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Congress of the United States
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Washington, DC 20515-0535

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October 22, 2010

1690

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

Dear Chairman Genachowski,

As a Member of the U.S. House of Representatives Committee on the Judiciary, I write to express my ongoing concern for the potential impact the Comcast-NBC merger could have on our already heavily-consolidated media industry. Moreover, in light of Cablevision's current dispute with News Corporation (News Corp.) over the fees it pays the media conglomerate to carry Fox programming, I have grown increasingly concerned with the potential harm that could result if such a dispute ever arose between a competing cable company and a combined Comcast-NBC. Absent substantive diversity and other public interest conditions, the Comcast-NBC merger could prove harmful to competition among traditional cable and broadcast companies, as well as the American public's ability to access independent and alternative sources of news and entertainment. I therefore urge the Federal Communications Commission (FCC) and Department of Justice (DOJ) to conduct an extensive review, ensuring that if the merger is approved, it contains substantive and enforceable conditions that foster greater diversity, localism, and competition.

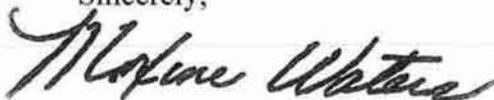
In the same manner that Fox is withholding its content from Cablevision customers, a similar dispute could have broader implications if Comcast Corporation is allowed to use its ownership of NBC content as leverage in negotiating higher rates for competing cable companies and content providers. While a combined Comcast-NBCU would not have to charge itself a carriage fee, it could charge other companies exorbitant rates, driving competitors out of business, resulting in less consumer choice. The same illustration is true for online content as Comcast could also deny competing ISPs access to its online properties or charge competing Internet programmers higher rates to utilize its broadband platform to launch online media and entertainment content.

Today, Comcast Corporation is the nation's largest cable company, owning *multiple* cable franchises in 39 states. Comcast has 23.9 million customers and 15 million high-speed Internet customers. Under the merger agreement, Comcast stands to gain majority ownership and control of NBC Universal's national television networks, 26 local broadcast television stations, motion picture studio, television production company, and online properties. A combined Comcast-NBCU would have unprecedented economic incentive and leverage in negotiating with competing cable systems, ISPs, and other distribution platforms. Any new channels and networks would be compelled to work with Comcast in order to reach a wide audience. Therefore, the FCC and DOJ should strongly consider the impact the merger could have in areas where Comcast will own both a cable system and an NBC owned-and-operated broadcast station.

I also encourage the FCC and Department of Justice (DOJ) to closely examine the substance of Comcast and NBC's proposed diversity commitments. To date, these include commitments to: launch ten independent channels over 8 years, without specifying how those channels will be carried and how many subscribers the channels will reach; launch a \$20 million capital fund for minority entrepreneurs, a marginal amount considering the scale of modern media ownership and associated operational costs; and both companies have committed to "improve" diversity in management, recruitment, leadership, and procurement, without outlining in greater specificity how they intend to improve minority representation in these areas.

In addition to my ongoing concerns for diversity in media ownership, programming, management, and advertising, the Commission and the Justice Department should look to some of the broader, public interest proposals advanced by the FCC Advisory Committee on Diversity for Communications in the Digital Age. For example, the *S-License Proposal* would allow full power broadcasters to 'sublease' a portion of its spectrum to a qualifying entity in exchange for a fee. If properly implemented, the proposal would promote greater media ownership diversity, furthering the FCC's goal to ensure efficient spectrum use. Further, the Advisory Committee has also called on the FCC to complete a comprehensive study on the impact the Commission's policies have had on media ownership opportunities for women and minorities (*Adarand Studies*). I believe the FCC should comply and fulfill this statutory obligation to determine if its policies are indeed fostering diversity of broadcast viewpoints. I do hope you will consider the very serious public interests concerns outlined above while conducting your Comcast-NBC merger review. If you have any further questions, please contact Twaun Samuel, of my staff, at 202-225-2201 or via email at Twaun_Samuel@mail.house.gov.

Sincerely,



Maxine Waters
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

December 16, 2010

The Honorable Maxine Waters
U.S. House of Representatives
2344 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Waters:

Thank you for your follow-up letters regarding the Commission's review of the proposed joint venture between Comcast Corporation and the General Electric Company subsidiary, NBC Universal, Inc. (NBCU), as well as the recommendations of the Advisory Committee on Diversity for Communications in the Digital Age. Your views are very important and your correspondence will be included in the record of the proceeding.

I agree that an important part of the Commission's analysis of the proposed Comcast-GE transaction is the careful evaluation of the effect that the proposed transaction may have on minority participation, competition, and the distribution of content in the communications industry. As you discuss in your correspondence, the applicants have proposed a number of public interest commitments that they indicate will promote diversity of ownership and programming content. The Commission is looking closely at those voluntary commitments, as well as other constructive ideas to foster increased diversity throughout the communications landscape. Please be assured that the issues discussed in your letter will be considered carefully as part of the Commission's independent review of the proposed Comcast-GE transaction.

In terms of the various recommendations offered by the Advisory Committee, the Commission is hard at work evaluating each and every one, and has already addressed many of the Committee's thoughtful suggestions. I have also announced recently the rechartering of the Committee for 2011-2012.

I appreciate your interest in these important matters. Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Julius Genachowski".

Julius Genachowski