

Transaction Compliance Report

MB Docket No. 10-56

PEG Pilot Program Final Report and Evaluation



January 28, 2014

This is the sixth and final report evaluating Project Open Voice, Comcast’s pilot program to host Public, Educational, and Governmental (“PEG”) content on its Video On Demand (“VOD”) and new, custom-built Online platforms, consistent with the commitments and benchmarks set forth in Condition XIV.4 of Appendix A (the “Condition”) to the *Transaction Order*.¹

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Online Copy

As required by Condition XIV.4.vii, a copy of this report is available at <http://corporate.comcast.com/news-information/nbcuniversal-transaction>.

¹ *In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licensees and Transfer Control of Licensees, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (as amended by an Erratum released on March 9, 2011) (Transaction Order).*

Executive Summary

The results of the VOD and Online PEG trials that Comcast conducted in five pilot communities from February 2011 to January 2014 have been very positive. Collaboration between Comcast and the pilot communities ensured that each platform launched in the required timeframe with broad support from the local content creators. Key statistics of the pilot program include:

| Platform | Pilot Total | Description |
|---------------|-------------|---|
| VOD | 582 | PEG video assets available in pilot markets |
| VOD | 50,000 | PEG VOD views by Comcast customers in pilot markets |
| Online | 4,800+ | Video assets available on the pilot websites |
| Online | 90,000+ | Online views of video assets on the pilot websites |
| Online | 350,000+ | Unique visitors to the pilot websites |
| Online | 1,161,000+ | Visits to the pilot websites |

While usage of both platforms has steadily increased, the pilot websites also provided a well-crafted and easy to use video experience that serves as a portal to hyperlocal news and community information. The trial communities have shown their support of the online platforms by creating engaging hyperlocal content, including almost 5,000 videos, thousands of blog posts, community calendar events, and other local interest resources. The communities recognize the value of a PEG distribution platform that can be accessed by anyone on the Internet and thus can serve not only to promote local programmers, but the community as well.

Comcast plans to remain engaged with the pilot communities to ensure the continuing operation of the Online platforms. To that end, Comcast has agreed to support the operation and promotion of the websites in 2014 with the aim of transitioning control of the websites to the pilot communities by the end of the year. Comcast will also maintain the Project Open Voice VOD folder structure in the test markets for the same time period.

Project Milestones

Previous reports² described how Comcast met each of the following milestones required by the Condition:

| Milestone | Deadline | Result |
|--|---------------|--|
| Condition XIV.4.c.i: Announce the final location of the five pilot communities | Feb. 28, 2011 | Completed. Announced the selection of Fresno, CA; Hialeah, FL; Houston, TX; Peterborough, NH; and Philadelphia, PA as the trial communities. |
| Condition XIV.4.c.ii: Initiate VOD placement of available PEG programming in each PEG pilot community | Oct. 28, 2011 | Completed. Created VOD folders accessible to Comcast customers in each of the pilot communities, and uploaded content submitted by PEG programmers selected by each community to participate in the trial. |
| Condition XIV.4.c.iii: Initiate Online placement of available PEG programming in each PEG pilot community | Jan. 28, 2012 | Completed. Designed, built, and launched custom websites to act as video streaming portals for PEG and other local content. Each website was branded with a name and then selected by the pilot communities. |
| Condition XIV.4.c.iv: Initiate marketing support of the VOD and Online platform in each pilot community | July 28, 2012 | Completed. Initiated marketing support of the VOD and Online platforms in each community. Comcast, in conjunction with the pilot communities, provided local brand promotional resources, including public relations, social media, mobile and email marketing, and search engine optimization support. |
| Condition XIV.4.c.v: Complete surveys of the user experience for the pilot VOD and Online platforms and begin to implement recommended changes | Jan. 28, 2013 | Completed. Reported survey results and recommended changes to the platforms. |

The July 2013 report included an update on the content and usage statistics, plus details on the implementation of the changes obtained from the user survey results and other feedback received from the communities.

² See Letters from Lynn R. Charytan, Senior Vice President, Legal Regulatory Affairs, Senior Deputy General Counsel, Comcast Corporation, to Marlene H. Dortch, Secretary, Federal Communications Commission, MB Docket No. 10-56, dated July 28, 2011; January 30, 2012; July 30, 2012; January 28, 2013; and July 29, 2013, respectively.

Evaluation of the Pilot Program

Condition XIV.4.c.vi requires that “within three years of the Closing of the Transaction, [Comcast] shall complete the pilot phases and evaluate the results of the pilots.” Comcast’s evaluation of each pilot platform is discussed below.

VOD Platform

Overview

As previously reported, the VOD component of the pilot program consists of dedicated content “folders” accessible to Comcast VOD customers in each of the pilot communities. PEG and other local content selected by the local government is accessed by navigating to “Project Open Voice” branded folders on the Comcast VOD service.

The PEG VOD folders launched in October 2011, as required. Each community designated a group of PEG providers that would select and deliver the PEG content to Comcast local VOD teams for encoding and placement on the service. Comcast worked with local content providers in each of the designated areas to ensure that content was uploaded and refreshed as often as the PEG providers requested.

Comcast promoted its PEG VOD offering in each of the pilot communities. Efforts included:

- Making the PEG VOD content easier to find by improving the location of the Project Open Voice folders within the Comcast VOD service menus.
- Aligning the folder and program names with those used on the popular PEG Online pilot websites.
- Running “telescoping” video advertisements on popular cable networks including USA, MTV, TBS, FX, Discovery, and others, to allow Comcast customers to access the PEG VOD folder without having to navigate the VOD menu.
- Promoting VOD content through locally-driven marketing social and email marketing efforts.³

Results

Overall, the pilot was successful in deploying and evaluating a PEG VOD service. As of January 27, 2014, Project Open Voice’s local VOD servers had hosted nearly 600 segments of PEG and other local interest programming since launch. These segments had generated nearly 50,000 views across the pilot communities through December 2013.

³ The pilot communities continued to work with Comcast-funded marketing consultants to promote their local Project Open Voice project and content. Examples of the promotional activities carried out during the period of July 29, 2013 through January 28, 2014 are listed in Appendix A.

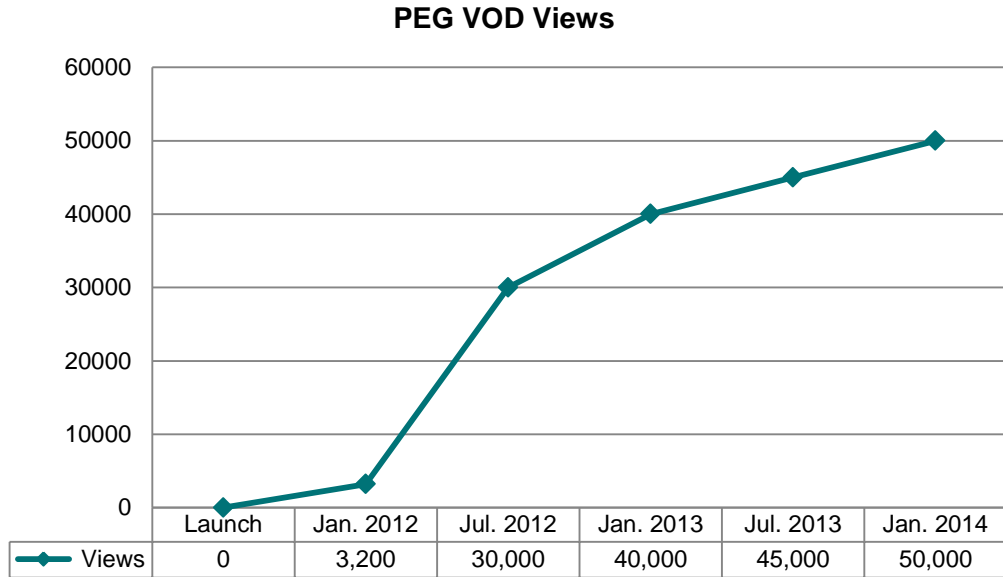


Figure 1

The usage of PEG VOD showed an interesting pattern. As illustrated in Figure 1, above, usage of the PEG VOD platform was initially limited, but improved after the launch of the pilot websites (January 2012), especially after Comcast and the communities announced in July 2012 that the most popular content from the websites was also available on VOD. This suggests that VOD views were intrinsically tied to the popularity of the content of the Online platform and, therefore, the number of VOD views might not be as high if Comcast had not cross-marketed the VOD content to the pilot websites' audience. Despite these cross-promotional efforts, total PEG VOD views increased only by 5,000 from July 2013 to January 2014, which suggests that subscriber interest in viewing PEG content on the VOD service may have plateaued or been supplanted by interest in the Online platforms.

Overall, while there was usage of the VOD platform, VOD viewership did not reach the same levels as online consumption. As explained below, online views of PEG and other hyperlocal video content exceeded VOD views by 80% (90,000 video views online versus nearly 50,000 views on VOD), and visits to the websites exceeded one million hits.

Online Pilot Platform

Overview

As previously reported, the Online pilot program consists of custom-built websites that were branded with the name and theme chosen by each pilot community. The websites serve as portals for the communities, traditional PEG programmers, and other partners to create and manage virtual “channels” where they can post video content, along with other local interest information.

Working with local marketing advisors, each community chose the brand and theme that would guide the messaging and design of its website. The website names and addresses chosen by each community for the January 2012 launch were:

| Market | Website Brand (URL) |
|---------------------|---|
| Fresno | Gotta Love Fresno (www.gottalovefresno.com) |
| Hialeah | Yo Soy Hialeah (www.yosoyhialeah.com) |
| Houston | Houston’s Voice (www.houstonsvoice.com) |
| Medford | Made in Medford (www.madeinmedford.com) |
| Peterborough | Local Look Peterborough (www.locallookpeterborough.com) |
| Philadelphia | Philly in Focus (www.phillyinfocus.com) |

Results

The results indicate real support among content providers and consumers for online consumption of PEG and local interest content. As of January 17, 2014, more than 454 content partners in the pilot communities have created 540 channels and uploaded PEG or other hyper-local content to the local sites, a 27% increase in the number of channels since the July 2013 report. Content generation also remains strong; registered partners have uploaded nearly 5,000 videos since the April 2012 launch of the program’s online component.

The Online platform allows Comcast to continually improve the functionality and features available to sites’ administrators and users. One recent upgrade enabled the posting of other types of content, including photo galleries, text articles, and audio.⁴ Since Project Open Voice began allowing other forms of content in July 2013, more than 2,125 posts of non-video content, including over 1,700 blog entries, have been uploaded by the content partners.

| Website | Partners | Channels | Blog Posts | Videos |
|-------------------|----------|----------|------------|--------|
| Gotta Love Fresno | 35 | 54 | 660 | 322 |
| Yo Soy Hialeah | 39 | 51 | 152 | 203 |
| Houston’s Voice | 130 | 140 | 152 | 1,606 |

⁴ These journaling features were made possible by the migration of the pilot websites to the WordPress platform.

| Website | Partners | Channels | Blog Posts | Videos |
|-------------------------|------------|------------|--------------|--------------|
| Made in Medford | 34 | 47 | 152 | 303 |
| Local Look Peterborough | 47 | 43 | 468 | 303 |
| Philly in Focus | 169 | 205 | 282 | 2,072 |
| Totals | 454 | 540 | 1,724 | 4,809 |

The largest metropolitan areas (Houston and Philadelphia) had the most online content providers and the most prolific content publishers. However, smaller markets had an impressive ratio of partners or channels relative to the larger markets, underscoring the popularity of the sites with local content providers and users.

In terms of visitor traffic, the websites have accounted for nearly 350,000 unique visitors since launch, with nearly 1.2 million page views. These results demonstrate a key characteristic of the Online model: you do not have to be a Comcast customer to access local content and information via the Online platform.

| Website | Unique Visitors - All | % Mobile | Page Views – All | % Mobile |
|---------------------------|-----------------------|------------|------------------|------------|
| Gotta Love Fresno | 40,542 | 36% | 149,197 | 19% |
| Yo Soy Hialeah | 43,678 | 29% | 119,005 | 21% |
| Houston’s Voice | 57,260 | 18% | 234,653 | 9% |
| Made in Medford | 32,430 | 16% | 106,477 | 12% |
| Local Look Peterborough | 17,046 | 23% | 81,006 | 11% |
| Philly in Focus | 157,095 | 31% | 471,372 | 28% |
| Totals / Average % | 348,051 | 26% | 1,161,710 | 17% |

As illustrated in Figure 2, below, the sites also experienced a steady increase in unique visitors during every reporting period, an increasing percentage of which accessed the website on mobile devices. The increase in the number of visitors is likely attributable to the availability of mobile versions of the pilot sites and a growing interest from the general public in mobile consumption.

Unique Visitors - All Sites

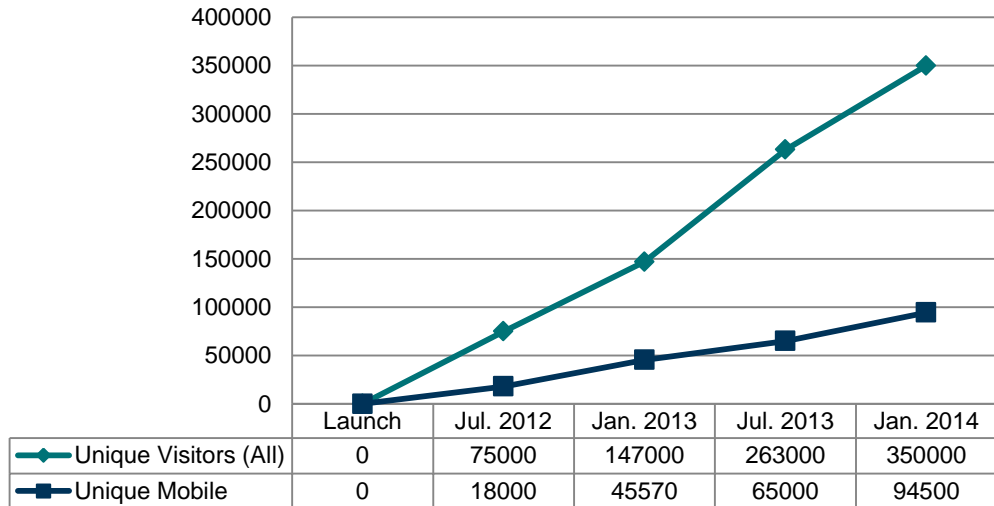


Figure 2

More than 30% of all traffic came from outside the home states of the pilot markets, with visitors from states like Illinois, New Jersey, New York, and Washington, together accounting for 14% of total traffic. The pilot communities have emphasized the importance of enabling former residents and other people with connections to the communities to access the hyper-local content, news, and other offerings.

The pilot sites' social media presence has been a key factor driving visitor growth. To date, nearly 11% of all pilot site traffic originates from Facebook. As of January 2014, the sites had a combined total of 18,257 Facebook "likes" and 9,447 Twitter followers.

User-friendliness is also a key growth driver for the Online platform. Comcast executed a number of redesigns and layout changes that allow the user to browse or search for content and local events by category, interest, tag, or provider, while users who take advantage of a simple account sign up process can customize their experience to follow topics, neighborhoods, or providers of interest. These features will likely contribute to further interest and growth in the platform.

Conclusion and Next Steps

Based on the results of this trial, Comcast believes the pilot Online PEG distribution platform is an effective vehicle for non-Comcast customers to access PEG content on demand, from anywhere. Beyond the larger audience, the Online platform offers the advantages of self-help content management, interactivity, and social features.

| Feature | VOD | Online |
|---------------------------|--|---|
| Content Management | Video must be delivered to Comcast for encoding and insertion into the local market's VOD servers. | Any content partner who completes the free, online registration process can upload and manage its "channel" on the website. |
| Sharing Content | Can only be accessed by Comcast customers in the pilot market. | Content or links can be shared with anyone via e-mail or social media. |
| Social Features | Posting of comments, links, or other social media-enabled tools is not currently supported. | Viewers can obtain additional information through embedded hyperlinks; post questions or commentary; and interact with the content creator. |

Comcast has agreed to continue to work with interested parties to explore new opportunities to place local content on the Online platform. The company will work with each test market to develop a transition plan that will allow each community to take full responsibility for its pilot site by the end of 2014. Comcast will also maintain the Project Open Voice VOD folder structure in the test markets for the same time period.

APPENDIX A: Marketing Support Highlights

Below are some examples of local events and other targeted marketing efforts made in the fourth quarter of 2013 within each of the five pilot communities, plus the Medford test market.

| Market | Marketing Efforts |
|---------------------|---|
| Fresno | Gotta Love Fresno utilized local media to raise awareness of the site, serving as sponsor and host for the 12 th Swede Fest, an international film festival showcasing low-budget, short format re-creations of Hollywood movies and TV shows, and supporting the “Footsteps to Freedom” project, a commemorative video from the Fresno Metro Black Chamber of Commerce honoring the 50 th anniversary of the March on Washington and the launch of local PEG collaborative CMAC’s new program, UsHelpingUs. |
| Hialeah | The City of Hialeah approached Yo Soy Hialeah about promoting the annual Santa’s Snow Blast event. In response, the team held a bi-lingual Facebook contest where followers could enter to win a free photo with Santa and unlimited ride vouchers through the City. |
| Houston | Houston’s Voice collaborated extensively with city-wide initiatives from the Mayor’s Office, including a public awareness campaign entitled “Shine a Light on Human Trafficking.” The City hosted two dedicated channels to support the campaign and the nonprofit behind its mission, drove attendance to events, and helped raise awareness through coverage and social media marketing. |
| Medford | With social media as the largest traffic driver, Made In Medford kicked off a thematic social media campaign promoting community pride. The campaign included weekly fan shout outs and updates from community partners like Tufts University, which recently announced a financial reinvestment in the City, and Medford High, which ended a 125 year football rivalry with neighboring Malden, MA, a game that was hosted on MadeInMedford.com. |
| Peterborough | Local Look Peterborough continued grassroots efforts to reach out directly to community members and educate them on the site, including a series of speaking engagements by Local Look Peterborough representatives at the Keene and Monadnock Rotary Clubs. |
| Philadelphia | With a growing interest in identifying as a tech savvy city, Philadelphia is home to numerous start-up and entrepreneur-driven groups. Philly In Focus saw the opportunity to support this interest, partnering with organizations like Philly College Entrepreneurs and Technically Philly to support two important initiatives: Start Stay Grow and Conversations in Tech. Both series include interviews with students, entrepreneurs, and supporting organizations to encourage the already thriving tech scene and ensure new companies make a permanent home in the City. |