

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Applications of	)	MB Docket No. 14-57
	)	
Comcast Corp. and	)	
Time Warner Cable Inc.	)	
	)	
For Consent to Assign or Transfer Control of	)	
Licenses and Authorizations	)	

**COMMENTS OF REELZCHANNEL, LLC**

ReelzChannel, LLC (“REELZ”), by its attorneys, submits these comments in response to the Public Notice released July 10, 2014 in the above-captioned proceeding.<sup>1</sup> For the reasons detailed herein, REELZ, a family-owned, independent video programming network, supports the proposed merger between Comcast Corporation (“Comcast”) and Time Warner Cable Inc. (“TWC”).

**I. Introduction and Background**

REELZ is an independent video programming network,<sup>2</sup> and a subsidiary of Hubbard Broadcasting, Inc. (“HBI”), a privately held, family-owned business operating for more than 90 years, now with the fourth generation of Hubbard family members moving into its operations and management. While REELZ launched its public operations in September 2006, the network’s roots reach back more than 15 years, when HBI merged its direct broadcast satellite

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<sup>1</sup> See *Commission Seeks Comment on Applications of Comcast Corporation, Time Warner Cable Inc., Charter Communications, Inc., and Spinco to Assign and Transfer Control of FCC Licenses and Other Authorizations*, Public Notice, MB Docket No. 14-57, DA 14-986 (July 10, 2014).

<sup>2</sup> REELZ considers a video programming network to be “independent” if it is affiliated with no more than three channels and is not commonly owned with a multichannel video programming distributor (“MVPD”) or one of the top four television broadcast networks.

(“DBS”) operations into DIRECTV.<sup>3</sup> Through many years of commitment, great effort and substantial investment, REELZ currently is available in nearly 70 million households nationwide through distribution on DBS, cable television and telco systems, including Comcast and TWC. And through those years, as REELZ has proven its value, Comcast and TWC have progressively increased their support for the network.

REELZ’s tagline is: “*Hollywood Happens Here!*” REELZ connects its viewers across America with the magic, wonder and excitement of Hollywood wherever it happens. The network invests heavily in original programming, and the network’s focus is to provide entertaining programming that connects with the worlds of movies, entertainment, celebrities, fashion, music and all things Hollywood, wherever that happens, in order to be a competitive and mainstream general entertainment channel. REELZ is home to cutting-edge, original reality and entertainment programs, such as: *Hollywood Hillbillies*, *Beverly Hills Pawn*, *OK! TV*, *Hollywood Scandals*, *Polka Kings*, *Mansion Hunters*, *The MovieGuide Awards* and many more. REELZ also offers compelling television events, miniseries, movies and series featuring major stories and stars. REELZ provides a platform to independently produced programs that the “big” networks may deem untouchable, such as *Steven Seagal: Lawman* and the critically-acclaimed mini-series *The Kennedys*, which garnered ten Emmy nominations and won four of them in 2011. REELZ also showcases top movie and entertainment experts Leonard Maltin and Richard Roeper, who provide specific on-air recommendations to help viewers make better choices for movies to watch at home.

Because of its independence, REELZ provides an outlet for unique and diverse video entertainment that Americans often cannot see anywhere else. As such, REELZ can offer to the

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<sup>3</sup> Always innovators, HBI obtained one of the initial DBS authorizations in 1982 through its subsidiary United States Satellite Broadcasting Co. Inc. (“USSB”). In 1999, the Commission granted authority for USSB to merge into DIRECTV.

Commission its extremely rare perspective as a family-owned, independent video programming network that is increasingly more competitive and successful on a nationwide scale, thanks in part to a corresponding increase in support from Comcast and TWC.

## **II. Comcast Has Consistently Supported REELZ, an Independent Video Programming Network**

### **A. Comcast Has Been Supportive of REELZ.**

Given the challenges of securing launch and distribution in the crowded video programming arena, the concept and business case for REELZ was developed and refined for years by HBI before being introduced to distributors. Building directly on a contractual commitment from DIRECTV (as part of the USSB transaction) to be the network's foundation, REELZ placed great importance on securing as many distribution agreements as possible prior to committing the massive expenditures and efforts required to launch and operate as a national programming network. HBI and REELZ knew that it would take many years of financial support, business acumen and innovation to build a successful entertainment network in a very crowded landscape that is dominated by a handful of large programming companies.

As part of its pre-launch planning process, REELZ initially approached Comcast regarding distribution in mid-2001. Comcast was enthusiastic about the network's business case and provided invaluable guidance for improving its potential viability, including by having REELZ set a target launch date and having its management visit key Comcast systems and divisions around the country to promote the network's programming concept to Comcast's regional management in advance of launch. Although Comcast already was a giant in the video distribution industry, it proved fully willing to help and support this nascent, start-up programming network by providing a clear and reasonable path whereby success and commitment would be recognized and rewarded.

For instance, in September 2005, approximately a year before the planned launch date, Comcast and REELZ entered into a contractual distribution agreement which represented a critical milestone for the network since many other cable distributors looked to Comcast first for guidance and leadership on new products. As was then common in the industry, this agreement granted REELZ a “hunting license” to approach individual Comcast systems around the country to request carriage.<sup>4</sup> Moreover, since REELZ’s launch in 2006, Comcast has played an important role in the network’s growth. Prior to its merger with NBC Universal (“NBCU”), Comcast distributed REELZ to nearly 5 million subscribers.

REELZ has proven its commitment and value by continuing to increase its development of original programming and making the intellectual and financial investments necessary to succeed in the marketplace. Comcast and TWC supported REELZ’s long-term commitments to become a viable general entertainment network. In doing so, REELZ can show its success in three essential ways: a very substantial lineup of original programming, ratings success as compared to other networks, and critical acclaim for its programming.<sup>5</sup>

As REELZ has continuously improved its performance and standing in the overall video entertainment market, likewise, Comcast and TWC have continuously provided it with more

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<sup>4</sup> Only a month after its launch in September 2006, the Comcast system in Minneapolis/St. Paul became the first major metropolitan cable system to begin carrying REELZ.

<sup>5</sup> As noted above on page 2, REELZ has developed an extensive lineup of original, cutting edge programming, and in addition, acts as a platform for unique programming developed by independent producers which, without REELZ, likely would have no other outlet. So far, REELZ original programming has been recognized with 12 Emmy nominations (10 for *The Kennedys* and 2 for *World Without End*) and 5 Emmy awards (4 for *The Kennedys* and 1 for *World Without End*). Additionally, REELZ programming has been honored with: Outstanding Directorial Achievement in Movies for Television/Mini-Series (2011); Best Historical Drama Production, History Makers International Awards (2012); Grand Trophy Winner, New York Festivals International and Film Awards (2012); and Directors Guild of America, USA for Jon Cassar (2012). The programming, innovation and other commitments of REELZ gradually have propelled it to growing success among viewers. For example, on DISH (where REELZ is carried in a competitive position and in HD), REELZ currently is ranked by Nielsen in the top 50 most watched channels during prime time.

subscribers, better channel positioning and growing High Definition (“HD”) carriage. For example, since the 2011 Comcast merger with NBCU, the number of REELZ subscribers has more than doubled to 11.5 million, making Comcast REELZ’s largest cable distributor and demonstrating Comcast’s continued commitment to support independent networks that show diligence and long-term commitment to their own future. Comcast has been a collaborative partner in other ways as well, such as by offering REELZ’s Video On Demand content, by being a party to the small, but growing, distribution of the network in HD, and by participating in many of the network’s national promotions.

REELZ’s relationship with TWC has been similar. Over time, as REELZ has stayed the course and demonstrated its long-term value, TWC has recognized its success with a steady stream of competitive improvements. For example, long before announcing its intent to merge with Comcast, TWC already had recognized REELZ’s long-term progress by agreeing to distribute the network fully, upgrade the picture quality to HD, and provide it with a competitive channel position as part of a unified channel lineup across its entire footprint on all of its systems.

B. Comcast Has Lived Up to Its NBCU Merger Commitments.

As a result of Comcast’s consistent support and equitable treatment of REELZ and other independent programming networks, in 2010, REELZ’s CEO, Stan E. Hubbard, testified before the Senate Commerce Committee in support of that merger, indicating that REELZ believed that its relationship with Comcast would “remain strong in the future,” and that it did “not believe that the NBCU/Comcast merger [would] in any way affect that relationship or commitment to the success” of REELZ.<sup>6</sup> In keeping with its history of support for independent programmers, as

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<sup>6</sup> See Letter from Stanley E. Hubbard, President & CEO, ReelzChannel, LLC, to Hon. Jay D. Rockefeller, IV, Chairman, Senate Committee on Commerce, Science & Transportation, and

part of that proposed transaction, Comcast voluntarily agreed to certain conditions designed to promote and strengthen independent networks, including commitments: (a) not to discriminate on the basis of a video programming vendor's affiliation or non-affiliation; (b) to carry all independent news networks in the same channel "neighborhood," if any, in which it carries a significant number or percentage of other news networks; and (c) to gradually add ten new independently (and minority) owned-and-operated channels to its basic digital channel lineup on customary terms and conditions over an eight-year period.<sup>7</sup>

To the best of REELZ's knowledge, Comcast has lived up to, or exceeded, those commitments, further demonstrating its continued support of independent networks. Based upon this extensive history, the Commission has good cause to believe that Comcast will comply fully with its current and future promises.

C. Comcast and TWC Have Continued to Treat REELZ Equitably.

To its credit, Comcast has proven, through its actions, that it is readily willing to recognize the achievements of independent channels and treat them equitably, without discrimination compared to more established channels, or even to those to which Comcast may be affiliated.

Comcast started as a small, family-owned independent business, controlled by the Roberts family. While there is no doubt that the MVPD industry is heavily consolidated, and dominated by a small number of large companies, REELZ believes that Comcast consistently has exhibited a commendable sense of the importance of providing opportunities for small businesses to prosper and in supporting a diversity of voices. REELZ believes that the Comcast

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Hon. Kay Bailey Hutchison, Ranking Member, Senate Committee on Commerce, Science & Transportation, p. 4 (Mar. 10, 2010) (filed in MB Docket No. 10-56 on Apr. 30, 2010).

<sup>7</sup> See *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, 4358 (2011).

approach to independent networks and a diversity of voices is a direct result of the hands-on leadership of the Roberts family – who remember their own independent roots. Therefore, the Commission has good grounds to approve the merger of Comcast and TWC due to both companies' equitable treatment of independent networks.

### **III. The Commission Should Approve the Merger**

Comcast already has offered to extend the commitments it made in relation to the NBCU transaction if its merger with TWC is approved, and to expand those conditions to any systems acquired from TWC.<sup>8</sup> These commitments have advanced the public interest, including by support and opportunity to independent networks, and their continuation with respect to Comcast's systems, as well as their expansion to TWC's systems, would represent further public interest victories that will arise directly, and perhaps exclusively, from FCC approval of the proposed merger.

The Commission should take note of the years of reasonable treatment that REELZ has received from Comcast and TWC. Thus, the Commission should approve their merger as public interest recognition of their long-term good conduct.

### **IV. Conclusion**

REELZ supports the proposed merger of Comcast and TWC primarily for two reasons. First, in REELZ's view, such a merger would have no adverse affect on the video distribution industry. Second, over time, Comcast and TWC have demonstrated equitable behavior by treating REELZ in ways that have supported its long-term commitments to growth as an independent general entertainment network.

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<sup>8</sup> See *Applications of Comcast Corp. and Time Warner Cable Inc. for Consent to Transfer Control of Licenses and Authorizations, Applications and Public Interest Statement*, pp. 106-120 (filed Apr. 8, 2014).

The Commission and Comcast forged reasonable conditions in 2011 with respect to Comcast's merger with NBCU, and REELZ appreciates that Comcast has volunteered to extend the duration of these conditions with respect to its systems and to expand them to encompass the systems it proposes to acquire from TWC. Accordingly, REELZ urges the Commission to approve the Comcast-TWC merger promptly.

Respectfully submitted,

REELZCHANNEL, LLC

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