COMCAST

Comcast Corporation
300 New Jersey Avenue, NW
Suite 700
Washington, DC 20001
202.379.7121

REDACTED – FOR PUBLIC INSPECTION

February 5, 2015

VIA ELECTRONIC FILING

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

Re: ***Applications of Comcast Corporation, 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:

Comcast Corporation ("Comcast") hereby submits its responses to the Commission's January 15, 2015 Second Information and Data Request (the "Request").[1] The narrative answers, data, and documents respond to the Request as clarified by previously disclosed discussions between representatives of Comcast and the Commission. Based on these discussions, Commission staff and Comcast agreed to certain modifications and understandings of the Request and accompanying Instructions, subject to the Commission's ability to request additional information as it may deem necessary. These modifications and understandings are reflected in the pertinent responses and also include the following:

1. Limitations to the applicable Instructions set forth in Comcast's September 11, 2014 response[2] to the August 21, 2014 Information and Data Request[3] are incorporated by reference.

2. Request 95 is modified to reflect that Comcast will provide information and data for its current cable systems only, including the systems that will be assigned or transferred to SpinCo.

---

[1] *See* Letter from William T. Lake, Chief, Media Bureau, to Kathryn A. Zachem, Comcast Corporation, MB Docket No. 14-57 (Jan. 15, 2015).

[2] *See* Letter from Kathryn A. Zachem, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 14-57 (Sept. 11, 2014).

[3] *See* Letter from William T. Lake, Chief, Media Bureau, to Kathryn A. Zachem, Comcast Corporation, MB Docket No. 14-57 (August 21, 2014).

3. Request 98 is limited to the OVDs enumerated in the Request.

4. Request 101 is modified to reflect that Comcast will provide final presentations, survey results, and interview records.

5. Request 102 is modified to limit the relevant time period to June 2014 to the present.

6. Requests 120 and 121 are modified to require Comcast to provide profit and loss statements on a regional basis and for the company as a whole.

7. Request 124 is modified to reflect that Comcast will provide percentages of accounts discontinued for the following reasons: voluntary disconnect, mover disconnect, non-payment disconnect, disconnect for other reasons, or disconnected Internet Access Services but still subscribed to other Cable Services.

8. In certain limited instances, work on responses is ongoing, and the responses will be submitted shortly. The narrative notes where that is the case.

Comcast submits herewith one copy of the redacted, public version of the narrative responses. The **{{ }}** symbols denote where Highly Confidential Information has been redacted, and the **[[ ]]** symbols denote where Confidential Information has been redacted. The Highly Confidential version of this filing, which contains 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.[4] The Confidential and Highly Confidential versions of this filing, including accompanying exhibits and documents (omitting VPCI), will be made available for inspection pursuant to the terms of the Second Amended Modified Joint Protective Order.

Comcast has made diligent efforts to ensure that none of the documents it is submitting herewith is privileged under the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege or protection. To the extent that any privileged documents may have been inadvertently produced, such production does not constitute waiver of any applicable privilege. Comcast requests that any privileged documents inadvertently produced be returned to Comcast as soon as such inadvertent production is discovered by any party, and reserves all rights to seek the return of any such documents.

[4] *See Applications of Comcast Corp. and Time Warner Cable Inc. for Consent to Assign or Transfer Control of Licenses and Authorizations*, Second Amended Modified Joint Protective Order, MB Docket No. 14-57, 29 FCC Rcd 13799 (Nov. 12, 2014) ("Second Amended Modified Joint Protective Order").

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

Enclosures [REDACTED]

FEBRUARY 5, 2015 RESPONSES OF COMCAST CORPORATION TO THE COMMISSION'S SECOND INFORMATION AND DATA REQUEST

94. For each zip code identified in response to Specification 2(e) of the Information and Data Request issued to the Company on August 21, 2014, and for the Company as a whole, separately for primary residential subscribers, bulk residential subscribers and commercial subscribers, and as of the end of each month from January, 2011, through June, 2014, state and produce in CSV or Excel format:

a. the number of subscribers to Standalone Services and Bundled Services that discontinued their subscriptions to all of the Company's Cable Services during the month, identifying the following possible reasons for disconnection: voluntary, mover, non-payment, and other, and provide a description of the types of disconnections included in each category;

b. the number of the Company's subscribers that discontinued their subscriptions to the Company's MVPD Service during the month but subscribed to one or more of the Company's other Cable Services as of the end of the month;

c. the number of the Company's subscribers that discontinued their subscriptions to the Company's Internet Access Service during the month but subscribed to one or more of the Company's other Cable Services as of the end of the month;

d. the number of the Company's subscribers that discontinued their subscriptions to the Company's Telephone Services during the month but subscribed to one or more of the Company's other Cable Services as of the end of the month;

e. the number of the Company's subscribers that began a subscription to the Company's MVPD Service during the month and subscribed to at least one of the Company's other Cable Services at the end of the previous month;

f. the number of the Company's subscribers that began a subscription to the Company's Internet Access Service during the month and subscribed to at least one of the Company's other Cable Services at the end of the previous month;

g. the number of the Company's subscribers that began a subscription to the Company's Telephone Services during the month and subscribed to at least one of the Company's other Cable Services at the end of the previous month;

h. the number of subscribers to the Company's Internet Access service that switched to a Service Plan offering a higher download speed during the month (excluding automatic upgrades provided by the Company at no additional cost to the subscriber);

i. **the number of subscribers to the Company's Internet Access service whose download speed was increased during the month as a result of an automatic upgrade by the Company provided at no additional cost to the subscriber;**

j. **the number of subscribers to the Company's Internet Access service whose download speed was increased during the month as a result of a request by the subscriber;**

k. **the number of subscribers to the Company's Internet Access Service that switched to a Service Plan offering a lower download speed during the month;**

l. **the number of subscribers to the Company's MVPD Service that switched to a Service Plan with more channels during the month;**

m. **the number of subscribers to the Company's MVPD Service that switched to a Service Plan with fewer channels during the month;**

n. **the number of subscribers to the Company's Telephone Services that switched to a Service Plan with more features during the month; and**

o. **the number of subscribers to the Company's Telephone Service that switched to a Service Plan with fewer features during the month.**

RESPONSE:

<u>94(a)</u>:

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 94.1(a) through Exhibit 94.1(g), which provide the number of subscribers discontinuing all subscriptions to the Company's Cable Services, by zip code, separately for primary and bulk residential subscribers, and commercial subscribers. The data identify the following categories of disconnecting customers: total disconnects; non-payment; voluntary disconnects; mover; and other involuntary disconnects.

[[

]] The data are provided separately for each standalone or bundled service from which the customer disconnected.

[[

]]

"Total disconnects" includes all subscribers who discontinued their subscriptions to all of Comcast's Cable Services during the month, for any reason.

"Non-payment" includes all subscribers whose subscriptions were discontinued by Comcast because of failure to pay their subscription charges. Comcast will automatically generate a disconnect after a payment has become overdue for a certain period of time, **[[ ]]**.

[[ ]]

For the data from May 2012 through June 2014, "voluntary disconnects" **[[ ]]**.

"Mover" includes subscribers who disconnected from Comcast and indicated that they were moving residences as the reason for disconnecting. As discussed above, "mover" disconnect data **[[ ]]**.

"Other involuntary" includes, **[[ ]]**

Except for non-payment, all disconnect reasons are **[[ ]]**

<u>94(b)</u>:

Information and data responsive to subpart (b) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Video Disconnect." Exhibit 94.2 provides the number of customers by zip code, from January 2011 to June 2014, who discontinued subscribing to Comcast's video service but maintained a subscription to another Comcast Cable Service. The data in Exhibit 94.2 responsive to subpart (b) are provided separately for primary residential, bulk residential, and commercial subscribers.

94(c):

Information and data responsive to subpart (c) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Internet Disconnect." Exhibit 94.2 provides the number of customers by zip code, from January 2011 to June 2014, who discontinued subscribing to Comcast's Internet access service but maintained a subscription to at least one other Comcast Cable Service. The data in Exhibit 94.2 responsive to subpart (c) are provided separately for primary residential, bulk residential, and commercial subscribers.

94(d):

Information and data responsive to subpart (d) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Voice Disconnect." Exhibit 94.2 provides the number of customers by zip code, from January 2011 to June 2014, who discontinued subscribing to Comcast's telephone service but maintained a subscription to at least one other Comcast Cable Service. The data in Exhibit 94.2 responsive to subpart (d) are provided separately for primary residential, bulk residential, and commercial subscribers.

94(e):

Information and data responsive to subpart (e) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Video Add." Exhibit 94.2 provides the number of customers by zip code, from January 2011 through June 2014, who began subscribing to Comcast's MVPD service but already subscribed to at least one other Comcast Cable Service. The data in Exhibit 94.2 responsive to subpart (e) are provided separately for primary residential, bulk residential, and commercial subscribers.

94(f):

Information and data responsive to subpart (f) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Internet Add." Exhibit 94.2 provides the number of customers by zip code, from January 2011 through June 2014, who began subscribing to Comcast's Internet access service but already subscribed to at least one other Comcast Cable Service. The data in Exhibit 94.2 responsive to subpart (f) are provided separately for primary residential, bulk residential, and commercial subscribers.

94(g):

Information and data responsive to subpart (g) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Voice Add." Exhibit 94.2 provides the number of customers by zip code, from January 2011 through June

2014, who began subscribing to Comcast's telephone service but already subscribed to at least one other Comcast Cable Service. The data in Exhibit 94.2 responsive to subpart (g) are provided separately for primary residential, bulk, and commercial subscribers.

94(h):

Information and data responsive to subpart (h) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Internet Upgrades." Exhibit 94.2 provides the number of customers by zip code, from January 2011 through June 2014, who upgraded to a higher tier of Comcast's Internet access service. In general, a higher tier of Comcast Internet access service corresponds to service with a higher download speed. The data in Exhibit 94.2 responsive to subpart (h) are provided separately for primary residential and commercial subscribers. **[[**

]]

94(i):

Information responsive to subpart (i) has been provided as Exhibit 94.3. Comcast **[[**

]]. Exhibit 94.3 identifies when speed upgrades occurred over the relevant period in each Comcast division and region, broken out by tier of service. The timing of each upgrade is generally identified by month, except for upgrades that occurred in 2011. Comcast **[[**

]].

94(j):

[[

]] The number of customers who began subscribing to a higher tier of Internet access service is provided in Exhibit 94.2 in response to subpart (h) of this Request.

94(k):

Information and data responsive to subpart (k) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Internet Downgrades." Exhibit 94.2 provides the number of customers by zip code, from January 2011 through June 2014, who downgraded to a lower tier of Comcast Internet access service (i.e., customers who already subscribed to Comcast's Internet access service). In general, a lower tier of Comcast Internet access service corresponds to service with a slower download speed. The data in Exhibit 94.2 responsive to subpart (k) are provided separately for primary residential and commercial subscribers. **[[**

]]

<u>94(l)</u>:

Information and data responsive to subpart (l) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Video Upgrades." Exhibit 94.2 provides the number of customers by zip code, from January 2011 through June 2014, who upgraded to a higher tier of Comcast MVPD service (i.e., customers who already subscribed to Comcast's MVPD service). In general, a higher tier of Comcast MVPD service corresponds to service with more channels. **[[**

]] Therefore, data in Exhibit 94.2 responsive to subpart (l) are provided separately for primary residential and bulk residential subscribers only.

<u>94(m)</u>:

Information and data responsive to subpart (m) have been provided in machine-readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Video Downgrades." Exhibit 94.2 provides the number of customers by zip code, from January 2011 through June 2014, who downgraded to a lower tier of Comcast MVPD service (i.e., customers who already subscribed to Comcast's MVPD service). In general, a lower tier of Comcast MVPD service corresponds to service with fewer channels. **[[**

]] Therefore, data in Exhibit 94.2 responsive to subpart (m) are provided separately for primary residential and bulk residential subscribers only.

<u>94(n)</u>:

Information and data responsive to subpart (n) have been provided in machine readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Voice Upgrades." Exhibit 94.2 provides the number of customers, by zip code, from January 2011 through June 2014, who upgraded to a higher tier of Comcast voice service (i.e., customers who already subscribed to Comcast's voice service). In general, a higher tier of Comcast voice service corresponds to service with more features. Comcast also offers certain add-on features (e.g., international calling) that voice subscribers may purchase to supplement the features included in their chosen tier of service. Exhibit 94.2 does not include data on customers who elected to purchase add-on features because **[[**

]]. Therefore, data in Exhibit 94.2 responsive to subpart (m) are provided separately for primary residential and bulk residential subscribers only.

<u>94(o)</u>:

Information and data responsive to subpart (o) have been provided in machine readable Excel spreadsheet format as Exhibit 94.2 in worksheets labeled "Voice Downgrades." Exhibit 94.2 provides the number of customers, by zip code, from January 2011 through June 2014, who downgraded to a lower tier of Comcast voice service (i.e., customers who already subscribed to Comcast's voice service). In general, a lower tier of Comcast voice service corresponds to service with fewer features. As discussed above, Exhibit 94.2 does not include data on customers who elected to remove add-on features from their subscriptions because **[[**

]]. Therefore, these data are provided separately for primary residential and bulk residential subscribers only.

95. As of December 31, 2014, and for each DMA, state and produce in CSV or Excel format:

a. the number of subscribers to the Company's MVPD service;

b. the number of the Company's subscribers who will become subscribers of Comcast's, Spinco's, and Charter's MVPD service, stated as if the proposed TWC transaction and the proposed divestiture transactions had been consummated as of December 31, 2014;

c. the number of TV households, citing the source of this information and explaining how this number was calculated;

d. the number of Hispanic TV households, citing the source of this information and explaining how this number was calculated;

e. the number of Hispanic households that subscribe to MVPD service, citing the source of this information and explaining how this number was calculated;

f. the number of Hispanic households that subscribe to the Company's MVPD service; and

g. the number of the Company's Hispanic households who will become subscribers of Comcast's, Charter's and SpinCo's MVPD service, stated as if the proposed TWC transaction and the proposed divestiture transactions had been consummated as of December 31, 2014.

In the event that as a result of the proposed divestiture transactions, the assets, Hispanic households and the Hispanic subscribers in a single DMA will be divided between Comcast, Charter and SpinCo, for subparts (b) and (g), allocate the subscribers and Hispanic households to the receiving applicant, and provide an explanation of the methodology used to make the allocation.

RESPONSE:

95(a):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 95. The data are provided on a units cabled basis.

95(b):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 95. The data are provided on a units cabled basis and are provided separately for the Comcast and SpinCo systems upon completion of the proposed transactions. As discussed with the FCC, the subscriber numbers provided for post-transaction Comcast are for Comcast's systems only, and do not include subscribers from Charter and Time Warner Cable systems that Comcast will acquire in connection with the proposed transactions.

<u>95(c)-(g)</u>:

Information and data responsive to subparts (c) through (g) have been provided in machine-readable Excel spreadsheet format as Exhibit 95. Figures provided for the number of TV households, Hispanic TV households, and Hispanic MVPD subscribers are based on data provided by Nielsen. **[[**

]]. Nielsen releases TV household estimates annually and Comcast is providing the annual figures as of January 2015. Nielsen releases Hispanic TV households and Hispanic MVPD subscribers quarterly; Comcast is providing data from Nielsen's February 2015 update. Comcast has also provided an estimate of its Hispanic MVPD subscribers as of December 2014. As discussed with the FCC, the subscriber numbers provided for post-transaction Comcast do not include subscribers from the Charter and Time Warner Cable systems that Comcast will acquire in connection with the proposed transactions.

96. In the September 23, 2014 Opposition to Petitions to Deny and Response to Comments, filed in MB Docket No. 14-57 at pgs. 214-215 the Opposition states: "if Comcast degraded OVD content, broadband subscribers increasingly have the options of . . . downgrading to a lower-priced broadband tier and consuming more mobile data."

a. Produce all documents and analyses that demonstrate the Company's Internet Access Service subscribers exercised the options described in the Opposition.

b. State the number of subscribers that exercised each of these options for each month during the period beginning April, 2013 and ending April, 2014.

RESPONSE:

Comcast does not degrade OVD content, so there has been no reason for subscribers to exercise the above-referenced options due to such conduct; as a result, Comcast is not aware of any documents or other information responsive to this Request. As part of the record in this proceeding, Comcast has submitted research and expert economic analyses indicating that a significant number of broadband subscribers, including Comcast broadband customers, likely *would* switch ISPs if their provider blocked or degraded access to edge provider content.[1] In addition, Comcast has submitted data showing that, for any variety of reasons, Comcast customers do discontinue their broadband service or change their service plans, illustrating the general availability of those options. *See* Response to Requests 94(a), (c), and (k) (providing data on subscribers who discontinued broadband service or switched to a service plan offering a lower download speed) (Comcast does not have access to data showing customer consumption of mobile data.).[2]

---

[1] *See* Comcast Corp. and Time Warner Cable Inc., Opposition to Petitions to Deny and Response to Comments at 203-06 (Sept. 23, 2014) (discussing consumer research and related information and analyses) (citations omitted).

[2] Further, to the extent that this request is seeking information about whether customers exercised any of the referenced options as a result of content delivery issues involving Netflix during the identified period, Comcast reiterates that these issues did not result from any deliberate degradation of Netflix's service, as the request might otherwise suggest, and notes that Netflix had similar service issues with other ISPs, including Verizon, AT&T, and others. Nor did Comcast measure or record specific customer churn or downgrades related to these events. Nonetheless, as previously reported to the Commission, Comcast received a number of customer complaints relating to Netflix during the identified period. *See id.* at 198, 204.

97. For each non-broadcast programming network owned by, operated by, managed by, or attributed to the Company, for each of the twenty-five largest MVPDs measured by subscribers, state separately, and produce in CSV or Excel format, for each month from January 2009 to the present, the identity of any MVPD that carries the network, and for each MVPD state the title, date and bates number of the agreement containing the provisions describing the licensing fees that are imposed on the MVPD, and the date the licensing fee provisions became effective.

RESPONSE:

Information and data responsive to this Request have been provided in machine-readable Excel spreadsheet format as Exhibit 97.

Exhibit 97 provides information regarding the affiliation agreements between each network and each of the 25 largest MVPDs separately for each MVPD.
[[

]]

Comcast also incorporates its responses to Requests 19(a) and 19(b), including Exhibit 19.1 (and subparts), which provides subscriber information for each network on an MVPD-by-MVPD basis.

98. For each non-broadcast programming network owned by, operated by, managed by, or attributed to the Company, for each OVD, including but not limited to Apple Inc., Amazon.com, Inc., Google Inc., Netflix, Inc., Hulu, LLC, and the Company, that publishes, sells or distributes, in whole or part, content produced or distributed by the non-broadcast programming network, for each month from January, 2009, to the present, state separately, and produce in CSV or Excel format, the identity of each OVD, and for each OVD, (a) the total fees paid each month by the OVD to the Company for the right to distribute such programming, and (b) the title, date and bates number of the agreement containing the provisions describing the licensing fees that are requested in subpart (a) of this Specification, and the date the licensing fee provisions became effective.

RESPONSE:

98(a):

Information and data responsive to subpart (a) of this Request have been provided in machine-readable Excel spreadsheet format as Exhibit 98.1. Exhibit 98.1 provides a list of OVDs to whom Comcast/NBCUniversal has licensed video programming along with associated revenue received from each OVD. Comcast provides these data on a quarterly basis (data for the fourth quarter of 2014 were not available as of the date of this submission). As explained in its response to Request 19, Comcast **[[**

]].

98(b):

Information and data responsive to subpart (b) of this Request have been provided in machine-readable Excel spreadsheet format as Exhibit 98.2. Exhibit 98.2 contains information concerning Comcast/NBCUniversal's agreements for licensing programming with select, agreed-upon OVD counterparties.

99. For each channel of Video Programming that the Company obtained from another Person, for each month from January, 2009 to the present, state: the title, date and bates number of the agreement containing the provisions describing the licensing fees, and the date that the licensing fee provisions became effective.

RESPONSE:

Comcast continues to work on its response to this Request and will provide responsive information to the FCC as soon as practicable.

100. With respect to Canoe Ventures, LLC ("Canoe"), provide:

- **a. a description of all ownership, voting, or management interests in Canoe, and the parties that hold these interests;**
- **b. a description of the services, products, roles and functions of Canoe with respect to dynamically inserted advertising;**
- **c. a list of Canoe's twenty largest customers measured by its annual revenues billed to the customer;**
- **d. an estimation of Canoe's market share of dynamic advertising insertion as of December 31, 2014;**
- **e. the percent of advertising time allocated to the Company by CBS Corporation, Disney, Discovery, Viacom, Fox, Univision, Time Warner, NBCU, Scripps, A&E, AMC, BBC, Crown Media, that was inserted into the Company's VOD service by Canoe in 2012, 2013, and 2014;**
- **f. the percent of advertising time allocated for sale by CBS Corporation, Disney, Discovery, Viacom, Fox, Univision, Time Warner, NBCU, Scripps, A&E, AMC, BBC, Crown Media, that was inserted into the Company's VOD service by Canoe in 2012, 2013, and 2014;**
- **g. a description of any alternatives to the products and services provided by Canoe that were offered or made available to Persons that wish to dynamically insert advertising into the Company's VOD service;**
- **h. the quarterly revenues received by the Company from Canoe since January 1, 2009; and**
- **i. one copy of the original agreement governing Canoe Ventures, LLC, and any updates, supplements or appendices thereto.**

RESPONSE:

<u>100(a)</u>:

Four entities hold an equity interest in Canoe: Comcast Spotlight JV Holdings, LLC ("Comcast"); Time Warner Cable, LLC ("Time Warner Cable"); Cox Advertising LLC ("Cox"); and Bright House Networks LLC ("Bright House"). Equity ownership is based on the capital contributions made by the members. Comcast owns **[[ ]]** percent of Canoe. The remaining ownership stakes are held by **[[ ]]**.

Canoe is governed by a **[[**

]].

<u>100(b)</u>:

Canoe Ventures was launched in 2008 to provide advanced services (primarily interactive advertising, but also addressability, and VOD insertion). However, Canoe encountered numerous challenges due in part to varying degrees of digital capabilities and other technology differences across cable companies. It managed to launch an Interactive TV (ITV) product in 2010 that let viewers request more information, coupons, or product samples. Acceptance was limited and Canoe ceased its interactive operations in 2012.[3] Canoe has since limited its efforts to DAI-related services. Primarily, Canoe accepts DAI placement orders from programmers for their ad buys on multiple MSOs and then sends electronic instructions to each participating cable operator's VOD platform, each of which independently determines the available ad locations on that network and performs the actual dynamic insertion of the ad(s) depending on the VOD programs ordered by subscribers. **[[**

]] For example, Canoe does not manage DAI campaigns for Comcast or dynamically insert any ads into Comcast's VOD service. Comcast has its own DAI capabilities and performs DAI for its own allocated ad avails in VOD programming. As a result of **{{**

}}.

<u>100(c)</u>:

The current top twenty networks using Canoe for DAI-related services (measured by annual revenues) are (alphabetically): **{{**

}}.

<u>100(d)</u>:

In 2014, Canoe helped manage placement orders for approximately six billion ads in cable VOD.[4] This accounts for less than two percent of the ads inserted into digital

---

[3] *See, e.g.*, *Canoe Ventures Pulls Plug on Interactive TV Commercials Business*, Advertising Age (Feb. 22, 2012); *see also Canoe Ventures Rolled by Cable Owners: Implications for Interactive TV, Addressable Ads, VOD, and OTT*, TDG Opinions (Feb. 24, 2012); *Canoe Ventures Capsizes*, AdWeek (Feb. 23, 2012) ("Canoe ran into trouble with its ownership and their peers. Advertisers used to buying nationwide spots had to worry about the varying technology and standards employed by different cable operators, and the hassle kept advertisers from trying the new platform, regardless of potential benefits.").

[4] According to third-party industry sources **[[**

media last year. Canoe does not have a **{{**

}}.[5]

<u>100(e)</u>:

Allocations of advertising time are determined through independent carriage agreement negotiations between programmers and MSOs. Although it can vary by agreement, it is fairly standard for Comcast to receive two minutes of advertising time ("ad avails") per hour, and this advertising time allocation generally applies to different media authorized in the agreement (e.g., linear, digital, VOD).[6]

As explained above, Canoe does not manage DAI campaigns for Comcast or dynamically insert any ads into Comcast's VOD service. Comcast has its own DAI capabilities and performs DAI for its own allocated ad avails in VOD programming. As a consequence, zero percent of advertising time allocated to the company by the referenced programmers was inserted into Comcast's VOD service by Canoe in 2012, 2013, and 2014.

<u>100(f)</u>:

Canoe primarily sends placement orders on behalf of these programmers to Comcast, which then performs the DAI into its VOD service. Because Canoe does not perform the dynamic insertion of ads into Comcast's VOD service, zero percent of the advertising time allocated for sale by the referenced programmers was inserted by Canoe into the Comcast's VOD service in 2012, 2013, and 2014.

Generally, the programmers retain any advertising time in the content asset for DAI into VOD that is not allocated to an MSO (e.g., if Comcast is allocated two minutes of ad avails per hour the programmer retains the remaining minutes).[7]

<u>100(g)</u>:

Comcast has developed DAI capabilities that are customized for its systems. Providing DAI capabilities for VOD over set-top boxes (STBs) to a particular cable platform requires exacting standards, interfaces, and security protections. These specifications and requirements are more complex for cable systems than other media (e.g., online), and have required significantly greater investment and engineering expertise to develop and

---

]]

5 **[[**
]]

6 *See* Response to Request 49.

7 *Id.*

deploy. Currently, any dynamic insertion of advertising into Comcast's VOD service can only be performed using Comcast's DAI capabilities. Programmers, whether affiliated or unaffiliated, can arrange for access to the same DAI capabilities that Comcast uses, and make it available to their advertisers.

It is standard industry practice for a media company (e.g., Hulu, YouTube) to utilize a single set of DAI capabilities and specifications, compatible with its technological platform, for the insertion of all video advertising it accepts. Comcast is not unique in this respect.

100(h):

Canoe has **{{**

}}

<u>100(i)</u>:

Responsive documents are being produced as part of this response as Exhibit 100(1).2 and include:

1	Project Canoe Binding Terms for NewCo Joint Venture Regarding Interactive Advertising
2	Production Distribution Agreement
3	Lead Gen 1.0 Product Schedule & Exhibits
4	VOD DAI Interim Product Schedule

100. To the extent that additional analysis has been conducted, new information has become available or additional documents that are responsive to Specifications 79, 80, 81, 86, and 88 of the August 21, 2014 Information and Data Request have been created by or provided to the Company since April 30, 2014, provide revised responses based on this recently conducted analysis, and produce all responsive documents created since April 30, 2014. If the new analysis, information or documents has modified the conclusions of the applicant's experts who submitted declarations addressing the efficiencies and public interest benefits of the Proposed Transaction and the Proposed Divestiture Transaction, provide revised economic analyses to support any and all revisions to the claimed efficiencies as articulated in their Public Interest Statement, Opposition and Reply.

RESPONSE:

Documents responsive to this Request, which are also responsive to Request 118, are being produced to the FCC. Based on their review of certain responsive documents, Comcast's economists believe that the additional information does not modify their conclusions regarding the public interest benefits and efficiencies of the proposed transaction between Comcast and TWC and the Divestiture Transaction between Comcast and Charter.

Below, Comcast updates its responses to Requests 80 and 88. Comcast does not modify its responses to Requests 79, 81, or 86.

Updates to Comcast Responses to Requests 80 and 88:

In its response to Request 80, which Comcast hereby incorporates by reference, Comcast described the important benefits and efficiencies that the proposed transaction with TWC and the Divestiture Transaction with Charter would produce for consumers nationwide. Comcast detailed the many transaction-specific benefits – driven by economies of scale, expanded geographic reach, and the sharing of technologies and services – for consumers and businesses, including: (1) network upgrades for the acquired systems, starting with transitioning all systems to digital at a pace substantially faster than TWC could achieve alone; (2) faster broadband speeds, especially in the acquired markets, increased broadband competition, and expanded broadband adoption; (3) greater availability of advanced video and voice services; (4) more video-on-demand ("VOD") and TV Everywhere ("TVE") choices; (5) enhanced business services competition throughout large parts of the country; (6) a more robust and expansive Wi-Fi network; and (7) accelerated deployment of advanced advertising technologies. In particular, Comcast previously stated that it has pledged to make substantial incremental investments – hundreds of millions of dollars annually – to TWC's planned upgrades and enhancements over the next three years to accelerate improvements to TWC's plant and facilities. Based on Comcast's most recent analyses and its discussions with the TWC capital team, as set out in Comcast's October 23, 2014 Integration Capital Update which has been produced to the FCC, Comcast currently estimates that it will spend over $**{{** **}}** in incremental capital expenditures in 2015-2016 (beyond even TWC's planned increase in its capital expenditures for this time period), in order to integrate the TWC systems and improve TWC's network, so that TWC customers will receive all-digital service, a more reliable network that will lead to an improved customer experience, higher broadband speeds, the X1 interface, more video choices, and other benefits the transaction will achieve, in many cases on a more accelerated basis.

As to the operating and capital expenditure efficiencies of the TWC transaction, Comcast previously estimated that the proposed TWC transaction would produce approximately $1.5 billion in operating expense efficiencies and approximately $400 million in capital expenditures efficiencies within three years following the close of the transaction, with operating expense efficiencies continuing at or above $1.5 billion for each year thereafter. Comcast continues to evaluate these estimated efficiencies. Currently, as set out in Comcast's January 5, 2015 Pro Forma Financials and Synergy Update which has been produced to the FCC, Comcast views the $1.5 billion in initial operating expense efficiencies as the minimum amount it expects to achieve, and now estimates that the TWC transaction will produce closer to $**{{ }}** in operating expense efficiencies, with a goal of reaching $**{{ }}**.

Comcast also described in its response to Request 88, which Comcast hereby incorporates by reference, its plans for integrating subscribers acquired as a result of the proposed TWC transaction and the Divestiture Transaction. As it did in its prior response, Comcast notes that this process, the latest description of which is found in Comcast's December 16, 2014 Comcast-TWC Merger Integration Summit III presentation which has been produced to the FCC, remains fluid and ongoing as the parties continue to exchange and evaluate information available to them in light of antitrust constraints. Comcast also notes that these plans are subject to a variety of complex and inter-related technological, business, and legal issues, and remain subject to change as these plans continue to evolve as Comcast gathers and analyzes more information as it becomes available to ensure a smooth transition and to minimize disruptions for consumers. Nevertheless, Comcast continues to project that it will be able to deliver all Comcast products and services to certain acquired markets within 12 months and to *all* acquired markets within 36 months of the closing date of the proposed TWC transaction and the Divestiture Transaction. Comcast has since provided the following additional information to the FCC in its filing dated November 26, 2014 in response to FCC Question 6, which Comcast hereby incorporates by reference, regarding the post-transaction timeline for specific benefits for consumers and businesses:

- Comcast expects to complete the transition of TWC systems to all-digital by **[[ ]]**.
- CRAN / IT network improvements, which will benefit both business and residential customers, are planned to occur **[[ ]]**.

- The rollout of Comcast's Wi-Fi initiatives are scheduled to occur **[[ ]]**.
- The full X1 product experience (X1, full VOD, TVE Apps, EST) is expected to be rolled out first to major markets within 12 months and to all markets within **[[ ]]** months of closing.
- Comcast's Business Services brand is planned to launch throughout the TWC footprint and a number of product changes, marketing sales, and operations milestones are targeted to occur **[[ ]]**. The target launch of Comcast's enterprise service is **[[ ]]**.
- The launch of the new Comcast ad service (QAM-based VOD DAI, targeting capabilities, set-top box data integration, Strata tools) is targeted for **[[ ]]**. And the rollout of advanced advertising services in the TWC territory will likely follow the same timeline as the **[[ ]]**.

Comcast also incorporates its response to Request 118, below, and the documents relating to efficiencies and public interest benefits of the proposed transaction produced in response to Request 118.

101. Provide all documents discussing and assessing risks to the Company's business, including but not limited to revisions to the document beginning on COMC-ANM-00015642 and similar analyses produced after October 2013.

RESPONSE:

Documents responsive to this Request were previously produced to the FCC as Exhibit 101.1 and Exhibit 101.2.[8]

[8] *See* Letter from Kathryn A. Zachem, Comcast Corp., to Marlene H. Dortch, Secretary, FCC (Jan. 27, 2015).

102. Provide all documents discussing interconnection strategies, including but not limited to revisions and subsequent versions of the documents beginning on COMC-MCK-00126642 and COMC-MCK-00036831.

RESPONSE:

Documents responsive to this Request have been produced to the FCC and can be found at the following production numbers: **[[ ]]**. Comcast continues to work on its response to this Request and will produce additional documents to the FCC as soon as practicable. As discussed with FCC staff, Comcast is producing documents responsive to this Request from June 2014 to the present.

103. Produce all documents relating to guidance, instruction and scripts provided to the Company's customer service representatives, during the period beginning April, 2013, and ending April 2014, to assist these representatives in responding to inquiries and complaints from the Company's Internet Access Service subscribers concerning the quality of any OVD service or Online Video Programming viewed using the Company's Internet Access Service. Include in your production any instructions relating to offers to make to subscribers who expressed an intent to discontinue their subscription to the Company's Internet Access Service, and data on sales, to subscribers who expressed their intent to discontinue their Internet Access Service subscription because of concerns about the viewing experience of any OVD service, of (a) the Company's subscription VOD service, and (b) Internet Access Service at both higher and lower download speeds.

RESPONSE:

[[ ]] requested by FCC staff have been produced and can be found at **[[ ]]**. Comcast **[[ ]]**. Additional documents responsive to this Request are provided as Exhibits 103.1-103.14.

104. For the period beginning April, 2013, and ending April, 2014, provide all documents summarizing and categorizing any complaints made to the Company by the Company' Internet Access Service subscribers relating to the quality of any Online Video Programming or OVD service viewed using the Company's Internet Access Service, including but not limited to the number of complaints and the type or name of service that was the subject of the complaints. For calls expressing concerns about the subscriber's experiences viewing Video Programming provided by Netflix , Inc., produce all documents containing the resolution of such calls, including but not limited to summaries of any changes to any of the components of the subscriber's Cable Services and subscription VOD service.

RESPONSE:

Documents responsive to this Request have been produced to the FCC and can be found at **[[** **]]**. Comcast **[[** **]]**.

105. Produce all documents, including but not limited to agreements and documents relating to the negotiation of each agreement, regardless of whether a formal agreement or informal arrangement was reached, relating to the licensing of Video Programming to DISH Network L.L.C., Amazon.com Inc., Sony Corporation, Intel Corporation, Apple Inc., Google Inc., and Verizon Communications Inc., for distribution via mobile wireless telecommunications service, the Internet or other IP-based transmission path.

RESPONSE:

Documents responsive to this Request have been produced to the FCC and can be found at the following production numbers: **[[** **]]**. Comcast continues to work on its response to this Request and will produce additional documents to the FCC as soon as practicable.

106. Submit all documents analyzing CBS All Access service, DISH's Sling TV service, HBO's video streaming service announced on or about October 15, 2014, and Sony Entertainment Network's forthcoming OVD service.

RESPONSE:

Documents responsive to this Request have been produced to the FCC and can be found at the following production numbers: **[[** **]]**. Comcast continues to work on its response to this Request and will produce additional documents to the FCC as soon as practicable.

107. The Company's September 11, 2014 response to the Commission's Information and Data Request Specification 50(a) states that it had not yet adjusted its methodology for determining the number of households that would be eligible for Internet Essentials under the eligibility criteria effective August 4, 2014. If the Company has, subsequent to this response, developed a method to determine the number of eligible households, provide:

a. the number of households eligible for Internet Essentials as of the date of this request, the methodology used to calculate this number and documents sufficient to show the methodology used to calculate this number; and

b. the number of households eligible after consummation of the proposed TWC Transaction and after consummation of the Proposed Divestiture Transactions, the methodology used to calculate this number and documents sufficient to show the methodology used to calculate this number.

RESPONSE:

Comcast has not yet completed its development of a methodology for estimating the number of *Internet Essentials*-eligible households within its service areas to account for the new eligibility criteria adopted in August 2014.

108. Separately, for each Cable Service, and for the Company's residential Cable Services subscribers and the Company as a whole, state the percentage of subscribers who are subject to an early termination fee ("ETF") as of December 31, 2014. (Comcast only)

RESPONSE:

The percentages of Comcast customers who are subject to early termination fees are set forth below. Comcast **[[**

]]

{{

}}

109. Produce the Company's most recently adopted Plan relating to the deployment of DOCSIS 3.1.

RESPONSE:

Documents responsive to this Request have been produced to the FCC and can be found at the following production numbers: **[[**
]].

110. a. Submit one copy of the Company's 477 data filing for June 2014 and December 2014.

b. Submit one copy of the Company's June 2014 and December 2014 State Broadband Initiative data.

RESPONSE:

110(a):

Data as of June 30, 2014 responsive to this subpart have been provided in machine-readable Excel spreadsheet or CSV format as Exhibits 110.1(a)-(c). Exhibit 110.1(a) provides broadband deployment data in the format specified at http://transition.fcc.gov/form477/FBD/formatting_fbd.pdf; Exhibit 110.1(b) provides broadband subscription data in the format specified at http://transition.fcc.gov/form477/FBS/formatting_fbs.pdf; Exhibit 110.1(c) provides voice subscription data in the format specified at http://transition.fcc.gov/form477/FVS/formatting_fvs.pdf.

Comcast will submit responsive data as of December 30, 2014 as soon as the data are available prior to the Form 477 filing date of March 1, 2015.

110(b):

Data as of June 30, 2014 responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibits 110.2(a)(1)-110.2(a)(136). Data as of December 2014 responsive to this subpart are consolidated with the Form 477 data as of December 30, 2014 and will be provided with that submission.

111. a. For each agreement through which the Company acquires Video Programming currently in effect between the Company and CBS Corporation, The Walt Disney Company, Discovery Communications, Inc., Viacom, Inc., 21st Century Fox, Inc., Univision Communications Inc., Time Warner Inc., NBC Universal, Inc., Scripps Interactive Networks, Inc., A&E Television Networks, LLC, AMC Networks Inc., BBC Worldwide Americas Inc., Crown Media Holdings, Inc., Hubbard Broadcasting Inc., and the Tennis Channel, Inc., identify, by Bates number and contract term section number, paragraph, or other identifying information, and describe the effect of (i) all alternative distribution method clauses, windowing clauses or "Most Favored Nation" clauses that, if the clause became effective, would grant the Company rights to distribute the Video Programming over the internet or on a Video-On- Demand basis, or (ii) all alternative distribution method clauses, windowing clauses or unconditional "Most Favored Nation" clauses that, if the clause became effective, would require the Company to be treated in a different or more favorable manner than a similarly situated MVPD or OVD with respect to economic or non-economic terms. Provide this information in a Microsoft Office chart or spreadsheet form that allows comparison of terms among the named entities.

b. Identify and describe each instance where a Person expressed concerns to the Company relating to its inability to offer or difficulty reaching an agreement to license its Video Programming to a third party as a result of the terms identified in response to subpart (a) of this Specification, including but not limited to claims that the provisions identified in subpart (a) would result in different or less favorable economic or non-economic terms between the Person and the Company, and provide all documents relating to these concerns.

RESPONSE:

<u>111(a)</u>:

Information and data responsive to subpart (a)(i) of this Request have been provided in Exhibit 111. This response incorporates by reference Comcast's response to Request 33, including Exhibit 33.1, and should be read in conjunction with that prior response. Exhibit 33.1 provided information regarding MFN provisions identified within Comcast's distribution agreements. Exhibit 111 supplements Exhibit 33.1 by identifying responsive provisions in addition to the MFN provisions cited in Exhibit 33.1 responsive to Request 111(a)(i). **[[**
]]

<u>111(b)</u>:

Comcast is not aware of any instance responsive to this Request; to the contrary, Comcast's programming partners actively license covered content to other third parties, whether traditional or online distributors, through a variety of different arrangements; indeed, in the past several years, licensing to online distributors has expanded considerably.

{{

}}

112. a. For each agreement currently in effect through which the Company distributes NBCU Video Programming to TWC, Charter, DIRECTV, LLC, Dish Network Corporation, Verizon Communications Inc., Comcast, AT&T Inc., Cox Communications Inc., Netflix, Inc., Hulu, LLC, Amazon.com Inc., and Sony Corporation, identify, by Bates number and contract term section number, paragraph, or other identifying information, and describe the effect of all alternative distribution method clauses, windowing clauses or unconditional "Most Favored Nation" clauses that, if the clause became effective, would (i) grant the distributor additional rights to distribute NBCU's Video Programming over the internet or on a Video-On- Demand basis, or (ii) require that the Company or Persons be treated in a more favorable manner than a similarly situated MVPD or OVD with respect to price or non-price terms. Provide this information in a Microsoft Office chart or spreadsheet form that allows comparisons of terms among the named entities.

b. Identify and describe each instance where the Company was unable to offer or otherwise was unable to reach an agreement to license the Company's Video Programming to another Person as a result of the terms identified in response to subpart (a) of this Specification, including but not limited to claims that the provisions identified in subpart (a) would result in different or less favorable economic or non-economic terms to the Company, and provide all documents relating to any concerns raised by the Company or Persons who sought to license the Company's Video Programming.

RESPONSE:

<u>112(a)</u>:

Information and data responsive to subpart (a)(i) of this Request have been provided in Exhibit 112.1 and Exhibit 112.2. This response incorporates by reference Comcast's response to Request 22, including Exhibit 22.1, and should be read in conjunction with that prior response. Exhibit 22.1 provided information regarding MFN provisions identified within Comcast's distribution agreements. Exhibit 112.1 provides additional information primarily regarding **{{** **}}**. Exhibit 112.2 provides additional information regarding **{{** **}}**.

[[**]]**

<u>112(b)</u>:

The company is unaware of any instances where it was unable to offer or otherwise unable to reach an agreement to license Video Programming to another Person as a result of the terms referenced in subpart (a) of this Request.

113. For any agreements through which the Company acquired or distributed Video Programming that remained in effect after January 18, 2011, that contained any provision that "forbids, limits or creates incentives to limit a broadcast network or cable programmers provision of its Video Programming to one or more OVDs"[1] and that would be inconsistent with the conditions adopted in the Comcast-NBCU Order, describe all actions the Company took to inform any Person that these provisions were no longer in effect or would not be enforced, and produce all documents supporting these descriptions, including but not limited to, instances where contracting parties complained about the terms, questioned their continuing effect or sought to renegotiate them.

RESPONSE:

Under the *Comcast-NBCUniversal Order*, Comcast is required to provide notice of the Conditions, including the prohibitions and restrictions set forth in Appendix A, Section IV.B.3 (and quoted above), to OVDs, MVPDs, and video programming vendors in connection with expiring agreements or new requests for Video Programming.[9] Comcast and NBCUniversal comply with this requirement by sending a copy of the *Comcast-NBCUniversal Order* Conditions to such third parties.

By the end of 2011, NBCUniversal had distributed 800-plus notices of the Conditions to MVPDs, video programming vendors, and OVDs, and Comcast had distributed approximately 560 notices to programmers. In 2012, NBCUniversal distributed over 1,000 notices of the Conditions to MVPDs, video programming vendors, and OVDs, and Comcast distributed close to 300 notices to programmers. In 2013, NBCUniversal distributed over 1,100 notices of the Conditions to MVPDs, video programming vendors, and OVDs, and Comcast distributed approximately 220 notices to programmers. And in 2014, NBCUniversal distributed approximately 488 notices of the Conditions to MVPDs, video programming vendors, and OVDs, and Comcast distributed approximately 246 notices to programmers.

These communications are reported on an annual basis to the Commission,[10] and are summarized in the chart below:

---

[9] *Comcast-NBCUniversal Order*, App. A, § V.

[10] *See* Annual Report of Compliance with Transaction Conditions, MB Docket No. 10-56, at 13 (Feb. 28, 2012), *available at* http://apps fcc.gov/ecfs/document/view?id=7021870098; Second Annual Report of Compliance with Transaction Conditions, MB Docket No. 10-56, at 8 (Feb. 28, 2013), *available at* http://apps.fcc.gov/ecfs/document/view?id=7022130579; Third Annual Report of Compliance with Transaction Conditions, MB Docket No. 10-56, at 7 (Feb. 28, 2014), *available at* http://apps.fcc.gov/ecfs/document/view?id=7521084937. Comcast's annual report for 2014 is due to be filed with the FCC on February 28, 2015.

NOTICE OF CONDITIONS TO THIRD PARTIES				
	2011	**2012**	**2013**	**2014**
MVPDs, Video Programming Vendors, and OVDs	800+	1,000+	1,100+	≈ 488
Programmers	≈ 560	≈ 300	≈ 220	≈ 246

Comcast and NBCUniversal are parties to hundreds of agreements and, while it is possible that a contracting party may have generally referenced one or more of the Conditions during discussions or negotiations (it is not an uncommon negotiating tactic for a party to claim that a term it seeks is required by the Conditions or that the Conditions prohibit a term it opposes),[11] both companies have been clear in not enforcing any terms that are inconsistent with the Conditions. Specifically, to the extent that: (a) any pre-existing agreements (i.e., pre-January 18, 2011) contained such terms, neither Comcast nor NBCUniversal has enforced them;[12] and (b) Comcast has amended any pre-existing agreements after January 18, 2011, it has included an express provision (copy attached as Exhibit 113) that it will not enforce any terms or conditions that violate the

11 **{{**

}}.

12 **{{**

}}.

Conditions. Similarly, since January 18, 2011, NBCUniversal has actively sought during renewal negotiations to remove any OVD restrictions that are inconsistent with the Conditions that MVPDs may have imposed and enforced in pre-existing agreements.

114. Describe the Company's current and future Plans to enter term contracts with subscribers or impose early termination fees in connection with Cable Services, whether sold as Bundled Services or Standalone Services, including:

a. a description of all contract and early termination fee test or pilot programs conducted by the Company;

b. a description of the results and findings of these test or pilot programs, including any increase in contract adoption by customers in test or pilot program areas versus those not in such areas;

c. a description of any future term contract or early termination fee test or pilot programs; and

d. a description of any planned Company-wide initiatives to use contracts or early termination fees.

RESPONSE:

Current Company-Wide Contract Offers. As set forth in the response to Request 108, **[[ ]]**. That said, Comcast offers certain contract-based arrangements which provide customers value in exchange for an agreement to maintain their Comcast service for a set period of time. Contracts offer customers long-term promotional rates, and, in certain instances, "value add" components (e.g., Visa gift cards and consumer electronic devices) for making 12- or 24-month commitments to Comcast. Comcast currently offers 24-month contract options to customers in all of its service areas who choose double and triple play packages. Comcast has in the past offered 12-month contracts, and has offered contracts to standalone video and Internet customers, and some customers still take service pursuant to these contracts.

Except in certain limited circumstances (e.g., disconnection due to military deployment), if a Comcast customer who is subject to a contract arrangement cancels, downgrades, or disconnects service during the contract term, the customer will be subject to an early termination fee ("ETF"). Customers are not subject to ETFs during the first 30 days of their contracts. The maximum ETF is based upon the value given to the customer in exchange for the customer's commitment to a term agreement. An ETF is applied on a declining fee basis; the fee amount decreases as the time period from the initial service activation under contract increases. In mid-2014, Comcast implemented a new company-wide ETF policy pursuant to which the ETF for contract offers generally begins at $230 and declines by $10 per month starting after the 30-day grace period.[13] Contracts entered into prior to the implementation of the current ETF policy have an early termination fee

[13] Certain test offers, described in this response, have a higher ETF ($300) based on the specifics of those arrangements.

that declines every three months (by 10 percent for 24-month term agreements, and by 20 percent for 12-month term agreements). These legacy ETFs vary in amount, but typically begin at $150 or $75, depending on package product combinations and contract duration.

Specific 2015 contract offers and pricing vary by Comcast Division (Northeast, Central, and West). The current contract offer structure was implemented in every Comcast Division and Region during the April 2014 through November 2014 period. Current offers for new customers are summarized in Exhibit 114.1; those for current customers are summarized in Exhibit 114.2.

To ensure that customers are informed about their contract terms and the potential applicability of an ETF, in 2014 Comcast began to introduce improvements to customers' access to the terms of their contracts by including additional information about contract terms in bills and by streamlining email communications about contract terms.

Future Plans for Company-Wide Contract Offers. Following the closing of the proposed merger, **{{ }}**.

Contract and ETF Tests and Results. Comcast analyzes developments in the marketplace and, from time-to-time, beta tests specialized contract offers designed to attract and retain broadband, video, and voice customers in geographic areas where competition for premium product packages is particularly intense. Comcast is **{{ }}**.

Comcast launched the so-called **{{ }}**. Test contract customers in **{{ }}** also benefit from competitively-priced premium product package offerings, dedicated sales and technical support teams, dedicated customer care teams, and Xfinity Experience Center retail locations. Details of these contract offers are set forth in the offer matrix attached as Exhibit 114.3.

As of January 21, 2015, **{{ }}** take contract-based test packages. Test packages were initially available to **{{ }}** customers without a contract, but contract options are now available. As of January 21, 2015, **{{ }}** subscribers take test packages that require a contract. (In **{{ }}**, there are other test packages that are not contract-based, and the **{{ }}** take non-contract offers.) The **{{ }}** test offers have a $300 ETF rather than the standard $230 ETF.

Through its so-called **{{ }}** initiative, Comcast is beta testing competitively-priced contract offers for premium packages in **{{ }}** also benefit from dedicated customer care teams, and Xfinity Experience Center retail locations. Details of these contract offers are set forth in the offer matrix attached as Exhibit 114.4.

These contract-based packages have been available in **{{ }}**. As of January 21, 2015, **{{ }}** of Comcast subscribers in **{{ }}** and **{{ }}** of Comcast subscribers in **{{ }}** take the test packages. These customers are subject to the generally-applicable $230 ETF described above.

Response to test offers **{{ }}**

Penetration data since the start of each project is attached as Exhibit 114.5, and churn data since the start of each project is attached as Exhibit 114.6.

Future Plans for Contract and ETF Tests or Pilot Programs. Comcast has **{{ }}**.

115. Describe and produce all documents relating to a) any practices and initiatives in which the Company contacted its Internet Access Service subscribers relating to the subscriber's volume of usage of the Company's Internet Access Service, b) any actions taken as a result of the subscriber's excessive consumption of the Company's Internet Access Service, and c) how the practice described in subpart a) impacted the subscriber's usage of the Company's Internet Access Service. In your description, indicate the threshold or amount of bandwidth usage or consumption that triggers this contact.

RESPONSE:

As explained in response to Request 59, in May of 2012, Comcast suspended enforcement of its prior data usage policy that imposed a 250 GB limit on a customer's monthly usage. This suspension applied to all of Comcast's markets. At the same time, Comcast announced that it would begin implementing trials of different, more flexible data usage approaches in certain markets. These trials are described in detail in the response to Request 59, including Comcast's practices with respect to notifying customers in the trials as they reached various usage levels. As Comcast further explained, in markets where Comcast was not trialing a new plan, Comcast would continue to suspend enforcement of its original usage threshold. Pursuant to the FCC staff's direction, this response focuses on the latter markets.

<u>115(a)</u>:

Outside of the trials described in the response to Request 59, Comcast does not have a practice or initiative whereby it contacts customers about the "volume of usage" of their Xfinity Internet service. However, in suspending its usage threshold, Comcast noted that it reserved the right to contact customers with extremely high usage that suggests security and related issues.[14] No specific amount of usage has been established by Comcast as a minimum threshold for the existence of such network security and related issues; this reservation instead was intended merely as an indication that high usage could factor into a decision to reach out to a customer. Because that would necessarily be an ad hoc decision based on the totality of the circumstances, Comcast developed no practices or initiatives related to such calls; in fact, as discussed in (b) below, Comcast has not identified any circumstances where a customer was contacted specifically because of high usage – including the **{{ }}**% or approximately **{{ }}** of Comcast users outside the trial markets who use a terabyte or more of data per month.

[14] *See* Comcast Corp., *Does this mean you're going to stop cutting people off who exceed your allowance?*, FAQs (last updated Aug. 8, 2014) ("For non-trial markets, we will continue to contact the very small number of excessive users about their usage, *which can be indicative of security or related issues.*") (emphasis added).

<u>115(b)-(c)</u>:

As noted, Comcast is unable to identify any incident since May 2012 where the company contacted a customer solely because of high usage (although there were no doubt customers contacted for other reasons who coincidentally had high usage). The closest example of customer contact Comcast has identified is one instance where high usage was explicitly one of the factors that led the company to investigate a network security issue escalated from the local market in late October/early November of 2014. **{{**

}} The available documentation for this contact is provided at Exhibit 115. Customer personal information in Exhibit 115 has been redacted.

116. For each zip code in all cable systems that will be owned, managed by, operated by or attributed to the Company at the close of the Proposed Transaction and the Proposed Divestiture Transactions, for each of the twenty four months following the close of these transactions, state and produce in CSV or Excel format:

a. the date of any Internet Access Service download speed upgrades according to the current merger plan of record;

b. the Service Plan names and download and upload speeds of the Internet Access Service plans that will be offered in each month;

c. the download and upload speeds and any other service characteristics of each Service Plan for Internet Access Service; and

d. the promotional, non-promotional and equipment prices for each Service Plan for Internet Access Service when purchased as a standalone service or as a bundled service.

RESPONSE:

Comcast's transition plans for HSD speed increases **[[ ]]**. The most current plans contemplate **[[ ]]**, based on an assumed transaction closing date of March 31, 2015, and do not include information at a zip code level.

Acquired TWC Systems

While Comcast has benchmarked the differences in service rates and fee structures for its services versus those of TWC, it **[[ ]]**.[15] The plans described below are tentative and subject to change.

Current plans relating to the acquired TWC systems, including market prioritization, are attached as Exhibit 116.1. Comcast plans to roll out its HSD offerings in TWC territories in **{{**

15 **[[ ]]**

}}. As indicated in the documents, the vast majority of TWC residential customers are in markets that have not been converted to all-digital (identified as "Non-Maxx Markets") and **{{**

}}. For example, a TWC customer who currently receives **{{**

}}. In the small number of previously converted all-digital TWC markets ("Maxx Markets"), Comcast will **{{**

}}. In addition, Comcast intends to offer *new* residential customers HSD packages that are consistent with its standard HSD offerings in other parts of the country.

For existing TWC small and medium-sized business customers, Comcast will likewise **{{**

}}. Comcast also intends to offer *new* business customers HSD packages that are consistent with its standard HSD offerings in other parts of the country.

Acquired Charter Systems

Comcast is still early in its planning for integration of the acquired Charter systems. Current plans relating to these systems, including market prioritization, are attached as Exhibit 116.2. While Comcast has benchmarked the differences in rate and fee structures for its services versus those of Charter, it **[[**

]]. As indicated in the documents,[16] **{{**

}}.

As in the acquired TWC markets, Comcast plans to offer new customers HSD packages

16 These include excerpts from the **[[** **]]**, and **[[** **]]**, both of which are also being produced in response to Request 118.

that are consistent with its standard HSD offerings in other parts of the country.[17] For Charter business customers, Comcast likewise plans to **{{** **}}**, and to offer new business customers HSD packages that are consistent with its standard HSD offerings in other parts of the country.

17 **[[** **]]**

117. Produce one copy of all current reports and any other current third party report, such as Sqad's SpotCosts, containing cable spot advertising rates by DMA, regularly used by the Company.

RESPONSE:

SQAD compiles and publishes cost-per-rating points (CPP), cost per 1000 impressions (CPM), and other data and analyses for Spot TV purchases at a DMA level involving broadcast stations. **[[** **]]**. In its data description and guidelines, SQAD explains that the SQAD data are **[[** **]]** Copies of a current representative SQAD report and SQAD's data description and guidelines are being produced for informational purposes as part of Exhibit 117. These documents are proprietary and confidential.

[[**]]**.

118. Using the definitions of the terms [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION]as intended in COMC-ANM-00074625, produce the following:

a. all templates or summaries similar to COMC-ANM-00074625 transmitted to the IMO by any group, subgroup or [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] after June 1, 2014;

b. all periodic reports prepared by the [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] since June 1, 2014;

c. all presentations or other docs prepared by or under the supervision of [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] or other meeting with member of the [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] discussing;

i. cost savings or synergies that might be achieved by any integration plan;

ii. one-time restriction, implementation, severance, and transaction costs to be incurred in the implementation of any integration plans;

iii. remediation or integration capital expenditures to be incurred in the implementation of any integration plan; and

iv. the risks or confidence levels in any projections with respect to cost savings or synergies, one-time costs, or capital expenditures necessary to implement any integration plan;

d. all documents cited or relied upon in the preparation of any presentation or other document produced in response to subpart (c) of this Specification;

e. all presentation or other documents prepared for, present to or distributed at any [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] since September 1, 2014;

f. all spread-sheets or other documents specifying cost savings targets or goals and related information prepared by the [BEGIN HIGHLY CONFIDENTIAL

INFORMATION]
[END HIGHLY CONFIDENTIAL INFORMATION]
[BEGIN HIGHLY
CONFIDENTIAL INFORMATION]
[END HIGHLY CONFIDENTIAL INFORMATION];

g. **all documents discussing specific planned expenditures in TWC's planned business as usual (BAU) capital expenditure budgets for 2015, 2016 and 2017 that directly relate to capital expenditures by Comcast projected in any integration plan;**

h. **all documents discussing possible or planned revenue synergies and any reconciliation of Comcast's and TWC's ancillary or equipment fees in any integration plan; and**

i. **all documents discussing corporate overhead and standalone company adjustments and programming costs in any financial projections for SpinCo.**

RESPONSE:

Documents responsive to this Request have been produced to the FCC and can be found at the following production numbers: **[[**

]].

119. Describe and produce all documents relating to the Company's policies, processes and procedures for internet modem lease fees charged to subscribers, including but not limited to: a) the fee increase that was implemented in January 2015, and b) plans for further fee changes.

RESPONSE:

Comcast's process for setting internet modem lease fees involves multiple stages of long-term planning and budgeting subject to approval at various levels within Comcast. **[[**

]]. All current and new fee amounts are listed on rate cards within each Comcast sub-region. Predominant rate cards for Comcast's sub-regions have been previously produced to the FCC and may be found at **[[** **]]**.

With respect to the fee increase that was implemented in January 2015, as shown in the long-range planning document referenced above, Comcast approved a $2 upward adjustment to modem lease fees for 2015, for a total fee amount of $10.00. Comcast's current long-range plan does not include any further modem lease fee adjustments within the next **{{** **}}**. Comcast generally uses the revenue generated from equipment lease fees to make significant investments in new and innovative technology and equipment that improve the customer experience. As reflected in Exhibit 119.1, Comcast has budgeted over **{{** **}}** for capital expenditures on new modems and gateways in FY 2015 alone. Exhibit 119 contains data pulled directly from Comcast's capital budget input database and indicates the amounts allocated to modems and gateways.

The fees discussed in this response apply only to customers who lease modems from Comcast. Comcast customers who use customer-owned modems are not charged modem lease fees.

Additional budgeting and planning documents responsive to this Request have been previously produced to the FCC.

120. For each cable system identified in response to Specification 2(f) of the Information and Data Request issued to the Company on August 21, 2014, and for the Company as a whole, for each month beginning January 1, 2011 and ending December 31st, 2014, (a) state the number of the Company's budgeted subscribers for each Cable Service in each month, and (b) produce the budgeted profit and loss statements in the same format as [BEGIN HIGHLY CONFIDENTIAL DATA]
[END HIGHLY CONFIDENTIAL DATA] produced to the Commission as backup data associated with Exhibits 23.1, 23.2, 24, and 25 on September 18, 2014.

RESPONSE:

As discussed with FCC staff, Comcast is providing information and data for subparts (a) and (b) at the regional level consistent with the backup data for Exhibits 23.1, 23.2, 24, and 25 submitted to the FCC on September 18, 2014, and for the company as a whole.

120(a):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 120.1.

120(b):

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibits 120.2.(a)(1)-120.2(a)(51). Comcast's 2014 budgeted profit and loss statements ("budgeted P&Ls") were provided as backup data to the FCC on September 18, 2014.

121. For each cable system identified in response to Specification 2(f) of the Information and Data Request issued to the Company on August 21, 2014, and for the Company as a whole, for each month beginning January 1, 2011 and ending December 31st, 2014, (a) state the number of the Company's actual subscribers for each Cable Service, and (b) produce the actual profit and loss statements in the same format as requested in Specification 120.

RESPONSE:

As discussed with the FCC, Comcast is providing information and data for subparts (a) and (b) at the regional level consistent with the backup data for Exhibits 23.1, 23.2, 24, and 25 submitted to the FCC on September 18, 2014, and for the company as a whole.

<u>121(a)</u>:

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 121.1.

<u>121(b)</u>:

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibits 121.2(a)(1)-121.2(a)(85). **[[**

]] statements have been produced as separate Excel spreadsheets for each region and for the company as a whole.

122. Calculate the Company's residential per subscriber profit margins for:

a. Internet Access Service and Telephone Services using (i) the same methodology and [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] as employed in the backup data produced to the Commission as Exhibits 23.1, 23.2, 24 and 25 on September 18, 2014, to calculate the per subscriber profit margin for the Company's MVPD service.

b. Cable Services using the 2014 actual profit and loss statements produced in response to question 121, using the same methodology as that employed in the backup data produced to the Commission as Exhibits 23.1, 23.2, 24 and 25 on September 18, 2014, to calculate the per subscriber profit margin for Comcast's MVPD service.

c. monthly profit per new MVPD Service subscriber that incorporates these subscribers' purchases of other Cable Services.

RESPONSE:

<u>122(a)</u>:

For purposes of conducting their analysis using the backup data associated with Exhibits 23.1, 23.2, 24, and 25 that were submitted on September 18, 2014, Drs. Rosston and Topper and Cornerstone Research calculated Comcast's residential per-subscriber profit margin for its MVPD service using Comcast's budgeted P&Ls. Table 1 below shows Comcast's residential per-subscriber profit margin for its Internet Access Service (Column B) and Telephone Services (Column C) by region using the same budgeted P&Ls and the same methodology employed in the profit calculation for Exhibits 23.1, 23.2, 24, and 25.

<u>122(b)</u>:

Table 2 below shows Comcast's residential per-subscriber profit margin for its MVPD Service (Column A), Internet Access Service (Column B), and Telephone Services (Column C) by region using 2014 actual P&Ls and the same methodology employed in the profit calculation for Exhibits 23.1, 23.2, 24, and 25. **[[**

]].[18]

122(c):

Columns D-G of Tables 1 and 2 show Comcast's monthly profit per new residential MVPD Service subscriber if and to the extent the subscriber purchases other Cable Services from Comcast. The profit is calculated as the sum of the profit from each product purchased by the subscriber. For example, if and to the extent the subscriber purchases both MVPD Service and Internet Access Service from Comcast, the total profit from the subscriber (Column D) is the sum of the MVPD profit per subscriber (Column A) and the broadband profit per subscriber (Column B).

{{

}}

18 [[ ]]. As a result, the calculated video profit per subscriber reflects the average video profit from all products that include video service. The same is true for broadband and voice profits.

{{

}}

123. For the all of the line items under the following [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] produced to the Commission as backup data associated with Exhibits 23.1, 23.2, 24, and 25 on September 18, 2014, state what percentage of [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[END HIGHLY CONFIDENTIAL INFORMATION] Produce all documents containing information relating to how these vary with the number of Cable Services subscribers. If budgeted subscribers are used to project budgeted costs, explain the methodology used, and provide the formulas and all documents that describe the application or results of the methodology. If other expense categories are used in the calculation of the Internet Access Service and Telephone Service profit margins requested in Specification 122, provide an allocation of these costs between fixed and variable costs.

RESPONSE:

In its ordinary course of business, **[[**

]]. Thus, Comcast does not have existing methodology, formula, or documents to make the granular determinations specified in the Request.

The cost items listed in the Request are used by Drs. Rosston and Topper in their analysis of program access issues.[19] In particular, they used the costs along with Comcast's revenues to estimate Comcast's profit on an additional video subscriber. The profit is then applied to the Commission's foreclosure and bargaining models to estimate whether Comcast has an incentive to withhold programming from rival MVPDs and the potential increase of the programming's price after the transaction. Based on the analysis, Drs. Rosston and Topper concluded that, even though the Commission's foreclosure and bargaining models have a number of flaws that make the models' results questionable, applying the models to this transaction finds no support for any anticompetitive program access concerns.

For purposes of conducting their analysis using the backup data associated with Exhibits 23.1, 23.2, 24, and 25 that were submitted on September 18, 2014, Drs. Rosston and Topper assumed that all of the costs listed in the Request may increase with an increase

---

[19] *See* Response to Requests 23-25 and associated exhibits; Letter from Kathryn A. Zachem, Comcast Corp., to Marlene H. Dortch, Secretary, FCC (Sept. 18, 2014) (submitting backup data to exhibits); *see also* Comcast Corp. and Time Warner Cable Inc., Opposition to Petitions to Deny and Response to Comments ("Opposition and Response"), Exhibit 2, Reply Declaration of Dr. Gregory L. Rosston and Michael D. Topper, §§ III.C.2-3 (Sept. 23, 2014) ("Rosston/Topper Reply Decl.").

of Comcast's subscribers. This was a reasonable assumption for the purpose of their analysis, for the reasons explained below. Notably, Drs. Rosston and Topper excluded from their profit calculations other categories of costs in the P&Ls that generally would not vary with an increase in subscribers.[20]

Among the costs listed in the Request, item **[[**

]].

In their analysis, Drs. Rosston and Topper included the cost items listed in this Request as **{{**

}}.[21]

Under the Commission's models, Comcast would only have an incentive to foreclose a rival MVPD through the withholding of programming if Comcast could count on gaining a significant number of subscribers from the foreclosed MVPD. In that case, as noted above, all the costs listed in the Request likely would increase and are thus properly categorized as variable costs for the purpose of a vertical foreclosure or pricing effects analysis.

A more granular assessment of costs would be speculative. As noted above, **[[**

]]. At best, such a post-hoc exercise would be a series of estimates with no clear consensus, with a significant number of caveats and a low degree of precision.

---

20 The excluded cost categories include **[[** **]]**.

21 Rosston/Topper Reply Decl., Technical Appendix ¶ 39; *see also* Letter from Francis M. Buono, Willkie Farr & Gallagher LLP, Counsel for Comcast, to Marlene H. Dortch, Secretary, FCC ¶¶ 7-14 (Dec. 3, 2013) (submitting explanation of CLV calculations prepared by Compass Lexecon and associated backup data).

In any event, Drs. Rosston and Topper's conclusion does not hinge on all the cost items above being a variable cost. Even assuming for the sake of argument that only **[[** **]]** – which is conceptually and factually insupportable, as discussed above – Drs. Rosston and Topper's analysis still shows that the Commission's models do not imply any anticompetitive program access concerns. Specifically, the theoretical post-transaction critical departure rates produced by the Commission's permanent and temporary foreclosure models (shown in the "post" columns in Tables 1-5 below) **{{** **}}**, indicating no foreclosure concerns.[22] In addition, the theoretical vertical price effects implied by the Commission's bargaining model (shown in Tables 6-7 below) are **{{** **}}** of the current prices in virtually all cases, indicating that vertical price effect would not be a concern.[23]

Finally, with respect to Internet Access Service and Telephone Service, there are no programming costs. For those services, **{{** **}}**, as discussed above. Thus, it is appropriate to treat these costs as variable costs for purposes of an analysis that assumes a non-trivial change of subscribers. In Drs. Rosston and Topper's analysis, the non-programming costs are allocated across the Video, Internet Access, and Telephone Services according to the share of each service's subscribers in the sum of subscribers across the three services.[24]

If instead, for the sake of argument, one were to treat all of these non-programming costs as fixed costs (which, as noted, would be conceptually and factually insupportable), the analysis would still demonstrate the higher profitability of Internet Access (or broadband) Service relative to Video Service, which retains significant variable costs in the form of

---

22 For example, Table 1 shows that the post-transaction critical departure rates for the permanent foreclosure of NBC O&O stations (in the "post" columns) are around **{{** **}}**% or higher, significantly higher than any likely actual departure rate. As noted in the Rosston/Topper Reply Declaration, "[t]o put this in context, a critical departure rate of [**{{** **}}**%], for example, implies that [**{{** **}}**%] or more of an MVPD's subscribers would need to leave that MVPD in response to the withholding of NBC O&O programming in order for such withholding of NBC O&O programming to be profitable in theory for Comcast. These critical departure rates show that the actual departure rate in a permanent foreclosure event would have to be very high for the theoretical model to imply that Comcast would have an incentive to foreclose MVPDs." Rosston/Topper Reply Decl. ¶ 142. Table 2 shows that the post-transaction critical departure rates for a one-month foreclosure of individual NBC O&O stations range from **{{** **}}**, which exceed the actual departure rates estimated by Drs. Rosston and Topper (**{{** **}}**% for NBC O&O stations and **{{** **}}**% for other programming for a one-month temporary foreclosure). According to the Rosston/Topper Reply Declaration, if the theoretical critical departure rates exceed the actual departure rate, then the Commission's foreclosure models do not suggest that Comcast would have an incentive to withhold its programming from the rival MVPD. *Id.* ¶¶ 127, 135.

23 As noted in the Rosston/Topper Reply Declaration, "[i]n the Commission's Adelphia Order, the Commission found that a vertical price effect would not be a concern if the price increase were less than 5% of the current price." *Id.* ¶ 179.

24 *Id.*, Technical Appendix ¶ 39.

programming fees. Dr. Mark Israel concluded in his September Declaration that the high value associated with broadband service (relative to video service) implies that "the loss of a broadband customer is quite costly to Comcast,"[25] which "would act as a significant deterrent to strategies to downgrade broadband."[26] The values of the different services underlying Dr. Israel's analysis are from the Comcast CLV presentation discussed above, which **{{**

}}. The approach toward costs taken in the CLV presentation (and by Drs. Rosston and Topper) is reasonable and appropriate, because Comcast would have to consider the increase in these costs when it determines how valuable it would (theoretically) be to attempt to attract more cable subscribers through a strategy that would result in the loss of a material number of broadband subscribers. Factoring these costs out of the analysis by treating them as fixed rather than variable does not change the point that Dr. Israel has made about Comcast's incentives with respect to its broadband service.

[25] Opposition and Response, Exhibit 1, Reply Declaration of Dr. Mark A. Israel ¶ 58.

[26] *Id.* ¶ 61.

{{

}}

{{

}}

{{

}}

{{

}}

{{

}}

{{

}}

{{

}}

124. For the Company as a whole, for all active subscriber accounts for the Company's residential Internet Access Service as of June 1, 2013, state the percentage of these accounts that were still subscribed to the Company's Internet Access Service on May 31, 2014. For accounts that were no longer subscribed to the Company's Internet Access Service as of May 31, 2014, state the percentage of accounts that discontinued the Internet Access Service for each of the following reasons: voluntary disconnect; mover disconnect; non-payment disconnect; disconnect for other reasons; or disconnected Internet Access Service but still subscribed to other Cable Services.

RESPONSE:

Information and data responsive to this Request have been provided in machine-readable Excel spreadsheet format as Exhibit 124. Exhibit 124 provides the number of residential, non-bulk, non-courtesy customers subscribing to the Company's Internet Access Service on June 1, 2013, the number and percentage of those customers who maintained an Internet Access Service subscription as of May 31, 2014, the number and percentage of those customers who discontinued subscribing to all Comcast Cable Services ("disconnects"), and the number and percentage of those customers who discontinued subscribing to Internet access service but maintained at least one other Cable Service subscription with Comcast as of May 31, 2014 ("Internet drops"). The data regarding customers who discontinued subscribing to all Comcast Cable Services are provided separately by the reason provided for discontinuing service. As discussed with FCC staff, Comcast has provided percentages of accounts discontinued for the following reasons: voluntary disconnect, mover disconnect, non-payment disconnect, disconnect for other reasons. Comcast incorporates its response to Request 94, which describes each reason category for discontinuing subscriptions.

125. Update all of the fields contained in the "Interconnection" table, submitted in response to the August 21, 2014 Information and Data Request, to include data up to December 31st, 2014. Additionally, add a field that provides, for each month for the period beginning January, 2009, and ending December, 2014, a measure of the 95th percentile of utilization that either was or would be used for the purposes of billing and explain how this 95th percentile measurement is calculated.

RESPONSE:

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 125.1 and Exhibit 125.2. Comcast further states that the method of measuring the 95th percentile of utilization reflected in the figures provided in Exhibit 89.5 and Exhibit 125 would be the same method used for purposes of billing. As discussed with FCC staff, **[[**

]].

126. For the Company as a whole, for each month beginning January, 2014, and ending December 2014, and for the Company's residential Standalone Services and Bundled Service, state the number of residential subscribers who first began subscribing to any of the Company's Cable Services in the specified month who were not subscribers to any of the Company's Cable Services in the previous month ("new connects"), separately for: (a) subscribers that recently moved to a new residence and were initiating services for their new residence ("mover new connects"); and (b) all other subscribers ("non-mover new connects"). Provide any documents or studies created from January 1, 2013 to the present, on the Standalone Services and Bundled Services that mover new connects and non-mover new connects chose when initiating service.

RESPONSE:

As discussed with FCC staff, Comcast **[[** **]]**. Comcast refers to its response to Request 4(d), which provides the number of new connecting subscribers, separately for primary and bulk subscribers, by zip code from 2011 through June 2014. **[[** **]]** Data and documents responsive to this Request have been produced to the FCC as Exhibits 126.1 through 126.8.

127. For each zip code identified in response to Specification 2(e) of the Information and Data Request issued to the Company on August 21, 2014, and for the Company as a whole, for residential Internet Access Service subscribers, for each month from January, 2012, through December, 2014, state and produce in CSV or Excel format:

a. the number of residential Internet Access Service subscribers;

b. the average data usage per Internet Access Service subscriber in gigabytes;

c. the following percentiles of data usage per Internet Access Service subscriber in gigabytes: 10th, 25th, 50th, 75th, 90th, 95th and 99th.

RESPONSE:

<u>127(a)</u>:

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 127.1. Exhibit 127.1 provides the total number of Comcast residential Internet access subscribers by zip code from January 2012 to December 2014. The data are provided separately for primary subscribers and for bulk subscribers.

<u>127(b)</u>:

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 127.2. Exhibit 127.2 provides the average amount of data used (in gigabytes) by Comcast residential Internet subscribers, by zip code, for each month from January 2012 to December 2014. The data on usage is periodically pulled from customer devices. Comcast **[[**

]]. Blank entries in a given month indicate that there was no high-speed data usage measurement in that zip code for that month. In many of these zip codes, there are a de minimis number of Internet subscribers.

<u>127(c)</u>:

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibit 127.3. Exhibit 127.3 provides the amount of data used (in gigabytes) at the 10th, 25th, 50th, 75th, 90th, 95th, and 99th percentiles of usage, by zip code, for each month from January 2012 to December 2014. Comcast **[[**

]]. Blank entries in a given month indicate that there was no high-speed data usage measurement in that zip code for that month. In many of these zip codes, there are a de minimis number of Internet subscribers.

128. Provide a complete copy of all Paid Peering service invoices in an electronic database and PDF format for Paid Peering services provided from December 31, 2012, through December 31st, 2014.

RESPONSE:

Documents responsive to this Request have been produced to the FCC and can be found at the following production numbers: **[[**
]].

129. a. Provide a complete description of all services that were included in the Company's response to the "Average Recurring Service Plan Revenue" field in the "Service Plan" table, submitted in response to the August 21, 2014 Information and Data Request.

b. Provide an amendment to the Company's previous "Service Plan" table response so that this table includes the data requested by the following three additional categories:

i. further disaggregation of each ARSPR field into amounts billed for each such service identified in the ARSPR description provided in response to this Specification;

ii. the number of subscribers on each Service Plan that subscribe to each such service using the same subscriber tenure categories; and

iii. for each Service Plan, in each month and zip code, a field that calculates the average promotional discount credit from the Service Plan's rate card price for subscribers in each tenure category. The data table response to this Specification need only include the date, zip_code, plan_name and the data requested by the additional requested fields.

RESPONSE:

<u>129(a)</u>:

Comcast incorporates its response to Request 4(c), which provides a description of the monthly recurring charge ("MRC") data that were provided to the FCC in its response to Request 89.[27] Comcast further provides that the recurring service and equipment charges reflected in the MRC data will include, for instance, **[[**

]].

<u>129(b)(i)</u>:

As discussed with the FCC, **[[**

[27] **[[**

]]

]].

<u>129(b)(ii)</u>:

Information and data responsive to this subpart have been provided in machine-readable Excel spreadsheet format as Exhibits 129.1 through 129.13. Exhibits 129.1 through 129.13 provide, by zip code, for each month from June 2013 through June 2014, the number of subscribers to each Comcast Service Plan broken down into the following categories based on the customer's tenure on that plan: 1 month, 1 to 12 months, 12 to 24 months, and more than 24 months. Exhibits 129.1 through 129.13 also identify subscribers to the following Service Plan add-ons: HBO, Cinemax, Showtime, Starz, TMC, International, Sports, and Other. "Other" includes the Family Tier, Disney family movies, and Bollywood hits.

[[

]]

<u>129(b)(iii)</u>:

As discussed with the FCC, Comcast **[[** **]]**.

130. For each zip code identified in response to Specification 2(e) of the Information and Data Request issued to the Company on August 21, 2014, from January 1, 2013, to December 31, 2014, provide the amount subscribers received as non-recurring incentives, including but not limited to gift cards, rebates or installation discounts, to either renew a subscription to the Company's Cables Services or first subscribe to the Company's Cable Services.

RESPONSE:

Information and data responsive to this Request are provided in Exhibit 130. Exhibit 130 provides the amount spent on "value add" programs for residential subscribers, which includes gift card rebates and other one-time incentives offered to potential customers, by month from January 2013 through December 2014 for Comcast as a whole. **[[ ]]**. Therefore, data on non-recurring incentives is not available at a zip code level.

131. For each zip code identified in response to Request 2(e) of the Information and Data Request issued to the Company on August 21, 2014, provide: (a) the beginning and end date for when usage based pricing was effective; (b) the rules describing the usage based pricing plan (maximum usage allowance, fee for usage over the allowed amount, etc.) (c) the percentage of the Company's Internet Access Service subscribers that were subject to usage based pricing; (d) the revenues that the Company received from subscribers that exceeded their data usage allowance in the month; (e) the number of subscribers that exceeded their data usage allowance in the month, and (f) the average and median number of gigbytes that users exceeding their data usage allowance.

RESPONSE:

Information and data responsive to this Request are provided in machine-readable Excel spreadsheet format as Exhibit 131. Exhibit 131 provides a list of zip codes and the name of the market corresponding to the zip code; amounts billed to customers by zip code; and the number of subscribers who exceeded a usage threshold and the average and median amount of usage in gigabytes for those customers who exceeded their data usage threshold.

Exhibit 131 **[[**

]] (*see* Response to Request 59). Exhibit 131 also excludes customers that have any courtesy products.

<u>131(a)-(c)</u>:

The beginning date for when usage-based pricing was effective in each market is generally the first month for which data on the number of subscribers and the average amount by which customers exceeded the threshold appears. Nevertheless, some zip codes may have had none or very few Comcast Internet access subscribers at the time the trial began, causing no usage data to be recorded even though those zip codes fell within areas where usage-based pricing was in effect. The following table lists, by market, the month in which a usage-based pricing trial began: **[[**

]]

All of the usage-based pricing trials Comcast has implemented are currently ongoing as of the date of this response.

In response to subpart (b) of this Request, Comcast refers to its response to Request 59, which describes the usage-based pricing policies in place in the various trial markets. As described above, Exhibit 131 identifies the zip codes corresponding to the usage based pricing trial markets described in the response to Request 59.

The data provided in Exhibit 131 only contain zip codes that fall within a usage-based pricing trial market. Therefore, in response to subpart (c) of this Request, Comcast states that 100% of the Internet Access Service customers in each of the zip codes identified in Exhibit 131 were subject to usage-based pricing as of the time each trial was initiated; Internet Access Service customers in all other zip codes provided in Exhibit 2(e) were not subject to usage-based pricing.

131(d):

Exhibit 131 provides, by zip code, the aggregate amount that was billed to Comcast's Internet Access Service subscribers for data usage beyond the applicable usage-based pricing threshold. In each usage-based pricing trial market, Comcast's policy includes a grace period during which customers who exceed the applicable usage threshold receive a credit against the billed excess usage. Exhibit 131 excludes amounts billed to customers that were subsequently credited to the customers' account during this grace period. Because Exhibit 131 provides amounts billed rather than amounts received by Comcast, it is possible that amounts actually paid by customers vary from the data provided in Exhibit 131.

<u>131(e)-(f)</u>:

Exhibit 131 also provides, for each zip code, the number of customers who exceeded the usage-based pricing threshold that was in place during a given month and the average and median amount of data (in gigabytes) used by those customers. For all of the trial markets except for Tucson, the applicable usage-based pricing threshold has been 300 gigabytes for all customers since the trials began.

As described in Comcast's response to Request 59, the Tucson trial includes different usage allotments for different tiers of Internet service. Comcast **[[**

]].

In preparing this response, Comcast has attempted to identify the Internet usage allotment applicable in each month for each Tucson customer in calculating the average and median amount of gigabytes used in excess of the allotment. The data provided for Tucson zip codes show the number of customers who exceeded their allotment (based on the Internet tier to which they subscribed that month) and the average and median amount of data used for those customers. Because the billing and usage data come from separate sources from the data identifying the applicable Internet tier a customer subscribed to, the data for Tucson zip codes may exhibit a higher margin of error.

132. For the period beginning January 1, 2013, and ending December 31, 2014, provide Nielsen Npower 3-day programming ratings, or similar data containing the ratings by MVPD services provider for Video Programming aired in broadcast primetime for: (a) live viewing; (b) VOD C3 viewing; and (c) DVR C3 viewing.

RESPONSE:

Information and data responsive to this Request have been provided in machine-readable Excel spreadsheet format as Exhibit 132. This exhibit includes ratings and impressions data for all advertiser-supported national cable and broadcast networks that Nielsen measures by MVPD services provider. The data are broken out by each of the ten MVPD services providers that Nielsen tracks individually; Nielsen also provides average data for all other MVPDs, which are included herein. With respect to VOD C3 viewing, Nielsen first began including this measurement in May 2014, and many more networks have been included in this measurement in recent months.