

Consolidation Foes Use Bloomberg Comcast NBC Complaint Against Verizon SpectrumCo

Groups opposed to further media consolidation Tuesday used **Bloomberg's charges of Comcast non-compliance**, and Federal Communications Commission non-enforcement, of an NBCU deal condition on news neighborhooding to argue against allowing Comcast and other cable companies to sell their spectrum to Verizon.

On a conference call about Bloomberg's charges, which were made in comments on Comcast's annual report on compliance with the deal conditions, Gigi Sohn, president of Public Knowledge, and Joel Kelsey, policy adviser at Free Press, said that the FCC's failure to decide Bloomberg's complaint 14 months after the deal closed [though only 10 months since the complaint was formally filed] called into question its ability to enforce conditions on that or any other deal.

The other deal that is top of mind: Verizon's proposed \$3.9 billion purchase of spectrum from SpectrumCo., and the associated cross-marketing deals Sohn described as cable and phone competitors laying down their arms and embracing.

She asked whether the FCC could be trusted to prevent those competitors from stifling competition through exclusive agreements to market services and jointly develop technologies to integrate wired and wireless video, voice and data? She said if the FCC's inaction on enforcing the neighborhooding condition is any indication, the answer is "definitely no."

Kelsey said Justice and the FCC should heed the message from the Bloomberg complaint about the inefficacy of behavioral conditions as it considers whether or not to bless the "unholy alliance" of Verizon and cable operators.

Greg Babyak, head of government affairs for Bloomberg, said his company had taken no position on the Verizon/SpectrumCo deal. But he had lots to say about the Bloomberg charges against Comcast and that companies glowing assessment of its compliance with the conditions. "Being able to grade yourself is a wonderful thing," he said. "Comcast gave themselves high marks and we don't think those comport with reality."

Comcast has said, and reiterated Tuesday, that Bloomberg is just trying to advantage its channel via a misapplication of the FCC condition and that its latest complaints smacked of "desperation."

Babyak was certainly unhappy with the FCC's lack of movement on the complaint, but suggested that, unlike other, smaller independent programmers that could be dissuaded from complaining by that lengthy process, Bloomberg had the wherewithal, as well as the case, to go the distance. But he is clearly hoping the finish line is in view, since the deal conditions expire [in seven years] and the clock continues to tick.

The clock also continues to march on Verizon/SpectrumCo; the FCC is currently on day 82 of its review.