FCC chairman seeks conditions on Comcast, NBC deal

December 23 2010, By JOELLE TESSLER , AP Technology Writer

(AP) -- The head of the Federal Communications Commission proposed regulatory conditions Thursday to ensure that cable giant Comcast Corp. cannot stifle video competition once it takes control of NBC Universal.

The conditions are intended to guarantee that satellite companies, phone companies and other traditional subscription television services can still get access to marquee NBC programming once the transaction closes. FCC Chairman Julius Genachowski also wants to ensure that new Internet video distributors can get the programming they need to grow and compete.

FCC officials, however, wouldn't disclose the specific conditions Thursday as fellow commissioners consider whether to back Genachowski's proposal. The chairman needs the support of at least two of them to get the plan passed. He is likely to modify parts of his proposal to win the backing he needs.

Comcast is seeking government approval to buy a 51 percent stake in NBC Universal from General Electric Co. for $13.8 billion in cash and assets. The deal would create a media powerhouse that both produces and distributes content.

The deal is also still awaiting approval by the Justice Department, which will attach its own conditions. Those are likely to be similar to the final conditions imposed by the FCC.

Approval with conditions is expected early next year.

The combination would give the nation's largest cable TV company control over 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 stake in Hulu.com, which distributes NBC and other broadcast programming online.

Comcast already owns a handful of cable channels, including E! Entertainment, Versus and the Golf Channel. It also has a controlling interest in the Philadelphia 76ers and Flyers, and its SportsNet Philadelphia channel carries Flyers, Phillies and Sixers games.

But for the most part, Comcast has built its business on distributing video programming and providing Internet connections. The company has about 23 million video subscribers and nearly 17 million broadband subscribers. Taking over NBC Universal would transform it into a media giant too - giving Comcast control over major box office releases and a wide range of popular television programming.

Comcast is contributing assets worth $7.25 billion to NBC Universal and paying General Electric Co. $6.5 billion in cash for the majority stake.

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