



**David L. Cohen**  
Executive Vice President

December 11, 2014

The Honorable Edward J. Markey  
218 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Richard Blumenthal  
724 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senators Markey and Blumenthal:

I am writing in response to your November 20, 2014 letter to Brian L. Roberts, Chairman and Chief Executive Officer of Comcast Corporation.

The marketplace today is successfully delivering a growing array of device options for consumers. For its part, Comcast is focused on providing customers with the best TV experience anywhere, whether on its own devices or on retail devices, and is expanding its customers' device choices. As TiVo recently advised the Federal Communications Commission ("FCC"), "Comcast has been the most supportive of enabling innovation in retail set-top boxes, thereby allowing consumers to have a robust alternative to an operator-leased set-top box."<sup>1</sup> Comcast currently supports about 350,000 CableCARDs in TiVo and other retail devices, and has gone above and beyond our CableCARD obligations under the FCC's rules by supporting delivery of video-on-demand ("VOD") to retail TiVo devices across our footprint. Comcast also has committed to continuing its support for CableCARD devices notwithstanding the D.C. Circuit's *EchoStar* decision last year vacating certain CableCARD rules.

As detailed below in response to your specific questions, most Comcast customers prefer to lease rather than own their set-top box. Those customers, however, also want the ability to access their cable services on smartphones, tablets, and other IP-enabled video devices. Comcast's transition to IP is helping us meet that demand. Customers are now able to experience Comcast's X1 platform on laptops, tablets, and other customer-owned IP-enabled devices in X1 markets via the Xfinity TV application, and Comcast is working to expand that capability to all of its markets. Comcast has also launched a product that enables college students to watch live TV and VOD on their laptops, smartphones, and tablets without the need for any set-top box. Furthermore, Comcast announced earlier this year that it will make available to TiVo and other retail device manufacturers a non-CableCARD downloadable security solution for accessing our IP cable services, once it is developed.

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<sup>1</sup> Comments of TiVo Inc., MB Docket No. 14-57, at 1 (Aug. 25, 2014), available at <http://apps.fcc.gov/ecfs/document/view?id=7521817200>.

This will allow retailers to build retail set-top boxes and other devices that are designed, from the start, to be used in conjunction with the full suite of Comcast's cable services.

Our responses to your specific questions follow based on publicly available information:

**1. How many of your customers lease set-top boxes from your company?**

About 22 million customers lease one or more set-top devices from Comcast. This includes both conventional digital set-top boxes ("STBs") that can access both linear channels and VOD as well as digital transport adapters ("DTAs") that can only access linear channels (collectively, "set-top devices"). In addition, about 350,000 customers lease CableCARDs from Comcast for use in TiVo and other retail devices.

**a. What percentage of your customers leases one or more set-top boxes from your company?**

Almost all Comcast customers lease one or more set-top devices from Comcast. Some of these customers may also use customer-owned devices to access their Comcast services, such as via the Xfinity TV app.

**b. On average, how many set-top boxes per household do customers lease from your company?**

The average is about 2.7 leased set-top devices per customer (i.e., 59 million deployed STBs/DTAs divided by 22 million subscribers).

**c. In total, how many set-top boxes are leased from your company?**

Comcast leases approximately 59 million set-top devices.

**2. What is the monthly leasing cost of each type of set-top box that your company offers? Please list each box and monthly retail lease price separately.**

Equipment charges vary by market, the customer's level of service, and available promotions. Customers typically are charged between \$1.00 and \$2.50 per month for standard-definition STBs and between \$2.20 and \$2.50 per month for high-definition STBs. In situations where a customer would receive a STB as part of a service package but elects instead to use a retail CableCARD device, the customer receives a \$2.50 monthly credit. Comcast also provides the first CableCARD per retail device at no additional charge. With respect to DTAs, customers who subscribe to the basic service tier get up to three DTAs at no additional charge. Basic tier customers who request additional DTAs and customers who subscribe to a higher tier of service are charged \$0.50 per month for the DTA equipment.

**a. How much does an average customer spend per month to lease set-top boxes for their household from your company?**

This information is not publicly available because of competitive sensitivity.

**3. What was the total revenue your company earned from leasing set-top boxes to customers in fiscal year 2014?**

This information is not publicly available because of competitive sensitivity.

**4. Is it possible for customers to purchase a set-top box directly from your company?**

Comcast is conducting a limited trial in the Detroit market of a prepaid video subscription package that includes the purchase of a DTA. For a pre-payment of \$69, customers receive Comcast's Digital Economy service package for one month, and a DTA that they own at the time of their payment. Once the subscription expires, the customer has the option of renewing the service for an additional 30 days at \$45 or seven days at \$15.

**a. If yes, what percentage of your customers buys rather than rents a set-top box directly from your company? What is the cost of each type of set-top box your company offers to purchase? Please list each type of box and its corresponding price separately.**

The pilot program described above is currently available at a limited number of retail outlets in Detroit, and Comcast is exploring whether to expand it within and beyond the Detroit market.

**b. If no, why not?**

As noted, Comcast is experimenting with purchase options for certain set-top devices, but is otherwise not involved in the business of selling set-top equipment to customers. Comcast's experience is that most customers prefer to lease, rather than buy, set-top equipment. Those customers who prefer to purchase set-top devices are able to buy a TiVo or other retail device and Comcast will fully support such devices in its cable systems. Current generation TiVo devices, like Comcast-supplied STBs, can access both linear channels and VOD across Comcast's footprint. Likewise, as described above, Comcast is supporting access to its IP cable services on smartphones, tablets, and laptops (with these devices, the customer downloads the Xfinity TV app to the device and starts streaming linear and VOD content to the device).

**5. If a consumer chooses to purchase their own set-top box from a company different than yours, does your company require the consumer to pay any installation or support costs separate from those levied on customers who simply lease a set top box from you company?**

No, Comcast does not require customers who purchase a retail STB to pay any installation or support costs separate from those levied on customers who lease a STB from Comcast. As noted, customers who use their own retail device rather than the STB included in the customer's service package are provided with a credit of \$2.50 per month per device. Moreover, Comcast provides the first CableCARD per retail device at no additional charge, and also provides these customers with the option of self-installing the CableCARD rather than paying for a professional installation (just as it provides a self-installation option for customers who lease set-top devices from Comcast).

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Please do not hesitate to contact me with any additional questions you may have on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "David", written in a cursive style.

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David L. Cohen  
Executive Vice President  
Comcast Corporation