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February 10, 2016

VIA ELECTRONIC COMMENT FILING SYSTEM

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

Re: Ex Parte Meeting, *Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership For Consent To Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 15-149

Dear Ms. Dortch:

On February 8, 2016, on behalf of Discovery Communications, Inc. ("DCI"), Catherine Carroll of DCI and Jon Orszag and Bryan Keating of Compass Lexecon, together with the undersigned, met with the following Commission staff: Owen Kendler, Kiley Naas (by telephone), and Elizabeth Cuttner of the Office of General Counsel; and William Lake, Mary Beth Murphy, Susan Singer, Hillary DeNigro, Brendan Holland, Ali Zayas, Julie Saulnier, Ty Bream, and Eugene Kiselev of the Media Bureau.

At the meeting, Messrs. Orzag and Keating presented their views that DCI has no incentive to withhold its programming from multichannel video programming distributors ("MVPDs") or online video distributors ("OVDs"). They noted first, that DCI's behavior is inconsistent with any incentive and ability to foreclose. Even though Dr. Malone and Advance/Newhouse hold equity interests in both DCI and Charter today, DCI has *never* withheld programming from a rival MVPD and has made many deals with alternative distribution providers. Moreover, DCI does not vary its pricing across regions for a given MVPD contract in order to target parts of the footprint that overlap with Charter.

Second, withdrawing DCI programming from an MVPD to benefit New Charter would cause substantial harm to DCI's revenues. These losses would consist not only of carriage fee and advertising revenue losses – losses that would represent significant lost revenue each month – but could also take the form of lower advertising revenue for remaining DCI subscribers, since networks that reach a broad national audience earn higher rates from advertisers.

Third, withholding DCI programming from a rival MVPD or OVD would likely induce limited switching to New Charter. However, for a withholding strategy to be economically profitable, millions of subscribers would have to switch providers. The FCC has acknowledged that only a certain proportion of subscribers will switch MVPDs for a particular programming service, and that those subscribers generally will switch only if they lose broadcast or regional sports programming – programming that DCI does not offer. And DCI similarly could not successfully raise affiliate fees enough to make any material impact on an alternative provider's retail rate.

Fourth, not only do all the above points apply with equal force to an attempt to withhold programming from an OVD, but DCI would also suffer additional losses (as would Charter). DCI would lose licensing fee and ad revenue associated with licensing content to OVDs (moreover, because DCI does not vary prices regionally and most OVDs have a national footprint, DCI would incur costs everywhere, while Charter would only benefit in its limited footprint), but DCI would also suffer a substantial threat to its future business if it removed its networks from OVD platforms or other new means of distributing content.

Using the attached slides, DCI explained that data shows that viewers are decreasing their viewing on linear television and simultaneously increasing viewing on alternative platforms and devices. This migration of viewing patterns means that not being on OVD platforms would have a serious impact on DCI beyond the immediate associated revenue loss. DCI needs its content where consumption is happening to keep the brand relevant to today's audience. And in the short term, being on OVD and other alternative platforms strengthens DCI's brand awareness and helps drive customers to view linear content on MVPDs.

For this reason, far from holding back from such efforts in an attempt to benefit Charter, DCI has evaluated a wide range of alternative distribution opportunities, and entered into numerous distribution agreements. DCI has agreements with a number of providers and platforms such as Sony, Hulu, MobiTV, Apple, YouTube, Verizon VGo, Amazon, X-Box, and Fuhu. These deals are multi-year, not terminable except for cause, and provide for carriage of both DCI content and DCI's linear networks, depending on the arrangement. Cutting back on reaching viewers through these platforms would harm DCI's ability to evolve with the changing video marketplace; neither DCI or its owners would seek to cause DCI such long-term harm.

Finally, DCI discussed changes to the corporate structures of and relationships between Liberty Global, Liberty Media, DCI, and Dr. Malone since the Commission last examined them as part of the Liberty Media/DirecTV merger transaction.[1/] While in 2008, Dr. Malone controlled Liberty Media, and the Commission found that Liberty Media controlled Discovery Holdings (which held 66% of DCI) by virtue of holding four of the five Board Seats, including Dr. Malone, who was Chair of the Board and Chief Executive Officer, and by providing management services to Discovery Holdings, those facts no longer hold true. Since that time, DCI has become a public company; neither Liberty Media nor Discovery Holdings is in DCI's ownership chain; Liberty Media has no ownership in or management of DCI (including no management services and no officer positions); Dr. Malone's equity interest and voting power in DCI have been reduced; and Dr. Malone is only one of ten Board members, is not Chair of the Board, and does not control a majority of the Board given the addition of multiple independent Directors.

[1/] *See News Corporation and The DirecTV Group, Inc., Transferors, and Liberty Media Corporation, Transferee, For Authority to Transfer Control*, Memorandum and Order, 23 FCC Rcd. 3265 (2008).

Pursuant to section 1.1206(b) of the Commission's rules, a copy of this letter is being filed electronically with the Office of the Secretary and served electronically on the Commission participants in the meeting.

Respectfully Submitted,

/s/

Tara M. Corvo

cc:

Owen Kendler
Kiley Naas
Elizabeth Cuttner
William Lake
Mary Beth Murphy
Susan Singer
Hillary DeNigro
Brendan Holland
Ali Zayas
Julie Saulnier
Ty Bream
Eugene Kiselev

U.S. Distribution: 2016 Dashboard

U.S. Distribution

TV Landscape

Total Households
122.0M ↑ **0.7%**

Total TV Households
116.4M **FLAT**

Broadcast Only Households
13.3M ↑ **7.4%**

Basic Cable Subscribers
95.0M ↓ **2.3%**

Technology Adoption

TABLET	64M	↑ 19%
SMART PHONE	93M	↑ 13%
DVR	56M	FLAT
VOD*	49M	↑ 1%

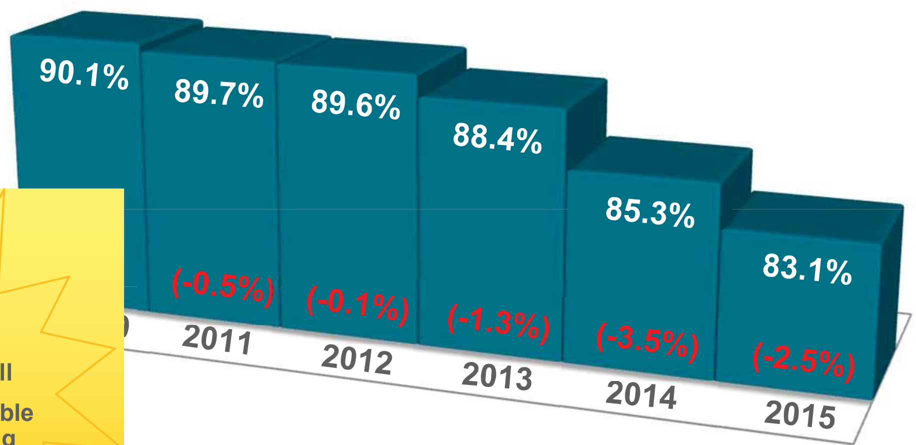
Mobile Devices Fueling Digital Video Growth

More Homes…Less With Cable…Alternative Distribution Platforms Grow…

Source: Nielsen, UE, Jan. '16 vs. Jan. '15; Households, Basic Cable Subs = Largest Basic Cable Network Distribution.
Tech Adoption is HH; *VOD: Kagan 2016 vs 2015.

TV Usage: Fewer Overall TV Viewers…Watching Less

Linear TV Weekly P25-54 Reach -8%
Overall From 2010 - 2015



Jan 2016

-2.8% overall

9 of top-10 cable nets showing losses

Linear Audience 2015

Broadcast Delivery
⬇6%

Cable Delivery
⬇5%

Premium Pay Delivery
⬇11%

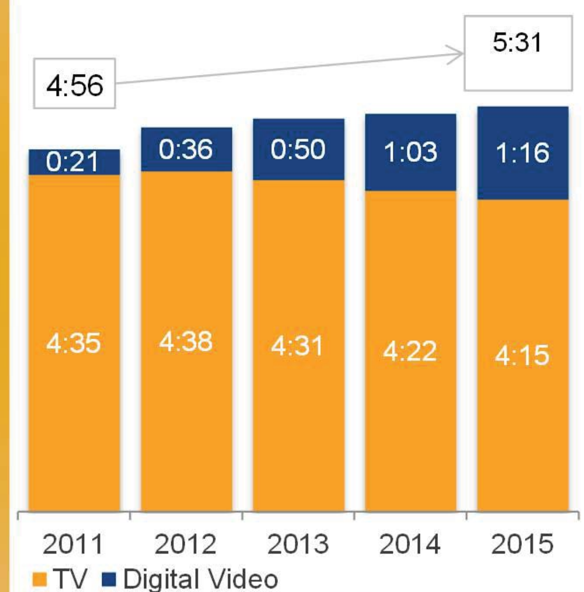
With TV Usage Down, Cable TV Sheds 1.2M Impressions in 2015

Source: Nielsen, P25-54, Prime, PUT: Weekly Reach (6-minutes) for linear TV thru 1/17/15.
Delivery: L7, Prime, P25-54, 2015 vs 2014.

OTT Snapshot: Usage Up 4X in 5 Years

SVOD Landscape

Time Spent per Day with Video by US Adults, by device, '11-'15



55 Minutes More On Digital…20 Minutes Less on Linear

Source: Time spent, eMarketer. P18+. Includes time spent watching digital video via game console, connected TV, or OTT device, April '15. UE, Jan '16 vs. Jan '15, Households, HBO NOW published 1M in July '15, Seeking Alpha projection 1.5M Jan '16.