COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

Review of Proposed Basic Service)	
Tier Programming, Equipment and	Ś	Docket No. D.T.C. 10-10
Installation Rates of CoxCom, Inc.)	
d/b/a Cox Communications New England)	

DECLARATION OF FRIDAY ABERNETHY

- 1. My name is Friday Abernethy. My business address is 11 West 42nd Street, 16th Floor, New York, NY 10036. I serve as Executive Vice President of Affiliate Sales for TV Guide Networks, LLC ("TV GUIDE NETWORK") with responsibilities for domestic sales of TV GUIDE NETWORK's products and services, including TV Guide Network ("TVGN"), to multichannel video programming distributors ("MVPD"). I have personal knowledge of the facts contained herein.
- 2. The purpose of this declaration is to discuss the TVGN programming cost information that the Commonwealth of Massachusetts Department of Telecommunications and Cable ("DTC") has requested Cox Communications New England ("Cox") to provide in this rate review proceeding, and explain why the public disclosure of such per channel programming cost information ("Rate Information") would provide a competitive advantage to TVGN's competitors and result in substantial commercial harm to TV GUIDE NETWORK. All damages experienced by TV GUIDE NETWORK as a result of such disclosure, would have an equivalent negative impact on TV GUIDE NETWORK's parent companies Lions Gate Entertainment Corporation and One Equity Partners.
- 3. TVGN is the premiere television entertainment network for viewers seeking the latest information on the best programs, hottest stars and latest trends on television. The network

combines original programming with comprehensive program listings information.

- 4. Cox is barred from making public disclosure of the programming cost information as a matter of contract. Such restriction in the contract between Cox and TV GUIDE NETWORK is consistent with TV GUIDE NETWORK's routine treatment of such pricing information as confidential, proprietary and competitively sensitive. TV GUIDE NETWORK does not customarily release such information outside of the company, and when such pricing data is included within a contract, it is for the purpose of reflecting a mutually agreed business relationship between an MVPD (in this instance Cox) and TV GUIDE NETWORK for the carriage of TVGN.
- 5. The financial terms that TV GUIDE NETWORK offers to MVPDs such as Cox are developed specifically for each MVPD, taking into consideration a variety of factors including the operator's size, the penetration of analog (through the use of digital to analog converters) and digital cable, and other TV GUIDE NETWORK affiliated services offered by the MVPD, among others. Given the account-specific nature of the financial terms, this information is not available to parties outside of the MVPD that is party to the contract (in this instance Cox) and TV GUIDE NETWORK and in fact, is limited to only senior members of the relevant MVPD's (in this instance Cox) and TV GUIDE NETWORK's management teams. This approach is intentionally used to control access to such sensitive financial information and limit the potential for its disclosure. Given the customized nature of the financial terms, this information is also not readily available through third parties such and Nielson or Kagan.
- 6. If the programming cost information were made public such disclosure would also cause substantial damage to TV GUIDE NETWORK by providing a competitive advantage to other programming services. Although all MVPDs will eventually offer their entire channel

line-up on digital platforms, the large number of digital programming services carried will make it easy for a network to get lost in the digital programming line-up shuffle. Accordingly, services carried on the analog platform, occurring through the use of digital to analog converters by subscribers without set-top digital boxes imbedded with an interactive programming guide, such as TVGN, have enjoyed a distinct advantage of creating consumer loyalty to the service prior to the digital move and continuing after the digital migration of June 12, 2009. Therefore, analog carriage, as described above, remains incredibly valuable to networks such as TVGN and program licensors such as TV GUIDE NETWORK.

- 7. Additionally, as "analog platforms" (utilized by viewers with digital to analog converters) are currently distributed to more subscribers than digital platforms, networks carried on analog platforms can command higher advertising rates for ads placed on their programming service. As advertising is a key revenue component for many programming services, including TVGN, TVGN faces substantial competition from a large number of programming services for the highly desired analog channel positions, which offer the highest number of subscribers and impact ad revenue potential accordingly.
- 8. As TVGN is offered nationally, access to the Rate Information would allow TVGN's competition not only within the New England area, but across the nation, to customize their financial offers according to TV GUIDE NETWORK's confidential pricing information in order to undercut TV GUIDE NETWORK's rate and improve their competitive position.

 Accordingly, disclosure of such pricing information would be damaging to TV GUIDE NETWORK and TVGN if disclosed, as it would, among other negative impacts, place TVGN's desired channel positioning at risk.
 - 9. Disclosure of the Rate Information could similarly disadvantage TVGN in its

negotiations and relationships with its current/potential affiliate partners. Affiliates could, and likely would, use the competitively sensitive financial information to request more attractive terms than they had previously considered, which would adversely affect TVGN's financial performance. For example, as TVGN's contracts end at varying times, depending upon when the agreements were entered into, TVGN is routinely in the process of negotiating new agreements. An MVPD's knowledge of TV GUIDE NETWORK's rate with any MVPD in the nation would give that potential customer a point of reference as to TV GUIDE NETWORK's pricing, even if the disclosed rate were several years old. This would inevitably provide that MVPD with an unfair competitive advantage in its negotiations with TV GUIDE NETWORK.

- 10. The Rate Information should be afforded confidential treatment on an ongoing basis because a competitor's knowledge of TV GUIDE NETWORK's current rate would allow a competitor to project TV GUIDE NETWORK's rate changes over time, in a manner that would allow the competitor to continuously undercut TV GUIDE NETWORK's rates without providing an equivalent or better service for such rate. Thus, the competitively sensitive nature of the Rate Information is not diminished over time. As such, the Rate Information should remain permanently confidential to avoid both the affiliate and competitively unfair issues raised above.
- 11. For the above reasons, the Rate Information should be treated confidentially on a permanent basis. In the alternative, if the DTC decides to set a limited confidentiality period for the Rate Information, if anyone seeks to have the information de-classified from its protected status during the confidentiality period, TV GUIDE NETWORK should be advised in advance of any disclosure and afforded an opportunity to determine and advise the DTC at that point in time of the impact of disclosure of such financial information at that specific point in time.

Additionally, TV GUIDE NETWORK should also be afforded an opportunity to file a motion for protective order shortly before the confidentiality period is scheduled to end, in order to further advise the DTC at that point in time of why the Rate Information warrants continued confidentiality beyond the designated confidentiality period.

12. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief

August 1, 2011

Respectfully submitted,

By: Suday Shemifly Friday Abernethy