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**REMARKS AS PREPARED FOR DELIVERY BY ASSISTANT ATTORNEY GENERAL
CHRISTINE VARNEY AT BRIEFING ON COMCAST/NBCU JOINT VENTURE**

WASHINGTON, D.C.

Good afternoon. I know you all have had a busy day, and I appreciate your calling in.

As you are aware, the Antitrust Division conducted a thorough investigation of the Comcast and NBC Universal joint venture to examine the competitive effects of the transaction.

We worked side by side with the Federal Communications Commission on the competition issues in the transaction. Our coordinated efforts protect the market and allow for continued innovation.

This afternoon, we filed a complaint and a proposed settlement in U.S. District Court for the District of Columbia. Five state attorneys general have joined in our lawsuit and proposed settlement.

In the department's complaint, we allege that the transaction as originally proposed would have allowed Comcast, the largest cable company in the United States, to limit competition from traditional competitors such as cable overbuilders, satellite services and telephone companies. Specifically, the merger would have enabled Comcast to harm competition by either withholding, or raising the price of NBCU content. During the course of our review and coordination with the FCC, we became satisfied that the transaction-specific conditions that the parties have agreed to resolve some of the competitive concerns.

The antitrust laws protect traditional forms of competition, as well as emerging competition. The transaction had the potential to stifle new online competition. The settlement we are announcing today ensures that the transaction will not chill the nascent competition posed by online competitors—competitors that have the potential to reshape the marketplace by offering innovative online services.

The parties have agreed to the following changes to their original proposal.

First, the joint venture has agreed to license its programming to online distributors under either of two scenarios. Comcast has agreed to license NBCU content to online distributors that

have obtained distribution agreements with one of NBCU's peers. In addition, the settlement permits online distributors to step into the shoes of a traditional MVPD competitor and license a full linear feed from NBCU. These licensing requirements ensure that those innovative firms that want to enter the market to compete for consumers' business will have a fair opportunity to do so, unimpeded by the joint venture.

Second, the settlement prohibits Comcast from imposing upon content owners a variety of contractual terms that unduly limit a content owner's ability to freely negotiate creative arrangements with Comcast competitors. In designing those protections, we were sensitive to the parties' own incentives to continue innovating, and we think we struck a measured, balanced approach.

Third, the settlement ensures that the joint venture cannot retaliate against any broadcast network, affiliate, cable programmer, production studio or content provider for licensing content to Comcast competitors. The provisions also prohibit Comcast and NBCU from retaliating against those who raise concerns with the department or the FCC.

Fourth, there is also a requirement that NBCU adhere to the Open Internet provisions recently enacted by the FCC, as well as related restrictions. These provisions will ensure that Comcast does not discriminate between its own managed services and other broadband content. Comcast also has agreed to maintain high-speed Internet service it offers to its customers.

Finally, Comcast will relinquish its management rights in Hulu so Comcast cannot use NBCU's partial ownership of Hulu to diminish its competitive significance.

This settlement demonstrates how the antitrust laws offer critical protection to nascent markets as well as consumers in the digital age. We will vigorously enforce the settlement to prevent harm to competition in video distribution.

I really want to highlight the great cooperation and unprecedented coordination with the FCC. The FCC's order made it unnecessary for the division to impose similar requirements on certain issues. This approach resulted in effective, efficient and consistent remedies. Antitrust Division and FCC staff worked tirelessly on this matter and I want to thank them for their dedication.

I would also like to thank Deputy Assistant Attorneys General Molly Boast and Carl Shapiro for their leadership. Their staffs and the entire economic team have dedicated many hours to ensure that a competitive marketplace is maintained in the online video programming industry.

And with that, I would be happy to take your questions.

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