

Matthew A. Brill  
Direct Dial: 202-637-1095  
matthew.brill@lw.com

555 Eleventh Street, N.W., Suite 1000  
Washington, D.C. 20004-1304  
Tel: +1.202.637.2200 Fax: +1.202.637.2201  
www.lw.com

# LATHAM & WATKINS LLP

November 19, 2015

VIA ECFS

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

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Re: *Applications of Charter Communications, Inc., Time Warner Cable Inc.,  
and Advance/Newhouse Partnership for Consent to the Transfer of Control  
of Licenses and Authorizations, MB Docket No. 15-149*

**REDACTED – FOR PUBLIC INSPECTION**

Dear Ms. Dortch,

Time Warner Cable Inc. (“TWC”) hereby submits a supplemental response to the Commission’s Information and Data Request, dated September 21, 2015 (the “Request”). With this letter, TWC provides supplemental information in response to specifications 3(j) and 85 of the Request.

Pursuant to the Protective Order,<sup>1</sup> TWC submits the Public version of this filing via electronic filing. A Highly Confidential version of these narrative responses is being filed simultaneously under separate cover and will be made available for inspection pursuant to the terms of the Protective Order. The {{ }} symbols denote Highly Confidential Information.

Along with its narrative responses, TWC submits one disc, containing supplemental exhibits.

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<sup>1</sup> *Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership For Consent To Assign or Transfer Control of Licenses and Authorizations, Protective Order, MB Docket No. 15-149, FCC 15-100 (rel. Sept. 11, 2015).*

In addition to the above submissions and pursuant to discussions with staff, we are delivering 14 copies of TWC's unredacted narrative responses and two copies of the disc to Vanessa Lemmé of the Media Bureau's Industry Analysis Division.

Please contact the undersigned should you have any questions.

Respectfully submitted,

*/s/ Matthew A. Brill*

Matthew A. Brill  
of LATHAM & WATKINS LLP  
*Counsel for Time Warner Cable Inc.*

Enclosures

cc: Owen Kendler



**Time Warner Cable Inc.**

**RESPONSE TO THE INFORMATION AND DATA REQUESTS ISSUED TO  
TIME WARNER CABLE INC. ON SEPTEMBER 21, 2015 BY THE  
FEDERAL COMMUNICATIONS COMMISSION**

**November 19, 2015**

**SUPPLEMENTAL NARRATIVE RESPONSE**

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**SPECIFICATION 3:**

**Describe, and identify documents sufficient to show, the Company’s past and current business and deployment plans with respect to:**

- (a) DOCSIS 3.1;**
- (b) IP cable and Wi-Fi access;**
- (c) mobile wireless broadband services;**
- (d) any OVD service inside or outside of the Company’s current service area;**
- (e) wireless backhaul services;**
- (f) Build-out to additional homes in your footprint or franchise area, including the Application’s claim that the Company will “build out one million line extensions of our networks to homes in our franchise area”;**
- (g) IP set-top-boxes;**
- (h) user interfaces and programming guides for subscribers;**
- (i) increasing speeds for Internet broadband services;**
- (j) business services; and**
- (k) time-shifted and place-shifted video programming.**

**October 13, 2015, Response to Specification 3(i):**

The business services segment has been and continues to be an important strategic priority and growth area for TWC. The Company’s business plans for this service segment have aimed to meet customer needs by offering improvements to the speed, quality, and reliability of services, and by expanding its services portfolio to appeal to a greater number of businesses, thereby differentiating its services in the highly competitive commercial services marketplace. TWC’s business services are provided to small businesses, mid-market businesses, enterprise customers, and telecommunications carriers. {{  
}}  
}}

TWC defines small business customers as generally having fewer than 25 employees, and a majority of TWC’s customers by count fall in this segment. TWC’s business strategy in the small business segment involves making ongoing enhancements to its high-speed Internet access services, Business Class Phone service, and video offerings to allow these customers to personalize services to meet their particular needs. [[

]]

TWC defines mid-market business customers as generally having between 26-500 employees, often across multiple sites in different geographic locations (including certain regional and super-regional businesses). These businesses typically have one or more locations in TWC's service areas, as well as locations outside of TWC's service areas, and require products that interconnect or work across many or all of their sites.

TWC defines enterprise customers as generally having more than 500 employees, often across multiple sites spread across the nation or regions (Northeast, Southwest, etc.). These businesses often have sites that fall outside TWC's service areas and require products that interconnect their sites or that are available across all or some of these sites, and/or buy services for some or all of these sites centrally at the business headquarters.

In the mid-market business and enterprise segments, TWC offers Dedicated Internet Access service offerings for commercial customers that require additional bandwidth and performance assurances above levels provided via TWC's best-efforts, mass-market broadband services. Ethernet Services allow customers in these segments to provide connections among their locations and to data centers. TWC also offers Business Class Primary Rate Interface as well as SIP trunks to allow business customers to obtain highly reliable and cost-effective voice services delivered over TWC's network. Increasingly, TWC is offering tools and services for management of customer's networks via new portals and services such as its Managed Router Service. TWC offers both traditional and bulk video solutions and programming packages to meet the wide range of evolving needs of healthcare, hospitality and other large commercial and government customers. In addition, through its NavSite subsidiary, TWC offers tailored cloud-based application management and infrastructure-as-a-service solutions.

For each of these product offerings, {}

}}

In addition to these retail offerings, TWC provides wholesale services to other telecommunications providers, including cell tower backhaul services described in response to Request 3(e). TWC also offers wholesale IP transit and carrier Ethernet access to telecommunications carrier customers. TWC's business plan in this customer segment

}}

In general, TWC’s deployment plans for each of these business customer segments are focused on growth within TWC’s existing service areas (which in turn depends on TWC’s existing network footprint), including significant investments made to expand the reach of TWC’s network to serve business locations unserved by TWC. {}

}}.

See Exhibits 3j-01 to 3j-12 for information responsive to this request.

**November 19, 2015, Supplemental Response to Specification 3(i):**

Upon review of Exhibit 3j-04, TWC discovered that the Line Extension CapEx line item understated TWC’s actual expenditures for 2014 and 2015. In addition, TWC has now {}  
{}  
See Exhibit 3j-13 for the revised historical line extension expenditures, updated 2015 expenditure forecast (based on more recent data), and TWC’s forecast of Business Services line extension expenditures for 2016. {}.

**SPECIFICATION 85:**

Separately for each RSN in which the Company, or an officer, director, or executive of the Company, holds an Attributable Interest or distribution rights, provide the following:

- (a) a complete description of the nature of the Attributable Interest or distribution rights in the RSN held by the Company, or any officer, director, or executive of the Company;
- (b) an economic analysis of the effect of the proposed transaction on the merged entity's incentive to permanently withhold RSN programming from MVPDs and OVDs;
- (c) an economic analysis of the effect of the transaction on the merged entity's ability and incentive to raise prices of RSN programming to MVPDs and OVDs;
- (d) a detailed description of the methodology employed in subparts (b) and (c), as well as the underlying data and documents used to determine the various parameters, including but not limited to: critical departure rates; empirical estimates of actual departure rates; evidence regarding the likely value of estimated departures rates in this transaction; the profit margins on different bundles of services; the profit margin on the average subscriber that would be induced to switch from a rival to the Company if the programming were withheld from the rival; programming fees; programming costs; subscriber counts by distribution zones within the region that the RSN is distributed; per-subscriber license fees by distribution zones; per subscriber gross and net advertising revenue by distribution zones, departure rates, diversion rates, and churn rates;
- (e) in a separate CSV format file, the list of zip codes contained within each distribution zone for each RSN;
- (f) separately (i) for each MVPD within the distribution zone of each RSN specified in subpart (e); and (ii) for each month from January 2014 through August 2015, provide the Company's RSN distribution data as specified in Attachment G; and
- (g) in a separate CSV format file, for each RSN and separately for each month from January 2014 through August 2015, total programming rights payments, total monthly advertising revenues, the total monthly advertising costs, and total monthly affiliate fee revenues by MVPD.

**October 13, 2015, Response to Specification 85(a):**

The networks listed below are 100% owned, operated, and controlled by TWC.

TWC Wholly Owned RSNs
Time Warner Cable SportsNet /
Time Warner Cable Deportes
OC Sports (Hawaii)
Time Warner Cable SportsChannel (KC)
TWC SportsChannel (Albany)
TWC SportsChannel (Buffalo)
TWC SportsChannel (Rochester)
TWC SportsChannel (Syracuse)
TWC SportsChannel (Nebraska)
TWC SportsChannel (NC-Raleigh, Charlotte, Greensboro, Wilmington; SC-Columbia, Florence, Myrtle Beach)
TWC SportsChannel (Cincinnati/Dayton)
TWC SportsChannel (Cleveland/Akron)
TWC SportsChannel (Columbus/Dayton)
TWC SportsChannel (North-Dallas, El Paso; South-Austin, San Antonio, Corpus, RGV)
TWC SportsChannel (Milwaukee, Green Bay)
Time Warner Cable Special Events (Spanish language)
Canal de Tejas (North – Dallas, Waco, El Paso; South – Austin, San Antonio, Corpus, RGV, Laredo) (Spanish language)

In addition, TWC holds an attributable interest in the RSN listed below.

<b>Programming Interest</b>	<b>Nature of Each Attributable Interest</b>	<b>Description of the Attributable Interest</b>						
Sterling Entertainment Enterprises, LLC (SportsNet NY)	<table border="0"> <tr> <td data-bbox="1562 558 1604 591">}}</td> <td data-bbox="1520 695 1562 727">}}</td> </tr> <tr> <td data-bbox="1488 558 1520 662">26.83%</td> <td></td> </tr> </table>	}}	}}	26.83%		<table border="0"> <tr> <td data-bbox="1562 891 1604 924">}}</td> </tr> <tr> <td data-bbox="1346 1268 1377 1300">}}</td> </tr> </table>	}}	}}
}}	}}							
26.83%								
}}								
}}								

Finally, TWC has entered into a long-term affiliation agreement with American Media Productions, which owns SportsNet LA. TWC acts as the network’s exclusive advertising and affiliate sales agent and provides certain non-game production and technical services to American Media Productions. SportsNet LA was launched in February 2014. TWC has no ownership interest in SportsNet LA.

**October 13, 2015, Response to Specification 85(b):**

TWC respectfully submits that Charter possesses the information necessary to respond to this request.

**October 13, 2015, Response to Specification 85(c):**

TWC respectfully submits that Charter possesses the information necessary to respond to this request.

**October 13, 2015, Response to Specification 85(d):**

TWC respectfully submits that Charter possesses the information necessary to respond to this request.

**October 13, 2015, Response to Specification 85(e):**

See Exhibits 85e-01 through 85e-06 for information responsive to this specification.

**October 13, 2015, Response to Specification 85(f):**

See Exhibit 85f-01 for information responsive to this specification.

**October 13, 2015, Response to Specification 85(g):**

TWC will submit a response to this specification shortly in a supplemental production.

**October 16, 2015, Supplemental Response to Specification 85(f):**

In its October 13, 2015, submission, TWC provided the information requested in Attachment G as “Exhibit 85f-01.” TWC resubmits this exhibit and renumbers it as Exhibit 85-G.

**October 22, 2015, Supplemental Response to 85(g):**

See Exhibit 85g-01 for information responsive to this request.

**November 19, 2015, Supplemental Response to 85(a):**

Although TWC has 16 wholly owned RSNs, TWC has only licensed, attempted to license, or been approached to license {{ }} of those RSNs: {{ }}. In addition, TWC acts as the exclusive advertising and affiliate sales agent for SportsNet LA. Accordingly, TWC’s responses to Specifications 85(e), (f), and (g) are limited to the {{ }} TWC-owned RSNs and SportsNet LA. {{ }}

**November 19, 2015, Supplemental Response to 85(e):**

See Exhibits 85e-06 {{ }} {{}}, 85e-07 {{ }} {{}}, 85e-08 {{ }} {{}} (K), and 85e-09 {{ }} {{}} for information responsive to this request.

**November 19, 2015, Supplemental Response to 85(f):**

See Exhibit 85-G-2 for information responsive to this request. This exhibit updates TWC's prior submission to include data for Time Warner Cable SportsChannel KC.

**November 19, 2015, Supplemental Response to 85(g):**

See Exhibit 85g-02 for information responsive to this request. This exhibit updates TWC's prior submission by providing data solely for those RSNs that TWC has licensed, attempted to license, or been approached to license: {}

Commission's request that TWC provide advertising revenue data for each of these RSNs, TWC has determined that it does not track, and therefore cannot provide, advertising revenue by zone. {} In response to the