



# NEWS

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## FCC GRANTS APPROVAL OF COMCAST-NBCU TRANSACTION

Washington, D.C. -- Today, the Federal Communications Commission grants—with conditions and enforceable commitments—approval of the assignment and transfer of control of broadcast, satellite, and other radio licenses from General Electric Company (GE) to Comcast Corporation. The approval will allow GE and Comcast to create a joint venture involving NBC Universal, Inc. (NBCU) and Comcast. An Order further explaining the Commission's reasoning and the conditions and commitments will be issued shortly.

The Commission's decision is based on a thorough review of the record, which includes extensive data and voluntary commitments from the applicants, as well as thousands of comments from interested parties and public input received at a public forum held in Chicago. Based on this review, the Commission has determined that granting the application, with certain conditions and contingent upon enforceable commitments, is in the public interest.

As part of the merger, Comcast-NBCU will be required to take affirmative steps to foster competition in the video marketplace. In addition, Comcast-NBCU will increase local news coverage to viewers; expand children's programming; enhance the diversity of programming available to Spanish-speaking viewers; offer broadband services to low-income Americans at reduced monthly prices; and provide high-speed broadband to schools, libraries and underserved communities, among other public benefits.

More specifically, the conditions imposed by the Commission address potential harms posed by the combination of Comcast, the nation's largest cable operator and Internet service provider, and NBCU, which owns and develops some of the most valuable television and film content. These targeted conditions and commitments, which generally will remain in effect for seven years, include:

- *Ensuring Reasonable Access to Comcast-NBCU Programming for Multichannel Distribution.* Building on successful requirements adopted in prior, similar transactions, the Commission is establishing for rival multichannel video programming distributors (MVPDs) an improved commercial arbitration process for resolving disputes about prices, terms, and conditions for licensing Comcast-NBCU's video programming. The Commission is also requiring Comcast-NBCU to make available through this process its cable channels in addition to broadcast and regional sports network programming.
- *Protecting the Development of Online Competition.* Recognizing the risks this transaction could present to the development of innovative online video distribution services, the Commission has adopted conditions designed to guarantee *bona fide* online distributors the ability to obtain Comcast-NBCU programming in appropriate circumstances. These conditions respond directly to the concerns voiced by participants in the proceeding—including consumer advocates, online video distributors (OVDs), and MVPDs—while respecting the legitimate business interests

of the Applicants to protect the value of their content. Among other things, the Commission requires that Comcast and/or Comcast-NBCU:

- Provides to all MVPDs, at fair market value and non-discriminatory prices, terms, and conditions, any affiliated content that Comcast makes available online to its own subscribers or to other MVPD subscribers.
- Offers its video programming to legitimate OVDs on the same terms and conditions that would be available to an MVPD.
- Makes comparable programming available on economically comparable prices, terms, and conditions to an OVD that has entered into an arrangement to distribute programming from one or more of Comcast-NBCU's peers.
- Offers standalone broadband Internet access services at reasonable prices and of sufficient bandwidth so that customers can access online video services without the need to purchase a cable television subscription from Comcast.
- Does not enter into agreements to unreasonably restrict online distribution of its own video programming or programming of other providers.
- Does not disadvantage rival online video distribution through its broadband Internet access services and/or set-top boxes.
- Does not exercise corporate control over or unreasonably withhold programming from Hulu.
- *Access to Comcast's Distribution Systems.* In light of the significant additional video programming Comcast will control after the merger with NBCU—programming that may compete with third-party programming Comcast currently carries or otherwise would carry on its MVPD service—the Commission requires that Comcast not discriminate in video programming distribution on the basis of affiliation or non-affiliation with Comcast-NBCU. Moreover, if Comcast “neighborhoods” its news (including business news) channels, it must include all unaffiliated news (or business news) channels in that neighborhood. The Commission also adopts as a condition of the transaction Comcast's voluntary commitment to provide 10 new independent channels within eight years on its digital tier.
- *Protecting Diversity, Localism, Broadcast and Other Public Interest Concerns.* The Commission is also imposing conditions and accepting voluntary commitments concerning a number of other public interest issues, including diversity, localism, and broadcasting, among others. For example, to protect the integrity of over-the-air broadcasting, network-affiliate relations, and fair and equitable retransmission consent negotiations with the joint venture, the Commission adopts a series of conditions that were independently negotiated between the Applicants and various network affiliates.

The Applicants have also made a number of additional voluntary commitments, many of which the Commission has adopted as conditions to the transaction's approval. Most of these commitments are geared towards enhancing the public interest as a result of the joint venture. These commitments include:

- *Broadband Adoption and Deployment.* Comcast will make available to approximately 2.5 million low income households: (i) high-speed Internet access service for less than \$10 per month; (ii) personal computers, netbooks, or other computer equipment at a purchase price below \$150; and (iii) an array of digital-literacy education opportunities. Comcast will also expand its existing broadband networks to reach approximately 400,000 additional homes, provide broadband

Internet access service in six additional rural communities, and provide free video and high-speed Internet service to 600 new anchor institutions, such as schools and libraries, in underserved, low-income areas.

- *Localism.* To further broadcast localism, Comcast-NBCU will maintain at least the current level of news and information programming on NBC's and Telemundo's owned-and-operated ("O&O") broadcast stations, and in some cases expand news and other local content. NBC and Telemundo O&O stations also will provide thousands of additional hours of local news and information programming to their viewers, and some of its NBC stations will enter into cooperative arrangements with locally focused nonprofit news organizations. Additional free, on-demand local programming will be made available as well.
- *Children's Programming.* Comcast-NBCU will increase the availability of children's programming on its NBC and Telemundo broadcast stations, and add at least 1,500 more choices to Comcast's on-demand offerings for children. It will provide additional on-screen ratings information for original entertainment programming on the Comcast-NBCU broadcast and cable television channels and improved parental controls. Comcast-NBCU also will restrict interactive advertising aimed at children 12 years old and younger and provide public service announcements addressing children's issues.
- *Programming Diversity.* Building on Comcast's voluntary commitments in this area, we require Comcast-NBCU to increase programming diversity by expanding its over-the-air programming to the Spanish language-speaking community, and by making NBCU's Spanish-language broadcast programming available via Comcast's on demand and online platforms. As noted above, Comcast also will add at least 10 new independent channels to its cable offerings.
- *Public, Educational, and Governmental ("PEG") Programming.* Comcast will safeguard the continued accessibility and signal quality of PEG channels on its cable television systems and introduce new on demand and online platforms for PEG content.

Action by the Commission January 18, 2011 by: Memorandum Opinion and Order (FCC 11-4). Chairman Genachowski and Commissioner Clyburn, with Commissioners McDowell and Baker concurring, and Commissioner Copps dissenting. Chairman Genachowski and Commissioners Clyburn and Copps each issuing a separate statement, with Commissioners McDowell and Baker issuing a joint statement.

MB Docket No. 10-56

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