

A look at possible conditions in Comcast, NBC deal

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(AP) --Federal regulators are considering a number of conditions to ensure that Comcast Corp. cannot use its control over NBC's vast media empire to stifle the growth of online video. Their key concerns:

- The darkest fear of companies in the Internet <u>video</u> market is that Comcast could withhold or ratchet up prices for popular <u>NBC</u> Universal programming, including hit shows such as "30 Rock" and "The Office." So regulators may force Comcast to abide by the Federal Communications Commission's existing "program access" rules in dealing with online services. The current rules require cable companies to make programming they own available to rivals such as satellite companies, but right now they do not apply to Internet distributors.

- The government is concerned that Comcast could try to pressure outside programmers seeking distribution on its cable systems to withhold their content from the Internet. Regulators may therefore prohibit Comcast from including such clauses in its contracts to carry channels. Comcast has indicated that it would willing to accept such a condition.

- Regulators are scrutinizing Comcast's embrace of an industry initiative that offers online viewing of such hit shows as HBO's "True Blood" and "Entourage," but only for subscribers. Comcast and other companies market the service as an added benefit for customers who want another way to watch premium video they are already paying for. But critics say it locks consumers into cable subscriptions to watch online video. Once



Comcast takes control of NBC Universal, it would have more content to put behind this wall. Regulators may therefore prohibit Comcast from requiring a cable subscription to get online access to NBC Universal programming.

- The government is also focused on the fate of Hulu, a website owned by NBC Universal, <u>News Corp</u>. and Disney Co. Hulu has become a major online platform for NBC, Fox and ABC shows. Once Comcast takes control of NBC Universal, it would have influence over such decisions as whether viewers can watch Hulu on TV sets or just on PCs. It would also have a say over which shows should remain free on the site and which should be available only through Hulu's new premium service, which now costs \$8 a month. Regulators could force <u>Comcast</u> to sell NBC's 32 percent stake in Hulu.

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