

**REDACTED – FOR PUBLIC INSPECTION**

October 17, 2014

**VIA ELECTRONIC FILING**

Marlene H. Dortch  
Federal Communications Commission  
Office of the Secretary  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

**Re: *Applications of Comcast Corp., Time Warner Cable Inc., Charter Communications, Inc., and SpinCo for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 14-57***  
**REDACTED – FOR PUBLIC INSPECTION**

Dear Ms. Dortch:

Pursuant to the Modified Joint Protective Order in this proceeding,<sup>1</sup> Comcast Corporation (“Comcast”) hereby submits the enclosed redacted letter, which contains Confidential Information, providing updates and errata to the Opposition to Petitions to Deny and Response to Comments filed by Comcast and Time Warner Cable Inc. in this proceeding on September 23, 2014. The [[ ]] symbols denote where Confidential Information has been redacted. The unredacted, Confidential version of this filing and Confidential CD-ROM were submitted to the Secretary’s office under separate cover and will be made available for inspection pursuant to the terms of the Modified Joint Protective Order.

Please contact the undersigned should you have any questions regarding this matter.

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<sup>1</sup> *Applications of Comcast Corp. and Time Warner Cable Inc. for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 14-57, Modified Joint Protective Order, DA 14-464 (Oct. 7, 2014) (“Modified Joint Protective Order”).*

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Respectfully submitted,

/s/ Francis M. Buono  
Francis M. Buono  
*Counsel for Comcast Corporation*

Enclosure

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Marlene H. Dortch  
Secretary  
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445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

**Re: *Applications of Comcast Corp., Time Warner Cable Inc., Charter Communications, Inc., and SpinCo for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 14-57***

Dear Ms. Dortch:

Comcast Corporation (“Comcast”) submits this letter to provide the following updates and errata to the Opposition to Petitions to Deny and Response to Comments filed by Comcast and Time Warner Cable Inc. in this proceeding on September 23, 2014:<sup>1</sup>

- Update to Rosston/Topper Reply Declaration – As Drs. Rosston and Topper explain in Appendix A attached hereto, based on their discovery of additional information from third-party sources of data, they have updated certain data presented in their Reply Declaration concerning Comcast’s and other cable operators’ carriage of networks unaffiliated with Comcast-NBCUniversal and “independent” according to the Commission’s definition in the Comcast-NBCUniversal Order.<sup>2</sup> The data sets used in this analysis are networks tracked by SNL Kagan, as applied to Rovi channel lineup data on a headend basis. The effect of the

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<sup>1</sup> Comcast Corporation and Time Warner Cable Inc., Opposition to Petitions to Deny and Response to Comments, MB Docket No. 14-57 (Sept. 23, 2014) (“Opposition”).

<sup>2</sup> See *id.*, Exhibit 2, Reply Declaration of Dr. Gregory L. Rosston and Dr. Michael D. Topper, ¶ 86 & tbl.III.B.1 (“Rosston/Topper Reply Declaration”).

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updated analysis is that a handful of additional networks tracked by SNL Kagan were matched to the Rovi channel lineup data, meaning that the number of unaffiliated and “independent” networks carried by Comcast and other cable operators *increased* to the extent the operator in question carries these networks. As Drs. Rosston and Topper observe in the attached update, “The resulting changes do not affect any conclusions in our Reply Report – the updated table continues to show that Comcast carries a large number of unaffiliated and independent networks and carries more such networks than any other cable MVPD.”<sup>3</sup> In fact, they note that “the updated table shows a higher number of unaffiliated and independent networks carried by Comcast than in the original table.”<sup>4</sup>

In the Opposition at pages 154-55, Comcast cited to the original data on carriage of unaffiliated and independent networks presented in the Rosston-Topper Reply Declaration. The following updates that language based on the attached update (with new numbers in **bold**):

[A]s Drs. Rosston and Topper conclusively demonstrate, Comcast carries *more* programming networks (including more *independent* networks) than TWC and other cable companies. Analyzing Rovi channel lineup data on a headend basis across MSOs, Drs. Rosston and Topper find that, among national cable networks tracked by SNL Kagan, Comcast carries **116**<sup>5</sup> networks unaffiliated with Comcast-NBCUniversal on average per headend, and **154**<sup>6</sup> on any headend. Moreover, Comcast carries **38**<sup>7</sup> independent networks tracked by SNL Kagan on average per headend, and **65**<sup>8</sup> independent networks per headend. These numbers are all higher than *any other MSO* – hardly the hallmark of a monopsonist. (emphases in original; citations omitted)

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<sup>3</sup> See Appendix A.

<sup>4</sup> *Id.*

<sup>5</sup> The prior number was 110. See Opposition at 155.

<sup>6</sup> The prior number was 148. See *id.*

<sup>7</sup> The prior number was 38. See *id.*

<sup>8</sup> The prior number was 64. (This number was incorrectly stated in the Opposition as 74). See *id.*

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Comcast is simultaneously filing a CD-ROM containing the updated Confidential backup data supporting this updated analysis and will make this data available pursuant to the terms of the Modified Joint Protective Order.<sup>9</sup>

- SpinCo Update – As was explained in applications filed on June 4, 2014, it was contemplated that Midwest Cable, LLC (also known as SpinCo, and to be named GreatLand Connections following the closing of the Divestiture Transactions) would convert from a limited liability company to a corporation at the time of the consummation of the Divestiture Transactions.<sup>10</sup> This conversion took place ahead of schedule, on September 22, 2014, and SpinCo is now a Delaware corporation called Midwest Cable, Inc. This change in corporate form will not otherwise affect the pending applications.
- Errata to Opposition –
  - Footnote 468 on page 153 of the Opposition should state that “Netflix just signed a deal to pay \$2 million per episode for the exclusive online rights to syndicated distribution of The Blacklist.”<sup>11</sup>
  - Page 7 of Exhibit 6 of the Opposition should state that Comcast has “[e]xpanded distribution of seven Hispanic programming services (Azteca America, Galavisión, HITN, LATV, nuvoTV (formerly SíTV), Telefutura, and Univision) by more than 14 million subscribers collectively, exceeding by more than 40 percent Comcast’s commitment to expand carriage of three Hispanic networks by 10 million subscribers collectively.”

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<sup>9</sup> *Applications of Comcast Corp. and Time Warner Cable Inc. for Consent to Assign or Transfer Control of Licenses and Authorizations*, Modified Joint Protective Order, DA 14-1464 (Oct. 7, 2014) (“Modified Joint Protective Order”).

<sup>10</sup> *See Commission Seeks Comment on Applications of Comcast Corporation, Time Warner Cable Inc., Charter Communications, Inc., and SpinCo to Assign and Transfer Control of FCC Licenses and Other Authorizations*, Public Notice, 29 FCC Rcd. 8272, Attachment (2014) (listing the licenses and authorizations subject to the applications filed in this proceeding).

<sup>11</sup> *See Nellie Andreeva, Netflix Acquires “The Blacklist” for \$2 Million an Episode*, Deadline Hollywood (Aug. 28, 2014), <http://deadline.com/2014/08/the-blacklist-netflix-deal-2-million-825836/>.

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Please direct any questions to the undersigned.

Sincerely,

/s/ Francis M. Buono  
*Counsel for Comcast*

# Appendix A

**Errata for the Rosston-Topper Reply Report Filed on September 23, 2014**

1. Table III.B.1 in our September Reply Report showed the number of independent networks and the number of networks unaffiliated with Comcast-NBCUniversal carried by Comcast and other cable MVPDs. Constructing that table required manually matching the names of networks tracked by SNL Kagan, from which we obtained the ownership information of each network, to the names of channels appearing in data from the Rovi Corporation, which reported the channel lineup at each headend of an MVPD. For most networks tracked by SNL Kagan, there are multiple versions of the network names appearing in the Rovi data. Since submitting our Reply Report, we discovered that a small number of additional network names in the Rovi data could be matched to the networks tracked by SNL Kagan. We also found that some of SNL Kagan's ownership information was incomplete. Table III.B.1 (Updated) below uses the new information to update Table III.B.1 in our Reply Report. The resulting changes do not affect any conclusions in our Reply Report – the updated table continues to show that Comcast carries a large number of unaffiliated and independent networks and carries more such networks than any other cable MVPD. In fact, the updated table shows a higher number of unaffiliated and independent networks carried by Comcast than in the original table.



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The following updates paragraph 86 of our Reply Report based on the above (with updated numbers in **bold**):

Given the large number of total channels Comcast carries on its systems, it is hard to believe that foreclosure is a reasonable business strategy. Despite being vertically integrated and allegedly having anticompetitive incentives, the vast majority of the programming carried by Comcast is unaffiliated. In fact, Comcast carries more national cable networks (among those tracked by SNL Kagan) that are unaffiliated with NBCUniversal than any other cable MVPD.<sup>1</sup> Table III.B.1 shows the average number of national cable networks that are unaffiliated with Comcast, among national cable networks tracked by SNL Kagan, carried per headend by cable MVPDs. Comcast carries an average of **116** unaffiliated networks per headend, followed by Cablevision with **110** per headend. Comcast carries **154** of these **173** unaffiliated networks on at least one headend, which is also the most among cable MVPDs. In addition, Comcast carries more “independent” networks tracked by SNL Kagan per headend than any other cable MVPD, including TWC.<sup>2</sup> The last two columns of Table III.B.1 show carriage of these independent networks. The second-to-last column shows the average number of independent national cable networks, among national cable networks tracked by SNL Kagan, carried per headend by cable MVPDs. Comcast’s average of 38 independent networks per headend is the highest, followed by TWC with 33. Comcast carries **65** of these **82** independent networks on at least one headend, as shown in the last column of Table III.B.1, which is also the highest carriage rate among cable MVPDs.<sup>3</sup>

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<sup>1</sup> This analysis focuses on national cable networks tracked by SNL Kagan in order to allow for comparisons across MVPDs that operate in different geographic areas. By focusing on national cable networks, we are able to remove any differences in carriage that may be driven entirely by regional or local networks. We focused further on networks that are tracked by SNL Kagan in order to determine network ownership and carriage. Therefore the network counts in Table III.B.1 do not include all unaffiliated national, regional, or local networks carried by Comcast or other MVPDs.

<sup>2</sup> Source: Rovi. “Independent” networks are defined, per the Commission’s Comcast-NBCUniversal Order, Appendix A, as networks that are not majority owned by a content provider that is among the top 15 content providers in revenue. We focus on national cable networks tracked by SNL Kagan in order to determine network ownership and carriage. We note that Comcast carries many more “independent” networks (*In the Matter of Applications of Comcast Corp. and Time Warner Cable Inc. For Consent To Transfer Control of Licenses and Authorizations*, MB Docket No. 14-57, Applications and Public Interest Statement, p. 170), but our analysis only uses the national cable networks tracked by SNL Kagan.

<sup>3</sup> Source: Rovi, SNL Kagan.