



Department of Justice

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JUSTICE DEPARTMENT TENTATIVELY CONSENTS TO PROPOSED MODIFICATIONS TO NETWORK CONSENT DECREES

WASHINGTON, D.C. -- The Department of Justice today filed a stipulation and memorandum tentatively consenting to proposed modifications of consent decrees pertaining to the financial interests and syndication rights of three major television networks, American Broadcasting Companies Inc. (ABC), CBS Inc. (CBS) and National Broadcasting Co. Inc. (NBC).

In papers filed in U.S. District Court in Los Angeles, the Department indicated that the restrictions were no longer necessary because no network exercises market power in any relevant antitrust market. The Department also noted that the restrictions actually may be anticompetitive in their effect since they may be prohibiting conduct which is procompetitive or competitively neutral.

James F. Rill, Assistant Attorney General in charge of the Antitrust Division, said, "These decree provisions, entered in 1978 and 1980, were originally intended to curb the purchasing power of the networks as against their program suppliers. The television industry has changed significantly since these decrees were entered. There is no longer any competition rationale for

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maintaining restrictions that impede efficient marketplace transactions."

The networks have sought to remove current restrictions on their ability to acquire financial interests and syndication rights in the programs they obtain from independent producers.

The decrees prohibit the defendant networks from acquiring financial interests, i.e., profit shares, in any program they broadcast which they had obtained from an independent producer, and also prohibit the networks from acquiring the right to syndicate any such programs.

The Department has reserved the right to withdraw its consent for at least 10 days after the close of a 60-day public comment period which the Department's stipulation requests the court to establish.

The complaints which initiated these cases, filed in 1974, alleged that each of the defendant networks had violated Secs. 1 and 2 of the Sherman Act, which prohibits restraint of trade and monopolization or attempt to monopolize.

The ABC case was settled by consent judgment in 1978; the CBS and NBC cases were settled by consent judgment in 1980.

Public comment on the proposed decree modifications is invited within the 60-day period established by court order for such comment.

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Interested persons may address comments to Constance K. Robinson, Chief, Communications and Finance Section, Antitrust Division, U.S. Department of Justice, 555 Fourth Street, N.W., Washington, D.C. 20001.

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