



Department of Justice

File

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 20, 1972

AT

The Department of Justice filed a civil antitrust suit today to prevent the acquisition of Cox Cable Communications, Inc., of Atlanta, Georgia, an owner of multiple cable television systems, by American Television and Communications Corporation, another cable TV operator based in Denver, Colorado.

Attorney General Richard G. Kleindienst said the suit was filed in U.S. District Court in Atlanta.

It charged that the proposed acquisition would violate Section 7 of the Clayton Act.

ATC and Cox Cable entered into an agreement on November 8, 1972 under which Cox Cable would be merged into ATC, as the surviving corporation. The name of the corporation would then be changed to Cox American Communications, Inc.

The merger was scheduled to be completed today.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said this was the first federal antitrust suit brought to block a cable TV merger.

The complaint said both ATC and Cox were active and successful competitors to operate cable television franchises in the major

OVER

television markets, and that recent mergers have eliminated some other of the limited number of companies capable of competing for these franchises.

The suit charged that:

-- the acquisition will permanently eliminate competition between ATC and Cox for cable television franchises, particularly in the Nation's largest markets;

-- competition generally for cable television franchises in these markets will be substantially lessened;

-- concentration in the number of companies capable of competing for these franchises will be increased and mergers of other major cable television companies may be fostered and encouraged.

The suit seeks a permanent injunction to block the merger. The Department also seeks a temporary restraining order and preliminary injunction to prevent the merger, pending the court's decision.