

## TEN MYTHS – AND REALITIES -- ABOUT THE COMCAST/NBC UNIVERSAL TRANSACTION

**MYTH #1:** *This transaction will be bad for consumers because it will reduce the diversity of voices in news and entertainment.*

**REALITY:** Comcast's acquisition of 51% of NBCU will not reduce the diversity of voices in news and entertainment. This new entity will bring Americans more innovative television and online content and more viewpoint diversity. The combined company has made public commitments confirming that it will advance the viewing interests of parents and children, Spanish-language audiences, the African-American community, and other audience segments, by expanding the diversity and quality of content on television, online, and ultimately across all platforms.

**MYTH #2:** *The combination of Comcast and NBCU will harm consumers by lessening competition.*

**REALITY:** Comcast and NBCU don't compete in most segments of the market. There are no cable systems involved in this deal, so Comcast's distribution platform will not grow. The new venture shifts control of NBCU's programming assets from one Fortune 100 company (GE) to another (Comcast), and there is no appreciable overlap with Comcast's current content assets. So there is no "consolidation." In fact, this is primarily a "vertical combination," with Comcast taking a stake in additional programming and content assets that can benefit from its complementary distribution assets, and vice versa. Most economists view this kind of vertical combination as spurring competition and innovation, which will benefit consumers. So the combination will drive more competition in the already ultra-competitive content segment.

**MYTH #3:** *But the new company could still act as a "walled garden" and discriminate against unaffiliated television programmers by refusing to carry them or by refusing to license its own programming to its satellite or phone company competitors.*

**REALITY:** Even after this merger, six out of every seven channels that Comcast carries will still be unaffiliated with Comcast. Comcast has reaffirmed that it will deal fairly with all unaffiliated networks, and that it will also create new distribution opportunities for independently owned-and-operated networks. With the great and growing competition in multichannel video and broadband, we think it would be foolish not to provide consumers with all the viewing choices they want.

As to licensing the new company's cable network programming to cable or satellite competitors, we have little incentive to withhold programming from them. In fact, we rely on them to reach the greatest audience possible for our networks. The relationships between programmers and multichannel video distributors are already governed by the FCC's long-standing "program-access" and "program-carriage" rules, as well as the antitrust laws. These are effective protections against anticompetitive discrimination. We've volunteered commitments to provide additional assurances to independent programmers and to multichannel video competitors.

**MYTH #4: *Okay, but still Comcast could discriminate against unaffiliated online Internet content.***

**REALITY:** Comcast does not and will not foreclose consumer access to any online Internet content for anticompetitive purposes. Most importantly, consumers wouldn't stand for it and would flock to our competitors if we did.

**MYTH #5: *Yes, but the new entity could possibly lead to the elimination of free online video content on popular sites such as Hulu.***

**REALITY:** Comcast has had a partnership with Hulu for the past several years to share video content with the website and to carry content from Hulu on our online video site, Fancast. We expect the good relationship with Hulu to continue. Both Hulu and Fancast are working to bring more video content to consumers and accelerate the amount of TV shows and movies available online in a way that support the programmers' business model. Hulu is a venture with several owners, and Comcast will not be in control of the venture.

**MYTH #6: *This new entity could mean price hikes for cable customers!***

**REALITY:** This combination will have no impact on cable prices. Comcast's goal will be to continue to provide a good value for the diverse programming that consumers want.

**MYTH #7: *The transaction will incentivize a spin-off of NBC and its local broadcast stations.***

**REALITY:** There is nothing to this rumor. In announcing the deal, the companies have made it crystal clear that they are proud of NBC and Telemundo and are committed to work with NBC and Telemundo affiliates to keep providing free over-the-air television and to develop a business model that will sustain this service in a rapidly evolving economic and technological environment.

**MYTH #8: *The federal rules say that the new entity should not be able to own broadcast stations in the same market as Comcast's cable systems.***

**REALITY:** There is no federal rule prohibiting ownership of broadcast stations and cable systems. The FCC repealed its rule prohibiting this cross-ownership rule in 2003 pursuant to a court order.

**MYTH #9: *This new combination will hurt an already ailing news industry.***

**REALITY:** NBC News is a national treasure whose independence we all value and will always respect. We commit to support its newsgathering role in this increasingly fragmented and challenging media market. In announcing the deal, we have clearly committed to support NBC, Telemundo, CNBC, and MSNBC.

**MYTH #10: *The new entity poses a significant threat to the viability of local media.***

**REALITY:** The new entity will enhance localism. Comcast has committed to preserve existing local programming and to expand access to local news, public affairs, politics, sports entertainment and weather. Comcast has helped increase the coverage of local political and community events and has also promoted public, educational and government access programming ("PEG") for decades. Comcast has committed to use its On Demand and On Demand Online platforms, as well as certain windows in O&O schedules and time slots on cable channels, to make local content even more widely available than it is today.