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30. For distribution of Video Programming over the Internet, describe in detail all Company data or estimates related to the minimum viable scale necessary for entry, including but not limited to the capital required for entry, construction of new facilities, spectrum and/or license requirements, whether carriage on any particular Online Video Programming Distributor is necessary and if so, the identity of each such distributor, and the number of subscribers and advertisers needed to break even. If carriage by any such distributor is not necessary, explain why not.

Minimum Viable Scale for Entry

The minimum viable scale necessary for entry in the online video distribution market is a function primarily of programming cost, advertising strategy, and content delivery cost, which cannot be predicted in the abstract.

Whatever the long-run minimum viable scale, entry into the business of distributing video online can be easy and requires relatively little capital, as the vast number of players in this area demonstrates.[22] An online video distributor must provide or create program content, aggregate the content, transport the content to the viewer, provide navigation tools to the viewer, and market the site.

Specifically, the provision of video programming services requires developing a programming concept, obtaining or creating programming, obtaining the needed technology to aggregate and then distribute the programming on the Internet (such as servers), creating an operational infrastructure, promoting and marketing the online video distribution service, and arranging for advertising sales (if the service is to be supported in whole or in part by advertising). Each of these steps can be accomplished in a number of ways and the costs and time required to accomplish each step necessarily vary depending upon the specific characteristics of the proposed service. In all cases, it is possible to obtain from third parties the resources necessary to distribute video online. There are no significant regulatory barriers affecting entry into online video distribution services.

The capital required to create online video programming distribution services for professional content depends on the costs of obtaining video programming, which will in

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22 In a recent speech, for instance, FCC Commissioner Mignon L. Clyburn recounted how Rowdy Orbit IPTV, an online platform featuring professionally produced original programming for minority audiences, was launched with an initial investment of only $526. *See* Mignon L. Clyburn, New Media Entrepreneurship Conference 2 (May 6, 2010), *available at* http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-297949A1.pdf.

turn depend on factors such as whether the service intends to use existing programming to meet a significant proportion of its needs or to develop entirely new programming. An online video distribution service's cost structure also will be affected by the scale of its entry, including the number of hours of video it intends to distribute, the quality and length of the videos distributed, and the frequency with which it plans to update its content. The cost structure may also vary based on whether the entrant is a truly new entrant or is already participating in a related line of business and thus is able to share some of the costs of creating and operating the online video distribution service. Because of the array and complexity of these variables, Comcast is unable to offer any specific estimate of the total capital required for entry into online video distribution.

Basic online programming entry requirements do not include costly tangible assets, such as the construction of new facilities. An online video distributor's major assets are rights to distribute content and bandwidth to distribute that content to consumers; to meet these needs, a distributor will enter into agreements such as program licenses, will need to purchase computers and servers or retain a third party to host and deliver the content, and will need to provide sufficient network capacity to meet consumers' consumption requests.

Most online video distribution providers presently offer advertising-supported or transaction-based, rather than subscription-based, services. It is expected that a new service will take a number of years to break even; the number of years required will in turn depend on the service's costs. The number of advertisers required for a particular online video distributor to break even is not possible to predict, given that this number would be a function both of highly variable costs and of the amount that each advertiser pays, which also could prove highly variable. Some online video distribution providers have few advertisers that pay more to sponsor longer content, others have many advertisers that pay less for frequently changing banner advertisements, while still others utilize a combination of both.

Currently, subscription-based online video distribution services are rare, and it would be difficult, if not impossible, to predict the number of subscribers and advertisers necessary for a particular distribution service to break even as a result of significant variables on both sides of the break-even equation. For example, the cost of acquiring programming varies widely based on the number, breadth, and quality of programs acquired, and the cost of distributing programming likewise fluctuates based on the number of simultaneous customers a distributor hopes to serve and the bandwidth and hardware necessary to do so. Similarly, the number of customers needed for a particular distributor to break even would necessarily differ depending on the number and breadth of programming options, the per-subscriber revenue and costs, and the typical subscriber consumption profile (i.e., whether a subscriber watches 10 hours per month or 10 hours per week).

The preceding discussion is predicated upon an online video distribution service that is complementary to, rather than competitive with, MVPD service (in terms of breadth and quality of video offerings). In addition to the requirements noted above, an entrant

seeking to introduce an online video distribution service competitive with MVPD service would face significant additional costs and technological barriers to entry.

First, an entrant seeking to offer a competitive service could face higher content acquisition costs than an entrant seeking to offer a complementary service. Content owners may regard an online video distribution service complementary to MVPD service as an additional revenue stream, and be willing to license content (for instance, library content unavailable to MVPD subscribers) to that service on favorable terms. Content owners, however, would likely recognize that licensing content to an online video distribution service designed to compete with MVPD services could cannibalize the revenues they receive from MVPDs. Accordingly, content owners would likely insist on receiving revenues from such an online service that are on par with the revenues (on a per subscriber basis or otherwise) they receive from traditional MVPDs.

Second, current broadband Internet access networks are ill-suited to deliver the linear television viewing experience currently offered by MVPDs. Today's mobile wireless networks do not have the bandwidth capacity necessary to deliver the breadth and quality of programming currently offered by MVPDs. Most current wireline networks do not have the capacity to handle more than a limited number of consumers viewing video programming on the Internet.

The Importance of Particular OVPDs

From the perspective of a Video Programming Producer, carriage on any particular OVPD is not necessary for entry. Many Video Programming Producers rely primarily on revenues derived from distribution of their Video Programming through means other than the Internet. For example, cable television networks earn advertising revenues and affiliate fees from distribution of their Video Programming through MVPD service. While many of these networks make certain Video Programming available online, the revenues that these networks derive from online distribution represent a small fraction of their total revenues; accordingly, carriage on any given OVPD is not necessary to these Video Programming Producers' viability.

Even for Video Programming Producers that rely primarily on online distribution (e.g., Howcast), distribution on any particular OVPD is not necessary. First, the market for online video distribution is highly fragmented. As explained in the parties' Public Interest Statement, Comcast's properties account for less than 1 percent, NBCU's properties for less than two percent, and Hulu for approximately 10 percent of such a market by number of professional videos viewed. A Video Programming Producer can find numerous online distribution vehicles for its content, including its own websites and third-party online video distribution services from Amazon, Blinkx, Blip.tv, Boxee, Clicker.com, Crackle, Electus, iReel, iTunes, Netflix, Sezmi, SlashControl, Sling, Veoh, Vevo, Vimeo, VUDU, Vuze, Xbox, YouTube, and others. Second, consumers need not select a single OVPD through which to view all video content, and most consumers surely do not. Thus, even if a given OVPD did not carry certain Video Programming,

consumers who watch video on that distributor's website could continue to watch that Video Programming on other sites.

31. **Provide copies of the Company's business plans prepared for, presented to, reviewed by, discussed by, or considered by the Company's board of directors or the Company's executive management, or any member thereof, relating to its: (a) MVPD services; (b) distribution of Video Programming on the Internet, including but not limited to Fancast.com, Fancast Xfinity, and TV Everywhere; and (c) Non-Broadcast Programming Networks, in the United States.**

    Any responsive documents have been produced herewith.

32. **Provide all agreements currently in effect and all agreements executed since January 1, 2006 between the Company and any other Person to provide Video Programming owned or otherwise controlled, operated, or managed by the Company to other MVPDs.**

    Pursuant to discussions with Commission staff, the response to this request has been deferred pending further review and consultation.

33. **Provide all strategic plans, policies, analyses, and presentations prepared for, presented to, reviewed by, discussed by, or considered by the Company's board of directors or the Company's executive management or any member thereof, discussing the amount of VOD programming offered to subscribers.**

    Any responsive documents have been produced herewith.

34. **State the percentage of the Company's Cable Systems that currently are able to access its central VOD storage facilities, and explain the Company's plans to expand that accessibility to other Company Cable Systems.**

    Access to Comcast's central VOD storage facilities is currently available to Comcast's cable systems in the Philadelphia and Washington markets. Those systems represent approximately {{ }} percent of Comcast's digital customers nationwide. Comcast's goal is to connect additional cable systems to the central VOD storage facilities and launch the improved service to {{ }} percent of its customers before the end of this year. Thereafter, Comcast expects to continue to expand access to the central VOD storage facilities to additional systems, and we anticipate that substantially all of Comcast's cable systems will have this access by the end of 2011.

35. **For each Cable System on which the Company offers VOD or PPV service, describe in technical detail whether the Company obtains programming for VOD or PPV service by satellite feed or terrestrial cable.**

    For the most part, Comcast receives VOD content via satellite, though some is delivered over the Internet using the File Transfer Protocol ("ftp") and a small portion arrives in

physical media such as DVD. Most VOD content today is delivered ("pitched") by satellite to 50+ receive sites ("catchers") around the country.

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This architecture is changing as Comcast implements its new storage and delivery system. As noted in the response to Request 34, Comcast's new storage and delivery system relies on centralized "library" servers. So, as additional cable systems are connected to the new system, VOD content for those systems will be received at the central "library" sites (today, there is one, but it is expected that later this year there will be two) and not at the individual systems. The new platform is flexible in allowing for delivery via satellite, ftp and/or fiber, and delivery through the latter two means may become more economical once there is no longer a need for the content delivery companies to deliver to dozens of separate receive sites.

Live PPV events (WWE, UFC, and boxing) work differently. Today, these are delivered by iND over a linear satellite channel directly into each of our systems. (To the extent that these events or catch-up stunts are later offered On Demand, they are delivered separately by Avail-TVN and iND as discussed above.) Live PPV events, like standard linear channels, will not be delivered via the new VOD architecture (though replays of those live events will be).

36. In each instance where an MVPD has discussed raising, threatened to raise, or has raised, a program access complaint as a means to obtain the Company's VOD and/or PPV programming, and separately for each type of Non-Broadcast Programming Network (i.e., standard or high definition), describe:

a. The nature of the dispute or issue;

b. The parties involved; and

c. How and whether the dispute or issue was resolved. To the extent the dispute was settled, explain whether the settlement required the Company to provide program access to the complaining party, and provide documents sufficient to demonstrate that the terms upon which such access was provided by the Company were not discriminatory.

Comcast has been involved in numerous program access negotiations during the relevant time period. Comcast does not systematically record such discussions, including any instances where a party might have referred to or raised the program access rules. However, for purposes of this request, Comcast has reviewed its records to identify any

program access complaint and any pre-filing notices of a program access complaint, and has identified only the single instance described below.

In 2009, WaveDivision Holdings, LLC, Horizon Cable TV, Inc., Stanford University, and City of San Bruno, California ("Complainants"), together filed a program access complaint seeking to reverse certain changes to the professional sports programming on Comcast SportsNet Bay Area ("CSN-BA") and Comcast SportsNet California ("CSN-CA"), in addition to other relief. Complainants alleged that the realignment of programming on those networks was an unfair practice, that the networks discriminated against Complainants in the price and certain other terms of carriage, and that Comcast Corporation (as a cable operator) unduly influenced the networks' programming changes. Complainants also alleged that the cost of obtaining HD and VOD content from CSN-BA and CSN-CA is too high and complained about access to such programming.[23]

The Comcast entities named in the complaint have denied and refuted these allegations, as well as others in the complaint, and have asked for dismissal of the action on several grounds. In particular, Comcast demonstrated in its Answer that Complainants have been offered non-discriminatory rates for carriage of the two networks. Comcast also showed that all multichannel video programming distributors, including Complainants, are offered access to the same HD and VOD content from CSN- BA and CSN-CA on an equal basis. The proceeding remains pending before the Commission.

37. Provide all documents created between September 2008 and September 2009 that discuss the anticipated or actual effects of the dispute between Fisher Broadcasting and the DISH Network ("DISH") in those DMAs where the Company operates Cable Systems and where DISH carries the Fisher affiliate on:

- **a. The level or rate of growth of MVPD subscriptions for the Company, DISH, or any other MVPD;**
- **b. Churn rates among the Company's MVPD subscribers;**
- **c. Pricing by the Company, DISH, or any other MVPD;**
- **d. Marketing strategies by the Company, DISH, or any other MVPD, including changes in carrier promotions of MVPD service on a stand-alone or bundled basis; and**
- **e. The rate of the Company's expansion of MVPD service area.**

Any responsive documents have been produced herewith.

38. State the percentage of VOD or PPV programming that is offered by the Company that has not been previously offered through another means of distribution.

Comcast cannot answer this request with precision because it does not in the ordinary course of business acquire information or maintain records regarding the prior distribution of programming that it offers for VOD and PPV consumption. The number

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[23] *In the Matter of WaveDivision Holdings, LLC et al. v. Comcast Corporation et al.*, CSR-8257-P.

of VOD content choices Comcast offers is quite large (over 17,000 over the course of a month in most markets, and over 25,000 in two markets), and there is substantial turn-over (as much as one quarter of the On Demand choices per week). While Comcast cannot provide an exact percentage, it believes that the vast majority of the programming Comcast makes available On Demand – and especially of the long-form professionally-produced content – has been offered previously through one or more other means of distribution.

PPV Choices: The Information Request defines "Pay Per View" or "PPV" as "a service that allows MVPD subscribers, for an additional fee, to order individual programs, generally live event programming." Most of Comcast's PPV offerings, however, are movies, not live-event programming, and to that extent are covered by the VOD discussion below. Live PPV events, such as boxing, wrestling, and Ultimate Fighting Championship ("UFC"), of course, cannot have been distributed previously on other platforms (replays of the live PPV events for both UFC and wrestling are commonly offered later on VOD, generally on a PPV basis).

VOD Choices: Although the vast array of VOD choices Comcast makes available renders precise tracking impossible, Comcast believes that most of the content it offers as VOD has previously been offered through at least one means of distribution. Below is a description of the main categories of VOD content, with notations regarding previous means of distribution.

- Movies. With very few exceptions, a movie that is available On Demand has been previously offered through another means of distribution. There are multiple different distribution windows that a movie – whether a box office hit or a small independent film – will go through, one or more of which may occur prior to distribution On Demand. These windows are customary throughout the movie industry and are by no means specific to Comcast. Prior to distribution on VOD, movies may have been made available in one or more of the following ways: in theatrical release; on DVDs for purchase at retail or for transactional or subscription rental via Netflix or Redbox; and/or on iTunes for download. They also may have had a distribution window where they played on airlines or on cruise ships. They may have appeared on a premium channel like HBO or Showtime, or even a cable or broadcast network as well. In two recent situations, Comcast has made movies available On Demand prior to any other means of distribution. First, through an agreement with Magnolia Pictures, Comcast makes one or two of Magnolia's independent movies available each month on VOD before they appear in theaters. Second, for the 2010 Tribeca Film Festival, Comcast offered seven films from the Festival on VOD on the day of the Festival before those films were screened. Aside from these limited instances, it is almost always the case – today – that a movie distributed by Comcast On Demand has been distributed previously in some fashion.

- Long-form television. Most of the professionally-produced long-form TV content that Comcast makes available On Demand has previously been distributed on a

linear broadcast or cable channel and sometimes also by another means of distribution like Netflix, iTunes, or on the channel's website. In a few instances, this content has not previously been distributed on another platform. For instance, occasionally content owners provide TV shows to premier On Demand prior to their linear airing (this is done with a view to obtaining publicity and building demand in advance of the show's formal premier on the linear network). This occurs rarely in comparison to the overall number of TV programs available On Demand and typically involves only a single episode of the program. During a period of over two years (February 2008 to May 2010), only [[ ]] TV series premiered On Demand, while in only eight months (October 2009 to May 2010) Comcast has made [[ ]] TV series available On Demand – most with at least four current-season episodes, and some with up to 20+ prior-season episodes.

- VOD "Network" Content. Certain program services are only available On Demand and are not carried as linear channels. These include both subscription-based services like Howard TV On Demand and services that are provided on a no-additional-charge basis like FearNet, Impact, Havoc, and ConcertTV. Even if this content has not previously been distributed on a linear basis, the majority of the content has been distributed previously, including in movie theaters, on DVD, and online. For example, only a very small percentage of the content on FearNet is original, and even that content is also made available online.

    - Select On Demand ("SOD"). SOD mostly features content developed primarily for On Demand viewing. SOD is comprised of programming genres such as Baby Boost, Paranormal, Trivia & Games, Get Up & Dance, Singles Life, and Activity TV. Each category typically features between 15 and 100 choices per month, some of which have not been distributed previously on any other platforms. (Certain genres, however, like Martha Stewart and 4KidsTV, are essentially similar to the VOD network content referenced above, with previously distributed content.) SOD also creates and distributes original local VOD content for categories like Pet Adoptions, Police Blotter, and Dating on Demand. Local SOD categories typically feature approximately 50 to 90 choices per market (in 25-30 markets) that have not been distributed previously on other platforms.

- Comcast Spotlight. Comcast Cable's advertising division, Comcast Spotlight, uses a small portion – about 100 hours of content at any one time – of On Demand server space for advertisements. Comcast does not know which of these advertising assets may have been aired previously through another means of distribution.

39. Provide all strategic plans, policies, analyses, and presentations prepared for, presented to, reviewed by, discussed by, or considered by the Company's board of directors or the Company's executive management or any member thereof, discussing trends or the future viability of free over-the-air broadcasting based

upon any market studies, forecasts, and surveys, and all other documents within the Company's possession, custody, or control, as well as the data used in the analyses or studies and an explanation of the methodology used in the analyses or studies.

Any responsive documents and supporting data have been produced herewith.

40. Describe the Company's current process for development and production of new Video Programming for airing on Broadcast Programming Networks and Non-Broadcast Programming Networks.

Comcast currently does not develop or produce programming for airing on Broadcast Programming Networks. While each of Comcast's Non-Broadcast Programming networks is different, they generally approach content production and acquisition in a similar manner. Each network operates within an overall programming vision for the network and inherent financial constraints. All of the networks continuously try to develop programming ideas in-house. At the same time, they are constantly open to opportunities to procure attractive content from outside programming vendors. The latter includes both pre-existing content (e.g., Style licenses "Supernanny" and E! licenses movies from several studios) and original/first-to-air content.

With respect to any programming idea, the networks determine whether or not to purchase/produce based on a number of factors including:][

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The calculus is somewhat different in the context of national sports and regional sports networks ("RSNs"). National sports networks are anchored by major rights acquisitions, so the acquisition of that programming plays a more central role, and once the major rights acquisitions are done, decisions regarding other programming may be more tightly bound to the characteristics of the major rights that have been obtained. RSN programming is anchored by the professional team programming associated with the network, related programming (e.g., coaches' shows), and news. Other programming is relatively low-cost but relevant to the RSN.

All of Comcast's networks have a measure of autonomy in pursuing the development or acquisition of programming. Approval from the corporate Programming Group is required above a specified dollar threshold.

As far as the particular process that is followed in making and implementing a decision to produce new programming for a network, the key steps are as follows: [[

]] Of course, some projects are abandoned along the way, and the process for an individual project may vary from this model. For ongoing series, most of the foregoing steps are unnecessary following the first season, but annual budgets and greenlight review are standard.

41. Provide all agreements currently in effect and all agreements executed since January 1, 2006 between the Company and unaffiliated MVPDs or Online Video Programming Distributors for advertising their video distribution service on any of the Company's systems for delivering Video Programming.

The following responds to Requests 41, 42, and 43 regarding Comcast's competitive advertising policies, per the Company's discussions with the Commission. Comcast generally accepts advertising via insertion orders from advertisers rather than entering into long-form written agreements with advertisers (competitive or otherwise) in connection with advertising buys. Accordingly, Comcast is providing recent and representative samples of advertiser insertion orders and resulting Comcast invoices for ads placed with Comcast Spotlight, Comcast Regional Sports Networks, and Comcast Interactive Media. Examples of these documents are being produced herewith. The process is somewhat different for ads placed with Comcast's national networks. For spot advertising, including infomercials and direct response, national network advertising sales staff send proposals to prospective advertisers; the advertisers do not sign and return the proposals, but, rather, give verbal approval to run the advertisement. Once a given advertising buy has aired, the advertisers receive invoices from the various networks. Examples of national network advertising proposals and the resulting invoices are being produced herewith. It is possible that, with respect to purchases of entitlements and show sponsorships, or where an advertiser receives production elements (*e.g.*, Grey Goose 19th Hole on Golf Channel), Comcast's national and regional networks would enter into long-form written agreements with advertisers. An example of such an agreement is being produced herewith. Comcast's competitive advertising policies, including those relating to selling advertising to unaffiliated MVPDs or OVPDs, are consistent with standard industry practice and are described below.

Comcast's National Networks. Comcast's national networks will sell advertising to any MVPDs or OVPDs, including competitive MVPDs or OVPDs, so long as the advertisements are acceptable under customary standards and practices rules and cleared by a major broadcast network's standards and practices department.[24] All advertising not acceptable under customary standards and practices rules must be submitted in advance for approval. Comcast's national networks reserve the right to reject any advertising creative at any time, in their sole discretion. Tune-in advertisements for premium services may not include day, date or time references; however, tune-in advertisements for pay per view may include such references. Tune-in advertisements for over the air networks, syndicated programming, and cable networks may not include day, date or time references, but the phrases "This Week On" or "Check Your Local Listings" are acceptable. The online sites associated with each network accept tune-in advertisements and advertisements for premium services that include day, date, and time, but, consistent with standard industry practice, these sites reserve the right to reject network-competitive content. The competitive advertising policy for Comcast's national networks is being produced herewith.

Comcast Spotlight. Comcast Spotlight generally will accept advertising from unaffiliated, non-competitive MVPDs and OVPDs, subject to limitations consistent with standard industry practice. Comcast Spotlight reviews requests from competitors on a case-by-case basis. Comcast Spotlight generally limits the advertising it accepts from competitors to telephone/voice and cell phone advertisements. Accepted competitive advertisements are subject to the following restrictions: (i) the advertisement may not reference cable or cable products or contain any comparative statements with respect to any competitive product; (ii) the advertisement must be limited to 30 seconds; (iii) the advertisement may not be placed on VOD; (iv) the advertisement may air only on Comcast owned cable systems and may not run on Affiliate systems for whom Comcast Spotlight sells advertising without prior written approval from the Affiliate; and (v) the advertisement may not be for VoIP. The competitive advertising policy for Comcast Spotlight is being produced herewith. The reference to "Cable Operations Division guidelines" in the policy relates to verbal guidance on this subject received from the Cable Operations Division. The "Network Restrictions" referenced in the policy relate to the content restriction policies of certain programming networks carried on Comcast's systems. Finally, the "Comcast.net Guidelines" referenced in the policy are the same as those identified in the Comcast Interactive Media section below.

Comcast Regional Sports Networks and Other Regional Networks. Networks that are wholly-owned by Comcast do not accept advertising for products competitive with Comcast (*i.e.*, advertisements for MVPDs, high speed internet services, and digital voice services) from any entity unless the subject matter of such advertising is (i) limited to "general image" advertising for such competitor and does not contain any reference to or

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feature any products or services of such competitor that are competitive with Comcast or (ii) solely for products or services of such competitor that Comcast does not then offer. There can be no negative, disparaging or comparative visual or aural reference to Comcast specifically or cable products or services generally. Networks that are not wholly-owned by Comcast may accept advertising for products competitive with Comcast only on a case-by-case basis. There can be no negative, disparaging or comparative visual or aural reference to Comcast specifically or cable products or services generally. In each instance, the content and creative for all advertising for products competitive with Comcast is subject to Comcast's review and approval. The Comcast-competitive advertising policy for Comcast's RSNs and other regional networks is being produced herewith.

Although the RSNs and other regional networks do not adhere to a uniform policy regarding network-competitive advertising, they generally do not accept advertising for other sports genre networks and, similar to the national networks, generally do not accept day and date tune-in advertising for networks or programming they deem competitive (especially with games or news). Ultimately, however, each RSN makes its own determination in its discretion as to what types of network-competitive advertising it will or will not accept, on a case-by-case basis. The Comcast RSNs and other regional networks do not have a written policy relating to network-competitive advertising.

Comcast Interactive Media. Fancast.com does not permit advertising that is on behalf of or which promotes certain internet portals, search engines, and entertainment sites. Fancast.com does not permit advertising that promotes the online viewing of video; TV network tune-in promotion is acceptable, but the creative cannot promote online viewing on sites other than Fancast.com. Fancast.com determines on a case-by-case basis whether to permit competitor advertising of services provided Clear/Clearwire.com and Netflix, and any advertising from AT&T and Verizon for any service other than their wireless products. Fancast.com's competitive advertising policy is available at http://partners.comcast.net:8080/. Comcast.net does not accept advertising that is on behalf of, or which promotes, Comcast's competitors and generally restricts advertising for any of the following products or services: (i) multichannel television service via any means of delivery; (ii) high-speed internet access services; (iii) wireline or VoIP telephone service; or (iv) Internet portal or search services. The Comcast.net competitive advertising policy is being produced herewith. In addition, Fandango and Movies.com do not accept direct advertising from competitive movie information websites or movie ticketing websites. Fandango and Movies.com do not have a written competitive advertising policy.

42. Identify and describe separately all negotiations since January 1, 2006 between the Company and any (1) MVPD and (2) Online Video Programming Distributor, regarding carriage, licensing, or distribution of advertising for their video distribution service on any of the Company's systems for delivering Video Programming, and describe the outcome of each negotiation.

See Response to Request 41, above.

43. Provide all documents discussing the Company's decisions regarding whether or not and under what terms and conditions to air advertising from any MVPDs, Online Video Programming Distributors, or Non-Broadcast Programming Networks.

See Response to Request 41, above.

44. Provide all agreements currently in effect and all agreements executed since January 1, 2006 that the Company has entered into with any provider of Video Programming which discuss cable network carriage, retransmission consent, program carriage, and distribution rights for Video Programming.

Pursuant to discussions with Commission staff, the response to this request has been deferred pending further review and consultation.

45. Explain the process by which the Company makes decisions regarding the carriage of specific Non-Broadcast Programming Networks, in particular the extent to which carriage decisions are made at the corporate level and/or by individual system managers, and include the identity of specific decision-makers.

While each carriage decision involves unique circumstances, Comcast typically considers a number of factors when making the business and editorial judgments that enter into carriage decisions. Comcast considers network programming content and appeal to subscribers to be of critical importance when making carriage decisions. In assessing the desirability of adding (or expanding the carriage of) a particular network, Comcast takes into account the composition of its overall programming lineup and the impact of the network on Comcast's overall ability to attract or retain subscribers. It is also important to note that the typical cable channel business model generally involves the distributor (Comcast) paying the owner of the cable channels that it carries. Consequently, Comcast must always assess the carriage value of a given network in light of the network's price and other economic terms (e.g., tier position, launch commitments, marketing costs, long-term price protection). Perhaps the most critical economic element is wholesale programming cost – that is, how much it will cost Comcast to carry the network, and the retail price impact on Comcast's subscribers. Comcast also typically considers the track record of a network's ownership or management team. A network launched by a company that has successfully operated cable programming networks will often have a greater likelihood of long-term success. Moreover, the experience and capabilities of a network's management team affect how a network raises and manages capital, what programming the network creates or acquires, the level of talent it can attract, the soundness of its business plan, and how the entire operation executes that plan. Bandwidth constraints are also a significant factor affecting Comcast's decisions regarding which networks it can carry and in which markets and tiers to carry a particular network. In some cases, a carriage decision regarding a particular network is part of a larger negotiation that encompasses various other networks; a network may gain carriage or expanded distribution where that can help to achieve lower prices, better long-term price protection, or other favorable terms for other networks that are under common ownership.

Carriage decisions about cable networks are generally made by executives within the Content Acquisition department (corporate) at Comcast Cable who can bring to bear their detailed experience and knowledge of the company and of the industry in applying the criteria set forth above. Decisions about the carriage of new program networks typically involve collaborative efforts between executives in the field and corporate personnel. Content Acquisition executives frequently confer with divisional and regional executives regarding the subscriber demand for particular networks as well as cost and bandwidth constraints within the systems the divisional and regional executives manage. Corporate personnel at Comcast are involved in most decisions related to the carriage of new networks, including whether a particular network will be carried or not, the timing and extent of the launch of a network on Comcast systems, and the service tier on which a network is carried. Executives in the Content Acquisition department and in the field frequently meet with programmers to receive carriage proposals and updates on demand for their services.

In many cases, the Content Acquisition department negotiates what is called a "hunting license" with a particular network. In those situations, a master agreement is negotiated to set the general terms of carriage, but decisions about whether to carry that network are made at the local level. In similar situations, the Content Acquisition department negotiates a carriage agreement that guarantees some initial linear carriage and allows for some flexibility about tier placement or expansion to additional subscribers. [[

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A list of the key executives relevant to the decision-making process (which will vary depending on the carriage decision at issue) follows:

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Regional executives: A list of the senior vice presidents of each region who may be involved in the decision-making process may be found in the organizational chart produced in response to Request 1.

46. List all requests for program carriage, specify which program carriage requests were approved and which were denied, and for each state:

a. **The reasons why each Non-Broadcast Programming Network was approved or denied;**
b. **The genre type of each Non-Broadcast Programming Network (i.e., children's, news, Spanish language, etc.);**
c. **The tier placement for programs granted carriage; and**
d. **Whether the inclusion of the Non-Broadcast Programming Network resulted in any price adjustment or modification based on said carriage.**

Comcast receives numerous inquiries concerning carriage. However, many of these requests are merely inquiries and relate only to proposed channel concepts that are never in fact launched as networks.

In the first chart that follows, Comcast provides the requested information for each English-language network that has launched on Comcast systems during the relevant timeframe. It should also be noted that there are a few instances (not listed in the chart) where Comcast has approved a carriage request but the network has not launched its service.

In the second chart that follows, Comcast identifies each foreign-language network that has launched on Comcast systems during the relevant timeframe as well as its genre. Comcast continually strives to meet the diverse programming interests of its customers with culturally relevant programming for all the communities it serves – e.g., Hispanic/Latino, Asian, South Asian, Greek, Polish, etc. In approving the launch of these networks, Comcast determined that carriage of these networks would help Comcast to retain and attract underserved subscribers in markets where there is a significant concentration of actual or potential MVPD subscribers from these communities (e.g., the greater Chicago, Detroit, Houston, Portland, and San Francisco markets). {{

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Other than as described in response to Request 23, Comcast is not aware of any instances where it has denied a network's carriage request during the relevant timeframe. As noted in response to Request 23, there are several instances where Comcast has received requests for carriage from networks and has neither approved nor denied the request, because discussions are still in their preliminary stages. Comcast is in ongoing discussions with a number of networks that are not currently carried on Comcast systems but it cannot say at this time whether or not such discussions will eventually result in a carriage agreement. Networks that fall into this category during the relevant timeframe include: {{

}} It is also true that Comcast's systems do not have the capacity to launch a steady flow of networks at all times, and the

ability to launch networks greatly ebbs and flows based on technological developments that increase available bandwidth. This, in turn, affects the pace of carriage agreements being finalized and executed (for example, in Comcast markets that have reclaimed bandwidth by digitizing the expanded basic level of service, Comcast has been able to greatly expand its offering of Hispanic networks, as well as emerging and/or specialized networks such as Hallmark Movie Channel, Ovation, and Sportsman Channel).

With respect to Subsection d. of Request 46, the retail price of cable service is the product of many factors. As Comcast noted in response to Request 45, the chief factor in the retail price is the wholesale cost of purchasing programming. However, with only a few (relatively expensive) exceptions, retail price adjustments are not ordinarily coupled in time with the launch or expanded carriage of any particular network

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I. Launched English-Language Networks, 2008-

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Network	Launch Date	Genre	Tier	Reasons for Launch[25]

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[25] Comcast has attempted to list the key reasons in each case, but these may not be exhaustive of all the considerations that factored into the applicable decision.

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Network	Launch Date	Genre	Tier	Reasons for Launch[25]

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{{

Network	Launch Date	Genre	Tier	Reasons for Launch[25]

}}

II. Launched International & Foreign-Language Networks, 2008-

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Network	Launch Date	Genre

}}

26 Setanta Sports ceased U.S. operations in early 2010.

47. Provide all strategic plans, policies, analyses, and presentations prepared for, presented to, reviewed by, discussed by, or considered by the Company's board of directors or the Company's executive management, or any member thereof, discussing the management of traffic via the Company's Broadband Access Service, including methods and procedures for analyzing the tradeoffs to allocating differing bandwidth levels to MVPDs, Broadband Access Services, and telephone services, including without limitation factors considered.

Any responsive documents have been produced herewith.

48. For all DMAs in which NBC and Telemundo O&Os overlap with the Company's Cable Systems, provide the names and addresses of the Company's twenty (20) largest buyers (by number of units) of advertising time on the Company's Cable Systems, broken down by Non-Broadcast Programming Network.

Information and data responsive to this request have been provided in Excel spreadsheet format as Exhibit 48, which is included on the enclosed compact disc labeled "Comcast Exhibits."

49. Submit all market studies, forecasts, and surveys, prepared internally or by outside parties, that were presented to or considered by the Company's board of directors or the Company's executive management, concerning the willingness of consumers to substitute non-Professional Video for Professional Video, and the extent to which such potential substitution is affected by the loss and/or cost of access to Professional Video content.

Any responsive documents have been produced herewith.

50. Submit all market studies, forecasts, and surveys, prepared internally or by outside parties, that were presented to or considered by the Company's board of directors or the Company's executive management, concerning the willingness of advertisers to buy inventory on websites, portals, aggregators, or syndicators of non-Professional Videos in lieu of inventory supplied by Online Video Programming Distributors. Include data and analyses comparing the prices of such advertisements, i.e., cost per thousand impressions ("CPMs"), and the amount of advertising inventory available in each. Include data and analyses discussing the extent to which Online Video Programming Distributors' potential loss of access to Professional Video Content affects advertisers' substitution(s).

Comcast has not identified any documents responsive to this request.

51. Provide all agreements currently in effect and all agreements executed since December 31, 2003 between the Company and any Marquee Sports League which convey the right to distribute the League's games or other content in the United States, including distribution as part of any Non-Broadcast Programming Network or as Video Programming on the Internet, in which the Company has an ownership,

controlling or Attributable interest, whether distributed via MVPD or by an Online Video Programming Distributor.

Pursuant to discussions with Commission staff, the response to this request has been deferred pending further review and consultation.

52. **Identify all sports teams, leagues, and other organizations with which the Company or a network in which the Company has an Attributable Interest has a contract granting distribution rights in the U.S., and for each one state:**
    a. **The official name of the team, league, or organization, the sport played, and its home venue;**
    b. **The term of the contract that grants the right to distribute the Sports Programming in the U.S. and whether the Company has a right of first refusal;**
    c. **The geographic area in which the Company has rights to distribute the Sports Programming;**
    d. **The percentage of total game events entitled to be distributed live under the agreement and the percentage for which the live distribution rights are exclusive to Non-Broadcast Programming Networks or Cable Systems in which the Company has an interest;**
    e. **Plans to begin distributing game events in the U.S.; and**
    f. **Specify whether the Company is currently distributing or not distributing this Sports Programming on an attributable or non-attributable Sports Programming network.**

Information and data responsive to this request have been provided in Excel format as Exhibit 52, which is included on the enclosed compact disc labeled "Comcast Exhibits."

53. **Provide all strategic plans, policies, analyses, and presentations prepared for, presented to, reviewed by, discussed by, or considered by the Company's board of directors or the Company's executive management, or any member thereof, regarding the modification or termination of exclusive or non-exclusive Sports Programming distribution arrangements, or regarding entering into new exclusive or non-exclusive Sports Programming distribution arrangements.**

Any responsive documents have been produced herewith.

54. **Identify all arbitration proceedings for which the Company has received a notice to arbitrate with respect to an RSN. For each notice, describe:**
    a. **The nature of the dispute (for instance, first time or continuing carriage);**
    b. **The parties involved; and**
    c. **How and whether the arbitration was resolved.**

In 2006, a newly-formed network called The America Channel ("TAC") initiated arbitration proceedings under the *Adelphia Order*[27] regarding a first-time request for carriage on Comcast Cable systems. The threshold question of whether TAC was an RSN was presented to the Commission, which ruled that TAC was an RSN. The Commission's ruling also modified the arbitration condition in the *Adelphia Order* to exclude program carriage demands by RSN programmers against Comcast Cable, because the Commission found that the definition of "RSN" was ambiguous and "less useful" in the context of program carriage.[28] The dispute between TAC and Comcast was settled in 2007, but to date, TAC has not launched its network.

In 2009, DirecTV initiated arbitration proceedings under the *Adelphia Order* to determine the fair market value of renewal carriage of Comcast SportsNet New England, Comcast SportsNet Bay Area, Comcast SportsNet California, and Comcast SportsNet Chicago. The arbitration proceeding involving Comcast SportsNet New England was settled in December 2009, [[ ]]

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55. Provide a list of all Set-Top Boxes the Company currently makes available to consumers: 1) for purchase and 2) for lease. Include the manufacturer, make, and model of each such device, and a summary of the features of each separate model, including but not limited to the ability of the Set-Top Box to access the Internet.

Comcast leases, but does not sell, Set-Top Boxes to customers.[29] Product specifications detailing the technical features of each of the Set-Top Box models that we currently lease to our customers are being produced herewith as Appendix F. These Set-Top Box models are designed to receive and decode cable programming, and none has the ability to access the Internet.

56. State the percentage of the Company's subscribers that: 1) purchase Set-Top Boxes from the Company; 2) purchase Set-Top Boxes from another source; or 3) lease Set-Top Boxes from the Company, and explain how independent ownership of a Set-Top Box affects the cost of Company installation and/or subscription.

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27 *In the Matter of Adelphia Communications Corporation, Time Warner Cable Inc., and Comcast Corporation*, Memorandum Opinion and Order, 21 FCC Rcd 8203 (2006) ("*Adelphia Order*").

28 *In the Matter of Comcast Corporation, Petition for Declaratory Ruling that The America Channel Is Not A Regional Sports Network*, File No. CSR-7108 ¶ 24 (Sept. 25, 2007).

29 Section 923(i) of the Commission's rules gives cable operators the discretion to sell equipment to customers, but does not mandate such an option. *See* 47 C.F.R. § 76.923(i) ("A cable operator *may* sell customer premises equipment.") (emphasis added).

Approximately, 80.3% of our customers lease Set-Top Boxes,[30] and 1.3% of our customers purchase their Set-Top Boxes (or other digital cable-ready devices) from third party retail outlets.[31] Customers do not purchase Set-Top Boxes directly from Comcast. Some households use both leased and retail equipment, so the overall percentage of customers who use some type of equipment to access cable service is somewhere between 80.3% and 81.6%, while the remainder of our customers use no such equipment to access cable service.

As has been reported previously to the Commission,[32] with respect to customers with digital cable-ready retail devices, Comcast does not charge for the first CableCARD used in the device and, if applicable, charges approximately $1.50 per month for the second CableCARD used in the device.[33] The average installation charge to the customer for a CableCARD is approximately $9.50 if the installation is part of an installation for multiple services, and approximately $25.00 if the installation is just for the CableCARD.[34]

57. Provide all strategic plans, policies, analyses, and presentations prepared for, presented to, reviewed by, discussed by, or considered by the Company's board of directors or the Company's executive management, or any member thereof, to deliver the Company's Video Programming over the Internet to Set-Top Boxes, television sets, and video consoles. Such devices include, but may not be limited to, AppleTV, Roku, Vudu, Xbox, Nintendo Wii, and Sony PlayStation.

Any responsive documents have been produced herewith.

58. Provide a detailed description and explanation of the Company's plans for providing and increasing children's programming, and provide all analyses and studies that have been prepared regarding such plans.

Comcast provides significant amounts of programming appealing to children and families on a variety of platforms – on linear channels, via VOD, and increasingly online. The proposed transaction with NBCU will enable Comcast to provide even more high-quality

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30 Leased Set-Top Boxes include the limited-function digital terminal adapters ("DTAs") that Comcast routinely provides to customers at no additional charge in connection with our analog reclamation efforts.

31 Digital cable-ready devices can be standalone Set-Top Boxes, like the TiVo Series 3 DVR, or TV sets with built-in Set-Top Box functionality.

32 *See* Letter from Neal M. Goldberg, Vice President and General Counsel, NCTA, to Marlene H. Dortch, Secretary, FCC, CS Dkt. No. 97-80 (Mar. 31, 2010) (quarterly CableCARD report).

33 Most CableCARD-enabled retail devices use a single CableCARD to tune one or more channels of video programming. However, certain older model CableCARD-enabled retail devices utilize two CableCARDs to tune multiple channels of video programming.

34 *See id.* Comcast will be filing comments in the Commission's Further Notice of Proposed Rulemaking on CableCARD-related issues (FCC 10-61) and incorporates by reference those comments as they relate to the questions asked in the this document request.

programming, across multiple platforms, appealing to children and families. Applicants have offered the following voluntary commitments designed to ensure that these benefits will be achieved, and have proposed that the Commission adopt these commitments as binding, enforceable conditions of an order approving the transaction:

- Within 12 months of closing the transaction, Comcast will add an additional 500 VOD programming choices appealing to children and families to its central VOD storage facilities. The majority of Comcast's cable systems will have the ability to connect to those facilities and provide access to this VOD content by that time. In addition, Comcast will make the same programming available online to authenticated subscribers to the extent it has the rights to do so.[35]

- Within three years of closing the transaction, Comcast will add another 1,000 VOD programming choices appealing to children and families, for a total of 1,500 additional programming choices for children and families. By that time, substantially all of Comcast's cable systems will have the ability to provide access to this additional VOD content. Comcast will also make this programming available online to authenticated subscribers to the extent it has the rights to do so.[36]

- The combined entity will also increase carriage of children's programming on the digital spectrum of its O&Os. Specifically, Applicants have committed that, for three years after closing the transaction, the combined entity will provide one additional hour per week (above the current three-hour requirement) of children's educational and informational programming in each market utilizing one of the multicast channels of NBC's O&Os.[37]

Applicants have discussed ways beyond these commitments in which they could further increase programming choices for children and families. However, because the proposed transaction has not yet been consummated and the companies have not yet been combined, their plans have not yet been finalized (beyond the commitments set forth in the Public Interest Statement). The discussions are ongoing and Applicants expect that their plans will continue to evolve in the coming months.

In addition, Comcast has committed to work with Common Sense Media ("CSM"), a highly respected organization offering enhanced information to help guide family

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35 Public Interest Statement at 43-44.

36 *Id.* at 44.

37 *Id.*