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Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street SW
#TW-A325
Washington DC 2055

Re: MB Docket No. 10-56
<u>Notice of Ex Parte Meeting</u>

Dear Ms. Dortch:

On Monday, June 28, 2010, Greg Babyak, Director of Government Affairs of Bloomberg L.P. ("Bloomberg"), and I met Millie Kerr, Confidential Assistant and Staff Attorney in the office of Commissioner Meredith Atwell Baker, regarding the above-captioned matter, the merger of Comcast with NBC Universal.

During the meeting, Mr. Babyak and I discussed Bloomberg's position that the Commission must deny the pending application as currently filed. In the event that the Commission were to determine to grant the application, the Commision must impose certain specific conditions to the proposed merger of Comcast and NBCU. We noted the particular concerns that arise in the context of this merger because of the impact it would have on independent sources of news, particularly business news, such as Bloomberg's Bloomberg Television® ("BTV"). The conditions that we discussed that the Commission impose included "neighborhooding of business news channels", i.e., carriage of business news channels on all channels on contiguous, adjacent channels wherever CNBC is carried by Comcast. As a result of the transaction, Comcast will have a strong incentive to hinder neighborhooding and disadvantage networks like BTV that compete with Comcast's "owned" networks like CNBC. Comcast could also decrease viewership of BTV relative to CNBC by placing BTV on a more expensive tier, while keeping CNBC on the basic non-premium tier.

In addition, we discussed with Ms. a remedy to deal with claims of discrimination that would involve establishment of an arbitration mechanism in lieu of the existing dispute resolution system, including an accelerated arbitration for disputes involving subscription fees.

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Following the meeting, we sent Ms. Kerr a copy of the specific remedies sought by Bloomberg, which are Exhibit 2 to the Petition to Deny filed by Bloomberg. For convenience, I have attached a copy of the remedies sought to this letter.

Very truly yours,

Stephen Díaz Gavin

Stephen Díaz Gavin

Enclosure

EXHIBIT 2

<u>REMEDIES FOR BUSINESS NEWS CHANNELS</u>

I. Neighborhooding of Business News Channels and other Remedies

A. Carriage Obligations

1. A "Business News Channel" shall be defined as a video programming network whose programming is focused on business and financial news reporting and analysis during the hours from 6:00 AM through 4:00 PM in the U.S. Eastern Time Zone, whenever U.S. securities and commodities exchanges are open and operating.

2. As soon as possible, and in no case later than six months after the Order by the Federal Communications Commission granting approval of this Application and any decree entered into with the Department of Justice, whichever is later (hereafter such regulatory approvals the "Decision"), Comcast must reorganize its channel placement alignment so that other Business News Channels are located contiguous and adjacent to CNBC at each channel position where CNBC is carried (so-called "Neighborhooding")

3. Comcast must carry, or continue to carry, on all its content distribution platforms all Business News Channels, as that term is defined herein, currently carried by Comcast, specifically including Bloomberg and Fox Business ("Existing Business News Channels").

4. All Business News Channels carried on Comcast systems shall be carried on the same tier of service as CNBC at each channel position where CNBC is carried.

5. These obligations in Section A shall be subject to judicial enforcement in the U.S. District Court.

B. Prohibited Practices

1. Comcast is prohibited from selling advertising on non-Comcast owned Business News Channels together with advertising on affiliated[1] Comcast networks as part of a bundled sale of advertising by Comcast without the consent of the owner of the unaffiliated Business News Channel.

2. Comcast is prohibited from offering discounts or other inducements to advertisers that are tied directly or indirectly to reducing or refraining from advertising purchases on any Business News Channel other than CNBC or any other similar Comcast Business News Channel.

3. Comcast is prohibited from offering any discount or other inducement to any MPVD or other distributor of news content by electronic means on condition that said MVPD or distributor provide Business News Channels less favorable terms or conditions of carriage.

4. Comcast is prohibited from imposing any restriction, limitation or disincentive on the ability of competing Business News Channels to offer their content on other platforms, including but not limited to the Internet.

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[1] Affiliate shall have the meaning set forth in 47 U.S.C. § 522(2).

5. Comcast is prohibited from offering to any MVPD or requiring any MVPD to accept any combination of NBCU's and Comcast's network programming, as a condition of receiving more favorable licensing terms than Comcast offers on an "a la carte" basis.

6. Comcast is prohibited from diminishing or degrading the terms or level of service or quality of signal delivery of any Business News Channel on any of its content-distribution platforms (e.g. cable, Internet, mobile devices) without the consent of the owner of said Business News Channel.

7. These obligations in Section B shall be subject to judicial enforcement in the U.S. District Court.

C. Specific Conditions regarding Terms of Carriage

1. Comcast must provide Business News Channels with non-discriminatory terms of carriage, including the provision of subscription fees.

2. Commercial Arbitration Remedy for Business News Channels

a. An aggrieved Business News Network may submit a dispute over the terms and conditions of carriage on an MVPD (i) that Comcast currently manages or controls or (ii) in which Comcast, on or after the date of adoption of this Order and during the period of this condition, acquires either an attributable interest, an option to purchase an attributable interest, or one that would permit management or control of the MVPD (a "Covered MVPD").

b. Beginning ninety (90) days prior to, and up to five (5) days following, the expiration of any existing contract, or ninety (90) days after a first time request for carriage, a Business News Network may notify the Covered MVPD and Comcast, as appropriate, that it intends to request commercial arbitration to determine the terms of the new carriage agreement ("Notice").

c. Upon receiving timely Notice of the Business News Network's intent to arbitrate, Comcast shall ensure that the Covered MVPD allows continued carriage under the same terms and conditions of the expired affiliation agreement.

d. Carriage of the disputed programming during the period of arbitration is not required for parties that are not Existing Business News Channels.

e. The period following the Covered MVPD's receipt of timely Notice of the Business News Network's intent to arbitrate and before the Business News Network's filing for formal arbitration under the rules of the American Arbitration Association ("AAA"), shall constitute a "cooling off" period during which time negotiations are to continue. The AAA shall name an arbitrator to resolve the dispute.

f. The Business News Network's formal demand for arbitration, which shall include the Business News Network's "final offer," may be filed with the AAA no earlier than the fifteenth business day after the expiration of the Business News Network's contract and no later than the end of the twentieth business day following such Notice. If the News Network makes a timely demand, Comcast shall ensure that the Covered MVPD participates in the arbitration proceeding.

g. The arbitrator will notify the Comcast and the covered MVPD upon receiving the Business News Network's formal filing.

h. Comcast shall ensure that the Covered MVPD files a "final offer" with the arbitrator within two business days of being notified by the AAA that a formal demand for arbitration has been filed by the Business News Network.

i. The Business News Network's final offer may not be disclosed until the arbitrator has received the final offer from the Covered MVPD.

j. A final offer shall be in the form of a contract for the carriage of the programming for a period of at least three years.

3. Rules of Arbitration for Existing Business News Channels

a. The arbitration will be decided by a single arbitrator under the expedited procedures of the commercial arbitration rules, then in effect, of the AAA (the "Rules"), excluding the rules relating to large, complex cases, but including the modifications to the Rules set forth herein. The arbitrator shall issue his decision within 45 days from the date that the parties submit a best and final offer.

b. The parties may agree to modify any of the time limits set forth above and any of the procedural rules of the arbitration; absent agreement, however, the rules specified herein apply. The parties may not, however, modify the requirement that they engage in final-offer arbitration.

c. The parties may agree to modify any of the time limits set forth above and any of the procedural rules of the arbitration; absent agreement, however, the rules specified herein apply. The parties may not, however, modify the requirement that they engage in final-offer arbitration.

d. In all instances where the matter in issue is the subscription fee, the arbitrator is required to choose only between the fee proposed by the complaining Business News Channel and Comcast; there shall be no compromise award.

e. The "baseline" for fair market value of proposed subscription fees, in all matters involving such fees, shall be the price that Comcast/NBC Universal charge other MVPDs for CNBC.

f. Under no circumstances will the arbitrator choose a final offer that does not permit the Business News Network to recover a reasonable share of the costs of acquiring the programming at issue.

g. To determine fair market value, the arbitrator may consider any relevant evidence (and may require the parties to submit such evidence to the extent it is in their possession), including, but not limited to:

i. current or previous contracts between MVPDs and Business News Networks in which Comcast does not have an interest;
ii. evidence of the relative value of such programming compared to the Business News Network programming at issue (e.g., advertising rates, ratings);
iii. contracts between MVPDs and Business News Networks on whose behalf Comcast has negotiated, made before Comcast acquired control of the programming acquired in the NBCU transactions;

iv. internal studies or discussions of the imputed value of Business News Networks programming in bundled agreements;
v. other evidence (including internal discussions) of the value of Business News Network programming;
vi. changes in the value of programming agreements for Business News Networks in which Comcast does not have an attributable interest;
vii. changes in the value or costs of the Business News Network's programming, or in other prices relevant to the relative value of the Business News Network's programming (e.g., advertising rates).

h. The arbitrator may not consider offers prior to the arbitration made by the MVPD and the Business News Networks for the programming at issue in determining the fair market value.

i. If the arbitrator finds that one party's conduct, during the course of the arbitration, has been unreasonable, the arbitrator may assess all or a portion of the other party's costs and expenses (including attorney fees) against the offending party.

j. Following resolution of the dispute by the arbitrator, to the extent practicable, the terms of the new affiliation agreement will become retroactive to the expiration date of the previous affiliation agreement.

k. If carriage of the Business News Network's programming has continued uninterrupted during the arbitration process, and if the arbitrator's award requires a higher amount to be paid than was required under the terms of the expired contract, the MVPD will make an additional payment to the Business News Network in an amount representing the difference between the amount that is required to be paid under the arbitrator's award and the amount actually paid under the terms of the expired contract during the period of arbitration. If carriage of the Business News Network's programming has continued uninterrupted during the arbitration process, and if the arbitrator's award requires a smaller amount to be paid than was required under the terms of the expired contract, the News Network will credit the MVPD with an amount representing the difference between the amount actually paid under the terms of the expired contract during the period of arbitration and the amount that is required to be paid under the arbitrator's award.

l. The decision by the arbitrator, including any decision reached pursuant to Section C.4 below, shall be subject to judicial enforcement in the U.S. District Court but not judicial review.

4. Special Provision with Respect to Subscription Fees

a. In the event of a dispute with respect to subscription fees, the arbitrator shall hear and determine such dispute within 90 days of the filing of a complaint with the arbitrator.

b. The arbitrator shall be required in such cases to use "baseball style arbitration," whereby the arbitrator is required to choose only between the fee proposed by the complaining Business News Channel and Comcast; there shall be no compromise award.

c. The "baseline" for consideration of proposed subscription fees, in all matters involving such fees, shall be the price that Comcast/NBC Universal charge other MVPDs for CNBC.

d. Each party shall submit one final and best offer to resolve such subscription fee disputes and the arbitrator shall select the offer that is considered to the proper resolution.

D. Term of Conditions

These conditions set forth in this Section II will expire on that date which is twenty (20) years from the date of the Decision.

II. Alternative Remedy

In the event the remedies outlined in Section I above are not adopted, and specifically in the event that "neighborhooding" of Business News Channels is not required as a condition of the approval of the Merger, outlined in Section I is not ordered, as an alternative condition of the approval of the Merger, Comcast must divest its control of and ownership interest in CNBC within six (6) months after the Decision.