

STATEMENT OF  
VICE PRESIDENT  
COMMUNICATIONS WORKERS OF AMERICA  
DISTRICT 9

Before the  
U.S. House of Representatives  
Committee on the Judiciary

Los Angeles, California  
Field Hearing

June 7, 2010

Thank you Mr. Chairman. My name is James Weitkamp. I am Vice President for CWA District 9, which represents 66,000 employees in California, Nevada, and Hawaii. Nationally, CWA represents more than 700,000 employees, including workers at Comcast and NBC-Universal, so I believe I can provide a unique perspective on the impact of this transaction on workers and the industry.

My testimony will focus on three areas: first, the impact of the combination on jobs; second, how the proposed merger will aggravate current anticompetitive behavior in the cable industry; and third, the problems that will result in the emerging Internet video marketplace. The bottom line is this: the public must be protected from the significant harms created by a combination of such unprecedented scale.

A Comcast-NBC combination will lead to the loss of good jobs. Comcast/NBC debt will increase by approximately \$8 billion after this transaction. To pay for the debt, the company has two choices: cut jobs or raise cable prices. Either way, consumers and workers lose.

In addition to job loss, the combination will depress labor standards. Comcast has a terrible track record of aggressive action to eliminate worker organization at companies that it acquires. As a result, Comcast wages and benefits trail those at unionized telecom companies by about one-third. This has a considerable impact on minority workers, who comprise about one-third of the workforce in this sector.

In 2002, Comcast acquired AT&T Broadband. At the time, CWA represented about 5,000 cable employees nationally, and about 1,000 here in California, including units in Los Angeles, Sacramento, Modesto, Fresno, and the Bay Area. Comcast executives reassured the CWA leadership that they would respect their employees' right to a union voice.

Let me tell you what a Comcast commitment means. After Comcast took over AT&T Broadband, a senior vice president in Oregon announced: "We're going to wage war to decertify the CWA." And that is precisely what Comcast did.

In Fresno, Modesto, Sacramento, and Los Angeles, Comcast delayed bargaining for more than 18 months, denied workers wage and benefit improvements provided to non-union employees, and supported decertification elections. Across the country, Comcast refused to reach agreement on a first contract in 16 of the organized units that it acquired from AT&T.

In the San Francisco Bay Area, where CWA has represented cable workers for many years, Comcast initiated decertification elections as recently as three years ago. The workers elected to keep union representation, and we are now bargaining with Comcast over a new contract. But even here, Comcast has attempted to get around the union by shifting about half the work to non-union lower-wage contractors.

Where workers try to form a union, Comcast has fired and retaliated against union supporters. Two years ago, Comcast waged an aggressive campaign against employees in San Jose who sought union representation with CWA. The company scheduled weekly mandatory

meetings to spread their anti-union message. In one of those meetings, a Comcast manager told the workers that anyone passing out union cards is like spam in his computer, and he kills spam.

In contrast, collective bargaining at NBC-Universal dates back to the 1930s. Our NABET affiliate represents broadcast technicians at NBC. Although we are currently in difficult negotiations with NBC, and have been without a contract for over a year, the bottom line is that NBC workers have a collective voice through their union – a right that Comcast has denied to their employees.

Let me turn now to the anti-competitive issues associated with this transaction.

There is already too little competition in the video marketplace. Cable rates have grown at three times the rate of inflation. This merger would provide Comcast/NBC with added incentive and ability to engage in anti-competitive practices that would increase cable rates.

After the merger, Comcast will own NBC's premier programming. It will have the ability to bundle its less desirable cable channels with must-have NBC programming. This forced bundling will raise other video providers' costs, which translates into higher cable rates for consumers.

Today, some companies are trying to compete with incumbent cable operators. They are investing significant resources to build their networks. This merger would provide Comcast/NBC with the incentive and ability to raise the prices it charges new entrants for must-have NBC and

sports programming, effectively blocking or limiting competition, investment, and jobs that accompany those efforts.

The third area of concern involves the online video market. The Internet allows consumers to access the video content of their choice, unmediated by the pre-packaged bundles of the cable company.

The Comcast-NBC merger has the potential to bring this to a halt. A combined Comcast/NBC could limit consumers' online access to NBC content, or it could charge consumers higher prices to access that content unless they are cable subscribers. This is the TV Everywhere model that Comcast and NBC have already begun to deploy, which forces internet customers to buy cable packages in order to see content online.

These actions protect the cable-channel business platform at the expense of new video entrants, and devalue the broadband investment of competitive companies. The end result is that companies will invest less in broadband deployment, put less fiber in the ground, and hire fewer people.

In summary, the Comcast/NBC merger's potential to limit growth, investment and jobs is not in the public interest. Federal regulators cannot pass this merger without carefully considering the significant impact the merging companies will have on video competition, choice and jobs.

Again, thank you for the opportunity to testify today. I look forward to answering any questions.

I ask that my written comments be entered into the record.