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January 12, 2015

VIA ELECTRONIC FILING

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

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

Dear Ms. Dortch:

Viamedia Inc. (“Viamedia”) offers this letter in response to the “Reply to Responses” filed by Comcast Corporation (“Comcast”), on December 23, 2014.¹ Viamedia would not typically respond to the Comcast Reply. However, it feels compelled to do so here, in order to correct the record with respect to Comcast’s misleading characterization of certain business negotiations that it engaged in with Viamedia last year.

Specifically, on page 63 of the Comcast Reply, Comcast states that it offered Viamedia the opportunity to participate in an Interconnect, but that Viamedia “walked away” from that offer. Comcast’s description of events is incomplete and misleading, and is refuted below. As the Commission reviews these facts, it is important to note that Viamedia’s objections to the proposed merger are not—to borrow Comcast’s characterization—based upon a “parochial” dispute between Comcast and Viamedia, but rather reflect industry-wide concerns, as set forth not only in Viamedia’s own filings, but

¹ See Redacted Reply to Responses Filed By Comcast Corp. and Time Warner Cable Inc., MB Docket No. 14-57 (filed Dec. 23, 2014) (“Comcast Reply”).

also those offered by the American Cable Association, RCN/Grande, CenturyLink, and the Mayor of New York City.

The facts surrounding Comcast's prior negotiations with Viamedia are as follows:

1. On behalf of WOW and RCN, Viamedia had been part of the Chicago and Detroit Interconnects for 10 years, from 2002-2012, during which time Viamedia paid Comcast approximately \$18 million in Interconnect representation fees.²

2. In 2012, Comcast refused to renew its Interconnect agreement with Viamedia (and, by extension, with those MVPDs represented by Viamedia: WOW and RCN). Comcast would only allow WOW and RCN to continue participating in the Interconnect when WOW and RCN terminated their advertising representation deals with Viamedia (which was, and still is, WOW's and RCN's strategic advertising sales outsourcing partner), and instead enter into an exclusive representation deal with Comcast. In other words, Comcast was attempting to use its control over the Interconnects to induce WOW and RCN to discontinue their preexisting contractual relationships with Viamedia, Comcast's direct competitor in the cable advertising market representation marketplace.

3. In early 2014, Viamedia requested of Comcast that Viamedia be reinstated in the Chicago and Detroit Interconnects, as well as Interconnects elsewhere that they controlled, on behalf of its more than 50 MVPD partners. Comcast refused this request.

4. In testimony on May 8, 2014, Comcast represented to the U.S. House of Representatives Judiciary Committee's Subcommittee on Regulatory Reform, Commercial and Antitrust Law that the company would no longer exclude any competitor from Interconnects.³ In light of this statement, Viamedia immediately contacted Comcast to again seek reinstatement in the Interconnects. Viamedia was again rebuffed.

5. In the summer of 2014, Comcast briefly appeared to reverse course and informed Viamedia that it would allow Viamedia and a select few of its MVPD partners

² As explained in Comcast's and Viamedia's previous filings, Interconnects are regional industry advertising cooperatives typically run by the largest multichannel video programming distributors ("MVPD") in a given region, on behalf of all the MVPDs and their advertising representatives in the region. The investment Comcast claims that it made in these cooperative Interconnects was actually made collectively by Interconnect participants such as Viamedia over many years, which underscores the absurdity of the claim that they are now "Comcast's Interconnects." See Redacted Opposition to Petitions to Deny and Response to Comments Filed By Comcast Corp. and Time Warner Cable, Inc., MB Docket No. 14-57 (filed Sept., 23, 2014) at 270.

³ See Testimony Before the House Judiciary Subcommittee Hearing on the Proposed Comcast-Time Warner Cable Merger, Trans. at 83 (May 8, 2014) ("[Chairman] Bacchus: So, your short answer is that you're not gonna exclude competitors or advertising...from the interconnects. [Comcast VP David] Cohen: Correct.").

to re-enter the Interconnects in certain markets. The terms of Comcast's offer, however, did not include all of the requested Interconnects. Moreover, the offer required that Viamedia pay a 50 percent higher representation fee to Comcast than it had been paying for access to the Chicago and Detroit markets less than two years earlier. Viamedia believes that Comcast made this offer with the knowledge that its terms would prove unacceptable, in a veiled attempt to improve its position before the Commission. In other words, Comcast could assert to the Commission that it made an effort to grant competitors access to Interconnects. As a practical matter, however, Comcast's offer of only limited access and at 50 percent higher prices served only to highlight the tremendous control that Comcast exerts over those Interconnects that it dominates. As a result, Viamedia and its MVPD partners had no choice but to decline Comcast's inequitable offer.

As the above facts demonstrate, Comcast already leverages its existing market position to exclude competitors from the Interconnects that it controls, by arbitrarily and capriciously dictating which companies may participate in industry cooperatives, when they can participate, and how much they must pay to do so. The even greater market power that Comcast would obtain if permitted to acquire Time Warner Cable (which has never demonstrated such exclusionary behavior) will only heighten Comcast's ability to engage in such anticompetitive tactics. Without appropriate constraints, therefore, the proposed acquisition of Time Warner Cable which will give Comcast control of cable advertising into approximately 50 million households (something Comcast interestingly does not respond to in their filings), combined with Comcast's supermajority control of NCC, recent acquisition of Freewheel and its deployment and licensing of the X1 platform, will ultimately cement Comcast's complete and permanent control over the entire cable advertising industry.

For these reasons, Viamedia on behalf of the industry and its 50 MVPD partners has suggested reasonable structural conditions to ensure a fair and open cable advertising marketplace, which will benefit viewers, consumers, and small business advertisers alike. Thank you for providing Viamedia with the opportunity to correct the record, and thank you for continuing to give due consideration to these proposed structural conditions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Lieberman', written in a cursive style.

Mark Lieberman