



November 2, 2010

Via ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

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

Dear Ms. Dortch:

The Eastern Rural Telecom Association (“ERTA”) is filing this letter to express its support of the license transfer conditions proposed by the American Cable Association (“ACA”) to address the transaction-specific horizontal and vertical harms ACA has identified resulting from the proposed Comcast-NBCU transaction. These harms were described in ACA’s Comments filed June 21, 2010, Response to Comments filed July 21, 2010, and Reply filed August 19, 2010 in the above referenced proceeding.¹

ERTA is a membership organization made up of local exchange companies (“LECs”) and support companies that provide telecommunications services to rural customers in the Eastern half of America. Besides providing local, long distance, and broadband Internet services, some ERTA members also provide wireless and cable television services.² Similar to ACA, some ERTA members compete with Comcast or purchase programming from Comcast and most, if not all, obtain programming from NBCU.

All ERTA members, therefore, share the concerns ACA has raised about the increased market power that Comcast-NBCU will have post-transaction to extract unjustified programming rate increases from smaller multichannel video programming distributors (“MVPDs”). ERTA members fear that, should Comcast-NBCU be permitted to jointly own and negotiate together carriage for these “must have” programming assets, the prices paid for this programming will be markedly higher than they would otherwise be. Smaller MVPDs who compete against Comcast also fear that the combination of

¹ *In the Matter of Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc., to Assign and Transfer Control of FCC Licenses*, MB Docket No. 10-56, Comments of the American Cable Association (filed June 21, 2010); Response to Comments of the American Cable Association (filed July 21, 2010); Reply of the American Cable Association (filed Aug. 19, 2010). In addition ACA’s concerns are documented in ex parte letters filed on Aug. 27, 2010, Sept. 21, 2010, Sept. 22, 2010, and Oct. 12, 2010 (“October 12th Ex Parte”).

² None of the ERTA member companies serve more than 125,000 subscribers in the relevant market of any Comcast regional sports network or NBC O&O broadcast station.

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NBCU's key programming assets with Comcast's distribution assets will permit the joint entity to unjustifiably increase their costs for this "must have" programming. The result of both harms will be that ERTA member companies will be forced to pass along a significant portion of these unjustified rate increases to their unprotected customers.

ERTA has carefully reviewed and fully endorses the narrowly tailored, transaction-specific license transfer conditions that ACA has proposed in the record of this proceeding. To prevent Comcast-NBCU from charging higher rates as a result of joint ownership, ACA proposed a series of remedies, consistent with Commission precedent, including commercial baseball-style arbitration for NBC's broadcast stations, Comcast's regional sports networks ("RSNs"), and the suite of NBCU national cable programming networks. ACA also proposed a series of special conditions for smaller MVPDs, who have found baseball-style commercial arbitration too expensive due to its high fixed costs. For MVPDs with 125,000 or fewer subscribers in the relevant market of the NBC broadcast station or Comcast RSN, ACA has recommended a clearly defined limit on surcharges for negotiations with these operators, and a simplified dispute resolution procedure, helped by the availability of adequately comparable agreements.

In ERTA's opinion, the special conditions ACA has narrowly crafted for the benefit of smaller MVPDs and their customers will go a long way, if adopted, to tempering the increased bargaining leverage of Comcast-NBCU. It will return the market for Comcast and NBCU's key video programming assets, including the Comcast RSNs, NBC local broadcast television stations, and the suite of highly-rated NBCU cable programming networks, back to roughly pre-combination conditions.

In closing, we fully support ACA's proposed remedies to alleviate the horizontal and vertical harms arising from the proposed combination of the key video programming assets of Comcast and NBC Universal. We urge the Commission to adopt this relief in full.

Sincerely,

/s/ Jerry Weikle

Jerry Weikle
Regulatory Consultant