

NATIONAL COALITION ASKS FOR CONDITIONS ON ADELPHIA TRANSACTION

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The National Hispanic Media Coalition (NHMC) has joined the Competition and Diversity Coalition on the Adelphia Transaction (CADCAT) in mobilizing community interest groups to ask that the Federal Communications Commission (FCC) impose conditions on the Adelphia Transaction. Comcast and Time Warner are in the midst of acquiring Adelphia Communications. The companies are awaiting one more approval on the merger, that of the FCC's, before the sale is finalized by the bankruptcy court overseeing the Adelphia bankruptcy. The Federal Trade Commission recently approved the Adelphia sale without conditions.

Once the FCC approves the sale there will be a more powerful cable duopoly that plans to split the country in regional "clusters" with one of the two companies, Comcast or Time Warner, as the single dominant cable operator in each area. "The Adelphia Transaction not only poses a threat to competition but also a threat to freedom of choice," said Alex Nogales, NHMC President & CEO. "We've already seen the arrogance and power of Comcast, the largest cable company in the country. Comcast acts as a gatekeeper deciding what independent networks they will carry without regard to the public's preference in that particular market. There are two Latino English language networks that program specifically at Latino youth and Comcast carries neither in substantial markets. Comcast continues to say that it doesn't make business sense to carry these two Latino owned and/or operated networks in some of the largest designated markets areas with high Latino populations. It is obvious that without provisions protecting competition and freedom of choice, providers such as Comcast will be free to ignore the Hispanic community's desire to expand program options."

The creation of regional monopolies will give Comcast and Time Warner both the means and the incentive to structure exclusive arrangements for the broadcast of "must-have" content, particularly regional sports. The acquisition also will enable them to deny competitors access to affiliated programming; act as gatekeepers for independent programmers; and make it more difficult for local authorities to ensure fair pricing, quality customer service, and other important public interest requirements.

In light of the threat to competition CADCAT urges that if the proposed merger is approved, the FCC should establish conditions that counter the anti-competitive effects. Such conditions should include enforceable guarantees to ensure that Comcast and Time Warner cannot discriminate against their competitors in distribution or content.

Alex Nogales stated that “this issue affects everyone, not just Latinos but also sports enthusiasts and any cable subscriber that has not been able to access the programming they desire.” "As a regional sports network, we have witnessed first-hand Comcast's single-minded desire to lock up local programming. Rather than compete, Comcast refused to air Nationals games to millions of fans throughout the region," said Russell Smouse, MASN. "The members of CADCAT are united in our efforts to protect competition and preserve the right to root for our home team without giving up the right to subscribe to the video service provider of your choice." Richard Ramlall of RCN Corporation added: "These companies have in the past, threatened to use their control over must-have programming to deny consumers choice and lock out competition. If these transactions are approved and Comcast and Time Warner are allowed to become even more dominant in the marketplace, it is imperative that the FCC impose conditions to protect competition for the benefit of consumers."

CADCAT is comprised of video programming distributors, consumer protection organizations, media artists, independent programmers and now civil rights advocates. CADCAT was organized to protect consumer interests by promoting a fair, open, and competitive video marketplace. The Coalition includes The America Channel, Center for Creative Voices in Media, DIRECTV, EchoStar, Mid-Atlantic Sports Network (MASN), Media Access Project, and RCN.

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