



## The Coalition for Competition in Media

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July 8, 2010

The Honorable Rick Boucher  
Chairman, Subcommittee on Communications, Technology and the Internet  
United States House Committee on Energy and Commerce  
2187 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Bobby Rush  
Chairman, Subcommittee on Commerce, Trade and Consumer Protection  
United States House Committee on Energy and Commerce  
2416 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Boucher and Chairman Rush:

The July 8 hearing you are convening in Chicago is appropriately titled: "Comcast and NBC Universal: Who Benefits?" As a coalition of public interest organizations, unions, small and minority media companies and independent programmers we strongly believe that the answer to your question is: Not the American consumer; not small businesses; not media industry workers; not the cause of diversity in programming; and not the ongoing effort to build a more competitive media industry. Indeed, the overwhelming evidence suggests that the only true beneficiary from this mega-acquisition will be Comcast itself.

In order to understand the threat posed by this merger, it is important to recognize the sheer scope of the proposed acquisition. As the nation's largest cable company, the largest internet service provider, the NBC broadcast networks, owner of the local NBC and Telemundo stations in some of the nation's largest media markets, owner of dozens of national, regional and local news, entertainment and sports cable networks, and owner or part-owner of some of the most heavily visited websites on the internet, the merged entity will exert a degree of power unknown in our nation's media history.

This is true on a national level. It is also true at the local level. Consider the Chicago media market. Comcast is already the dominant cable company and dominant broadband Internet service provider. It already has Comcast SportsNet—home of the Cubs, White Sox, Bulls and Blackhawks. And it will add to this media empire the local NBC station and the local Telemundo station. It will also acquire MSNBC and CNBC – the dominant business news station – and will be able to use its gatekeeper power to shield these networks from fair competition. It will also add the entire movie library of Universal Studios.

Taken together, that level of concentrated ownership means that Comcast may deny content, including local sports to competitors. That means viewers who want that content have to pay Comcast's prices. Local businesses seeking to advertise will have no choice but to go through Comcast, and so could see their ad rates rise. Independent programmers could either be cut off from Chicago households or banished to the far end of the channel dial, thus reducing Chicago viewers' access to diverse voices. And Chicago area communications workers will operate in an industry increasingly dominated by a company with a bad track record on labor relations.

This same market power will impact cities across the country. The post-acquisition Comcast will have the means and incentives to discriminate against competitive programmers, undermine competition between video distributors and shape virtually all elements of the video landscape.

These are not idle fears. In the city of Philadelphia, Comcast has already used its powerful pre-acquisition market position to prevent competitors from showing local sports including the Flyers, 76ers and Phillies. The result has been less choice for local consumers. As currently proposed, the acquisition of NBCU by Comcast would position the company to extend this discriminatory model around the country.

That degree of concentrated power is fundamentally threatening to the public interest. Before allowing such a sea-change to take place, these impacts must be fully studied and understood – and the threats must be mitigated through energetic applications of the government’s regulatory authority.

We thank you for convening this important hearing at this critical moment and hope you will use the opportunity to ask all witnesses the tough questions to which the America viewing public deserves answers.

Sincerely,

The Members of the Coalition for Competition in Media:

Bloomberg  
Common Cause  
Concerned Women for America  
Free Press  
Greenlining  
Mabuhay Alliance  
Media Access Project  
National Association of Independent Networks  
National Consumers League  
National Organization for Women  
National Telecommunications Cooperative Association  
NCAAOM  
New Media Rights  
Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO)  
Parents Television Council  
Rural Independent Competitive Alliance  
Sports Fans Coalition  
WealthTV  
Western Telecommunications Alliance  
Writers Guild of America, East  
Writers Guild of America, West