

# JUSTICE NEWS

## Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, June 27, 2018

## **The Walt Disney Company Required to Divest Twenty-Two Regional Sports Networks in Order to Complete Acquisition of Certain Assets From Twenty-First Century Fox**

### **Proposed Settlement Preserves Cable Sports Programming Competition**

The Department of Justice announced today that it will require The Walt Disney Company to divest 22 Regional Sports Networks (“RSNs”) as a condition of its \$71.3 billion acquisition of certain assets from Twenty-First Century Fox, Inc.

The Justice Department’s Antitrust Division filed a civil antitrust lawsuit today in the U.S. District Court for the Southern District of New York to block the proposed acquisition. At the same time, the Department filed a proposed settlement that, if approved by the court, would resolve the competitive harm alleged in the lawsuit. The Department said that without the required divestitures, the proposed acquisition would likely result in higher prices for cable sports programming licensed to multichannel video programming distributors (“MVPDs”) in each of the local markets that the RSNs serve. To streamline agency clearance, Disney agreed to divest the 22 RSNs rather than continue with the Antitrust Division’s ongoing merger investigation.

“American consumers have benefitted from head-to-head competition between Disney and Fox’s cable sports programming that ultimately has prevented cable television subscription prices from rising even higher,” said Assistant Attorney General Makan Delrahim of the Justice Department’s Antitrust Division. “Today’s settlement will ensure that sports programming competition is preserved in the local markets where Disney and Fox compete for cable and satellite distribution.”

According to the Department’s complaint, Disney and Fox compete to sell cable sports programming to MVPDs in various local markets across the United States. Because of this competition, the complaint alleges that the proposed acquisition would likely result in MVPDs paying higher prices for cable sports programming in those local markets. The proposed settlement requires Disney to divest 22 RSNs, currently owned by Fox, to a buyer acceptable to the Department. The Department has determined that the divestitures would resolve antitrust concerns arising from Disney’s acquisition of certain assets from Fox.

The Walt Disney Company is incorporated in Delaware with its principal place of business in Burbank, Calif. It is a diversified worldwide entertainment company that, among other things, owns cable and broadcast television networks, television production and distribution operations, broadcast television stations and motion picture production and distribution operations. Its revenues were approximately \$55 billion for its 2017 fiscal year.

Twenty-First Century Fox, Inc. is incorporated in Delaware with its principal place of business in New York, NY. It is a diversified global media and entertainment company that, among other things, owns cable and broadcast television networks, broadcast television stations and motion picture production and distribution operations. Its revenues were approximately \$28.5 billion for its 2017 fiscal year. The Fox assets that Disney is acquiring, including the Fox RSNs, generated \$19 billion in 2017 revenues.

As required by the Tunney Act, the proposed settlement and the Department’s competitive impact statement will be published in the *Federal Register*. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Owen M. Kendler, Chief, Media, Entertainment, and Professional Services Section,

Antitrust Division, U.S. Department of Justice, 450 5th Street, N.W., Suite 4000, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the Southern District of New York may enter the proposed consent decree upon finding that it serves the public interest.

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**Attachment(s):**

[Download Complaint](#)

[Download Explanation of Consent Decree Procedures](#)

**Topic(s):**

Antitrust

**Component(s):**

[Antitrust Division](#)

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