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February 28, 2014

**VIA ELECTRONIC FILING**

Accepted/Filed

FEB 28 2014

FCC Office of the Secretary

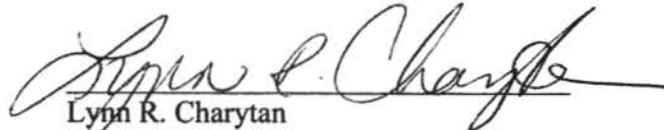
Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554Re: *In the Matter of Applications of Comcast Corporation, General Electric Company, and NBC Universal Inc. for Consent to Assign Licenses and Transfer Control of Licensees*, MB Docket No. 10-56

Dear Ms. Dortch:

In accordance with the provisions of the Memorandum Opinion and Order adopted in the above-referenced proceeding,<sup>1</sup> Comcast Corporation, for itself and on behalf of NBCUniversal Media, LLC (collectively, the "Company"), hereby submits its third Annual Report of Compliance with Transaction Conditions. This report summarizes the steps the Company has taken across its various business units to comply with each of the Conditions in Appendix A of the *Transaction Order*. In addition, in conjunction with this report, the Company is voluntarily including a summary of its many diversity-related achievements for 2013 and its ongoing diversity initiatives. A copy of this combined report is also available as of today at <http://corporate.comcast.com/news-information/nbcuniversal-transaction>.

Please do not hesitate to contact me should you have any questions.

Sincerely yours,



Lynn R. Charytan  
Senior Vice President, Legal Regulatory Affairs,  
Senior Deputy General Counsel  
Comcast Corporation

<sup>1</sup> *Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees*, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) ("*Transaction Order*").

Ms. Marlene H. Dortch  
February 28, 2014  
Page 2

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC

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For Consent to Assign Licenses and )  
Transfer Control of Licensees )

MB Docket No. 10-56

**THIRD ANNUAL REPORT OF COMPLIANCE**  
**WITH TRANSACTION CONDITIONS**

*Comcast Corporation*  
*NBCUniversal Media, LLC*

300 New Jersey Avenue, NW  
Suite 700  
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February 28, 2014

## TABLE OF CONTENTS

	<i>Page</i>
PART ONE: COMPLIANCE WITH SPECIFIC CONDITIONS .....	2
I.    DEFINITIONS.....	2
II.   ACCESS TO COMCAST-NBCUNIVERSAL PROGRAMMING .....	2
III.  CARRIAGE OF UNAFFILIATED VIDEO PROGRAMMING .....	2
1.  Non-Discriminatory Carriage .....	2
2.  Neighborhooding .....	2
3.  New Independent Networks.....	3
4.  Program Carriage Complaints.....	3
IV.  ONLINE CONDITIONS .....	3
A.  Online Program Access Requirements and Procedures.....	3
B.  Exclusivity/Windowing .....	4
C.  Continued Access to Online Content and Hulu.....	5
1.  Continued Programming on NBC.com.....	5
2.  Preexisting OVD Deals.....	5
3.  Provision of Content to Hulu.....	5
4.  Relinquishment of Control over Hulu.....	5
D.  Standalone Broadband Internet Access Service (“BIAS”).....	5
1.  Provision of Standalone BIAS .....	5
2.  Visibly Offer and Actively Market Retail Standalone BIAS.....	6
3.  BIAS Annual Report.....	6
E.  Other BIAS Conditions.....	6
1-2.Specialized Service Requirements.....	6
3.  12 Mbps Offering.....	7
F.  “Specialized Service” on Comcast Set-Top Boxes (“STBs”).....	7
G.  Unfair Practices.....	7
V.   NOTICE OF CONDITIONS .....	7
VI.  REPLACEMENT OF PRIOR CONDITIONS .....	7
VII. COMMERCIAL ARBITRATION REMEDY .....	7
VIII. MODIFICATION TO THE AAA RULES FOR ARBITRATION .....	7
IX.  BROADCAST CONDITIONS.....	8
X.   DIVERSITY CONDITIONS .....	8
1.  Telemundo Multicast Channel.....	9
2-3.Telemundo and mun2 Programming on VOD and Online.....	9
4.  New Weekly Business Program.....	10
5.  Independent Programming Reports .....	10
XI.  LOCALISM .....	11
1.  News, Public Affairs, and Other Local Public Interest Programming.....	11
a.  Preservation of Current Levels of NBC and Telemundo News and Information Programming.....	11
b.  Increased Investment in NBC Local News .....	11
c.  Increased Investment in Telemundo Local News .....	12
2-3. 1,000 Hours of Additional Local News and Information.....	13
a.  NBC Owned Television Stations .....	13

## TABLE OF CONTENTS

	<i>Page</i>
b. Telemundo Station Group.....	14
4. News and Information Programming Reports .....	14
5. Non-Profit News Partners .....	14
6. More VOD Choices at No Additional Charge.....	15
7. Broadcast Content on VOD .....	15
XII. JOURNALISTIC INDEPENDENCE.....	15
XIII. CHILDREN’S PROGRAMMING .....	15
1. Additional Children’s VOD and E/I Programming .....	15
2. Ratings Icons and Parental Controls .....	16
a. Improved Ratings Icons .....	16
b. Improved Parental Controls .....	16
c. Parental Dashboard .....	16
d. Blocking Capabilities of IP-based STBs.....	17
e. Online Ratings Icons.....	17
3. Partnership with Common Sense Media (“CSM”).....	17
4-5. Interactive Advertising .....	18
6. PSAs.....	18
XIV. PEG CONDITIONS.....	18
1. No Migration to Digital Delivery .....	18
2. PEG Carriage on Digital Starter .....	19
3. Quality of PEG Delivery.....	19
4. PEG Pilot Program.....	19
XV. NCE AND LOCAL NCE.....	19
XVI. BROADBAND DEPLOYMENT AND ADOPTION .....	19
1. Broadband Footprint Expansion .....	19
a. 1,500-mile Expansion .....	19
b. Internet Service Upgrades to Rural Communities .....	20
c. Additional Courtesy Accounts .....	20
2. Broadband Adoption – <i>Internet Essentials</i> , the Comcast Broadband Opportunity Program.....	20
XVII. GENERAL.....	22
XVIII. VIOLATIONS .....	22
XIX. REPORTING REQUIREMENTS .....	22
XX. TERM .....	23
<b>PART TWO: OVERVIEW OF PROGRESS ON VOLUNTARY DIVERSITY</b>	
COMMITMENTS.....	23
A. Governance .....	23
B. Workforce Recruitment and Career Development .....	24
C. Supplier Diversity .....	25
D. Programming.....	25
E. Community Investment and Partnerships .....	26
F. Accessibility Initiatives.....	26
G. Catalyst Fund .....	27

## TABLE OF CONTENTS

*Page*

### APPENDICES

- A. NBCUniversal Non-Profit News Partners Progress Report (Jul. 29, 2013)
- B. NBCUniversal Non-Profit News Partners Progress Report (Jan. 28, 2014)
- C. Comcast PEG Pilot Program Progress Report (Jul. 29, 2013)
- D. Comcast PEG Pilot Program Final Report and Evaluation (Jan. 28, 2014)
- E. Comcast Internet Essentials Annual Compliance Report (Jul. 31, 2013)

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
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February 28, 2014

**THIRD ANNUAL REPORT OF COMPLIANCE  
WITH TRANSACTION CONDITIONS**

Comcast Corporation (“Comcast”), for itself and on behalf of NBCUniversal Media, LLC (“NBCUniversal”) (and collectively, the “Company”), submits its third annual report regarding the Company’s compliance with the conditions set forth in Appendix A (the “Conditions”) of the *Transaction Order*<sup>1</sup> for the period of January 29, 2013 through January 28, 2014 (the “Reporting Period”). In accordance with Condition XIX of the *Transaction Order*, a copy of this report is available as of today on the Corporate Website.<sup>2</sup>

This report is structured as follows. *Part One: Compliance with Specific Conditions* reviews the steps the Company has taken during the Reporting Period with respect to each of the Conditions.<sup>3</sup> *Part Two: Overview of Progress on Voluntary Diversity Commitments* highlights some of the diversity and inclusion-related accomplishments that the Company has achieved during the Reporting Period.

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<sup>1</sup> *Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc., for Consent to Assign Licenses and Transfer Control of Licensees*, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (as amended by the Erratum released on March 9, 2011). Capitalized terms have the meaning ascribed herein and do not necessarily conform to the terms or definitions used in the *Transaction Order*.

<sup>2</sup> See <http://corporate.comcast.com/news-information/nbcuniversal-transaction> (“Corporate Website”).

<sup>3</sup> *Part One* is organized to correspond with each section of the Conditions. Where a particular section is definitional only or otherwise does not include directives requiring or prohibiting certain conduct, this report nonetheless includes a reference for completeness.

As previously reported, transaction compliance is led by David L. Cohen, Comcast Corporation's Executive Vice President, and supported by dedicated Transaction Compliance Teams at both Comcast and NBCUniversal. The teams collaborate to ensure consistency in compliance methods, interpretation, and oversight across the Company's numerous business units, train relevant personnel, and review any transaction that may implicate the Conditions.

Compliance oversight efforts were further enhanced during the Reporting Period by the Company-wide deployment of a database that facilitates the Transaction Compliance Teams' review of business unit progress towards meeting of compliance milestones under the Conditions and related commitments and agreements.

## **PART ONE: COMPLIANCE WITH SPECIFIC CONDITIONS**

### **I. DEFINITIONS**

*Provision defining the terms used in the Conditions:* This section is definitional only.

### **II. ACCESS TO COMCAST-NBCUNIVERSAL PROGRAMMING**

*Provision establishing that multichannel video programming distributors ("MVPDs") may submit program access disputes to commercial arbitration:* NBCUniversal remains committed to good faith commercial negotiations designed to make its programming available to MVPDs at a mutually acceptable price, and on mutually acceptable terms and conditions. No MVPD has submitted any program access dispute to commercial arbitration during the Reporting Period.

### **III. CARRIAGE OF UNAFFILIATED VIDEO PROGRAMMING**

#### **1. Non-Discriminatory Carriage**

*Prohibition on the Company discriminating in video programming distribution on the basis of affiliation or non-affiliation:* Compliance with the program carriage requirements is integrated into the Company's day-to-day business and guides its carriage decisions; this is also an area of focus for the Comcast Transaction Compliance Team. No program carriage complaints were filed against Comcast during the Reporting Period. Further, Comcast continued to demonstrate its commitment to the distribution of unaffiliated programming by launching new independent networks and substantially expanding the distribution of several existing independent networks owned by or focused on diverse audiences.<sup>4</sup>

#### **2. Neighborhooding**

*Requirement that independent news channels be included if Comcast creates news neighborhoods:* On September 26, 2013, the Commission ruled on Bloomberg's complaint and

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<sup>4</sup> See also *Part One: Compliance with Specific Conditions*, Section III.3, and *Part Two: Overview of Progress on Voluntary Diversity Commitments*, Section D.

the resulting petitions to deny.<sup>5</sup> Comcast and Bloomberg cross-appealed and the case is pending review.<sup>6</sup> Comcast has fully repositioned Bloomberg Television in all relevant markets in accordance with the Commission's order.

### **3. New Independent Networks**

*Requirement to launch 10 new independently owned or operated networks within eight years, eight of which are to be minority owned or controlled:* Comcast has now launched five of the 10 independent networks that it committed to in the Transaction. As previously reported, Comcast launched BBC World News in 2011 and, with the 2012 launch of AsPIRE and Baby First Americas, satisfied the first milestone of its voluntary commitment to launch independent networks with Hispanic American or African American ownership or management. Comcast has now satisfied the second milestone by launching two additional minority owned or operated independent channels during the Reporting Period: First, REVOLT, a new music and pop culture network created by music icon Sean "Diddy" Combs and MTV veteran Andy Schuon, launched in October 2013 and is now available in 25 Comcast markets.<sup>7</sup> Second, in December 2013, Comcast began distributing El Rey, a new network by acclaimed writer-director Robert Rodriguez for Hispanic and general audiences that includes programming that features, and is produced or directed by, Hispanic celebrities and public figures. El Rey is now available in 18 Comcast markets.

### **4. Program Carriage Complaints**

*Procedure for bringing carriage complaints:* This section is administrative in nature.

## **IV. ONLINE CONDITIONS**

### **A. Online Program Access Requirements and Procedures**

*Provision setting forth program access requirements that obligate the Company to provide its programming for online display by third parties in certain circumstances:* Agreements with online video distributors ("OVDs") have become a regular part of the Company's program licensing business, as they were before the Transaction. NBCUniversal entered into or renewed agreements with several OVDs during the Reporting Period, including

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<sup>5</sup> *Bloomberg L.P. v. Comcast Cable Communications, LLC*, MB Docket No. 11-104, Memorandum Opinion and Order (rel. Sep. 26, 2013).

<sup>6</sup> *Bloomberg L.P. v. Federal Communications Commission*, Case No. 13-3788 (2d Cir.).

<sup>7</sup> J.T. Ramsay, *Comcast Brings REVOLT to Xfinity TV* (Oct. 21, 2013), <http://corporate.comcast.com/comcast-voices/comcast-brings-revolt-to-xfinity-tv>.

deals with Amazon,<sup>8</sup> Drama Fever,<sup>9</sup> Hoopla,<sup>10</sup> Netflix, Sensio,<sup>11</sup> and others, as well as deals with several MVPDs that include access to linear channels across multiple platforms. In addition to these arrangements, NBCUniversal continues to negotiate with OVDs for carriage of its linear programming networks.

The applications for review in the Project Concord arbitration remain pending,<sup>12</sup> as does the application for review filed by several content companies challenging the Media Bureau's clarification that OVDs invoking the Benchmark Condition must disclose the terms of the comparable peer agreements to NBCUniversal's outside counsel and consultants to the extent necessary to enable NBCUniversal to carry out its obligations under the Condition.<sup>13</sup>

## **B. Exclusivity/Windowing**

*Restriction on the Company's ability to enter into or enforce provisions designed to limit online video distribution, except in certain circumstances:* The Company carefully reviews proposals to limit online display of video programming, whether in carriage or licensing agreements, to ensure compliance with this Condition. The Company believes that its approach positions it as the most "online friendly" programmer and MVPD in the industry. Notably, the Company continually receives proposals from MVPDs and programmers alike that seek to limit online display of programming, illustrating the degree to which the practice remains common in the industry.

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<sup>8</sup> Press Release, Prime Instant Video Adds Exclusive Subscription Streaming Access to Popular NBCUniversal shows Covert Affairs, Defiance, Grimm, Hannibal, and Suits (May 16, 2013), <http://www.businesswire.com/news/home/20130516005743/en/Prime-Instant-Video-Adds-Exclusive-Subscription-Streaming>.

<sup>9</sup> T. Spangler, *NBCU's Telemundo Sets Streaming Deal for Telenovelas with DramaFever* (Dec. 13, 2013), <http://variety.com/2013/digital/news/nbcus-telemundo-sets-streaming-deal-for-telenovelas-with-dramafever-exclusive-1200952682/>.

<sup>10</sup> Press Release, Hoopla Digital Announces Agreements with Universal Pictures, MGM, National Geographic and BBC America to Expand Mobile Content Offering for Public Libraries (Nov. 6, 2013), <http://www.prnewswire.com/news-releases/hoopla-digital-announces-agreements-with-universal-pictures-mgm-national-geographic-and-bbc-america-to-expand-mobile-content-offering-for-public-libraries-231080121.html>.

<sup>11</sup> Press Release, Sensio Announces Licensing Agreement with Universal Studios to Offer D Movies on 3DGO! (Oct. 13, 2013), [http://sensio.tv/news\\_print.php?lang=en&id=108](http://sensio.tv/news_print.php?lang=en&id=108).

<sup>12</sup> *In the Matter of Arbitration between Project Concord, Inc. v. NBCUniversal Media, LLC*, MB Docket No. 10-56, Project Concord, Inc. Application for Review (filed Dec. 13, 2012); NBCUniversal Media LLC's Application for Review (filed Dec. 13, 2012).

<sup>13</sup> MB Docket No. 10-56, Order (rel. Dec. 4, 2012).

## **C. Continued Access to Online Content and Hulu**

### **1. Continued Programming on NBC.com**

*Requirement to continue to provide equivalent programming on NBC.com on equivalent terms and conditions:* During the Reporting Period, NBC.com maintained programming of the equivalent type, quantity, and quality as provided by the site on the date of the *Transaction Order*, and on equivalent terms and conditions.

### **2. Preexisting OVD Deals**

*Obligation to honor any agreement or arrangement entered into before the date of the Transaction Order providing rights to online video programming:* Preexisting licenses for online display of programming continue to be honored until the close of their existing terms, absent material breach by the licensee.

### **3. Provision of Content to Hulu**

*Requirement that NBCUniversal renew its agreements with Hulu on substantially the same terms and conditions as the other two content partners (Disney-ABC Television Group and Fox Entertainment Group):* As previously reported, the parties' interactions in this regard have been conducted in accordance with the provisions of this Condition.

### **4. Relinquishment of Control over Hulu**

*Obligation to convert NBCUniversal's interest in Hulu to one that is purely economic:* As previously reported, this obligation has been completed.<sup>14</sup>

## **D. Standalone Broadband Internet Access Service ("BIAS")**

### **1. Provision of Standalone BIAS**

*Requirement to provide BIAS on a standalone basis and to offer a new 6 Mbps down service at no more than \$49.95 per month:* Comcast continues to offer, on a standalone basis and at reasonable prices, any tiers of BIAS that it offers on a bundled or multi-product basis. Comcast also offers its "Performance Starter" tier, a 6 Mbps down standalone BIAS service, priced at \$49.95 per month. Pursuant to the *Broadband Consent Decree* entered into with the Commission on June 27, 2012, Comcast will continue to offer Performance Starter at least

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<sup>14</sup> Letter from Lynn R. Charytan, Senior Vice President, Legal Regulatory Affairs, Senior Deputy General Counsel, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56 (Feb. 22, 2011).

through February 21, 2015.<sup>15</sup> The *Broadband Consent Decree* also imposes training and other requirements to reinforce Comcast's standalone BIAS obligations, which are discussed in a separate report.

## **2. Visibly Offer and Actively Market Retail Standalone BIAS**

*Obligation to visibly offer and actively market standalone BIAS:* Comcast regularly promotes standalone BIAS in its general marketing efforts, referencing the standalone BIAS options in advertisements and other promotional materials. As required by the *Broadband Consent Decree*, Comcast supplemented its normal practices during the Reporting Period with an additional major advertising campaign for its standalone BIAS offerings. As previously reported, Comcast has implemented safeguards designed to ensure that standalone BIAS services are actively marketed, including a requirement that all Comcast's customer service representatives ("CSRs") undergo training, and that all information concerning standalone BIAS offerings, including Performance Starter, is included on Comcast product lists and in ordering systems at Comcast retail locations. Comcast also maintains a linkable web page devoted exclusively to describing (*e.g.*, price and speed) and permitting online purchase of all retail standalone BIAS offerings, including Performance Starter, by both new and existing Comcast customers. In fact, an increasing percentage of the standalone BIAS customers are signing up through the web page. These commitments have been reinforced – and with respect to training, expanded – pursuant to the *Broadband Consent Decree*.

## **3. BIAS Annual Report**

*Requirement that Comcast file a report regarding its compliance with Condition IV.D.1 annually and upon any standalone BIAS price adjustment:* Comcast filed the reports required by this Condition.<sup>16</sup>

### **E. Other BIAS Conditions**

#### **1-2. Specialized Service Requirements**

*Requirements that apply should Comcast offer a "Specialized Service" that includes its own or third party content:* Comcast is not offering any "Specialized Service" as described in Condition IV.E.

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<sup>15</sup> Comcast agreed to extend the Standalone BIAS Condition for one year (until February 21, 2015) and change the earliest date upon which it is permitted to increase the price of Performance Starter to August 22, 2013. *In the Matter of Comcast Corporation*, File No.: EB-11-IH-0163, Consent Decree (rel. Jun. 27, 2012) ("*Broadband Consent Decree*"), at ¶ 15.

<sup>16</sup> Letters from Lynn R. Charytan, Senior Vice President, Legal Regulatory Affairs, Senior Deputy General Counsel, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56 filed on Feb. 22, 2013, May 5, 2013, and February 21, 2014.

### **3. 12 Mbps Offering**

*Obligation to offer a BIAS tier of at least 12 Mbps down in all Comcast DOCSIS 3.0 markets:* A “Performance” service tier with at least 12 Mbps download speeds continues to be offered across Comcast’s entire DOCSIS 3.0 footprint. During the Reporting Period, the downstream speed of the Performance tier was increased to at least 20 Mbps in Comcast’s top 30 markets – and in fact, each of those same markets offers service with downstream speed of at least 105 Mbps.

#### **F. “Specialized Service” on Comcast Set-Top Boxes (“STBs”)**

*Provision noting that the requirements of Condition IV.E.1 and 2 will apply should Comcast STBs enable access to a “Specialized Service”:* Because Comcast is not offering any “Specialized Service” as described in Condition IV.E, this Condition does not apply.

#### **G. Unfair Practices**

*Prohibition on unfair methods of competition, retaliation, and improper influence:* The requirements of this Condition are consistent with the Company’s ordinary business practices and have been fully complied with.

### **V. NOTICE OF CONDITIONS**

*Requirement that the Company provide notice of the Conditions to OVDs, MVPDs, and video programming vendors in connection with expiring agreement or new requests:* In response to new requests for carriage or programming, or expiring agreements, the Company provides the requesting party with a copy of the Conditions by e-mail. During the Reporting Period, NBCUniversal distributed over 1,100 notices of Conditions to MVPDs, video programming vendors, and OVDs, and Comcast distributed approximately 220 notices to programmers.

### **VI. REPLACEMENT OF PRIOR CONDITIONS**

*Provision replacing Adelphia arbitration procedures:* This Condition is administrative in nature.

### **VII. COMMERCIAL ARBITRATION REMEDY**

*Procedures for arbitration:* This Condition is administrative in nature; however, to the extent that the Company has engaged in arbitration pursuant to the Conditions to date, these procedures have governed.

### **VIII. MODIFICATIONS TO AAA RULES FOR ARBITRATION**

*Modification of the American Arbitration Association’s rules:* This Condition is administrative in nature.

## IX. BROADCAST CONDITIONS

*Requirement to comply with Sections 2, 3, and 7 of the June 3, 2010 Agreement between Comcast Corporation, NBC Universal, Inc., and the NBC Television Affiliates (the "NBC Affiliates Agreement"), and with all of the terms of the June 21, 2010 Agreement between Comcast Corporation and the ABC Television Affiliates Association, the CBS Television Network Affiliates Association, and the FBC Television Affiliates Association (the "ABC, CBS and Fox Affiliates Agreement")*<sup>17</sup>: As previously reported, the Company maintains separation between its cable and broadcast businesses with respect to NBCUniversal's negotiation of affiliation agreements and retransmission consent agreements with non-Comcast MVPDs, and Comcast's negotiations of retransmission consent agreements with broadcasters.<sup>18</sup> In addition, the Company abides by its affiliate market integrity obligations,<sup>19</sup> and it has maintained major sporting events on the NBC Network, including approximately 182.5 hours of 2014 Sochi Winter Olympics coverage earlier this month.<sup>20</sup>

## X. DIVERSITY CONDITIONS

The Company continues to strengthen and enrich its offering of diverse programming choices, expanding the distribution of diverse networks, and featuring thousands of On Demand ("VOD") and On Demand Online ("Online") choices geared toward African American, Asian American, and Hispanic audiences. Since the Closing of the Transaction, Comcast has launched a family of award-winning microsites specific to the diverse communities.<sup>21</sup> In 2013, Comcast launched [Xfinity.com/Asia](http://Xfinity.com/Asia), an online portal that brings together a wealth of Asian-Pacific entertainment content from a variety of sources.<sup>22</sup> The microsite gives Xfinity customers access to special programming across the Xfinity platforms – TV, VOD, online, and on mobile devices. Comcast also launched [Xfinity.com/CelebrateBlackTV](http://Xfinity.com/CelebrateBlackTV), a new Internet destination featuring special programming celebrating Black History Month recognizing the many contributions of the

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<sup>17</sup> Appendix F to the *Transaction Order*.

<sup>18</sup> NBC Affiliates Agreement, at § 3.

<sup>19</sup> NBC Affiliates Agreement, at §§ 2, 7.

<sup>20</sup> A. Kondoljy, *NBCUniversal to Provide Unprecedented Coverage of 2014 Sochi Olympics* (Dec. 19, 2013), <http://tvbythenumbers.zap2it.com/2013/12/19/nbcuniversal-to-provide-unprecedented-coverage-of-2014-sochi-olympics/223746/>.

<sup>21</sup> See Xfinity - The Most Multicultural Content Anywhere, Anytime, <http://corporate.comcast.com/news-information/news-feed/the-most-multicultural-content-anywhere-anytime>.

<sup>22</sup> Press Release, Xfinity Launches Online Destination for Asian-Pacific Entertainment (May 2, 2013), <http://corporate.comcast.com/news-information/news-feed/xfinity-launches-online-destination-for-asian-pacific-entertainment>.

African-American culture and community to the US and the world.<sup>23</sup> And, to commemorate the 50th anniversary of the March on Washington led by Martin Luther King, Jr., the Company launched [HisDreamOurStories.com](http://HisDreamOurStories.com), an award-winning website featuring more than 80 interviews with civic leaders, elders, clergy, and activists involved in the Civil Rights movement.<sup>24</sup>

The newly-created Hispanic Enterprises and Content unit is charged with expanding NBCUniversal's reach and relevance to Hispanic audiences across its news and entertainment platforms. The Telemundo network ranked as the fastest growing Spanish-language network year-over-year in primetime among total viewers and adults 18-49,<sup>25</sup> and Telemundo Studios, the biggest producer of Spanish-language original content in the country, continues to expand a production operation that now delivers more than 750 hours of telenovela programming a year through its Miami studios. According to *Variety*, "NBCUniversal's willingness to invest in making Telemundo more competitive in its battle against Univision and other outlets vying for Hispanic audiences has been a spark for the domestic Spanish-language marketplace."<sup>26</sup>

### **1. Telemundo Multicast Channel**

*Requirement that the Company launch a new multicast channel on its Telemundo Station Group stations by January 28, 2012, and make this programming available to Telemundo affiliates:* As previously reported, this obligation has been completed.

### **2-3. Telemundo and mun2 Programming on VOD and Online**

*Requirement that the Company use its VOD and Online platforms to feature Telemundo programming and increase the number of Telemundo and mun2 VOD programming choices from 35 to 100 choices within 12 months and by an additional 200 choices within 3 years:* The Company has met the three year milestone required by this Condition. By the end of the Reporting Period, there were 335 Telemundo and mun2 VOD programming choices available on

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<sup>23</sup> Press Release, Comcast's Xfinity Celebrates Black History Month with Special Entertainment Collection and Online Destination (Jan. 31, 2013), <http://corporate.comcast.com/news-information/news-feed/comcasts-xfinity-celebrates-black-history-month-with-special-entertainment-collection-and-online-destination>.

<sup>24</sup> R. T. Umstead, *Comcast, Cable Nets to Commemorate 'March on Washington' Anniversary* (Aug. 23, 2013), <http://www.multichannel.com/blogs/picture/comcast-cable-nets-commemorate-%E2%80%98march-washington%E2%80%99-anniversary>.

<sup>25</sup> A. Kondoljy, *Telemundo is the Fastest Growing Network in Adults 18-49 During Primetime Compared to Last Summer* (Aug. 28, 2013), <http://tvbythenumbers.zap2it.com/2013/08/28/telemundo-is-the-fastest-growing-network-in-adults-18-49-during-primetime-compared-to-last-summer/199865/>.

<sup>26</sup> C. Littleton, *NBCUniversal Bets Big on Original Spanish-Lingo Productions* (Jul. 30, 2013), <http://variety.com/2013/tv/news/nbcuniversal-bets-big-on-original-spanish-lingo-productions-1200569558/>.

Comcast's central VOD storage facilities.

Telemundo became the fourth NBCUniversal network to launch a TV Everywhere product: the Telemundo Now mobile app and [TelemundoNow.com](http://TelemundoNow.com), both of which allow authenticated viewers to watch full episodes of Telemundo's best programs on the web.<sup>27</sup> Telemundo and mun2 programming is available to authenticated subscribers on Comcast's XfinityTV.com portal, which featured over 200 Telemundo and mun2 choices, including full-length episodes of popular programs like Telemundo's *Rosa Diamante*, and *Dama y Obrero*, and mun2's *Larrymania*.<sup>28</sup> In addition, Telemundo and mun2 continue to offer long and short form programming on their respective websites.<sup>29</sup>

#### 4. New Weekly Business Program

*Obligation to work with an independent producer to produce a new weekly business news program:* As previously reported, the Company fulfilled this obligation.

#### 5. Independent Programming Reports

*Requirement to file quarterly reports concerning the independent programming aired by the Company's owned or controlled stations and programming networks:* The Company filed reports with the Commission containing information on the independent programming aired by each of the Company's owned or controlled stations and programming networks during each calendar quarter.<sup>30</sup> The reports were posted and remain available on the Corporate Website, and are also accessible through a link posted on the homepage of each reporting station or network. While the Condition establishes no target, it is worth noting that, as detailed in the reports, the Company's owned or controlled stations and programming networks collectively aired approximately 123,942 hours of independent programming during 2013, an average of almost 31,000 hours per quarter.

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<sup>27</sup> TVNewsCheck.com, *Telemundo Media Launches TV Everywhere* (Oct. 22, 2013), [www.tvnewscheck.com/article/71407/telemundo-media-launches-tv-everywhere](http://www.tvnewscheck.com/article/71407/telemundo-media-launches-tv-everywhere).

<sup>28</sup> See <http://xfinitytv.comcast.net/tv-networks/Telemundo/80/main> and <http://xfinitytv.comcast.net/tv-networks/mun2/484/main>.

<sup>29</sup> See <http://msnlatino.telemundo.com/videos/allprograms> and <http://www.mun2.tv/watch/full-episodes>.

<sup>30</sup> The reports were filed in MB Docket No. 10-56 on the following dates: April 15, 2013 (first quarter); July 15, 2013 (second quarter); October 31, 2013 (third quarter); and January 15, 2014 (fourth quarter) and are available at <http://corporate.comcast.com/news-information/nbcuniversal-transaction/independent-programming>.

## XI. LOCALISM

### 1. News, Public Affairs, and Other Local Public Interest Programming

*Obligation to “preserve and enrich the output of local news, local public affairs, and other public interest programming” through the use of certain windows on the NBCUniversal-owned stations, time slots on the cable channels, and Comcast VOD and Online platforms:* Beyond the considerable, long-term investments in local news operations summarized in previous annual reports, the Company continues to preserve and enhance local news by making strategic investments in its owned stations, including new and upgraded broadcast facilities in the Dallas-Fort Worth and Philadelphia markets.<sup>31</sup>

#### a. Preservation of Current Levels of NBC and Telemundo News and Information Programming

*Prohibition on reduction of current level of news and information programming on the stations that comprise the NBC Owned Television Stations and Telemundo Station Group divisions:* During the Reporting Period, the NBCUniversal-owned NBC and Telemundo television stations collectively aired more news and information programming than aired in the year preceding the Closing of the Transaction.

#### b. Increased Investment in NBC Local News

*Obligation to expand newscasts at the stations that comprise the NBC Owned Television Stations division:* The NBC Owned Television Stations division continues to make significant investments in its stations. A key highlight was the October 2013 inauguration of a state-of-the-art broadcasting and multimedia facility for KXAS in Dallas-Fort Worth. The building is also home to Telemundo Dallas (KXTX), and the NBC News Dallas-Fort Worth network bureau.<sup>32</sup> The NBC Owned Television Stations division also increased its newsgathering capabilities with the addition of a new news helicopter at WCAU in Philadelphia, a new specialized weather truck at WRC in Washington, D.C. and a new satellite and microwave truck at WVIT in Connecticut,

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<sup>31</sup> In addition, Telemundo launched a new \$10 million studio at its Hialeah headquarters as part of its preparations for coverage of the FIFA World Cup Soccer series, beginning in 2015. See C. Lackner, *Telemundo Launches \$10 Million Studio*, *Miami Today* (Aug. 15, 2013) <http://www.miamitodaynews.com/2013/08/15/telemundo-launches-10-million-studio/>.

<sup>32</sup> TVNewsCheck.com, *KXAS Opens State-of-the-Art Building* (Oct. 1, 2013), [www.tvnewscheck.com/article/70871/kxas-opens-stateoftheart-building](http://www.tvnewscheck.com/article/70871/kxas-opens-stateoftheart-building).

among other investments. In addition, in 2013 WMAQ in Chicago added five new members to its investigative team to bolster its investigative coverage.<sup>33</sup>

The NBC Owned Television Stations won a number of awards in 2013 for local news coverage and investigations conducted in the prior year, including a National Edward R. Murrow Award for WNBC in New York for its breaking news coverage of Hurricane Sandy,<sup>34</sup> and a Peabody Award for WVIT in Connecticut for its coverage of the Sandy Hook Elementary School tragedy.<sup>35</sup>

c. Increased Investment in Telemundo Local News

*Obligation to increase investment in the Telemundo Station Group's locally-produced newscasts, over three years:* The news operations of the Telemundo Station Group's stations continue to benefit from the Company's multimillion dollar investment. As mentioned above, Telemundo Dallas (KXTX) now shares a state-of-the-art broadcasting and multimedia news facility with sister station NBC Dallas-Fort Worth. In addition, Telemundo Philadelphia (WWSI), one of two new stations added to the Telemundo Station Group during the Reporting Period,<sup>36</sup> began airing two new, Spanish-language newscasts on January 13, 2014 during weeknights at 6:00 and 11:00 P.M., the first-ever local newscast for the station.<sup>37</sup> The newscasts originate from the same facility that houses NBC 10 Philadelphia (WCAU), which allows

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<sup>33</sup> A. Dodson, *WCAU SkyForce 10 Features All The Bells And Whistles* (Aug. 8, 2013), <http://www.tvnewscheck.com/playout/2013/08/wcau-skyforce-10-features-all-the-bells-and-whistles/>; L. Cayne, *Storm Team 4x4 Broadcasts From the Storms* (May 30, 2013), <http://www.nbcwashington.com/news/local/Storm-Team-4x4-Broadcasts-From-the-Storms-209548531.html>; D. McAdams, *WVIT-TV Unveils HD ENG Truck* (Aug. 8, 2013), <http://www.tvtechnology.com/article/wvit-tv-unveils-hd-eng-truck/220915>; L. Lazare, *WMAQ-Channel 5 to Expand Investigative Team* (Jun. 26, 2013), <http://www.bizjournals.com/chicago/news/2013/06/26/wmaq-channel-5-to-expand-investigative.html?page=all>.

<sup>34</sup> See list of 2013 National Edward R. Murrow Award Winners at [http://rtdna.org/content/2013\\_national\\_edward\\_r\\_murrow\\_award\\_winners#.UvLGf9K1yM4](http://rtdna.org/content/2013_national_edward_r_murrow_award_winners#.UvLGf9K1yM4).

<sup>35</sup> D. Marzalek, *Local News Peabody Winners Up Close, Pt. 2* (Apr. 3, 2013), <http://www.tvnewscheck.com/article/66737/local-news-peabody-winners-up-close-pt-2>.

<sup>36</sup> TVNewsCheck.com, *Telemundo Closes on Purchase of WWSI* (Jul. 2, 2013), [www.tvnewscheck.com/article/68674/telemundo-closes-on-purchase-of-wws-i](http://www.tvnewscheck.com/article/68674/telemundo-closes-on-purchase-of-wws-i); Press Release, NBCUniversal Owned Stations Acquire KTLN-TV in Rio Grande City, Texas (Jan. 2, 2014), <http://nbcumv.com/mediavillage/localmediadivision/nbclocalmediadivision/pressreleases?pr=contents/press-releases/2014/01/02/nbcuniversalown1506404.xml>.

<sup>37</sup> WWSI has long been a Telemundo affiliate, but did not produce local news under its previous owners.

Telemundo Philadelphia to benefit from the equipment and expertise of its sister station.<sup>38</sup> The newscasts also benefit from new technology investments at Telemundo Philadelphia, including a more powerful transmitter and a stronger antenna for HD broadcasts. In support of the launch, Telemundo Philadelphia recruited 15 Spanish-speaking journalists and other professionals to fill the roles of reporter, producer, anchor, and photographer, as well as positions in sales, finance, and engineering.<sup>39</sup>

### **2-3. 1,000 Hours of Additional Local News and Information**

#### **a. NBC Owned Television Stations**

*Requirement that the stations that comprise the NBC Owned Television Stations division produce an additional 1,000 hours per year of original, local news and information programming to air on multiple platforms:* During 2013, across the 10 stations that comprise the NBC Owned Television Stations division, the Company produced and aired approximately 2,500 hours of regularly scheduled local news programming over and above the amount aired in the year preceding the Closing of the Transaction.<sup>40</sup> This total exceeds the requirement in this Condition by approximately 1,500 hours. As previously reported, the increase was accomplished primarily by expanding local newscasts on the stations' primary channels. In the last year, several NBC Owned Television Stations continued to increase the news and information programming they provide to their local communities, including additional weekend news broadcasts on WMAQ in Chicago, KNBC in Southern California, and WNBC in New York. WCAU in Philadelphia added a new local high school sports show to its weekend schedule, including extensive highlights and scores from high school games across the Pennsylvania, New Jersey, and Delaware viewing area.<sup>41</sup>

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<sup>38</sup> TVNewsCheck.com, *Telemundo's WWSI Gets Ready to Make News* (Dec. 10, 2013), [www.tvnewscheck.com/article/72577/telemundos-wysi-gets-ready-to-make-news](http://www.tvnewscheck.com/article/72577/telemundos-wysi-gets-ready-to-make-news).

<sup>39</sup> TVNewsCheck.com, *WWSI Philly Hiring 15 to Launch Local News* (Sep. 11, 2013), [www.tvnewscheck.com/article/70384/wysi-philly-hiring-15-to-launch-local-news](http://www.tvnewscheck.com/article/70384/wysi-philly-hiring-15-to-launch-local-news).

<sup>40</sup> In 2013, the stations that comprise the NBC Owned Television Stations division continued to add local news programming on their primary channels; however reductions in the local newscasts on the stations' multicasts resulted in a small net reduction from 2012. Nonetheless, the stations maintained a cumulative total of local news and information programming approximately 2,500 hours above the news totals in the year preceding the Closing of the Transaction.

<sup>41</sup> M. Knox, *WMAQ Expands Weekend Morning Newscasts* (Jul. 9, 2013), [http://www.mediabistro.com/tvspy/wmaq-expands-weekend-morning-newscasts\\_b96847](http://www.mediabistro.com/tvspy/wmaq-expands-weekend-morning-newscasts_b96847); TVNewsCheck.com, *KNBC L.A. Expands Weekend Newscasts* (Feb. 6, 2013), <http://www.tvnewscheck.com/article/65312/knbc-la-expands-weekend-newscasts>; TVNewsCheck.com, *WCAU Expands High School Sports Coverage* (Aug. 21, 2013), <http://www.tvnewscheck.com/article/69879/wcau-expands-high-school-sports-coverage>.

In addition, COZI TV, a 24 hour national network that airs on the NBC-owned stations' multicast channels, also offers flexible time blocks for the stations to air expanded coverage of local and national news, sports, and special events. The extra capacity on the multicast channels was used to provide expanded coverage of local news and public affairs, such as the final debate in the New York City's Mayor's race.

b. Telemundo Station Group

*Requirement that at least six of the stations that comprise the Telemundo Station Group division collectively produce an additional 1,000 hours per year of original, local news and information programming:* During 2013, the owned Telemundo stations collectively produced and aired approximately 2,300 hours of regularly scheduled local news programming over and above the amount aired in the year preceding the Closing of the Transaction, not including the news from the recently acquired stations. This total exceeds the requirement in this Condition by approximately 1,300 hours. News and information programming added during this Reporting Period includes new local weekend newscasts at Telemundo's new station in Philadelphia, and an expansion of the morning news from one to two hours each day at Telemundo's New York area station.

**4. News and Information Programming Reports**

*Requirement to file quarterly reports regarding the news and information programming aired on the stations that comprise the NBC Owned Television Stations and the Telemundo Station Group divisions:* The Company filed reports with the Commission containing information on the news and information programming aired by the stations that comprise the NBC Owned Television Stations and the Telemundo Station Group divisions during each calendar quarter.<sup>42</sup> The reports were posted and remain available on the Corporate Website, and are also accessible through a link posted on the homepage of each reporting station. While the Condition establishes no target, it is noteworthy that, as detailed in the reports, the stations that comprise the NBC Owned Television Stations and the Telemundo Station Group divisions collectively aired approximately 27,913 hours of news and information programming during 2013, an average of almost 7,000 hours per quarter.

**5. Non-Profit News Partners**

*Requirement that half of the 10 stations that comprise the NBC Owned Television Stations division establish cooperative arrangements with locally focused non-profit news organizations:* Attached as Appendices A and B and incorporated by reference are the reports filed on July 29, 2013 and January 28, 2014 pursuant to and reporting compliance with this

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<sup>42</sup> The reports were filed in MB Docket No. 10-56 on the following dates: April 15, 2013 (first quarter); July 15, 2013 (second quarter); October 31, 2013 (third quarter); and January 15, 2014 (fourth quarter) and are available at <http://corporate.comcast.com/news-information/nbcuniversal-transaction/news-and-information-programming>.

Condition.<sup>43</sup> As required by Condition XI.5.f, copies of both reports were posted and remain available for public viewing on the homepage of each of the 10 stations that comprise the NBC Owned Television Stations division.

## **6. More VOD Choices at No Additional Charge**

*Obligation to continue providing at least 20,000 VOD choices at no additional charge to Comcast customers within three years of the Closing of the Transaction:* The Company has met the three year milestone required by this Condition. During 2013, the total number of VOD choices available at no additional charge to Comcast customers averaged 38,991 a month, nearly doubling the 20,000 choices needed to satisfy the final year-three requirement of this Condition.

## **7. Broadcast Content on VOD**

*Obligation to make available certain broadcast content at no additional charge on Comcast's VOD service for three years after the Closing of the Transaction:* The Company has met the three year milestone required by this Condition. During 2013, Comcast offered an average of 739 VOD broadcast content choices a month (or a cumulative total of about 9,000 choices) to its customers at no additional charge; and Comcast's VOD service continues to be the only VOD service that offers programming from all four major broadcast networks as soon as the day after it airs.

## **XII. JOURNALISTIC INDEPENDENCE**

*Requirement that the Company continue NBCUniversal's policy of journalistic independence:* NBCUniversal's policy of journalistic independence remains in effect and is overseen by David McCormick, NBCUniversal News Ombudsman and Vice President of Standards at NBC News, and supported by Kevin Keeshan, Senior Vice President, News Content and Standards, of the NBC Owned Television Stations division and Osvaldo "Ozzie" Martínez, Telemundo News and Standards. Comcast has likewise adopted a policy to ensure the journalistic independence of the news programming organizations of all NBCUniversal networks and stations.

## **XIII. CHILDREN'S PROGRAMMING**

### **1. Additional Children's VOD and E/I Programming**

a-b. *Requirement to add an additional 500 VOD programming choices appealing to children and families to Comcast's central VOD storage facilities by year-one and an additional 1,000 choices by year-three:* The Company has met the three year milestone required by this Condition. Total children's VOD programming choices during 2013 averaged 6,871 per month. This represents 4,093 more children's VOD choices than the 2,778 average monthly choices

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<sup>43</sup> Letters from Lynn R. Charytan, Senior Vice President, Legal Regulatory Affairs, Senior Deputy General Counsel, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56, dated July 29, 2013 and January 28, 2014.

available during the year preceding the Closing of the Transaction. In addition, Comcast has provided its authenticated subscribers with access to most of these additional VOD programs through XfinityTV.com to the extent it had the rights to do so. Comcast also launched its Xfinity TV “Summer of Kids” event to spotlight its substantial library of family-friendly VOD content, along with more than 1,000 downloadable children’s assets.<sup>44</sup>

c. *Obligation to provide one additional hour per week of children’s “core” E/I programming:* As previously reported, all 10 stations that comprise the NBC Owned Television Stations division are airing an additional (fourth) hour of children’s E/I programming every week on their qualifying multicast channels. The Telemundo Station Group is also airing an additional hour of E/I programming every week on each station’s primary channel, and now airs two hours of children’s educational programming on each station’s primary channel on Saturday and Sunday morning, for a total of four hours per week.

## **2. Ratings Icons and Parental Controls**

### **a. Improved Ratings Icons**

*Requirement that the Company provide clear and understandable on-screen TV ratings information for all original entertainment programming on its broadcast and cable networks in compliance with the cable industry’s best-practice standards:* As previously reported, NBCUniversal broadcast and cable networks have implemented the improved ratings icons required by this Condition.

### **b. Improved Parental Controls**

*Requirement that the Company provide improved parental controls for Comcast program guides and STB applications:* As previously reported, Comcast enhanced the functionality of the parental controls in 2011.

### **c. Parental Dashboard**

*Obligation to provide a parental dashboard that places all parental controls in one place, and white listing capabilities on tru2way boxes, by the end of 2013:* The requirements of this Condition have been fulfilled. Comcast’s set top boxes (“STBs”), including tru2way boxes, include a menu-level parental control center where parents can set PIN access to block content based on ratings, channel, or program title. In addition, Comcast offers a VOD folder containing Common Sense Media (“CSM”) rated materials divided into subfolders for different ages. This “whitelisting” feature gives parents the opportunity to find and play age-appropriate, third-party-evaluated content for their children. For ease of access, the VOD folder is also accessible through a channel number on the programming guide.

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<sup>44</sup> Press Release, Xfinity TV Delivers Biggest Kids Event Ever (Jul. 1, 2013), <http://corporate.comcast.com/news-information/news-feed/comcasts-xfinity-tv-launches-biggest-kids-event-ever-bringing-parents-and-on-the-go-families-the-best-kids-content-from-top-networks>.

Comcast also launched a parental controls microsite (<http://xfinity.comcast.net/parents/>) to help parents manage what their kids are watching on TV, Online, and on mobile devices. The parental controls microsite provides an abundance of resources to help families make smarter decisions about what is age-appropriate for their children online and on TV, including games, tips, and how-to guides. Families can learn here how to talk about online behavior, explore TV and movie ratings, decide what content is age appropriate, and set controls across a variety of platforms – whether a smartphone, tablet, laptop, computer, or TV. Additionally, the Xfinity To Go app features a dedicated family and kids content section, making it easier than ever for parents to find what they are looking for while on-the-go.<sup>45</sup>

d. Blocking Capabilities of IP-based STBs

*Obligations to provide parental controls and blocking capabilities for IP-based STBs:* Comcast does not currently offer IP-based STBs, so the obligations in this sub-section have not been triggered.

e. Online Ratings Icons

*Obligation to include program ratings information in the Company's produced or licensed programming that the NBCUniversal networks provide to NBC.com, to other NBCUniversal websites, and to Hulu.com:* As previously reported, all of the programming provided by the NBCUniversal networks to NBC.com, other NBCUniversal websites, and Hulu.com includes online program ratings information.

**3. Partnership with Common Sense Media (“CSM”)**

*Requirement to expand the Company's partnership with organizations offering enhanced information to help guide family viewing decisions:* The Company continues to use CSM materials as part of its efforts to provide parents with information to help them make educated viewing decisions for their families. CSM content – including thousands of review videos, tip videos, ratings, and recommendations – is integrated into Comcast's VOD service and promoted on XfinityTV.com. Comcast also expanded its partnership with CSM to integrate the organization's TV and movie ratings into the “Kids” section of XfinityTV.com.<sup>46</sup> As Comcast CEO Brian Roberts demonstrated on stage at 2013 The Cable Show, CSM ratings are fully integrated into Comcast's next-generation X2 platform – providing clear, practical information for parents at the point of decision. This platform will allow Xfinity TV customers to filter kids content by age, making it even easier for parents to discover movies and TV shows for their families. It also will provide CSM's ratings across platforms, so parents will have access to the

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<sup>45</sup> See <http://xfinity.comcast.net/parents/mobile/>.

<sup>46</sup> S. Jin Davis, *Helping Xfinity Families Make Smart Media Choices this Summer and Beyond* (Jul. 17, 2013), <http://corporate.comcast.com/comcast-voices/helping-xfinity-families-make-smart-media-choices-this-summer-and-beyond>.

information when watching video on the TV, PC, tablet, or smartphone.<sup>47</sup>

In addition, the Company ran close to \$13 million worth of public service announcements (“PSAs”) in support of CSM’s digital literacy project during 2013.

#### **4-5. Interactive Advertising**

*Restrictions on the use of “Interactive Advertising” in programming produced primarily for children:* Comcast and NBCUniversal prohibit the insertion of interactive advertisements into networks or programming produced and transmitted primarily for an audience of children 12 years old or younger.

#### **6. PSAs**

*Requirement that the Company, for five years, provide \$15 million worth of PSAs per year on various public interest topics:* From January 1, 2013 through December 31, 2013, the Company aired PSAs with a value of over \$61 million on the four topics designated by this Condition (digital literacy, parental controls, nutritional guidelines,<sup>48</sup> and childhood obesity) on networks that have a higher concentration than the median cable network of adults 25-54 with children under 18 in the household.<sup>49</sup> This investment exceeds the yearly \$15 million value required by the Condition by more than \$46 million. The Company has aired a cumulative three year total of \$102 million in PSAs on the topics designated by the Condition. These PSAs include NBCUniversal-produced “The More You Know” PSAs on digital literacy, nutritional guidelines, and childhood obesity, as well as PSAs produced by CSM. The 2013 total includes the PSAs on childhood obesity that, as required, aired at least once during each hour of NBC’s “core” educational/instructional (“E/I”) programming, plus an average of two times a day on Sprout.

### **XIV. PEG CONDITIONS**

#### **1. No Migration to Digital Delivery**

*Prohibition on migrating PEG (Public, Educational, and Governmental) channels to digital delivery on any Comcast cable system until the system has converted to all-digital distribution:* During the Reporting Period, Comcast did not migrate any PEG channels to digital delivery on any system that has not converted to all-digital distribution.

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<sup>47</sup> J. Steyer, *X2: Find the Right Content for Your Family* (Jun. 11, 2013), <http://corporate.comcast.com/comcast-voices/x2-find-the-right-content-for-your-family>.

<sup>48</sup> The Company aired PSAs on the nutritional guidelines promulgated by the U.S. Department of Agriculture.

<sup>49</sup> Qualifying networks were identified using viewership information obtained through The Nielsen Co. and are reviewed on a quarterly basis for changes.

## **2. PEG Carriage on Digital Starter**

*Requirement that Comcast carry all PEG channels on its digital starter (D0) tier:* During the Reporting Period, Comcast maintained carriage of all PEG channels on its digital starter (D0) tier or on an equivalent tier that reaches 85% of subscribers on the applicable Comcast system.

## **3. Quality of PEG Delivery**

*Prohibition on changing the method of delivery of PEG channels that results in a material degradation of signal quality or impairment of viewer reception:* During the Reporting Period, Comcast did not implement any changes in the method of delivery of PEG channels that resulted in a material degradation of signal quality or impairment of viewer reception.

## **4. PEG Pilot Program**

*Obligation to develop a platform to host PEG content on VOD and online:* The three year pilot program required by this Condition was successfully completed in January 2014. Attached as Appendices C and D and incorporated by reference are the July 29, 2013 status report and the January 28, 2014 final report filed pursuant to and reporting on compliance with this Condition.<sup>50</sup> As required by Condition XIV.4.c.vii, copies of those reports were posted and remain available on the Corporate Website.

## **XV. NCE and LOCAL NCE**

*Requirements with respect to Comcast's carriage of Qualified Noncommercial Educational ("NCE") Stations and Qualified Local Noncommercial Educational ("Local NCE") Stations:* No NCE or Local NCE stations carried on Comcast cable systems relinquished their broadcast spectrum during the Reporting Period.

## **XVI. BROADBAND DEPLOYMENT AND ADOPTION**

### **1. Broadband Footprint Expansion**

#### **a. 1,500-mile Expansion**

*Requirement that Comcast expand its broadband network by at least 1,500 miles per year for three years and extend its broadband plant to approximately 400,000 additional homes:* The Company has met both of the three year milestones required by this Condition. In 2013, Comcast expanded its existing broadband network by 2,381 miles, surpassing the annual 1,500 mile requirement by 881 miles, and bringing the combined three-year build out total to 6,289 miles or 141% of the 4,500 mile build out required by the Condition. In addition, Comcast extended its broadband plant to 296,744 additional homes in 2013, bringing the cumulative number of additional homes passed to 718,511, and surpassing the 400,000 homes required by Condition by 318,511 homes.

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<sup>50</sup> See *supra* note 43.