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July 2, 2002

RECEIVED

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

JUL - 2 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Applications for Consent to the Transfer of Control of Licenses From Comcast Corporation and AT&T Corp. to AT&T Comcast Corporation
MB Docket No. 02-70

Dear Ms. Dortch:

This letter provides notice for the public record that undersigned counsel to Comcast Corporation ("Comcast") filed today certain confidential material under seal and subject to the Protective Order, DA 02-734, in the above-referenced docket.

The confidential material filed under seal provides documents in response to the Document and Information Request (the "Request") attached to the letter dated June 11, 2002, from Royce D. Sherlock to James R. Coltharp, Comcast, and Betsy J. Brady, AT&T. These documents are being provided pursuant to the Request as clarified in our June 17, 2002 meeting with the Commission staff and in subsequent telephone conversations with the Commission staff regarding the procedures for responding to the Request. The unredacted, confidential version of this filing is being hand delivered to you, as well as to Roger Holberg and Linda Senecal of the Media Bureau, as required by the Protective Order. The confidential version will be made available for inspection pursuant to the terms of the Protective Order at the office of Davis Polk and Wardwell, 1300 Eye Street NW, Washington, DC 20005. Arrangements may be made by contacting the undersigned at 202-777-7700.

Two copies of the filing, as redacted, are submitted herewith pursuant to the Protective Order. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,



A. Renée Callahan

cc: Roger Holberg
Linda Senecal

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**CONFIDENTIAL INFORMATION –
SUBJECT TO PROTECTIVE ORDER
IN MB DOCKET NO. 02-70**

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FOR IMMEDIATE RELEASE

**COMCAST and UNITED ONLINE to OFFER NETZERO and JUNO
HIGH-SPEED INTERNET SERVICE**

*United Online's NetZero and Juno ISPs to enter broadband market;
Comcast to provide customers with choice of ISPs*

February 26, 2002 – PHILADELPHIA, PA and WESTLAKE VILLAGE, CA, - Comcast Corporation. (Nasdaq: CMCSA, CMCSK), one of America's largest cable providers, and United Online, Inc. (Nasdaq: UNTD), a leading value-priced Internet service provider, today announced an agreement to offer high-speed Internet service over Comcast's cable systems.

The agreement enables United Online – which owns the NetZero and Juno value-priced Internet services – to offer broadband access for the first time. Comcast will for the first time provide its customers a choice of Internet service providers (ISPs).

This agreement will make a high-speed United Online Internet service available within 90 days to Comcast customers in two major metropolitan areas, Nashville, TN and Indianapolis, IN. It also provides a template for a subsequent national rollout of United Online's Internet service to anyone who can get Comcast cable.

Comcast Corporation is the third largest cable operator in the United States, with more than 8.4 million subscribers. It currently provides broadband service through its own ISP, Comcast High-Speed Internet, to more than 950,000 customers nationwide. United Online's NetZero and Juno Online Services had 5.6 million active dial-up users, including 1.46 million billable subscribers, as of Dec. 31, 2001.

"Comcast is pleased to offer customers a choice of Internet service providers," said Brian L. Roberts, president of Comcast Corporation. "Until about two months ago, Comcast was contractually bound to a single Internet service provider. We have

moved quickly to provide customers with true choice and value, while creating sound business opportunities for United Online and Comcast.

"United Online is committed to making fast Internet service widely available and they have a strong track record in the marketplace," Roberts added. "We are delighted to be working with them."

"To date, United Online has been reluctant to enter the broadband marketplace. Many of the ISPs entering the market have incurred large capital expenditures while generating gross profits per user much below their dial-up business," said Mark R. Goldston, chairman, president and CEO of United Online. "We are very excited to be announcing this landmark deal with a quality company like Comcast Corporation. We believe it will provide a turnkey solution that should require little to no capital expenditures by United Online."

"We also believe the agreement will allow us to generate per-user gross profits at or in excess of our current billable dial-up offerings," added Goldston. "Not only is this agreement an exciting step forward for United Online, it should be a complementary service for our dial-up users who may be looking to easily upgrade to a quality high-speed service from NetZero or Juno."

Terms of the agreement are confidential. In the two Comcast markets where United Online is deploying its high-speed service, Nashville and Indianapolis, Comcast has about 467,000 cable subscribers and 77,000 high-speed Internet users.

Comcast Corp. will continue to provide Internet service through its own ISP, Comcast High-Speed Internet. Comcast's agreement with United Online is not exclusive and does not preclude Comcast from making other ISPs available to its customers in the future.

United Online will announce details of its initial broadband offering at a later date. The agreement between Comcast and United Online features a marketing partnership in which Comcast will provide United Online with the ability to advertise its NetZero and Juno brands on the Comcast cable systems and through a variety of other media links on Comcast.net.

United Online's NetZero and Juno services currently provide dial-up Internet service. Existing users will be able to obtain high-speed Internet service without giving up their NetZero or Juno e-mail addresses. They also will continue to get the same start page. NetZero and Juno currently offer limited free service as well as value-priced access with no banner advertising, longer surfing time and faster page loads for \$9.95 a month.

This release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These include statements regarding United Online's proposed broadband service, expected future financial performance, expected growth in its billable subscriber base and

quotes from management in this press release. These statements are based on management's current expectations or beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The potential risks and uncertainties include, among others that the United Online broadband service will be launched within the time periods anticipated, if at all; that United Online will not incur capital expenditures or will generate anticipated gross profits per user; and that the United Online broadband service will be commercially successful. More information about potential factors that could affect the company's business and financial results is included in the company's Form 10-Q and other filings with the Securities and Exchange Commission (<http://www.sec.gov/>) including (without limitation) information under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors."

Comcast Corporation and United Online, Inc. will hold a press conference call today, February 26, 2002, at 2:00 p.m. Eastern Time (ET). The conference call will be broadcast live via the Internet at www.cmcsk.com. A recording of the call will be available on the Company's website from 4:00 p.m. ET on February 26, 2002 through midnight ET on February 27, 2002.

Those parties interested in participating via telephone should dial (800) 446-2782. A telephone replay will begin immediately following the call until February 27, 2002 at midnight ET. To access the rebroadcast, please dial (888) 843-8996 and enter code 5440262.

About United Online, Inc.

United Online is a leading Internet Service Provider. The company commenced operations in September 2001 with the merger of NetZero and Juno Online Services – two of the leading Internet access brands in the United States and Canada. Through its subsidiaries, United Online offers both free and value-priced Internet access services in more than 5,000 cities. The company is headquartered in Westlake Village, Calif., with offices in New York City and Hyderabad, India. United Online's common stock is traded on the Nasdaq National Market under the ticker symbol "UNTD." For more information about United Online and its Internet access services, please visit <http://www.unitedonline.net>.

About Comcast

Comcast Corporation (www.comcast.com) is principally involved in the development, management and operation of broadband cable networks, and in the provision of electronic commerce and programming content. Comcast Cable is the third largest cable company in the United States serving more than 8.4 million cable subscribers. Comcast's commerce and content businesses include majority ownership of QVC, Comcast-Spectacor, Comcast SportsNet, The Golf Channel, Outdoor Life Network, a controlling interest in E! Networks, and other programming investments. Comcast's Class A Special and Class A Common Stock are traded on The Nasdaq Stock Market under the symbols CMCSK and CMCSA, respectively.

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Company Name: Comcast Corporate
Scheduled Start Time: 1:00 p.m. CST
Confirmation Number: 5440262

Host: Karen Buchholz
Date: 2/26/02

Call Title: Comcast United Online Press Conference Call

Operator: Good day and welcome everyone to the Comcast and United Online Press Conference Call. Today's call is being recorded. If you have not yet received the press release, please call Patrick Mraganahan at Comcast at area code (215) 981-8581. With us today are Brian L. Roberts, President of Comcast Corporation and Mark R. Goldston, Chairman, President, and CEO of United Online. I would now like to turn the call over to Mr. Brian Roberts. Please go ahead sir.

Brian: Thank you and good afternoon. We're very excited by the announcement here and we'll get to your questions rather quickly. What I'd like to just emphasize from Comcast's perspective is we feel that this is the beginning of finding creative ways to work with third parties to accelerate our cable modem and broadband deployment throughout the country. Today's announcement with United and Juno and NetZero allow for – first time in our company third party to really accelerate the marketing of all the benefits of what broadband can bring to American consumers. In partnering with United we feel we've – we're able to work out a business model, which for obvious reasons between the two companies is not completely public just for commercial reasons but is a win/win partnership from Comcast's point of view. What Juno and NetZero can do is bring their marketing savvy to the broadband space at the same time from a business model perspective. For Comcast this is – we can roll this out very quickly. We intend to launch the first two cities in 90 days. We had been under exclusive arrangement with Excite@home as many of you know. That ended at the end of the year with the bankruptcy of Excite@home. In January we converted nearly one million customers to our own Comcast high speed Internet service and in February we're announcing our first multiple ISP. So it's a big day for us. This is not done for anything but a commercial opportunity to really try to continue the fabulous success that cable modems have been. We're delighted to have met Mark and his team. They worked very quickly after they had originally asked us whether we were interested and as soon as we were out of the exclusivity, both the teams were able to put this deal together and I think it's a template for many good things to come. Mark?

Mark: Thanks, Brian. We're really excited today to be able to announce this with Comcast. Many of you who have followed United Online probably know that we as a company and I in particular have made several statements about our view about the broadband market and the economics of entering that market. And what we had said repeatedly, most recently on our earnings call for the December 2001 quarter, was that we were desirous of entering the broadband

market if and only if we could find a partner that would enable us to do this without a capital expenditure outlay, without us having to add a lot of manpower to do this and to provide a retail price point that would let us generate gross profit dollars per user that was equal to or greater than what we could generate on our 995 dial-up service. In Comcast, we have found such a partner. For a company that is so large and far flung, we were actually stunned at how nimble Brian Roberts and Dave Watson and the team were in constructing a deal that was a win/win for both parties. And frankly, I think given the turnkey nature of this deal, it's really unique within the broadband field and I take that to DSL and cable because this allows us to take our strength, which is our marketing ability and the ability to aggregate many users and bring them a broadband product on a completely turnkey basis through the quality of the Comcast network. And so I think that this is the kind of deal that we at United Online have been waiting to do in the face of many of our competitors who have spent literally hundreds of millions of dollars on infrastructure related to broadband. We have chosen not to do that and I think our patience has paid off not only in what will be, we think, a strong economic model but also a strong partner for us to really make our first major foray into broadband as a major statement and the fact that we've done it with a partner like Comcast I think bodes well for investors in both companies. So what I wanted to point out to people is that – because it's come up before – there's also a marketing alliance associated with this deal whereby NetZero and Juno brands will be advertised on the Comcast cable television network, which is also part of the deal and we're very excited about that. And while we haven't disclosed the terms of the retail pricing, people have asked will this be a value-priced product from United Online? And it is our intention to have a very competitively priced product in the marketplace, which is consistent with the brand imagery that we've build for both NetZero and Juno. So we're thrilled to make this announcement with Brian Roberts and the Comcast team today and we look forward to rolling out in Nashville and Indianapolis the first two markets within the next 90 days and then the balance of the national rollout. So with that, I'd like to turn it back over to the moderator who can open it up to questions.

Operator: Thank you. we will now begin the question and answer session. If you have a question, you will need to press the "1" on your touchtone phone. You will hear an acknowledgment that you have been placed in queue. If your question has been answered and you wish to be removed from the queue, please press the pound (#) sign. Your questions will be queued in the order that they are received. If you are using a speakerphone, please pick up the handset before pressing the numbers. Once again, if you would like to ask a question, please press the "1" on your touchtone phone. One moment, please. We have Karen Brown from Multi-Channel News online with a question. Please state your question.

Karen: Hello, Mr. Roberts.

Brian: Hello.

Karen: I did have a question actually. You have been in a trial with EarthLink to provide multiple ISP access. I'm wondering if you could fill us in on the status of that and also on how you're going to provide United Online service without having gone in a trial with them before. Is there any significant technical barrier to that?

Brian: Well, we don't think so. We believe that the two companies have talked through the best way to get launched immediately. All the variety of trials I think that we've done and others show that this model can work now that we're on our own network, the Comcast high speed network, as we evolved off of the Excite@home network. We built the new network with this specifically in mind. If you think back to a number of the statements that I've made and the company has made in the past we have said that we believe there is a win/win business model to work with multiple ISPs but we're under exclusive agreement and we're on someone else's network. Those two facts changed and we have this announcement today. So we're delighted in the way that the operational approach when we sat down with Juno and NetZero allowed for this outcome today in a way that we're pretty confident we'll have up and running in the timetables we've set out.

Karen: And the EarthLink trial? Is there any status on that?

Brian: No news today – nothing – we hope to be in discussions with others but today it's about this announcement.

Karen: Okay, thank you.

Brian: Sure, thank you.

Operator: We have Julia Angwin from *Wall Street Journal* online with a question. Please state your question.

Julia: Hi. I just wanted to check in about how this relates to the merger you guys are undergoing with your purchase of AT&T. There's been a lot of talk about open access being a possible criteria for regulators and some people have said that today's announcement could be seen as an effort to ward off that.

Brian: Well, I understand that sentiment potentially but I don't think you'd be doing this in February if that was the motivation. I think, as we've said, or we don't expect Comcast and AT&T to be consummated until much later in the year, probably the fourth quarter. So this is a business opportunity as we want to get the maximum penetration of broadband in our company with or without AT&T. We have previously stated that as soon as the exclusivity with Excite@home ended we would seek out relationships with third parties. But my own view on policy is that that's a commercial, private conversation – not a necessarily

governmental policy and that the business is competitive in broadband whether it's DSL or wireless broadband or satellite or future technologies. It behooves a company such as Comcast to seek out the marketing savvy of a company such as United to come up and then the challenge is is they are a business proposition that worked for both parties where it was win/win. If this was born out of a regulatory solution, I don't think both companies could be as excited as they are to get going. One final thought on that point, as you think about again the need for government regulation, I think AOL Time Warner was somewhat in the unique position because of AOL and the presence that AOL has in the marketplace. Comcast does not have that today. So even if facts were different and we weren't doing the merger, now that we have our own network, we have the ability to offer third parties. In some ways it's like carrying HBO and one day along comes Showtime and they offer fabulous movies too. Our customers want the most choices. That's how we're going to compete the best in the future and this relationship I think bodes well for both our company, for United, and for the consumer.

Mark: And Julia. It's Mark Golston. If I just might add to the adding further credibility to what Brian just said in terms of showing how this really wasn't just sort of a deal of circumstance or convenience, because a deal of convenience in the broadband segment with a conventional dial-up ISP like we are would have been a deal like the ones that have been struck with numerous other ISPs, which are somewhat cumbersome, require a great deal of testing because many ISPs have built out their own backbone infrastructure for broadband that has to marry to those of the cable company. What Brian and the Comcast crew have done here in my view and this is why we decided to do this was created a landmark structure because this structure provides a complete turnkey solution so the major impediment in tough capital markets, which we're all living in today, the major impediment for a conventional dialup ISP is the amount of capital that's typically required for them to build out some sort of a relationship infrastructure for broadband. With Comcast stepping up and providing this turnkey solution, they've basically eliminated that capex step on the part of the dialup or the conventional ISP, which means that it increases both the overall quality but more importantly it increases the speed to market and increases the term to get a return on your investment. So I don't want it to get lost in the equation here about how Comcast has stepped up and really done a breakthrough structure that is enabling the ISP world to jump into the game versus just adding another ISP to the pipe.

Julia: Okay, thank you very much.

Mark: Sure.

Operator: We have Akweli Parker from *Philadelphia Inquirer* online with a question. Please state your question.

Akweli: Hi, good afternoon Brian and Mark.

Both: Hi.

Akweli: I've got a two-parter. Could you describe the difference in the products how the Juno offering would differ from Comcast high speed Internet either in price point or service tiering. And also if you could talk about the roll-out schedule after Nashville/Indianapolis.

Brian: Well, let me take the second part first and then turn it over to Mark to describe the potential for how they'll differentiate but as you know when you're starting something new it will evolve. But that said, Akweli, it's our goal to take this relationship I think both companies goal to take these two markets, get them done in 90 days, that we then have a template that we believe will be able to be a national rollout. It's our hope that markets such as Philadelphia and others where Comcast has high speed will be able to offer the Juno and NetZero brands this year. So we are on an aggressive track to get this rolled out. Both companies felt the best way to go about it was to focus two markets and get them going. It's not a test. It's a rollout.

Akweli: Okay.

Brian: And then go from there. Mark -

Mark: Thanks, Brian. In terms of your question on how we're going to differentiate in terms of price and product. Price is not something that we're disclosing because that will be confidential but from a product standpoint - NetZero and Juno as differentiated from Comcast. The interface that we will use will be tailored specifically to our individual brands. We'll also have - we sort of promoted a concept over the last year that's called universal access. And that's the seamless connectivity across multiple platforms. So if you're a NetZero or Juno dial up customer on our 995 platinum service or the free service and you sign up for this broadband service you'll be able to have the same e-mail address, so you'll have seamless connectivity here across both of those platforms. The links, the partners, all the things that we've got that are in our narrow band business we anticipate will also be present in our broadband business so the tone and tenor and character will be different, but the integrity of the connectivity which is the principal reason why we wanted to go with a partner like Comcast - the integrity and the connectivity I would imagine will be virtually identical because, in fact, we will be using the Comcast pipes.

Akweli: Okay, thank you.

Mark: Sure.

Unknown: Operator?

Operator: We have Bridget Greenberg from Communication Daily online with a question. Please state your question.

Bridget: Yes, hi. What I'm wondering is if this will cannibalize Comcast service. How does this help Comcast and bring business to Comcast?

Brian: Well, I think that's a fair question but one that this is a world where broadband is only 10% of the – at the highest of penetration of any market in America or for the average of where cable modems are offered. That means there's 90% opportunity and 10% to worry about those types of issues and we have learned from other businesses that we've been in such as cellular telephone that the more points of presence you have where people can learn from different creative marketers how to get the benefits of your product, in the long run that's the best way for your business to compete and for your business to succeed. And I think for Juno and NetZero to have 5.5 million customers in the narrow band space, they know how to market. These are fabulous, well-established, creative, cutting edge marketers in the Internet world. And as we had said for years that when the exclusivity period ended, it was our desire to change the business model. I mean the timing of this announcement – I can't stress enough in the previous question that had been asked is related to we couldn't have gone any faster. Actually say by the end of December we had this mammoth transition to do in January because of the premature ending of Excite@home and our relationship there. And here we are in February and we're ready to go because we want to continue to accelerate cable modem deployment. We do DSL as a very viable competitor and we want the marketing savvy of NetZero and United helping sell our brands. And if some people switch from Comcast online to – or Comcast high speed over to United's brands, that's okay. And that's part of coming up with a win/win business model that we both can make money in that scenario. But the real payoff is expanding the market from 10% to a much higher penetration in the years ahead. And that's where both enterprises will succeed and I think that's what will end up happening.

Mark: You know Brian as a follow on to that, I think what may have gotten a little lost in the announcement is evidenced by the question that you just asked was the fact that in this particular instance, I mean Comcast is really no different for example than a Nike is where Nike has their own stores as does Polo. And they also sell to other retailers who sell the product. And the case of where they sell the product in their own store they're selling it at retail keeping the full margin in the case where they sell it through another retailer they, in fact, are a wholesaler. So really no one has really seen that develop in the connectivity space yet and I think this is kind of a pioneering model because it allows Comcast to both be a full retail product and also be a wholesale product, all of which go over their pipes.

Brian: I think that's an excellent point. And if you think about what Mark said previously about how they have used universal access, that's something we don't today offer narrow bands to our customers. So they need to have many relationships at least two of them have a narrow band and a broadband relationship. Well now they're going to be able to have one-stop shopping. So the benefits will present themselves as we begin to work together but right out of the box I think it is a new business model. I think it's born out of – this is the right deal for the right time and it's a win/win for both companies. We're pretty excited.

Operator: We have Bill Burkston from Associated Press online with a question. Please state your question.

Bill: Yes, Mr. Roberts. How far are you likely to go with offering choices to the customer? Could even AOL be a part of that or how many providers do you envision eventually offering?

Brian: You know, it's our desire to have commercial, private discussions with a number of providers and this is not an exclusive relationship. This was openly discussed between the parties. My hats off to Mark and his team for going forward and stepping up and taking their customers to have this opportunity at the same time. The reality is that there are other ISPs with whom we will want to have a business relationship and we will conduct those conversations thoughtfully but ultimately this is a competitive business and we want the power of multiple marketers but we want to do it in a way that is good for both parties and so what we have to report today is this but we've been at it for a month. So I'm pretty pleased with how far we've come. Next one, operator?

Operator: We have Bush Bernard from *The Tennessean* online with a question. Please state your question.

Bush: Hello. Can you all hear me?

Brian: Yep.

Bush: I was wondering why did y'all pick Nashville as one of the first cities? Is there anything in particular about Nashville.

Brian: Because we're Titan fans.

Unknown: I think it's a major market. It's got good demographics for cable modem usage and seemed attractive and we were ready and able to handle it technically.

Unknown: I also think, Brian, is that you and I discussed in our teams is a great overlap in terms of the user bases. We thought to really give this thing some adequate traction. It was most helpful to pick some markets that we know

right out of the gate. There's a great overlap between the Comcast footprint and the NetZero and Juno user bases and the national market provides that.

Unknown: Next question, operator?

Operator: We have George Salle from *The Hollywood Reporter* online with a question. Please state your question.

George: Hi, Brian. Quick follow-up question. Was just curious if the deal announced today is going to have any effect on the expectations for data subscriber growth this year?

Brian: Well, you know, you hope so. Obviously it will take a little bit of time to get up and running and we'll be in just two markets initially so as we roll out the rest of the country and we get it up and running it may have more of a larger impact in '03. But conceptually, we feel it is time now both because of the Excite@home and because it's the people who have the narrow band relationships and can bundle them together with broadband can really move the needle. And we're just going to have to see how that plays out. We didn't want to do a test. We wanted to go right to roll-out and then follow that on with as many markets as both companies can handle as fast as possible. And I think the model that Mark has described that we've worked out allows for as fast as possible so it should have some real impact in '02 in those markets. And then we'll just have to see how fast we can get the rest of the country up to see whether it affects '02 or '03. But more importantly is longer term the goal – and one of the reasons that we're as excited about Comcast's business prospects is we think broadband represents the future of connectivity in this country and the deeper we can drive that penetration, the more products that will occur, the more innovation that will happen around broadband and it just becomes a wonderfully circular experience where the product gets better, some more people want it, and it keeps going.

George: Thank you.

Brian: We have David Deckok from *Patriot News* online with a question. Please state your question.

David: Hi. Two-part question. Will Comcast do the customer installations for United in cases where help by a technician is necessary and also customer service. And second part, does United have complete freedom to set its retail prices under the agreement?

Brian: Mark?

Mark: Well, basically yes, Comcast is going to basically provide everything. They will roll the trucks, they'll do the installation, which is what their

expertise is and that's part of this deal. And in the true spirit of this being an open competitive environment yes, we clearly at United will set the retail price and we will be driven by our own internal economic thresholds and what we've said it's our desire to have the broadband business have a gross profit that is equal to or greater than the gross profit that we generate on our 995 dial-up service. And so the price that's fixed with Comcast is the wholesale price that we will be purchasing from them and it's a complete package that features them rolling the trucks, installing the modems, getting the service up and running, etc. And then we will add a margin on top of that wholesale price and retail it to the consumers at a very competitive price point.

David: Okay, thank you.

Mark: Thank you.

Operator: We have time for one final question. Our last question comes from Jim Bartle from Telephony. Please go ahead, sir.

Jim: Brian. Real quick question on the technology aspect of this. You've had some really highly publicized problems rolling over to your own network off @home. Are you are little worried doing it this fast and this soon after that that you're going to run into more problems and just kind of a snowball effect on that?

Brian: Well, obviously we don't think so or we wouldn't be doing this but it's certainly a fair question. In reality even though they've been as you say, high profile, the amount of disruption given the amount of volume of work that had to be transferred over given the suddenness and abruptness of the Excite@home demise, actually was I think on balance a very positive experience. We rolled every two days 50,000 customers or so - so over 40 days we did a million customers, give or take some of those - one of those in particular 50,000 was highly publicized and there happened to be the first one where we worked out all the bugs and many subsequent ones were much better. So we think the networks have been stable for some time. There will be some bugs. It's not without peril, the Internet, and I think people are used to that and sort of have come to deal with that. When you reboot your computer, it's not always one person's problem it's the computer, it's the software, it's the hard drive, and it's your connectivity and I think we will have as reliable a network as exists in the business. That's our internal goal and I think we'll meet that and that network will be the same network that NetZero and Juno will be having their customers ride on. Secondly, that's one of the reasons you've got to pick two markets that are stable now and have been for some time and get this launched. But I don't think it will affect anything because it's really the same basic infrastructure that's running today. What's changing, as somebody asked on an earlier question will be what the consumer sees. And it will be NetZero's interface and NetZero's pricing, NetZero's branding, NetZero's e-mail and we'll work that out but that's a

lot different than – and that's why we didn't want to have fights over why are we rolling the truck? Is it because it's your problem, or our problem or the customer's problem? It's a very elegant, simple solution that allows for continuity of our business practice so we don't have to do a lot different than we do today. That allows us speed to market, low risk, and a high certainty as to what the economics will look like for both parties. And that's what made the model work. As we go down deeper through the country, if the model wants to evolve and change, we're certainly open to that. But right now this seems like a very low risk and very quick way to get to the market and that's going to help sales for both companies. That was the principle goal.

Jim: Mark, are you at all worried about being perhaps a guinea pig for this thing?

Mark: I'm sorry, guinea pig?

Jim: Yeah, being the first one out there.

Mark: Well, I'll tell you. that's a really good question. I would be worried about being a guinea pig if we had our own infrastructure in broadband like some of the other major ISPs you've mentioned on the call have and that we were trying to meld it. But unlike that and unlike frankly the Excite@home situation, everybody that we sign up with Comcast under our brand names is a net new install. So they're not coming out and trying to make our pipes talk to their pipes. There's no backhaul issues here. Basically what we're doing is we're going out and marketing to a user and they're going to get truck rolled modem'd and connected by the same high quality Comcast system that Comcast uses for their brand. So other than the optic or the interface that the consumer is going to see there really is no major integration issue here which is why we have no capex on our side. So I think it's a really elegant solution. I'm not worried at all about being a guinea pig. If this was some small cable operator, I might be a little more concerned, but a company with this size, scope and quality of Comcast I actually feel honored to be their partner.

Jim: Okay, thank you.

Mark: Sure.

Brian: Well, thank you. that's a nice place to end and we'll be glad to take follow-up questions if you have them offline.

Mark: Great. Thanks everybody for tuning in.

Operator: Thank you for participating in today's teleconference. You may all disconnect at this time.

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FOR IMMEDIATE RELEASE

COMCAST ANNOUNCES PLANS FOR RESIDENTIAL PRIMARY-LINE IP PHONE SERVICE IN PORTION OF PHILADELPHIA MARKET

Begins Installation of VoIP Phone Facilities; Selects ARRIS to Provide DOCSIS™ 1.1 Carrier Class CMTS Equipment;

Philadelphia (Thursday, June 27, 2002) – Comcast today announced that it has begun to install equipment that will be used for the initial deployment of residential Voice over Internet Protocol (VoIP) phone service in the Philadelphia area.

Comcast plans to offer residential primary-line VoIP phone service in a portion of the Philadelphia area during the second quarter of 2003. VoIP technology will allow Comcast to offer wireline phone service featuring competitive pricing, high-quality service and other features, as well as providing a platform for new types of communications services. Rates for the service have not yet been announced.

Comcast has recently completed a number of technical lab trials of VoIP phone service, and has concluded that the technology is now mature enough to begin field testing leading to commercial deployment. Comcast's phone service will use digital technology, high-bandwidth hybrid fiber-coaxial networks, and packet switching, instead of traditional copper networks and circuit switched technology, for operational, technical, and other efficiencies to deliver wireline phone service.

Previously Comcast announced that it intends to introduce or expand phone services in the Philadelphia and Detroit areas upon completion of its pending merger with AT&T Broadband. Comcast currently offers circuit-switched voice telephone service to about 40,000 customers in Michigan and Virginia.

Comcast has chosen ARRIS, a leading provider of cable telecommunications equipment, to provide the initial DOCSIS™ (Data Over Cable Service Interface Specifications) 1.1 carrier class CMTS (cable modem termination system), which will be installed in the next few weeks at the headend of a mid-sized Comcast Cable system in the Philadelphia area. The exact location of the service and the financial terms of the purchase were not disclosed.

ARRIS Cadant® C4™ CMTS manages the transmission, routing and efficient coexistence of IP telephony packets with other data packets over the same cable network. The ARRIS C4 CMTS is a next-generation designed, DOCSIS™ 1.1 CableLabs® qualified CMTS that provides layer 3 routing protocol, hitless switchover and recovery and very high-density hardware configuration for deploying advanced services requiring carrier-class

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availability and performance. The DOCSIS™ standard has been developed by CableLabs®, the cable industry's not-for-profit research and development organization headquartered in Louisville, Colorado. The development of the DOCSIS™ standard, which ensures interoperability, service quality and reliability, has been critical to the progress of high-speed cable Internet service and the emergence of IP phone service.

"We are excited to be taking this first step in our rollout of phone service. Voice over Internet Protocol technology has come a long way and we think it will play a big role in our future," said Comcast Cable Communications President Steve Burke.

"The deployment of VoIP telephony by Comcast is a landmark event. As one of the leading multi-service communications companies, we believe their deployment of IP phone service based on the C4 CMTS will provide strong competition to incumbent local phone companies," said Bob Stanzione, ARRIS President and CEO. "The recent CableLabs requalification of the ARRIS C4 CMTS with layer 3 routing is a confirmation of our commitment to lead the CMTS market and to provide our customers with the latest next-generation CMTS. We are proud to be a part of this effort with Comcast."

About Comcast

Comcast Corporation (www.comcast.com) is principally involved in the development, management and operation of broadband cable networks, and in the provision of electronic commerce and programming content. Comcast Cable is the third largest cable company in the United States serving more than 8.5 million cable subscribers. Comcast's commerce and content businesses include majority ownership of QVC, Comcast-Spectacor, Comcast SportsNet, The Golf Channel, Outdoor Life Network, G4, a controlling interest in E! Networks, and other programming investments. Comcast's Class A Special and Class A Common Stock are traded on The Nasdaq Stock Market under the symbols CMCSK and CMCSA, respectively.

About ARRIS

ARRIS provides broadband local access networks with innovative optical transport, high-speed data and telephony systems for the delivery of voice, video and data to the home and business. ARRIS complete solutions enhance the reliability and value of converged services from the network to the subscriber.

Headquartered in Duluth, Georgia, USA, ARRIS has design, engineering, manufacturing, distribution, service and sales office locations throughout the world. Information about ARRIS products and services is found at www.arrisi.com.

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