

March 9, 2006

VIA ELECTRONIC FILING

Ex Parte Notice

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

Re: Applications for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Communications Corp., Assignors, to Time Warner Cable Inc., Assignees; Adelphia Communications Corp., Assignors and Transferors, to Comcast Corporation, Assignees and Transferees; Comcast Corporation, Transferor, to Time Warner Inc., Transferee; Time Warner Inc., Transferor, to Comcast Corporation, Transferee, MB Docket No. 05-192

Dear Ms. Dortch:

On March 8, 2006, Jim Coltharp of Comcast Corporation (“Comcast”), Steven Teplitz and Susan Mort of Time Warner Inc. (“Time Warner”), David Rudd of The Palmetto Group, and the undersigned, representing Adelphia Communications Corp. (“Adelphia”), (collectively, the “Applicants”) met with Commissioner Michael Copps and Jordan Goldstein regarding the above-captioned proceeding.

Applicants discussed the status of the Commission’s consideration of the pending applications for assignment and/or transfer of control. In particular, Applicants noted that Adelphia has been mired in bankruptcy for more than three years and that the proposed transactions will facilitate its exit from bankruptcy and allow its customers to experience new and improved services from Time Warner or Comcast. In that regard, Time Warner and Comcast discussed the significant investment that will be required to deploy advanced services for consumers in Adelphia's service areas, including IP telephony and expansion of video-on-demand (“VOD”) services. Applicants described how the transactions will significantly increase the availability of local programming, including local VOD programming, that

will address the unique needs and interests of consumers in the local communities currently served by Adelphia.¹

Applicants addressed the availability of regional sports networks (“RSNs”) with which they are affiliated. Comcast pointed out that, as a result of the transactions, it is not adding subscribers or is only adding minimal subscribers in all areas in which it is affiliated with an RSN. Consequently, the transactions would not alter Comcast’s incentives in making affiliated RSN programming available to its competitors. Indeed, with only one exception, every RSN already is available to competitive video providers at nondiscriminatory rates, terms, and conditions. And, of course, the program access rules already apply in each of those situations. The one exception is SportsNet Philadelphia, which is not made available to DBS providers (but is available to other distributors). As Applicants have explained repeatedly,² SportsNet Philadelphia is a unique situation for a host of reasons, including the following: (1) the rights to the games aired on the network came with a pre-existing terrestrial delivery system; (2) the Philadelphia market is geographically small (boxed in by Pittsburgh, NY, and Baltimore/DC), so terrestrial delivery makes economic sense; (3) and Comcast was responding to DIRECTV’s exclusive NFL Sunday Ticket package. For these reasons, *SportsNet Philadelphia’s limited exclusivity has been found -- twice by the FCC and once by a court -- to be a legitimate business decision that is permissible under the program access rules.*³

Applicants also thoroughly refuted the argument that DBS subscribership is lower in Philadelphia than in other markets as a result of SportsNet Philadelphia’s limited exclusivity. According to Media Business Corp., which has been tracking DBS penetration by DMA for years, DBS penetration in Philadelphia continues to increase. Indeed, Philadelphia has a DBS penetration of 12.04% as of September 2005.⁴ By way of comparison, the following cities have *lower* DBS penetration: Boston (10.73%), Las Vegas (10.96%), Hartford (8.6%), Providence (9.39%), Springfield-Holyoke (8.65%), Laredo (7.92%), El Paso (11.01%), and Palm Springs (11.80%).⁵ And the following cities have DBS penetration comparable to Philadelphia: New York (15.24%), Tampa (14.03%), Baltimore (14.15%), Milwaukee (15.08%), Norfolk (14.22%), and Harrisburg (13.29%).

¹ To that end, Applicants provided a copy of one of the benefits presentations previously submitted by Time Warner in this proceeding, and Applicants incorporate it by reference. See Letter from Seth A. Davidson, Counsel for Time Warner Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, filed in MB Docket No. 05-192 (Nov. 17, 2005).

² See, e.g., Adelphia, et al., Reply, filed in MB Docket No. 05-192, 45-53 (Aug. 5, 2005) (“Reply”); Letter from Martha E. Heller, Counsel for Comcast Corporation, to Marlene H. Dortch, Secretary, Federal Communications Commission, filed in MB Docket No. 05-192, at 28 (Dec. 22, 2005).

³ See Reply at 46-47.

⁴ Media Business Corp., *Satellite Subscribers by DMA* (data as of Sept. 2005).

⁵ *Id.*

Thus, the claim that SportsNet Philadelphia's limited exclusivity has substantially undermined DBS operators' abilities to compete in Philadelphia is without merit.⁶

Applicants demonstrated that there is no "trend" of migrating RSNs to terrestrial delivery. In fact the opposite is true. For example, in the eight years since Comcast acquired SportsNet Philadelphia, it has acquired or started RSNs in Washington, Chicago, Sacramento, the Southeast, and New York. In each case, Comcast has delivered the RSN via satellite and made the service available to all distributors, including DBS distributors.

Finally, Applicants discussed the concerns raised by the Communications Workers of America ("CWA"). Applicants pointed out that both Time Warner and Comcast have committed to offering positions to all of Adelpia's union employees. In particular, Time Warner directed attention to its recently filed letter that it has offered all of the represented workers in the systems it is acquiring from Adelpia a starting wage rate equal to the employee's wage rate with Adelpia just prior to the closing of the transactions.⁷ Comcast also has offered all Adelpia employees associated with the systems it is acquiring from Adelpia their existing positions and pay rates.⁸

If you have any questions on this matter, please do not hesitate to contact me.

Respectfully submitted,

/s/ Michael H. Hammer

Michael H. Hammer

cc: Commissioner Copps
Jordan Goldstein
Donna Gregg
Sarah Whitesell
Tracy Waldon
Royce Sherlock
Marcia Glauberman
Julie Salovaara
Wayne McKee
Jim Bird
Jeff Tobias

⁶ *Id.*

⁷ *See* Letter from Seth A. Davidson, Counsel for Time Warner Inc., to Marlene Dortch, Secretary, Federal Communications Commission, filed in MB Docket No. 05-192 (Feb. 28, 2006).

⁸ *See* Letter from Martha E. Heller, Counsel for Comcast Corporation, to Marlene Dortch, Secretary, Federal Communications Commission, filed in MB Dkt. No. 05-192 (Mar. 7, 2006).

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