

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

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

COMMENTS OF THE INDEPENDENT FILM & TELEVISION ALLIANCE

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August 25, 2014

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I. INTRODUCTION

The Independent Film & Television Alliance (“IFTA”) submits these comments in opposition to the Applications of Comcast Corp., Time Warner Cable Inc., Charter Communications, Inc., and SpinCo for Consent to Assign and Transfer Control of FCC Licenses and Other Authorizations. For providers of independent video content, this acquisition would cause immitigable harm in an already too highly-consolidated marketplace.

Comcast/NBCUniversal is presently a major buyer of content for transactional Video On Demand (“VOD”) as well as for its traditional broadcasting and pay cable channels. It is also a vital broadband distributor to consumers of competing online video services. Post-acquisition, the combined Comcast-Time Warner Cable will be the single largest MVPD and broadband provider in the U.S., and its subscriber base will give the new entity extraordinary leverage and control over the selection of independent programming that will reach the consumer and the terms and conditions on which that programming is acquired. The combined entity would also own a supermajority of iN DEMAND, the top aggregator of transactional VOD programming. History teaches that this extreme consolidation and leverage will result in independent programming and channels being denied access to the new entity’s subscribers and will substantially decrease or eliminate the supply of diversely-sourced programming to the American public.

The Independent Film & Television Alliance (“IFTA”) is the trade association for the independent film and television industry worldwide.¹ IFTA represents more than 145 Member Companies from 21 countries, consisting of the world’s foremost independent production and distribution companies, sales agents, television companies and financial institutions engaged in film finance.² During the last twelve

¹ IFTA defines “independent” producers and distributors as those companies and individuals apart from the major studios that assume the majority (more than 50%) of the financial risk for production of a film or television program and control its exploitation in the majority of the world. A list of IFTA Members can be found at www.ifta-online.org.

² For more than 30 years, IFTA Members have produced, distributed and financed many of the world’s most prominent and critically acclaimed films, 21 of which have won the Academy Award® for “Best Picture,” including *12 Years a Slave*, *The Artist*,

years, independent production companies have produced the vast majority of all U.S. feature films.³ Collectively, IFTA Members produce over 400 feature films and countless hours of programming annually with U.S. sales revenues of approximately \$2.16 billion.⁴ IFTA also produces the American Film Market, the largest motion picture trade event in the world, at which over \$800 million in license fees are negotiated annually.

II. THE COMCAST-TIME WARNER CABLE ACQUISITION WILL HARM THE PUBLIC INTEREST BY GIVING COMCAST/TWC TOO MUCH LEVERAGE AND CONTROL OVER THE SOURCES AND SELECTION OF PROGRAMMING AND THE TERMS AND CONDITIONS ON WHICH THAT PROGRAMMING IS ACQUIRED

Comcast and Time Warner Cable (“TWC”) together comprise nearly 39% of the U.S. broadband market with over 32 million subscribers and 35% of the U.S. MVPD market with over 33 million subscribers.⁵ Contrary to Comcast’s assertions, *because* Comcast and TWC (and Charter) serve separate geographic areas, the combination of these two entities would in fact *reduce* competition and *limit* consumer choice in the video marketplace⁶. For the public looking to access independent content, the acquisition combined with the consolidated ownership of iN DEMAND would put programming choices for a now-national VOD service into a single entity and would undoubtedly further limit the sources of programming. In its role as broadband provider, the combined entity would also have influence and control over the delivery to subscribers of competing third-party online video services, thus negatively affecting the ability of such services to acquire programming at reasonable prices.

The King’s Speech, The Hurt Locker, Slumdog Millionaire, No Country for Old Men, Crash, Million Dollar Baby, Lord of the Rings: The Return of the King, Dances with Wolves, and Gandhi.

³ See Appendix A: *U.S. Production 2002 – 2013: Independent v. Major.*

⁴ 2013 U.S. sales revenue based upon linear regression analysis, *IFTA Membership Sales Survey results 2001 - 2012.*

⁵ See Appendix B: *Top 4 Broadband Provider Market Share Analysis: Broadband Share / Multi-Channel Video Programming Distributor Share.*

⁶ See Appendix C: *MVPD Market Share Pre- and Post-Merger.*

Comcast's assertions that no competitive advantage in content acquisition (and no price benefit) would be derived from a combined Comcast-TWC are unfounded. In AT&T's FCC Public Interest Statement, filed June 11, 2014 in connection with its proposed merger with DirecTV,⁷ AT&T premises its own application largely on its need to re-position itself in the video marketplace and repeatedly points to its (and DirecTV's) inability to effectively compete with Comcast-TWC for content without building its own footprint by merger to include national coverage and to expand its offerings to include a full bundle of services (video-voice-internet).⁸ It extols the probable drop in content pricing from producers when it is positioned with a more robust offer following the merger. AT&T states in its Public Interest Statement:

"Content is the most critical – and largest – variable cost for MVPDs. Per-subscriber content costs continue their long upward climb. In recent years, they have regularly outpaced inflation. With the most popular content increasingly concentrated in the hands of a few companies (including those affiliated with some of the largest MVPDs), those suppliers have the leverage to demand higher and higher fees with each passing year. Distributors must accede to these demands or risk losing customers, credibility, and competitive position. [...] This transaction will create a combined entity with a much larger subscriber base than AT&T currently has and thus offer much more value to programmers. That, in turn, should result in lower content costs."⁹

⁷ *Description of Transaction, Public Interest Showing, and Related Demonstrations*, FCC MB Docket No. 14-90 (filed June 11, 2014).

⁸ "As a result of its relatively limited video footprint, AT&T is far smaller than Comcast and Time Warner Cable, its principal competitors. Lack of scale particularly hinders AT&T with respect to content acquisition, which is by far the largest variable cost of MVPD service. AT&T therefore faces challenges selling competitive broadband/video bundles even inside its U-verse video footprint." *Id.* at 3.

⁹ *Id.* at 34-35.

In other words, AT&T and DirecTV assert that if combined, a larger scope will give the new entity a competitive advantage in content acquisition because it would be able to flex and leverage its power in the marketplace while lowering the costs of acquiring programming. This clearly contradicts Comcast's assertions in its April 8, 2014 Public Interest Statement which states that "[t]he combined [Comcast-TWC] company would have no enhanced ability or incentive to pursue anticompetitive foreclosure strategies as a 'buyer' of programming."¹⁰

Additionally, Comcast, in the role of broadband provider, can impact contractual terms and license fees paid to producers by third-party online video services. Netflix agreed to pay Comcast to ensure faster and more reliable access to Comcast's subscribers over its broadband networks.¹¹ Just last week it was announced that Netflix had also struck a similar deal with TWC.¹² Similarly, backbone provider Level 3 has agreed to pay for faster on-ramping to Comcast's servers.¹³ These "paid peering" arrangements clearly demonstrate the incentive and ability of Comcast, acting as the nation's largest broadband provider, to favor its own commercial interests by extracting payments for delivery services traditionally provided without additional payment. These increased costs of distribution are then passed on to the producer who may have to accept a lower license fee and/or a share of higher costs.

¹⁰ *In the Matter of Applications of Comcast Corp. and Time Warner Cable Inc. for the Consent to Transfer Control of Licenses and Authorizations*, FCC MB Docket No. 14-28 (filed April 8, 2014) ("Comcast Public Interest Statement") at 169, available at <http://apps.fcc.gov/ecfs/document/view?id=7521122731>.

¹¹ Timothy B. Lee, *Comcast's deal with Netflix makes network neutrality obsolete*, The Washington Post (February 23, 2014) available at <http://www.washingtonpost.com/blogs/the-switch/wp/2014/02/23/comcasts-deal-with-netflix-makes-network-neutrality-obsolete/>.

¹² Paresh Dave, *Netflix, Time Warner Cable reach deal on streaming quality*, The Los Angeles Times (August 21, 2014) available at <http://www.latimes.com/business/technology/la-fi-tn-netflix-time-warner-cable-20140820-story.html>.

¹³ Jon Brodtkin, *Level 3 and Cogent ask FCC for protection against ISP "tolls"*, Ars Technica (March 21, 2014) available at <http://arstechnica.com/business/2014/03/level-3-and-cogent-ask-fcc-for-protection-against-isp-tolls/>.

III. THE HISTORY OF THE VIDEO MARKETPLACE IN THE U.S. AND THE EVOLUTION OF THE ONLINE MARKETPLACE FOR VIDEO PROGRAMMING OVER RECENT YEARS

Commercial distribution in the U.S. via cable, satellite or broadband is already extremely difficult to secure for independent programming. Vertically-integrated media conglomerates have built-in incentives, such as lowering their overhead and transactional costs involved in acquisition,¹⁴ to favor affiliated “in-house” programming and content offered by a small number of large studios and aggregators. In the past four years, consolidation of the marketplace with large conglomerates owning or controlling broadband networks, along with television networks and channels, production units, and content suppliers, has significantly expanded. The 2011 Comcast-NBCUniversal merger accelerated consolidation,¹⁵ and the proposed Comcast-TWC acquisition¹⁶ would continue the consolidation in terms of both distribution assets and by making the vast NBCU program library available to the combined entity.

Approving this merger would expand the ability and incentives of the successor entity to use its enhanced leverage to gain favorable terms and conditions in the acquisition of third-party content, engage in preferential treatment of its own VOD service, aggregate its own and affiliated content through iN DEMAND, and restrict broadband access for competing online video services. This will shut out or limit consumer access to independently supplied content and place independently owned online video distribution services and content at a severe and unfair competitive disadvantage.

While independents routinely produce and then license programs on a picture-by-picture basis, the major cable, satellite and broadband distributors refuse to accept programs on this basis. The major VOD services fill slots through reliance on affiliated entities¹⁷ or by acquiring packages of multiple titles or

¹⁴ “[T]he transaction should result in cost savings and other synergies worth approximately \$1.5 billion in increased earnings [...]” *Comcast Public Interest Statement* at 27.

¹⁵ See Appendix D: *Media Consolidation in the U.S.: Listing of Conglomerates’ Holdings*.

¹⁶ See Appendix E: *Comcast-Time Warner Cable Proposed Merger Consolidation*.

¹⁷ For example, Comcast’s ownership of content provider NBCUniversal, which owns edge provider Hulu, and Comcast’s *exclusive* licensing deal with major studio 21st Century Fox Inc. for broadcast and cable shows to appear on Comcast’s XFINITY

large catalogs through *third-party aggregators*. These aggregators selectively acquire, then bundle and re-license content to the online distribution services, thus allowing the distribution services to avoid many of the transactional costs of program acquisition, intake and accounting. These aggregators select only a very small number of titles for re-licensing to the VOD platforms and take a significant portion of the producers' share of any revenue generated.

Notably, iN DEMAND (one of the largest aggregators of VOD content in the world)¹⁸ is jointly owned by *both* Comcast and TWC, along with Cox Communications and TWC spin-off Bright House Networks.¹⁹ iN DEMAND functions as one of the major aggregators of independent programming for supply to these cable systems. Because Comcast does not deal directly with smaller program suppliers, iN DEMAND is a critical gatekeeper, making the actual decisions about what programs are accepted and offered to the various systems. It also exercises the right of technical approval on whether the digital file delivered to it is "adequate" for supply to the cable systems. Following the merger, the combined Comcast-TWC entity will hold 83.2% ownership of iN DEMAND,²⁰ expanding the consolidated entity's influence to other cable systems and increasing the likelihood that affiliated content will be favored and that independent content will be foreclosed from reaching an audience.

Increasingly and due in large part to the lack of VOD slots available through the established VOD services and iN DEMAND, independents must look for opportunities through smaller and emerging video services that cultivate specific communities of interest as audiences. However, while there may be slots available for online VOD distribution, the "standard" licensing terms for VOD have already been established by the large broadband providers. The new online distributors of VOD players are beginning

on-demand service. Shalini Ramachandran, The Wall Street Journal, *Cable Fights to Feed 'Binge' TV Viewers* (Sept. 20, 2013) available at <http://online.wsj.com/news/articles/SB10001424127887324807704579083170996190590>.

¹⁸ See "About iN DEMAND" at <http://www.indemand.com/about/>.

¹⁹ See "About iN DEMAND – Ownership" at <http://www.indemand.com/business/business-overview/about/ownership.php>.

²⁰ See Appendix F: *iN DEMAND Ownership Pre- and Post-Merger*.

to mimic these unfavorable terms. These new commercial standards, which are only marginally negotiable by independent producers, include limitations on the minimum guarantees or advances given to the producer (*e.g.*, none at all or subject to the requirement that the producer spend the advance to market the film's availability only *on the specific VOD service*) and short availability windows (usually 30-90 days), with the VOD platform usually under no obligation to exploit the film and able to terminate the license for any reason.

Lack of slots on VOD services and lopsided contractual limitations reflect the current state of the VOD marketplace, which will only tilt more heavily in favor of the VOD services if the Commission approves the Comcast-TWC acquisition. Presently, conglomerates which combine major studio production with large market share distribution possess inordinate market leverage and quasi-monopolistic power to control the means and conditions under which independent content can get to the U.S. consumer. A combined Comcast-TWC entity would effectively control 32% of the traditional VOD market,²¹ worsening this trend and further negatively impacting the American independent producer and program diversity for U.S. consumers.

IV. EXTENSION OF COMCAST-NBCUNIVERSAL TRANSACTION CONDITIONS AND COMMITMENTS

The proposed merger comes at a critical time in the Commission's own review of Open Internet protections – and at a time when no party can be assured of what protections against blocking and discrimination may apply finally to the proposed merged entity. While Comcast has accepted the requirements of the Commission's 2010 *Open Internet Order* and proposes to extend those to TWC, that commitment currently only extends to January 2018. The *Order* also carves out and excludes "specialized

²¹ See Appendix G: *VOD Revenue Market Share Pre- and Post-Merger*.

services” – the very video offerings that are at issue here – from its purview. This is clearly inadequate to protect the video marketplace from the impact of a combined Comcast-TWC.

IFTA has carefully considered whether there are other commitments, arrangements or orders that could ameliorate the harms and negative impact on sources of programming and the online flow of diverse independent content to consumers and has not been able to identify any measures to offset the potential damages to the American video marketplace. The merger would be a disastrous additional step in the consolidation of power over content into the hands of a few vertically-integrated media conglomerates. As illustrated by the AT&T-DirecTV application, if allowed to go forward, Comcast-TWC will be the justification for every merger in this space for the foreseeable future and independent programming will be marginalized – even on the Internet. Given the magnitude of these harms to the American public, the Commission cannot justify or allow this transformation of the marketplace to occur.

V. CONCLUSION

The Commission must protect the public interest in diverse sources of programming by denying the Applications.

Respectfully submitted,

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Appendix A
U.S. Production 2002 - 2013: Independent v. Major

Year	Independent Productions	Indie / Major Co-prod	Major Studio Production	Intl Co Production	Total
2002	377 74%	14 3%	105 21%	12 2%	508 100%
2003	251 66%	12 3%	104 27%	13 3%	380 100%
2004	434 77%	50 9%	63 11%	16 3%	563 100%
2005	435 74%	33 6%	91 16%	25 4%	584 100%
2006	393 78%	22 4%	78 15%	11 2%	504 100%
2007	477 77%	24 4%	103 17%	18 3%	622 100%
2008	321 76%	21 5%	77 18%	5 1%	424 100%
2009	251 68%	13 4%	75 20%	32 9%	371 100%
2010	422 75%	33 6%	105 19%	1 0%	561 100%
2011	480 75%	9 1%	87 14%	60 9%	636 100%
2012	393 78%	17 3%	83 16%	14 3%	507 100%
2013	340 79%	6 1%	79 18%	4 1%	429 100%
12 Year Average	381 75%	21 4%	88 17%	18 3%	507 100%

* Source: IFTA analysis of production listings published in *The Hollywood Reporter & Daily Variety* (2002 - 2008) and *Baseline & IMDB Pro* (2009- 2013).

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Appendix B

Top 4 Broadband Provider Market Share Analysis: Broadband Share / Multi-Channel Video Programming Distributor Share

Top Four Broadband Providers Market Share

	2009*		2013**		Chg 2009 - 2013	
	Subscribers (M)	% Total	Subscribers (M)	% Total	Subscribers (M)	%
Comcast	15.7	19.3%	20.7	24.6%	5.0	31.8%
ATT	17.1	21.1%	16.4	19.5%	-0.7	-4.1%
Verizon	9.2	11.3%	9.0	10.7%	-0.2	-2.2%
Time Warner Cable	8.8	10.8%	11.6	13.8%	2.8	31.8%
Four Company Total	50.8	62.6%	57.7	68.4%	6.9	13.6%
All Other	30.4	37.4%	26.6	31.6%	-3.8	-12.5%
Total U.S.	81.2	100.0%	84.3	100.0%	3.1	3.8%

Top Four Broadband Providers MVPD Market Share

	2010***		2013**		Chg 2010 - 2013	
	Subscribers (M)	% Total	Subscribers (M)	% Total	Subscribers (M)	%
Comcast	22.8	22.8%	21.7	22.9%	-1.1	-4.8%
ATT	3	3.0%	5.5	5.8%	2.5	83.3%
Verizon	3.5	3.5%	5.3	5.6%	1.8	51.4%
Time Warner Cable	12.4	12.4%	11.4	12.1%	-1.0	-8.1%
Four Company Total	41.7	41.7%	43.9	46.4%	2.2	5.3%
DirectTV	19.2	19.2%	20.3	21.5%	1.1	5.7%
4 Co. & DirectTV Total	60.9	60.8%	64.2	67.9%	3.3	5.4%
All Other	39.2	39.2%	30.4	32.1%	-8.8	-22.4%
Total U.S.	100.1	100.0%	94.6	100.0%	-6.6	-6.6%

Source: IFTA analysis of data from the sources listed immediately below:

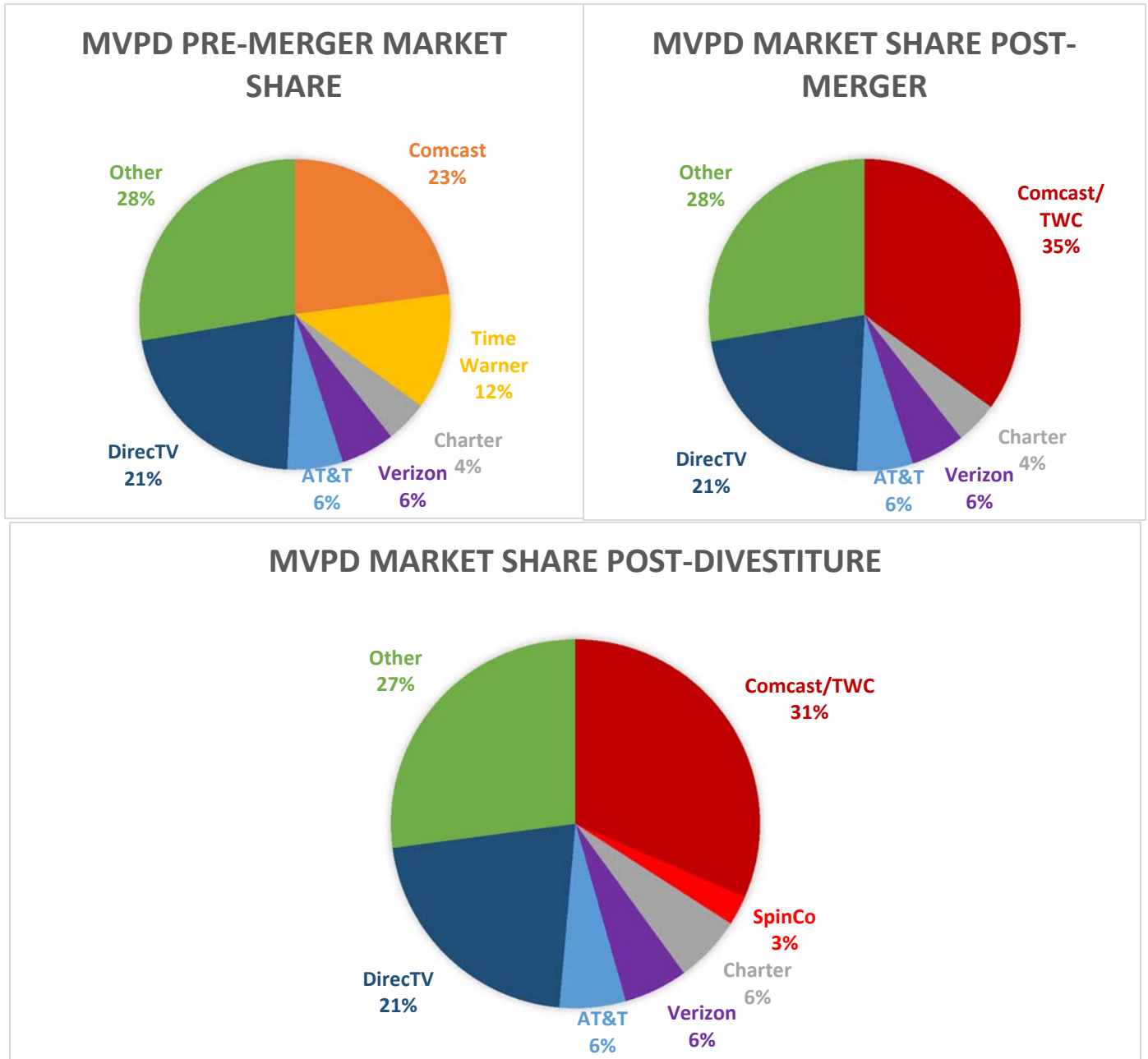
* Comcast Corporate Overview 9/09; Verizon 3rd Qt. 2009 New; ATT 2009 Corporate Profile; OECD Dataset 6/09

** Leichtman Research Group, "Research Notes", 4Qt. 2013

*** NCTA website sourcing: Company websites, filings, etc.; SNL Kagan, Special Report, U.S. Multichannel Subscriber Update & Geographic Analysis, June 2011

Appendix C

MVPD Market Share Pre- and Post-Merger



Source: IFTA analysis of data from the sources listed immediately below:

* Comcast Corporate Overview 9/09; Verizon 3rd Qt. 209 New; ATT 2009 Corporate Profile; OECD Dataset 6/09

** Leichtman Research Group, "Research Notes", 4Qt. 2013

*** NCTA website sourcing: Company websites, filings, etc.; SNL Kagan, Special Report, U.S. Multichannel Subscriber Update & Geographic Analysis, June 2011

**** "Divestiture Transactions" in the Matter of Applications of Comcast Corp. and Time Warner Cable Inc., FCC MB Docket No. 14-57 (filed June 24, 2014)

Appendix D

Media Consolidation in the U.S.: Listing of Conglomerates' Holdings as of August 2014

Sources: Columbia Journal Review website (<http://www.cjr.org/resources>), Company Websites

AT&T

Television

- U-Verse TV
- proposed merger with DirecTV

Internet

Internet Service Provider (ISP)

- AT&T U-Verse

VOD

- U-Verse On Demand

Telephone Communications

Landline Phone Service

- U-Verse Voice
- Southwestern Bell
- Bell South

Mobile Phone Service

- AT&T 4G LTE
- Cricket Wireless

Cablevision Systems Corp.

AMC Networks (Formerly Rainbow Media Holdings LLC.)

Cable Television

Multi-Service Operator (MSO)

- IO

Cable Channels

- American Movie Channel (AMC)*
- IFC*
- The Sundance Channel (purchased from NBC 5/7/08)*
- Women's Entertainment (WEtv)*

Internet

Internet Service Provider (ISP)

- Optimum Online

Charter Communications

Internet

Internet Service Provider (ISP)

- Charter Spectrum Internet

Telephone Communications

- Charter Spectrum Voice

Cable Television

- Charter Spectrum TV

VOD

- Charter On Demand

Comcast / NBC Universal

Production Entities:

- Focus Features
- Universal Studios

Broadcast Television

- NBC TV Network
- Telemundo

Cable Television

Multi-Service Operator (MSO)

- Comcast

Cable Channels

- Bravo*
- Chiller
- Cloo (Formerly Sleuth)
- CNBC
- E! Entertainment
- Exercise TV
- FEARNet (w/ Lionsgate & Sony)
- G4
- Golf Channel
- MSNBC
- Oxygen*
- PBS Kids Sprout (Partial with PBS)
- Style Network
- SyFy Channel*
- The Weather Channel
- TV One
- USA Network*
- Versus

Internet

Internet Service Provider (ISP)

- Comcast

Internet Programming Sites

- NBC.com
- On Demand Online
- USA Network Online

VOD

- Hulu.com 32% (owned by several companies, Fox, NBC, ABC)
- iN DEMAND (partial w/ Cox, Time Warner Cable and Bright House)
- XFINITY

* Major fiction programming cable channel

Appendix D

Media Consolidation in the U.S.: Listing of Conglomerates' Holdings as of August 2014

Sources: Columbia Journal Review website (<http://www.cjr.org/resources>), Company Websites

Cox Communications

Internet

Internet Service Provider (ISP)

- Cox High Speed Internet

Telephone Communications

- Cox Digital Telephone

Cable Television

- Cox Advanced TV + Contour

VOD

- On DEMAND from Cox

Home Security Systems

- Cox Home Security

DirecTV (former subsidiary of Liberty Media now standalone)

Broadcast Satellite Service Provider

- DirecTV (possible acquisition by AT&T as of 2014)

VOD

- DirecTV On Demand

Hearst Corp.

Cable Television Channels

- A&E (partial w/ Disney)*
- Biography Channel (partial Disney)
- ESPN (partial w / Disney)
- The History Channel (partial w/ Disney)*
- Lifetime Network (partial w/ Disney)*
- Lifetime Movie Network (partial w/ Disney)
- Lifetime Real Women (partial w/ Disney)

National Amusements

CBS

Broadcast Television

- CBS TV Network
- CW Network (partial w/ Warner Bros.)

Cable Television Channels

- FLIX*
- Showtime*
 - o Showtime
 - o Showtime 2

* Major fiction programming cable channel

- o Showtime Showcase
- o Showtime Beyond
- o Showtime Extreme
- o Showtime Family Zone
- o Showtime Next
- o Showtime Women
- The Movie Channel*

Internet Programming

- CBS.com
- CW Video
-

Viacom / Paramount

Production Entities:

- Paramount Studios
- Paramount Vantage

Cable Channels

- BET*
- Comedy Central*
-
- CMT
- LOGO
- MTV
- mtvU
- Nickelodeon
- Nick@Nite
- Palladia
- Spike*
- TV Land
- VH1

Internet

- BET.com
- ComedyCentral.com
- Spike.com

VOD

- Epix (partial with MGM and Lionsgate)

Appendix D

Media Consolidation in the U.S.: Listing of Conglomerates' Holdings as of August 2014

Sources: Columbia Journal Review website (<http://www.cjr.org/resources>), Company Websites

News Corp (FOX)

Production Entities:

- 21st Century Fox
- Fox Searchlight

Broadcast Television

- Fox Broadcasting
- MyNetworkTV (syndication service)

Cable Television Channels

- Big Ten Network
- Fox Movie Channel*
- Fox News Channel
- Fox Sports Net
- FX*
- National Geographic Channel (partial w/ NGTF)
- SPEED Channel
- FUEL

Internet Programming Services

- MySpace
- FOX.com

VOD

- Hulu.com (owned by several companies, Fox, NBC, ABC)

Starz Inc. (former subsidiary of Liberty Media now standalone company)

Cable Television Channels

- Encore* (owned by Starz Inc.)
 - Encore Action
 - Encore Drama
 - Encore Love
 - Encore Mystery
 - Encore Wam
 - Encore Western
- MOVIEplex (owned by Starz Inc.)
 - INDIEplex
 - RETROplex
- Starz* (now owned by Starz Inc.)
 - Starz Cinema
 - Starz Comedy
 - Starz Edge
 - Starz InBlack
 - Starz Kids & Family
 - Starz OnDemand

* Major fiction programming cable channel

The Walt Disney Company

Production Entities:

- Marvel Entertainment
- Pixar Animation Studios
- Walt Disney Pictures
- Touchstone Pictures

Broadcast Television

- ABC TV

Cable Television Channels

- ABC Family Channel*
- A&E (partial w/ Hearst)*
- Biography Channel (partial w/ Hearst)
- Disney Channel*
- ESPN (partial w/ Hearst)
- The History Channel* (partial w/ Hearst)
- Lifetime Network* (partial w/ Hearst)
- Lifetime Movie Network (partial w/ Hearst)
- Lifetime Real Women (partial w/ Hearst)
- SOAPnet
- Disney XD (fka Toon Disney)

Internet Programming Services

- ABC.com
- Disney Online
- ABCFamily.com

VOD

- Hulu.com (owned by Fox, NBC, ABC)

Time Warner (Warner Bros.)

Production Entities:

- Warner Bros. Pictures
- New Line Pictures

Broadcast Television

- The CW (with CBS)

Cable Television

Cable Channels

- HBO*
 - o HBO
 - o HBO 2
 - o HBO Comedy
 - o HBO Family
 - o HBO Latino

Appendix D

Media Consolidation in the U.S.: Listing of Conglomerates' Holdings as of August 2014

Sources: Columbia Journal Review website (<http://www.cjr.org/resources>), Company Websites

- HBO Signature
- HBO Zone
- HBO On Demand

- Cinemax*
 - Cinemax
 - MoreMax
 - ActionMax
 - ThrillerMax
 - OuterMax
 - Wmax
 - 5StarMax
- Cartoon Network*
- Boomerang
- CNN
- TBS*
- TNT*
- Turner Classic Movies (TCM)*

Verizon

Internet

Internet Service Provider (ISP)

-Verizon FiOS

Telephone Communications

Landline Phone Service

-FiOS Voice

Mobile Phone Service

-Verizon 4G LTE

Television

-FiOS TV

Multi Service Operator

- None (Time Warner Cable spun from TW in March 09)

Internet

Internet Service Provider (ISP)

- None - AOL (spun from TW in Dec 09)

Internet Programming Sites

- CW Video
- TBS.com
- TNT.tv

Time Warner Cable

Multi-service Operator (MSO)

Internet Service Provider (ISP)

-Time Warner Cable Internet (fka Roadrunner)

VOD

-iN DEMAND(partial with Cox, Comcast & Bright House)

* Major fiction programming cable channel

Appendix E

Comcast-Time Warner Cable Proposed Merger Consolidation

Comcast Pre-Merger Assets	TWC Pre-Merger Assets	After Merger Assets
<p style="text-align: center;">Broadband Service *20.66 Million subscribers 24.43% of market</p> <p style="text-align: center;">Digital Cable Service *21.69 Million subscribers 22.9% of market</p> <p style="text-align: center;">Digital Phone Service *10.73 Million phone lines</p> <p style="text-align: center;">iN Demand VOD Service 53.9%**</p> <p style="text-align: center;">Comcast Channels Golf Channel FEARnet (w/Lionsgate & SPE) Versus G4 Style Network E! Entertainment Comcast Sportsnet MLB Network (minority stake) PBS Kids Sprout (w/ PBS, Sesame Workshop & HiT Ent) TV One</p> <p style="text-align: center;">NBC Universal Channels NBC CNBC (50%) MSNBC Bravo Telemundo USA Syfy Universal HD The Weather Channel Hulu (32%) Mun2 Sleuth Oxygen</p> <p style="text-align: center;">Non US Channels 13th Street SyFy Channel Movies24 divaTV Steel Studio Universal</p>	<p style="text-align: center;">Broadband Service *11.6 Million Subscribers 13.76% of market</p> <p style="text-align: center;">Digital Cable Service *11.39 million subscribers 12% of market</p> <p style="text-align: center;">Digital Phone Service *4.80 Million phone lines</p> <p style="text-align: center;">iN Demand VOD Service 29.3%***</p>	<p style="text-align: center;">Broadband Service *32.26 Million subscribers 38.2% of Market</p> <p style="text-align: center;">Digital Cable Service *33.08 million subscribers 35% of market</p> <p style="text-align: center;">Digital Phone Service *15.53 Million phone lines</p> <p style="text-align: center;">iN Demand VOD Service 83.2% (estimated)</p> <p style="text-align: center;">All Channels Listed as Comcast Pre-Merger Assets:</p> <p style="text-align: center;"><i>Comcast</i></p> <p style="text-align: center;"><i>NBC Universal</i></p> <p style="text-align: center;"><i>Non US</i></p>

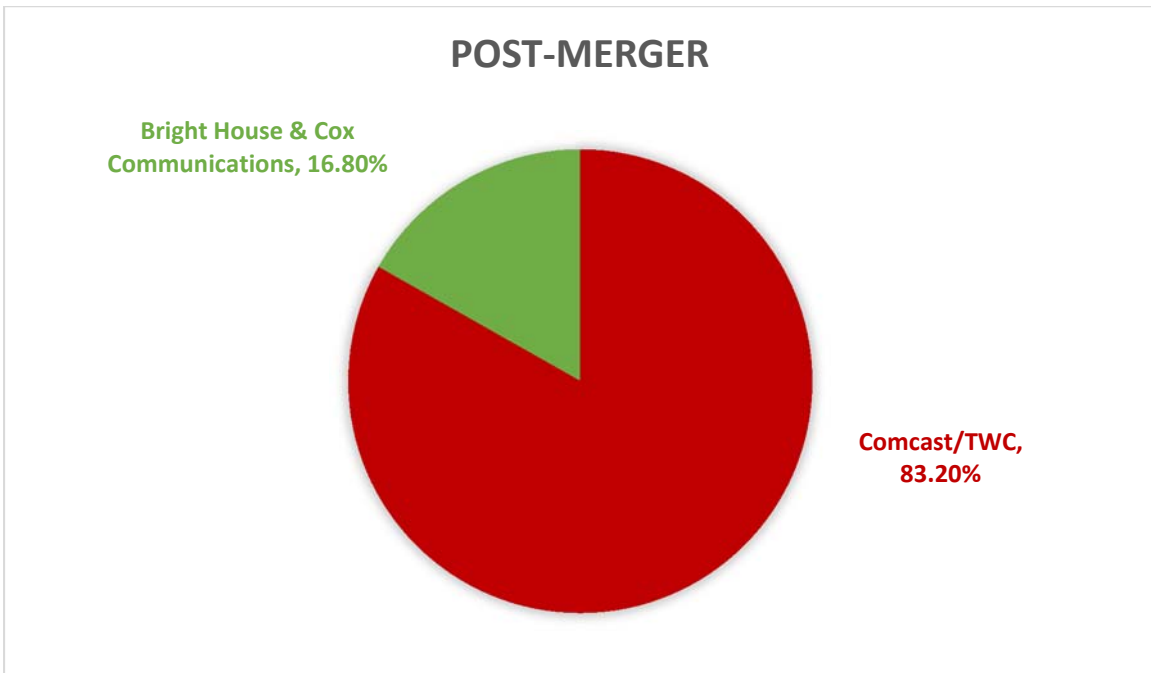
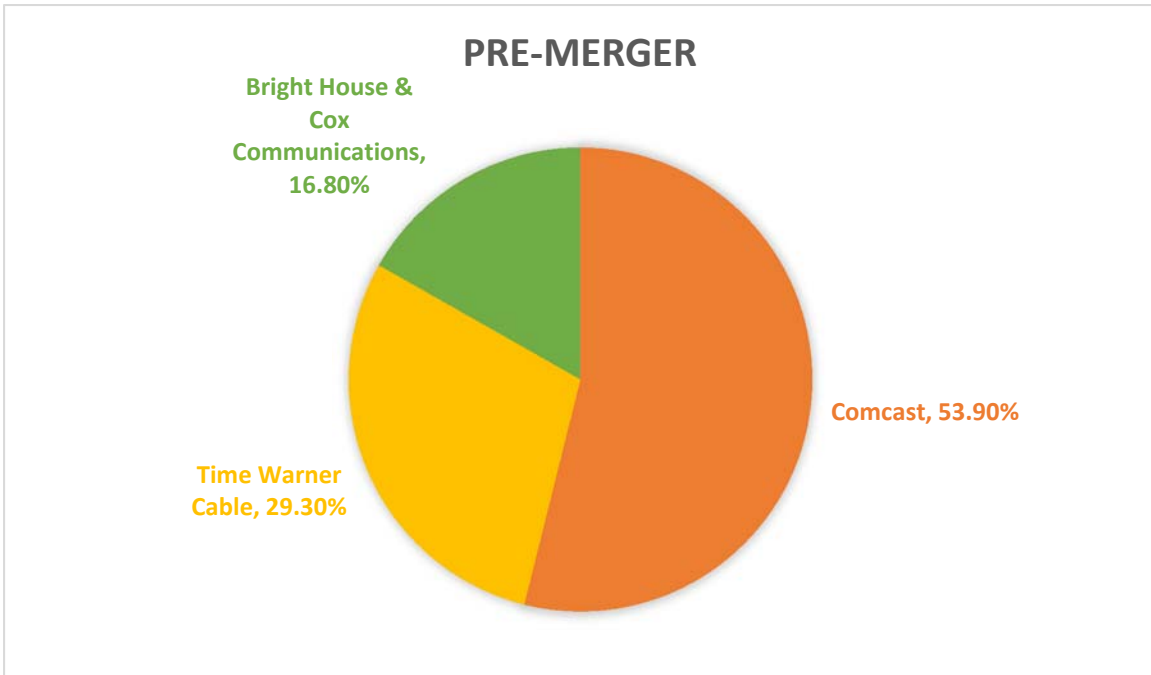
* Leichtman Research Group (figures as of Year-End 2013)

** Estimate based on figure in SEC Annual Report filed 2/25/2011

*** SEC Annual Report filed 2/18/2014

Appendix F

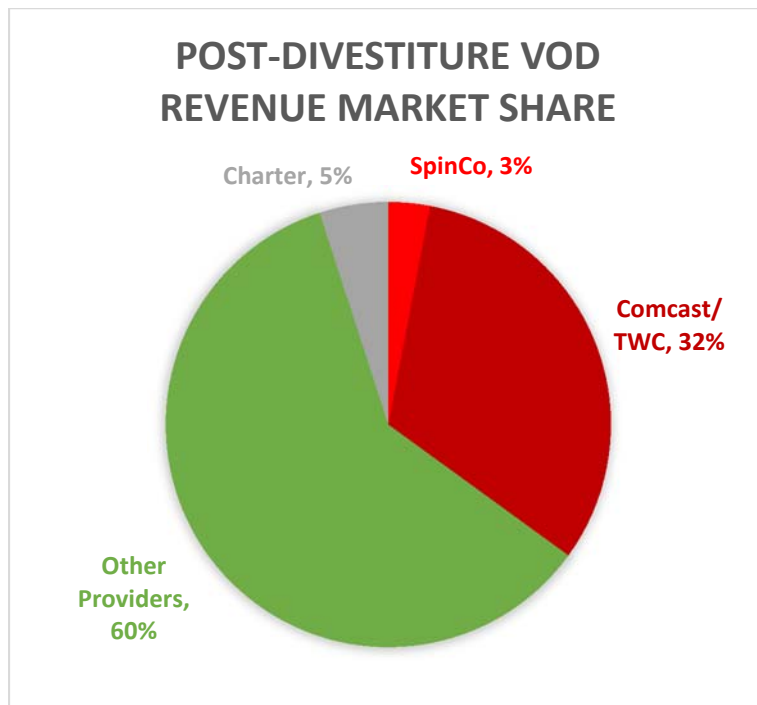
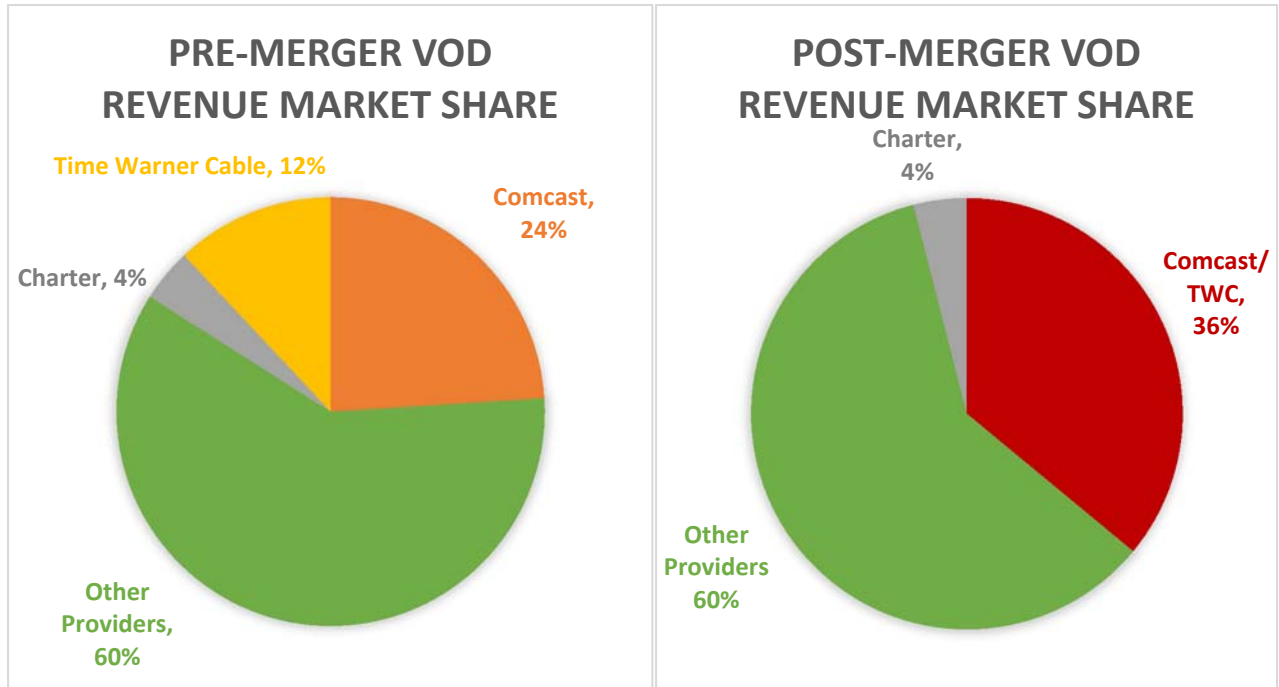
iN DEMAND Ownership Pre- and Post-Merger



*Data from Comcast SEC Annual Report (2/25/2011) and Time Warner Cable SEC Annual Report (2/18/2014)

Appendix G

VOD Revenue Market Share Pre- and Post-Merger



“Federal Regulators suggested Comcast shed at least 3 million subscribers to **serve no more than 30%** of all pay TV customers in the US.”

Even after the creation of SpinCO, Comcast will serve **32%** of the US VOD market.

* SpinCO numbers estimated by the 2.5 million subscribers received from Comcast and Comcast's pre-merger market share

Source: IFTA analysis of data from IHS Screen Digest.