Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	**)**	
	)	
Applications of Comcast Corporation,	**)**	
General Electric Company,	**)**	**MB DOCKET 10-56**
and NBC-Universal, Inc.	**)**	
	)	
For Consent to Assign Licenses or	**)**	
Transfer Control of Licensees	**)**	

COMMENTS OF AMERICANS FOR TAX REFORM UNDER THE AEGIS OF

DIGITAL LIBERTY PROJECT

AND

AMERICAN SHAREHOLDERS ASSOCIATION

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The Digital Liberty Project and American Shareholders Association write in support of the proposed merger between Comcast and NBC-Universal, in which General Electric owns a majority stake. We respectfully submit the following comments to the Commission in this matter.

I. Merger Review Should be Based on Economic Analysis, Not Unrelated Commentary

Like all reviews, approval of the proposed merger between Comcast and General Electric's NBC-Universal should be based on reasoned economic analysis to determine the impact on competition in the marketplace. Such tests are designed with objectivity in mind to account for potential affects on consumers and the market.

Unfortunately, however, the approval process for this merger has been wrought with politicized commentary and rhetoric. Special interest groups with a distinct anti-business and anti-free market philosophy have sought to demonize both companies. In addition, the Commission, Congress, and third party groups have already demanded excessive and unrelated information including company positions on media ownership diversity and the right to work free of union membership. Not only have such concerns been proven unwarranted through fact-based filings, but their affect on competition in the market is nominal at best.

The proposed merger is a distinctly vertical one. Both Comcast and NBC-Universal operate in completely independent distribution and programming markets, respectively. Additionally, neither Comcast nor NBC-Universal controls enough market share to raise concerns. NBC-Universal is currently the fourth largest video content provider and Comcast is facing increased competition from telephone and satellite providers, who are growing substantially in market share. As a result, this vertical merger will have little if any impact on competition in either market.

II. Merger Review Should Account for Shareholders' Interests

The merger between Comcast and General Electric's NBC-Universal should ultimately be decided by shareholders, who are the actual owners of these publicly traded companies. While the Commission does retain oversight authority to preserve the "public good," questions of mergers and acquisitions should as a matter of principle largely be left to the shareholders of the relevant companies.

While Comcast's and NBC-Universal's customer bases reach well into the millions, over half of all American adults own stock – largely in the form of mutual funds – and millions have invested in Comcast and General Electric, the owner of NBC-Universal. Further, many of these shareholders are likely consumers of either or both companies as well.

What is lacking in the Commission's focus is the interest of the millions of investors who hold stocks in these companies. These shareholders have risked their capital to earn dividends and save for retirement or otherwise. Shareholders likely stand to gain should the merger be approved and this positive outcome should be factored into the Commission's decision.

III. Merger Approval Should Not Be Based on Regulatory Strong-Arm Tactics

We also urge the Commission to avoid regulatory threats and other strong-arm tactics to win "voluntary" concessions as a condition for merger approval. These actions severely politicize the merger, inviting recommendations from third party groups on how to regulate business practices that have nothing to do with ensuring that competition continues to exist in the market.

Regulatory threats are unfortunately all too common at the Commission and have significant effects on the marketplace that can harm investors. For example, immediately

following the Commission's announcement in May that it would reclassify broadband Internet as a regulated Title II service, cable stocks fell between four and six percent.

Businesses in a competitive market should be permitted to create new and innovative business models, including vertical ones that allow the joint venture to compete in both the distribution and content markets. We therefore strongly oppose undue government meddling in the form of a prolonged merger process or regulations that severely constrain such innovation. Consumers – not government – are the best regulators of business, and consumer actions in a free market will determine whether this new business model is worthwhile or not.

Additionally, the Commission's use of open forums with distinctly anti-merger themes and manufactured panelist lists are highly unwarranted. These forums also pointlessly duplicate the FCC's official merger review process, which easily allows the entire public – consumers, businesses, shareholders, and other interested parties – to submit comments. Traveling the country to hold hearings that highlight the Commission's almost overt regulatory aims generates unfounded negative sentiment about the merger and is simply not the role of a self-described independent government agency. Instead, the Commission should act expeditiously with reasoned analysis to approve the merger without politically motivated regulatory conditions proposed by special interest groups.

For the reasons above, we write in support of the proposed merger and urge the Commission to act fairly to approve it without extraneous conditions.

Respectfully submitted,

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