forward to continuing this
18 partnership for years to come and we're thankful
19 for Comcast's dedication to the communities it
20 serves.

21 Thank you.

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23 MR. FREEDMAN: Thank you.

24 Go ahead, please.

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MS. MARSHALL: My name is Terry Marshall,
director of external affairs for Prevention First.

We're a nonprofit organization founded in
1980 here in Illinois. We're the only training
and resource center in Illinois specializing
primarily in drug abuse prevention.

This issue carries a lot of stigma with it
and it is very difficult for us to get a public
forum for our messages.

In 2003 Comcast committed to donating
millions of dollars' worth of public service air
time to the National Partnership For a Drug-Free
America.

As the Illinois affiliate for the
partnership, I cold-called Comcast Chicago region
office simply to ask if they would consider using
some of our Illinois drug prevention PSA. They
could have easily taken my spots and called it a
day.

Instead, they asked what more they could
do for us and wanted to meet to discuss ways they
could help us. They became a true partner with
Prevention First in every sense of the word.

1 Since then Comcast has hosted two major
2 televised town hall meetings about drug issues
3 with us that other media would not air. They
4 helped us launch a new middle school drug
5 prevention program by connecting us with schools
6 and donating equipment.

7 They invited us to appear on their local
8 origination programs numerous times every year.
9 They've not only sponsored our fund-raising
10 events, their staff has served on every one of our
11 fund-raising committees and actively worked with
12 us to make our events successful, and we have
13 benefited from their invitations for us to
14 attend luncheons and other community functions
15 where they've introduced us to others who have
16 become our partners and supporters as well. These
17 are just a few of the many examples I could give
18 of the true partnership between Comcast and
19 Prevention First.

20 I've met other nonprofits that have
21 benefited as well.

22 Finally, we have also developed a
23 relationship with WMAQTV and Telemundo here in
24 Chicago. They've provided some support for our

1 efforts, which I hope would expand when combined
2 with Comcast's existing structure for providing
3 community outreach.

4 Thank you.

5
6 MR. FREEDMAN: Thank you.
7 Please.

8
9 MS. HILL: My name is Shirley Hill and I'm
10 with Total Living Network, which is a totally
11 independent cable channel based here in Chicago
12 and carried on Comcast, and I'm also speaking on
13 behalf of our president, Jerry Rose, who couldn't
14 be here today.

15 First I wanted to talk about growth. We
16 started out on cable with a few amount of
17 subscribers, and with Comcast predecessors, had an
18 agreement to grow and we did slowly, but when
19 Comcast came into the market, we experienced our
20 most significant growth to being pretty much fully
21 penetrated, as well as being offered opportunities
22 to expand into the other markets close by. So we
23 appreciated that, as well as opportunities they've
24 worked with us on multiplatform VOD and

1 opportunities in video.

2 Secondly, we consider them a trusted
3 partner because they've delivered on what they've
4 said they're going to do, including in the
5 community.

6 We are community involved and we've often
7 come to Comcast looking for opportunities, and as
8 you've heard, they're not hard to find. We've
9 worked with them each year on Comcast Cares Day,
10 as well as initiatives we have as well as
11 initiatives they have.

12 And what we've found is, is when we
13 partner with organizations that they're
14 supporting, it is not a one-time thing. We
15 find that their executives as well as their
16 front-line employees tend to stay in contact in
17 their communities and serve their communities all
18 year long and -- and support them.

19 We also have a full power broadcast
20 station in San Francisco and we worked with
21 Comcast there as well, and we found in that
22 platform it's been a very mutually beneficial
23 partnership.

24 We found that their operation's objectives

1 have been very compatible with our broadcast
2 interest out there in San -- in California and
3 we've been able to form very beneficial
4 agreements. So we believe that they provide
5 multiplatform growth for programmers, they deliver
6 on their promises, we feel they're a trusted
7 partner, and we're respectful of the involvement
8 they have in their communities.

9
10 MR. FREEDMAN: Thank you very much.

11
12 MS. LYNN: Hello. My name is Sue Lynn and
13 I'm the executive director of the Moraine Valley
14 Community College Foundation. Our foundation is
15 the educational foundation for the second largest
16 community college in the state of Illinois. We --
17 we annually serve 42,000 students that range in
18 age from toddlers to octogenarians.

19 We serve 26 communities in the southwest
20 suburbs of Chicago and have a very rich and
21 diverse population.

22 I am here to tell you that Comcast has, at
23 least in our opinion, been a considerable
24 corporate partner and good corporate citizen.

1 In the five years that I have been the
2 executive director at the foundation, I have had
3 the privilege to be able to work with two Comcast
4 employees who have both served on our
5 foundation -- one served and has left and one is
6 currently sitting on our foundation board.

7 And with their help and guidance, we have
8 been able annually to raise tens of thousands of
9 dollars for scholarship support and tens of
10 thousands of dollars for student financial
11 emergency assistance.

12 In -- in all cases the students who
13 receive the support that comes through the efforts
14 of the foundation would not have access to higher
15 education, and so the work that the individuals
16 from Comcast and the rest of our foundation board
17 are doing is -- is very important to us. Finally,
18 I want to tell you that Comcast as a corporation
19 has supported us annually through our fund-raising
20 efforts and we -- we value their help, and without
21 their help we wouldn't be able to provide the
22 support that we do for our students.

23 Thank you.

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MR. FREEDMAN: Thank you.

Please.

MR. MIHELICH: My name is Andy Mihelich.

For the past three years, I have been the executive director of the Spanish Community Center in Joliet, Illinois.

Prior to the Spanish Community Center, I worked for Joliet Junior College for 30 years. I retired with the distinction associate vice president emeritus.

The Spanish Community Center is a not-for-profit 501(c)(3) community-based organization.

Our mission is the provision of educational and social services.

Our major services include a day care center, food pantry, immigration, agency referral, ESL and GEG training. We primarily serve the city of Joliet, but our service area includes all of Will County.

We are also a partner agency of the United Way of Will County. After becoming the Spanish Community Center's executive director, my first

1 goal was to create an education matriculation
2 process. Joliet Junior College was already
3 providing ESL classes.

4 The next step was GED training. To
5 achieve this objective, we needed to provide
6 technology -- technological upgrades to our
7 classrooms.

8 Comcast responded to our request for
9 assistance with a 15,000-dollar grant. This
10 enabled us to provide better educational resources
11 to our ESL students and initiated GED training
12 program taught in Spanish. Requests for
13 assistance to the Comcast Foundation was made
14 possible by our previous and ongoing relationships
15 with the Chicagoland divisions of Comcast.

16 Comcast has been a gold-level sponsor of
17 our Latin Music Festival, our biggest fund-raiser
18 for multiple years. We have been on two different
19 Comcast shows on two different occasions to
20 promote our services and the festival. Comcast
21 also provided a representative to serve on our
22 board of directors.

23 I am pleased to say and without hesitation
24 that Comcast has and continues to be one of our

1 best supporters. If their corporate citizen
2 responsibilities were judged by their involvement
3 with the Spanish Community Center --

4
5 MALE VOICE: Time.

6
7 MR. FREEDMAN: Thank you for sharing your
8 thoughts with us.

9 Please go ahead.

10
11 MR. GARCIA: My name's Ed Garcia from
12 the Back of the Yards Neighborhood Council.
13 The Back of the Yards Neighborhood Council is the
14 oldest community-based organization in America,
15 founded in 1939. We combine economic development
16 and social service programs to address challenges
17 in the Back of the Yards neighborhood. We work
18 alongside elected officials, residents,
19 businesses, and community leaders to create
20 programs and deliver services to fulfill the needs
21 of children and adults, seniors, businesses, and
22 other community partners.

23 We have after-school programs,
24 particularly our dance program of 250 at-risk --

1 at-risk youth.

2 We brought a free shuttle program as a
3 service to seniors in the -- in the neighborhood.

4 We teach GED and computer literacy
5 classes.

6 We have a summer work program with 230
7 youth. We recently started a newspaper in this
8 past February which includes a youth journalism
9 team of ten kids, each representing one grade
10 school in the neighborhood, and without good
11 stewards who are committed to the community like
12 Comcast, organizations like ours would not be able
13 to thrive and the residents in communities like
14 Back of the Yards would not be afforded
15 opportunities to positively impact their lives.

16
17 MR. FREEDMAN: Thank you. Thank you.
18 Please.

19
20 MR. JAMES: Good evening.

21 My name is Neil James, spelled N-e-i-l,
22 J-a-m-e-s. I'm the deputy director of the West
23 Central Municipal Conference.

24 I'm here today to support Comcast and its

1 partnership proposal with NBC Universal. The West
2 Central Municipal Conference, or WCMC, was founded
3 in 1980 to serve local municipalities. Today 36
4 communities located in west suburban Cook County
5 participate in our current population of more than
6 570,000 is diverse and growing. Our mission is to
7 foster municipal cooperation and communication,
8 develop solutions, and advocate common interests
9 at the county, state, and federal levels of
10 government.

11 Comcast is a long-time affiliate member of
12 the West Central Municipal Conference. Comcast
13 has long been a supporter of our annual
14 initiatives and has sponsored various charitable
15 events in our member communities. As our
16 executive director Richard F.

17 Pelligrino has often stated, Comcast
18 epitomizes ethical corporate citizenship. Another
19 very important aspect of Comcast is that it is a
20 valuable member in our business community.

21 The company employs hundreds of local
22 residents and provides very, very valuable
23 services to the homeowners, but also to the
24 many businesses located in west suburban Cook

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County.

We greatly value Comcast's investment in our communities.

At the West Central Municipal Conference, our focus is the future. Quite simply, our objective is to provide a regional mechanism for intergovernmental cooperation among members. We believe that this proposal will greatly strengthen west suburban Cook County and we ask for the approval of the proposal.

Thank you.

MR. FREEDMAN: Thank you for your comments.

Please go ahead.

MR. GOMEZ: Hello. My name is Alan Gomez and I'm here representing (inaudible) a Latin American solidarity collective based in Chicago. We build low-power FM stations in communities throughout Latin America because we believe that access to media is an integral part of the democratic -- of democratic participation.

An example of the power that access to media can

1 provide is in a station we work with in Nicaragua.

2 A women's cooperative there established a
3 health center in 1991, providing the only local
4 medical care for 30,000 regional inhabitants.

5 Initially well received, the health
6 care -- the health care center came under
7 attack when they started to address domestic
8 violence.

9 The only existing station in the small
10 town adhered to very antiquated ideas about women
11 as property of men. They would go so far as to
12 denounce the health center women as witches. The
13 women recognized the importance of having their
14 own radio station to inform, provide education,
15 and participate in the dialogue.

16 Today, that station we helped build is the
17 most significant radio station in the region. It
18 plays an integral role in the health and vitality
19 of the community and the town proper and
20 outlying -- outlying, harder-to-reach areas.

21 Our philosophy is simple: Put the tools
22 into the hands of the community. That gives them
23 agency, which is the basis for a democratic
24 participation.

1 We do this work in rural Latin America
2 because there is no existing infrastructure. But
3 here in Chicago, where we have existing
4 infrastructure, we find ourselves repeatedly
5 fighting to save it from disappearing.

6 Chicago public access station, CAN TV, is
7 a prime example of this. We need to strengthen
8 the viability of these outlets with a plan to grow
9 capacity.

10 We need regulation that will strengthen
11 the public's resource, not weaken them. We need
12 oversight into every deal and merger that
13 guarantees that the public will not be paying the
14 price for private investment.

15 And from the FCC we need long-term vision
16 and action that says we are here to serve and
17 protect the public's interest at every turn.
18 Public access stations provide the tools for
19 people to freely participate in the dialogue. In
20 a democracy, what could be more important than
21 that?

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23 MR. FREEDMAN: Thank you for your
24 thoughts.

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Go ahead, please.

MS. BURNS: Good evening. My name is
Cassie Burns, B-u-r-n-s.

I believe that there's opportunity just
behind these doors. There is a young woman such
as myself waiting on her opportunity to have a
career, waiting on her opportunity for someone to
tell her that she can do it, because that's what
happened to me. I started my career in the cable
industry as a door-to-door sales rep, never
thinking that it would -- it would go anywhere.

I was tired of sales so I said okay, I'll
try to work in cable sales. At least I'll be on
the cutting edge of technology. And from there
Comcast has given me numerous opportunities to
develop.

I'm here to tell you today that since I've
been in the cable industry, I've had four
promotions, one in which I stand here very proudly
to say that I am a role model for my family and
for my friends. I am someone that my family can
look up to. I am a mother of two lovely
daughters, one who just graduated this past June

1 from DeVry and one who is a sophomore at Howard
2 University in D.C.

3 I want to tell you that Comcast has also
4 helped me to restore value in my daughters.

5 My grandfather once told me that service
6 is the price you pay for the space you occupy.
7 And
8 for that, I want to be able to say that my
9 children see that we give back to the community.
10 Working with Comcast they look forward to it.

11 Thank you.

12

13 MR. FREEDMAN: Thank you.

14 Please go ahead.

15

16 MS. CASTELLAN: Good evening. My name is
17 Barbara Castellan. I'm CEO at Gads Hill, a
18 community resource center established in 1898. We
19 partner with the community to develop the assets
20 of children, youth, adults, and families and we
21 serve the communities of -- in Chicago of Pilsen,
22 North Lawndale, Little Village, Back of the Yards,
23 and Brighton Park.

24 The -- the vision of our organization is

1 that every family should have the skills, the
2 education, and the opportunity to make a better
3 life, and Comcast has been a partner with us for a
4 number of years now in fulfilling that mission.

5 I firmly believe that Comcast will
6 continue to its strong support of the community,
7 no matter what its corporate size. The core
8 values of Comcast and their employees make giving
9 back to the community a joy for them and for those
10 of us who partner with them on behalf of the
11 community.

12 Gads Hill Center has enjoyed support from
13 Comcast neighbors for several years. Comcast
14 employees have volunteered with us, they've joined
15 our committees, they've taken on leadership roles
16 on our board of directors.

17 Comcast sponsored a vocational training
18 program and built a computer lab for the children
19 in our community. They're committed to bringing
20 parity for low-income people and access to
21 communication and technology.

22 We know we are only one of many local
23 nonprofits to receive their support. You can see
24 from the testimony here that a number of

1 nonprofits in this area and the entire
2 metropolitan community are strong -- are strongly
3 supported by Comcast.

4 The annual Comcast Cares Day has provided
5 support and funding to us as well as all of these
6 nonprofits in the tri-state region. Through this
7 experience their employees are introduced to us --

8 MALE VOICE: Time.

9

10 MR. FREEDMAN: Thank you.

11 Let's just take a minute to replenish our
12 lines to keep this going.

13 If numbers 11 through 20 could come down
14 here and line up in the back of the line, and over
15 here numbers 61 to 70, if you can work your way to
16 microphone B, that would be great.

17 In the meantime, please go ahead.

18

19 MS. KELLY: Thank you.

20 My name is Maureen Kelly. I am the
21 chairman of the board of the Chicago Southland
22 Chamber of Commerce. I'm also employed at Saint
23 Xavier University.

24 The chamber of commerce -- the Southland

1 Chamber of Commerce is -- consists of 85
2 communities in the Southland region. We have
3 approximately 800 members.

4 We're primarily a volunteer organization.
5 We have a very small staff, so we rely on
6 community members and corporate partners to -- for
7 the success of our -- our operation.

8 Our mission is assist and help provide the
9 tools to businesses in our region to help make
10 them better. We work on economic development and
11 we do this through programming.

12 Without the ongoing support that we've
13 enjoyed from Comcast over the years, our
14 organization probably wouldn't be able to do that.
15 We bring in speakers and we have programming on a
16 regular basis that assists upcoming businesses,
17 long-standing businesses in our community. I
18 truly believe that through making the business
19 community stronger in our region, we're helping
20 our schools and we're helping our communities.

21 Our organization works very closely with
22 elected officials on the state, federal, and
23 government levels.

24 Comcast has always been an active member

1 on our board of directors. They've taken up
2 advocacy issues that frankly have nothing to do
3 with their industry but know that they're good for
4 our region.

5 So I'm here in support of Comcast. We're
6 appreciative to the -- the partnership that we
7 have with them and I thank you for your time.

8

9 MR. FREEDMAN: Thank you for coming.
10 Go ahead.

11

12 MR. McDANIEL: Good evening.

13 My name is Joseph McDaniel and I am the
14 club director for the Boys and Girls Club of
15 Chicago's John A. Yancy Club in Englewood's
16 neighborhood.

17 I want to be here tonight to tell the
18 committee how good Comcast has been to me and my
19 club.

20 On April 24th of this year, almost 200
21 Comcast employees and their families volunteered
22 their Saturday morning and afternoon to come to
23 the Yancy Club for a day of service.

24 We had people cleaning our grounds,

1 painting the facility, planting flowers, bushes,
2 and trees, and beautifying our entire facility.

3 It was a wonderful sight to see. At the
4 end of the day of service, Comcast went even
5 further in the -- in their assistance toward our
6 club by presenting us with a 25,000-dollar check
7 to buy a new computer lab and new software for our
8 members. They also installed new -- new wiring
9 for free and have donated brand new wireless
10 systems for the Yancy Club.

11 Because of Comcast, 70 kids are placed at
12 a better educational standpoint. They take
13 ownership and they're accountable for keeping the
14 club nice and clean.

15 I believe if you look better, you feel
16 better, and you do better. Comcast provided that
17 boost needed to inspire the Woodlawn community to
18 take the pride in the community and Yancy club.

19 The partnership expressed the concern
20 Comcast shares in the struggle to assist many
21 at-risk youth in becoming future leaders.

22 Thank you.

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24 MR. FREEDMAN: Thank you.

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Please go ahead.

MR. LEHMAN: Dale Lehman, L-e-h-m-a-n.
Neighbors For Peace and activist with WZRD, which
is a Pacific affiliate.

The largesse of a feudal lord may benefit
those who receive it, but Comcast's role in this
town doesn't make for democracy or access to real
information on which decisions which affect our
future will be made if there's to be a democracy.
I'm opposed to the merger.

NBC has already shown itself to be a
promoter of war, they've shown themselves to
limit access to information about the hazards of
nuclear power, and they've shown themselves to be
participants in the covering up of two stolen
elections in this country.

If there's to be a real democracy in this
country, which the oligarchs seem to be in great
fear of, we need access to more information such
as is available from programs like "Democracy
Now," which Comcast has refused to allow
onto its cable network.

So I have had a chance recently to travel

1 out west and talk to people casually. It's not a
2 precise survey, but a lot of people are very
3 disillusioned, disillusioned by what they saw
4 happen on the bailout of Wall Street instead of
5 Main Street and disillusioned in the kind of
6 disconnect between how it was reported in the
7 mainstream media like NBC, etc., that this was
8 somehow benefiting them.

9 It's real disillusionment.

10 I've heard people talk about getting
11 their guns and revolution. That is not going to
12 solve anything in this country's future except
13 move it further toward fascism of the corporate
14 type.

15 Thank you for your time.

16
17 MR. FREEDMAN: Thank you for sharing your
18 views with us.

19 Sir.

20
21 MR. SZCZEPANCZYK: Good evening.

22 My name is Mitchell Szczepanczyk, spelled
23 M-i-t-c-h-e-l-l, S-z-c-z-e-p-a-n-c-z-y-k. You
24 asked me to spell it; I did.

1 I have been organizing for years against
2 the corporate control of media in Chicago and
3 nationwide, mostly with the group Chicago Media
4 Action.

5 I oppose the proposed merger of Comcast
6 and NBC Universal. In my time working as a
7 political organizer on media issues, Comcast has
8 lobbied against better funding of Chicago public
9 access television, has funded scare campaigns to
10 defeat community Internet referenda in the Chicago
11 area, has tried to defeat network neutrality in
12 the courts and in Internet -- and in its
13 Internet traffic policies, has fired labor union
14 organizers, and past employee of Comcast called
15 one Chicago Comcast customer a, quote, bitch dog,
16 unquote.

17 Chicago Mayor Daley has called Comcast,
18 quote, a model corporate citizen, unquote, but the
19 record speaks a different story, and it gets
20 worse.

21 If Comcast buys out NBC Universal,
22 suddenly the big bully of cable television and
23 broadband Internet now becomes a big bully at the
24 National Association of Broadcasters, the

1 Recording Industry Association of America, and the
2 Motion Picture Association of America as well.

3 With so many new rivals and so many new
4 industries, Comcast can now make a lot more new
5 enemies, and if the game is Comcast versus the
6 world, I'm betting on the world.

7 A big question for the FCC to contender --
8 to consider here is, does the FCC get egg on its
9 face and approve a merger that is arguably poised
10 to lead to such discord?

11 For this reason and for Comcast's overall
12 dismal record and abuse of its power, I urge
13 the FCC to reject this merger. (Inaudible.)

14 Thank you.

15
16 MR. FREEDMAN: Thank you.
17 Please.

18
19 MR. PEREZ: Good evening.

20 My name is Jacob Perez and I'm
21 representing UNO, the United Neighborhood
22 Organization. We're a civic nonprofit group
23 organizing within the Latino neighborhoods of
24 Chicago for the past 25 years around quality of

1 life issues, immigration, health care, housing,
2 and with a focus now on education.

3 This fall we'll be opening up our ninth
4 charter school in Chicago, making us the largest
5 Hispanic charter operator in the country, and
6 we are here to show our support for Comcast and
7 their joint venture with NBCU.

8 As many of you know, our state is facing
9 its worse -- its worst fiscal crisis ever, with
10 hundreds of millions of dollars being cut in
11 public education and it is Comcast that is
12 stepping up to the plate.

13 It is because of their support that UNO
14 will be able to continue with its much-lauded
15 Young Leaders of Tomorrow program where we get
16 hundreds of different professionals from different
17 backgrounds and fields to come and share their
18 stories with our students, an initiative whose
19 sole goal is to develop global, knowledgeable,
20 lifelong learners.

21 Comcast has demonstrated its commitment to
22 community development and its UNO's belief that
23 the Comcast/NBC joint venture is in the public's
24 best interest.

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Thank you.

MR. FREEDMAN: Thank you for coming.
Please.

MR. MACEK: Good evening. My name is
Steve Macek, M-a-c-e-k. I'm a resident of
Naperville, Illinois and associate professor of
media studies at North Central College.

I oppose this deal because it will cost
our region jobs, undermine local journalism, limit
consumer options, and place increased control over
Chicago's media in the hands of a company that is
notorious for its abysmally low customer
satisfaction ratings and its disregard for
workers' rights.

As someone who teaches students to aspire
to careers in broadcasting and journalism, I'm
particularly concerned about what this merger will
mean for my students' future employment prospects.
Every media merger in history has been accompanied
by steep job cuts.

Following AOL's merger with Time Warner in
2000, the combined company laid off some 2400

1 employees in the first year alone, the equivalent
2 of three percent of its -- of its total premerger
3 workforce.

4 And that was at a time when the economy
5 was booming and media companies were flush with ad
6 revenues. Comcast alone employees some 7500
7 people in the Chicago area. If it trims three
8 percent of its local work force after the merger,
9 225 media workers in our market will lose their
10 jobs.

11 But given the dire economic situation
12 today and given the huge amount of debt that
13 Comcast will have to take on to pursue this
14 merger, in all likelihood, the cuts will be much
15 more severe.

16 Beyond that, I'm deeply troubled by
17 Comcast's well-documented hostility to its
18 workers' rights to organize and bargain
19 collectively.

20 After Comcast acquired AT&T Broadband in
21 2002, it proceeded to try to break the workers'
22 unions at a number of collecting bargaining units
23 it inherited as part of the deal, including at
24 five here -- five shops here in Chicago.

1 In short, the proposed merger is not in
2 workers' interests and it's certainly not in the
3 public interest.

4 The FCC should deny the application to
5 transfer NBC Universal's license broadcast
6 stations.

7
8 MALE VOICE: Time.

9
10 MR. FREEDMAN: Thank you, sir.
11 Ma'am.

12
13 MS. LEWIS: My name is Shelly Lewis.

14 I am the executive director of Little
15 Angels in Elgin. Little Angels is a facility for
16 children and young adults with severe disabilities
17 and complex medical needs. It is one of the most
18 specialized facilities in the state. We provide
19 round-the-clock skilled care and services and our
20 residents require total care for all activities of
21 daily living.

22 Comcast has proven to be a reliable
23 partner in helping us meet the needs of our
24 residents time and again. When we needed to

1 provide the digital upgrade to our residents'
2 televisions, a complicated venture given our
3 building infrastructure, Comcast promised to
4 make it a prompt, timely transition and they
5 delivered.

6 The work was swift, thorough, efficient,
7 and free of charge. Moreover, for two consecutive
8 years, more than 100 Comcast employee volunteers
9 have performed many chores around our grounds, all
10 as part of the annual Comcast Cares Day. In
11 addition, a local Comcast executive is a member of
12 the board of directors of our not-for-profit arm.

13 It has provided invaluable assistance
14 and direction with numerous large fund-raising
15 events.

16 Little Angels has learned that if Comcast
17 makes a promise, we can be certain they will
18 provide.

19 We are a 57-bed facility; small in
20 comparison to other organizations.

21 We are not backed or owned by a
22 corporation or a powerful entity. That Comcast
23 would provide so much help to a small facility in
24 a community of less than 100,000, it is testament

1 to Comcast's focus on the needs of the communities
2 where it does business. Little Angels is proud to
3 partnership -- we are proud of the partnership we
4 have established with Comcast. We are equally
5 proud to make known our support and appreciation
6 of Comcast.

7 Thank you very much.

8
9 MR. FREEDMAN: Thank you.

10 Please go ahead.

11
12 MS. ZAVALA: Yes. Hi, My name is Angela
13 Zavala, "z" as in zebra, a, "v" as in Victor,
14 a-l-a. And I'm here to talk about my experiences
15 as an Emma Bowen Foundation intern as well as a
16 Comcast employee.

17 I'm an alumni of the Emma Bowen
18 Foundation. It is a program for minority
19 interests in media and it basically partners
20 students with partner companies such as Comcast
21 for internships for five years -- throughout
22 college and right before college.

23 And I was part of that program and it was
24 a tremendous opportunity for me and for other

1 students because we really had a chance to learn
2 about the industry, to network with executives,
3 unlike any other chance I would have had to with
4 the family that -- with the background that I had.

5 So it was a really tremendous opportunity
6 that I could personally attest to Comcast.
7 And after graduating I knew right away that I
8 wanted to work for them because of their
9 commitment to minority interests in media, and I
10 felt that I would be able to go back and really
11 take advantage of all development opportunities
12 there, which I did, and of course I was very
13 excited by the opportunities that they offered,
14 and right away they gave me considerable -- oh --
15 they gave me considerable responsibilities within
16 the company.

17 They let me lead a United Way campaign
18 drive among employees, promote a scholarship
19 program, lead two days, big days, of
20 volunteerism -- in fact, it was one that somebody
21 just mentioned.

22 Additionally, I'm always given
23 opportunities and encouraged to volunteer in the
24 community, to participate in mentoring programs,

1 to participate in professional organizations, and
2 every day I really, truly feel that the leadership
3 really wants me to grow and develop and be an
4 active community leader. And so I just wanted to
5 personally attest to that today.

6 Thank you.

7
8 MR. FREEDMAN: Thank you for sharing your
9 thoughts with us tonight.

10 Go ahead.

11
12 MS. POPOVIC: Commissioner Copps, staff,
13 members of the media bureau, welcome to Chicago.
14 I'm Barbara Popovic, executive director of
15 Chicago's public access television network, CAN
16 TV.

17 The FCC recently asked over 40 questions
18 as part of its future of media proceeding. That
19 proceeding started with the assumption that many
20 of the challenges encountered in today's media
21 environment will be addressed by the market
22 without government intervention.

23 It's not happening. Comcast has made
24 public interest assertions about the merger. The

1 Alliance for Communications Democracy has filed
2 comments indicating the numerous ways that those
3 assertions failed to protect the public interest
4 in relation to PEG access.

5 In Chicago Comcast has made good on its
6 obligations regarding public access, but Comcast's
7 support of public channels has been withdrawn in a
8 growing number of places where government has
9 failed to protect the public. Despite the fact
10 that competition is but one of the FCC's public
11 interest goals, during the previous administration
12 competition trumped all other principles and a
13 host of FCC rulings shook up the field. Industry
14 dressed up business decisions that were adverse to
15 the public interest as a necessary reaction to
16 competition.

17 The FCC passed rulings that swept aside
18 decades of development in public media. We're
19 talking about three votes, because on most of
20 those rulings, Commissioner Copps was one of two
21 opposing votes.

22 So what will this FCC do to turn that
23 around? What will you do to affirmatively
24 reinstate the goals of localism, diversity, and

1 service for all?

2 The FCC has yet to grant the ACM, et al.
3 Petition challenging the discriminatory treatment
4 of PEG channels that blatantly defy these goals.

5 What signal does that send on this merger?
6 Understandably, the industry acts in its own
7 interest. It's the FCC's job to act in the public
8 interest. We don't need ombudsman at the FCC.

9 We need leaders.

10 Thank you.

11

12 MR. FREEDMAN: Thank you.

13 Sir, please proceed.

14

15 MR. HOWARD: Thank you.

16 My name is Michael Howard. I'm the CEO
17 of Fuller Park Community Development and I'm here
18 basically to attest to the fact of Comcast being
19 one of the most social responsible partners that
20 we have.

21 We've been in existence 22 years,
22 providing social service programs to one of
23 Chicago's smallest communities of Fuller Park, and
24 what's really interesting about our relationship

1 with Comcast is that they actually came and looked
2 us up.

3 We did not approach them. They came to us
4 and asked how can we help Fuller Park Community
5 Development meet its mission. And our mission was
6 -- is today to help improve the quality of life
7 for some of Chicago's porous -- poorest
8 communities and they have stepped up in providing
9 food gardens in a food desert.

10 They have built a children's farm and a
11 barn so that local residents can have fresh eggs.

12 They have come out and provided the local
13 resources so that kids can grow flowers and food
14 and learn about the -- the ecology that surrounds
15 them.

16 Our community outreach person from Comcast
17 has been more involved with our programs than any
18 other corporate partner than we've ever been able
19 to -- to become partners with.

20 And so we're here today to attest to the
21 fact that socially we find Comcast to be very
22 responsible, we find them to be very truthful
23 in -- in doing what they say they're going to do
24 in regards to the social ills that they have

1 helped us to address in our community, and we hope
2 that that corporate sensitivity will continue in
3 the future to help many other families that they
4 have helped, and to the families of Comcast and
5 their employees, which number in the hundreds, we
6 just would like to say thank you and we hope that
7 the FCC takes all that into consideration.

8 Thank you.

9
10 MR. FREEDMAN: Thank you for sharing your
11 thoughts with us tonight.

12 Go ahead.

13
14 MR. MURDOCK: Hello. I'm Bill Murdock and
15 I'm with Spanish Broadcasting System.

16 Mr. Copps, Mr. Lake, members of the FCC,
17 I'll be brief. There seems to be no doubt that
18 this proposal -- proposed joint venture would,
19 again, would once again reduce ownership diversity
20 at a time when the FCC has stated that one of its
21 major policy goals is to increase ownership
22 diversity.

23 I would like to know from the FCC
24 officials if they're in fact going to require

1 concessions from Comcast and NBC that some of
2 these assets will be offered to minority group
3 broadcasters as a precondition to governmental
4 approval of the joint venture and it would further
5 media diversity and reduce vertical integration to
6 require the divestiture of the NBC/Telemundo owned
7 and operated television stations as a precondition
8 of the merger with a preference to minority
9 broadcasters.

10 This would further the goal of diversity.

11 Thank you.

12
13 MR. FREEDMAN: Thank you.

14 Go ahead, please.

15
16 MS. SPENCER: Thank you, good evening. My
17 name is Elizabeth Spencer. I'm the executive
18 director of Naperville Community Television,
19 Channel 17.

20 Our mission is to educate, preserve,
21 assist, inform, entertain, and celebrate our
22 community through diverse programming of our
23 community television station, probably known best
24 as public access. We are 24/7.

1 We have three weekly programs: One news,
2 two sports. We do two bimonthlies and one live
3 talk show a month that celebrates our
4 not-for-profits and gives them a voice. And we've
5 been in existence for about 23 years.

6 About six years ago we actively engaged
7 our cable partners, which are Comcast and also
8 Wide Open West, and now AT&T, and we actively
9 engaged them and invited them to sit on our board
10 of directors.

11 They've always had that opportunity, just
12 never taken advantage of it. And we have found
13 that partnership to be wonderful. They're able to
14 see what we're doing and be involved with our
15 community, and that was about six years ago.

16 Five years ago we moved locations and
17 Comcast stepped up. We were going to an
18 industrial park. There wasn't cable over there at
19 that time, so they had to trench to a lot of
20 expense of their own to bring the cable signal to
21 us and bring our signal back out to them, and they
22 eagerly did that without hesitation.

23 About three years ago we premiered a
24 sports program, a weekly sports program, called

1 "Naperville Sports Weekly."

2 It covers the six high schools in our
3 area, varsity sports, men's and women's. We are
4 one of the only groups in the Chicagoland area
5 provide -- providing this much high school
6 coverage for its area.

7 And we needed -- started out with
8 sponsorships, and Comcast was one of the first to
9 step up, and if anybody does sponsorship, it helps
10 to have a nice, big group come with you at the
11 start. It lends a lot of credibility to you, and
12 Comcast eagerly stepped up.

13 And so they have been a tremendous
14 partnership -- partner with us.

15 We've been able to educate a lot too. We
16 have both high school and college and internships
17 as well as community education. Some of our high
18 schoolers have gone on to do great things. We
19 have a high school student who went into -- became
20 a college intern, became a part-time employee on
21 the news show, and is now at ABC in New Bern,
22 North Carolina. We have a college student who
23 helped premier that news program --

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MALE VOICE: Time.

MS. SPENCER: -- who's now in CNN Atlanta.
Thank you.

MR. FREEDMAN: Thank you.
Please go ahead.

MS. CHAMBERLAIN: Hello. My name is
Dr. Laura Chamberlain (sp) and I'm a long-time
progressive activist in Chicago, a member of the
Progressive Democrats of America, and a number of
peace and health care advocates associations.
And the corporate consolidated media at the
present is deficient in progressive voices,
especially progressive news sources, and -- and
with this merger I can only see that this
situation would get worse rather than improve.

We -- the -- with the vertical integration
and the horizontal integration that are inherent
in this merger, I see that the -- it would only
crucify on the cross of consolidation the local
news, media unions, media jobs, media access, real
media competition, diversity of media ownership,
diversity of voices in the media, affordable

1 Internet and cable -- cable, open innovation of
2 content, technology, and distribution, net
3 neutrality, and possibly even drive a stake into
4 the heart of our very beloved democracy which
5 thrives on the vibrant free flow of information
6 and that is accessible to all.

7 I do not see any reason for this merger
8 other than corporate profit and greed. There --
9 there's no apparent benefit to the public good of
10 this merger.

11 Poorly enforced regulations are no
12 substitute for real competition in the media
13 market. And I have to ask, is Comcast a social
14 service agency or is it a media provider?

15 I -- I just have to ask this. It seems
16 like a great community partner, but that's not
17 what we're talking about here. We're talking
18 about media consolidation.

19 So I implore you, please, just say no.
20 Comcast will survive if you say no and NBC will
21 survive also.

22 If GE wants to divest themselves of NBC,
23 they can do so in the open market. They don't
24 have to -- you do not have to assist them in

1 creating --

2

3 MALE VOICE: Time.

4

5 MS. CHAMBERLAIN: -- another too big to
6 fail.

7

8 MR. FREEDMAN: Thank you for sharing your
9 views with us.

10 Sir, please go ahead.

11

12 MR. NARS: Thank you. My name is Nicholas
13 Nars (sp).

14 I'm a resident of the city of Chicago and
15 I'm just representing myself.

16 I feel very, very strongly that the
17 Comcast/NBC merger is a very, very bad idea and I
18 agree wholeheartedly with the previous speaker. I
19 think this is a threat to democracy.

20 I think this is a threat to freedom. I
21 think this -- one thing that particularly worries
22 me -- I listen to MSNBC every night. I look at --
23 I listen to Rachel Maddow and Ed Schultz, and I'm
24 afraid with this merger that those three people

1 could be -- and -- and Keith Olbermann as
2 well -- I fear that those three people could be
3 forced out, and that's my big fear about this
4 merger.

5 I think this is bad for America. I think
6 this is bad for democracy. I think this is very
7 bad for the city of Chicago.

8 I notice they want two new TV channels. I
9 think they have enough power, and based on all
10 this money going out and buying up all this
11 goodwill with the social service agencies, that's
12 fine.

13 I congratulate those social service
14 agencies on, you know, being successful. But
15 there's more to it than -- than just being a
16 social service agency. We need democracy, we
17 need freedom, we need transparency, and aren't we
18 all tired of big, arrogant corporations running
19 our lives?

20
21 MR. FREEDMAN: Thank you.

22 Please go ahead.

23
24 MS. CERVANTES: My name is Vickie

1 Cervantes, C-e-r-v-a-n-t-e-s, and I'm here
2 representing a community media producers group,
3 Eneajo, E-n-e-l-o-j-o.

4 We are an all-volunteer producers group.
5 We work in the Latino community of Pilsen and
6 Little Village with a number of community
7 organizations.

8 We are also CAN TV producers and we do
9 documentaries, talk shows, and cultural shows of
10 importance to the Latino community in Spanish or
11 bilingual.

12 We are very concerned with protection of
13 the public access to media. We believe that the
14 role of the FCC is crucial in this. We don't
15 believe that the role of the FCC is to make
16 decisions based on how generous a company may be
17 to community organizations, but on what's good for
18 democracy in media and democracy in this country.
19 We need spaces like CAN TV to receive more
20 protection.

21 We need the FCC to enforce regulations
22 that protect public access to the media.
23 Whenever there are insufficient laws mandating
24 public access, companies will cancel those --

1 those networks as Comcast has done in Springfield
2 and in places in Indiana. When the FCC does not
3 enforce vigorously the laws to protect the public,
4 companies will tend to ignore the regulations they
5 don't like, which is what seems to be happening
6 with AT&T and the U-verse.

7 What we are seeing is expansions
8 represented by these mergers actually reduce the
9 diversity of voices that get to be heard on the
10 air, and without vigorous protection of public
11 access, without vigorous enforcement of the real
12 public interest, voices from communities like ours
13 will be excluded.

14 Thank you.

15
16 MR. FREEDMAN: Thank you very much.

17 Go ahead, please.

18
19 MS. LEE: Hi. My name is Christine Lee.
20 I'm the owner of North Star Cable Construction.
21 It's a contracting firm for Comcast.

22 I'm grateful for Comcast giving me the
23 opportunity as an Asian female that maybe I would
24 not have otherwise gotten. When I first started

1 the company, I started with approximately 10 to 15
2 employees. We have now grown to over 100
3 employees.

4 During these hard economic times, because
5 of my partnership with Comcast, I have a company
6 which provides for myself and my family -- and I'm
7 also a single mom -- but in addition, I'm able to
8 provide jobs for hundred -- over 100 employees who
9 are also diverse in culture and heritage.

10 So in summary, I just wanted to say that
11 due to my partnership with Comcast, the city of
12 Chicago, including myself, benefits greatly.

13 Thank you.

14

15 MR. FREEDMAN: Thank you for sharing your
16 thoughts.

17 Please go ahead.

18

19 MS. KENNY: My name is Christine Kenny.
20 I'm the executive director of Literacy Works, and
21 Literacy Works' mission is to provide a basic
22 human right: The right to read, write, and
23 interpret the world.

24 Literacy Works provides training, support,

1 and direct services to adult and family literacy
2 programs as well as work force development
3 programs.

4 We work with 50 different member agencies
5 in over 30 communities across the Chicago area.
6 Therefore, Comcast's financial support of Literacy
7 Works trickles across the Chicago area. We're
8 very grateful for Comcast's support and look
9 forward to working with them as partners into the
10 future.

11 Thank you.

12
13 MR. FREEDMAN: Thank you.

14 MS. BATHURST: Good evening. I want to
15 thank you for the opportunity to urge you to
16 safeguard public access in any decisions that you
17 make --

18
19 MR. FREEDMAN: Excuse me.

20 Could you just state your name. Go ahead,
21 I'm sorry.

22
23 MS. BATHURST: I'm sorry. My name is
24 Cynthia Bathurst and I am co-founder and principal

1 director of Safe Humane Chicago, which is a
2 501(c)(3) nonprofit.

3 Safe Humane Chicago is a diverse alliance
4 dedicated to stopping the violence against our
5 children and our companion animals. We promote
6 and
7 provide positive beneficial activities and
8 resources for those who need it most to make
9 safer, more humane communities.

10 Key aspects of our mission are meeting
11 local needs and connecting a diverse public in
12 very basic ways.

13 So I'm speaking tonight from the
14 perspective of organizations who -- whose use of
15 CAN TV's public access programming was crucial to
16 our successes.

17 Were it not for the opportunity provided
18 by access to Chicago's cable television audience,
19 we wouldn't be where we are with Safe Humane
20 Chicago.

21 Because of public access programming we
22 have hosted and connected with a broad range of
23 guests, including community members grappling with
24 violence and related companion animal issues,

1 animal, family, and community welfare
2 professionals, criminal justice professionals,
3 neighborhood groups, and individuals young and
4 old.

5 The demographics we have reached was
6 and continues to be those who need our message and
7 our resources and our partnership. Public access
8 programming took us beyond the anti-violence
9 initiatives, beyond the animal welfare public to a
10 broader public whom we could reach in no other
11 single way.

12 So here's my concern with the merger: A
13 loss of independent public access at a time and in
14 a political climate that depends on public access.
15 I urge you to ensure that we do not sacrifice
16 public access to private profit.

17 One of Safe Humane Chicago's community
18 programs is called It's All Connected.

19 Please help keep us connected.

20 Thank you.

21

22 MR. FREEDMAN: Thank you.

23 Please, sir.

24

1 MR. GURITZ: Good evening. My name is
2 David Guritz, G-u-r-i-t-z.

3 I'm here representing the Forest
4 Preserve District of DuPage County and also here
5 to express support for the Comcast/NBCU/GE joint
6 venture.

7 I'm here to attest to the corporate
8 citizenship initiatives of Comcast. For the past
9 three years the Forest Preserve District has been
10 in partnership, worked in partnership with Comcast
11 through its -- its corporate citizenship
12 initiatives, including Comcast Cares. This has
13 included work at three of the district's education
14 centers.

15 What this does is in addition to providing
16 support for these park resources that are -- that
17 are a public benefit, it also heightens awareness
18 of these facilities to the general public through
19 their media outlets.

20 I'd like to share a short excerpt that was
21 written from our president, Dewey Pierotti, to the
22 FCC commission, Chairman Genachowski, and
23 Commission Copps is copied on this as well.
24 Comcast's commitment to the Forest Preserve

1 District of DuPage County is multifaceted.

2 Personally appeared on Comcast
3 "Newsmakers" to spread the word about our mission
4 and work. We are proud to partner with Comcast
5 each year for their annual day of volunteerism.

6 Together we have mobilized hundreds of
7 volunteers to beautify and improve our parks,
8 farms, and forest preserves. On April 24, 2010
9 most recently, volunteers worked to plant flowers,
10 spread mulch, paint sheds, pick up debris, and
11 clean trails.

12 Comcast is an ideal corporate and
13 community partner. Its support through
14 volunteerism, media, and charitable works have
15 woven the fabric of our communities.

16 In addition to the media contributions
17 from Comcast, seed funding has provided support
18 for everything from public special events to small
19 capital improvement projects at the preserves.
20 I'm here to thank the commission for this
21 opportunity to attest to Comcast's corporate
22 citizenship initiatives and express support for
23 this joint venture.

24 Thank you very much.

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MR. FREEDMAN: Thank you, sir.

Thanks for coming down.

If we could replenish our groups a little bit.

Folks that have numbers 21 through 30, please line up under microphone A, behind microphone A, and 71 through 80 by microphone B. Appreciate it.

And please go ahead, sir.

MR. KANG: My name is Sam Kang, spelled K-a-n-g.

I'm the managing attorney for the Greenlining Institute. Greenlining is a nonprofit advocacy organization seeking to protect consumers in California's diverse communities. Greenlining is part of the national coalition for competition.

We have filed an official petition to deny with the FCC and I personally testified before Congress on this matter last month. I'm not here to dispel or dispute Comcast's work in the community based on the organizations we've heard from.

1 I'm here to point out two keys of the --
2 of the myriad of promise that deal with the merger
3 itself.

4 You've heard of the -- the self-evident
5 benefits of having diverse media ownership and how
6 Comcast is lacking in that, but why is that
7 important?

8 One, it has a direct impact on the health
9 of our democracy and I'll give you one fundamental
10 example. Last year there was a break -- a
11 breakthrough study conducted that measured the
12 impact of local Spanish language TV news and
13 that's -- and having that available in Hispanic
14 markets increased Hispanic voter turnout in
15 those markets by as much as five to ten percentage
16 points.

17 Five to ten percent of more Hispanic
18 voters voted because there was local Spanish
19 language access TV and news available.

20 That means if you build it, they will come
21 and they will vote.

22 Unfortunately, Comcast is about to inherit
23 the entity and NBC had tried to dismantle five of
24 the top ten Hispanic media markets in this

1 country, and Comcast has a far worse record than
2 NBC.

3 It also -- it has a fundamental impact on
4 the economy. Verizon and AT&T in last year alone
5 injected \$600 million, \$600 million, in one year
6 alone to diverse businesses -- businesses in one
7 state in California.

8 Comcast has supplied diversity and
9 procurement is pitiful compared to that.
10 Why does that make a difference? Because if
11 Comcast allowed to compete head-to-head against
12 good players like AT&T and Verizon, it will siphon
13 away revenue from these communities and this will
14 prevent job growth.

15 I'm here to urge the FCC to come to
16 California. Chicago should not be viewed as the
17 end zone for public input. It should be seen as
18 the kickoff.

19 Thank you.

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21 MALE VOICE: Time.

22 MR. FREEDMAN: Thank you for sharing your
23 views with us.

24 Go ahead.

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MR. RHYNE: Hi. My name is Jim Rhyne, R-h-y-n-e, and I'm a resident of the city of Chicago. I don't have cable because I don't watch that much TV, so it doesn't make economic sense for me to pay for the few shows and news programs that I want to watch.

Instead, I rely on the free channels transmitted over the airwaves that we as citizens own.

In return for free use of these public airwaves, I expect a lot from the companies charged with serving the public interest. As I see it, this merger is groundbreaking for its potential damage to the public interest and our democracy.

And ultimately, it's about choice or the lack thereof. Who gets to choose how I view content over the public's airwaves?

As stewards of these airwaves, you, the FCC, hold the power to help protect my interest and my choice. I am profoundly opposed to this merger and the potential that one of the few stations I now get for free could be gobbled up

1 into a pay service, compelling me to buy something
2 that I don't want just to get a few channels I'm
3 entitled to view for free.

4 So I respectfully ask you to consider the
5 following: Does it make sense in service of the
6 public interest to allow one company that already
7 controls cable and Internet to also control these
8 vital broadcast stations?

9 Will Comcast honor current public service
10 broadcast commitments that, while worthy, go
11 beyond simply sponsoring and supporting local
12 nonprofits? How can we be sure content won't be
13 restricted for cable-only subscribers?

14 I understand Comcast has promised not to
15 meddle with over-the-air broadcasts, but they have
16 a history of broken promises. So even if they
17 agree, what would compel them to follow through?

18 At some point we must recognize the
19 irreversible erosion of a valuable public asset
20 like the airwaves and vow to stop allowing big
21 companies to grow bigger at the expense of the
22 public good and leaving consumers with no choice.

23 I hope you'll agree to a vote to deny this
24 merger.

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Thank you.

MR. FREEDMAN: Thank you.

Please go ahead.

MS. MARTINEZ: Good evening. My name is Mia Martinez, deputy director from Mabuhay Alliance. On behalf of Mabuhay Alliance and its executive director Faith Bautiste and on behalf of our nation's 18.5 million Asian Americans, we commend this commission for holding what we hope will be the first of many public forums or public hearings of the Comcast/NBC merger.

Mabuhay Alliance is a national Asian American consumer diversity and small business advocacy organization that first opposed Comcast's acquisition of NBC in its March 15th filing before the FCC.

In discussing conditions for approval for this merger, we are joined in this request by the Black Economic Council and the Latino Business Chamber of Greater Los Angeles.

Comcast's June 30th announcement that so-called agreement with some self-selected Latino

1 organizations has far too many deficiencies to be
2 considered in the public interest.

3 First, it contains no specific data
4 on their employment of minorities, no specific
5 data on business opportunities for minority-owned
6 businesses, no specifics on investments in
7 underserved communities, and no specific data on
8 philanthropy to underserved minority communities.
9 Second, this deficiency alone is sufficient.

10 However, it is compounded by an even
11 greater deficiency: It does not set any
12 specifics, much less measurable goals.

13 Nowhere in this -- nowhere in this
14 agreement is there any information on the number
15 of Latinos and how many will be employed relating
16 to future specific commitments for Latinos, much
17 less other minorities.

18 Similarly, nowhere does it contain any
19 specifics relating to investments or philanthropy
20 on Latinos or other minorities.

21 In light of these deficiencies, we urge
22 that the FCC request that Comcast go back to the
23 drawing board and meet with independent minority
24 organizations, including minority organizations

1 that have opposed this merger to develop an
2 effective multi-ethnic agreement.

3 This agreement must be transparent as to
4 the present status of Comcast and NBC relating to
5 minorities and must be very specific and --

6
7 MALE VOICE: Time.

8
9 MS. MARTINEZ: -- have measurable goals.
10 Thank you.

11
12 MR. FREEDMAN: Thank you for sharing your
13 views with us tonight. Sir.

14
15 MR. EVANS: Good evening. I'm Michael
16 Evans, president and CEO of the (inaudible)
17 chamber of commerce and I can't wait to get home
18 to watch some cable television. But I digress.

19 We're here today not to discuss the
20 creation of a media conglomerate, rather the
21 collaboration of investment and interest which
22 will provide consumers with some of the greatest
23 access to high -- high quality content and great
24 technology that's available to our families.

1 Our local communities benefit in a
2 variety of ways by having great access to good
3 paying careers, not just jobs, which has provided
4 a pay-it-forward attitude that I think we can all
5 agree, if businesses all across our country
6 represented that same mentality, our communities
7 would be far better off.

8 In addition, you've heard about the social
9 and not-for-profit investment they make in our
10 communities. These organizations make our towns
11 and villages and cities work. They provide
12 necessary resources that government and social
13 agencies just cannot without the financial
14 investment. But more importantly, they've
15 provided a platform through Comcast to small
16 business owners all around the country that --
17 where they have service.

18 Through their business-class line of
19 products and programs like "Newsmakers" and other
20 services and their quick, on-time service for
21 small business owners, and getting franchisees and
22 operators to open their doors and provide their
23 service to communities even quicker has provided
24 countless tax revenue, jobs, and so forth.

1 So I think we can all see that allowing
2 good corporate citizens to further their business
3 is going to provide a greater impact to our
4 economies in general.

5 Thank you.

6
7 MR. FREEDMAN: Thank you.

8 Please go ahead.

9
10 MR. DAVIS: Good evening.

11 My name is Grady Davis and I'm a proud
12 member of the Chicago "Dodo" Chapter of the
13 Tuskegee Airmen. I'm the elected parliamentarian
14 of the chapter and I'm not speaking for the
15 organization today.

16 I'm speaking for myself as an individual.
17 I'm also an independent producer of programs using
18 public access network company here in Chicago.

19 In 2007 I produced a miniseries on
20 original members of the Tuskegee Airmen that aired
21 on public access channels. I'm sure you are aware
22 of the history and the denial faced by all of the
23 original members of the Tuskegee Airmen when they
24 returned to public life.

1 That miniseries, while not perfect in
2 its production, was only possible because we in
3 Chicago have access to public channels that was
4 independent of corporate control.

5 The merger of Comcast and NBC is simply
6 the combining of two megagiants already in the
7 industry. Organizations like the Tuskegee Airmen
8 need a method to broadcast their programs that can
9 only be accomplished with open access to public
10 channels.

11 The Tuskegee Airmen have a Young Eagles
12 program to give youngsters between the ages of
13 7 and 17 the opportunity to fly a real airplane
14 every second Saturday of the month. We need to
15 broadcast our program without restrictions.

16 The pending merger should not limit but
17 enhance public access channels and your protection
18 should be that of a guardian of public access
19 channels.

20 Any possible merger of Comcast and NBC
21 must have the safeguards to protect and help
22 improve public educational and governmental
23 channels.

24 I place the emphasis on public because

1 that represents the people, not just the
2 politicians who are in office at the time.

3 The use of credible, equitable public
4 access channels, regardless of this merger, is
5 important. Public access -- access channels are
6 hidden on the AT&T cable network.

7 The legacy of the Tuskegee Airmen
8 and the legacy of this FCC panel should be the
9 same: To protect public --

10
11 MALE VOICE: Time.

12
13 MR. DAVIS: Thank you.

14
15 MR. FREEDMAN: Thank you, sir.

16
17 MR. WHARTON: My name is Robert Wharton,
18 president and CEO of CEDA. I want to thank you
19 for the opportunity to address the FCC and to
20 share with you some of the highlights of the
21 wonderful partnership that CEDA has with Comcast.
22 CEDA is the country's largest not-for-profit
23 community action agency.

24 We're located right here in Chicago and we

1 provide social services to over 375,000 Cook
2 County residents, most of whom are low-income to
3 moderate income.

4 Community action agencies were born out of
5 the war and poverty legislation in the mid-'60s
6 and as such, we administer well-known programs
7 that include Head Start, Home Weatherization,
8 LIHI, and programs through the Community Services
9 Block Grant.

10 Several of our programs are funded through
11 private grants -- for instance, the Comcast
12 President's grant.

13 CEDA was fortunate to receive the Comcast
14 President's grant, which is a three-year, 75,000
15 award. With the funding, we were able to enhance
16 our computer lab at Southeast CEDA in Robbins,
17 Illinois with broadband access, additional
18 hardware and software and computer
19 literacy classes.

20 For those of you unfamiliar with it,
21 Robbins is a south suburban community where 50
22 percent of the households have annual incomes of
23 less than 25,000.

24 We now offer computer classes for Head

1 Start children, seniors, clients, and all
2 community residents. The community uses the lab.
3 It's open weekdays and weekends for resume
4 writing, job searches, and other projects that
5 require Internet access.

6 CEDA also offered free income tax
7 preparation assistance with volunteers from the
8 IRS. Beyond the computer lab, Comcast has been a
9 true partner --

10
11 MALE VOICE: Time.

12 MR. WHARTON: -- two years ago --

13 MR. FREEDMAN: Thank you.

14
15 MS. MARCIE: Hi. Julie Marcie, Vice
16 President of Seguin Services. We're a community
17 not-for-profit that serves developmentally
18 disabled adults and children, a complete array of
19 residential day program, vocational, adoption and
20 foster care services.

21 And not that I want to repeat for the 80th
22 time, but Comcast has been just the most
23 incredible corporate partner we've ever
24 experienced.

1 I've been with Seguin for 24 years. And
2 beyond all the obvious that everyone's already
3 mentioned, the Comcast Care days, the tens of
4 thousands they've given us in grants, what's most
5 important, I think to us, is they really share
6 commitment to our mission which focuses on
7 coming -- facing head-on the discrimination that
8 people with developmental disabilities have faced
9 through our history and have really promoted our
10 agenda to -- especially in regards to educating
11 young people.

12 And they have recently awarded us a grant
13 to work with elementary and middle school children
14 to promote disability awareness in our local
15 communities and that's been so important to us, as
16 well as their -- the free publicity they've given
17 us and the public awareness with news -- the
18 different public awareness -- now I can't remember
19 the term.

20 But the free publicity that they've given
21 us with regard to all of our programs and the
22 initiatives that -- we are especially promoting
23 entrepreneurial ventures that provides jobs for
24 people with disabilities too. And they've just

1 been wonderful partners, the likes of which we
2 have not ever known before. Thank you.

3
4 MR. FREEDMAN: Thank you. Please go
5 ahead.

6
7 MS. AVILA: Good evening. My name is
8 Wanda Avila, A-V-I-L-A. I'm the Co-founder and
9 the Executive Director of La Familia Unida
10 Counseling Agency in Chicago, Illinois. La
11 Familia Unida since 1997 has been providing
12 bilingual multicultural counseling, parenting
13 classes and specialized psycho-educational groups
14 to perpetrators of domestic violence and
15 generalized violence.

16 We began at first to use public access in
17 2000 by becoming members of Can TV and recording
18 an episode of community forum in Spanish to
19 provide a more thorough explanation of what we do.
20 And we have continued to utilize their services
21 since then.

22 We recognize that mental health services
23 and services given to perpetrators of violence of
24 any kind could be considered controversial or even

1 taboo, not only in the Latino community but for
2 many others in -- within the fabric of the United
3 States. Public access has given us a voice to
4 provide education, information and resources for
5 those in need.

6 Allowing any company to make public access
7 difficult to reach like AT&T's Uverse system, this
8 is unacceptable and does not serve the interest of
9 people seeking outlets for a better future. We
10 ask that the FCC consider these most important
11 factors when regulating the corporations who wish
12 to expand channels. They have their corporate
13 interest, but what about us? What about public
14 access? Public access is affordable and even more
15 real media than reality television and many cable
16 channels pretend to be. Thank you very much.

17
18 MR. FREEDMAN: Thank you for sharing your
19 views with us, sir.

20
21 MR. LEVINS: Good evening. I'm Jonathan
22 Levins, Chief Executive Officer and President of
23 Age Options the area agency on aging for suburban
24 Cook County. We serve an area with 2,000,000

1 people of which 246,000 are -- 460,000 are over
2 the age of 60. And we work with community
3 organizations to provide service. In 2009 we
4 reached over 195,000 people in suburban Cook
5 County as well as with partners across the state
6 on a number of programs.

7 We provide nutrition, social services,
8 legal assistance and a number of other supports
9 that help people live independently in their own
10 homes for as long as it's wise and possible.

11 I want to thank you tonight for having
12 this hearing and for allowing us to express our
13 appreciation to Comcast for their opportunities to
14 provide information to older people in the News
15 Makers segments on CNN, in terms of their support
16 of our annual event and in terms of the
17 contributions they've provided to the community.

18 We believe it's very important that older
19 persons receive a blend of programming that's
20 diverse and important to their needs. Of course,
21 too often many folks are isolated and this is
22 their only social connection. And we also hope
23 that your actions will lead toward affordable and
24 accessible broadband services.

1 And we think that this is an opportunity
2 for us to say that Comcast has demonstrated a real
3 strength and support in the community of programs
4 and services. We appreciate that and we also
5 appreciate the work that you're doing.

6
7 MR. FREEDMAN: Thank you.

8
9 MS. REID: Good evening. My name is
10 Courtney Reid, R-E-I-D. And I am here on behalf
11 of Center on Halsted. Center on Halsted is the
12 lesbian, gay, bisexual and transgender, LGBT,
13 community center of Chicago. We serve thousands
14 of individuals each year with an array of programs
15 and services for young people, for seniors, for
16 victims of domestic violence and hate crimes. We
17 provide mental health counseling, HIV testing.
18 We're the home of the State of Illinois HIV/AIDS
19 hotline. And we also offer cultural, educational
20 and recreational programs to enrich the life and
21 the experience of our community members.

22 The Center is very much the intersection
23 of diversity for Chicago's LGBT community. On any
24 given day, people of all ages, races, genders,

1 sexual orientations and incomes visit our center.
2 It's probably the one place in Chicago where some
3 of the wealthiest and some of the poorest members
4 of our community can meet.

5 I want to speak about the supportive
6 corporate relationship we have with Comcast, as
7 have many of the other speakers tonight. What's
8 important for us is that Comcast supports our
9 Queer Youth Organizing project through which young
10 people, many of whom are low income, young people
11 of color, many of whom are homeless, work with our
12 youth organizer to create change in our community.

13 From organizing for more housing for young
14 adults, for safe spaces for young people to be at
15 night to creating opportunities to change the
16 perceptions that folks in our neighborhood have of
17 young people who visit our center, this project
18 creates empowered, confident young people who know
19 how to make a difference in their community.

20 Without the support of Comcast who has
21 stepped up to support this project, we would not
22 be able to have a full-time organizer. We're
23 proud that Comcast is a supporter of the LGBT
24 community and we're glad that Comcast is concerned

1 about young people who are often marginalized and
2 disenfranchised.

3 I think most importantly, regardless of
4 the outcome of the decision of the FCC, Comcast
5 will continue to be a strong corporate partner.

6
7 MALE VOICE: Time.

8
9 MR. FREEDMAN: Thank you very much. Go
10 ahead, please.

11
12 MS. BELL: Good evening. My name is Fran
13 Bell and I'm the Vice President of Community and
14 Government Relations for the YMCA of Metropolitan
15 Chicago.

16 Since 1858 generations of kids, families
17 and adults have relied on the YMCA of Metro
18 Chicago to provide a safe place for recreational
19 activities and valuable programming. Through our
20 20 membership centers, 12 housing locations, four
21 resident camps, 30 human service sites and more
22 than 100 extension sites throughout the city and
23 suburbs, the YMCA impacts hundreds of thousands of
24 lives annually helping to strength neighborhoods

1 and respond to community needs.

2 As one of the Chicago Family Service
3 Organizations, the Y is dedicated to improving the
4 quality of life for community residents through
5 programs that provide support and enrichment, life
6 skills and promote wellness for and -- for spirit,
7 mind and body.

8 More than 35,000 children participate in Y
9 programs ranging from sports, aquatics and after
10 school summer camp and community schools education
11 enhancement. A Y is a safe haven for areas
12 challenged by violence. YMCAs stabilize, anchor
13 and nurture communities and represent a
14 community's commitment to its residents resulting
15 in thousands of volunteer hours of planning,
16 community mobilizing and fundraising. We're a
17 catalyst for renewal providing local jobs,
18 developing leadership and extending resources that
19 empower residents for problem solving.

20 The work of the Y however can not be
21 successfully executed without strong partners.
22 Both NBC Universal and Comcast provide generous
23 support for Y youth development programs. Both
24 companies are represented on the senior leadership

1 team of the YMCA's Black and Latino Achievers
2 Program Steering Committee. And that program
3 constructively engages African American and Latino
4 youth living in Chicago by providing alternatives
5 to at-risk behaviors such as gang and criminal
6 activity, drug and use -- drug use and early
7 pregnancy.

8 Without the support of NBCU and Comcast,
9 the Y Black and Latino Achievers Program would not
10 be possible. They're our largest supporters, not
11 only through funding, but employees have
12 participated in a variety of large scale volunteer
13 activities. I've observed the benefits of both
14 organizations --

15
16 MALE VOICE: Time.

17
18 MS. BELL: -- services in Chicago. Thank
19 you.

20
21 MR. FREEDMAN: Thank you. Please go
22 ahead.

23
24 MR. CALLIS: My name is Mike Callis and I

1 represent a group of media activists in Chicago
2 who believe that this Comcast/NBC merger is bad
3 for consumers, bad for diversity, bad for
4 democracy, and bad for America.

5 This merger will create a bigger corporate
6 monopoly, only now with the down side of vertical
7 integration where one company controls not only
8 the channels, but also the content, which is a
9 serious conflict of interest. The media
10 monopolies are already too big. And I ask when is
11 enough, enough? When six corporations own 95
12 percent of all mediums of communication including
13 radio, TV, book publishing, magazines,
14 telecommunications, movie studios, music
15 production and internet, this is a landscape of
16 media monopoly.

17 The job of the FCC is to protect
18 diversity, protect competition and protect
19 localism. Media activists in Chicago feel that
20 the FCC is failing in all respects and not doing
21 this job. At what point will this stop? And when
22 will the FCC start regulating these corporations?
23 Will we wait until only one company owns 100
24 percent of the media landscape?

1 The failure of the corporate media
2 monopolies to fulfill the responsibility for
3 public services is illustrated by the fact that
4 not one major news network in Chicago did not
5 cover or even mention the Illinois gubernatorial
6 debates held by independent candidates. And I
7 would like that to be added to the public record,
8 that not one major news organization decided to
9 cover the independent debates.

10 And when the corporate news networks fail
11 to report on an event as critical as the election
12 of governor, they've broken the contract of
13 fairness and objectivity and violated the public's
14 trust. This shows that the corporate media
15 monopolies don't care about providing a public
16 service. They only care about making money. It
17 is because media provides --

18
19 MALE VOICE: Time.

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21 MR. CALLIS: -- such an important service
22 that we can't allow this merger to take place.
23 Thank you.

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MR. FREEDMAN: Thank you, sir. Please go ahead.

MS. SMITH: Hello. My name is Vicki Smith and I'm the Executive Director of the Southwest Conference of Mayors. We are a group of elected officials representing 21 communities in southwest Cook County and representing a population of in excess of 350,000.

MR. FREEDMAN: Excuse me, could you just get a little closer to the mic? Great. Thank you.

MS. SMITH: Sorry about that. I'm here to voice my support for the proposed merger. Comcast is an active member in the Southwest Conference of Mayors. Comcast has been an exemplary corporate partner, which you have already heard from everyone, providing numerous sponsorships for our many education programs as well as our philanthropical causes.

Comcast is also willing to lend a hand to the Conference in various ways, featuring our

1 members on News Makers which provided a vital
2 outlet for our members to get information across
3 to their citizens and also helps educate our
4 members on issues such as the mandated digital
5 transition. And it participates in many of our
6 activities as well as serving on numerous
7 committees in our organization.

8 More importantly, and this is key, Comcast
9 has helped to further our Conference's mission, to
10 lower the cost of government while improving
11 services to our citizens by upgrading our entire
12 area with broadband services and by carrying PEG
13 programming for our municipalities. I am
14 confident that Comcast's proposed union with NBC
15 Universal will be a success. It will just be
16 another example of their commitment in leadership.

17 I ask the FCC to approve this proposal in
18 an -- in and expeditiously manner, excuse me. And
19 I thank you for your time.

20
21 MR. FREEDMAN: Thank you. Please.

22
23 MS. SMITH: My name is Deirdre Joy Smith,
24 D-E-I-R-D-R-E, Joy Smith. And I am the President

1 and Founder of Power Opening Doors for Woman.
2 Power is a seven year old not-for-profit
3 organization that is based here in Chicago. And
4 we bring together senior level women with women of
5 high potential to talk mostly about career
6 advancement and areas such as finance,
7 philanthropy, corporate leadership, how to get on
8 a corporate board among other topics.

9 Comcast has been a sponsor of Power for
10 the last seven years. And we fully support the
11 Comcast/NBC joint venture. Comcast is a great
12 corporate citizen. The partnership that we have
13 had over the seven years has had a profound impact
14 on the women's community. Over 6,000 women have
15 participated in our program and over 93 -- excuse
16 me, 93 percent of the women who have participated
17 in the program have said that they have found our
18 program of value in terms of their professional
19 development.

20 After participating in our program,
21 several of the women who come from various
22 industries, various ethnic backgrounds, various
23 career levels, actually go back to their workplace
24 and develop a women's initiative that not only

1 support their professional development, but has an
2 impact on the corporation at large.

3 In 2008 we decided to expand outside of
4 Chicago. And the local Comcast women introduced
5 us to their colleagues in Philadelphia. Comcast
6 was very generous during this time and hosted our
7 program in their fabulous headquarters in
8 Philadelphia where we had over 400 women
9 participate from the corporate and civic arena.

10 Over the past two years, as we know,
11 companies have been pulling back their support,
12 but not Comcast. Because of the economy, we've
13 lost a lot of financial support, but Comcast
14 stayed the course. In addition to becoming our
15 presenting sponsor in all of our markets, they
16 also provide a video tape of our programs that we
17 can upload on our website --

18
19 MALE VOICE: Time.

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21 MS. SMITH: -- for marketing -- thank you.

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23 MR. FREEDMAN: Thank you very much.

24 Please go ahead.

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MS. TOBIN: Good evening. My name is Claire Tobin, T-O-B-I-N, and I'm a concerned citizen. And I realize that a lot of the comments here are related to Comcast's record in contributing to social service community organizations, which is laudable. But I really don't feel it is relevant to this topic of the media merger at all. And I am vehemently opposed to further consolidation of our media into the hands of media monopolies like Comcast and NBC.

Everyone knows that we the people are completely dominated by only one perspective in our mainstream news media, that of corporate interest. To illustrate this point, I ask you: When is the last time that you heard on the radio, in the newspapers or seen on TV or cable any significant coverage of labor issues, or god forbid, the struggle to unionize workers? A week ago, a month ago, a year ago, five years ago, or twenty years ago? I mean, you can hardly remember.

The fact is that 99 percent of mainstream media coverage is devoted to entertainment and

1 sports and other trivia and only about one percent
2 covers issues that really affect how people live
3 their lives, like decent wages and other issues.
4 And the one percent mention of labor issues is
5 almost 100 percent anti-labor.

6 Heaven help us if we try to educate people
7 on what the Employee Free Choice Act means or why
8 we need it. And Comcast, as has demonstrated, is
9 really anti-union anyway. That should be enough
10 to disqualify them.

11 The only outlet that people have to hear
12 other perspectives on the news and coverage of
13 issues that affect peoples' lives is through the
14 alternative media, progressive magazine and books,
15 but especially the internet. And that is why we
16 absolutely need net neutrality. And we can not
17 rely on vague promises because these two behemoths
18 must prove in advance --

19
20 MALE VOICE: Time.

21
22 MS. TOBIN: -- that they're going to
23 comply. Thank you.

24

1 MR. FREEDMAN: Thank you for sharing your
2 views. Sir, go ahead.

3
4 MR. BENNETT: Thank you. Good evening.
5 My name is Jerry Bennett, J-E-R-R-Y,
6 B-E-N-N-E-T-T. I am Mayor of the City of Palos
7 Hills. I'm President of the Southwest Conference
8 of Mayors. I'm the past President of the
9 Metropolitan Mayors Caucus which represents 280
10 communities and 8,000,000 people in the
11 metropolitan area, and also past President of the
12 Illinois Municipal League which represents every
13 city and village in the State of Illinois.

14 I mention these things because as a local
15 mayor I have had the opportunity and pleasure over
16 30 years -- I've been mayor for 30 years, to work
17 with the various cable companies and certainly
18 most recently with Comcast in understanding and
19 enforcing local ordinances that we have in our
20 franchise agreements with those cable companies.
21 We have also worked with the General Assembly over
22 the years as cable franchises have changed in a
23 need to have a clear understanding about the
24 importance of cable television in our local

1 community.

2 You know, in been sitting here for the
3 last hour and listening to some of the comments,
4 thirty years ago when I became mayor we also were
5 the first community in the metropolitan area to
6 provide cable service to the entire metropolitan
7 area. So I sit in a unique position -- stand in a
8 unique position to tell you that I've seen the
9 changes that have taken place over 30 years of
10 changes, of mergers, of acquisitions.

11 And let me tell you, that in all those 30
12 years and in a working with other mayors, public
13 access has improved. It has not gone down. And I
14 listen to some of the comments here. About 30
15 years ago we only had about seven stations in the
16 City of Chicago. Now we have hundreds. And cable
17 still remains a choice of people to do, and to
18 take and to listen to or watch. It's still their
19 choice.

20 People have an opportunity at least
21 through cable television to have public access.
22 We didn't have public access 30 years ago. There
23 was nothing available for us. And the work that's
24 gone on with Comcast over the years with local

1 government has been phenomenal in expanding that.
2 People wouldn't have the opportunity to listen to
3 some of the diverse and minority groups that have
4 spoken here today if it wasn't for cable access
5 that's being provided today by Comcast.

6 And one last comment, on some of the
7 trivializing comments that's been made about a
8 corporate investment, Comcast has invested
9 millions of dollars in local communities through
10 these organizations. And if they didn't, these
11 organizations --

12

13 MALE VOICE: Time.

14

15 MR. BENNETT: -- may not be around. Thank
16 you.

17

18 MR. FREEDMAN: Thank you very much. Go
19 ahead, please.

20

21 MS. FOREMAN: Good evening. I'm Jeanette
22 Foreman and I'm an attorney and a private person
23 speaking on behalf of myself and not some of the
24 other organizations that I belong to that have

1 been very active in this field.

2 I'm here basically to speak to the larger
3 issue of how media is critically important and the
4 FCC has a critically important role to play in our
5 historical development. That is, that if we go
6 forward with allowing a corporation to dominate
7 our thoughts, to dominate our media on the level
8 that this represents, on the level that
9 organizations such as Free Press have talked
10 about, we will be heading down a road that will
11 absolutely destroy our democracy.

12 We -- when you look at what the potential
13 for the control of minds and hearts that has been
14 put together by this, what we see is something
15 that is frightening. We literally know that we
16 have a new Supreme Court decision that has said
17 that corporations are now people, that
18 corporations can spend unlimited money in order to
19 get their points across.

20 When we combine that concept with the idea
21 that a corporation can control millions of hearts
22 and minds and that the FCC or no one else can
23 actually control that at all because the FCC can
24 not interfere with content, we have a specter that

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I beg you to look very closely at. And I beg you
to look at it from the point of view of not
allowing this merger to go forward. Thank you.

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MR. FREEDMAN: Thank you for sharing your thoughts with us. Sir, go ahead, please.

MR. LINDSEY: Good evening. My name is Rhett Lindsey, R-H-E-T-T. And I'm here representing Test Positive Aware Network, also known as TPAN. In 1987 sixteen people met with our founder, Chris Clayson, to provide support to people living with what was known as AIDS related complex. Since then TPAN has grown to provide a spectrum of inter-related programming that includes prevention outreach, information or referral services, HIV testing and counseling, HIV primary care services with our onsite community health partner, Access, treatment education, substance abuse and mental health services and other programs and services.

TPAN links clients directly with services and empowers them with the tools to advocate for themselves to live healthier lives, both physically and mentally.

TPAN is the only HIV/AIDS service organization in Chicago and one of the very few in

1 the nation to offer comprehensive curriculum based
2 treatment education. We focus on providing
3 education to support those we serve to become
4 partners in health care. As one clear example of
5 this focus, TPAN is the publisher of a national
6 HIV treatment journal, Positively Aware.

7 With Comcast's help, TPAN has been able to
8 educate the broader Chicago community about its
9 services and resources through Comcast News
10 Makers. Each year we provide services to more
11 than 23,000 people. And these segments help us
12 reach an audience we wouldn't normally have direct
13 access to.

14 Interviews about TPAN and two of our major
15 fundraising events, Chicago Takes Off and Ride for
16 AIDS Chicago have been featured on Comcast's News
17 Makers. These fundraisers are essential in
18 financially supporting TPAN's general operating
19 expenses allowing us to provide services to those
20 who need it most.

21 Because of our exposure on Comcast News
22 Makers and with other media partners like NBC
23 Chicago, the Ride for AIDS Chicago had a
24 tremendous increase in rider participation, almost

1 tripling 2009 numbers at a time when agencies like
2 TPAN have seen dramatic decreases in government
3 and individual giving. Just this past weekend,
4 more than 250 riders and crew members --

5
6 MALE VOICE: Time.

7
8 MR. LINDSEY: Thank you.

9
10 MR. FREEDMAN: Thank you very much. We're
11 moving into the home stretch. If we have some
12 commenters that have numbers who haven't come down
13 yet, anybody 31 and above please come down to
14 Microphone A, and 80 and above come down to
15 Microphone B. Thank you very much. Please go
16 ahead.

17
18 MS. HAYDEN: Hi. My name is Brie Hayden.
19 I'm speaking on behalf of myself. Ultimately this
20 is about dollars. Comcast wants more of each
21 individual's dollars at the public's behest. I
22 oppose this merger. It is totally unnecessary.

23 Comcast already has enough of the market
24 as it is. Comcast's mandate to grow and profit at

1 the expense of everyone else and everything else
2 is bound to reduce choice, reduce freedom,
3 eliminate net neutrality and make what easy access
4 we have more difficult. And if this merger goes
5 through, it will compound the problem 1,000 fold.

6 Also our news coverage in the US is
7 laughable to everyone I've ever known that's come
8 and visited us from abroad. We need democracy
9 now, not the merger. Thank you.

10
11 MR. FREEDMAN: Thank you very much. Go
12 ahead, please.

13
14 MS. SADDER: Hello. My name is Susan
15 Sadder. I'm a senior assistant attorney general
16 with the Attorney General Lisa Madigan.

17 We're here to do two things today. We're
18 here to listen, which we've been doing. We're
19 also here to communicate our concerns about what
20 might follow if this merger goes through.

21 First, the Office of the Attorney General
22 represents consumers. We get thousands of
23 complaints every year about video, internet and
24 telecommunications issues. These complaints range

1 from high prices to poor service to ineffective
2 responses to complaints. So our chief concern is
3 how will this transaction affect consumers.

4 The second issue is related to the first.
5 We support the development of competition in the
6 video market. It is important for consumers to
7 have a choice in as many markets as possible. But
8 we know that there are many towns and many
9 neighborhoods that still have only one choice for
10 wired cable or video service. So what affect
11 would this transaction have on competition and in
12 those areas where there is little or no
13 competition?

14 So with these two broad concerns, the
15 affect on consumers and the affect on competition,
16 we have identified several issues. These issues
17 arise because the structure of the combined
18 company having cable distribution, broadcast
19 distribution, internet access and substantial
20 must-have programming will change both the
21 incentives and the ability of the firm to affect
22 both consumer service and competition.

23 Briefly, the issues are: Will there be
24 increased consumer charges? What will be the

1 affect on must-have programming? What will happen
2 to over-the-air broadcast quality? Will quality
3 programming remain on the free over-the-air
4 system? What about internet video? What affect
5 will it have on people's access that is currently
6 developing to access their video content on the
7 internet?

8 And finally, we're concerned that
9 combining these two major companies will change
10 the --

11
12 MALE VOICE: Time.

13
14 MS. SADDER: -- landscape to a point that
15 it would be difficult going forward. Thank you.

16
17 MR. FREEDMAN: Thank you very much. Sir.

18
19 MR. CRAFT: Thank you. My name is Dave
20 Craft, Director and Co-founder of the Chicago
21 based Nuclear Energy Information Service, an
22 environmental educational organization covering
23 nuclear and other energy issues.

24 I'm here today to speak in opposition to

1 the merger and also in favor of the FCC
2 assertively regulating to remove barriers to
3 community access public participation in any
4 future mergers you consider.

5 The programming that NEIS provides through
6 Can TV channels in Chicago has helped to educate
7 the public on energy issues and energy disasters
8 as broad as Chernobyl all the way to the Gulf and
9 on other environmental issues.

10 Because of that, we have received coverage
11 and interest, not only on our local issues, but
12 from as far away as Australia, Japan and Germany.

13 Advertisement based television's first
14 allegiance by law is to represent the needs of
15 absentee station and sponsor shareholders.

16 Community access TV has the inherent capacity to
17 represent the true needs of the local viewership
18 because it comes from that viewership.

19 Comcast's responsibilities in this area
20 can't be voluntary, nor is lax enforcement
21 acceptable. Commissioner Copps this morning on
22 NPR said that the FCC is supposed to be an
23 enforcement agency and noted that it has gotten
24 away from that mission in the last decade. AT&T

1 is rolling out service in Chicago in defiance of
2 the law that prevents discriminatory treatment of
3 public channels. The FCC is in a position to stop
4 that.

5 In Comcast's public interest document on
6 the merger, it doesn't commit to keeping the
7 public on par with broadcast channels the way they
8 are carried in Chicago today. We've seen in West
9 Virginia and the Gulf of Mexico what happens when
10 we let corporate America self-regulate. As the
11 public's counter balance to such corporate abuse,
12 the obligation of the FCC is clear in serving the
13 public for whom it works. Provide maximal
14 community access spectrum, exposure and funding
15 mechanisms and deny corporate media the ability to
16 exile community access to obscure group channel
17 ghettos making it harder for the public to find
18 us.

19
20 MALE VOICE: Time.

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22 MR. CRAFT: Thank you.

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24 MR. FREEDMAN: Thank you, sir. Please.

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MS. SMITH: Good evening. My name is Robbie Smith, first name R-O-B-B-I-E. I'm a communications professional and got my start as a TV producer at Chicago Access Network Television. My work brings me in contact with business, professional and community people in the metropolitan area.

My biggest concern regarding the Comcast/NBC merger is that in almost every industry in this country, the federal government sides with big business to the detriment of everyday citizens.

I fear that the same thing will happen with this merger. I am most concerned about public access channels, but specifically Can TV which is a model for localism and original programming. I am also concerned that this merger will segregate and discriminate against public access channels similar to what we are seeing with AT&T around the country today as well as well as in Illinois.

Last month Appropriations Chairman Jose Serrano said that, "Despite many petitions and

1 comments in the record about issues plaguing PEG
2 channels, the FCC has failed to fix the problem."
3 So if you have failed to fix current issues, what
4 faith do we have that the FCC will assure fair
5 treatment of PEG channels in the Comcast/NBC
6 merger?

7 I know firsthand that government will
8 renege on commitments to public access and is
9 happening right now regarding the Illinois cable
10 and video competition law which has safeguards for
11 public access that are not enforced. Will Comcast
12 and NBC marginalize public access too? Also did
13 Comcast intentionally omit the word "public" and
14 refer only to educational and government in the
15 bold portion of Commitment 12 in their proposal?

16 Therefore we know that public
17 not-for-profit media will not provide the same
18 service that public access will.

19
20 MALE VOICE: Time.

21
22 MS. SMITH: Thank you.

23
24 MR. FREEDMAN: Thank you very much. I

1 just want to make a point, we are scheduled to
2 adjourn at eight o'clock and it is eight o'clock.
3 But we would like to hear from all of you that
4 were good enough to come down and take the time to
5 sign up. So we're going to proceed until we hear
6 from all of you who are in line now. So please go
7 ahead.

8
9 MR. SANDERS: My name is Scott Sanders,
10 S-C-O-T-T, S-A-N-D-E-R-S. I'm here representing
11 Chicago Media Action. I'm a long-time Chicago
12 area media activist.

13 I think it's very important to point out
14 that a number of community groups and agencies and
15 institutions have come here and spoken not in
16 support of the merger, but in support of the
17 access that Comcast provides them. And that's
18 because we have a media system that is so
19 corporately dominated that these organizations
20 have to beg for whatever bits of media and free
21 media that they can get. That's a very important
22 point that needs to be made today.

23 I believe also that unfortunately some of
24 this -- largers, some of these organizations have

1 been experiencing in grant monies will disappear
2 because Comcast will fail once it gets to a
3 certain size. Just look at what happened with
4 Clear Channel. They had to start making
5 themselves smaller. So that's another important
6 point.

7 Now, I've made -- this is the third time
8 I've made comments to the FCC on media ownership.
9 So I'm just going to resubmit my old comments and
10 probably will just take all the comments that have
11 been made in Chicago over recent years and
12 resubmit all those because apparently the FCC has
13 earwax buildup problem or something like that or
14 maybe the dog ate the homework. I don't know what
15 the problem is. But we're going to have to just
16 keep repeating ourselves.

17 Now, also I think we need to get Congress
18 to eliminate this quadrennial ownership review
19 because I think that frames this issue
20 incorrectly.

21 We don't need a Congressional directive
22 telling us that we need to deregulate and make
23 these corporations bigger, which is what that '96
24 act did.

1 And lastly, I would just like to say that
2 when the FCC refuses to address these issues year
3 after year, decade after decade, that is your
4 history. What that means --

5
6 MALE VOICE: Time.

7
8 MR. SANDERS: -- to me is that you've got
9 a huge public interest debt now for community and
10 public media.

11
12 MR. FREEDMAN: Thank you very much. Sir.

13
14 MR. JONES: Thank you. My name is
15 Thaddeus Jones and I am elected alderman in
16 Calumet City. I'm also the democratic nominee for
17 State Rep in the 29th District and standing here
18 tonight as President of the Jones Foundation, a
19 not-for-profit organization which serves the
20 homeless in our community, provides scholarships
21 for children and also does domestic violence
22 counseling.

23 I'm not here to insult the FCC tonight. I
24 am here to support the merger and not beg as a

1 previous speaker stated. I've sat and listened to
2 comments about the social service agencies.
3 Social service agencies are the backbone of the
4 community. They're the backbone and the
5 foundation of what goes on in the community that I
6 can attest to as elected official.

7 As the Mayor stated earlier, I've seen and
8 witnessed as an elected official for 17 years,
9 witnessed the change in access that has gone on in
10 our community. And Comcast has been at the
11 forefront of providing good services to the
12 community. I'm here to support this merger. I'm
13 here to talk about the good things that Comcast
14 has done, not only for our residents but as the
15 President of the Jones Foundation.

16 It's important to understand that Comcast
17 has been a good community partner, not only to
18 Calumet City, but also to these social service
19 agencies who provide good services to the
20 residents of our community.

21 You've heard buzz words tonight like
22 "greed, corporate greed" and other things. But
23 you know, people are talking about the benefits
24 that Comcast has provided not only to our

1 community but Comcast will continue to provide.
2 So don't be fooled by the buzz words. I know you
3 guys have a tough job to make on this decision
4 with the merger. I applaud your decision,
5 hopefully that you will provide Comcast with the
6 opportunity to provide a changing media in our
7 community.

8 We know that the face of media is
9 changing. We hope that this merger will provide
10 more access to people and not limit the access.

11
12 MALE VOICE: Time.

13
14 MR. JONES: I'm sure Comcast will do that.
15 Thank you.

16
17 MR. FREEDMAN: Thank you, sir. Please go
18 ahead.

19
20 MR. GOSZTOLA: Hello. My name is Kevin
21 Gosztola. That's G-O-S-Z-T-O-L-A. And I want to
22 make an observation. I think I'm the youngest
23 person who will be testifying to you. So I just
24 want to, you know, say that it's a great

1 opportunity to be able to share from a youth
2 perspective what this might mean for the future.

3 And I want to say that I just graduated
4 from Columbia College here in Chicago. I'm a film
5 and video -- I have film and video degrees so I am
6 now a media maker. I'm going around in the world
7 trying to be a media professional and trying to
8 get a job. And I also am a citizen journalist so
9 I'm writing on the internet.

10 And my concerns about this merger is that
11 it might become more difficult to share the work
12 that I write, that I might go to a website and it
13 would take longer to load than other websites,
14 that maybe Comcast might decide that some websites
15 are more important than others.

16 And while that might be their right as an
17 owner, I don't understand why we would let a
18 merger go through that would give them that
19 ability.

20 I also want to say that I understand the
21 role of social service agencies in this country.
22 I've volunteered for some social service agencies
23 before. And I think one of the things we have to
24 worry about is what would happen if Comcast and

1 NBC merged to these social service agencies. What
2 if they took on too much risk by merging and then
3 found that they had to start letting some of these
4 social service agency programs go.

5 And I think a lot of young people who have
6 spoken today, some of the people who -- they're a
7 little bit older than me, but young, those people
8 who have benefited greatly, I wonder what position
9 they would in if the Comcast/NBC merger was not an
10 economically sound one. Thank you.

11
12 MR. FREEDMAN: Thank you. Sir.

13
14 MR. HOLDEN: My name is Walt Holden. I'm
15 here tonight to talk about public access, Comcast
16 public access. I have a public access television
17 program called My Lion's Club. My Lion's Club
18 helps people understand who the Lions are, what
19 they do and why they do it.

20 We're the world's largest service
21 organization and people say we're the world's
22 largest secret also and we're trying to put an end
23 to that. We don't want the Lions to be a secret
24 anymore. And that's why we're on Comcast, we're

1 on all the Comcast outlets I believe in the state,
2 except one that I know of, plus municipal public
3 access stations too.

4 Now, the people that you meet in public
5 access are really dedicated to what they do. They
6 want to get the word out about their particular
7 viewpoint. And that's -- the only way they can do
8 it is through public access. There is no
9 substitute for public access.

10 I'm also a member of the Commission of
11 Public Access Television in the Village of Skokie.
12 And my purpose of being on the Commission and my
13 purpose for being here is to say please expand
14 public access.

15 Don't take public access away. Make it
16 possible for public access producers to keep on
17 doing what they're doing so there can be more of
18 them so we can have more public access and more
19 people who have a different idea about how things
20 should be, different idea about how things should
21 be stated have a place to make their statements.
22 Thank you very much. Goodbye.

23
24 MR. FREEDMAN: Thank you. Please go

1 ahead.

2

3 MS. CARPENTER: Hi. My name is Starla
4 Carpenter. I am a law student here at
5 Northwestern. I gave up a previous career to come
6 back to law school, substantial cost and law
7 school hell. And believe it or not, I came back
8 precisely because I was concerned about a free
9 internet.

10 I have been involved in internet
11 development in my previous job practically from
12 the beginning of the internet and I value it very
13 highly. I saw -- I have seen how vertical
14 integration in other areas of media has created
15 kind of an echo chamber where the newspapers say
16 what the TV stations say, what everybody else
17 says.

18 So I'm very concerned. I see the internet
19 as the last frontier and just such a merger is the
20 kind of thing that I'm concerned about. I was in
21 a *First Amendment* class where we were talking
22 about public forums and how there were fewer and
23 fewer of them where people could have free speech
24 and publicize what they thought without censorship

1 or without anyone controlling it. And someone in
2 class raised their hand and said "Well, they can
3 always use the internet." And I raised my hand
4 and I said, "Until when?" I mean, who is
5 protecting that last frontier?

6 And perhaps Comcast will claim that
7 there's a wall between content and access. But
8 that wall is just asking to be eroded like any
9 wall. I worked in public access for a while and I
10 saw -- in Ithaca, New York. And there was a full
11 studio with four or five employees.

12 And while I was working there, I saw it
13 shrink, it go down to one employee and very
14 limited hours. This was due to erosion of the
15 laws that require public access. Because public
16 access is not a social service that the
17 corporations provide because they want to. It's
18 because --

19
20 MALE VOICE: Time.

21
22 MS. CARPENTER: Thank you.

23
24 MR. FREEDMAN: Thank you very much. Go

1 ahead, please.

2

3 MS. PASTIN: Hi. My name is Sue Pastin, P
4 like in Peter, A-S-T-I-N. I'm here as a citizen.
5 I'm a former journalist. And let me tell you,
6 this country needs much more journalism, not less
7 journalism. And we need more coverage of news
8 stories including labor issues, environmental
9 issues, all sorts of things that affect our daily
10 lives. And we need more journalists and more
11 diverse voices in the broadcast media. And we
12 don't have them. And that's why I oppose this
13 merger.

14 I was impressed with all the great
15 organizations that Comcast supports. How
16 wonderful. But I'm horrified that this
17 corporation also opposes net neutrality which is a
18 bedrock *First Amendment* issue. It is equal access
19 to the net -- the internet and that's very
20 important.

21 And if they oppose this and then they go
22 ahead and they fire workers who try and unionize
23 and they oppose funding for public access, and
24 they oppose community internet, they're just like

1 all the rest of the corporations that are ravaging
2 our society right now.

3 I like corporations, but not their
4 behavior, not when they do these kinds of things.
5 What do they expect? All the social services, all
6 the contributions in the world will not overcome
7 trying to be, you know -- have too much power.
8 And that's what they have right now.

9 The people of the United States, we the
10 people own the airwaves and we count on the FCC to
11 protect that ownership of the airwaves. If only
12 the well connected and the wealthy and the
13 powerful have a voice, what kind of democracy is
14 that? That's a threat to democracy. This is
15 about power and corporations right now have too
16 much power. And we've got -- either diversify and
17 spread out the power.

18 So let's see, what else. Also, I have
19 dealt with Comcast. They have some wonderful
20 employees, but it took six months to resolve a
21 reception problem where I live. So the customer
22 service could use work. So thanks.

23

24 MR. FREEDMAN: Thank you. Sir.

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MR. TRAUSCHT: Hello. My name is Thomas Trauscht, T-R-A-U-S-C-H-T. I was born in Chicago in '52 and I live in Chicago today. I've traveled the country. I spent six years traveling this country and I've been in the every state except Alaska and Hawaii up to now. And I've been around.

And I wish I would have known about this event sooner, but I did not have time to prepare and I just found out about it. So I'm going to bounce around from one point to the other.

What the lady just said is so true, that it's not just about money. It's not just about greed. It's about power. But it's more than about power. It's -- in many ways everything is relative. And it's also about the loyalty of the letter and the spirit to the Constitution of the United States, the being of the United States itself.

In the regard that -- as I said everything is relative. And other corporations are involved in eating each other up, conducting hostile takeovers of one of another. And many of these

1 corporations, the multinationals and many
2 nationals are involved consciously, and I might
3 add in a treasonous fashion, of conducting a
4 hostile takeover of the federal government of the
5 United States to set up a corporate dictatorship.

6 And that has many ramifications. And one
7 of the tactics and methods that are used by many
8 of those involved in that, such as the occult and
9 there's a lot of witchcraft involved, a lot of
10 corporations today --

11
12 MALE VOICE: Time.

13
14 MR. FREEDMAN: Thank you very much, sir.
15 Please go ahead.

16
17 MS. HAWKINS: Hi. Good evening. Thank
18 you so much for staying. My name is Savannah,
19 S-A-V-A-N-N-A-H. And my last name is Hawkins,
20 H-A-W-K-I-N-S. And I am opposed to this merger
21 because during the 1950s, '60s, '70s, '80s and
22 early '90s, the American taxpayer paid to develop
23 the internet. And then suddenly in the mid '90s
24 it was given to business. We already paid for the

1 development of it.

2 And now -- I can give you many examples
3 where they expect us to pay twice for things. For
4 instance, in Illinois, our budget shortfall is 13
5 billion. And how much was sent for an
6 unsubstantiated war? Eleven billion. Now we're
7 supposed to pay twice for the same services we
8 thought we already paid for.

9 So because Comcast is one of the few
10 companies that has a monopoly in Chicago and they
11 gouge us enough to buy such a huge company, they
12 raise their rates. It went from 40 to 43 for the
13 internet instead of like around \$20.00. They're
14 raising the cable boxes from \$2.00 to \$8.00. How
15 many times are we supposed to pay for the same
16 things?

17 And my last comment is really a question.
18 How do you ascertain how many plants were put --
19 picked and put here by Comcast? Because they have
20 a history of doing that in the past. Thank you.

21

22 MR. FREEDMAN: Thank you very much. Sir.

23

24 MR. GALLIE: Hi. My name is Bob Gallie.

1 That's G-A-L-L-I-E. And we know that Commissioner
2 Copps understands and we hope the FCC
3 commissioners and Chairman Genachowski also
4 understand that concentrated media power destroys
5 democracy.

6 Please break up the US communications
7 monopolies like Comcast and NBC and Tribune
8 Company and NewsCorp and Disney and AT&T and
9 Viacom and Clear Channel, not enable them to form
10 even bigger monopolies.

11 Comcast will own or have an ownership
12 stake in Chicago, the dominant Chicago cable
13 provider, the dominant Chicago internet provider,
14 Comcast SportsNet Chicago, home of the Chicago
15 White Sox, Cubs, Bulls, Stanley Cup Championship
16 Black Hawks, NBC Chicago, one of Chicago's top
17 rated broadcasters, Telemundo Chicago, one of
18 Chicago's top rated Spanish language broadcasters.
19 And beyond Chicago nationally, cable TV networks
20 USA, Bravo, SyFy, Universal HD, CNBC, CNBC World,
21 MSNBC, Chiller, Mun2, Sleuth, Oxygen, E!, Golf
22 Channel, Style Network, Versus, G4, Comcast
23 Regional Sports Network, CSN Bay Area, CSN
24 California, CSN Mid-Atlantic, CSN Chicago, CSNMTM,

1 CSN New England, CSN Northwest, CSN Philadelphia,
2 CSSSNY, New England Cable News, Exercise TV,
3 Sprout, The Weather Channel, Universal Sports,
4 Fear Net, A&E, Biography, History, Lifetime, TV1.
5 And international channels, SyFy Universal, Diva
6 Universal, Studio Universal, Universal Channel --

7
8 MALE VOICE: Time.

9
10 MR. GALLIE: I yield back the balance of
11 my time.

12
13 MR. FREEDMAN: Thank you. That's very
14 generous of you. Please go ahead.

15
16 UNIDENTIFIED MALE: Hi. I want to thank
17 you for the hearing today and especially for
18 Commissioners Copps' opening remarks for this
19 session. I work in the industry and as -- I work
20 in the industry. As a result, I'm kind of
21 reluctant to identify myself because I could get
22 blacklisted for what I'm about to say.

23 And that is, I would suggest to you that
24 whether it's mergers or handing out spectrum, I

1 would tie to whatever you do on behalf of these
2 corporations what they did to the banks who
3 received TARP money, that they only hire American
4 citizens. And then we'll see whether they're
5 really working in the public interest.

6 If they refuse to commit to hiring only
7 American citizens when you give them mergers and
8 spectrum, then we'll see what the real -- what
9 their real interests are, whether it's the
10 interest of a few top executives who want cheap
11 foreign labor or whether they're really interested
12 in helping the fellow American citizens in this
13 dismal labor market.

14 The professor up at North -- Norfolk
15 College, I believe, mentioned the thing about
16 jobs. How many jobs are going to be lost? Will
17 they commit to not laying off people if they go
18 through this merger?

19 Will they commit to only hiring American
20 citizens instead of H1B or L1 Visas? There are
21 three bills right now that should be your
22 guideposts, anything you do for these big media
23 and tech companies. That's S 887, S 2804 and HR
24 5397.

1 If they're going to make my US citizenship
2 mean something working in my own country, then I'm
3 open to a lot of things. But it's just -- if it's
4 just a way to cut cost, lay off people and add to
5 the unemployment in this dismal labor situation,
6 then I think we need to take -- look at this
7 seriously in terms of what we give these
8 corporations and what we get back in turn when we
9 give them access to our spectrum and our
10 technology that we developed, as in the case of
11 the internet. Thank you very much.

12

13 MR. FREEDMAN: Thank you. Sir, go ahead.

14

15 MR. READEY: Thank you. Mr. Freedman, Mr.
16 Flynn, Mr. Lake and Ms. Smith, it's a pleasure to
17 speak to you tonight. I am speaking in favor of
18 the merger. My name is Jay Readey, R-E-A-D-E-Y.
19 And I'm happy to speak in favor of the merger
20 between Comcast and NBC including GE.

21

22 I run as President of the Board an
23 organization called NeighborScapes which is a non
24 profit organization that serves low income young
people in summer camps and after school programs

1 and in job training for teenagers and young adults
2 in the south suburbs of Chicago. And we have been
3 a partner with Comcast for the last couple of
4 years involved in their annual Comcast Cares Day
5 where they have come out to help us landscape
6 under-served communities, and more recently, work
7 at a school program for under-served children in
8 the southside of Chicago.

9 And I know them as a corporation that does
10 what they say, that exercises corporate
11 philanthropy and has been a positive influence in
12 the community. And so I believe that going
13 forward, they will be a responsible corporate
14 citizen.

15 I understand that in these times we
16 exercise some understanding of creative
17 destruction. The economy is going to create new
18 organizations and destroy others. And this merger
19 to me seems like a natural in a declining media
20 environment, a tough place to make money and to
21 keep things on the air, to keep programming.

22 I have twice appeared on what they call --
23 on their public access programming in order to
24 speak about what NeighborScapes does. It's given

1 us great visibility and helped our young people do
2 what they do. And I believe that they will go
3 forward with that sort of public access
4 programming once they complete this merger. So I
5 would urge your support of the process as it goes
6 forward.

7
8 MR. FREEDMAN: Thank you.

9
10 MR. READEY: Thank you.

11
12 MR. GARRETT: Thank you. Good evening.
13 My name is Jim Garrett. I'm President and CEO of
14 the Chicago Southland Convention and Visitor's
15 Bureau. I already represent 62 municipalities in
16 the southland incorporating both Will and Cook
17 County.

18 Our objective is to support the joint
19 venture partnership between Comcast and NBC
20 Universal which we feel will further strengthen
21 and preserve jobs during these challenging times.
22 We view Comcast as an important corporate leader
23 partner and a company that is center focused on
24 reinvesting in our region. And by example,

1 Comcast has set a higher level of corporate
2 integrity and is always there stepping to the
3 plate, reflecting their on-going commitment to
4 providing examples of important things that they
5 do for our region, providing a balance of
6 providing quality broadcasting for all.

7 Most importantly, Comcast provides
8 diversity programming, educational programming,
9 political perspectives and programs for people of
10 all nationalities and offer a limitless platform
11 for all to voice their opinion. Comcast has
12 always been there providing manpower and also
13 financial support.

14 However, I think even more importantly, I
15 view Comcast as a corporate community partner that
16 embraces these responsibilities seriously and
17 views that responsibility on a 360 degree
18 platform. Very few corporations do that today.
19 Comcast supports a myriad of regional
20 organizations, including the Southwest Conference
21 of Mayors, the South Suburban Mayors and Managers
22 Association, Chicago Southland Chamber of
23 Commerce, the Will County Governmental League, the
24 Chicago Southland Convention and Visitor's Bureau

1 and the Chicago Southland Economic Development
2 Corporation.

3 Again, we strongly support the joint --

4
5 MALE VOICE: Time.

6
7 MR. GARRETT: -- venture between Comcast
8 and USA.

9 Thank you.

10
11 MR. FREEDMAN: Thank you very much.

12
13 This concludes the public forum portion of
14 our forum today. On behalf of my colleagues up
15 here as well as in the audience that came here
16 from Washington from the FCC, we thank you all for
17 your thoughtful comments and observations which we
18 greatly appreciate.

19 All of your comments will be included in
20 the official FCC record of this proceeding.

21 As a closing note, I urge you again as
22 Commissioner Copps mentioned in his remarks, to
23 consider filing comments in our proceeding. It's
24 MB Docket Number 10-56. There's an information

1 sheet on the table outside. And we want very much
2 to hear from you just as we did this evening.

3 I'm going to turn it back over to Bill
4 Lake now.

5
6 MR. LAKE: Thank you very much.

7
8 I just want to add my own thanks to all of
9 you for being here, those who have expressed your
10 views and to those who have listened along with
11 us. As Commissioner Copps said, it's very
12 important for us to get outside of Washington and
13 hear from those who are directly affected by the
14 decisions we make.

15 And what we've heard today will be very
16 helpful to us as we wrestle with the issues
17 presented by this proposal. Thank you very much
18 and good evening.

19
20 END

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