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## MEMORANDUM

**FROM:** David L. Cohen  
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**RE:** Regulatory Approval of Comcast/GE Joint Venture for NBC Universal

**DATE:** January 18, 2011

I am pleased to report that today we received final regulatory clearance for the Comcast and General Electric ("GE") joint venture for NBC Universal. We may now proceed to close the transaction, which will usher in new benefits for consumers and hasten the arrival of the digital multiplatform, anytime, anywhere media and communications future that Americans want.

We are grateful for the leadership of FCC Chairman Julius Genachowski, Assistant Attorney General Christine Varney, the other FCC Commissioners, and the Justice Department and FCC staffs for the months of hard work that went into reviewing an unprecedented number of documents and public comments. The Congress also held hearings on the transaction and was engaged throughout the process, and we thank the Senators, Representatives, and their staffs for their efforts as well.

When we announced this transaction in December 2009, we made a series of pledges affirming how we would deliver public interest. We then expanded on those commitments in our Public Interest Statement filed in January 2010. Throughout the government review process, we continued to refine and enhance our public interest commitments in dialogues with stakeholders and regulators. These commitments expand on the strengths that Comcast and NBC Universal have built over the years, and the new opportunities that this combination makes possible. We formalized many of these pledges in our regulatory filings, and many others were memorialized in Memoranda of Understanding (MOUs) and letter agreements with various stakeholder organizations.

Most importantly, all of the commitments we have made, and conditions that we have agreed to, are wholly consistent with the manner in which we have always intended to conduct the Comcast and NBC Universal businesses. None of them will prevent us from executing on our business plans or will impair the competitiveness of any of our businesses.

This venture represents a natural and exciting evolution in the world of communications and entertainment, a marketplace that becomes more open, more competitive, and more global every day. The opportunity to combine the assets of Comcast and NBC Universal makes possible innovative programming and distribution opportunities that will permit the new company to better serve the interests of many key segments of the viewing audience, including local viewers in the markets served by NBC Universal's owned-and-operated NBC and Telemundo stations, and the particular interests of Hispanics, African Americans, Asian Americans, children and families, and other key audience segments. We've also committed to launch a comprehensive new program to promote broadband adoption by low-income families in our footprint around the country.

We are grateful for the support of countless federal, state, and local public officials, hundreds of community organizations, groups representing diverse constituencies, and many others who expressed their support of the transaction with regulators and Congress. We believe this transaction had more support on the record than any before it. This was also one of the most thoroughly examined media/communications transactions in history, with one of the longest FCC comment periods ever, as well as six congressional hearings to get all the facts. We were glad to have these opportunities to make our case for approval.

We have stated – and we believe the years ahead will prove – that this combination is pro-competitive, pro-consumer, and strongly in the public interest.

Attached we outline some of the key commitments we agreed to implement after the close of this transaction. You can expect to see additional announcements in the weeks and months ahead as we follow through on these commitments. We will be good to our word – and we will be respectful stewards of the strong and iconic assets of NBC Universal, particularly NBC News.

For America to continue to lead in the entertainment and information industries, it has to innovate in both content creation and distribution, and Comcast and NBC Universal will continue to be drivers of that innovation. As soon as the transaction closes, we can get started.

We are glad to have the opportunity to share this news with you, and we want to thank our many, many supporters who helped make this day possible. We look forward to working with you as we bring an unimaginably exciting future of entertainment and media to America and the world.



## **Committed to Serving the Public Interest**

In connection with Comcast's acquisition of NBC Universal, we have announced a number of public interest benefits and commitments that will allow us to better meet the entertainment, communications, and information needs of American consumers. These benefits and commitments represent part of the business plan for the joint venture and expand on the existing strengths of Comcast and NBC Universal, and the new opportunities this combination makes possible.

We have also made commitments and agreed to conditions as part of the transaction that seek to treat competitors fairly. We believe these commitments do not impair the competitive positioning of any of the Comcast or NBC Universal businesses, and will not interfere with our ability to operate this business combination as originally planned.

### **Strengthening Local Programming**

**Preserving Local Broadcasting:** Comcast and NBC Universal are committed to continuing to provide free over-the-air television through NBC Universal's owned-and-operated (O&O) NBC and Telemundo broadcast TV stations and through local broadcast affiliates across the nation. In doing so, the companies intend to preserve and enrich the output of local news, local public affairs, and other public interest programming on the NBC and Telemundo Networks and our O&O stations.

**Working with Local NBC Affiliates:** As we negotiate and renew agreements with broadcast affiliates, we are committed to work toward a business model that sustains free over-the-air service and is workable in the evolving economic and technological environment. We have also entered into a memorandum of understanding with NBC affiliates that we believe will ensure our successful future together.

### **Expanding Program Choices and Access to News, Information, and Entertainment**

**More News, Information, and Entertainment Programming Options:** Comcast and NBC Universal intend to expand the availability of local and public interest programming. The NBC O&O stations collectively will produce an additional 1,000 hours a year of local news and information programming, available to consumers over a combination of distribution platforms. The Telemundo owned-and-operated stations will also produce an additional 1,000 hours of news each year. Within three years, Comcast pledges to add at least 5,000 additional video on demand choices for free or at no additional charge.

**Innovative Public, Educational, and Governmental (PEG) Delivery:** Comcast is committed to providing support for PEG access programming, and has pledged not to migrate PEG channels to digital delivery on any Comcast cable system until the system has converted to all-digital distribution or until a community otherwise agrees to digital PEG channels, whichever comes first. To enhance localism and strengthen educational and governmental access programming, Comcast will also develop a platform to host PEG content On Demand and online within three years of closing, and is beginning its work with local pilot communities on this exciting new model.

**Expanding Consumer Access Through Broadband Deployment and Adoption:** Comcast has long been dedicated to accelerating the arrival of the digital, multiplatform, anytime, anywhere future of video programming that Americans want. To that end, the company has committed to help expand the deployment and adoption of broadband Internet services to strengthen consumer access to news, information, and entertainment.

- **Deployment:** Comcast takes great pride in having made broadband Internet available to over 99 percent of the homes passed by its cable systems, and in continuing to improve that service. Comcast will take additional steps to enhance access to its broadband services by expanding its network 1,500 miles per year to reach an additional 400,000 homes, provide upgrades for certain rural communities, and provide more courtesy connections to community organizations targeting underserved areas.
- **Adoption:** Comcast will establish the *Comcast Broadband Opportunity Program* (CBOP) to boost the number of low-income households using broadband in Comcast service areas. This comprehensive program will work with local school districts to offer families with children eligible for a free lunch under the National School Lunch Program a \$9.95 per month high-speed Internet service, quality computer equipment for less than \$150, and access to basic digital literacy training. The comprehensive CBOP will address the three key barriers to adoption as identified in the FCC's National Broadband Plan: the cost of broadband access for low-income households, the lack of an affordable computing device in the home, and the absence of digital literacy.
- **Public Broadcasting Spectrum:** The National Broadband Plan presented ideas for expanding wireless broadband, in part by creating opportunities for broadcasters to voluntarily relinquish some or all of their spectrum and share in the proceeds from "incentive auctions." Should Congress authorize such a program, Comcast will commit for a period of several years to continued carriage at current levels of non-commercial educational TV broadcast stations that relinquish their broadcast spectrum as part of the Commission's efforts to promote wireless broadband.

**New Partnerships with Hyper-Local News Organizations:** Building on our pledge to preserve and enrich the output of local and public affairs programming on our O&O stations, the joint venture commits to establish cooperative arrangements with locally-focused, non-profit news organizations that provide reporting on issues relevant to each such station's market and/or region ("Online News Partners"). Within 12 months of the transaction closing, at least half of the 10 O&O NBC stations will have Online News Partners in place, with a minimum of five such arrangements maintained for at least three years. The partnerships will include, as appropriate, story development, sharing of news footage and other content resources, financial support, in-kind contributions, shared use of technical facilities and personnel, on-air opportunities, promotional assistance, and cross-listing/embedding of websites.

**Public Service Announcements (PSAs):** A \$75 million multi-year commitment to air PSAs on digital literacy, parental controls, FDA nutritional guidelines, and childhood obesity on networks and programming with high viewership among parents and children.

### **Enhancing Children's Programming**

**More Children's Programming Options:** Comcast and NBC Universal have strong track records in providing quality children's programming, and together commit to enrich and expand children's content on all available platforms, including Xfinity TV and On Demand platforms and a portion of our O&Os' digital broadcast spectrum. An additional hour of children's educational and informational programming will appear on NBC and Telemundo O&Os each week. Video on demand choices for children and families will also expand, with 500 additions within the first year, and an additional 1,000 choices within three years.

**More Protection for Children’s Interests:** Comcast and NBC Universal are committed to meet the needs of parents to better control their family’s viewing. We have reaffirmed our commitment to provide clear and understandable on-screen TV ratings information for all covered programming across all networks, and to apply the cable industry’s best-practice standards for providing on-screen ratings information in terms of size, frequency, and duration. In an effort to constantly improve the tools and information available for parents, Comcast will also expand its partnerships with Common Sense Media and other organizations offering enhanced information to help guide family viewing decisions.

### **Serving a Diverse Nation**

Comcast and NBC Universal are proud of our commitment to diversity. As we embark on our new venture, we have worked with leadership organizations in the African American, Asian American, and Hispanic communities to develop commitments that express the combined company’s dedication to diversity. We have signed Memoranda of Understanding (MOUs) with leadership organizations in each of those three communities. These MOUs are comprehensive commitments covering all business units of the combined company and focusing on five areas: programming, vendor opportunities, corporate governance, employment/workforce recruitment and retention, and philanthropy and community investment. The following are some examples of our commitments in each of these areas.

**More Programming Options for Diverse Communities:** We believe the new company will be second to none in providing and promoting diverse programming.

- **More Hispanic Content:** Comcast has committed to add four independently-owned channels under Hispanic ownership and/or management and to expand carriage of existing Hispanic-oriented networks. We have also committed to expand video on demand and online program offerings to the Hispanic community. With these additions, Comcast’s offerings in this area will be unparalleled. We have also pledged to expand over-the-air programming to the Latino community by launching a new Spanish-language multicast channel on Telemundo’s digital broadcast spectrum, utilizing library programming that has had limited previous exposure. In addition, Comcast and NBC Universal have committed to an additional 1,000 hours of news on Telemundo O&Os, to use Xfinity TV and On Demand platforms to feature Telemundo programming, and to continue expanding the availability of the youth-oriented, bilingual mun2 (MunDos) network.
- **More African American Content:** Comcast has committed to carry four new independent channels that will be majority African American owned and to expand distribution of two existing African American channels. Additionally, Comcast recently launched Black Cinema On Demand, a video on demand service that celebrates black films, filmmakers, and actors past, present, and future, focusing on the wide range of experiences, accomplishments, and points-of-view of black people as expressed through the artistic medium of film.
- **More Asian American Content:** Comcast has committed to significantly increase the distribution of new and existing Asian American programming in major markets serving Asian Americans. We are also making more Asian American content available on demand through our newly-launched Cinema Asian America, featuring Asian Americans behind and in front of the camera. We are also committed to develop new talent pipelines for Asian American-themed content for video on demand, online, television, and other media, and to help increase the availability of diverse and high-quality content through new or expanded partnerships with non-profit partners.

**More Opportunities for Diverse Vendors:** Comcast and NBC Universal will enhance diversity in our procurement of goods and services and company-wide supplier diversity activities, and increase the amount spent with diverse business partners, including minority-owned enterprises. On a nationwide basis, Comcast and NBC Universal will strive to increase the percentage of business conducted with minority-owned vendors

to be on par with the percentage of minority-owned businesses in the communities we serve. Our commitments include increased partnerships with diverse organizations, second-tier procurement programs to encourage top suppliers to work with minority-owned vendors, growing existing initiatives to work with minority-law firms and financial institutions, and committing at least an additional \$7 million in spending on advertising with minority-owned media in 2011 following the transaction closing.

**Corporate Governance:** Comcast and NBC Universal have committed to establish external Diversity Advisory Councils to facilitate open communication over the development, monitoring, and evaluation of diversity initiatives. Comcast will create a new Joint Diversity Council, comprising representatives of minority communities and other diversity representatives, to provide counsel and oversight on the company's diversity efforts. Comcast has also committed to appoint a member of the Hispanic Community to its Board of Directors within two years.

**Employment/Workforce Recruitment and Retention:** Comcast and NBC Universal will strive to increase African American, Asian American, and Hispanic representation and retention among our employees and executives at all levels of our respective organizations.

**Philanthropy and Community Investment:** Comcast and NBC Universal recognize the importance of investing in minority-led organizations and the programs and services provided by minority organizations to their respective communities, and have committed to increasing support for internship and scholarships programs of organizations led by or dedicated to Asian American, African American, and Hispanic communities.

#### **Ensuring a Diversity of Voices**

**More Independent Cable Networks:** Comcast and NBC Universal are committed to fostering American creativity by working with the independent film and television community to bring its content to more consumers across more platforms. Comcast has committed to add at least ten new independently-owned and operated programming services over the next eight years (including the minority-owned and operated channels described above) following closing of the transaction.

**More Opportunities for Independent Producers:** In our agreement with representatives of the independent film and television community, Comcast and NBC Universal have committed to supporting early development of new projects from independent producers, and to facilitate opportunities for the development and distribution of creative content. As part of the agreement, up to 200 independent producers will be briefed on NBC Universal's upcoming scripted and reality development needs every summer, and will have the opportunity to pitch NBC Universal's creative executives. Independent producers will also have expanded opportunities to distribute their content over Comcast's On Demand and online platforms.

#### **Committed to Playing Fairly**

**Treating Competing Programmers Fairly:** Comcast won't discriminate against programmers based upon affiliation or non-affiliation.

**Treating Competing Multichannel Video Programming Distributors (MVPDs) Fairly:** Comcast and NBC Universal have successful and mutually satisfactory working relationships with MVPDs, whose support we rely on to reach the majority of American homes with our content. Building on this good working relationship and the successful operation of the FCC's program access rules, an improved arbitration mechanism will be available to adjudicate disputes relating to all Comcast and NBC Universal programming under the existing FCC program access rules.

**Treating Competing Cable Programmers Fairly:** Nearly six out of every seven channels carried by Comcast Cable systems will remain networks unaffiliated with Comcast upon closing of the transaction. Comcast is committed to dealing fairly with all non-affiliated video programmers we do business with, and to promoting program diversity. As existing program carriage rules remain in place, the transaction has minimal changes in this area. Comcast pledges not to discriminate on program carriage on the basis of affiliation or non-affiliation.

**Being Responsible Players in the Online Video Marketplace:** Comcast is excited about the prospects for online distribution of video content and has been a leader and innovator in this space. As part of this transaction, Comcast has agreed to a focused mechanism for online video providers to obtain access to certain NBC Universal content. The process has been carefully crafted to be fair to all players. There is no general extension of the program access rules to online video.

**Maintaining the Open Internet:** As an Internet service provider, Comcast is committed to maintaining an open Internet so that our customers can access all that the Internet has to offer. We currently operate in accordance with the FCC's Open Internet principles and have agreed to abide by the FCC's recently adopted Open Internet rules.

**Hulu:** Comcast/NBC Universal may retain its economic stake in Hulu. Comcast/NBC Universal has agreed to give up its voting rights and board representation rights for Hulu. Comcast/NBC Universal will continue to provide content to Hulu in a manner consistent with Hulu's other broadcast network owners.

**Together, Comcast and NBC Universal will create one of America's leading entertainment and communications companies – enhancing the entertainment experience through bold innovations and offering more choices to consumers. We believe the new company will be well-positioned to compete in today's fast-changing marketplace, and these commitments will bring significant public interest benefits.**