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FCC RESOLVES INVESTIGATION OF COMCAST-NBCU BROADBAND-RELATED MERGER CONDITIONS; ENSURES CONSUMER ACCESS TO REASONABLY PRICED BROADBAND INTERNET SERVICE

Comcast Agrees to Unprecedented Extension of "Standalone" Broadband Service Condition; Will Pay $800,000 as Part of Merger Settlement

Washington, DC -- Today, the Enforcement Bureau of the Federal Communications Commission adopted a consent decree resolving the FCC's investigation of Comcast Corporation's compliance with certain broadband-related merger conditions imposed by the Commission's Order approving the Comcast-NBCU transaction.[1] The Bureau specifically negotiated an unprecedented year-long extension of the merger condition requiring Comcast to offer a reasonably priced broadband option to consumers who do not receive their cable service from the company. In addition, Comcast will pay an $800,000 voluntary contribution to the U.S. Treasury as part of the settlement.

FCC Chairman Julius Genachowski said, "Today's action demonstrates that compliance with Commission orders is not optional. The remedies announced today will benefit consumers and foster competition, including from online video and satellite providers, by ensuring that standalone broadband is truly available in Comcast's service areas. I am pleased we were able to resolve this issue."

FCC Enforcement Bureau Chief Michele Ellison said, "This Consent Decree is a huge win for consumers. It reinforces and extends the terms of the Commission's merger order to ensure that consumers have reasonably priced standalone broadband Internet options, as the Commission originally intended." Ms. Ellison also stated, "The unprecedented merger condition extension, significant voluntary contribution, and robust compliance plan send a clear message to the American public and the communications industry that the FCC will vigorously enforce its merger conditions, to the ultimate benefit of consumers."

Among other conditions in the *Comcast-NBCU Order*, the Commission required Comcast to continue to offer standalone broadband Internet access services at reasonable prices and with sufficient bandwidth to customers who do not subscribe to Comcast's video cable services. Specifically, the Commission required Comcast to offer standalone broadband services on terms equivalent to packages that bundle broadband and video cable service. Comcast was ordered to offer a broadband service with a download speed of at least 6 mbps at a price no greater than $49.95 for three years. The Commission also

[1] *Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licenses,* Memorandum Opinion and Order, 26 FCC Rcd 4238, 4362-63, Appendix A§ IV.D (1)-(3) (2011) (*Comcast-NBCU Order*). The *Comcast-NBCU Order* approved the assignment and transfer of control of various FCC licenses from General Electric Company to Comcast, allowing creation of a joint venture between NBC Universal, Inc. and Comcast.

prohibited Comcast from raising prices on the required broadband service for two years.[2] Finally, Comcast had to "visibly offer and actively market" standalone broadband Internet access service to highlight the availability of this special service and other standalone broadband services.

After receiving information suggesting that Comcast was not adequately marketing its standalone broadband services, the Bureau thoroughly investigated Comcast's compliance with the merger condition. Comcast responded fully to the Bureau's investigation. Ultimately, the Bureau and Comcast reached agreement to address the Bureau's concerns, resulting in today's consent decree.

Under the terms of the consent decree, Comcast must continue to offer its "Performance Starter" service until at least February 21, 2015, representing a one-year extension beyond the requirement in the *Comcast-NBCU Order*. This is the first consent decree in FCC history extending a merger condition. Consumers will directly benefit from the greater availability of this reasonably priced broadband option, potentially worth many millions of dollars in savings to consumers. Comcast also must pay $800,000 to the U.S Treasury.

In addition, the consent decree imposes a detailed compliance plan requiring Comcast to undertake numerous actions, including the following:

- training its customer service representatives and retail sales personnel to reinforce their awareness and familiarity with the Performance Starter service;
- ensuring that new and existing Comcast customers have equal access to a web page devoted exclusively to describing and permitting online purchase of all retail standalone broadband Internet service options;
- listing the Performance Starter service tier on product lists issued to Comcast customers;
- conducting a major advertising promotion of Comcast's standalone retail broadband Internet access service offerings in 2013; and
- continuing to offer the Performance Starter service at its owned and operated retail locations and offering its third-party retail agents and independent dealers the opportunity to sell the Performance Starter broadband service.

Ms. Ellison added, "I'd like to thank the staff for their hard work and professionalism in connection with this historic settlement and acknowledge Comcast's cooperation and willingness to ensure that the benefits of the merger condition are fully realized."

For further information, please contact Jeffrey Gee, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, FCC, 202-418-1420.

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[2] *See id.* at 4362.