

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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December 15, 2017

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Walden:

I write to request that the Energy and Commerce Committee schedule a hearing to review the proposed merger between Disney and 21st Century Fox (Fox). As the Committee with primary jurisdiction over the media industry, we have a responsibility to understand the potential effect of this merger on consumers and the media marketplace.

Reports indicate that Disney has offered to pay \$52.4 billion for most of Fox's assets, including its movie studio and TV production studio. If approved, Disney would become the majority owner of Hulu by acquiring Fox's 30 percent stake in the subscription-based on demand video service. The proposed deal also includes gaining ownership of Fox's National Geographic channels and the FX cable channel network, as well as Fox's regional sports networks.

This latest proposed merger comes on the heels of other media mergers including a deal between Sinclair Broadcast Group and Tribune Media to create the country's largest TV station group owner. It is critical that the Committee oversee these transactions and look into what it means for consumers.

The Committee's oversight into these proposed mergers has been lacking. Despite repeated calls from Democratic members, this Committee has not had a single hearing to look at the changing video marketplace in more than four years—before many online video services had even launched. It has been over two years since the Committee held a hearing on the current state of ownership in the broadcast industry. I ask that you make it a priority in 2018 to seriously examine all of the issues related to the video marketplace, including the proposed and pending merger of Disney and Fox.

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Thank you for your attention to this serious matter.

Sincerely,

A handwritten signature in blue ink that reads "Frank Pallone, Jr." with a stylized flourish at the end.

Frank Pallone, Jr.
Ranking Member