



The Coalition for Competition in Media

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