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Commissioner Jonathan S. Adelstein
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Commissioner Adelstein:

In response to your inquiry regarding U.S. cable statistics, I have set forth the following summary.

Based on public filings with the SEC, and other public data sources, we estimate that there are 63.5M cable subscribers in the United States. In order to satisfy a 70% penetration test, one would need to therefore assume that there are no more than 90.7M homes passed by cable in the U.S. As we demonstrate below, publicly-reporting cable operators alone span more than 105M homes passed. This implies a cable adoption rate among the issuers of public securities of just 52%. We do not believe that it is mathematically possible, even after adjusting for vacancy rates and subscribership among other cable privately held cable operators, to arrive at cable adoption rates materially in excess of 60%.

Cable Subscriber Data

As of 9/30/2007, the total number of basic cable subscribers in just the eight publicly traded companies was 48.4 million (summary in the table below). These subscriber totals are expressly reported to the SEC.

Public Cable Operator Basic Subscribers (as of 9/30/07)	
Cable Operator	Basic Subscribers
Comcast	24,156,000
Time Warner Cable	13,308,000
Cablevision	3,122,000
Charter	5,348,000
Mediacom	1,331,000
CableOne ¹	696,700
RCN	355,000
GCI	125,600
Total Subscribers	48,442,300

In addition, there are two recently privatized cable system operators, Cox and Insight, both of whom are issuers in the public debt market, and both of whom therefore continue to report subscriber statistics to the public markets in their audited SEC filings.

Private (reported) Cable Operator Basic Subscribers	
Cable Operator	Basic Subscribers
Cox Communications ²	5,328,000
Insight Communications ³	1,362,000
Total Subscribers	6,690,000

In aggregate, then, the total number of publicly/SEC reported subscribers in the U.S. is 55.1M. For reference, we estimate that these operators represent approximately 85% of the U.S. cable market.

Total Publicly-Reported Cable Operator Basic Subscribers	
Cable Operator	Basic Subscribers
Public Equity and Debt Issuers	48,442,300
Public Debt-Only Issuers	6,690,000
Total Subscribers	55,132,300

In addition to the publicly reporting cable operators, we estimate that there are about 6.7 million basic subscribers in the top 16 non-publicly traded cable companies (please see table below). Estimates for these smaller operators are derived through various sources including the

¹ CableOne is a subsidiary of the publicly-traded Washington Post Corporation

² Cox last publicly reported basic subscribers 6/30/2006

³ Insight is not publicly traded but still reports basic subscribers as it has publicly traded debt

MBC corporation, and the NCTA itself.

Non-Publicly Traded Cable Operator Basic Subscribers

Cable Operator	Basic Subscribers
Bright House Networks LLC	2,327,100
Suddenlink Communications	1,416,800
WideOpenWest	361,400
Bresnan Communications	294,900
Service Electric	288,700
Atlantic Broadband	285,700
Armstrong Group	232,500
Knology Holdings	221,800
Midcontinent Communications	199,100
Pencor Services	183,400
Millennium Digital Media	157,600
Buckeye CableSystem	147,300
MetroCast Cablevision	143,200
General Communication	142,200
Northland Communications Corporation	139,800
MidOcean Ptnrs. & Crestview Ptnrs	138,900
Total Subscribers	6,680,400

Lastly, we estimate that there are many smaller operators throughout the country which account for about 1.7M basic cable subscribers. We therefore conclude that in the U.S. there is currently a total of 63.5M basic subscribers.

Summary: Total U.S. Cable Basic Subscribers

Cable Operator	Basic Subscribers
Total Publicly Reported	55,132,300
Total Private (Top 16)	6,680,400
Total Private (other)	1,700,000
Total U.S. Cable Subscribers:	63,512,700

Cable Penetration

In order to satisfy the 70/70 test, based on this number of subscribers, the total number of homes passed (i.e. reached) by U.S. cable operators would have to be 90.7 million homes *or fewer*.

The eight publicly traded cable companies report – via SEC filings – a collective "homes passed" total that significantly exceeds this number (see table below).

Total U.S. Cable Publicly Reported Homes Passed	
Cable Operator	Homes Passed
Comcast	48,250,000
Time Warner Cable	26,482,000
Cablevision	4,647,000
Charter	11,837,000
Mediacom	2,839,000
GCI	222,100
RCN	N/A
CableOne	N/A
Total Homes Passed	94,277,100

In addition, the public debt issuers Cox and Insight can be included with a high degree of confidence (Insight continues to report homes passed, while Cox has done so relatively recently).

Private (reported) Homes Passed	
Cable Operator	Homes Passed
Cox ⁴	8,975,000
Insight ⁵	2,484,000
Total Homes Passed:	11,459,000

Aggregate homes passed by these publicly-reported issuers exceeds 105M homes. That implies a penetration rate among the public issuers of 52% (55.1M/106M).

In this analysis, even if we were to include the additional 8.4M basic subscribers that are not publicly reported in our "cable subscribers" numerator, and assume – paradoxically, of course – that these additional operators pass no homes *whatsoever*, then total U.S. cable penetration of cable homes passed would rise to just 60.5%.

There is some debate as to whether publicly reported "homes passed" statistics include or do not include vacant housing units. Even if we were to assume that the homes passed statistics as reported to the SEC *include* vacant housing, however, the total number of *occupied* homes passed among just the issuers of publicly traded securities

⁴ Cox Homes Passed estimated by Broadband Daily, 7/27/07

⁵ Insight is not publicly traded but still reports homes passed as it has publicly traded debt

would *still* exceed the 90.7M threshold required to achieve 70% penetration. Indeed, including an adjustment for vacant housing would imply penetration among the publicly reporting group would rise to just 57%. (The U.S. vacancy rate currently stands at 13.3%, according to the recent government data).

Homes passed statistics for the 8.5M cable subscribers among non-publicly reporting cable operators are more elusive. However, if we made the draconian assumption that those operators enjoyed 100% penetration – obviously an untenable assumption – then total industry penetration would rise to just 55% (up from 52.4% as reported above). In this case, additional adjustment for vacancy rates would clearly be redundant, since in this hypothetical postulation we have assumed that homes passed is equal to subscribers

(and subscribers cannot come from vacant premises).

Obviously, this assumption of 100% penetration among non-publicly reporting operators is untenable. If instead we assume that penetration rates in this 15% of the cable population are broadly similar to those in the other 85%, then total U.S. cable penetration is likely, by our estimation, to be 52%, while cable penetration of occupied homes passed is likely to be 57%.

I hope this analysis was helpful. I stand ready to provide whatever further assistance you or the Commission would deem useful.

Respectfully yours,

Craig E. Moffett

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