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June 23, 2016

*Via ECFS*

Marlene Dortch  
Secretary,  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

RE: Written *Ex Parte* Presentation

Expanding Consumers Video Navigation Choices  
MB Docket 16-42

Commercial Availability of Navigation Devices  
CS Docket 97-80

Dear Ms. Dortch:

In response to a question from a member of the Commission staff during a meeting on June 9, 2016, Zoom has prepared an admittedly rough estimate of cable operators' total annual gross revenue from cable modem leases. Zoom concludes that cable operators generate between \$4 billion and \$5 billion annually in cable modem leasing revenue.

It is generally believed that about 14% of cable customers have purchased their own cable modems. This is consistent with a recent statement by the Chairman and CEO of Time Warner Cable during its January 28, 2016 earnings conference call.<sup>1</sup>

The chart on the following page is derived from widely reported data on subscribership and Zoom's understanding of current cable leasing charges. It multiplies the number of subscribers by the estimated annual leasing charge and reduces that number by 14% to take into account customers who do not lease cable modems.

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<sup>1</sup><https://www.thestreet.com/story/13439998/8/time-warner-cable-inc-twc-earnings-report-q3-2015-conference-call-transcript.html>

Column 1	Column 2	Column 3	Column 4	Column 5
MSO	Subscribers	Annual Rental (\$)	Column 2 times Column 3 (\$)	86% of Column 4 (\$)
Comcast	23,400,000	120	2,808,000,000	2,441,880,000
Time Warner Cable (pre Charter)	11,000,000	120	1,320,000,000	1,135,200,000
Cox	4,000,000	96 <sup>2</sup>	384,000,000	330,240,000
Charter (pre TWC, BHN)	4,400,000	0		
Cablevision (pre-Altice)	2,600,000	60	156,000,000	134,160,000
Other	5,000,000	80 <sup>3</sup>	400,000,000	344,000,000
	<u>50,400,400</u>		<u>5,068,000,000</u>	<u>4,385,480,000</u>

Please contact the undersigned in case there are any questions.

Respectfully submitted,



Andrew Jay Schwartzman

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<sup>2</sup>Cox currently charges \$7 or \$10 per month, depending on wi-fi capability. This chart uses an estimate of \$8 per month.

<sup>3</sup>Estimated average.