



Department of Justice

FOR IMMEDIATE RELEASE
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**JUSTICE DEPARTMENT FILES ANTITRUST SUIT AND PROPOSED CONSENT
DECREE AGAINST PRIMESTAR GROUP FOR ANTICOMPETITIVE PRACTICES**

WASHINGTON, D.C. -- The Department of Justice today filed a civil antitrust suit against Primestar Partners L.P., its 10 member companies and the parent companies of those members for restraining competition in the multichannel subscription television service by blocking other firms from entering the direct broadcast satellite (DBS) business. At the same time, the Department filed a proposed consent decree that, if approved by the court, would settle the suit.

The suit and proposed consent decree were filed in U.S. District Court in Manhattan, New York.

The complaint alleged that the defendants engaged in a continuing agreement, combination and conspiracy to restrain competition in multichannel subscription television service by forming Primestar Partner L.P. to block other firms from entering the DBS business in violation of Section 1 of the Sherman Act.

The complaint also alleged that the effect of the Primestar venture has been to delay, if not prevent, entry into the DBS business through an agreement to restrict access to programming

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owned or controlled by the venture's partners to other companies that want to start a competing (DBS) service.

"Without adequate programming, a service competitive with existing cable monopolies can't get off the ground," said John W. Clark, Acting Assistant Attorney General of the Antitrust Division. "Primestar's formation made programming much more difficult to obtain, and deterred entry by others."

Primestar Partners L.P., based in Bala Cynwyd, Pennsylvania, is a joint venture partnership formed by some of the nation's largest cable television companies, some of which also are leading suppliers of video programming.

The defendant Primestar members and their principal offices are:

- ATC Satellite Inc., Stamford, Connecticut.
- Comcast DBS Inc., Philadelphia.
- Continental Satellite Co. Inc., Findlay, Ohio.
- Cox Satellite Inc., Atlanta.
- GE Americom Services Inc., Princeton, New Jersey.
- New Vision Satellite, East Syracuse, New York.
- TCI K-1 Inc., Denver.
- United Artists K-1 Investments Inc., Denver.
- Viacom K-Band Inc., New York City.
- Warner Cable SSD Inc., Stamford, Connecticut.

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The complaint also named as defendants seven multiple cable system operators (MSOs) that are corporate parents of Primestar members:

--Tele-Communications Inc., Denver.

--Time Warner Inc., New York City.

--Continental Cablevision Inc., Boston.

--Comcast Corporation, Philadelphia.

--Cox Enterprises Inc., Atlanta.

--Newhouse Broadcasting Corporation, East Syracuse, New York.

--Viacom Inc., Dedham, Massachusetts.

GE American Communications Inc., a subsidiary of General Electric Co., with its principal office in Princeton, New Jersey, also is a defendant.

Primestar was formed in order to offer a multichannel subscription television service, called "Primestar," which is transmitted directly to consumers via a medium-power satellite owned by GE American Communications Inc. This type of service, commonly referred to as direct broadcast satellite, uses a relatively small home satellite dish that is less expensive to install than large home satellite dishes and is a potential substitute for cable television service.

The proposed consent decree would forbid the defendants from enforcing any provision of the Primestar partnership agreement that affects the availability, price, terms, or conditions of

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programming to any provider of multichannel subscription television.

It also would prohibit the defendants from agreeing to take any action against a person who provides programming to or invests in any provider of multichannel subscription television.

The proposed consent decree would also prohibit the MSO defendants from reaching agreements with each other that would affect the availability, price, terms or conditions on which programming could be made available to other providers of multichannel subscription television.

It would also prohibit the MSO defendants from entering into or renewing any agreements with specified programming services that contain exclusive distribution provisions.

According to Clark, the proposed consent decree would prevent the possible anticompetitive consequences of the Primestar venture, while still allowing Primestar to continue to provide DBS service to consumers.

The public can comment on the proposed consent decree within a 60-day comment period in compliance with the Antitrust Procedures and Penalties Act. Interested persons should write to Richard L. Rosen, Chief, Communications & Finance Section, Antitrust Division, Department of Justice, Room 8104, 555 4th Street, N.W. Washington, D.C. 20001.

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