



June 5, 2006

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

Ex Parte Notice

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

Dear Ms. Dortch:

PBS KIDS Sprout ("Sprout") wishes to address a matter raised in ex parte submissions filed by RCN Corporation ("RCN") in the above-captioned docket on May 19, 2006 and on May 26, 2006.¹ As RCN reported, as of July 20, 2006, Sprout's contract with TVN Entertainment ("TVN") will terminate. After that date, the Sprout video-on-demand ("VOD") content will be available via a platform provided by Comcast Media Center ("CMC"). Despite RCN's claims, Sprout VOD content will continue to be made available to Sprout affiliates, including RCN, through TVN or by alternative means until the transition to CMC is complete. Moreover, to ease this transition, CMC will provide the necessary equipment to Sprout affiliates, again including RCN, at no cost.

Sprout's decision to offer its VOD content via CMC was based on several factors. Sprout is a fledgling network, having recently launched its VOD services (in April 2005) and its linear network (in September 2005).² Sprout is a new player in an extremely competitive landscape of established children's television networks.³ Being a start-up

¹ See Letter from Jean L. Kiddoo, Counsel for RCN Corp., to Marlene Dortch, Secretary, Federal Communications Commission (May 19, 2006); Letter from Jean L. Kiddoo, Counsel for RCN Corp., to Marlene Dortch, Secretary, Federal Communications Commission (May 26, 2006).

² See R. Thomas Umstead, *On-Demand Net for Tots Sprouts on Cable*, Multichannel News, Apr. 4, 2005 (announcing launch of VOD service); Mike Reynolds, *PBS' New Kids' Net Sprouts*, Sept. 26, 2005 (announcing launch of linear channel).

³ See Mike Reynolds, *Long Hard Climb*, Multichannel News, Mar. 20, 2006 ("Six months into its existence, Sprout, a joint venture of Comcast Corp., PBS, and programmers HIT Entertainment and Sesame Workshop, reaches 18 million viewers, through Comcast Corp., Insight Communications Co., DirecTV Inc., RCN Corp. and other distributors. But its chief rival, 89 million-home Nickelodeon, dominates the commercial preschool market through its Nick Jr. block, while its educational spin-off service, Noggin,



network, Sprout must be sensitive to its costs. CMC offered Sprout competitive rates for transmission and “one-stop-shopping” for a variety of technical services including encoding and post-production. CMC offered a competitive deal to Sprout that made good business sense.

RCN asserts that Sprout’s VOD service is “must have” programming and complains that it can only get access to the service under onerous conditions. While we believe Sprout VOD is an important service with a bright future, RCN overstates the case when it describes it as “must have.” As noted above, Sprout launched its VOD service in April 2005 into an extremely competitive children’s programming marketplace. It is highly unlikely that the availability of Sprout’s VOD programming would be “must have” or would determine the success of RCN’s VOD service. Moreover, we have from the beginning made Sprout’s VOD programming available to all distributors wishing to carry the service, including RCN. As explained above, our decision to distribute Sprout VOD through CMC was based on sound business reasons. RCN is simply incorrect when it says that it is being denied reasonable access to the service.

Despite RCN’s allegations, Sprout’s arrangement with CMC *benefits* consumers. The use of CMC lowers Sprout’s costs, allowing the network additional resources to invest in the development of quality programming for children. Sprout’s business decision to enter into a contract with CMC for VOD services is wholly irrelevant to the Commission’s transaction review process. The imposition of conditions related to the Adelphia transactions (or any other Commission action for that matter) based on Sprout’s lawful and legitimate business decision described above, is neither necessary nor appropriate.

Sincerely,
/s/ Sandy Wax
Sandy Wax
President, PBS KIDS Sprout

cc: Jim Bird
Rudy Brioche
Neil Dellar
Heather Dixon
Marcia Glauberman
Aaron Goldberger
Kimberly Jackson
JoAnn Lucanik
Leslie Marx
Wayne McKee
Jessica Rosenworcel
Julie Salovaara
Royce Sherlock
Jeff Tobias
Tracy Waldon
Sarah Whitesell
Best Copy and Printing, Inc.

counts 46 million subscribers.”). In addition to their linear offerings, several programmers offer VOD children’s programming, including Nickelodeon, Noggin/The N, Nick Jr., Discovery KIDS, and the Cartoon Network.