

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

In the Matter of)	
)	
Applications for Consent to the)	
Transfer of Control of Licenses)	
)	
General Electric Company,)	MB Docket No. 10-56
Transferor,)	
)	
To)	
)	
Comcast Corporation,)	
Transferee)	

COMMENTS OF CISCO SYSTEMS, INC.

Cisco Systems, Inc. (“Cisco”) submits these comments in response to the Commission’s Public Notice seeking comment on the proposed joint venture between Comcast Corporation (“Comcast”) and General Electric Company (“GE”) that would combine NBC Universal, Inc. (“NBCU”) with Comcast’s content and Internet businesses and related assets.¹ Cisco firmly believes that bringing together Comcast’s long history of developing high quality, innovative products and services with NBCU’s media and entertainment resources will benefit the public interest by supporting the distribution of new and innovative products and services to consumers. The transaction also will drive future development of advanced technologies in the media and communications market in ways that the companies could not do independently, which will inure to the benefit of content developers and distributors, equipment manufacturers and other

¹ See *Commission Seeks Comment on Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc., to Assign and Transfer Control of FCC Licenses*, Public Notice, 25 FCC Rcd 2651 (2010).

suppliers. Moreover, and as recent experience has shown, the combined entity may prompt other service providers and content developers and distributors to innovate, thereby creating a more competitive marketplace. Ultimately, the innovation and investment that the transaction will bring to the marketplace will greatly hasten the deployment of new technologies and services that meet consumers' growing demand for "anytime, anywhere" content and distribution. Accordingly, Cisco urges the Commission to promptly approve the proposed joint venture.

I. AS AN EQUIPMENT MANUFACTURER AND VENDOR TO COMCAST, CISCO HAS A UNIQUE PERSPECTIVE ON THE PROPOSED TRANSACTION

Cisco is the world's largest manufacturer of networking equipment and a market leader in the provision of network solutions and applications that allow for the enhanced management of today's networks.² Cisco's equipment and network solutions are key components for network operators and service providers to meet the growing demands of consumers in today's media and communications marketplace.

It is well documented that consumers are increasingly demanding higher quality video programming over a wide variety of platforms.³ In anticipation of this demand, in 2006, Cisco acquired Scientific Atlanta, Inc. ("SA"), a leading global provider of set-top boxes, end-to-end video distribution networks, and video system integration. The transaction allowed Cisco to create a world class, end-to-end, triple play solution for carrier networks and the digital home, and it laid the foundation for further investment in innovative new technologies and products.

Cisco's acquisition of SA also enabled Cisco to expand its long-term partnership with Comcast,

² See, e.g., Comments of Cisco Systems, Inc., GN Docket No. 09-191, WC Docket No. 07-52, at 1 (filed Jan. 14, 2010).

³ See generally, *Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming*, Thirteenth Annual Report, 24 FCC Rcd 542 (2009) (reporting that more video services are being provided over multiple delivery technologies, including cable television and other multichannel video programming distributors, home satellite dishes, broadband facilities, wireline facilities, open video systems, wireless systems, and the Internet).

as Cisco became one of the leading suppliers of Comcast's leased set-top boxes and a collaborator in the development and deployment of new video distribution products and services. For example, Cisco is working actively with Comcast and others to develop Cisco's Next Generation Video Delivery service ("Next Generation Video"), an Internet Protocol ("IP") video delivery system that will also allow Internet connectivity.⁴ In addition to an all-IP solution for both headend equipment and browser-based set-top software, Next Generation Video will feature an advanced services "gateway" in the home, enabling consumer devices to access open content as well as enable voice-over-IP ("VoIP") and high speed Internet services.

Indeed, Cisco has partnered with Comcast for many years to upgrade networks and to deploy the latest technologies for the benefit of both the residential and enterprise markets. A recent example of the companies' collaboration includes complex software upgrades to bring Comcast's i-Guide interactive programming guide to millions of set-top boxes.⁵ The software enhancements include color-coding the program guide by genre of programming, a faster-loading video-on-demand ("VOD") menu, a "Quick Menu" for shortcuts, more detailed program information, expanded parental control options, and multiple "favorites" lists. In addition, Comcast and Cisco are working together to upgrade Comcast's enterprise network services to more efficient and cost-effective Ethernet and IP-based technologies.⁶ These improvements will facilitate the development and deployment of new IP applications in Comcast metropolitan networks.

⁴ See NBP Public Notice # 27 Comments of Cisco Systems, Inc., GN Docket Nos. 09-47, 09-51, 09-137, CS Docket No. 97-80 at 3-5 (filed Dec. 22, 2009).

⁵ See Todd Spangler, *Comcast i-Guide Goes Wide: Operator to Extend The IPG To Cisco Markets This Year*, Multichannel News, May 24, 2010, available at http://www.multichannel.com/article/452978-Comcast_i_Guide_Goes_Wide.php.

⁶ See *With Cisco, Comcast Scales Its Commercial Metro Services and Company Reach*, available at http://www.cisco.com/en/US/prod/collateral/routers/ps368/prod_case_study0900aecd8013dfef_ps5532_Products_Case_Study.html (last visited June 14, 2010).

II. INNOVATION IS A HALLMARK OF COMCAST'S EFFORTS TO PROVIDE HIGH QUALITY SERVICES TO CUSTOMERS

Particularly based on Cisco's first-hand experiences with the company, Comcast has a long history of innovation to the benefit of consumers and competition across multiple services including phone, broadband, and, most relevant to the transaction at issue, video and content. For example, while still only a relatively new entrant into the phone market, Comcast has become the third-largest residential phone service provider in the country,⁷ with approximately 7.4 million customers.⁸ Also, as the highest rated service for call clarity, Comcast's Digital Voice® service (a large portion of which runs on Cisco softswitches) compels other service providers to innovate and offer new services and products.⁹ Finally, Comcast also provides voice and broadband Internet services to small- and medium-sized businesses, in many cases bringing the first-ever facilities-based competitive alternative to these businesses.¹⁰

Similarly, Comcast has gone to great lengths to provide high quality broadband services, including the deployment of new, and the upgrade of existing, infrastructure with the latest technologies and solutions. The company continuously explores ways to increase broadband capacity and throughput so that consumers can enjoy faster service and access more content across multiple platforms. For example, Comcast, relying in part on Cisco routers and solutions, leads the nation in providing DOCSIS 3.0 ("D3") technology – which currently allows speeds of up to 100 Mbps downstream and up to 10 Mbps upstream – to end users and businesses within

⁷ See Comcast Press Release, *Comcast Now the Third Largest Residential Phone Services Provider in the U.S.* Mar. 11, 2009, available at <http://www.comcast.com/About/PressRelease/PressReleaseDetail.aspx?PRID=844>.

⁸ See GE and Comcast, Applications and Public Interest Statement, Description of Transactions, Public Interest Showings and Related Demonstrations, MB Docket No. 10-56 at 19 (Jan. 28, 2010) ("Comcast Public Interest Statement").

⁹ See *Digital Home Phone Service from Comcast*, available at <http://www.comcast.com/Corporate/Learn/DigitalVoice/digitalvoice.html> (last visited June 15, 2010).

¹⁰ See Comcast Public Interest Statement at 19.

75 percent of the company's footprint.¹¹ Comcast also has doubled the speeds of its standard broadband Internet access services.¹² In another example of innovation, Comcast offers customers free Wi-Fi mobile broadband service in the New York metropolitan area using outdoor cable modems.¹³

Most importantly, Comcast has devoted significant resources to improving and expanding the ways in which consumers can access video programming. In particular, its development of VOD revolutionized the delivery of video programming. Comcast took the critical step of acquiring a minority ownership interest in Metro-Goldwyn-Mayer ("MGM") and rights to MGM's video library in order to demonstrate to content owners and other multichannel video programming distributors ("MVPDs") the quality, value, and secure nature of the then-unproven Comcast VOD delivery system.¹⁴ Once it was apparent that consumers liked Comcast's service, and that high-value content could be protected from redistribution, other content owners were convinced to provide content, and other service providers were spurred to develop their own VOD offerings and to innovate and improve services in order to compete.¹⁵ Moreover, VOD technology spurred the development of new content and a dramatic increase in niche content such as additional local programming that focuses on the interests and needs of individual communities.¹⁶

¹¹ *See id.*

¹² *See id.*

¹³ *See Mobile Broadband: Because You Can Only Go So Far with Physical Plant*, http://blogs.cisco.com/sp/comments/mobile_broadband_because_you_can_only_go_so_far_with_physical_plant/ (May 12, 2010, 11:29AM PST).

¹⁴ *See Comcast Public Interest Statement* at 6-7, 36-37, 55-58.

¹⁵ *See id.* at 7.

¹⁶ *See id.* at 36-37.

Indeed, Comcast continues to pursue new ways to improve the consumer experience. For example, Comcast, with Cisco's assistance, is implementing a national content delivery network infrastructure and second generation VOD services that will allow Comcast to expand its VOD content dramatically. It also is exploring ways to use Cisco's content delivery network solutions to increase its digital video recorder storage and management capabilities, thereby providing customers with additional flexibility and enhancing their content viewing experiences. Comcast's continued advocacy for on-line video distribution further demonstrates its dedication to the development of novel and consumer-friendly products and solutions.

III. COMCAST'S TRACK RECORD OF INNOVATION COMBINED WITH NBCU CONTENT AND OTHER ASSETS WILL BENEFIT CONSUMERS AND ENHANCE THE PUBLIC INTEREST

Comcast's commitment to innovation, together with NBCU's significant content library and variety of distribution platforms, will create new opportunities for better and expanded products and services. The joint venture will be well positioned (more so than either company alone) to invest in novel business plans and technological innovations.¹⁷ As the Commission has long recognized, such advancements in products and services will compel other service providers to invest in new or improve existing technologies and services to remain competitive.¹⁸ This competition, in turn, will serve the public interest and lead to additional product and service choices and better rates.¹⁹ In addition, the more able distributors such as Comcast are to work

¹⁷ See *id.* at 37.

¹⁸ See, e.g., *Applications for Consent to the Transfer of Control of Licenses from Comcast Corp. and AT&T Corp., Transferors, to AT&T Comcast Corp., Transferee*, Memorandum Opinion and Order, 17 FCC Rcd 23246, 23317 (2002) (noting that the merged company should be able to better spread the costs of development and deployment of new technologies across a larger customer base, "which should in turn foster incentives for investment by the merged entity, as well as other businesses that seek to sell equipment, technology, and services to the merged entity").

¹⁹ See, e.g., *Application of EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp.*, Hearing Designation Order, 17 FCC Rcd 20559, 20630 (2002) (noting that operational efficiencies resulting from a merger can enhance the merged company's "ability and incentive to compete (continued on next page)

with vendors like Cisco to experiment with content delivery on multiple platforms, the more opportunities for all equipment providers, suppliers, content creators, application developers, and consumers.

Consumers in particular are increasingly demanding “anytime, anywhere” access to entertainment, news and other content, which is reshaping the media industry. Whereas in the past over-the-air television was the only outlet for video programming, now content can be accessed over cable, satellite and fiber optic facilities; on-line and through computers; through game consoles; through wireless handsets; and on portable devices such as through iPods, iPads, FloTV, Archos Internet tablets, and the Chumby. Similarly, Comcast has begun rolling out its “Fancast Xfinity TV” service, which runs on Cisco’s Application and Content Networking System, to provide Comcast subscribers with access to video content on-line.²⁰

But, just as in the case with Comcast’s development of VOD, more content must be made available to meet the ever-growing and increasingly sophisticated needs and demands of consumers.²¹ The joint venture will accelerate the development of in-home and media entertainment, which will help meet that demand in ways the companies could not do individually.²² Drawing from the success of VOD, which was sparked in large part by

and therefore result in lower prices, improved quality, enhanced service or new products”); *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations by Time Warner Inc. and America Online, Inc., Transferors, to AOL Time Warner Inc., Transferee*, Memorandum Opinion and Order, 16 FCC Rcd 6547, 6674 (2001) (“[I]nvestment in one broadband technology tends to stimulate investment in competing technologies.”); *id.* (“[T]o the extent that the merger advances alternative broadband technologies and thus broadband deployment generally, we would expect such a result to stimulate the development of broadband content.”).

²⁰ See Comcast Public Interest Statement at 22-23.

²¹ See, e.g., *id.* at 60 (noting that “content owners have been cautious, limiting the content they make available for online access”).

²² In June 2009, Comcast and Time Warner, Inc. introduced their “TV Everywhere” principles, which are designed to create an open and nonexclusive approach to on-line video to give customers access to high-quality content that may not otherwise be available on-line. See Comcast Press Release, *Comcast Corp.*, (continued on next page)

Comcast's investment in MGM and its video library, the new joint venture's ability to access NBCU's rich content should promote new ways it can offer that content to consumers across different platforms. It has been Cisco's experience that the need to separately negotiate video products and services across multiple entities in the distribution chain can cause delays in deployment of new technologies that otherwise could be available to consumers. The proposed combination of content and distribution platforms thus may allow for faster time to market, benefiting consumers and the marketplace generally.

The joint venture also will encourage other companies to develop new products and services and to seek access to and distribute additional content to remain competitive and meet consumer demand. The additional avenues for distribution of Comcast and NBCU will create an environment that is more conducive for content creators and application developers to expand. Importantly, more shows, movies, local programming and other types of content will become available to consumers more quickly and through different mediums. Furthermore, as on-line content increases, so will the need and incentive for greater deployment of broadband services, a key goal of the Commission and this Administration.²³ Finally, the proposed transaction also will have far reaching benefits throughout the media and communications marketplace. As service and product offerings expand, so will the need to accelerate the development of additional software, hardware and consumer devices. Consumers only stand to benefit from the hastened deployment of these new technologies.²⁴

Time Warner Inc. Announces Widespread Distribution of Cable TV Content Online, June 24, 2009, available at <http://www.comcast.com/About/PressRelease/PressReleaseDetail.ashx?PRID=883>.

²³ See generally, FCC, *Connecting America: The National Broadband Plan*, at 19-21 (Mar. 16, 2010).

²⁴ For example, Comcast already is encouraging consumers to better search, manage, and access their cable and other communications services remotely through different platforms. At The Cable Show 2010 in Los Angeles, Brian Roberts, CEO of Comcast, demonstrated an innovative new iPad application that could serve as the front end portal for Comcast's video and VOD services. See *The Coming Converged* (continued on next page)

IV. CONCLUSION

The proposed joint venture between Comcast, GE, and NBCU will bring a multitude of benefits to consumers and others who are a part of the media and communications marketplace, including content developers and distributors, equipment manufacturers, and other suppliers. The combined entity will spur increased investment, innovation, and competition, and ultimately result in new and affordable products, services, “anytime, anywhere” content, and applications. Accordingly, Cisco urges the Commission to promptly approve the proposed transaction.

Respectfully submitted,

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Experience, http://blogs.cisco.com/sp/comments/the_coming_converged_experience/ (May 19, 2010, 10:56AM PST).