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LATHAM & WATKINS LLP

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VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

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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:

On November 13, 2014, Melinda Witmer, Executive Vice President, Chief Video Officer, and Chief Operating Officer, Networks, at Time Warner Cable Inc. (“TWC”), along with Steven Teplitz and Michael Quinn of TWC, Aidan Synnott of Paul, Weiss, Rifkind, Wharton & Garrison LLP, and Matthew Murchison and the undersigned, both of Latham & Watkins LLP, met with the Commission staff copied below, along with Lowell Stern and Wrede Smith of the Antitrust Division of the U.S. Department of Justice, regarding issues related to TWC’s agreements and related negotiations for the carriage of video programming on TWC’s systems.

At the meeting, Ms. Witmer explained that as the video distribution marketplace has grown increasingly competitive in recent years, video programmers have gained significant negotiating leverage over cable operators and other multichannel video programming distributors (“MVPDs”). Video programmers’ substantial bargaining power is evident from the skyrocketing fees that such programmers successfully extract from MVPDs in today’s marketplace—fees that are rising far faster than both the rate of inflation and cable prices and that hamstring TWC’s efforts to maintain affordable retail rates for its video customers. Accordingly, Ms. Witmer explained that TWC negotiates vigorously on price and other terms in an effort to maximize the value proposition for its customers and to shield them from excessive rate increases.

As Ms. Witmer noted, one way in which TWC attempts to stem the rising cost of programming for its customers is to negotiate for the inclusion of “most favored nation” (“MFN”) clauses in programming agreements. MFNs are procompetitive provisions that can provide assurances to TWC that it is being treated fairly vis-à-vis other video distributors, and in turn that its customers are receiving good value for the programming they purchase from TWC.

Ms. Witmer also described the various types of MFNs that can appear in programming agreements.

Ms. Witmer also discussed “alternative distribution method” (“ADM”) clauses, which similarly can help ensure that TWC and its customers are treated fairly by programmers. Because programmers in today’s marketplace have the leverage to demand increasingly high fees from TWC, the value proposition for TWC’s subscribers would be undermined by a programmer’s simultaneous distribution of its content on terms that were not made available to TWC (*e.g.*, free distribution, or over-the-top distribution without commercials or screen clutter). Ms. Witmer explained that ADM clauses typically address these considerations by establishing “windows”—corresponding to the windowing practices that programmers have employed for decades in monetizing their content—that provide some limited exclusivity in exchange for the substantial payments and other support that TWC provides in exchange for programming.

Finally, Ms. Witmer discussed TWC’s TV Everywhere (“TVE”) initiatives. As she explained, TWC seeks to obtain TVE rights to enable its subscribers to view subscription video content outside the home, via TWC’s TWC TV app or programmers’ apps that make their content available to authenticated cable subscribers over the Internet. Ms. Witmer noted that TWC has arrangements with numerous programmers that include terms for authenticating TWC subscribers for TVE viewing.

Please contact the undersigned with any questions.

Respectfully submitted,

/s/ Matthew A. Brill

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of LATHAM & WATKINS LLP

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