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October 21, 2010

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Federal Communications Commission
Office of the Secretary

BY HAND DELIVERY

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

Re: *In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses or Transfer Control of Licensees, MB Docket No. 10-56*

REDACTED – FOR PUBLIC INSPECTION

Dear Ms. Dortch:

Pursuant to the Protective Order in the above-referenced proceeding,¹ Comcast Corporation hereby submits two copies of the redacted version of an ex parte notice that contains certain Confidential Information. The Confidential, unredacted version is being filed under separate cover.

Sincerely yours,



Michael H. Hammer
Counsel for Comcast Corporation

Enclosures

cc: Vanessa Lemmé

¹ *Applications of Comcast Corporation, General Electric Company, and NBC Universal Inc. for Consent to Assign Licenses or Transfer Control of Licensees, Protective Order, MB Docket No. 10-56, DA 10-370 (MB Mar. 4, 2010).*

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Marlene H. Dortch
Secretary
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Re: *In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses or Transfer Control of Licensees*,
MB Docket No. 10-56
REDACTED – FOR PUBLIC INSPECTION

Dear Ms. Dortch:

On October 20, 2010, Margaret Tobey, Vice President, Regulatory Affairs, NBC Universal, Inc. (“NBCU”); Kenneth Satten, Wilkinson Barker Knauer LLP, counsel for NBCU; and Michael Hurwitz and the undersigned, Willkie Farr & Gallagher LLP, counsel for Comcast Corporation (“Comcast”) (collectively, “Applicants”) spoke by telephone with Marcia Glauberman and William Beckwith of the Media Bureau; Paul LaFontaine of the Office of Strategic Planning and Policy Analysis; and Michael Steffen of the Office of General Counsel. During the call, Applicants responded to certain claims made by DirecTV and the Fair Access to Content & Telecommunications Coalition *et al.* (“FACT”) regarding the alleged forced bundling of Applicants’ networks. As explained on the call and detailed below, their assertions are incorrect.

Response to DirecTV. Applicants have stated that Comcast and NBCU have offered their networks for sale on an individual basis and that no MVPD is required to carry one channel to obtain another.¹ They further stated that the new NBCU will continue these practices.² In its August 19 reply comments, DirecTV claims that Comcast has “refused repeated requests for individual offers for four

¹ Comcast Corporation, General Electric Company, and NBC Universal, Inc., Opposition to Petitions to Deny and Response to Comments, MB Docket No. 10-56, at 218 (July 21, 2010) (“Opposition & Response”).

² *Id.*

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networks, insisting that they be negotiated as a package,”³ and argues that this proves Comcast’s propensity to exploit the “additional leverage it can gain through such bundling.”⁴ DirecTV has misstated the facts.

Although DirecTV does not identify the networks to which it is referring, it appears to be referring to []

]]. Contrary to DirecTV’s implication, *these are all networks that Comcast has licensed to DirecTV, each under a separate contract, and that DirecTV carries today.* The contracts for all of these networks expire []

]]. Comcast and DirecTV have been discussing terms for renewal of these contracts and various other issues relating to other Comcast networks over the past several months.

Contrary to DirecTV’s implication that Comcast alone has sought to negotiate these multiple networks simultaneously, *both* Comcast and DirecTV have chosen on multiple occasions to explore whether an accommodation with respect to one network (or multiple networks) might facilitate resolution of differences with regard to another network (or networks), and this is a common approach pursued by distributors and programmers alike. Nothing about this is anticompetitive or improper; it is simply an efficient option often explored within the give and take of ordinary-course commercial negotiations between buyers and sellers of high-value programming.

Comcast has never refused to provide stand-alone offers for these networks. Terms pertaining to each of these networks have been discussed by the parties for months, albeit with both parties presenting such proposals []

]]. []

]]. It bears emphasis that DirecTV has the right under the *Adelphia Order* to seek arbitration on a stand-alone basis if it is unable to agree with Comcast on terms for [] and DirecTV may continue to carry the network despite the lapsed contract during the pendency of the arbitration. Comcast has also offered stand-alone terms to DirecTV for []

]].

Response to FACT. In its August 19 reply comments, FACT attempts to refute Applicants’ statement that NBCU does not coerce or force MVPDs to select any combination or bundle of channels.⁵ FACT’s filing offers no supporting evidence save for an affidavit by a representative of the National Rural Telecommunications Cooperative (“NRTC”), Madeleine Forrer, who alleges that

³ DirecTV, Inc., Reply Comments, MB Docket No. 10-56, at 38 and Ex. B at 2 (Declaration of Daniel Hartman) (Aug. 19, 2010).

⁴ *Id.* at 38.

⁵ See FACT Reply to Opposition to Petitions to Deny and Response to Comments, MB Docket No. 10-56, at 18-19 (Aug. 19, 2010).

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NBCU has forced NRTC to purchase bundled programming and otherwise refuses to sell programming on an unbundled basis.⁶ Ms. Forrer's affidavit, however, is filled with broad, non-specific allegations and statements that do not substantiate her claims and involve a negotiation that took place before she joined NRTC.

Nonetheless, NBCU has reviewed and investigated the circumstances surrounding the negotiation of its existing affiliation agreement with NRTC, and has confirmed that it never forced NRTC to license all of NBCU's programming services, nor did it tell NRTC that NBCU would not license any individual networks unless NRTC licensed all NBCU's networks. NBCU and NRTC agreed to a license that included a group of networks. NBCU has found no evidence that NRTC requested a different set of networks to license than were ultimately included in the agreement between the parties. NRTC chose to bargain hard on a variety of other issues with respect to which NBCU made concessions, such as with respect to tier placement and payment terms. Indeed, even after the existing agreement was executed, NBCU agreed to modify its terms, loosening payment terms and distribution obligations in response to NRTC requests.

It is only recently during initial discussions regarding the renewal of its expiring agreement that NRTC has raised the issue of whether it could license a different group of networks than those set forth in NRTC's current contract with NBCU. In response, NBCU has asked NRTC to address that issue in the form of a contract proposal, and NBCU, as always, is prepared to engage in good faith discussions with NRTC.

Respectfully submitted,



Michael H. Hammer
Counsel for Comcast Corporation

cc: Marcia Glauberman
William Beckwith
Paul LaFontaine
Michael Steffen

⁶ *Id.*, Appendix A (affidavit of Madeleine Forrer, Vice President, Video Services, National Rural Telecommunications Cooperative). It is noteworthy that record evidence demonstrates very few MVPDs carry all of NBCU's programming networks. *See* Opposition & Response at 213-14 & nn. 727-28.