

WHAT RCA-NBC CONSENTED TO

Text of key portions of the consent decree:

IV

NBC, and RCA during any period of time when it directly or indirectly controls or has a substantial ownership interest in a television network, are each enjoined and restrained from:

(A) Coercing or attempting to coerce any person to sell or otherwise transfer any ownership interest in any broadcast station to either defendant, or to any person directly or indirectly controlled by either defendant or in which either defendant directly or indirectly has a substantial ownership interest, by terminating or threatening to terminate or refusing or threatening to refuse to enter into, an NBC network affiliation agreement with any other television broadcast station controlled by the same person or in which such person has a substantial ownership interest;

(B) Acquiring directly or indirectly any substantial ownership interest in any television broadcast station in the market area of New York, Chicago, Los Angeles, Detroit, Boston, San Francisco, or Pittsburgh, unless

(1) defendants shall have given written notice of the proposed acquisition to plaintiff, affording plaintiff opportunity to apply to this court within 30 days after such notice for a determination by the court as provided in clause (2) hereof, and

(2) if plaintiff shall have so applied, the court shall have determined that the consent of the other party to the proposed acquisition was not obtained by acts or conduct of NBC or RCA relating in any way to the negotiations for the proposed acquisition, which acts or conduct constitute either (a) an unreasonable restraint of trade (as to which issue plaintiff shall have the burden of proof) or (b) a violation of subsection (A) of this Section IV (as to which issue the defendants shall have the burden of proof);

Provided, however, that the shifting of a television broadcast station from one channel of the television broadcast band to another channel in the same market area, when such shifting results from a change in allocations by the Federal Communications Commission, shall not be deemed to be the acquiring of an ownership interest in a television broadcast station within the meaning of this subsection (B); and, provided further, that any party hereto may at any time upon 10 days' written notice to the other parties apply to this court

for a modification of the list of the seven market areas specified in this subsection (B), when the list specified, with Philadelphia included, no longer represents the first eight market areas in the United States in terms of population of the respective areas; and

(C) Undertaking the national spot representation of any television broadcast station other than those listed on Exhibit A hereto unless

(1) defendants shall have given written notice of the proposed spot representation to plaintiff, affording plaintiff opportunity to apply to this court within 30 days after such notice for a determination by the court as provided in clause (2) hereof, and

(2) if plaintiff shall have so applied, the court shall have determined that NBC has not coerced the owner of such station to engage NBC for the national spot representation of the station by terminating or threatening to terminate or refusing or threatening to refuse to enter into, an NBC network affiliation agreement with the station sought to be represented or with any other television broadcast station controlled by such owner or in which such owner has a substantial ownership interest, defendants having the burden of proof.

V.

Defendants are ordered and directed, on or before Dec. 31, 1962, to sell, exchange or otherwise dispose of all right, title and interest in WRCV-TV and WRCV to a person or persons not controlled directly or indirectly by either defendant and in which neither defendant has any substantial ownership interest.

Such disposition, if accomplished by exchange, shall be an exchange for a station or stations not in the Philadelphia market area and such exchange shall not be effected unless

(1) defendants shall have given written notice of the proposed exchange to plaintiff, affording plaintiff opportunity to apply to this court within 30 days after such notice for a determination by the court as provided in clause (2) hereof, and

(2) if plaintiff shall have so applied, the court shall have determined that the consent of the other party to the proposed exchange was not obtained by acts or conduct of NBC or RCA relating in

any way to the negotiations for the proposed exchange, which acts or conduct constitute either (a) an unreasonable restraint of trade (as to which issue plaintiff shall have the burden of proof) or (b) a violation of subsection (A) of Section IV of this final judgment (as to which issue the defendants shall have the burden of proof).

If such disposition is accomplished otherwise than by exchange, defendants shall give plaintiff written notice of such proposed disposition at least 30 days prior to filing with the Federal Communications Commission any application for the Commission's consent to such disposition.

NBC and RCA are prohibited from acquiring any ownership interest in any television broadcast station in the Philadelphia market area until this final judgment shall terminate and be of no further force and effect.

NBC and RCA are prohibited, for a period of five years from and after the date of entry of this final judgment, from acquiring any ownership interest in any standard broadcast station in the Philadelphia market area. Any such acquisition after five years from the date of entry of this final judgment shall be subject to the procedure provided in subsection (B) of Section IV of this final judgment for acquisition of television broadcast stations in certain market areas.

VI.

Nothing contained in this final judgment shall be construed to require this court to pass upon any transaction of acquisition or exchange by the defendants or any undertaking by them of national spot representation except to the extent expressly stated in subsections (B) and (C) of Section IV and in Section V of this final judgment.

Defendants shall not apply to the Federal Communications Commission for consent to any exchange or acquisition subject to the provisions of subsection (B) of Section IV or of Section V of this final judgment until after expiration of the time within which plaintiff may apply to this court for a determination as provided therein or, if plaintiff so applies, until after such determination shall have been rendered by this court. In the event of an appeal from any determination rendered by this court pursuant to subsections (B) or (C) of Section IV or Section V of this final judgment, defendants shall not, during the pendency of such appeal, consummate the exchange or acquisition involved or undertake the national spot representation involved.

nation of the antitrust judgment.

- It prohibits NBC from acquiring a radio station in Philadelphia for the next five years. After that it must follow the procedure spelled out for tv acquisitions in other of the top eight U.S. markets.

- It prohibits NBC from acquiring a "substantial" interest in any tv station in the so-called seven largest markets, other than Philadelphia, without notifying the Justice Dept. to permit it to ask for court determination as to whether the network used its affiliation powers to coerce acceptance or to determine whether the conduct may be an unreasonable restraint of trade.

These seven "largest" markets, taken from the Bureau of the Budget's *Standard Metropolitan Statistical Areas*, are: New York, Chicago, Los Angeles, Detroit, Boston, San Francisco and Pittsburgh.

NBC already owns television stations

in New York, Chicago and Los Angeles (and in Washington). It owns am-fm radio facilities in San Francisco.

- The decree prohibits NBC from acting as station representative for any station not now represented by NBC Spot Sales without permitting the Justice Dept. to ask the court to rule whether representation was secured through "coercive" powers of affiliation.

NBC now represents its own stations and KOA-TV Denver, KSD-TV St. Louis, WCKT-TV Miami, WAVE-TV Louisville, WRGB (TV) Schenectady and KONA-TV Honolulu.

- The decree prohibits NBC from applying to the FCC for consent to any assignments or transfers until the network has complied with the provisions relating to notification to the Dept. of Justice and the possible determination by the court.

- It requires NBC to permit Justice Dept. agents to examine records and to

call for reports.

- **Exact Time Limit** • The terms of the consent decree run for nine years from the date NBC disposes (through sale or exchange) of the Philadelphia stations, but no less than 10 years from the date of the filing of the judgment. The judgment was filed with Chief Judge William H. Kirkpatrick in U.S. District Court in Philadelphia.

Several provisions in the consent decree clarify NBC's rights. One refers to the fact that the shifting of an NBC station from one channel to another under the FCC's current allocations deliberations should not be construed to mean that NBC has "acquired" another station. It also provides that either party to the suit can ask the court to take another look at the "top" eight markets when they think changes may have taken place in that lineup.

One section of the document declares that NBC is prohibited from