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April 23, 2014

**VIA ELECTRONIC FILING**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

**Re: *In the Matter of Applications of Comcast Corp. and Time Warner Cable Inc.  
for Consent to Transfer Control of Licenses and Authorizations,  
MB Docket No. 14-57***

Dear Ms. Dortch:

On April 22, 2014, I spoke by telephone with Hillary Burchuk of the Office of General Counsel. I informed Ms. Burchuk that, during yesterday's First Quarter 2014 Earnings Call, Comcast for the first time reported its customer totals using the "Billable Customers" method instead of the "Equivalent Billing Unit" (or "EBU") method that Comcast has previously used.<sup>1</sup> Both methods have been approved by the Commission, and Comcast initially announced plans last year to switch to the Billable Customers method in order to improve transparency in how Comcast reports bulk-billed contracts for MDU customers and to align its customer counting methodology with others in the cable industry, including Time Warner Cable.

Specifically, the first quarter total reported yesterday for Comcast video customers includes both residential and business customers; the number Comcast (and the FCC) uses in calculating the universe of MVPD subscribers is Kagan's number (reported as 100.9 million for 2013), which includes

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<sup>1</sup> The "Billable Customers" method (also known as the "Units Cabled" or "Kitchens" method) relates to how Comcast counts and reports customers who reside in multiple dwelling units ("MDUs") that are billed under bulk contracts. For MDUs whose residents have the ability to receive additional cable services, such as additional programming choices or DVR services, Comcast now counts and reports customers based on the number of potential billable relationships within each MDU. For MDUs whose residents are not able to receive additional cable services, the MDU is now counted as a single customer. Previously, Comcast had counted and reported these customers on an EBU basis by dividing the monthly revenue received under an MDU's bulk contract by the standard monthly residential rate where the MDU was located. For example, an apartment complex that paid Comcast \$10,000 a month on behalf of its tenants for bulk video service in a market that has a residential fee of \$69 resulted in 145 reported subscribers ( $\$10,000/\$69=145$ ), regardless of the number of apartments that are in the building.

Ms. Marlene H. Dortch  
April 23, 2014  
Page 2

only residential customers;<sup>2</sup> and, when backing out business customers from the total customers reported, the combined company's total number of managed residential customers after divestitures of about three million customers will remain under 30 percent of all MVPD customers nationwide, as set forth in the Public Interest Statement submitted with the above-captioned applications,<sup>3</sup> even under the Billable Customers counting method.

Separately, Comcast would like to update the record in the above-captioned proceeding on two programming-related issues. First, in the Public Interest Statement, Comcast indicated that NBCUniversal has an 81 percent interest in Cable Sports Southeast ("CSSE").<sup>4</sup> This was an inadvertent error. The NBCUniversal ownership percentage is currently 100 percent, as it had acquired all remaining interests in CSSE from Charter on August 1, 2013. As noted in the Public Interest Statement, CSSE will cease operations on May 31, 2014.<sup>5</sup> Second, the Public Interest Statement noted NBCUniversal's 31 percent interest in FEARnet.<sup>6</sup> However, subsequent to April 8, 2014, NBCUniversal acquired all remaining interests in FEARnet and announced future plans to cease the network's operations.<sup>7</sup>

Please direct any questions regarding this matter to the undersigned.

Respectfully Submitted,

/s/ Kathryn A. Zachem

Senior Vice President,  
Regulatory and State Legislative Affairs  
Comcast Corporation

cc: Hillary Burchuk

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<sup>2</sup> The Commission has relied on SNL Kagan for data on the total number of MVPD subscribers when making this and other MVPD-related industry calculations. See, e.g., *Annual Assessment of Status of Competition in the Market for the Delivery of Video Programming*, Fifteenth Report, 28 FCC Rcd. 10496 ¶ 26 & nn.43-44 (2013) (reporting 101 million MVPD subscribers at the end of 2011).

<sup>3</sup> See Application and Public Interest Statement of Comcast Corporation and Time Warner Cable Inc., MB Docket No. 14-57, at 6-7, 143 (Apr. 8, 2014).

<sup>4</sup> See *id.* at 13.

<sup>5</sup> *Id.* at n.9.

<sup>6</sup> *Id.* at 12.

<sup>7</sup> See Nellie Andreeva, *Comcast Takes Full Control of FEARnet, To Fold It in into Chiller & Syfy*, Deadline (Apr. 14, 2014), <http://www.deadline.com/2014/04/comcast-takes-full-control-of-fearnet-to-fold-it-in-into-chiller-syfy/>.