

Comcast wins government approval to take over NBC

January 18 2011, By JOELLE TESSLER , AP Technology Writer

(AP) -- The federal government on Tuesday gave Comcast Corp., the country's largest cable company, the green light to take over NBC Universal, home of the NBC television network.

Comcast is buying a 51 percent stake in NBC Universal from General Electric Co. for \$13.8 billion in cash and assets.

The Justice Department said it reached a settlement with Comcast and NBC Universal that allows the companies to proceed with the deal, subject to some conditions.

The five-member [Federal Communications Commission](#) on Tuesday voted 4-1 to approve the deal. Michael Copps, one of the commission's three Democrats and an opponent of media consolidation, voted against the deal.

With the transaction certain to transform the entertainment industry landscape, both the FCC and Justice Department are attaching conditions to prevent Comcast from trampling competitors once it takes control of NBC's vast media empire.

Among other things, they're requiring Comcast to make NBC programming available to competitors including rival cable companies, satellite operators and new Internet video services that could pose a threat to Comcast's core cable business. Regulators want to ensure that emerging online video platforms being developed by companies such as

Netflix Inc., Amazon.com Inc. and Apple Inc. can get the movies and TV shows they need to grow - and potentially offer a cheaper alternative to monthly cable subscriptions.

Philadelphia-based Comcast has about 23 million cable TV subscribers and nearly 17 million [Internet subscribers](#). It also owns a handful of cable channels, including E! Entertainment and the Golf Channel, and has a controlling interest in the Philadelphia 76ers and Flyers sports teams. Comcast's SportsNet Philadelphia channel carries Flyers, Phillies and 76ers games.

Taking over NBC will transform the company into a media powerhouse. NBC Universal owns the NBC and Telemundo [broadcast networks](#); 26 local TV stations; popular cable channels including CNBC, Bravo and Oxygen; the Universal Pictures movie studio and theme parks; and a roughly 30 stake in Hulu.com, which distributes NBC and other broadcast programming online.

The regulatory approvals establish an arbitration process to resolve disputes between Comcast and competitors who want to buy programming. They prohibits Comcast from withholding programming during negotiations - a practice that broadcasters have been using recently to extract higher fees from cable companies.

A handful of other conditions are designed to ensure that Comcast cannot stifle the growth of the fledgling Internet video market by starving the new industry for content. One requires the company to offer its programming to legitimate Internet video providers on the same terms and conditions that it offers other pay-TV providers. Another requires the company to make comparable programming available at comparable prices to an Internet video provider that has reached an agreement to buy programming from another media company.

Yet another condition requires [Comcast](#) to continue offering an affordable, standalone broadband option for customers who want Internet access but not TV service. This condition, too, is intended help drive the growth of online video by allowing consumers to cancel their cable subscriptions without losing their Internet connections.

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