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REDACTED – FOR PUBLIC INSPECTION

January 23, 2015

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20544

**Re: *Applications of AT&T, Inc. and DIRECTV for Consent to Assign Licenses
or Transfer Control of Licensees, MB Docket No. 14-90***
REDACTED – FOR PUBLIC INSPECTION

Dear Ms. Dortch:

Pursuant to the Commission’s January 8, 2015 letter,¹ Comcast Corporation (“Comcast”) hereby submits its responses to the Commission’s January 8, 2015 Information and Data Request (the “Request”).² The data submissions and accompanying narratives respond to the Request as clarified by discussions between Comcast representatives and Commission staff. Based on these discussions, Commission staff and Comcast agreed that the relevant time period for data provided in response to the Request extends to June 30, 2014.

Comcast submits herewith one copy of the redacted, public version of this filing. The {{ }} symbols denote where Highly Confidential Information has been redacted, and the [[]] symbols denote where Confidential Information has been redacted. A Highly Confidential version of this filing, including Highly Confidential exhibits containing Video Programming Confidential Information (“VPCI”), has been submitted to the Office of the Secretary pursuant to the terms of the Second Amended Modified Joint Protective Order.³ The Confidential and Highly Confidential versions of this filing (omitting VPCI) will be made available for inspection.

¹ See Letter from William T. Lake, Chief, Media Bureau, to Kathryn A. Zachem, Comcast Corporation, MB Docket No. 14-90 (Jan. 8, 2015).

² *Id.*

³ *Applications of AT&T, Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Second Amended Modified Joint Protective Order, MB Docket No. 14-90, DA 14-1640 (Nov. 12, 2014) (“Second Amended Modified Joint Protective Order”).

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Ms. Marlene H. Dortch
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If you have any questions or require further information, please do not hesitate to contact me.

Respectfully submitted,

/s/ Kathryn A. Zachem
Senior Vice President,
Regulatory and State Legislative Affairs
Comcast Corporation

Enclosure

**JANUARY 23, 2015 RESPONSES OF COMCAST CORPORATION TO THE
COMMISSION'S INFORMATION AND DATA REQUEST**

- 1. Identify each zip code served by the Cable System and provide for each such zip code and for the Company as a whole, separately for residential subscribers and other subscribers, and for each month for the period beginning January 1, 2012, to the present, produce in CSV or Excel format:**
 - a. the number of customer locations to which Cable Services are available, separately for residential customer locations and other customer locations, and the penetration rate;**
 - b. the number of Standalone Services and Bundled Services subscribers as of the last day of the month;**
 - c. the average revenue per subscriber in the specified month for Standalone Services and Bundled Services;**
 - d. the number of subscribers who first began subscribing to any of the Company's Standalone Services and Bundled Services in the specified month who were not subscribers to any of the Company's Cable Services in the prior month;**
 - e. the average revenue per new subscriber described in subpart (d) to Standalone Services and Bundled Services, and that churned from a competing provider, separately for each competing provider;**
 - f. the number of subscribers discontinuing all subscriptions to the Company's Cable Services;**
 - g. the average revenue per departing subscriber described in subpart (f) for Standalone Services and Bundled Services, and the number of subscribers that churned to a competing provider, separately for each competing provider;**
 - h. the number of the Company's current subscribers who first began subscribing to any of the Company's other Standalone Services or Bundled Services in the specified month;**
 - i. the number of subscribers discontinuing their subscription to one or more of the Company's Standalone Services or Bundled Services, but who remain a subscriber to one or more of the Company's Cable Services at the end of the specified month;**
 - j. the churn rate for Standalone Services and Bundled Services;**

- k. the per-subscriber acquisition cost or cost per gross addition for Standalone Services and Bundled Services and an explanation of how these values were calculated;**
- l. the cost per subscriber to the Company’s MVPD service of acquiring video programming distribution rights and an explanation of how these values were calculated;**
- m. the cost per subscriber to the Company’s MVPD service of acquiring VOD and PPV distribution rights and an explanation of how these values were calculated;**
- n. the average gross and net advertising revenue per subscriber to the Company’s MVPD service and an explanation of how these values were calculated;**
- o. other variable costs per subscriber for Standalone Services and Bundled Services and an explanation of how these values were calculated; and**
- p. the value of each additional subscriber to the Company for Standalone Services and Bundled Services and an explanation of how these values were calculated.**

RESPONSE:

Information and data responsive to Request 1 have been provided for residential and commercial subscribers. Comcast does not have customers within a third category of “other customers.”

The data for each subpart are provided in separate exhibits for primary subscribers and bulk subscribers. A subset of Comcast’s subscribers are bulk billed accounts, that is, customers who reside in properties that are billed under bulk contracts, rather than individually.¹ The data exclude customers that have any courtesy products.² Bulk accounts that are the master account holders may have substantial monthly recurring charges (in the thousands of dollars per month) while bulk subservient accounts will have

¹ Beginning in 2014, Comcast revised its methodology for counting and reporting on bulk billed customers. For bulk billed properties whose residents have the ability to receive additional cable services, such as additional programming choices or high-definition (“HD”) or DVR services, Comcast now counts and reports customers in these types of properties based on the number of contracted units. For bulk billed properties whose residents are not able to receive additional cable services, the property is now counted as a single customer. Previously, Comcast had counted and reported these customers on an equivalent billing unit basis by dividing monthly revenue received under a bulk contract by the standard monthly residential rate where the property was located (the equivalent bulk unit or “EBU method”). The billable customers method is consistent with the methodology used by other companies in the cable industry, including Time Warner Cable, to count and report customers.

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a low monthly recurring charge because the master account pays some or all of the service charges. Therefore, the bulk accounts were broken out separately so as not to affect the monthly recurring charge calculations. Nevertheless, primary and bulk accounts represent total subscriber accounts, less courtesy accounts.

1(a):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.1(a) and Exhibit 1.1(b). The number of homes passed by product and by customer type is provided in Exhibit 1.1(a) for each of Comcast's sub-regions, which is the manner in which Comcast maintains homes passed data historically. Comcast does not maintain the number of homes passed at a zip code level historically. However, Comcast has prepared an estimate of homes passed by zip code as of June 2014, which has been provided in machine-readable Excel spreadsheet format as Exhibit 1.1(b).

Finally, "percent penetration" in Exhibit 1.1(a) has been calculated by dividing the number of continuing Comcast subscribers of each requested service or bundle in each sub-region by the number of households to which that service is available in that sub-region.

1(b):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet or CSV format as Exhibit 1.2(a) and Exhibit 1.2(b), which provide the number of continuing Comcast subscribers – separately for primary and bulk subscribers – for each standalone and bundled service by zip code from 2012 to the present.

1(c):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.3(a) and Exhibit 1.3(b), which provide the average monthly recurring charge for continuing subscribers for each standalone and bundled service by zip code from 2012 to the present.

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In addition, Exhibits 1.3(c)-(d) provide the average revenue per user (“ARPU”) by product for residential and commercial subscribers for each of Comcast’s sub-regions from January 2012 to the present. This is the most granular level at which Comcast maintains ARPU figures, and it maintains these figures by product and not by product mix (i.e., standalone and bundled services).

1(d):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.4(a) and Exhibit 1.4(b), which provide the number of new connecting subscribers – separately for primary and bulk subscribers – for each standalone and bundled service by zip code from 2012 to the present.

1(e):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.5(a) and Exhibit 1.5(b), which provide the average MRC for new connecting subscribers – separately for primary and bulk subscribers – for each standalone and bundled service by zip code from 2012 to the present. [[

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1(f):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.6(a) and Exhibit 1.6(b), which provide the number of subscribers discontinuing all subscriptions to the Company’s cable services separately for primary and bulk subscribers. The data are provided for each standalone or bundled service from which the customer disconnected by zip code from 2012 to the present.

1(g):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.7(a) and Exhibit 1.7(b), which provide the average MRC for subscribers that discontinued services altogether – separately for primary and bulk subscribers – for each standalone and bundled service by zip code from 2012 to the present. The data are provided for each standalone or bundled service from which the customer disconnected. [[

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1(h):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.8(a) and Exhibit 1.8(b), which provide the number of existing subscribers that upgraded by adding one or more new services – separately for primary and bulk subscribers – by zip code from 2012 to the present. The data are provided for the bundle of services to which the subscriber upgraded in that month.

1(i):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.9(a) and Exhibit 1.9(b), which provide the number of existing subscribers that downgraded by removing one or more services but remaining a customer of the Company – separately for primary and bulk subscribers – by zip code from 2012 to the present. The data are provided for the bundle of services from which the subscriber downgraded – i.e., if a customer subscribed to a video and voice bundle the previous month and disconnected either service, they will appear in the data as a downgrade from the video and voice bundle.

1(j):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.10(a) and Exhibit 1.10(b), which provide the churn rate – separately for primary and bulk subscribers – for each standalone and bundled service from which the customer disconnected altogether by zip code from 2012 to the present. The rate of “churn” has been calculated by dividing the number of subscribers that disconnected all services in a given month by the total number of subscribers of that standalone service or bundle of services at the beginning of the same month.

1(k):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.11(a) (residential) and Exhibit 1.11(b) (commercial). The data provided are the cost per new connect (“CPC”), which is the amount Comcast spends in advertising, marketing, and related sales efforts for each new connect. The data are tracked and provided per connected unit (e.g., video, Internet, or voice service). Thus, a new customer that signs up for two services (e.g., video and Internet services) would have approximately twice the cost per connect provided in Exhibits 1.11(a) and (b). Sales, marketing, and advertising expenditures are not tracked or allocated by product or service. Cost per connect is calculated by dividing the total amount that Comcast spends in advertising, marketing, and related sales efforts to acquire a new connect by total connects, which is the sum of services added for each new subscriber (i.e., new “connect”) and each subscriber who upgrades to a new or different service (i.e., “upgrade”). [[

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The data are provided for each of Comcast’s regions, which is the most granular level at which Comcast maintains the data.

1(l):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.12. These data contain total video programming cost per subscriber for each of Comcast’s sub-regions, which is the most granular level at which Comcast maintains the data. In addition to the total video programming costs per subscriber, the data are provided for the following video tiers: B1 (Basic), B2 (Digital Starter or Expanded Basic), D1 (Digital Preferred), and Economy (Digital Economy). The total video cost per subscriber is the total cost of video programming divided by the average number of video subscribers during that month. The data are provided for residential and commercial subscribers combined; programming packages and rates generally do not vary for residential and commercial subscribers.

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]] These costs are generally additive as one moves up to a broader tier of service, i.e., the total cost for subscribers to Comcast’s B2 service is the sum of the costs of the B1 tier and the B2 tier. [[

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1(m):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.13. These data provide the expenses Comcast incurred monthly from January 2012 to the present at a sub-region level for transactional video on demand (“TVOD”), subscription video on demand (“SVOD”), and pay-per-view (“PPV”), which is the most granular level at which Comcast maintains the data. The expenses incurred for SVOD reflect payments Comcast makes for standalone SVOD offerings; they do not include any allocation of licensing fees Comcast pays to distribute the linear feed of a programming network that also contains a VOD component. Those fees, which typically cover VOD rights, are reflected in the video programming expenses set forth in response to subpart (l) of this Request and provided in Exhibit 1.12.

1(n):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 1.14. These data provide the net and gross advertising revenue for each DMA in which Comcast offers cable services, [[]].

1(o):

As previously agreed with the FCC and noted in the cover letter accompanying this submission, Comcast has not provided “other variable costs” beyond what has provided in response to Request Nos. 1(k), 1(l), and 1(m).

1(p):

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2. For each channel of video programming that the Company obtained from another person, and for each channel of video programming produced by the Company, separately for each month from January 1, 2012 to the present, state:
- a. the name of each channel of video programming the Company obtained or produced;
 - b. the number of the Company’s subscribers whose MVPD programming packages include each such channel; and
 - c. the total and per subscriber fee paid by the Company for each such channel.

RESPONSE:

2(a):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 2.1.

2(b):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 2.2.

As is relevant to Exhibits 2.2-2.4, the information contained here is provided in the manner that it is kept by the Comcast content acquisition department in the ordinary course of business. Comcast records costs accrued in a given month. As fees for most networks are based on the number of subscribers to whom programming is delivered and subscriber figures are typically in flux, such fees accrued in any given month often reflect adjustments based on over- or under-payments in past months, or other adjustments based on prior billings.

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additional, [[]] Also included in Exhibits 2.2-2.4 are]].

2(c):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibits 2.3 and 2.4. Exhibit 2.3 provides total costs per network and Exhibit 2.4 provides costs per network per subscriber. The net effective rate per subscriber is provided in Exhibit 2.4 on the basis of dividing the total cost accrued in a month (provided in Exhibit 2.3) by the number of subscribers across whom that cost is accrued (provided in Exhibit 2.2).

3. Provide the Company’s data as specified in the “Plan Data” table of Attachment A, which seeks data relating to subscriber and plan data.

RESPONSE:

Information and data responsive to this Request have been provided in machine-readable Excel spreadsheet and CSV format as Exhibit 3.1 through Exhibit 3.3.

Exhibits 3.1 and 3.2 provide data on Comcast’s subscriber plans, which have been provided by product (video, voice, and Internet) and by tier of service (e.g., Digital Preferred video, Blast Internet) for each zip code and separately for primary and bulk subscribers.³ These exhibits contain data for the following fields requested: date, zip, plan_name, internet, mvpd, video_tier, voice, unlimited_voice, subs and disconnects overall and by tenure,⁴ and arpsr overall and by tenure.⁵ [[

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For the fields requested on contracts and early termination fees associated with each service plan, Comcast has provided information and data in Exhibit 3.3. Exhibit 3.3 provides, for each zip code where data were available, the number of customers under a contract (i.e., a minimum term commitment) where the contract was entered into during or after November 2012 in the Northeast and Central Division and during or after January 2013 in the West Division, broken out by the term of the contract and the applicable initial early termination fee. {{

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For the other fields requested, [[
]] and provides the following narrative response:

Internet Tiers and Associated Speeds

As reflected in Exhibits 3.1 and 3.2, there are a number of residential and commercial Internet tiers available to Comcast subscribers. Comcast offers certain Internet speeds depending on the Internet tier.

³ Comcast incorporates by reference herein its description of bulk accounts in response to Request No. 1.

⁴ As discussed with the FCC, [[
]]. As such, Comcast has provided the data requested by the tenure of the customer with Comcast (i.e., account history).

⁵ As provided in response to other requests, Comcast has provided monthly recurring charge (“MRC”) by service plan. A description of MRC has been provided in response to Request No. 1(c) and is incorporated by reference herein.

Residential Internet Tiers: Between June 2013 to June 2014, Comcast offered the residential Internet tiers listed below. Customers received the following downstream and upstream speeds based on the tier to which they subscribed, listed as of June 2013 and as of June 2014. [[

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Business Class Internet Tiers: Between June 2013 to June 2014, Comcast offered the commercial Internet tiers listed below. Customers received the following downstream and upstream speeds based on the Internet tier to which they subscribed, listed as of June 2013 and as of June 2014. [[

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Video Tiers and Number of Programming Networks

As reflected in Exhibits 3.1 and 3.2, Comcast offered a number of video programming tiers to its residential and commercial subscribers. Comcast offers a range of video channels depending on the video programming tier provided.

Between June 2013 to June 2014, Comcast provided the video programming tiers listed below. The number of video channels provided for each video programming tier [[

]]. However, in general, customers received the following range of video channels based on the tier to which they subscribed as of June 2014.

Residential Video Tier¹⁰	Number of Video Channels
Basic (B1; Broadcast Basic)	25-30
Digital Economy	45-50 channels
Digital Starter (D0)	44-55 (when combined with Basic Video: 70-85)
Digital Preferred (D1; Digital Classic)	65-70 (when combined with Digital Starter: 145-155)

Comcast offers commercial customers tiers within its Business Services Private View and Public View offerings, for which data have been provided in Exhibits 3.1 and 3.2. Those tiers vary in the number of video channels provided, but the following are approximate ranges of channels as of June 2014: [[

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¹¹ [[

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¹² [[

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