



Department of Justice

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**JUSTICE DEPARTMENT WILL NOT CHALLENGE NEWS CORP.'S
ACQUISITION OF HUGHES ELECTRONICS CORP.**

WASHINGTON, D.C. – The Justice Department today announced that it will not challenge News Corp.'s proposed acquisition of Hughes Electronics Corp., including its DirecTV subsidiary. The Department's decision was based in part on the recent announcement by the Federal Communications Commission (FCC) that it will approve the transaction subject to certain conditions imposed on News Corp.'s licensing of its regional sports networks and granting of retransmission consent for its Fox Broadcasting Network.

The Department's Antitrust Division analyzed the impact of combining News Corp.'s programming assets with the video distribution assets of DirecTV, the nation's largest Direct Broadcast Satellite (DBS) provider. Its extensive investigation included interviews of industry participants and review of documents provided by the parties and firms in the multichannel video programming distribution business. During the course of its investigation the Department consulted with and provided assistance to the FCC, which conducted its own investigation.

The restrictions imposed by the FCC as a condition for granting its approval of the transaction will reduce News Corp.'s ability to withhold, or to threaten to withhold, its programming content from cable television and DBS providers that currently compete with DirecTV. In light of the FCC's decision, which addresses the Department's most significant concerns with the proposed transaction, the Department has decided to close its investigation.

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