Davis Wright Tremaine LLP

Suite 200
1919 Pennsylvania Avenue NW
Washington, DC 20006-3402

Brian Hurh
Telephone: 202.973.4279
Facsimile: 202.973.4499

brianhurh@dwt.com

October 9, 2009

Renee Jenkins
Secretary of the Commission
Ohio Public Utilities Commission
180 East Broad Street
Columbus, Ohio 43215-3793

**RE: Application of Comcast Phone of Ohio, LLC to Acquire Certain Assets and Customers of CIMCO Communications, Inc.**
**Docket No. 09-913-TP-ATR**

Dear Ms. Jenkins,

Please find attached a Telecommunications Application Form for Routine Proceedings ("Application") filed on behalf of Comcast Phone of Ohio, LLC ("Comcast Phone"), in connection with the transfer of assets and customer accounts from CIMCO Communications, Inc. ("CIMCO") to Comcast Phone. In support of the Application, and pursuant to the Commission's filing requirements for 4901:1-6-14 OAC filings, Comcast Phone provides the following:

**DESCRIPTION OF PARTIES**

**CIMCO** is an Illinois corporation with its principal business at 1901 South Meyers Road, 7th Floor, Oakbrook Terrace, Illinois 60181. In Ohio, CIMCO is authorized to provide local exchange and interexchange telecommunications services pursuant to Certificate No. 90-9036 issued in Case No. 97-736-TP-ACE on June 4, 2003. CIMCO is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier. CIMCO's customer base consists primarily of medium-sized business and enterprise customers. In Ohio, CIMCO only serves business customers and has no residential customers.

**Comcast Phone** is a Delaware limited liability company with its principal place of business at One Comcast Center, Philadelphia, Pennsylvania, 19103-2838. Comcast Phone is a facilities-based local exchange carrier, as defined by 47 U.S.C. § 153(26), and is authorized to provide local exchange, interexchange and other telecommunications services pursuant to authority granted by this Commission.[1] Comcast Phone is operated by a highly qualified

[1] Comcast Phone is authorized to provide local exchange, interexchange and other telecommunications services pursuant to Certificate No. 90-9216, Case No. 03-139-TP-ACN.

management team, all of whom have extensive backgrounds in the operation and management of telecommunications services. A copy of Comcast Phone's Certification from the Ohio Secretary of State and its Certificate of Good Standing are attached to the Application as **Exhibit D**.

Comcast Phone relies on the financial resources of its ultimate corporate parent, Comcast Corporation (NASDAQ: CMCSA, CMCSK). The financial statements from the most recent SEC Form 10-K of Comcast Corp. are provided as **Exhibit E** to the Application. A list of Comcast Phone's officers and directors are provided as **Exhibit G** to the Application. Additional details regarding Comcast Phone's services and its legal, technical, managerial and financial qualifications to provide service were provided in connection with its authority to provide intrastate telecommunications services in Ohio and is, therefore, a matter of public record. Comcast Phone respectfully requests that the Commission take official notice of that information and incorporate it herein by reference.

**DESCRIPTION OF TRANSACTION**

Pursuant to an Asset Purchase Agreement entered into as of September 16, 2009, between Comcast Phone and certain of its affiliates, and CIMCO (the "Agreement"), Comcast Phone will acquire the assets and customer accounts (including related data, databases, contracts and customer records needed to support the provision of telecommunications services to those customers) of CIMCO in the state of Ohio (hereinafter referred to as the "Transaction"). Comcast Phone affiliates in other states will acquire CIMCO assets in those states.

In the interest of assuring a seamless and uninterrupted transition, following completion of the migration of customers to Comcast Phone, all of the affected customers will continue to receive service from Comcast Phone under the same rates, terms and conditions as currently provided by CIMCO. Comcast Phone intends to adopt CIMCO's tariff currently on file with the Commission and will continue to serve customers under the terms set forth in that tariff for the immediate future, although Comcast Phone reserves the right to make changes consistent with its contractual obligations and subject to state law. Prior to the close of the Transaction, Comcast Phone will submit the appropriate tariff filings to accomplish its adoption of CIMCO's tariff, as further discussed in **Exhibit B**.

As noted above, only CIMCO's business customers will be affected by the Transaction in Ohio. CIMCO does not have any residential customers. Written notification of the proposed migration of these customers' service to Comcast Phone will be provided to CIMCO's customers at least 30 days prior to the anticipated closing date, pursuant to Section 64.1120(e) of the rules of the FCC, 47 C.F.R. § 64.1120(e). A copy of the Customer Notification Comcast Phone plans to provide is attached to the Application as **Exhibit F**. Comcast Phone will comply with all applicable customer migration / anti-slamming requirements.

**PUBLIC INTEREST CONSIDERATIONS**

Comcast Phone submits that the proposed transaction will serve the public interest. The proposed transaction will ensure that Ohio telecommunications customers will continue to enjoy high quality telecommunications services at the same rates, terms and conditions as they currently enjoy, as noted above. Following the Transaction, the former CIMCO customers will continue to receive services from an experienced and qualified carrier and will have access to expanded and more advanced service offerings going forward. CIMCO's expertise serving business customers joined with Comcast's established operations in other segments will enhance Comcast's ability to compete and bring consumers the benefits that derive from robust competition.

**REQUEST TO CANCEL CIMCO'S CERTIFICATE**

Following the Transaction, Comcast Phone will hold the CIMCO assets and assume CIMCO's telecommunications operations in Ohio. Therefore, upon the closing of the Transaction, CIMCO will request that the Commission cancel CIMCO's Certificate No. 90-9036.

Comcast Phone submits that the information provided herein demonstrates that the public interest, convenience and necessity will be served by the expeditious grant of the Application. Comcast Phone respectfully requests that the Commission expeditiously approve the transfer of assets of CIMCO Communications, Inc. to Comcast Phone of Ohio, LLC and grant a waiver of any applicable anti-slamming regulations and whatever further relief that the Commission deems appropriate to authorize the consummation of the Transaction described herein.

If you have any questions, please do not hesitate to contact me at (202) 973-4279 or via email at brianhurh@dwt.com

Sincerely,

Brian J. Hurh

*Counsel for Comcast Phone of Ohio, LLC*

Enclosures

*The Public Utilities Commission of Ohio*
# TELECOMMUNICATIONS APPLICATION FORM for ROUTINE PROCEEDINGS
**(Effective: 01/18/2008)**

In the Matter of the Application of Comcast Phone of Ohio, LLC to Acquire Certain Assets and Customers of CIMCO Communications, Inc. ) ) ) )

TRF Docket No. 90-____
**Case No 09-913-TP-ATR**
**NOTE: Unless you have reserved a Case # or are filing a Contract, leave the "Case No" fields BLANK.**

Name of Registrant(s) : Comcast Phone of Ohio, LLC
DBA(s) of Registrant(s): Comcast Digital Phone
Address of Registrant(s): One Comcast Center, Philadelphia, Pennsylvania, 19103-2838
Company Web Address www.comcast.com
Regulatory Contact Person(s): Elizabeth Murray Phone: (484) 398-9142 Fax: (484) 398-0131
Regulatory Contact Person's Email Address: Elizabeth_Murray@cable.comcast.com
Contact Person for Annual Report: Lisa Moglia Phone: (215) 286-8667
Address (if different from above) _____
Consumer Contact Information: Darlene Kappert Phone: (412) 875-1125
Address (if different from above): 300 Corliss St., Pittsburgh, PA 15220
Motion for protective order included with filing? ☐ Yes ☒ No
Motion for waiver(s) filed affecting this case? ☐ Yes ☒ No [Note: Waivers may toll any automatic timeframe.]

**Section I – Pursuant to Chapter 4901:11-6 OAC – Part I – Please indicate the Carrier Type and the reason for submitting this form by checking the boxes below. *CMRS providers: Please see the bottom of Section II.***

*NOTES: (1) For requirements for various applications, see the identified section of Ohio Administrative Code Section 4901 and/or the supplemental application form noted.*

*(2) Information regarding the number of copies required by the Commission may be obtained from the Commission's web site at www.puco.ohio.gov under the docketing information system section, by calling the docketing division at 614-466-4095, or by visiting the docketing division at the offices of the Commission.*

| **Carrier Type** ☐ Other (explain below) | ☐ ILEC | ☒ CLEC | ☒ CTS | ☐ AOS/IOS |
|---|---|---|---|---|
| **Tier 1 Regulatory Treatment** | | | | |
| Change Rates within approved Range | ☐ TRF *1-6-04(B)* (0 day Notice) | ☐ TRF *1-6-04(B)* (0 day Notice) | | |
| New Service, expanded local calling area, correction of textual error | ☐ ZTA *1-6-04(B)* (0 day Notice) | ☐ ZTA *1-6-04(B)* (0 day Notice) | | |
| Change Terms and Conditions, Introduce non-recurring service charges | ☐ ATA *1-6-04(B)* (Auto 30 days) | ☐ ATA *1-6-04(B)* (Auto 30 days) | | |
| Introduce or Increase Late Payment or Returned Check Charge | ☐ ATA *1-6-04(B)* (Auto 30 days) | ☐ ATA *1-6-04(B)* (Auto 30 days) | | |
| Business Contract | ☐ CTR *1-6-17* (0 day Notice) | ☐ CTR *1-6-17* (0 day Notice) | | |
| Withdrawal | ☐ ATW *1-6-12(A)* (Non-Auto) | ☐ ATW *1-6-12(A)* (Auto 30 days) | | |
| Raise the Ceiling of a Rate | Not Applicable | ☐ SLF *1-6-04(B)* (Auto 30 days) | | |
| **Tier 2 Regulatory Treatment** | | | | |
| Residential - Introduce non-recurring service charges | ☐ TRF *1-6-05(E)* (0 day Notice) | ☐ TRF *1-6-05(E)* (0 day Notice) | | |
| Residential - Introduce New Tariffed Tier 2 Service(s) | ☐ TRF *1-6-05(C)* (0 day Notice) | ☐ TRF *1-6-05(C)* (0 day Notice) | ☐ TRF *1-6-05(C)* (0 day Notice) | |
| Residential - Change Rates, Terms and Conditions, Promotions, or Withdrawal | ☐ TRF *1-6-05(E)* (0 day Notice) | ☐ TRF *1-6-05(E)* (0 day Notice) | ☐ TRF *1-6-05(E)* (0 day Notice) | |
| Residential - Tier 2 Service Contracts | ☐ CTR *1-6-17* (0 day Notice) | ☐ CTR *1-6-17* (0 day Notice) | ☐ CTR *1-6-17* (0 day Notice) | |
| Commercial (Business) Contracts | Not Filed | Not Filed | Not Filed | |
| Business Services *(see "Other" below)* | Detariffed | Detariffed | Detariffed | |
| Residential & Business Toll Services *(see "Other" below)* | Detariffed | Detariffed | Detariffed | |



DWT 13375953v1 0107080-000094

**Section I – Part II – Certificate Status and Procedural**

| **Certificate Status** | ILEC | CLEC | CTS | AOS/IOS |
|---|---|---|---|---|
| Certification **(See Supplemental ACE form)** | | ☐ ACE *1-6-10* (Auto 30 days) | ☐ ACE *1-6-10* (Auto 30 days) | ☐ ACE *1-6-10* (Auto 30 days) |
| Add Exchanges to Certificate | ☐ ATA *1-6-09(C)* (Auto 30 days) | ☐ AAC *1-6-10(F)* (0 day Notice) | CLECs must attach a current CLEC Exchange Listing Form | |
| Abandon all Services - With Customers | ☐ ABN *1-6-11(A)* (Non-Auto) | ☐ ABN *1-6-11(A)* (Auto 90 day) | ☐ ABN *1-6-11(B)* (Auto 14 day) | ☐ ABN *1-6-11(B)* (Auto 14 day) |
| Abandon all Services - Without Customers | | ☐ ABN *1-6-11(A)* (Auto 30 days) | ☐ ABN *1-6-11(B)* (Auto 14 day) | ☐ ABN *1-6-11(B)* (Auto 14 day) |
| Change of Official Name *(See below)* | ☐ ACN *1-6-14(B)* (Auto 30 days) | ☐ ACN *1-6-14(B)* (Auto 30 days) | ☐ CIO *1-6-14(A)* (0 day Notice) | ☐ CIO *1-6-14(A)* (0 day Notice) |
| Change in Ownership *(See below)* | ☐ ACO *1-6-14(B)* (Auto 30 days) | ☐ ACO *1-6-14(B)* (Auto 30 days) | ☐ CIO *1-6-14(A)* (0 day Notice) | ☐ CIO *1-6-14(A)* (0 day Notice) ( |
| Merger *(See below)* | ☐ AMT *1-6-14(B)* (Auto 30 days) | ☐ AMT *1-6-14(B)* (Auto 30 days) | ☐ CIO *1-6-14(A)* (0 day Notice) | ☐ CIO *1-6-14(A)* (0 day Notice) |
| Transfer a Certificate *(See below)* | ☐ ATC *1-6-14(B)* (Auto 30 days) | ☐ ATC *1-6-14(B)* (Auto 30 days) | ☐ CIO *1-6-14(A)* (0 day Notice) | ☐ CIO *1-6-14(A)* (0 day Notice) |
| Transaction for transfer or lease of property, plant or business *(See below)* | ☐ ATR *1-6-14(B)* (Auto 30 days) | ☒ ATR *1-6-14(B)* (Auto 30 days) | ☒ CIO *1-6-14(A)* (0 day Notice) | ☐ CIO *1-6-14(A)* (0 day Notice) |
| **Procedural** | | | | |
| Designation of Process Agent(s) | ☐ TRF (0 day Notice) | ☐ TRF (0 day Notice) | ☐ TRF (0 day Notice) | ☐ TRF (0 day Notice) |

**Section II – Carrier to Carrier (Pursuant to 4901:1-7), CMRS and Other**

| **Carrier to Carrier** | ILEC | CLEC | | |
|---|---|---|---|---|
| Interconnection agreement, or amendment to an approved agreement | ☐ NAG *1-7-07* (Auto 90 day) | ☐ NAG *1-7-07* (Auto 90 day) | | |
| Request for Arbitration | ☐ ARB *1-7-09* (Non-Auto) | ☐ ARB *1-7-09* (Non-Auto) | | |
| Introduce or change c-t-c service tariffs, | ☐ ATA *1-7-14* (Auto 30 day) | ☐ ATA *1-7-14* (Auto 30 day) | | |
| Introduce or change access service pursuant to 07-464-TP-COI | ☐ ATA (Auto 30 day) | | | |
| Request rural carrier exemption, rural carrier supension or modifiction | ☐ UNC *1-7-04 or 1-7-05* (Non-Auto) | ☐ UNC *1-7-04 or* 1-7-05 (Non-Auto) | | |
| Pole attachment changes in terms and conditions and price changes. | ☐ UNC *1-7-23(B)* (Non-Auto) | ☐ UNC *1-7-05* (Non-Auto) | | |
| **CMRS Providers** See 4901:1-6-15 | ☐ RCC [Registration & Change in Operations] (0 day) | | ☐ NAG [Interconnection Agreement or Amendment] (Auto 90 days) | |
| **Other*** *(explain)* ______ | | | | |

**NOTE: During the interim period between the effective date of the rules and an Applicant's Detariffing Filing, changes to existing business Tier 2 and all toll services, including the addition of new business Tier 2 and all new toll services, will be processed as 0-day TRF filings, and briefly described in the "Other" section above.*

**All Section I and II applications that result in a change to one or more tariff pages require, at a minimum, the following exhibits. Other exhibits may be required under the applicable rule(s). ACN, ACO, AMT, ATC, ATR and CIO applications see <u>the 4901:1-6-14 Filing Requirements on the Commission's Web Page</u> for a complete list of exhibits.**

| Exhibit | Description: |
|---|---|
| A | The tariff pages subject to the proposed change(s) as they exist before the change(s) |
| B | The Tariff pages subject to the proposed change(s), reflecting the change, with the change(s) marked in the right margin. |
| C | A short description of the nature of the change(s), the intent of the change(s), and the customers affected. |
| D | Comcast Phone of Ohio Certification from Secretary of State and Certificate of Good Standing |
| E | Financial Statements of Comcast Corp. SEC Form 10-K |
| F | A sample of the notice provided to customers (affidavit that the notice has been sent will be provided according to the applicable rule(s) after notice is actually sent). |
| G | List of officers and directors for Comcast Phone of Ohio |
| H | List of Ohio exchanges specifically involved or affected |

# VERIFICATION

I, Brian A. Rankin, verify that I have utilized the Telecommunications Application Form for Routine Proceedings provided by the Commission and that all of the information submitted here, and all additional information submitted in connection with this case, is true and correct to the best of my knowledge.

Brian A. Rankin
Brian A. Rankin
Vice President, Deputy General Counsel
Comcast Phone of Ohio, LLC

10/2/2009
Date

Sworn and subscribed before me this 2nd day of October, 2009.

Lori A. Klumpp
Notary Public

My commission expires: 12/31/2011

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
LORI A. KLUMPP, Notary Public
City of Philadelphia, Phila. County
My Commission Expires December 31, 2011

# EXHIBIT A

## The tariff pages subject to the proposed change(s) as they exist before the change(s)

## CIMCO Communications, Inc. PUCO Tariff No. 2

**Ohio Local Exchange Services Tariff of**
**CIMCO Communications, Inc.**

REGULATIONS AND SCHEDULE OF LOCAL EXCHANGE CHARGES
APPLICABLE TO TELECOMMUNICATIONS SERVICES
REGULATED BY THE PUBLIC UTILITIES COMMISSION OF OHIO

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of regulated local exchange telecommunications services provided by CIMCO Communications, Inc. within the State of Ohio. This tariff is on file with the Public Utilities Commission of Ohio ("Commission"). Copies may be inspected during normal business hours at the Company's principal place of business; 1901 South Meyers Road, Suite 700, Oakbrook Terrace, IL 60181

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William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

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## EXPLANATION OF REVISION MARKS

The following symbols will be used throughout this tariff for purposes of revising the tariff as indicated below:

| | | |
|---|---|---|
| C | -- | To signify a regulation which has been changed |
| D | -- | To signify a rate or regulation which has been discontinued |
| I | -- | To signify a rate which has been increased |
| M | -- | To signify a move in the location of text |
| N | -- | To signify a new rate or regulation |
| R | -- | To signify a rate which has been reduced |
| S | -- | To signify a matter which has been reissued |
| T | -- | To signify a change in the text which has not affected a change in either a rate or a regulation. |



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**APPLICATION OF TARIFF**

This tariff sets forth the services, offerings, rates, terms and conditions applicable to the furnishing of local exchange communications services within the State of Ohio by CIMCO Communications, Inc.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**DEFINITIONS**

Certain terms used generally throughout this tariff are defined below:

Authorized-User: A person, firm, corporation or other legal entity authorized by the provider of the service to used the service being provided.

Carrier: A company certified by the Public Utilities Commission of Ohio (P.U.C.O.) to provide telecommunications services within Ohio.

Class of Service--Business: The Company provides one classes of Service: Business. The classification of a Customer's service as Business is determined by these regulations which define the character of use for rate purposes.

A. Service will be classified as Business if:

(1) The service is used primarily or substantially for a paid commercial, professional or institutional activity; or

(2) The service is situated in a commercial, professional or institutional location, or other location serving primarily or substantially as a site of an activity for pay; or

(3) The service number is listed as the principal or only number for a business in any telecommunications directory; or

(4) The service is used to conduct promotions, solicitations, or market research for which compensation or reimbursement is paid or provided. However, such use of service, without compensation or reimbursement, for a charitable or civic purpose shall not constitute business use of service unless other factors are involved.

Company: CIMCO Communications, Inc., the issuer of this tariff.

Customer : A person, firm, corporation or other entity that is authorized by the Company to use the Company's telecommunications services included in this tariff, is responsible for payment of charges included in this tariff, and is responsible for compliance with the Company's tariff regulations. A Customer is distinguished from an Applicant in that an Applicant has only applied to become a Customer and has not been approved by Company to be a Customer.

End User Common Line: A line provided to the Customer once the Customer obtains local exchange service from the Company under its local exchange tariff.



William A. Capraro, Jr.
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**DEFINITIONS**, Continued

Exchange: A basic unit for the administration of communication service in a specified area, called the exchange area. It usually consists of one or more central offices together with the associated plant used in furnishing communication service in that area.

Monthly Charges: Charges which are assessed for services included within this tariff on a recurring monthly basis. It can be assumed that all services offered within this tariff are charged a monthly charge unless otherwise identified.

Service Surcharge: An additional sum added to the usual amount or cost.

Station: Telephone equipment from or to which calls are placed.

Tier I Services: Include Basic Local Exchange Service as defined in Section 49270.01 of the Ohio Revised Code and the following services as indicated in Commission Rule 4901:1-6-04. Tier I services are tariffed herein at maximum and actual rates per Commission Rule 4901:1-6-04(B)(1)(b).

Tier 1 core services
- (i) Basic local exchange service.
- (ii) Basic caller identification (number delivery only services).

Tier 1 non-core services
- (i) Second and third local exchange service access lines.
- (ii) Call waiting.
- (iii) Call trace (*57).
- (iv) Per line number identification blocking.
- (v) Nonpublished number service.
- (vi) N-1-1 access and usage, unless exempted.

Tier II Services: Tier II services include services that do not fall under Tier I. Tier II services include the Company's local/long distance/custom calling services packages, pursuant to Commission Rule 4901:1-6-05. Pursuant to Commission's September 19, 2007 Implementation Entry[1] Tier II services descriptions and rates are no longer tariffed. Corresponding service descriptions and rates are available by contacting the Company or via the Company's web site, http://www.cimco.net

User: A Customer or any other person authorized by the Customer to used service provided under this tariff.

[1] *In the Matter of the Review of Chapter 4901:1-6, Ohio Administrative Code*, Case No. 06-1345-TP-ORD (September 19, 2007).



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
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## SECTION 1 - REGULATIONS

1.1 Undertaking of the Company

1.1.1 Scope

The Company undertakes to furnish communications service in connection with one-way and/or two-way information transmission between points within the State of Ohio under the terms of this tariff. Customers may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.

1.1.2 Shortage of Equipment and Facilities

1.1.2.1 The Company reserves the right to limit or allocate the use of existing facilities, or of additional facilities offered by the Company when necessary because of lack of facilities or due to some other cause beyond the Company's control.

1.1.2.2 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company.

1.1.3 Terms and Conditions

1.1.3.1 Except as otherwise provided herein, service is provided and billed on the basis of a minimum period of at least one month, and shall continue to be provided until canceled by the Customer, in writing, on not less than 30 days' notice. Unless otherwise specified herein, for the purpose of computing charges in this tariff, a month is considered to have 30 days. All calculations of dates set forth in this tariff shall be based on calendar days, unless otherwise specified herein.



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**SECTION 1 - REGULATIONS**, Continued

1.1.3 Terms and Conditions, Continued

1.1.3.2 Customers may be required to enter into written Service Orders which shall contain or reference the name of the Customer, a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff.

1.1.3.3 At the expiration of the initial term specified in the applicable Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current tariff rates until terminated by either party upon 30 days' written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.

1.1.3.4 This tariff shall be interpreted and governed; by the laws of the State of Ohio without regard to the State's choice of laws provisions.

1.1.3.5 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.

1.1.3.6 The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

1.1.3.7 The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to section 1.1.3.8 below. The Company is not liable for interruption of service due to any failure of Customer premises equipment provided by the Company or the Customer.

1.1.3.8 The Customer agrees to return to the company all Company-provided equipment delivered to Customer within five (5) days of termination of the service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.



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**SECTION 1 - REGULATIONS**, Continued

1.1.4 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventive maintenance. Generally, such activities are not specific to an individual Customer but affect may Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notifications requirements. With some emergency or unplanned service-affecting conditions, such as outage resulting from cable damage, notification to the Customer may not be possible.

1.2 Liability of the Company

1.2.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission by the Company or any third parties, shall be limited to the extension of allowances for interruption as set forth in section 1.10, below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. THE COMPANY WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES TO CUSTOMER, OR OTHERS USING THE SERVICE SUPPLIED TO CUSTOMER BY THE COMPANY AS A RESULT OF ANY COMPANY SERVICE, EQUIPMENT, OR FACILITIES, OR THE ACTS, OMISSIONS, NEGLIGENCE OF THE COMPANY'S EMPLOYEES, AGENTS, OR SUPPLIERS.

1.2.2 With respect to any other claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, and subject to the provisions of Section 1.10 of the Company's liability, if any, shall be limited as provided in Section 1.2.9.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
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**SECTION 1 - REGULATIONS**, Continued

1.2 Liability of the Company, Continued

1.2.3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of these federal, state or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials, or strikes, lockouts, work stoppages, or other labor difficulties.

1.2.4 The Company shall not be liable for: (a) any act of omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for or with the services the Company offers; or (b) for the acts or omissions of other common carriers or warehousemen.

1.2.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer, its employees, agents, or suppliers, or due to the failure or malfunction of Customer-provided equipment or facilities. This limitation of liability also pertains to Customer premises equipment purchased or leased from the Company by the Customer.

1.2.6 The Company shall not be liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by gross negligence or willful misconduct of the Company's agents or employees. No agents or employees of other participating carriers, or supplying carriers to the Company, shall be deemed to be agents or employees of the Company.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.2 Liability of the Company, Continued

1.2.7 Notwithstanding the Customer's obligations as set forth in Section 1.4.2, the Company shall be indemnified, defended, and held harmless (including costs and reasonable attorney's fees) by the Customer or by others authorized by it to use the service against any claim, loss or damage arising directly or indirectly from Customer's use of services furnished under this tariff, including:

(a) claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service; or

(b) patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others; or

(c) all other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this tariff.

1.2.8 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services gibing rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service related to the claim is rendered.

1.2.9 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

1.2.10 The Company shall not be liable for any act or omission of any other company or companies supplying a portion of the service, or for damages associated with service, channels, or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with Company services.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.2 Liability of the Company, Continued

1.2.11 The Company shall not be liable for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission or other injury, including, but not limited to, injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by Customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billings for the period of service during which such mistake, omission, interruption, delay, error, defect in transmission or injury occurs), or (2) not prevented by Customer-provided equipment but which would have been prevented had Company-provided equipment been used.

1.2.12 The Company does not guarantee nor make any warranty with respect to service installations at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.

1.2.13 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's network. In addition, the Customer shall ensure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the Company's network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in Section 1.3.1 following, and that the signals do not damage Company equipment, injure its personnel or degrade service to other Customers. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company equipment, personnel, or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.2 Liability of the Company, Continued

1.2.14 With respect to Emergency Number 911 Service:

(a) This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, interruption, delays, errors or other defects in the provision of this service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of any equipment and facilities furnishing this service.

(b) Neither is the Company responsible for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use to operate, maintenance, removal, presence, condition, occasion or use of emergency 911 service features and the equipment associated therewith, or by any services furnished by the Company including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing emergency 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its Users, agencies or municipalities, or the employees or agents of any one of them.

1.2.15 The Company's liability arising from errors or omissions in Directory Listings shall be limited to the actual cost to the Customer for the Directory Listing during a given period of time. There is no liability to Applicant and there will be no recovery by a Customer for loss of business to a Customer for errors or omissions in Directory Listings.

1.2.16 In conjunction with a private listing, as described in Section 2.7.2, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not place by dialing a number. The Company will try to prevent the disclosure of the number of such telephone, but will not be liable in any manner should such number be divulged.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

SECTION 1 - REGULATIONS, Continued

1.2 Liability of the Company, Continued

1.2.17 When a Customer with a non-published telephone number, as defined herein, places a call to the Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined to the appropriate local government authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this tariff, Customer acknowledges and agrees with the release of information under the provisions as described above.

1.3 Provision of Equipment and Facilities

1.3.1 General

1.3.1.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

1.3.1.2 The Company shall use reasonable efforts to maintain facilities that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities installed by the Company, except upon the written consent of the Company.

1.3.1.3 Equipment installed at the Customer Premises for use in connections with the services the Company offers shall not be used for any purpose other than that for which the Company has provided it.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

SECTION 1 - REGULATIONS, Continued

1.3 Provision of Equipment and Facilities, Continued

1.3.1.4 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

(a) the transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or

(b) the reception of signals by Customer provided equipment; or

(c) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

1.3.2 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

1.3.3 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents or contractors.

1.3.4 Use of Service

Service is furnished for use by the Customer and may be used only by others as specifically provided elsewhere in this tariff.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

SECTION 1 - REGULATIONS, Continued

1.3.4 Use of Service, Continued

1.3.4.1 Unlawful Use of Service

Services shall not be used for any purpose in violation of law or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits. The Company shall refuse to furnish service to an applicant or shall disconnect the service of a Customer when:

(1) An order shall be issued, signed by a judge finding that probable cause exists to believe that the use made or to be made of the service is prohibited by law, or

(2) The Company is notified in writing by a Law Enforcement Agency acting within its jurisdiction that any facility furnished by the Company is being used or will be used for the purpose of transmitting or receiving gambling information interstate or foreign commerce in violation of law.

Termination of service shall take place after reasonable notice is provided the Customer, or as ordered by the Court.

If communications facilities have been physically disconnected by Law Enforcement officials at the premises where located, and if there is not presented to the Company the written finding of a judge, then upon written request of the subscriber, and agreement to pay restoral of service charges and other applicable Service Charges, the Company shall promptly restore such service.

1.3.4.2 Obscenity

Service shall not be used to make any oral or written comment, request, suggestion or proposal, or to transmit any nonverbal material, which is obscene, lewd, lascivious, filthy or indecent, regardless of the format or avenue of transmitting the indecent or obscene material (e.g., 900 or 999 service).

1.3.4.3 Impersonation

Service shall not be used to impersonate another person with fraudulent or malicious intent.

## SECTION 1 - REGULATIONS, Continued

1.3.4.4 Harassment

Service shall not be used to call another person so frequently or at such times of the day or in any other manner so as to annoy, abuse, threaten, or harass such other person.

1.3.4.5 Fraudulent Use

A. Service shall not be used to transmit a message, to locate a person, or to otherwise give or obtain information without payment of the charges applicable to such use.

B. No device shall be used by a Customer with the service or facilities of the Company for the purpose of avoiding payment of the applicable charge.

1.3.4.6 Interference with or Impairment of Service

Service shall not be used in any manner which interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other Customers. The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others or impairing the service of others.

1.3.4.7 Subscribing to Adequate Service

If a Customer's use of service interferes unreasonably with the service of other Customers, the interfering Customer will be required to take service in sufficient quantity or of a different class or grade.

1.3.4.8 Telephone Solicitation by Use of Recorded Messages

Service shall not be used for the purpose of solicitation occurs as a result of unrequested or unsolicited calls initiated by the solicitor by means of automatic dialing devices. Such devices, with storage capability of numbers to be called or a random or sequential number generator that produces numbers to be called and having the capability, working alone or in conjunction with other equipment, of disseminating a prerecorded message to the number called and which are calling party or called party controlled, are expressly prohibited.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.3.4.9 Common Receptionist

A business Customer may extend service capable of two-way communication to the location of another business Customer for the purpose of performing clerical services which include the answering and originating of telephone calls. All regulations governing use of service and the charges normally associated with the equipment and channels involved are applicable.

1.4 Obligations of the Customer

1.4.1 General

The Customer shall be responsible for:

(a) the payment of all applicable charges pursuant to this tariff;

(b) reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subjugated to the Company's right of recovery of damages to the extent of such payment;

(c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.4.1 General

(h) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.

1.4.2 Claims

With respect to any service or facility provided by the Company, Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

(a) any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or

(b) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.4.3 Station Equipment

The Customer is responsible for providing and maintaining any terminal equipment on the Customer premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a service may be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to impair the Company's right to discontinue forthwith the use of a service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the temporary discontinuance. During such period of temporary discontinuance, credit allowance for service interruptions as set forth in Section 1.10 following is not applicable.

The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

1.4.4 Interconnection of Facilities

Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing local exchange service and the channels, facilities, or equipment of others may be provided at the Customer's expense.

The Company's services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections. Facilities furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.4.5 Inspections

1.4.5.1 Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 1.4.3 for the installation, operation, and maintenance of Customer-provided facilities and equipment to Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

1.4.5.2 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company make take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

1.5 Establishment of Service

1.5.1 Application for Service

An application for service, whether made orally, in writing, or by action of the Customer (e.g., use of Company's services) establishes the contract between the Company and the Customer on the terms and conditions set forth in this tariff. Neither the contract nor any rights acquired thereunder may be assigned or in any manner transferred.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

SECTION 1 - REGULATIONS, Continued

1.5.2 Minimum Contract Periods

1.5.2.1 Except as otherwise provided, the minimum contract period is one month for all services furnished. However, if a new residential (Applicant is not offering residential services at this time) or single line business Customer notifies the Company within twenty days after receipt of the first bill that certain services or equipment are not desired, the Company will delete such services or equipment from the Customer's account without a record keeping or service ordering charge. The Customer nonetheless shall be responsible for all monthly usage and installation charges incurred for the use of such service and equipment.

1.5.2.2 Except as provided in 1.5.2.1 preceding, the length of minimum contract period for directory listings, and for joint user service where the listing actually appears in the directory, is the directory period. The directory period is from the day on which the directory is first distributed to the Customers to the day the succeeding directory is first distributed to Customers.

1.5.2.3 The Company may require a minimum contract period longer than one month at the same location in connection with special (non-standard) types or arrangements of equipment, or for unusual construction, necessary to meet special demands and involving extra costs.

1.5.3 Cancellation of Application for Service Prior to Establishment of Service

1.5.3.1 Where the Applicant cancels an order for service prior to the start of installation or special construction of facilities, no charge applies, except to the extent Company incurs a service order or similar charge from a supplying carrier prior to the cancellation.

1.5.3.2 Where installation of facilities, other than those provided by special construction, has been started prior to the cancellation, the lower of the following charge applies:

A. The total costs (including overheads) in connection with providing and removing such facilities.

B. The monthly charges for the entire initial contract period of the service ordered by the Customer as provided in this tariff plus the full amount of any installation and termination charges applicable.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.5.3.3 Where special construction of facilities has been started prior to the cancellation and there is another requirement for the specially constructed facilities, in place, no charge applies.

1.5.3.4 Where special construction of facilities has been started prior to the cancellation, and there is no other requirement for the specially constructed facilities, a charge equal to the costs incurred in the special construction (including overheads) applies. Where one or more, but not all, of the services involved in the special construction are canceled, a charge equal to the cost (including overheads) incurred for the discontinued service applies.

1.5.3.5 Installation or special construction of facilities for a Customer starts when the Company incurs any expense in connection therewith which would not otherwise have been incurred and the Customer has advised the Company to proceed with the installation or special construction.

1.5.4 Establishing Credit

1.5.4.1 The Company will not require applicants and Customers to establish or reestablish financial responsibility.

1.5.5 Cash Deposits

Company will not collect Customer deposits.

1.6 Billing / Payment

1.6.1 Customer Billing

1.6.1.1 Bills will be issued once each month during a thirty (30) day period.

1.6.1.2 Special bills for service may be issued to Customers (residence Customers only during the first twenty-four (24) months of their service and business Customers at any time) when charges exceed 175 percent of the average of the past three (3) months' long-distance charges or of the average long-distance charge for that class of service if three (3) months actual data is not available. These bills will carry a due date which is ten (10) days after the date that they are mailed or (7) days if delivered by hand. (Applicant is not offering residential services at this time.)



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

SECTION 1 - REGULATIONS, Continued

1.6 Billing / Payment, Continued

1.6.1.3 Services which are charged for at monthly rates are billed in advance for one month's service in all exchanges.

1.6.1.4 Services which are charged for at other than monthly rates are billed in arrears, except when payment for messages is made by cash deposit in the coin telephone.

1.6.1.5 An unused portion of a usage allowance (which is included in the monthly rate for certain services) in one monthly period cannot be used in any other monthly period nor will refund or credit be given.

1.6.1.6 Detailed call information, such as the time at which the call was made, and its destination will not be generally provided other than for long-distance telecommunications message service. Customers provided with additional detailed billing may be accessed detailed billing charges found in Section 2 of this tariff.

1.6.2 Payment of Charges for Service

1.6.2.1 The Customer is responsible for the payment of charges for all services furnished, including, but not limited to, all calls originated or accepted at a Customer's service location regardless of the carrier providing service.

1.6.2.2 Payment shall be in United States currency or by instruments so denominated and payable on demand at par in Commercial banks in the locality where facilities and service are furnished.

1.6.2.3 Payment is due on the due date shown on the bill and may be paid by mail to the authorized payment locations.

1.6.2.4 Charges for a message originated at a coin telephone shall be paid by cash deposit in the coin telephone unless other arrangements for billing have been made.

1.6.2.5 When Payment for service is made by check, a charge of $25.00 will be made by the Company for each check returned by a bank to the Company for reason of non-sufficient funds.

**SECTION 1 - REGULATIONS**, Continued

1.6 Billing / Payment, Continued

1.6.2.6 If the Customer remits to the Company on more than one occasion during a twelve (12) month period a check, draft, or other instrument which is dishonored, the Company may refuse acceptance of further checks and place the Customer on a guaranteed basis. Under a guaranteed basis, the Company may refuse acceptance of anything as payment other than money orders, cashier's checks, or guaranteed instruments denominated in U.S. dollars and guaranteed by or issued by a third party acceptable to the Company. The Company shall advise the Customer in writing of the restriction and of the various options available in paying by cash.

1.6.3 Late Payment Charge

1.6.3.1 A late payment charge of 1.5% per month shall apply to amounts shown on a monthly bill which remain unpaid after the due date referred to in 1.6.2 preceding, except that the charge is not applicable as specified in 1.6.4 following. The 1.5% is not applicable to the subsequent re-billing of any amount to which a late payment charge has already been applied. Late payment charges are to be applied without discrimination.

1.6.3.2 Regulations

A. The late payment charge will be waived for residential Customers once in each calendar year. (Applicant is not offering residential services at this time.)

B. This charge does not apply to:

(1) Amounts which are in dispute at the time the late payment charge would otherwise be applied;

(2) Federal excise tax or any other taxes levied by law directly on the Customer;

(3) Amounts billed by the Company for other entities for which the charge is not authorized by those entities' appropriate tariffs or contracts.

C. Collection procedures outlined in this Section are not waived or foreclosed by the application of a late payment charge.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.6.4 Failure to Pay Charges for Service

1.6.4.1 A Customer is considered to be delinquent in the payment of a bill when the total amount due is not received on or before fourteen days (14) after the due date printed on the bill.

1.6.4.2 When a Customer is delinquent in the payment of a bill, the Company may disconnect the service after sending a written notice of disconnection, postmarked at least seven (7) days prior to the date of disconnection of service.

1.6.5 Restoral of Service

1.6.5.1 If any Customer's service is restored after having been disconnected in accordance with this tariff but a Company service order to terminate such service has not been completed when such service is restored, the Customer will be required to apply a restoral of services-charge specified in 2.13 of this tariff. Monthly service charges will not apply for the period between the disconnection and reconnection.

1.6.5.2 When a Customer's service has been disconnected in accordance with this tariff and the service has been terminated through the completion of a Company service order, service will be reestablished only upon the basis of application for new service.

1.6.5.3. Customer Complaints

In the case of a dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer can take the following course of action:

A. First, the Customer may request, and the Company will perform, an in-depth review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.6.5.3. Customer Complaints, Continued

B. Pursuant to Chapter 4901:1-5-05 O.A.C., the Company shall provide a report of each complaint's resolution within ten (10) business days of the receipt of the complaint by the Customer, when the complaint was made directly by the Customer, or to the Customer and Commission staff, when the complaint was referred to the Company by Commission staff. If the investigation is not complete within ten (10) business days of receipt of the complaint, the Company shall provide an interim report to the Customer or to the Customer and Commission staff, as set forth above. The report shall contain the information required by Chapter 4901:1-5-05 O.A.C.

C. The Company shall inform the Customer or the Customer and Commission staff of the results of the investigation orally or in writing, unless the Customer or Commission staff request the results to be presented in writing. The Company shall inform the Customer of its right to a written report if the report is presented orally.

D. If there is still disagreement over the disputed amount after the investigation and review by a manager of the Company, the Customer may appeal to the Ohio Public Utilities Commission for its investigation and decision. The Company will provide the Customer with the address, local/toll free numbers and TDD/TTY number of the Commission's Public Interest Center.

The address and telephone number of the Commission are:

Attn: P.I.C.
Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, OH 43215-3793
Telephone: 1-800-686-7826 (voice)
1-800-686-1570 (TDD)

**SECTION 1 - REGULATIONS**, Continued

1.7 Termination, Discontinuation or Refusal of Service

1.7.1 A. DISCONNECTION OF SERVICE

(1) For purposes of this section, all regulated telephone services provided by the Company, except toll service and 900 and 976 type services (if any), shall be defined as local service.

(2) The Company may disconnect its Customer's local service for nonpayment of charges incurred for local service. Such disconnection must be conducted pursuant to all applicable minimum telephone service standards. Disconnection notices issued by the Company pursuant to Rule 4901:1-5-17 (K),
O.A.C., shall state the following:

1. Failure to pay the amount required at the Company's office or to one of its authorized agents by the date specified on the notice may result in the disconnection of local or toll services;
2. The earliest date when disconnection will occur;
3. The reason(s) for disconnection and any actions which the subscriber must take in order to avoid the disconnection, including the total amount required to be paid (which shall not be greater than the past due balance;
4. The total amount de to avoid disconnection of local service, which must be listed separately from charges for regulated toll and charges for unregulated services;
5. The total amount de for toll charges and a statement that non-payment of toll charges may result in the disconnection of toll service;
6. The total amount due for non-regulated charges and a statement that nonpayment of such charges cannot result in the disconnection of local service or regulated toll service
7. The address and telephone number of the office of the telecommunications provider that the Customer may contact in reference to the account;

**SECTION 1 - REGULATIONS**, Continued

1.7.1 A. DISCONNECTION OF SERVICE

8. The following statement:

   If your questions are not resolve after you have called CIMCO Communications, Inc. Customers may call the Public Utilities Commission of Ohio (PUCO), toll free at 1-800-686-7826 or 1-614-466-8180 from 8:00 a.m. to 5:00 p.m. weekdays, or visit the PUCO web site at www.puco.ohio.gov.

9. A statement that an additional charge for reconnection may apply if service is disconnected. The statement shall also include a notice that payments to an unauthorized payment agent may result in the untimely or improper crediting of the Customer's account.

(3) The Company is prohibited from disconnecting any Customer's local service for nonpayment of charges incurred by the Customer for toll service.

(4) Partial payments by a Customer to the Company will be apportioned by the Company to the Company's past due local service charges first before being applied by the Company to any toll charges and will be apportioned to regulated telephone service charges first before being applied to charges for nonregulated services.

(4) When the Company disconnects toll service for nonpayment of toll debt,
whether owed to the Company or to some other provider of toll service, the method of toll disconnection which the Company utilizes:

(a) must not function as a vehicle by which the (nonpaying) toll subscriber is denied access, through presubscription, to any other toll service provider besides the one whose provision of toll service has precipitated the toll disconnection;

(b) must be available from the Company, by tariff, on a nondiscriminatory basis to all toll service providers; and

(c) may consist of either a depicing mechanism or else a selective toll blocking service.

## SECTION 1 - REGULATIONS

1.7.1 A. DISCONNECTION OF SERVICE

(5) Neither purchase of the toll service provider's accounts receivable by the Company, nor a requirement that the Company shall be the billing and collection agent for the toll service provider, shall be established as a necessary precondition imposed by the Company in connection with its tariffed disconnection services offered on a nondiscriminatory basis to all toll service providers.

B. REFUSAL OR DISCONNECTION OF SERVICE, GENERALLY

(1) The Company will notify or attempt to notify, through reasonable means, a subscriber before service is refused or disconnected for:

(a) a violation of or noncompliance with the Company's rules or tariffs on file with the Commission;

(b) a failure to comply with municipal ordinances or other laws pertaining to telecommunications services; or

(c) a refusal by the Customer to permit the Company access to its facilities.

(2) The Company will notify or attempt to notify, through reasonable means, the Customer before service is disconnected when the Customer has committed a fraudulent practice as set forth and defined in this tariff.

(3) No notice is required before disconnection when:

(a) an emergency may threaten the health or safety of a person, or the Company's distribution system;

(b) a Customer's use of telecommunications equipment adversely affects the Company's equipment, its service to others, or the safety of the Company's employees or subscribers; or

(c) a subscriber tampers with facilities or equipment owned by the Company.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.7.1.1 The Suspension or discontinuance of service(s) by the Company pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time of or up to suspension or discontinuance.

1.7.1.2 Upon the Company's discontinuance of service to the Customer under this Section, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff.

1.8 Cancellation of Service

1.8.1 Cancellation of Application for Service

1.8.1.1 Applications for service are non-cancelable unless the Company otherwise agrees. Where the Company permits Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified herein. Applicant recognizes a 72 hour cooling-off period, for home solicitation sales, whereby a Customer may cancel a contract within the first 72 hours without any penalty.

1.8.1.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.

1.8.1.3 The special charges described in 1.8.1.1 and 1.8.1.2 will be calculated and applied on a case-by-case basis.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.8.2 Cancellation of Service by the Customer

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in 1.10 below), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in 1.6 all costs, fees and expenses incurred in connection with:

1) all Non-Recurring Charges reasonably expended by Company to establish service to Customer, plus

2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus

3) all Recurring Charges specified in the applicable Service Order tariff for the balance of the then current term, and

4) any termination liability for early termination

1.9 Miscellaneous

1.9.1 Special Conditions or Requirements

Where special conditions or special requirements of a Customer involve unusual construction or installation cost, the Customer may be required to pay a reasonable proportion of such costs.

1.9.2 Telephone Numbers

The Customer has no property right in the telephone number. The Company may change the telephone number of a Customer for engineering, technical, or other reasons. However, it will not change a telephone number as a penalty or to enforce payment for Company directory advertising charges.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.9.3 Ownership and Access to Facilities

Facilities furnished by the Company remain the property of the Company until transferred or abandoned. The Customer shall provide employees and agents of the Company access to Company facilities, at all reasonable times, for the purpose of installing, rearranging, repairing, maintaining, inspecting, disconnecting, removing, or otherwise servicing such facilities.

1.9.4 Installation, Rearrangement, Repair Maintenance, Disconnection and Removal of Facilities

All facilities furnished by the Company will be installed and maintained by it, except where such facilities are situated, in the judgment of the Company, in hazardous or inaccessible locations.
Customers may not rearrange, disconnect, remove, or otherwise tamper with, or permit others to rearrange, disconnect, remove, or tamper with any facilities furnished by the Company, authorized in this tariff, except with the Company's written consent or as otherwise specified in this tariff.

1.9.5 Transfer and Assignments

Customer may not assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the Company and payment of the applicable charges.

1.9.6 Notices and Communications

1.9.6.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.

1.9.6.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

SECTION 1 - REGULATIONS, Continued

1.9.6 Notices and Communications, Continued

1.9.6.3 All notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or bill with the U.S. Mail or a private delivery service prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

1.9.6.4 The Company or the Customer shall advise the other party of any changes to the address designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

1.10 Allowances for Interruptions of Service

1.10.1 Credit for Interruptions

Credit for interruptions in local exchange service shall apply as set forth in Rule 4901:1-5-16 of the Ohio Administrative Code. When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro-rate adjustment of the monthly Recurring Charges subject to interruption will be allowed for the regulated services and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period more than 24 consecutive hours from the time the interruption is reported to or known to exist by the Company. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.10.1 Credit for Interruptions, Continued

Credit for interruptions will be calculated as follows:

| Interruption Duration | Credit Allowance |
|---|---|
| More than 24 but less than 48 hours | Pro rata portion of the monthly charge(s) for all regulated services rendered inoperative during the interruption . |
| 48 hours but less than 72 hours | One-third of one month's charge(s) for all regulated local services rendered inoperative during the interruption. |
| 72 hours but less than 96 hours | Two-thirds of one month's charge(s) for all regulated local services rendered inoperative during the interruption. |
| 96 hours or more | One month's charges for all regulated local services rendered inoperative during the interruption. |



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 1 - REGULATIONS**, Continued

1.10.2 Restrictions on Allowances

No credit allowance will be made for:

(a) interruptions due to the negligence or willful act of the Customer, Authorized-User or Joint-User, including but not limited to noncompliance with the provisions of this tariff;

(b) interruptions due to the failure or malfunction of Customer provided facilities or the failure or malfunction of any other non-Company equipment;

(c) interruptions due to electric power failure where the Customer furnishes such electric power;

(d) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;

(e) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;

(f) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;

(g) interruption of service due to circumstances or causes beyond the control of the Company;

(h) interruptions due to military action, war, insurrection, riot, or strike.

1.10.3 Use of Alternative Service Provided by the Company

Should the Customer elect to use an alternative service provided by the Company during the period that a service is interrupted, the Customer must pay the tariffed rates and charges for the alternative service.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

## SECTION 2 - SERVICES

2.1 Application of Rates

2.1.1 Introduction

The regulations set forth in this section govern the application of rates for services contained in other sections of this tariff. An application for service, whether made orally, in writing, or by use of service, establishes a contract between the Company and the Customer pursuant to the terms and conditions included within this tariff. Neither the contract nor any rights acquired thereunder may be assigned or in any manner transferred to a third party by the Customer, without the Company's written approval.

2.1.2 Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

(a) Calls are measured in durational increments identified for each service. All calls held for a fraction of a measurement increment are rounded-up to the next whole measurement unit.

(b) Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing for operator service person-to-person calls starts with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.

(c) Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.

(d) Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call and will be billed according to applicable eastern standard or eastern daylight savings time.



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 2 – SERVICES**, Continued

2.1.3 Rates Based Upon Distance

Where charges for a service are specified based upon distance, the following rules apply:

Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set or geographic coordinates, as references in the Local Exchange Routing Guide issued by Bellcore, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated 800 or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number. The airline distance between any two rate centers is determined as follows:

(a) Obtain the "V" (vertical) and "H" (horizontal) coordinates for each Rate Center from the above-referenced Bellcore document.

(b) Compute the difference between the "V" coordinates of the two rate centers; and the difference between the two "H" coordinates.

(c) Square each difference obtained in step (b) above.

(d) Add the square of the "V" difference and the square of the "H" difference obtained in step (c) above.

(e) Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.

(f) Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

(g) $$\text{FORMULA} = \_ \quad \frac{(V1 - V2)2 + (H1 - H2)2}{10}$$

**SECTION 2 – SERVICES**, Continued

2.2 Service Area

Company's local exchange services are available only in the following geographic locations: *Ameritech's service areas throughout Ohio.*

The Company's service area description above in no way compels the Company to provide any service in an area where facilities or other technical factors limit the Company's ability to provide such services.

2.3 Basic Local Exchange Service

2.3.1 General

Basic Local Exchange Service provide Customers with 1-3 local exchange service access lines the ability to place calls to and receive calls from parties located in the Company's Service Area described in Section 2.2, above.

2.3.2 Rate Schedule

Basic Local Exchange Service Rates are applied per minute of use (Plan A) or by message (Plan B) as follows.

| **Plan A** **(Mileage Based)** | **Day Initial Add'l** | **Eve Initial Add'l** | **Night Initial Add'l** |
|---|---|---|---|
| 0-10 Miles | $0.0383<br>$0.0910 | $0.0383<br>$0.0910 | $0.0383<br>$0.0910 |
| 11-22 Miles | $0.0427<br>$0.0162 | $0.0427<br>$0.0162 | $0.0427<br>$0.0162 |
| 23+ Miles | $0.0472<br>$0.0207 | $0.0472<br>$0.0207 | $0.0472<br>$0.0207 |

**Plan B**
**(Message Rate)**

| | |
|---|---|
| Up to 73 messages | $0.0000 |
| 74 + plus messages | $0.0830 |



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

**SECTION 2 – SERVICES**, Continued

2.4 Optional Local Exchange Service Enhancement Features

2.4.1 General

Services in this section may be purchased in addition to a Company-provided Basic Local Exchange Service. These features are available only when purchased in combination with a Company Local Exchange Service.

2.4.2 Rate Schedule

Rates in this section are applied on a monthly basis unless otherwise specified:

| | |
|---|---|
| Call Waiting | $6.00 |
| Basic Caller ID | $7.00 |

2.5 Directory Services

| | |
|---|---|
| Private Listing (Non-Published Number) | |
| Per month for each listing: | $2.20 |



William A. Capraro, Jr.
Executive Vice President
1901 South Meyers Road, Suite 700
Oakbrook Terrace, Illinois 60181

## EXHIBIT B

### The Tariff pages subject to the proposed change(s), reflecting the change, with the change(s) marked in the right margin.

Through this Application, Comcast Phone of Ohio, LLC ("Comcast Phone") requests approval to transfer certain assets, including customers, of CIMCO Communications, Inc. ("CIMCO") to Comcast Phone, as further explained in **Exhibit C**.[1]

In the interest of assuring a seamless and uninterrupted transition, following completion of the migration of CIMCO's customers to Comcast Phone, all of the affected customers will continue to receive service from Comcast Phone under the same rates, terms and conditions as currently provided by CIMCO. Accordingly, Comcast Phone intends to adopt CIMCO's PUCO Tariff No. 2 and will continue to serve customers under the terms set forth in that tariff for the immediate future, although Comcast Phone reserves the right to make changes consistent with its contractual obligations and subject to state law.[2]

At this stage in the proceedings, however, Comcast Phone has not yet determined the appropriate form for adopting CIMCO's tariff. Therefore, Comcast Phone respectfully requests that the Commission approve the Application to authorize the transfer of assets from CIMCO to Comcast Phone as currently filed. Following the Commission's approval, and prior to the proposed transfer of customers, Comcast Phone will submit an application with the appropriate tariff revisions to accomplish its adoption of CIMCO's tariff.

---

[1] On October 8, 2009 Comcast Phone filed an Application to Amend its Certificate to Correct its Official Name ("Name Change Application") in Docket No. 09-912-TP-ACN. The Name Change Application is not related to the present Application to Transfer CIMCO's assets to Comcast Phone. As explained in the Name Change Application, Comcast Phone is amending its Certificate to delete an obsolete reference to the fictitious name "AT&T Digital Phone," which Comcast Phone no longer uses.

[2] On June 6, 2008, CIMCO Communications, Inc. ("CIMCO") submitted an Application to detariff its Business Tier 2 Services pursuant to the Commission's Implementation Order in Case No. 06-1345-TP-ORD. In that filing, CIMCO submitted PUCO Tariff No. 2 to replace the then-current PUCO Tariff No. 1 in its entirety. A copy of CIMCO's PUCO Tariff No. 2 is attached herein as **Exhibit A**.

## EXHIBIT C

## A short description of the nature of the change(s), the intent of the change(s), and the customers affected.[3]

Pursuant to an Asset Purchase Agreement entered into as of September 16, 2009, between Comcast Phone of Ohio, LLC ("Comcast Phone") and certain of its affiliates, and CIMCO Communications, Inc. ("CIMCO") (the "Agreement"), Comcast Phone will acquire the assets and customer accounts (including related data, databases, contracts and customer records needed to support the provision of telecommunications services to those customers) of CIMCO in the state of Ohio. Comcast Phone affiliates in other states will acquire CIMCO assets in those states.

CIMCO is an Illinois corporation with its principal business at 1901 South Meyers Road, 7th Floor, Oakbrook Terrace, Illinois 60181. In Ohio, CIMCO is authorized to provide local exchange and interexchange telecommunications services pursuant to Certificate No. 90-9036 issued in Case No. 97-736-TP-ACE on June 4, 2003. CIMCO is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier. CIMCO's customer base consists primarily of medium-sized business and enterprise customers. In Ohio, CIMCO only serves business customers and has no residential customers.

Comcast Phone is a Delaware limited liability company with its principal place of business at One Comcast Center, Philadelphia, Pennsylvania, 19103-2838. Comcast Phone is a facilities-based local exchange carrier, as defined by 47 U.S.C. § 153(26), and is authorized to provide local exchange, interexchange and other telecommunications services pursuant to authority granted by this Commission.[4]

As noted in **Exhibit B**, all of the affected customers will continue to receive service from Comcast Phone under the same rates, terms and conditions as currently provided by CIMCO, pursuant to CIMCO's current tariff on file with the Commission, which Comcast Phone intends to adopt as discussed in **Exhibit B**.

Only CIMCO's business customers will be affected by the Transaction in Ohio. CIMCO does not have any residential customers. Written notification of the proposed migration of these customers' service to Comcast Phone will be provided to CIMCO's customers at least 30 days prior to the anticipated closing date, pursuant to Section

---

[3] As noted above in Footnote 1, on October 8, 2009 Comcast Phone filed an Application to Amend its Certificate to Correct its Official Name ("Name Change Application") in Docket No. 09-912-TP-ACN. The Name Change Application is not related to the present Application to Transfer CIMCO's assets to Comcast Phone. As explained in the Name Change Application, Comcast Phone is amending its Certificate to delete an obsolete reference to the fictitious name "AT&T Digital Phone," which Comcast Phone no longer uses.

[4] Comcast Phone is authorized to provide local exchange, interexchange and other telecommunications services pursuant to Certificate No. 90-9216, Case No. 03-139-TP-ACN.

64.1120(e) of the rules of the FCC, 47 C.F.R. § 64.1120(e). A copy of the Customer Notification Comcast Phone plans to provide is attached hereto as **Exhibit F**. Comcast Phone will comply with all applicable customer migration / anti-slamming requirements.

**EXHIBIT D**

**Comcast Phone of Ohio, LLC**

**Secretary of State Certification**
**And**
**Certificate of Good Standing**

**Doc ID -->** 200233803782

| DATE: | DOCUMENT ID | DESCRIPTION | FILING | EXPED | PENALTY | CERT | COPY |
|---|---|---|---|---|---|---|---|
| 12/05/2002 | 200233803782 | CORRECT REG./FOREIGN LLC (LFC) | 50.00 | 100.00 | .00 | .00 | 5.00 |

**Receipt**

**This is not a bill. Please do not remit payment.**

C T CORPORATION SYSTEM
JAMES TANKS
17 S HIGH ST
COLUMBUS, OH 43215

# STATE OF OHIO

## Ohio Secretary of State, J. Kenneth Blackwell

**1213118**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**COMCAST PHONE OF OHIO, LLC**

and, that said business records show the filing and recording of:

| Document(s) | Document No(s): |
|---|---|
| **CORRECT REG./FOREIGN LLC** | **200233803782** |

THE SEAL OF THE SECRETARY OF STATE OF OHIO

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 4th day of December, A.D. 2002.

J. Kenneth Blackwell

Ohio Secretary of State

Prescribed by J. Kenneth Blackwell
Ohio Secretary of State
Central Ohio: (614) 466-3910
Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.state.oh.us/sos
e-mail: busserv@sos.state.oh.us

| Expedite this Form: (Select One) | |
|---|---|
| ● Yes | PO Box 1390 Columbus, OH 43216 *** Requires an additional fee of $100 *** |
| ○ No | PO Box 1028 Columbus, OH 43216 |

# Limited Liability Company Certificate of Amendment / Restatement / Correction

*(Domestic or Foreign)*
Filing Fee $50.00

RECEIVED SECRETARY OF STATE
2002 DEC -4 PM 4:09
CLIENT SERVICE CENTER

*(CHECK ONLY ONE (1) BOX)*

| (1) Domestic Limited Liability Company | (2) Foreign Limited Liability Company |
|---|---|
| ☐ Amendment *(129-LAM)* | ☒ Correction *(135-LFC)* |
| ☐ Restatement *(142-LRA)* | Delaware *(Home State)*   March 5, 2001 *(Qualifying in Ohio on MM/DD/YY)* |
| ______ *(Date of Organization)* | |

The undersigned authorized representative of AT&T Broadband Phone of Ohio, LLC *(Name)* 1213118 *(Registration Number)*

The above stated Limited Liability Company does hereby certify that the undersigned is duly authorized to execute this certificate, and hereby certifies that the above named Limited Liability Company ☒ Amend ☐ Restate ☐ Correct the following:

**Complete the information in this section if box (1) Restatement is checked, all sections below must be completed. If box (1) Amendment or box (2) Correction is checked only complete sections that applies.**

**FIRST:** The name of said limited liability company shall be:

Comcast Phone of Ohio, LLC
(the name must include the words "limited liability company", "limited", "Ltd.", "Ltd", "LLC", or "L.L.C.")

**SECOND: (OPTIONAL)** This limited liability company shall exist for a period of ______

**THIRD:** The address to which interested persons may direct requests for copies of any operating agreement and any bylaws of this limited liability company is **(OPTIONAL)**:

1500 Market Street
(street address)   *NOTE: P.O. Box Addresses are NOT acceptable.*

Philadelphia (city, township, or village)   PA (state)   19102 (zip code)

☐ Please check if additional provisions attached hereto are incorporated herein and made a part of these articles of organization.

**FOURTH:** Purpose **(OPTIONAL)**

**Complete the information in this section if box (2) is checked and the Limited Liability Company wants to appoint a statutory agent**

The limited liability company hereby appoints the following as its agent upon whom process against the limited liability company may be served in the state of Ohio. The name and complete address of the agent is:

C T Corporation System
*(Name)*

1300 East 9th Street
*(Street)* *NOTE: P.O. Box Addresses are NOT acceptable.*

| Cleveland | Ohio | 44114 |
|---|---|---|
| *(City, village or township)* | *(State)* | *(Zip Code)* |

The limited liability company irrevocably consents to service of process on the agent listed above as long as the authority of the agent continues, and to service of process upon the OHIO SECRETARY OF STATE if:

**A. the agent cannot be found or,**
**B. the limited liability company fails to designate another agent when required to do so, or,**
**C. the limited liability company's registration to do business in Ohio expires or is cancelled.**

**REQUIRED**
Must be authenticated (signed) by an authorized representative
**(See Instructions)**

| | |
|---|---|
| W. E. Dordelman | DECEMBER 3, 2002 |
| Authorized Representative | Date |
| William E. Dordelman, Vice President of Comcast of California XII, Inc. | |
| | |
| Authorized Representative | Date |
| | |
| Authorized Representative | Date |

**Doc ID -->** 200300903300

| DATE: | DOCUMENT ID | DESCRIPTION | FILING | EXPED | PENALTY | CERT | COPY |
|---|---|---|---|---|---|---|---|
| 01/10/2003 | 200300903300 | FICTITIOUS NAME/ORIGINAL FILING (NFO) | 50.00 | 100.00 | .00 | .00 | .00 |

**Receipt**

**This is not a bill. Please do not remit payment.**

C.T. CORPORATION SYSTEM
17 S. HIGH STREET
COLUMBUS, OH 43215

# STATE OF OHIO

## Ohio Secretary of State, J. Kenneth Blackwell

**1361621**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**COMCAST DIGITAL PHONE**

and, that said business records show the filing and recording of:

| Document(s) | Document No(s): |
|---|---|
| **FICTITIOUS NAME/ORIGINAL FILING** | **200300903300** |

Expiration Date: 01/09/2008

COMCAST PHONE OF OHIO, LLC
1500 MARKET STREET
PHILADELPHIA, PA 19102

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 9th day of January, A.D. 2003.

J. Kenneth Blackwell

Ohio Secretary of State

Prescribed by J. Kenneth Blackwell
Ohio Secretary of State
Central Ohio: (614) 466-3910
Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.state.oh.us/sos
e-mail: busserv@sos.state.oh.us

Expedite this Form: (Select One)

● Yes PO Box 1390 Columbus, OH 43216
*** Requires an additional fee of $100 ***

○ No PO Box 670 Columbus, OH 43216

# NAME REGISTRATION

*(For Domestic/Foreign Profit or Non-Profit)*
Filing Fee $50.00

THE UNDERSIGNED HEREBY STATES THE FOLLOWING:

***(CHECK ONLY ONE (1) BOX)***

| (1) ☐ Trade Name *(167-RNO)* Date of first use ____ MM/DD/YYYY | (2) ☒ Fictitious Name *(169-NFO)* | (3) Name Reservation *(160-NRO)* ☐ Original ☐ Renewal Registration No. ____ |
|---|---|---|

***Complete the information in this section if box (1) or (2) is checked.***

The exact name being registered or reported is Comcast Digital Phone

**The Registrant is (Check Appropriate Box)**

☐ Individual
☐ Limited Partnership: Reg. No. ____
☐ Ohio Limited Liability Co., Reg. No. ____
☐ Ohio Corporation, Charter No. ____
☐ General Partnership
☐ Other ____

☐ Foreign Corporation incorporated in the state of ____ holding Ohio license no. ____
☐ Unincorporated Association
☒ Foreign Limited Liability Co. holding Ohio Reg. No. 1213118 organized in the state of Delaware

The name of the registrant designated above is

Comcast Phone of Ohio, LLC

**NOTE:** **Where the registrant is a partnership, the name of the partnership must appear on this line. If the registrant is a foreign corporation licensed in Ohio under an assumed name, both the assumed name and actual corporate title of such corporation must appear on this line.**

The business address of the registrant is

1500 Market Street
*(Street)* ***NOTE: P.O. Box Addresses are NOT acceptable.***

| Philadelphia | Philadelphia | PA | 19102 |
|---|---|---|---|
| *(City)* | *(County)* | *(State)* | *(Zip Code)* |

534
OH014 - 6/12/2002 C T System Online



Last Revised: May 2002

TOTAL P.09

**Complete the information in this section if box (1) or (2) is checked Cont..**

| Complete only if registrant is a general partnership NAME OF ALL GENERAL PARTNERS | COMPLETE RESIDENTIAL ADDRESSES (including zip code) |
|---|---|
| | |
| | |

NOTE: Pursuant to OAG 89-081, if a general partner is a foreign (out-of-state) corporation, it must be licensed to transact business in Ohio; if a general partner is a foreign corporation licensed in Ohio under an assumed name, please note both the assumed name and actual corporate title of such general partner.

The nature of the business conducted by the registrant under the trade or fictitious name is (please be specific)

Telecommunication Service

**Complete the information in this section if box (3) is checked.**

☐ Please reserve the name listed below. (only one name per form)

☐ Please reserve the first name available in the order of my preference.

I understand that I am not guaranteed the reservation **UNTIL I RECEIVE WRITTEN CONFIRMATION FROM THE SECRETARY OF STATE'S OFFICE STATING THAT THE NAME HAS BEEN REGISTERED TO ME.**

The name reservation is valid for a period of 180 days.

*(First Choice)*

*(Second Choice)*

*(Third Choice)*

*(Applicant)* *(Print Name)*

*(Address)*

*(City, State and Zip Code)*

**REQUIRED**
**Must be authenticated (signed) by an authorized representative**
**(See Instructions)**

Authorized Representative
Kenneth Mikalauskas, VP/member
Comcast Phone, LLC

January 7, 2003
Date

Authorized Representative

Date

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OH014 - 6/12/2002 C T System Online

Page 2 of 3

Last Revised: May 2002

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Prescribed by:

The Ohio Secretary of State
Central Ohio: (614) 466-3910
Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.sos.state.oh.us
e-mail: busserv@sos.state.oh.us

Expedite this Form:
Mail Form to one of the Following:
O Yes PO Box 1390 Columbus, OH 43216
*** Requires an additional fee of $100 ***
O No PO Box 788 Columbus, OH 43216

# RENEWAL

*(For Domestic or Foreign, Profit or Nonprofit)*
Filing Fee $25.00

THE UNDERSIGNED HEREBY STATES THE FOLLOWING:

*(CHECK ONLY ONE (1) BOX)*

| ☐ Renewal of Trade Name (172-RNR) Reg. No. ______ | ☒ Renewal of Fictitious Name (159-NFR) Reg. No. 1361621 | ☐ Renewal of Service Mark or Trademark (165-TSMR) Reg. No. ______ Must Be Accompanied by Specimen |
|---|---|---|

Name of Entity or Description of Mark to be Renewed: Comcast Digital Phone

Name of Applicant Renewing Name or Mark: Comcast Phone of Ohio, LLC
*(Name of Applicant)*

The Applicant Is (Check Appropriate Box)

☐ Individual
☐ Limited Partnership: Secretary of State Reg. No. ______
☐ Ohio Limited Liability Company, Reg. No. ______
☐ Ohio Corporation, Charter No. ______
☐ General Partnership
☐ Other ______

☐ Foreign Corporation incorporated in the state of ______ holding Ohio license no. ______
☐ Unincorporated Association
☒ Foreign Limited Liability Company holding Ohio Reg. No. 1213118 organized in the state of Delaware

RECEIVED 2007 DEC 26 PM 3:47 SECRETARY OF STATE

Business Address: 1500 Market Street
*(Street Address)* *NOTE: P.O. Box Addresses are NOT acceptable.*

Philadelphia *(City)* Philadelphia *(County)* Pennsylvania *(State)* 19102 *(Zip Code)*

General Partners Names & Addresses *(If Applicable)* *(Attach Additional Sheet If Needed)* ______

REQUIRED
Must be authenticated (signed) by an authorized representative (See Instructions)

[signature]
Authorized Representative

12/11/2007
Date

# United States of America
# State of Ohio
# Office of the Secretary of State

***I, Jennifer Brunner, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show COMCAST PHONE OF OHIO, LLC, a Delaware corporation, having qualified to do business within the State of Ohio on March 05, 2001 under License No. 1213118 is currently in GOOD STANDING upon the records of this office.***


***Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 8th day of October, A.D. 2009***

Jennifer Brunner

**Ohio Secretary of State**

**Validation Number: V20092810962CA**

# EXHIBIT E

## Financial Statements from Comcast Corporation SEC Form 10-K (as of December 31, 2008)

# FORM 10-K

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission file number 001-32871

comcast.

## COMCAST CORPORATION

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **PENNSYLVANIA** | **27-0000798** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **One Comcast Center, Philadelphia, PA** | **19103-2838** |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: (215) 286-1700

### SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

| Title of Each Class | Name of Each Exchange on which Registered |
|---|---|
| Class A Common Stock, $0.01 par value | Nasdaq Global Select Market |
| Class A Special Common Stock, $0.01 par value | Nasdaq Global Select Market |
| 2.0% Exchangeable Subordinated Debentures due 2029 | New York Stock Exchange |
| 6.625% Notes due 2056 | New York Stock Exchange |
| 7.00% Notes due 2055 | New York Stock Exchange |
| 7.00% Notes due 2055, Series B | New York Stock Exchange |
| 8.375% Guaranteed Notes due 2013 | New York Stock Exchange |
| 9.455% Guaranteed Notes due 2022 | New York Stock Exchange |

### SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

NONE

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Small reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2008, the aggregate market value of the Class A common stock and Class A Special common stock held by non-affiliates of the Registrant was $39.033 billion and $15.656 billion, respectively.

As of December 31, 2008, there were 2,060,982,734 shares of Class A common stock, 810,211,190 shares of Class A Special common stock and 9,444,375 shares of Class B common stock outstanding.

### DOCUMENTS INCORPORATED BY REFERENCE

Part III—The Registrant's definitive Proxy Statement for its annual meeting of shareholders presently scheduled to be held in May 2009.

# Item 8: Financial Statements and Supplementary Data

# Report of Management

**Management's Report on Financial Statements**

Our management is responsible for the preparation, integrity and fair presentation of information in our consolidated financial statements, including estimates and judgments. The consolidated financial statements presented in this report have been prepared in accordance with accounting principles generally accepted in the United States. Our management believes the consolidated financial statements and other financial information included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows as of and for the periods presented in this report. The consolidated financial statements have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

**Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets.

- Provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with accounting principles generally accepted in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors.

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Our management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our system of internal control over financial reporting was effective as of December 31, 2008. The effectiveness of our internal controls over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

**Audit Committee Oversight**

The Audit Committee of the Board of Directors, which is comprised solely of independent directors, has oversight responsibility for our financial reporting process and the audits of our consolidated financial statements and internal control over financial reporting. The Audit Committee meets regularly with management and with our internal auditors and independent registered public accounting firm (collectively, the "auditors") to review matters related to the quality and integrity of our financial reporting, internal control over financial reporting (including compliance matters related to our Code of Ethics and Business Conduct), and the nature, extent, and results of internal and external audits. Our auditors have full and free access and report directly to the Audit Committee. The Audit Committee recommended, and the Board of Directors approved, that the audited consolidated financial statements be included in this Form 10-K.

Brian L. Roberts
**Brian L. Roberts**
Chairman and
Chief Executive Officer

**Michael J. Angelakis**
Executive Vice President and
Chief Financial Officer

Lawrence J. Salva
**Lawrence J. Salva**
Senior Vice President,
Chief Accounting Officer
and Controller

# Report of Independent Registered Public Accounting Firm

**Board of Directors and Stockholders**
**Comcast Corporation**
**Philadelphia, Pennsylvania**

We have audited the accompanying consolidated balance sheets of Comcast Corporation and subsidiaries (the "Company") as of December 31, 2008 and 2007, and the related consolidated statements of operations, cash flows, stockholders' equity and comprehensive income for each of the three years in the period ended December 31, 2008. We also have audited the Company's internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Comcast Corporation and subsidiaries as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

As discussed in Note 2 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115," effective January 1, 2008. As discussed in Note 3 to the consolidated financial statements, the Company adopted EITF Issue No. 06-10, "Accounting for Collateral Assignment Split-Dollar Life Insurance Arrangements," effective January 1, 2008. As discussed in Note 2 to the consolidated financial statements, the Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement 109," effective January 1, 2007.

**/s/ Deloitte & Touche LLP**
Philadelphia, Pennsylvania
February 20, 2009

# Consolidated Balance Sheet

| December 31 (in millions, except share data) | 2008 | 2007 |
|---|---|---|
| **Assets** | | |
| Current Assets: | | |
| Cash and cash equivalents | **$ 1,195** | $ 963 |
| Investments | **59** | 98 |
| Accounts receivable, less allowance for doubtful accounts of $190 and $181 | **1,626** | 1,645 |
| Deferred income taxes | **292** | 214 |
| Other current assets | **544** | 747 |
| Total current assets | **3,716** | 3,667 |
| Investments | **4,783** | 7,963 |
| Property and equipment, net of accumulated depreciation of $23,235 and $19,808 | **24,444** | 23,624 |
| Franchise rights | **59,449** | 58,077 |
| Goodwill | **14,889** | 14,705 |
| Other intangible assets, net of accumulated amortization of $8,160 and $6,977 | **4,558** | 4,739 |
| Other noncurrent assets, net | **1,178** | 642 |
| Total assets | **$ 113,017** | $ 113,417 |
| **Liabilities and Stockholders' Equity** | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses related to trade creditors | **$ 3,393** | $ 3,336 |
| Accrued salaries and wages | **624** | 494 |
| Other current liabilities | **2,644** | 2,627 |
| Current portion of long-term debt | **2,278** | 1,495 |
| Total current liabilities | **8,939** | 7,952 |
| Long-term debt, less current portion | **30,178** | 29,828 |
| Deferred income taxes | **26,982** | 26,880 |
| Other noncurrent liabilities | **6,171** | 7,167 |
| Minority interest | **297** | 250 |
| Commitments and contingencies (Note 15) | | |
| Stockholders' equity | | |
| Preferred stock—authorized, 20,000,000 shares; issued, zero | **—** | — |
| Class A common stock, $0.01 par value—authorized, 7,500,000,000 shares; issued, 2,426,443,484 and 2,419,025,659; outstanding, 2,060,982,734 and 2,053,564,909 | **24** | 24 |
| Class A Special common stock, $0.01 par value—authorized, 7,500,000,000 shares; issued, 881,145,954 and 1,018,960,463; outstanding, 810,211,190 and 948,025,699 | **9** | 10 |
| Class B common stock, $0.01 par value—authorized, 75,000,000 shares; issued and outstanding, 9,444,375 | **—** | — |
| Additional paid-in capital | **40,620** | 41,688 |
| Retained earnings | **7,427** | 7,191 |
| Treasury stock, 365,460,750 Class A common shares and 70,934,764 Class A Special common shares | **(7,517)** | (7,517) |
| Accumulated other comprehensive income (loss) | **(113)** | (56) |
| Total stockholders' equity | **40,450** | 41,340 |
| Total liabilities and stockholders' equity | **$ 113,017** | $ 113,417 |

See notes to consolidated financial statements.

# Consolidated Statement of Operations

| Year ended December 31 (in millions, except per share data) | 2008 | 2007 | 2006 |
|---|---|---|---|
| **Revenue** | **$ 34,256** | $ 30,895 | $ 24,966 |
| Costs and Expenses: | | | |
| Operating (excluding depreciation and amortization) | **13,472** | 12,169 | 9,819 |
| Selling, general and administrative | **7,652** | 6,940 | 5,705 |
| Depreciation | **5,457** | 5,107 | 3,828 |
| Amortization | **943** | 1,101 | 995 |
| | **27,524** | 25,317 | 20,347 |
| **Operating income** | **6,732** | 5,578 | 4,619 |
| Other Income (Expense): | | | |
| Interest expense | **(2,439)** | (2,289) | (2,064) |
| Investment income (loss), net | **89** | 601 | 990 |
| Equity in net income (losses) of affiliates, net | **(39)** | (63) | (65) |
| Other income (expense) | **(285)** | 522 | 114 |
| | **(2,674)** | (1,229) | (1,025) |
| Income from continuing operations before income taxes and minority interest | **4,058** | 4,349 | 3,594 |
| Income tax expense | **(1,533)** | (1,800) | (1,347) |
| Income from continuing operations before minority interest | **2,525** | 2,549 | 2,247 |
| Minority interest | **22** | 38 | (12) |
| **Income from continuing operations** | **2,547** | 2,587 | 2,235 |
| Income from discontinued operations, net of tax | **—** | — | 103 |
| Gain on discontinued operations, net of tax | **—** | — | 195 |
| **Net income** | **$ 2,547** | $ 2,587 | $ 2,533 |
| **Basic earnings per common share** | | | |
| Income from continuing operations | **$ 0.87** | $ 0.84 | $ 0.71 |
| Income from discontinued operations | **—** | — | 0.03 |
| Gain on discontinued operations | **—** | — | 0.06 |
| Net income | **$ 0.87** | $ 0.84 | $ 0.80 |
| **Diluted earnings per common share** | | | |
| Income from continuing operations | **$ 0.86** | $ 0.83 | $ 0.70 |
| Income from discontinued operations | **—** | — | 0.03 |
| Gain on discontinued operations | **—** | — | 0.06 |
| Net income | **$ 0.86** | $ 0.83 | $ 0.79 |
| **Dividends declared per common share** | **$ 0.25** | $ — | $ — |

See notes to consolidated financial statements.

# Consolidated Statement of Cash Flows

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| **Operating Activities** | | | |
| Net income | **$ 2,547** | $ 2,587 | $ 2,533 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | |
| Depreciation | **5,457** | 5,107 | 3,828 |
| Amortization | **943** | 1,101 | 995 |
| Depreciation and amortization of discontinued operations | **—** | — | 139 |
| Share-based compensation | **258** | 212 | 190 |
| Noncash interest expense (income), net | **209** | 114 | 99 |
| Equity in net losses (income) of affiliates, net | **39** | 63 | 65 |
| (Gains) losses on investments and noncash other (income) expense, net | **321** | (938) | (920) |
| Gain on discontinued operations | **—** | — | (736) |
| Noncash contribution expense | **—** | 11 | 33 |
| Minority interest | **(22)** | (38) | 12 |
| Deferred income taxes | **495** | 247 | 674 |
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures: | | | |
| Change in accounts receivable, net | **39** | (100) | (357) |
| Change in accounts payable and accrued expenses related to trade creditors | **(38)** | 175 | 560 |
| Change in other operating assets and liabilities | **(17)** | (352) | (497) |
| **Net cash provided by (used in) operating activities** | **10,231** | 8,189 | 6,618 |
| **Financing Activities** | | | |
| Proceeds from borrowings | **3,535** | 3,713 | 7,497 |
| Retirements and repayments of debt | **(2,610)** | (1,401) | (2,039) |
| Repurchases of common stock | **(2,800)** | (3,102) | (2,347) |
| Dividends paid | **(547)** | — | — |
| Issuances of common stock | **53** | 412 | 410 |
| Other | **(153)** | 62 | 25 |
| **Net cash provided by (used in) financing activities** | **(2,522)** | (316) | 3,546 |
| **Investing Activities** | | | |
| Capital expenditures | **(5,750)** | (6,158) | (4,395) |
| Cash paid for intangible assets | **(527)** | (406) | (306) |
| Acquisitions, net of cash acquired | **(738)** | (1,319) | (5,110) |
| Proceeds from sales of investments | **737** | 1,761 | 2,720 |
| Purchases of investments | **(1,167)** | (2,089) | (2,812) |
| Other | **(32)** | 62 | 31 |
| **Net cash provided by (used in) investing activities** | **(7,477)** | (8,149) | (9,872) |
| Increase (decrease) in cash and cash equivalents | **232** | (276) | 292 |
| Cash and cash equivalents, beginning of year | **963** | 1,239 | 947 |
| **Cash and cash equivalents, end of year** | **$ 1,195** | $ 963 | $ 1,239 |

See notes to consolidated financial statements.

# Consolidated Statement of Stockholders' Equity

| (in millions) | Common Stock Class: Shares A | Shares A Special | Shares B | Amount A | Amount A Special | Amount B | Additional Capital | Retained Earnings | Treasury Stock at Cost | Accumulated Other Comprehensive Income (Loss) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance, January 1, 2006 | 2,045 | 1,153 | 9 | $24 | $12 | $— | $42,989 | $ 4,825 | $(7,517) | $(114) | $40,219 |
| Stock compensation plans | 13 | 10 | | | | | 604 | (33) | | | 571 |
| Repurchase and retirement of common stock | | (113) | | | (1) | | (1,235) | (1,111) | | | (2,347) |
| Employee stock purchase plan | 2 | | | | | | 43 | | | | 43 |
| Other comprehensive income | | | | | | | | | | 148 | 148 |
| Net income | | | | | | | | 2,533 | | | 2,533 |
| Balance, December 31, 2006 | 2,060 | 1,050 | 9 | 24 | 11 | — | 42,401 | 6,214 | (7,517) | 34 | 41,167 |
| Cumulative effect related to the adoption of FIN 48 on January 1, 2007 | | | | | | | | 60 | | | 60 |
| Stock compensation plans | 17 | 6 | | | | | 688 | (28) | | | 660 |
| Repurchase and retirement of common stock | (25) | (108) | | | (1) | | (1,459) | (1,642) | | | (3,102) |
| Employee stock purchase plan | 2 | | | | | | 58 | | | | 58 |
| Other comprehensive loss | | | | | | | | | | (90) | (90) |
| Net income | | | | | | | | 2,587 | | | 2,587 |
| Balance, December 31, 2007 | 2,054 | 948 | 9 | 24 | 10 | — | 41,688 | 7,191 | (7,517) | (56) | 41,340 |
| Cumulative effect related to the adoption of EITF 06-10 on January 1, 2008 | | | | | | | | (132) | | | (132) |
| Stock compensation plans | **4** | **3** | | | | | **265** | **(49)** | | | **216** |
| Repurchase and retirement of common stock | **(20)** | **(121)** | | | **(1)** | | **(1,562)** | **(1,237)** | | | **(2,800)** |
| Employee stock purchase plan | **3** | | | | | | **63** | | | | **63** |
| Other comprehensive loss | | | | | | | | | | **(57)** | **(57)** |
| Share exchange | **20** | **(20)** | | | | | **166** | **(166)** | | | **—** |
| Dividend declared (per common share $0.25) | | | | | | | | **(727)** | | | **(727)** |
| Net income | | | | | | | | **2,547** | | | **2,547** |
| **Balance, December 31, 2008** | **2,061** | **810** | **9** | **$24** | **$ 9** | **$—** | **$40,620** | **$ 7,427** | **$(7,517)** | **$(113)** | **$40,450** |

# Consolidated Statement of Comprehensive Income

| (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Net income | **$2,547** | $2,587 | $2,533 |
| Holding gains (losses) during the period, net of deferred taxes of $7, $23 and $(69) | **(13)** | (42) | 128 |
| Reclassification adjustments for losses (gains) included in net income, net of deferred taxes of $(10), $46 and $(6) | **18** | (85) | 11 |
| Employee benefit obligations, net of deferred taxes of $30, $(16) and $(4) | **(55)** | 29 | 7 |
| Cumulative translation adjustments | **(7)** | 8 | 2 |
| **Comprehensive income** | **$2,490** | $2,497 | $2,681 |

See notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

## Note 1: Organization and Business

We are a Pennsylvania corporation and were incorporated in December 2001. Through our predecessors, we have developed, managed and operated cable systems since 1963. We classify our operations in two reportable segments: Cable and Programming.

Our Cable segment is primarily involved in the management and operation of cable systems in the United States. As of December 31, 2008, we served approximately 24.2 million video customers, 14.9 million high-speed Internet customers and 6.5 million phone customers. Our regional sports networks are also included in our Cable segment.

Our Programming segment operates our consolidated national programming networks, including E!, Golf Channel, VERSUS, G4 and Style.

Our other businesses consist primarily of Comcast Interactive Media and Comcast Spectacor. Comcast Interactive Media develops and operates Comcast's Internet businesses, including Comcast.net, Fancast, thePlatform, Fandango, Plaxo and DailyCandy. Comcast Spectacor owns two professional sports teams and two large, multipurpose arenas in Philadelphia, and manages other facilities for sporting events, concerts and other events. We also own equity method investments in other programming networks and wireless-related companies.

## Note 2: Summary of Significant Accounting Policies

### Basis of Consolidation

The accompanying consolidated financial statements include (i) all of our accounts, (ii) all entities in which we have a controlling voting interest ("subsidiaries") and (iii) variable interest entities ("VIEs") required to be consolidated in accordance with generally accepted accounting principles in the United States ("GAAP"). We have eliminated all significant intercompany accounts and transactions among consolidated entities.

### Our Use of Estimates

We prepare our consolidated financial statements in conformity with GAAP, which requires us to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates. Estimates are used when accounting for various items, such as allowances for doubtful accounts, investments, derivative financial instruments, asset impairments, nonmonetary transactions, certain acquisition-related liabilities, programming-related liabilities, pensions and other postretirement benefits, revenue recognition, depreciation and amortization, income taxes, and legal contingencies. See Note 8 for our discussion on fair value estimates.

### Cash Equivalents

The carrying amounts of our cash equivalents approximate their fair value. Our cash equivalents consist primarily of money market funds and U.S. government obligations, as well as commercial paper and certificates of deposit with maturities of less than three months when purchased.

### Investments

We classify unrestricted, publicly traded investments as available-for-sale ("AFS") or trading securities and record them at fair value. For AFS securities, we record unrealized gains or losses resulting from changes in fair value between measurement dates as a component of other comprehensive income (loss), except when we consider declines in value to be other than temporary. For trading securities, we record unrealized gains or losses resulting from changes in fair value between measurement dates as a component of investment income (loss), net. We recognize realized gains and losses associated with our fair value method investments using the specific identification method. Effective with the adoption of Statement of Financial Accounting Standards ("SFAS") No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities," ("SFAS No. 159"), we classify the cash flows related to purchases of and proceeds from the sale of trading securities based on the nature of the securities and purpose for which they were acquired (see Note 3).

We use the equity method to account for investments in which we have the ability to exercise significant influence over the investee's operating and financial policies. Equity method investments are recorded at cost and are adjusted to recognize (i) our proportionate share of the investee's net income or losses after the date of investment, (ii) amortization of basis differences, (iii) additional contributions made and dividends received, and (iv) impairments resulting from other-than-temporary declines in fair value. We generally record our share of the investee's net income or loss one quarter in arrears due to the timing of our receipt of such information. Gains or losses on the sale of equity method investments are recorded in other income (expense).

Restricted, publicly traded investments and investments in privately held companies are stated at cost and adjusted for any known decrease in value.

We review our investment portfolio each reporting period to determine whether there are identified events or circumstances that would indicate there is a decline in the fair value that is considered to be other than temporary. For our non-public investments, if there are no identified events or circumstances that would have a significant adverse effect on the fair value of the investment, then the fair value is not estimated. If an investment is deemed to have experienced an other-than-temporary decline below its cost basis, we reduce the carrying amount of the investment to its quoted or estimated fair value, as applicable, and establish a new cost basis for the investment. For our AFS and cost method investments, we charge the impairment to investment income (loss), net. For our equity method investments, the impairment is recorded to other income (expense) (see Note 6).

If a consolidated entity or equity method investee issues additional securities that change our proportionate share of the entity, we recognize the change as a gain or loss in our consolidated statement of operations. In cases where gain realization is not assured, we record the gain to additional paid-in capital.

**Property and Equipment**
Property and equipment are stated at cost. We capitalize improvements that extend asset lives and expense other repairs and maintenance charges as incurred. For assets that are sold or retired, we remove the applicable cost and accumulated depreciation and, unless the gain or loss on disposition is presented separately, we recognize it as a component of depreciation expense.

We capitalize the costs associated with the construction of our cable transmission and distribution facilities and new service installations. Costs include all direct labor and materials, as well as various indirect costs. We capitalize initial customer installation costs directly attributable to installation of the drop, including material, labor and overhead cost, in accordance with SFAS No. 51, "Financial Reporting by Cable Television Companies." All costs incurred in connection with subsequent service disconnects and reconnects are expensed as they are incurred.

We record depreciation using the straight-line method over estimated useful lives. Our significant components of property and equipment are as follows:

| December 31 (in millions) | Weighted Average Original Useful Life | 2008 | 2007 |
|---|---|---|---|
| Cable transmission equipment and distribution facilities | 12 years | **$ 15,660** | $ 14,978 |
| Customer premises equipment | 6 years | **17,788** | 15,373 |
| Scalable infrastructure | 6 years | **5,776** | 5,179 |
| Support capital | 5 years | **5,820** | 5,521 |
| Buildings and building improvements | 20 years | **1,874** | 1,667 |
| Land | — | **205** | 202 |
| Other | 8 years | **556** | 512 |
| Property and equipment, at cost | | **47,679** | 43,432 |
| Less: Accumulated depreciation | | **(23,235)** | (19,808) |
| Property and equipment, net | | **$ 24,444** | $ 23,624 |

We evaluate the recoverability and estimated lives of our property and equipment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed. The evaluation is based on the cash flows generated by the underlying assets and profitability information, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows is less than the carrying amount of the asset, we would recognize a loss for the difference between the estimated fair value and the carrying value of the asset. Unless presented separately, the loss is included as a component of depreciation expense.

**Intangible Assets**

Indefinite-Lived Intangibles
*Franchise Rights*
Our franchise rights consist of cable franchise rights and sports franchise rights. Cable franchise rights represent the value attributed to agreements with local authorities that allow access to homes in cable service areas acquired in business combinations. Sports franchise rights represent the value we attribute to our professional sports teams. We do not amortize cable franchise rights or sports franchise rights because we have determined that they have an indefinite life. We reassess this determination periodically for each franchise based on the factors included in SFAS No. 142, "Goodwill and Other Intangible Assets," ("SFAS No. 142"). Costs we incur in negotiating and renewing cable franchise agreements are included in other intangible assets and are primarily amortized on a straight-line basis over the term of the franchise renewal period.

We evaluate the recoverability of our franchise rights annually, or more frequently whenever events or changes in circumstances indicate that the assets might be impaired. We estimate the fair value of our cable franchise rights primarily based on a discounted cash flow analysis. We also consider multiples of operating income before depreciation and amortization generated by the underlying assets, current market transactions, and profitability information in analyzing the fair values indicated under the discounted cash flow models. If the value of our cable franchise rights is less than the carrying amount, we would recognize an impairment for the difference between the estimated fair value and the carrying value of the assets. We evaluate the unit of account used to test for impairment of our cable franchise rights periodically to ensure testing is performed at an appropriate level. In July 2008, our Cable division management structure was reorganized from five divisions to four. Our impairment testing as of July 1, 2008 confirmed that no impairment existed before the change.

*Goodwill*
Goodwill is the excess of the acquisition cost of an acquired entity over the fair value of the identifiable net assets acquired. In accordance with SFAS No. 142, we do not amortize goodwill.

We assess the recoverability of our goodwill annually, or more frequently whenever events or changes in circumstances indicate that the asset might be impaired. We generally perform the assessment of our goodwill one level below the operating segment level. In our Cable business, since components one level below the segment level (Cable divisions) are not separate reporting units and have similar economic characteristics, we aggregate the components into one reporting unit at the Cable segment level.

* * *

Since the adoption of SFAS No. 142, we have performed annual impairment testing of our indefinite-lived intangibles, including cable franchise rights, sports franchise rights and goodwill, using April 1 as the measurement date. In 2008, we changed the timing of our financial and strategic planning process, including the preparation of long-term projections, from completion in the early part of each calendar year to a midyear completion. These long-term financial projections are used as the basis for performing our annual impairment testing. As a result, we have changed our measurement date from April 1 to July 1. We tested our indefinite-lived intangibles for impairment as of April 1, 2008 and July 1, 2008, and no impairments were indicated as of either date. Since the adoption of SFAS No. 142 in 2002, we have not recorded any significant impairments as a result of our impairment testing. We believe changing the measurement date to coincide with the completion of our long-term financial projections is preferable and does not result in the delay, acceleration or avoidance of an impairment.

*Other Intangibles*

Other intangible assets consist primarily of franchise-related customer relationships acquired in business combinations, programming distribution rights, software, cable franchise renewal costs, and programming agreements and rights. We record these costs as assets and amortize them on a straight-line basis over the term of the related agreements or estimated useful life. See Note 7 for the ranges of useful lives of our intangible assets.

*Programming Distribution Rights*

Our Programming subsidiaries enter into multiyear license agreements with various multichannel video providers for distribution of their programming ("distribution rights"). We capitalize amounts paid to secure or extend these distribution rights and include them within other intangible assets. We amortize these distribution rights on a straight-line basis over the term of the related license agreements. We classify the amortization of these distribution rights as a reduction of revenue unless the Programming subsidiary receives, or will receive, an identifiable benefit from the distributor separate from the fee paid for the distribution right, in which case we recognize the fair value of the identified benefit as an operating expense in the period in which it was received.

*Software*

We capitalize direct development costs associated with internal-use software, including external direct costs of material and services and payroll costs for employees devoting time to these software projects. We also capitalize costs associated with the purchase of software licenses. We include these costs within other intangible assets and amortize them on a straight-line basis over a period not to exceed 5 years, beginning when the asset is substantially ready for use. We expense maintenance and training costs, as well as costs incurred during the preliminary stage of a project, as they are incurred. We capitalize initial operating system software costs and amortize them over the life of the associated hardware.

* * *

We periodically evaluate the recoverability and estimated lives of our intangible assets subject to amortization whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed. The evaluation is based on the cash flows generated by the underlying assets and profitability information, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows is less than the carrying amount of the asset, we would recognize a loss for the difference between the estimated fair value and the carrying value of the asset. Unless presented separately, the loss would be included as a component of amortization expense.

**Asset Retirement Obligations**

SFAS No. 143, "Accounting for Asset Retirement Obligations," as interpreted by Financial Accounting Standards Board ("FASB") Interpretation ("FIN") No. 47, "Accounting for Conditional Asset Retirement Obligations — an Interpretation of FASB Statement No. 143," requires that a liability be recognized for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made.

Certain of our franchise and lease agreements contain provisions requiring us to restore facilities or remove property in the event that the franchise or lease agreement is not renewed. We expect to continually renew our franchise agreements and therefore cannot estimate any liabilities associated with such agreements. A remote possibility exists that franchise agreements could terminate unexpectedly, which could result in us incurring significant expense in complying with restoration or removal provisions. The disposal obligations related to our properties are not material to our consolidated financial statements. No such liabilities have been recorded in our consolidated financial statements.

**Revenue Recognition**

Our Cable segment revenue is primarily derived from customer fees received for our video, high-speed Internet and phone services ("cable services") and from advertising. We recognize revenue from cable services as the service is provided. We manage credit risk by screening applicants through the use of credit bureau data. If a customer's account is delinquent, various measures are used to collect outstanding amounts, including termination of the customer's cable service. Installation revenue obtained from the connection of customers to our cable systems is less than related direct selling costs. Therefore, such revenue is recognized as connections are completed. We recognize advertising revenue when the advertising is aired and based on the broadcast calendar. Revenue earned from other sources is recognized when services are provided or events occur. Under the terms of our franchise agreements, we are generally required to pay to the local franchising authority an amount based on our gross video revenue. We normally pass these fees through to our cable customers and classify the fees as a component of revenue with the corresponding costs included in operating expenses. Prior to 2008, the corresponding costs were included in selling, general and administrative expenses. For 2007 and 2006, we reclassified approximately $863 million and $788 million, respectively, from selling, general and administrative expenses to operating expenses. The 2008 amount is approximately $933 million. We believe such classification is more appropriate based on the nature of these expenses. We present other taxes imposed on a revenue-producing transaction as revenue if we are acting as a principal or as a reduction to operating expenses if we are acting as an agent.

Our Programming segment recognizes revenue from distributors as programming is provided, generally under multiyear distribution agreements. From time to time these agreements expire while programming continues to be provided to the operator based on interim arrangements while the parties negotiate new contract terms. Revenue recognition is generally limited to current payments being made by the operator, typically under the prior contract terms, until a new contract is negotiated, sometimes with effective dates that affect prior periods. Differences between actual amounts determined upon resolution of negotiations and amounts recorded during these interim arrangements are recorded in the period of resolution.

Advertising revenue for our Programming segment is recognized in the period in which commercials or programs are aired. In some instances, our Programming businesses guarantee viewer ratings either for the programming or for the commercials. Revenue is deferred to the extent of an estimated shortfall in the ratings. Such shortfalls are primarily settled by providing additional advertising time, at which point the revenue is recognized.

**Cable Programming Expenses**

Cable programming expenses are the fees we pay to programming networks to license the programming we package, offer and distribute to our video customers. Programming is acquired for distribution to our video customers, generally under multiyear distribution agreements, with rates typically based on the number of customers that receive the programming, adjusted for channel positioning and the extent of distribution. From time to time these contracts expire and programming continues to be provided based on interim arrangements while the parties negotiate new contractual terms, sometimes with effective dates that affect prior periods. While payments are typically made under the prior contract terms, the amount of our programming expenses recorded during these interim arrangements is based on our estimates of the ultimate contractual terms expected to be negotiated. Differences between actual amounts determined upon resolution of negotiations and amounts recorded during these interim arrangements are recorded in the period of resolution.

When our Cable segment receives incentives from programming networks for the licensing of their programming, we classify the deferred portion of these fees within liabilities and recognize them over the term of the contract as a reduction of programming expenses, which are included in operating expenses.

**Share-Based Compensation**

Effective January 1, 2006, we adopted SFAS No. 123R, "Share-Based Payment," ("SFAS No. 123R"), using the Modified Prospective Approach. Under the Modified Prospective Approach, the amount of compensation cost recognized includes (i) compensation cost for all share-based payments granted before but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation," ("SFAS No. 123"), and (ii) compensation cost for all share-based payments granted or modified after January 1, 2006, based on the estimated fair value at the date of grant or subsequent modification date in accordance with SFAS No. 123R. See Note 12 for further details regarding share-based compensation.

**Income Taxes**

Our provision for income taxes is based on our current period income, changes in deferred income tax assets and liabilities, income tax rates, changes in estimates of our uncertain tax positions, and tax planning opportunities available in the jurisdictions in which we operate. Substantially all of our income is from operations in the United States. We recognize deferred tax assets and liabilities when there are temporary differences between the financial reporting basis and tax basis of our assets and liabilities and for the expected benefits of using net operating loss carryforwards. When changes in tax rates or tax laws have an impact on deferred taxes, we apply the change during the years in which temporary differences are expected to reverse. These amounts are recorded in our consolidated financial statements in the period of enactment.

On January 1, 2007, we adopted FIN 48, "Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement No. 109," ("FIN 48"). FIN 48 prescribes the recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return.

We account for income tax uncertainties that arise in connection with business combinations and those that are associated with entities acquired in business combinations in accordance with Emerging Issues Task Force ("EITF") Issue No. 93-7, "Uncertainties Related to Income Taxes in a Purchase Business Combination," ("EITF 93-7"). Deferred tax assets and liabilities are recorded as of the date of a business combination and are based on our estimate of the ultimate tax basis that will be accepted by the various taxing authorities. Liabilities for contingencies associated with prior tax returns filed by the acquired entity are recorded based on criteria set forth in FIN 48. We adjust the deferred tax accounts and the liabilities periodically to reflect any revised estimated tax basis and any estimated settlements with the various taxing authorities. The effect of these adjustments is generally applied to goodwill except for post-acquisition interest expense, which is recognized as an adjustment to income tax expense. Effective with the adoption on January 1, 2009 of SFAS No. 141R, "Business Combinations — a replacement of FASB Statement No. 141," ("SFAS No. 141R"), which also supersedes EITF 93-7, all tax adjustments recognized that would have impacted goodwill will be recognized within income tax expense.

We classify interest and penalties, if any, associated with our uncertain tax positions as a component of income tax expense.

**Derivative Financial Instruments**

We use derivative financial instruments to manage our exposure to the risks associated with fluctuations in interest rates and equity prices. All derivative transactions must comply with a derivatives policy authorized by our Board of Directors. We do not engage in any speculative or leveraged derivative transactions.

We manage our exposure to fluctuations in interest rates by using derivative financial instruments such as interest rate exchange agreements ("swaps") and interest rate lock agreements ("rate locks"). We sometimes enter into rate locks to hedge the risk that the cash flows related to the interest payments on an anticipated issuance or assumption of fixed-rate debt may be adversely affected by interest-rate fluctuations.

We manage our exposure to and benefits from price fluctuations in the common stock of some of our investments by using equity derivative financial instruments embedded in other contracts such as indexed debt instruments and prepaid forward sale agreements whose values, in part, are derived from the market value of certain publicly traded common stock.

We periodically examine the instruments we use to hedge exposure to interest rate and equity price risks to ensure that the instruments are matched with underlying assets or liabilities, to reduce our risks relating to changes in interest rates or equity prices and, through market value and sensitivity analysis, to maintain a high correlation to the risk inherent in the hedged item. For those instruments that do not meet the above conditions, and for those derivative instruments that are not designated as a hedge, changes in fair value are recognized on a current basis in earnings.

We manage the credit risks associated with our derivative financial instruments through the evaluation and monitoring of the creditworthiness of the counterparties. Although we may be exposed to losses in the event of nonperformance by the counterparties, we do not expect such losses, if any, to be significant.

For derivative instruments designated and effective as fair value hedges, such as fixed to variable swaps, changes in the fair value of the derivative instrument substantially offset changes in the fair value of the hedged item, each of which is recorded to interest expense. When fair value hedges are terminated, sold, exercised or have expired, any gain or loss resulting from changes in the fair value of the hedged item is deferred and recognized in earnings over the remaining life of the hedged item. When the hedged item is settled or sold, the unamortized adjustment in the carrying amount of the hedged item is recognized in earnings.

For derivative instruments designated as cash flow hedges, such as variable to fixed swaps and rate locks, the effective portion of the hedge is reported in other comprehensive income (loss) and recognized as an adjustment to interest expense over the same period in which the related interest costs are recognized in earnings. When hedged variable-rate debt is settled, the previously deferred effective portion of the hedge is written off to interest expense in a manner similar to debt extinguishment costs.

Equity derivative instruments embedded in other contracts are separated from their host contract. The derivative component is recorded at its estimated fair value in our consolidated balance sheet and changes in its value are recorded each period to investment income (loss), net.

**Reclassifications**

Reclassifications have been made between operating expenses and selling, general and administrative expenses in the prior years' consolidated financial statements to conform to classifications used in 2008.

## Note 3: Recent Accounting Pronouncements

### SFAS No. 141R

In November 2007, the FASB issued SFAS No. 141R, which continues to require that all business combinations be accounted for by applying the acquisition method. Under the acquisition method, the acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed, and any contingent consideration and contractual contingencies, as a whole, at their fair value as of the acquisition date. Under SFAS No. 141R, all transaction costs are expensed as incurred. SFAS No. 141R rescinds EITF 93-7. Under EITF 93-7, the effect of any subsequent adjustments to uncertain tax positions was generally applied to goodwill, except for post-acquisition interest on uncertain tax positions, which was recognized as an adjustment to income tax expense. Under SFAS No. 141R, all subsequent adjustments to income tax liabilities and related interest that would have impacted goodwill are recognized within income tax expense. The guidance in SFAS No. 141R will be applied prospectively to any business combination for which the acquisition date is on or after January 1, 2009.

### SFAS No. 157

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. SFAS No. 157 is effective for financial assets and financial liabilities in fiscal years beginning after November 15, 2007 and for nonfinancial assets and nonfinancial liabilities in fiscal years beginning after March 15, 2008. Effective January 1, 2008, we adopted the provisions of SFAS No. 157 that relate to our financial assets and financial liabilities. We are evaluating the impact of the provisions of SFAS No. 157 that relate to our nonfinancial assets and nonfinancial liabilities, which are effective for us as of January 1, 2009, and currently do not expect the adoption to have a material impact on our consolidated financial statements. See Note 8 for further details regarding the adoption of this standard.

### SFAS No. 159

In February 2007, the FASB issued SFAS No. 159, which provides the option to report certain financial assets and financial liabilities at fair value, with the intent to mitigate the volatility in financial reporting that can occur when related assets and liabilities are each recorded on a different basis. SFAS No. 159 amends FASB Statement No. 95, "Statement of Cash Flows," ("SFAS No. 95") and FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," ("SFAS No. 115"). SFAS No. 159 specifies that cash flows from trading securities, including securities for which an entity has elected the fair value option, should be classified in the statement of cash flows based on the nature of and purpose for which the securities were acquired. Before this amendment, SFAS No. 95 and SFAS No. 115 specified that cash flows from trading securities must be classified as cash flows from operating activities. Effective January 1, 2008, we adopted SFAS No. 159. We have not elected the fair value option for any financial assets or financial liabilities. Upon adoption, we reclassified $603 million of proceeds from the sale of trading securities within our statement of cash flows for the year ended December 31, 2007 from an operating activity to an investing activity. The adoption of SFAS No. 159 had no effect on our statement of cash flows for the year ended December 31, 2006.

### SFAS No. 160

In November 2007, the FASB issued SFAS No. 160, "Accounting and Reporting of Noncontrolling Interest," ("SFAS No. 160"). SFAS No. 160 requires that a noncontrolling interest (previously referred to as a minority interest) be separately reported in the equity section of the consolidated entity's balance sheet. SFAS No. 160 also established accounting and reporting standards for (i) ownership interests in subsidiaries held by parties other than the parent, (ii) the amount of consolidated net income attributable to the parent and to the noncontrolling interest, (iii) changes in a parent's ownership interest and (iv) the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS No. 160 is effective for us beginning January 1, 2009, at which time our financial statements will reflect the new presentation for noncontrolling interests.

### EITF Issue No. 06-10

In March 2007, the EITF reached a consensus on EITF Issue No. 06-10, "Accounting for Deferred Compensation and Postretirement Benefit Aspects of Collateral Assignment Split-Dollar Life Insurance Arrangements," ("EITF 06-10"). EITF 06-10 provides that an employer should recognize a liability for the postretirement benefit related to collateral assignment split-dollar life insurance arrangements. We adopted EITF 06-10 on January 1, 2008, at which time we adjusted beginning retained earnings and recorded a liability of $132 million. See Note 10 for further details regarding the adoption of this standard.

## Note 4: Earnings Per Share

Basic earnings per common share ("Basic EPS") is computed by dividing net income from continuing operations by the weighted-average number of common shares outstanding during the period.

Our potentially dilutive securities include potential common shares related to our stock options and restricted share units ("RSUs"). Diluted earnings per common share ("Diluted EPS") considers the impact of potentially dilutive securities using the treasury stock method except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect. Diluted EPS excludes the impact of potential common shares related to our stock options in periods in which the option exercise price is greater than the average market price of our Class A common stock or our Class A Special common stock, as applicable (see Note 12).

Diluted EPS for 2008, 2007 and 2006 excludes approximately 159 million, 61 million and 116 million, respectively, of potential common shares related to our share-based compensation plans, because the inclusion of the potential common shares would have an antidilutive effect.

Computation of Diluted EPS

| | 2008 | | | 2007 | | | 2006 | | |
|---|---|---|---|---|---|---|---|---|---|
| Year ended December 31 (in millions, except per share data) | Income | Shares | Per Share Amount | Income | Shares | Per Share Amount | Income | Shares | Per Share Amount |
| Basic EPS | **$2,547** | **2,939** | **$0.87** | $2,587 | 3,098 | $0.84 | $2,235 | 3,160 | $0.71 |
| Effect of dilutive securities: | | | | | | | | | |
| Assumed exercise or issuance of shares relating to stock plans | | **13** | | | 31 | | | 20 | |
| Diluted EPS | **$2,547** | **2,952** | **$0.86** | $2,587 | 3,129 | $0.83 | $2,235 | 3,180 | $0.70 |

## Note 5: Acquisitions and Other Significant Events

### 2008 Acquisitions

#### Insight Transaction

In April 2007, we and Insight Communications ("Insight") agreed to divide the assets and liabilities of Insight Midwest, a 50%-50% cable system partnership with Insight (the "Insight transaction"). On December 31, 2007, we contributed approximately $1.3 billion to Insight Midwest for our share of the partnership's debt. On January 1, 2008, the distribution of the assets of Insight Midwest was completed without assumption of any of Insight's debt by us and we received cable systems serving approximately 696,000 video customers in Illinois and Indiana (the "Comcast asset pool"). Insight received cable systems serving approximately 652,000 video customers, together with approximately $1.24 billion of debt allocated to those cable systems (the "Insight asset pool"). We accounted for our interest in Insight Midwest as an equity method investment until the Comcast asset pool was distributed to us on January 1, 2008. We accounted for the distribution of assets by Insight Midwest as a sale of our 50% interest in the Insight asset pool in exchange for acquiring an additional 50% interest in the Comcast asset pool. The estimated fair value of the 50% interest of the Comcast asset pool we received was approximately $1.2 billion and resulted in a pretax gain of approximately $235 million, which is included in other income (expense). We recorded our 50% interest in the Comcast asset pool as a step acquisition in accordance with SFAS No. 141, "Business Combinations," ("SFAS No. 141").

The results of operations for the cable systems acquired in the Insight transaction have been reported in our consolidated financial statements since January 1, 2008 and are reported in our Cable segment. The weighted-average amortization period of the franchise-related customer relationship intangible assets acquired was 4.5 years. Substantially all of the goodwill recorded is expected to be amortizable for tax purposes.

The table below presents the purchase price allocation to assets acquired and liabilities assumed as a result of the Insight transaction.

| (in millions) | |
|---|---|
| Property and equipment | $ 587 |
| Franchise-related customer relationships | 64 |
| Cable franchise rights | 1,374 |
| Goodwill | 105 |
| Other assets | 27 |
| Total liabilities | (31) |
| Net assets acquired | **$2,126** |

The following unaudited pro forma information has been presented as if the Insight transaction had occurred on January 1, 2007. This information is based on historical results of operations, adjusted for purchase price allocations, and is not necessarily indicative of what the results would have been had we operated the cable systems since January 1, 2007.

| Year ended December 31, 2007 (in millions, except per share data) | |
|---|---|
| Revenue | $31,582 |
| Net income | $ 2,627 |
| Basic EPS | $ 0.85 |
| Diluted EPS | $ 0.84 |

#### Other 2008 Acquisitions

In April 2008, we acquired an additional interest in Comcast SportsNet Bay Area. In July 2008, we acquired Plaxo, an address book management and social networking Web site service. In August 2008, we acquired the remaining interest in G4 that we did not already own. In September 2008, we acquired DailyCandy, an e-mail newsletter and Web site. The results of operations for these acquisitions have been included in our consolidated results of operations since their respective acquisition dates. The results of operations for Plaxo and DailyCandy are reported in Corporate and

Other. The aggregate purchase price of these other 2008 acquisitions was approximately $610 million. None of these acquisitions were material to our consolidated financial statements for the year ended December 31, 2008.

### 2007 Acquisitions

#### The Houston Transaction

In July 2006, we initiated the dissolution of Texas and Kansas City Cable Partners (the "Houston transaction"), our 50%-50% cable system partnership with Time Warner Cable. On January 1, 2007, the distribution of assets by Texas and Kansas City Cable Partners was completed and we received the cable system serving Houston, Texas (the "Houston asset pool") and Time Warner Cable received the cable systems serving Kansas City, south and west Texas, and New Mexico (the "Kansas City asset pool"). We accounted for the distribution of assets by Texas and Kansas City Cable Partners as a sale of our 50% interest in the Kansas City asset pool in exchange for acquiring an additional 50% interest in the Houston asset pool. This transaction resulted in an increase of approximately 700,000 video customers. The estimated fair value of the 50% interest of the Houston asset pool we received was approximately $1.1 billion and resulted in a pretax gain of approximately $500 million, which is included in other income (expense). We recorded our 50% interest in the Houston asset pool as a step acquisition in accordance with SFAS No. 141.

The results of operations for the cable systems acquired in the Houston transaction have been reported in our Cable segment since August 1, 2006 and in our consolidated financial statements since January 1, 2007 (the date of the distribution of assets). The weighted-average amortization period of the franchise-related customer relationship intangible assets acquired was 7 years. As a result of the Houston transaction, we reversed deferred tax liabilities of approximately $200 million, which were primarily related to the excess of tax basis of the assets acquired over the tax basis of the assets exchanged, and reduced the amount of goodwill that would have otherwise been recorded in the acquisition. Substantially all of the goodwill recorded is expected to be amortizable for tax purposes.

The table below presents the purchase price allocation to assets acquired and liabilities assumed as a result of the Houston transaction.

| (in millions) | |
|---|---|
| Property and equipment | $ 870 |
| Franchise-related customer relationships | 266 |
| Cable franchise rights | 1,954 |
| Goodwill | 426 |
| Other assets | 267 |
| Total liabilities | (73) |
| Net assets acquired | $3,710 |

#### Other 2007 Acquisitions

In April 2007, we acquired Fandango, an online entertainment site and movie-ticket service. The results of operations of Fandango have been included in our consolidated financial statements since the acquisition date and are reported in Corporate and Other. In June 2007, we acquired Rainbow Media Holdings LLC's 60% interest in Comcast SportsNet Bay Area (formerly known as Bay Area SportsNet) and its 50% interest in Comcast SportsNet New England (formerly known as Sports Channel New England), expanding our regional sports networks. The completion of this transaction resulted in our 100% ownership in Comcast SportsNet New England and 60% ownership in Comcast SportsNet Bay Area. In August 2007, we acquired the cable system of Patriot Media serving approximately 81,000 video customers in central New Jersey. The results of operations of Patriot Media, Comcast SportsNet Bay Area and Comcast SportsNet New England have been included in our consolidated financial statements since their acquisition dates and are reported in our Cable segment. The aggregate purchase price of these other 2007 acquisitions was approximately $1.288 billion. None of these acquisitions were material to our consolidated financial statements for the year ended December 31, 2007.

### 2006 Acquisitions

#### The Adelphia and Time Warner Transactions

In April 2005, we entered into an agreement with Adelphia Communications ("Adelphia") in which we agreed to acquire certain assets and assume certain liabilities of Adelphia (the "Adelphia acquisition"). At the same time, we and Time Warner Cable Inc. and certain of its affiliates ("TWC") entered into several agreements in which we agreed to (i) have our interest in Time Warner Entertainment Company, L.P. ("TWE") redeemed, (ii) have our interest in TWC redeemed (together with the TWE redemption, the "redemptions") and (iii) exchange certain cable systems acquired from Adelphia and certain Comcast cable systems with TWC (the "exchanges"). On July 31, 2006, these transactions were completed. We collectively refer to the Adelphia acquisition, the redemptions and the exchanges as the "Adelphia and Time Warner transactions." Also in April 2005, Adelphia and TWC entered into an agreement for the acquisition of substantially all of the remaining cable system assets and the assumption of certain of the liabilities of Adelphia.

The Adelphia and Time Warner transactions resulted in a net increase of 1.7 million video customers, a net cash payment by us of approximately $1.5 billion and the disposition of our ownership interests in TWE and TWC and the assets of two cable system partnerships.

The Adelphia and Time Warner transactions added cable systems in 16 states (California, Colorado, Connecticut, Florida, Georgia, Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, Oregon, Pennsylvania, Tennessee, Vermont, Virginia and West Virginia).

The cable systems we transferred to TWC included our previously owned cable systems located in Los Angeles, Cleveland and Dallas (the "Comcast exchange systems"). The operating results of the Comcast exchange systems are reported as discontinued operations and are presented in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," ("SFAS No. 144") (see "Discontinued Operations" below).

*Purchase Price Allocation*

The results of operations for the cable systems acquired in the Adelphia and Time Warner transactions have been included in our consolidated financial statements since July 31, 2006 (the acquisition date). The weighted-average amortization period of the franchise-related customer relationship intangible assets acquired was 7 years. As a result of the redemption of our investment in TWC and the exchange of certain cable systems in 2006, we reversed deferred tax liabilities of approximately $760 million, which were primarily related to the excess of tax basis of the assets acquired over the tax basis of the assets exchanged, and reduced the amount of goodwill and other noncurrent assets that would have otherwise been recorded in the acquisition. Substantially all of the goodwill recorded is expected to be amortizable for tax purposes.

The table below presents the purchase price allocation to assets acquired and liabilities assumed as a result of the Adelphia and Time Warner transactions.

| (in millions) | |
|---|---|
| Property and equipment | $ 2,640 |
| Franchise-related customer relationships | 1,627 |
| Cable franchise rights | 6,730 |
| Goodwill | 420 |
| Other assets | 111 |
| Total liabilities | (351) |
| Net assets acquired | $11,177 |

*Discontinued Operations*

As discussed above, the operating results of the Comcast exchange systems transferred to TWC are reported as discontinued operations and are presented in accordance with SFAS No. 144. The table below presents the operating results of the Comcast exchange systems through the closing date of the exchanges (July 31, 2006):

| Year ended December 31, 2006 (in millions) | |
|---|---|
| Revenue | $734 |
| Income before income taxes | $121 |
| Income tax expense | $ (18) |
| Net income | $103 |

*Other 2006 Acquisitions*

*E! Entertainment Television*

In November 2006, we acquired the 39.5% of E! Entertainment Television, which operates the E! and Style programming networks, that we did not already own for approximately $1.2 billion. We have historically consolidated the results of operations of E! Entertainment Television. We allocated the purchase price to property and equipment, intangibles, and goodwill.

*Susquehanna*

In April 2006, we acquired the cable systems of Susquehanna Cable Co. and its subsidiaries ("Susquehanna") for a total purchase price of approximately $775 million. These cable systems are located primarily in Pennsylvania, New York, Maine and Mississippi. Before the acquisition, we held an approximate 30% equity ownership interest in Susquehanna that we accounted for as an equity method investment. On May 1, 2006, Susquehanna Cable Co. redeemed the approximate 70% equity ownership interest in Susquehanna held by Susquehanna Media Co., which resulted in Susquehanna becoming 100% owned by us. The results of operations of these cable systems have been included in our consolidated financial statements since the acquisition date and are reported in our Cable segment. We allocated the purchase price to property and equipment, franchise-related customer relationship intangibles, cable franchise rights, and goodwill. The acquisition of these cable systems was not material to our consolidated financial statements for the year ended December 31, 2006.

## Note 6: Investments

The components of our investments are presented in the table below.

| December 31 (in millions) | 2008 | 2007 |
|---|---|---|
| Fair Value Method | | |
| Equity securities | **$ 940** | $2,080 |
| Debt securities | **3** | 621 |
| | **943** | 2,701 |
| Equity Method | | |
| Insight Midwest | **—** | 1,877 |
| SpectrumCo, LLC | **1,354** | 1,352 |
| Clearwire | **421** | — |
| Other | **402** | 453 |
| | **2,177** | 3,682 |
| Cost Method | | |
| AirTouch | **1,479** | 1,465 |
| Other | **243** | 213 |
| | **1,722** | 1,678 |
| Total investments | **4,842** | 8,061 |
| Less: Current investments | **59** | 98 |
| Noncurrent investments | **$4,783** | $7,963 |

### Fair Value Method

We hold equity investments in publicly traded companies that we account for as AFS or trading securities. As of December 31, 2008, we held $932 million of fair value method equity securities related to our obligations under prepaid forward contracts, which mature between 2011 and 2015. At maturity of these prepaid forward contracts, the counterparties are entitled to receive some or all of the equity securities, or an equivalent amount of cash at our option, based upon the market value of the equity securities at that time.

The net unrealized gains on investments accounted for as AFS securities as of December 31, 2008 and 2007 were $29 million and $42 million, respectively. The amounts were reported primarily as a component of accumulated other comprehensive income (loss), net of related deferred income taxes of $10 million and $15 million in 2008 and 2007, respectively.

The cost, fair value, and unrealized gains and losses related to our AFS securities are presented in the table below. The decreases in 2008 from 2007 are primarily due to the sale of debt securities.

| Year ended December 31 (in millions) | 2008 | 2007 |
|---|---|---|
| Cost | **$60** | $685 |
| Unrealized gains | **34** | 44 |
| Unrealized losses | **(5)** | (2) |
| Fair value | **$89** | $727 |

Proceeds from the sale of AFS securities in 2008, 2007 and 2006 were $638 million, $1.033 billion and $209 million, respectively. Gross realized gains on these sales in 2008, 2007 and 2006 were $1 million, $145 million and $59 million, respectively. Sales of AFS securities for the year ended December 31, 2008 consisted primarily of the sale of debt securities. Sales of AFS securities in 2007 and 2006 consisted primarily of sales of Time Warner Inc. common stock.

### Equity Method

#### Insight Midwest Partnership

We accounted for our interest in Insight Midwest as an equity method investment until January 1, 2008, the date the Comcast asset pool was distributed to us (see Note 5). As of December 31, 2007, our recorded investment in Insight exceeded our proportionate interest in the book value of its net assets by $144 million. The basis difference was attributed to indefinite-lived intangible assets.

#### SpectrumCo, LLC

SpectrumCo, LLC ("SpectrumCo"), a consortium of investors including us, Time Warner Cable, Bright House Networks and Cox Communications ("Cox"), was the successful bidder for 137 wireless spectrum licenses for approximately $2.4 billion in the Federal Communications Commission's advanced wireless spectrum auction that concluded in September 2006. Our portion of the total cost to purchase the licenses was approximately $1.3 billion. In October 2008, SpectrumCo and its members entered into an agreement under which Cox would withdraw as a member of SpectrumCo and have its interest in SpectrumCo redeemed in accordance with its pre-existing exit rights. Under the agreement, Cox was entitled to receive from SpectrumCo at the closing approximately $70 million and certain spectrum licenses covering areas in or near Cox's service area. The agreement required the $70 million to be funded by contributions to SpectrumCo from the remaining members. This transaction closed in January 2009 and we contributed $45 million to SpectrumCo to satisfy our funding obligations under the agreement. Based on SpectrumCo's currently planned activities, we have determined that it is not a VIE. We have and continue to account for this joint venture as an equity method investment based on its governance structure, notwithstanding our majority interest.

#### Clearwire

In November 2008, Sprint Nextel ("Sprint") and the legal predecessor of Clearwire Corporation ("old Clearwire") closed on a series of transactions (collectively the "Clearwire transaction") with an investor group made up of us, Intel, Google, Time Warner Cable and Bright House Networks. As a result of the Clearwire transaction, Sprint and old Clearwire combined their next-generation wireless broadband businesses and formed a new independent holding company, Clearwire Corporation, and its operating subsidiary, Clearwire Communications LLC ("Clearwire

LLC"), that will focus on the deployment of a nationwide 4G wireless network. We, together with the other members of the investor group, have invested $3.2 billion in Clearwire LLC. Our portion of the investment was $1.05 billion. As a result of our investment, we received ownership units ("ownership units") of Clearwire LLC and Class B stock ("voting stock") of Clearwire Corporation, the publicly traded holding company that controls Clearwire LLC. The voting stock has voting rights equal to those of the publicly traded Class A stock of Clearwire Corporation, but has only minimal economic rights. We hold our economic rights through the ownership units, which have limited voting rights. One ownership unit combined with one share of voting stock are exchangeable into one share of Clearwire Corporation's publicly traded Class A stock. At closing, we received 52.5 million ownership units and 52.5 million shares of voting stock, which represents an approximate 7% ownership interest on a fully diluted basis. During the first quarter of 2009, the purchase price per share is expected to be adjusted based on the trading prices of Clearwire Corporation's publicly traded Class A stock. After the post-closing adjustment, we anticipate that we will have an approximate 8% ownership interest on a fully diluted basis.

In connection with the Clearwire transaction, we entered into an agreement with Sprint that allows us to offer wireless services utilizing certain of Sprint's existing wireless networks and an agreement with Clearwire LLC that allows us to offer wireless services utilizing Clearwire's next generation wireless broadband network. We allocated a portion of our $1.05 billion investment to the related agreements.

We will account for our investment under the equity method and record our share of net income or loss one quarter in arrears. Clearwire LLC is expected to incur losses in the early years of operation, which under the equity method of accounting, will be reflected in our future operating results and reduce the cost basis of our investment. We evaluated our investment at December 31, 2008 to determine if an other than temporary decline in fair value below our cost basis had occurred. The primary input in estimating the fair value of our investment was the quoted market value of Clearwire publicly traded Class A shares at December 31, 2008, which declined significantly from the date of our initial agreement in May 2008. As a result of the severe decline in the quoted market value, we recognized an impairment in other income (expense) of $600 million to adjust our cost basis in our investment to its estimated fair value. In the future, our evaluation of other than temporary declines in fair value of our investment will include a comparison of actual operating results and updated forecasts to the projected discounted cash flows that were used in making our initial investment decision, other impairment indicators, such as changes in competition or technology, as well as a comparison to the value that would be obtained by exchanging our investment into Clearwire Corporation's publicly traded Class A shares.

## Cost Method

### AirTouch Communications, Inc.

We hold two series of preferred stock of AirTouch Communications, Inc. ("AirTouch"), a subsidiary of Vodafone, which are redeemable in April 2020. As of December 31, 2008 and 2007, the AirTouch preferred stock was recorded at $1.479 billion and $1.465 billion, respectively.

As of December 31, 2008, the estimated fair value of the AirTouch preferred stock was $1.357 billion, which is below our carrying amount. The recent decline in fair value is attributable to changes in interest rates. We have determined this decline to be temporary. The factors considered were the length of time and the extent to which the market value has been less than cost, the credit rating of AirTouch, and our intent and ability to retain the investment for a period of time sufficient to allow for recovery. Specifically, we expect to hold the two series of AirTouch preferred stock until their redemption in 2020.

The dividend and redemption activity of the AirTouch preferred stock determines the dividend and redemption payments associated with substantially all of the preferred shares issued by one of our consolidated subsidiaries, which is a VIE. The subsidiary has three series of preferred stock outstanding with an aggregate redemption value of $1.750 billion. Substantially all of the preferred shares are redeemable in April 2020 at a redemption value of $1.650 billion. As of December 31, 2008 and 2007, the two redeemable series of subsidiary preferred shares were recorded at $1.468 billion and $1.465 billion, respectively, and those amounts are included in other noncurrent liabilities. The one nonredeemable series of subsidiary preferred shares was recorded at $100 million as of both December 31, 2008 and 2007 and those amounts are included in minority interest on our consolidated balance sheet.

### Investment Income (Loss), Net

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Gains on sales and exchanges of investments, net | **$ 8** | $ 151 | $ 733 |
| Investment impairment losses | **(28)** | (4) | (4) |
| Unrealized gains (losses) on trading securities and hedged items | **(1,117)** | 315 | 339 |
| Mark to market adjustments on derivatives related to trading securities and hedged items | **1,120** | (188) | (238) |
| Mark to market adjustments on derivatives | **57** | 160 | (18) |
| Interest and dividend income | **149** | 199 | 212 |
| Other | **(100)** | (32) | (34) |
| Investment income (loss), net | **$ 89** | $ 601 | $ 990 |

In connection with the Adelphia and Time Warner transactions in 2006, we recognized total gains of approximately $646 million on the redemptions and the exchange of cable systems held by Century and Parnassos (see Note 5). These gains are included within the "Gains on sales and exchanges of investments, net" caption in the table above.

## Note 7: Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill by business segment (see Note 16) are presented in the table below.

| (in millions) | Cable | Programming | Corporate and Other | Total |
|---|---|---|---|---|
| Balance, December 31, 2006 | $12,010 | $1,441 | $317 | $13,768 |
| Acquisitions | 660 | — | 146 | 806 |
| Settlements and adjustments | 172 | 41 | (82) | 131 |
| Balance, December 31, 2007 | $12,842 | $1,482 | $381 | $14,705 |
| Acquisitions | 306 | 139 | 209 | 654 |
| Settlements and adjustments | (475) | (1) | 6 | (470) |
| **Balance, December 31, 2008** | **$12,673** | **$1,620** | **$596** | **$14,889** |

Cable segment acquisitions in 2008 were primarily related to the Insight transaction and the acquisition of an additional interest in Comcast SportsNet Bay Area. Programming segment acquisitions in 2008 were primarily related to the acquisition of the remaining interest in G4 that we did not already own. Corporate and Other acquisitions in 2008 were primarily related to Internet-related business, including Plaxo and DailyCandy. Settlements and adjustments in 2008 were primarily related to the settlement of an uncertain tax position of an acquired entity (see Note 13).

Cable segment acquisitions in 2007 were primarily related to the Houston transaction, the acquisition of the cable system of Patriot Media and various smaller acquisitions. Corporate and Other acquisitions in 2007 were primarily related to the acquisition of Fandango. Settlements and adjustments in 2007 were primarily related to valuation refinements made in connection with the Adelphia and Time Warner transactions and the adoption of FIN 48.

The gross carrying amount and accumulated amortization of our intangible assets subject to amortization are presented in the table below.

| | | **2008** | | 2007 | |
|---|---|---|---|---|---|
| December 31 (in millions) | Useful Life | **Gross Carrying Amount** | **Accumulated Amortization** | Gross Carrying Amount | Accumulated Amortization |
| Customer relationships | 4-12 years | **$ 5,512** | **$(4,030)** | $ 5,466 | $(3,694) |
| Cable and satellite television distribution rights | 6-22 years | **1,533** | **(859)** | 1,482 | (702) |
| Cable franchise renewal costs and contractual operating rights | 5-15 years | **1,154** | **(484)** | 1,045 | (377) |
| Computer software | 3-5 years | **1,887** | **(1,045)** | 1,445 | (798) |
| Patents and other technology rights | 3-12 years | **244** | **(119)** | 225 | (90) |
| Programming agreements and rights | 1-10 years | **1,508** | **(1,303)** | 1,199 | (1,017) |
| Other agreements and rights | 2-21 years | **880** | **(320)** | 854 | (299) |
| Total | | **$12,718** | **$(8,160)** | $11,716 | $(6,977) |

The estimated expense for each of the next five years recognized in amortization expense and other accounts are presented in the table below. The amortization of certain intangible assets of our Programming segment are not recognized as amortization expense but as a reduction to revenue or as an operating expense and are presented under the caption "Other Accounts."

| (in millions) | Amortization Expense | Other Accounts |
|---|---|---|
| 2009 | $987 | $154 |
| 2010 | $882 | $ 94 |
| 2011 | $748 | $ 39 |
| 2012 | $623 | $ 23 |
| 2013 | $389 | $ 6 |

## Note 8: Fair Value of Financial Assets and Financial Liabilities

Effective January 1, 2008, we adopted the provisions of SFAS No. 157 that relate to our financial assets and financial liabilities ("financial instruments") as discussed in Note 3. SFAS No. 157 establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach). The levels of the hierarchy are described below:

- Level 1: consists of financial instruments whose value is based on quoted market prices for identical financial instruments in an active market
- Level 2: consists of financial instruments that are valued using models or other valuation methodologies. These models use inputs that are observable either directly or indirectly; Level 2 inputs include (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, (iii) pricing models whose inputs are observable for substantially the full term of the financial instrument and (iv) pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument
- Level 3: consists of financial instruments whose values are determined using pricing models that utilize significant inputs that are primarily unobservable, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation

Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of financial instruments and their classification within the fair value hierarchy. As required by SFAS No. 157, financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There have been no changes in the classification of any financial instruments within the fair value hierarchy since our adoption of SFAS No. 157. Our financial instruments that are accounted for at fair value on a recurring basis are presented in the table below.

Recurring Fair Value Measures

| | Fair value as of December 31, 2008 | | | |
|---|---|---|---|---|
| (in millions) | Level 1 | Level 2 | Level 3 | Total |
| **Assets** | | | | |
| Trading securities | $932 | $ — | $— | $ 932 |
| Available-for-sale securities | 7 | 3 | — | 10 |
| Equity warrants | — | — | 1 | 1 |
| Cash surrender value of life insurance policies | — | 147 | — | 147 |
| Interest rate exchange agreements | — | 291 | — | 291 |
| | **$939** | **$ 441** | **$ 1** | **$1,381** |
| **Liabilities** | | | | |
| Derivative component of indexed debt instruments | $ — | $ 23 | $— | $ 23 |
| Derivative component of prepaid forward sale agreements | — | (466) | — | (466) |
| Interest rate exchange agreements | — | 1 | — | 1 |
| | **$ —** | **$(442)** | **$—** | **$ (442)** |

For the year ended December 31, 2008, the financial instruments measured at fair value on a nonrecurring basis are presented in the table below.

Nonrecurring Fair Value Measures

| (in millions) | December 31, 2008 | Level 1 | Level 2 | Level 3 | Total Losses |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Equity method investments | **$421** | $— | $— | $421 | $(600) |

In accordance with Accounting Principles Board ("APB") No. 18, "The Equity Method of Accounting for Investments in Common Stock," we recognized an other than temporary impairment to other income (expense) of $600 million to adjust our cost basis in our investment in Clearwire LLC of approximately $1 billion to its estimated fair value (see Note 6). Our valuation methodology utilized a combination of the quoted market value of Clearwire Corporation's publicly traded Class A shares and unobservable inputs related to the ownership units of Clearwire LLC and the voting stock of Clearwire Corporation, including the use of discounted cash flow models. Our investment in Clearwire LLC is classified as a Level 3 financial instrument in accordance SFAS No. 157 in the fair value hierarchy, as a portion of the estimated fair value of the investment is based on unobservable inputs. We believe the estimated fair value is consistent with the underlying principle of SFAS No. 157, which is that the estimated fair value should represent the exit price from a marketplace participant's perspective.

## Note 9: Long-Term Debt

| December 31 (in millions) | Weighted Average Interest Rate as of December 31, 2008 | 2008 | 2007 |
|---|---|---|---|
| Commercial paper | N/A | $ — | $ 300 |
| Revolving bank credit facility due 2013 | 0.81% | **1,000** | — |
| Senior notes with maturities of 5 years or less | 6.99% | **9,425** | 6,895 |
| Senior notes with maturities between 6 and 10 years | 6.09% | **9,798** | 11,429 |
| Senior notes with maturities greater than 10 years | 7.00% | **11,284** | 11,435 |
| Senior subordinated notes due 2012 | 10.63% | **202** | 202 |
| ZONES due 2029 | 2.00% | **408** | 706 |
| Other, including capital lease obligations | — | **339** | 356 |
| Total debt | 6.44%[(a)] | **$ 32,456** | $ 31,323 |
| Less: Current portion | | **2,278** | 1,495 |
| Long-term debt | | **$ 30,178** | $ 29,828 |

(a) Includes the effects of our derivative financial instruments.

As of December 31, 2008 and 2007, our debt had an estimated fair value of $32.001 billion and $32.565 billion, respectively. The estimated fair value of our publicly traded debt is based on quoted market values for the debt. To estimate the fair value of debt issuances for which there are no quoted market prices, we use interest rates available to us for debt issuances with similar terms and remaining maturities.

Some of our loan agreements require that we maintain certain financial ratios based on our debt and our operating income before depreciation and amortization. We were in compliance with all financial covenants for all periods presented. See Note 18 for a discussion of our subsidiary guarantee structures.

As of December 31, 2008 and 2007, accrued interest was $520 million and $546 million, respectively.

Debt Maturities

| As of December 31, 2008 (in millions) | |
|---|---|
| 2009 | $ 2,278 |
| 2010 | $ 1,183 |
| 2011 | $ 1,810 |
| 2012 | $ 853 |
| 2013 | $ 4,768 |
| Thereafter | $ 21,564 |

Debt Issuances and Borrowings

| Year ended December 31, 2008 (in millions) | |
|---|---|
| Revolving bank credit facility due 2013 | $ 1,510 |
| 5.70% notes due 2018 | 1,000 |
| 6.40% notes due 2038 | 1,000 |
| Other, net | 25 |
| Total | $ 3,535 |

We used the net proceeds of these issuances and borrowings for the repayment of certain debt obligations, the repurchase of our common stock, the purchase of investments, working capital and general corporate purposes.

Debt Redemptions and Repayments

| Year ended December 31, 2008 (in millions) | |
|---|---|
| Commercial paper | $ 300 |
| Revolving bank credit facility due 2013 | 505 |
| 6.2% notes due 2008 | 800 |
| 7.625% notes due 2008 | 350 |
| 9.0% notes due 2008 | 300 |
| ZONES due 2029 | 264 |
| Other, net | 91 |
| Total | $ 2,610 |

### Debt Instruments

Commercial Paper Program

Our commercial paper program provides a lower cost borrowing source of liquidity to fund our short-term working capital requirements. The program allows for a maximum of $2.25 billion of commercial paper to be issued at any one time. Our revolving bank credit facility supports this program. Amounts outstanding under the program are classified as long term in our consolidated balance sheet because we have both the ability and the intent to refinance these obligations, if necessary, on a long-term basis using funds available through our revolving bank credit facility.

Revolving Bank Credit Facility

In January 2008, we entered into an amended and restated revolving bank credit facility that may be used for general corporate purposes. This amendment increased the size of our existing revolving bank credit facility from $5.0 billion to $7.0 billion and extended the maturity of the loan commitment from October 2010 to January 2013. The base rate, chosen at our option, is either the London Interbank Offered Rate ("LIBOR") or the greater of the prime rate or the Federal Funds rate plus 0.5%. The borrowing margin is based on our senior unsecured debt ratings. As of December 31, 2008, the interest rate for borrowings under the credit facility was LIBOR plus 0.35%. In December 2008, we terminated a $200 million commitment to our credit facility by Lehman Brothers Bank, FSB ("Lehman") as a result of Lehman's default under a borrowing request. At a discounted value, we repaid Lehman's portion of our outstanding credit facility, along with accrued interest and fees. Subsequent to this termination, the size of the credit facility is $6.8 billion.

Lines and Letters of Credit

As of December 31, 2008, we and certain of our subsidiaries had unused lines of credit totaling $5.501 billion under various credit facilities and unused irrevocable standby letters of credit totaling $337 million to cover potential fundings under various agreements.

ZONES

At maturity, holders of our 2.0% Exchangeable Subordinated Debentures due 2029 (the "ZONES") are entitled to receive in cash an amount equal to the higher of the principal amount of the outstanding ZONES of $1.060 billion or the market value of approximately 14.1 million shares of Sprint Nextel common stock and approximately 0.7 million shares of Embarq common stock. Before maturity, each of the ZONES is exchangeable at the holder's option for an amount of cash equal to 95% of the aggregate market value of one share of Sprint Nextel common stock and 0.05 shares of Embarq common stock.

We separate the accounting for the ZONES into derivative and debt components. The following table presents the change in the carrying value of the debt component and the change in the fair value of the derivative component (see Note 6).

| (in millions) | Debt Component | Derivative Component | Total |
|---|---|---|---|
| Balance as of January 1, 2008 | $ 625 | $ 81 | $ 706 |
| Change in debt component to interest expense | 24 | — | 24 |
| Change in derivative component to investment income (loss), net | — | (58) | (58) |
| Repurchases and retirements | (264) | — | (264) |
| Balance as of December 31, 2008 | $ 385 | $ 23 | $ 408 |

## Interest Rate Risk Management

We are exposed to the market risk of adverse changes in interest rates. To manage the volatility relating to these exposures, our policy is to maintain a mix of fixed-rate and variable-rate debt and to use interest rate derivative transactions.

Using swaps, we agree to exchange, at specified dates, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. The table below summarizes the terms of our existing swaps.

Fixed to Variable Swaps

| December 31 (in millions) | 2008 | 2007 |
|---|---|---|
| Maturities | 2009-2018 | 2008-2014 |
| Notional amount | $ 3,500 | $ 3,200 |
| Average pay rate | 3.9% | 6.8% |
| Average receive rate | 5.8% | 5.9% |
| Estimated fair value | $ 309 | $ 17 |

The notional amounts presented in the table above are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The estimated fair value represents the approximate amount of proceeds or payments required to settle the contracts.

In 2008, 2007 and 2006, the effect of our interest rate derivative financial instruments was an (decrease) increase to our interest expense of approximately $(34) million, $43 million and $39 million, respectively.

## Note 10: Postretirement, Pension and Other Employee Benefit Plans

The table below provides condensed information on our postretirement and pension benefit plans.

| | 2008 | | 2007 | | 2006 | |
|---|---|---|---|---|---|---|
| Year ended December 31 (in millions) | Postretirement Benefits | Pension Benefits | Postretirement Benefits | Pension Benefits | Postretirement Benefits | Pension Benefits |
| Benefit obligation | $ 338 | $ 181 | $ 280 | $ 179 | $ 280 | $ 184 |
| Fair value of plan assets | $ – | $ 152 | $ — | $ 157 | $ — | $ 122 |
| Plan funded status and recorded benefit obligation | $ (338) | $ (29) | $ (280) | $ (22) | $ (280) | $ (62) |
| Portion of benefit obligation not yet recognized in benefits expense | $ (18) | $ 67 | $ (39) | $ 1 | $ (4) | $ 12 |
| Benefits expense | $ 36 | $ 1 | $ 34 | $ 4 | $ 29 | $ 8 |
| Discount rate | 6.15% | 6.00% | 6.65% | 6.25% | 6.00% | 5.75% |
| Expected return on plan assets | N/A | 8.00% | N/A | 8.00% | N/A | 7.00% |

### Postretirement Benefit Plans

Our postretirement medical benefits cover substantially all of our employees who meet certain age and service requirements. The majority of eligible employees participate in the Comcast Postretirement Healthcare Stipend Program (the "stipend plan"), and a small number of eligible employees participate in legacy plans of acquired companies. The stipend plan provides an annual stipend for reimbursement of healthcare costs to each eligible employee based on years of service. Under the stipend plan, we are not exposed to the increasing costs of healthcare because the benefits are fixed at a predetermined amount.

### Pension Benefit Plans

We sponsor two pension plans that together provide benefits to substantially all former employees of a previously acquired company. Future benefits for both plans have been frozen.

### Other Employee Benefits

#### Deferred Compensation Plans

We maintain unfunded, nonqualified deferred compensation plans for certain members of management and nonemployee directors (each a "participant"). The amount of compensation deferred by each participant is based on participant elections. Participant accounts are credited with income primarily based on a fixed annual rate. Participants are eligible to receive distributions of the amounts credited to their account based on elected deferral periods that are consistent with the plans and applicable tax law. We have purchased life insurance policies to fund a portion of the unfunded obligation related to our deferred compensation plans. As of December 31, 2008 and 2007, the cash surrender value of these policies, which are recorded in other noncurrent assets, was approximately $147 million and $112 million, respectively.

### Deferred Compensation Plans

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Benefit obligation | **$797** | $672 | $554 |
| Interest expense | **$ 76** | $ 65 | $ 50 |

#### Split-Dollar Life Insurance

We also have collateral assignment split-dollar life insurance agreements with select key employees that require us to bear certain insurance-related costs. Under some of these agreements, our obligation to provide benefits to the employees extends beyond retirement.

On January 1, 2008, in connection with the adoption of EITF 06-10, we adjusted beginning retained earnings and recorded a liability of $132 million for the present value of the postretirement benefit obligation related to our split-dollar life insurance agreements (see Note 3). As of December 31, 2008, this benefit obligation was $145 million. The related expenses were $24 million for the year ended December 31, 2008.

#### Retirement Investment Plans

We sponsor several 401(k) retirement plans that allow eligible employees to contribute a portion of their compensation through payroll deductions in accordance with specified guidelines. We match a percentage of the employees' contributions up to certain limits. For the years ended December 31, 2008, 2007 and 2006, expenses related to these plans amounted to $178 million, $150 million and $125 million, respectively.

## Note 11: Stockholders' Equity

### Common Stock

In the aggregate, holders of our Class A common stock have 66⅔% of the voting power of our common stock and holders of our Class B common stock have 33⅓% of the voting power of our common stock. Our Class A Special common stock is generally nonvoting. Each share of our Class B common stock is entitled to 15 votes. The number of votes held by each share of our Class A common stock depends on the number of shares of Class A and Class B common stock outstanding at any given time. The 33⅓% aggregate voting power of our Class B common stock cannot be diluted by additional issuances of any other class of common stock. Our Class B common stock is convertible, share for share, into Class A or Class A Special common stock, subject to certain restrictions.

#### Share Repurchase and Dividends

In 2007, our Board of Directors authorized a $7 billion addition to our existing share repurchase authorization. Under this authorization, we may repurchase shares in the open market or in private transactions, subject to market conditions. As of December 31, 2008, we had approximately $4.1 billion of availability remaining under our share repurchase authorization. We have previously indicated our plan to fully use our remaining share repurchase authorization by the end of 2009, subject to market conditions. However, due to difficult economic conditions and instability in the capital markets, it is unlikely we will complete our share repurchase authorization by the end of 2009 as previously planned. The table below shows our aggregate repurchases during 2008, 2007 and 2006.

### Share Repurchases

| (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Aggregate consideration | **$2,800** | $3,102 | $2,347 |
| Shares repurchased | **141** | 133 | 113 |

Our Board of Directors declared a dividend of $0.0625 per share for each quarter in 2008, totaling approximately $727 million, of which approximately $547 million was paid in 2008. We expect to continue to pay quarterly dividends, though each subsequent dividend is subject to approval by our Board of Directors. We did not declare or pay any cash dividends in 2007 or 2006.

### Accumulated Other Comprehensive Income (Loss)

The table below presents our accumulated other comprehensive income (loss), net of taxes.

| Year ended December 31 (in millions) | 2008 | 2007 |
|---|---|---|
| Unrealized gains (losses) on marketable securities | **$ 19** | $ 27 |
| Unrealized gains (losses) on cash flow hedges | **(97)** | (110) |
| Unrealized gains (losses) on employee benefit obligations | **(31)** | 24 |
| Cumulative translation adjustments | **(4)** | 3 |
| Accumulated other comprehensive income (loss) | **$ (113)** | $ (56) |

Unrealized losses on cash flow hedges in the table above relate to our interest rate lock agreements entered into to fix the interest rates of certain of our debt obligations in advance of their issuance. Unless we retire this debt early, these unrealized losses as of December 31, 2008 will be reclassified as an adjustment to interest expense over 9 years, the same period over which the related interest costs are recognized in earnings.

## Note 12: Share-Based Compensation

Our Board of Directors may grant share-based awards, in the form of stock options and RSUs, to certain employees and directors. Additionally, through our employee stock purchase plan, employees are able to purchase shares of Comcast Class A stock at a discount through payroll deductions.

**Recognized Share-Based Compensation Expense Under SFAS 123R**

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Stock options | **$ 99** | $ 74 | $120 |
| Restricted share units | **96** | 79 | 62 |
| Employee stock purchase plan | **13** | 11 | 8 |
| Total | **$208** | $164 | $190 |
| Tax benefit | **$ 71** | $ 56 | $ 66 |

As of December 31, 2008, we had unrecognized pretax compensation expense of $292 million and $279 million related to nonvested stock options and nonvested RSUs, respectively, that will be recognized over a weighted average period of approximately 2.0 years. The amount of share-based compensation capitalized was not material to our consolidated financial statements for the periods presented.

When stock options are exercised or RSU awards are settled through the issuance of shares, any income tax benefit realized in excess of the amount associated with compensation expense that was previously recognized for financial reporting purposes is presented as a financing activity rather than as an operating activity in our consolidated statement of cash flows. The excess cash income tax benefit classified as a financing cash inflow in 2008, 2007 and 2006 was approximately $15 million, $33 million and $33 million, respectively.

### Option Plans

We maintain stock option plans for certain employees under which fixed-price stock options may be granted and the option price is generally not less than the fair value of a share of the underlying stock at the date of grant. Under our stock option plans, a combined total of approximately 226 million shares of our Class A and Class A Special common stock are reserved for the exercise of stock options, including those outstanding as of December 31, 2008. Option terms are generally 10 years, with options generally becoming exercisable between 2 and 9.5 years from the date of grant.

We use the Black-Scholes option pricing model to estimate the fair value of each stock option on the date of grant. The Black-Scholes option pricing model uses the assumptions summarized in the table below. Dividend yield is based on the yield at the date of grant. Expected volatility is based on a blend of implied and historical volatility of our Class A common stock. The risk-free rate is based on the U.S. Treasury yield curve in effect at the date of grant. We use historical data on the exercise of stock options and other factors expected to impact holders' behavior to estimate the expected term of the options granted. The table below summarizes the weighted-average fair values at the date of grant of a Class A common stock option granted under our stock option plans and the related weighted-average valuation assumptions.

**Stock Option Fair Value and Significant Assumptions**

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Fair value | **$ 6.47** | $ 9.61 | $ 7.30 |
| Dividend yield | **1.3%** | 0% | 0% |
| Expected volatility | **32.8%** | 24.3% | 26.9% |
| Risk-free interest rate | **3.0%** | 4.5% | 4.8% |
| Expected option life (in years) | **7.0** | 7.0 | 7.0 |

In 2007, we began granting net settled stock options instead of stock options exercised with a cash payment ("cash settled stock options"). In net settled stock options, an employee receives the number of shares equal to the number of options being exercised less the number of shares necessary to satisfy the cost to exercise the options and, if applicable, taxes due on exercise based on the fair value of the shares at the exercise date. The change to net settled stock options will result in fewer shares being issued and no cash proceeds being received by us when a net settled option is exercised. Following the change, we offered employees the opportunity to modify their outstanding stock options from cash settled to net settled. The modifications that were made did not result in any additional compensation expense.

2008 Stock Option Activity

| | Cash Settled Options (in thousands) | Net Settled Options (in thousands) | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (in years) | Aggregate Intrinsic Value (in millions) |
|---|---|---|---|---|---|
| **Class A Common Stock** | | | | | |
| Outstanding as of January 1, 2008 | 56,272 | 62,246 | $ 25.07 | | |
| Modified (cash-settled to net-settled) | (505) | 505 | $ 19.14 | | |
| Granted | — | 24,728 | $ 18.98 | | |
| Exercised | (2,254) | (1,245) | $ 18.10 | | |
| Forfeited | (986) | (2,911) | $ 21.16 | | |
| Expired | (6,216) | (2,408) | $ 36.84 | | |
| Outstanding as of December 31, 2008 | 46,311 | 80,915 | $ 23.41 | 5.6 | $ 2.1 |
| Weighted-average exercise price, as of December 31, 2008 | $ 25.91 | $ 21.96 | | | |
| Exercisable as of December 31, 2008 | 38,598 | 27,937 | $ 25.89 | 3.5 | $ 1.1 |
| Weighted-average exercise price, as of December 31, 2008 | $ 27.38 | $ 23.83 | | | |
| **Class A Special Common Stock** | | | | | |
| Outstanding as of January 1, 2008 | 15,206 | 41,396 | $ 22.41 | | |
| Modified (cash-settled to net-settled) | (962) | 962 | $ 27.89 | | |
| Exercised | (1,747) | (5,679) | $ 11.29 | | |
| Forfeited | (11) | (2) | $ 23.44 | | |
| Expired | (815) | (79) | $ 24.41 | | |
| Outstanding as of December 31, 2008 | 11,671 | 36,598 | $ 24.08 | 2.0 | $ 2.6 |
| Weighted-average exercise price, as of December 31, 2008 | $ 23.34 | $ 24.32 | | | |
| Exercisable as of December 31, 2008 | 11,232 | 32,489 | $ 24.15 | 1.9 | $ 2.3 |
| Weighted-average exercise price, as of December 31, 2008 | $ 23.47 | $ 24.39 | | | |

Cash received from cash settled options exercised during the year ended December 31, 2008 was $49 million.

The table below summarizes information on exercised stock options.

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Intrinsic value of options exercised | **$ 85** | $ 171 | $ 180 |
| Tax benefit of options exercised | **$ 30** | $ 58 | $ 62 |

The stock option information above does not include 9.0 million stock options outstanding, with a weighted average exercise price of $31.41 per share, for the year ended December 31, 2008. These stock options were issued under a stock option liquidity program in 2005 and will expire by the end of 2012.

We also maintain a deferred stock option plan for certain employees and directors that provided the optionees with the opportunity to defer the receipt of shares of Class A or Class A Special common stock that would otherwise be deliverable when the stock options are exercised. As of December 31, 2008, approximately 2.0 million shares of Class A Special common stock were issuable under exercised options, the receipt of which was irrevocably deferred by the optionees under the deferred stock option plan.

### Restricted Stock Plan

We maintain a restricted stock plan under which certain employees and directors ("participants") may be granted RSU awards in units of Class A or Class A Special common stock. Under the restricted stock plan, a combined total of approximately 50 million shares of our Class A and Class A Special common stock are reserved for issuance, including those outstanding as of December 31, 2008. RSUs, which are valued based on the closing price on the date of grant and discounted for the lack of dividends, if any, during the vesting period, entitle participants to receive, at the time of vesting, one share of common stock for each RSU. The awards vest annually, generally over a period not to exceed 5 years, and do not have voting or dividend rights.

The table below summarizes the weighted-average fair value at the date of grant of the RSUs.

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Weighted-average fair value | **$ 18.06** | $ 25.65 | $ 19.98 |

2008 Restricted Stock Plan Activity

| | Nonvested Restricted Share Unit Awards (in thousands) | Weighted-Average Grant Date Fair Value |
|---|---|---|
| **Class A Common Stock** | | |
| Nonvested awards as of January 1, 2008 | **16,456** | $ 21.97 |
| Granted | **8,652** | $ 18.06 |
| Vested | **(3,342)** | $ 21.64 |
| Forfeited | **(1,430)** | $ 20.87 |
| **Nonvested awards as of December 31, 2008** | **20,336** | **$ 19.64** |

The table below summarizes information on vested RSUs.

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Fair value of RSUs vested | **$ 65** | $ 75 | $ 32 |
| Tax benefit of RSUs vested | **$ 23** | $ 24 | $ 9 |

The restricted stock plan also provides certain employees and directors the opportunity to defer the receipt of shares of Class A or Class A Special common stock that would otherwise be deliverable when their RSUs vest. As of December 31, 2008, approximately 941,000 and 89,000 shares of Class A common stock and Class A Special common stock, respectively, were issuable under vested RSU awards, the receipt of which was irrevocably deferred by participants.

### Employee Stock Purchase Plan

We maintain an employee stock purchase plan that offers employees the opportunity to purchase shares of Class A common stock at a 15% discount. We recognize the fair value of the discount associated with shares purchased under the plan as share-based compensation expense in accordance with SFAS No. 123R. The employee cost associated with participation in the plan was satisfied with payroll withholdings of approximately $50 million, $48 million and $35 million in 2008, 2007 and 2006, respectively.

## Note 13: Income Taxes

### Components of Income Tax (Expense) Benefit

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Current (expense) benefit | | | |
| Federal | **$ (751)** | $ (1,280) | $ (887) |
| State | **(287)** | (273) | (77) |
| | **(1,038)** | (1,553) | (964) |
| Deferred (expense) benefit | | | |
| Federal | **(547)** | (128) | (301) |
| State | **52** | (119) | (82) |
| | **(495)** | (247) | (383) |
| Income tax (expense) benefit | **$ (1,533)** | $ (1,800) | $ (1,347) |

Our income tax expense differs from the federal statutory amount because of the effect of the items detailed in the table below.

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Federal tax at statutory rate | **$ (1,420)** | $ (1,522) | $ (1,258) |
| State income taxes, net of federal benefit | **(45)** | (153) | (132) |
| Nondeductible losses from joint ventures and equity in net (losses) income of affiliates, net | **1** | 3 | 18 |
| Adjustments to uncertain and effectively settled tax positions | **(34)** | (35) | 93 |
| Accrued interest on uncertain and effectively settled tax positions | **(65)** | (110) | 64 |
| Other | **30** | 17 | (132) |
| Income tax expense | **$ (1,533)** | $ (1,800) | $ (1,347) |

Components of Net Deferred Tax Liability

| December 31 (in millions) | 2008 | 2007 |
|---|---|---|
| Deferred Tax Assets: | | |
| Net operating loss carryforwards | **$ 220** | $ 252 |
| Differences between book and tax basis of long-term debt | **153** | 163 |
| Nondeductible accruals and other | **1,351** | 1,225 |
| | **1,724** | 1,640 |
| Deferred Tax Liabilities: | | |
| Differences between book and tax basis of property and equipment and intangible assets | **27,354** | 25,935 |
| Differences between book and tax basis of investments | **588** | 1,542 |
| Differences between book and tax basis of indexed debt securities | **472** | 829 |
| | **28,414** | 28,306 |
| Net deferred tax liability | **$ 26,690** | $ 26,666 |

Changes in net deferred income tax liabilities in 2008 that were not recorded as deferred income tax expense relate to reductions in deferred income tax liabilities of $79 million associated with acquisition-related purchase price allocations, of $365 million related to the settlement of an uncertain tax position of an acquired entity and of $27 million associated with items included in other comprehensive income (loss).

Net deferred tax assets included in current assets are primarily related to our current investments and current liabilities. As of December 31, 2008, we had federal net operating loss carryforwards of $229 million and various state net operating loss carryforwards that expire in periods through 2028. The determination of the state net operating loss carryforwards is dependent on our subsidiaries' taxable income or loss, apportionment percentages, and state laws that can change from year to year and impact the amount of such carryforwards.

In 2008, 2007 and 2006, income tax benefits attributable to share-based compensation of approximately $28 million, $49 million and $60 million, respectively, were allocated to stockholders' equity.

### Uncertain Tax Positions

We adopted FIN 48 on January 1, 2007, at which time we recorded a cumulative effect adjustment increasing retained earnings by $60 million. Our uncertain tax positions as of December 31, 2008 totaled $1.45 billion, excluding the federal benefits on state tax positions that have been recorded as deferred income taxes. If we were to recognize the tax benefit for such positions in the future, approximately $1.2 billion would impact our effective tax rate with the remaining amount impacting deferred income taxes.

Reconciliation of Unrecognized Tax Benefits

| (in millions) | 2008 | 2007 |
|---|---|---|
| Balance as of January 1 | **$ 1,921** | $ 2,099 |
| Additions based on tax positions related to the current year | **55** | 65 |
| Additions based on tax positions related to prior years | **30** | 18 |
| Reductions for tax positions of prior years | **(411)** | (157) |
| Reductions due to expiration of statute of limitations | **(3)** | (3) |
| Settlements with taxing authorities | **(142)** | (101) |
| **Balance as of December 31** | **$ 1,450** | $ 1,921 |

As of December 31, 2008 and 2007, we had accrued approximately $787 million and $766 million, respectively, of interest associated with our uncertain tax positions.

During 2008, we recognized approximately $411 million of income tax benefits as a result of the settlement of an uncertain tax position of an acquired entity. The tax position related to the deductibility of certain costs incurred in connection with a business acquisition. The primary impacts of the settlement were reductions to our deferred income tax and other long-term liabilities of approximately $542 million, a reduction to goodwill of approximately $477 million and a reduction to income tax expense of approximately $65 million.

We are litigating an uncertain tax position which is scheduled for trial in October 2009. As a result, it is reasonably possible that our uncertain tax positions could significantly change within the next 12 months. We are unable to estimate the range of possible change.

During 2007, the Internal Revenue Service ("IRS") completed its examination of our income tax returns for the years 2000 through 2004. The IRS proposed certain adjustments that relate primarily to certain financing transactions. We are currently disputing those proposed adjustments, but if the adjustments are sustained, they would not have a material impact on our effective tax rate. The IRS is currently examining our 2005 and 2006 tax returns and various states are currently conducting examinations of our income tax returns for years through 2007. In addition, the statutes of limitations could expire for certain of our tax returns over the next 12 months, which could result in decreases to our uncertain tax positions. These adjustments are not expected to have a material impact on our effective tax rate.

## Note 14: Statement of Cash Flows — Supplemental Information

Cash Payments for Interest and Income Taxes

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Interest | **$ 2,256** | $ 2,134 | $ 1,880 |
| Income taxes | **$ 762** | $ 1,638 | $ 1,284 |

**Noncash Financing and Investing Activities**
During 2008, we:

- exchanged our 50% interest in the Insight asset pool for Insight's 50% interest in the Comcast asset pool, which is a noncash investing activity
- recorded a liability of approximately $180 million for a quarterly cash dividend of $0.0625 per common share paid in January 2009, which is a noncash financing activity
- acquired approximately $559 million of property and equipment and software that are accrued but unpaid, which is a noncash investing activity
- issued an interest in a consolidated entity with a value of approximately $145 million in exchange for certain programming rights, which is a noncash investing activity

During 2007, we:

- exchanged our 50% interest in the Kansas City asset pool for TWC's 50% interest in the Houston asset pool, which is a noncash investing activity
- settled the remaining outstanding $49 million face amount of exchangeable notes by delivering approximately 1.8 million of the 2.2 million underlying Vodafone ADRs to the counterparty, which is a noncash financing and investing activity
- entered into capital leases totaling $46 million, which is a noncash investing and financing activity
- acquired approximately $593 million of property and equipment and software that are accrued but unpaid, which is a noncash investing activity

During 2006, we:

- exchanged investments for cable systems in the redemptions with a fair value of approximately $3.2 billion and cable systems for cable systems in the exchanges with a fair value of approximately $8.5 billion, which are noncash investing activities
- acquired an additional equity interest with a fair value of $21 million and recorded a liability for a corresponding amount in connection with our achievement of certain customer launch milestones, which is a noncash investing and operating activity
- assumed a $185 million principal amount variable-rate term loan in connection with the Susquehanna transaction, which is a noncash financing and investing activity
- acquired approximately $314 million of property and equipment and software that are accrued but unpaid, which is a noncash investing activity

## Note 15: Commitments and Contingencies

**Commitments**
Our programming networks have entered into license agreements for programs and sporting events that are available for telecast. In addition, we, through Comcast Spectacor, have employment agreements with both players and coaches of our professional sports teams. Certain of these employment agreements, which provide for payments that are guaranteed regardless of employee injury or termination, are covered by disability insurance if certain conditions are met.

One of our subsidiaries supports debt compliance with respect to obligations of a cable television investment in which we hold an ownership interest. The obligation expires March 2011. Although there can be no assurance, we believe that we will not be required to meet our obligation under such commitment. The total notional amount of our commitment was $410 million as of December 31, 2008, at which time there were no quoted market prices for similar agreements. This amount reflects a decrease of approximately $555 million from December 31, 2007, primarily as a result of the Insight transaction (see Note 5).

The table below summarizes our minimum annual commitments under the programming license agreements of our programming networks and regional sports networks and our minimum annual rental commitments for office space, equipment and transponder service agreements under noncancelable operating leases.

| As of December 31, 2008 (in millions) | Program License Agreements | Operating Leases |
|---|---|---|
| 2009 | $ 559 | $ 385 |
| 2010 | $ 593 | $ 317 |
| 2011 | $ 578 | $ 225 |
| 2012 | $ 510 | $ 176 |
| 2013 | $ 516 | $ 152 |
| Thereafter | $ 5,145 | $ 833 |

The following table summarizes our rental expense and programming license expense charged to operations:

| Year ended December 31 (in millions) | 2008 | 2007 | 2006 |
|---|---|---|---|
| Rental expense | **$ 436** | $ 358 | $ 273 |
| Programming license expense | **$ 548** | $ 484 | $ 350 |

**Contingencies**

We and the minority owner group in Comcast Spectacor each have the right to initiate an exit process under which the fair market value of Comcast Spectacor would be determined by appraisal. Following such determination, we would have the option to acquire the 24.3% interest in Comcast Spectacor owned by the minority owner group based on the appraised fair market value. In the event we do not exercise this option, we and the minority owner group would then be required to use our best efforts to sell Comcast Spectacor. This exit process includes the minority owner group's interest in Comcast SportsNet (Philadelphia).

The minority owners in certain of our technology development ventures also have rights to trigger an exit process after a certain period of time based on the fair value of the entities at the time the exit process is triggered.

Antitrust Cases

We are defendants in two purported class actions originally filed in December 2003 in the United States District Courts for the District of Massachusetts and the Eastern District of Pennsylvania. The potential class in the Massachusetts case is our subscriber base in the "Boston Cluster" area, and the potential class in the Pennsylvania case is our subscriber base in the "Philadelphia and Chicago Clusters," as those terms are defined in the complaints. In each case, the plaintiffs allege that certain subscriber exchange transactions with other cable providers resulted in unlawful horizontal market restraints in those areas and seek damages under antitrust statutes, including treble damages.

Our motion to dismiss the Pennsylvania case on the pleadings was denied in December 2006 and classes of Philadelphia Cluster and Chicago Cluster subscribers were certified in May 2007 and October 2007, respectively. Our motion to dismiss the Massachusetts case, which was transferred to the Eastern District of Pennsylvania in December 2006, was denied in July 2007. We are proceeding with discovery on plaintiffs' claims concerning the Philadelphia Cluster. Plaintiffs' claims concerning the other two clusters are stayed pending determination of the Philadelphia Cluster claims.

In addition, we are among the defendants in a purported class action filed in the United States District Court for the Central District of California ("Central District") in September 2007. The plaintiffs allege that the defendants who produce video programming have entered into agreements with the defendants who distribute video programming via cable and satellite (including us, among others), which preclude the distributors from reselling channels to subscribers on an "unbundled" basis in violation of federal antitrust laws. The plaintiffs seek treble damages for the loss of their ability to pick and choose the specific "bundled" channels to which they wish to subscribe, and injunctive relief requiring each distributor defendant to resell certain channels to its subscribers on an "unbundled" basis. The potential class is comprised of all persons residing in the United States who have subscribed to an expanded basic level of video service provided by one of the distributor defendants. We and the other defendants filed motions to dismiss an amended complaint in April 2008. In June 2008, the Central District denied the motions to dismiss. In July 2008, we and the other defendants filed motions to certify certain issues decided in the Central District's June 2008 order for interlocutory appeal to the Ninth Circuit Court of Appeals. On August 8, 2008, the Central District denied the certification motions. In January 2009, the Central District approved a stipulation between the parties dismissing the action as to one of the two plaintiffs identified in the amended complaint as a Comcast subscriber. Discovery relevant to plaintiffs' anticipated motion for class certification is currently proceeding, with plaintiffs scheduled to file their class certification motion in April 2009.

Securities and Related Litigation

We and several of our current and former officers were named as defendants in a purported class action lawsuit filed in the United States District Court for the Eastern District of Pennsylvania ("Eastern District") in January 2008. We filed a motion to dismiss the case in February 2008. The plaintiff did not respond, but instead sought leave to amend the complaint, which the court granted. The plaintiff filed an amended complaint in May 2008 naming only us and two current officers as defendants. The alleged class was comprised of purchasers of our publicly issued securities between February 1, 2007 and December 4, 2007. The plaintiff asserted that during the alleged class period, the defendants violated federal securities laws through alleged material misstatements and omissions relating to forecast results for 2007. The plaintiff sought unspecified damages. In June 2008, we filed a motion to dismiss the amended complaint. In an order dated August 25, 2008, the Court granted our motion to dismiss and denied the plaintiff permission to amend the complaint again. The plaintiff has not timely appealed the Court's decision, so the dismissal of this case is final.

We and several of our current officers have been named as defendants in a separate purported class action lawsuit filed in the Eastern District in February 2008. The alleged class comprises participants in our retirement-investment (401(k)) plan that invested in the plan's company stock account. The plaintiff asserts that the defendants breached their fiduciary duties in managing the plan. The plaintiff seeks unspecified damages. The plaintiff filed an amended complaint in June 2008, and in July 2008 we filed a motion to dismiss the amended complaint. On October 29, 2008, the Court granted in part and denied in part that motion. The Court dismissed a claim alleging that defendants failed to provide complete and accurate disclosures concerning the plan, but did not dismiss claims alleging that plan assets were imprudently invested in company stock. We filed an answer to the amended complaint on December 11, 2008, and discovery is proceeding in the action.

### Patent Litigation

We are a defendant in several unrelated lawsuits claiming infringement of various patents relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants, and also in certain of these cases we expect that any potential liability would be in part or in whole the responsibility of our equipment vendors under applicable contractual indemnification provisions.

* * *

We believe the claims in each of the actions described above in this item are without merit and intend to defend the actions vigorously. Although we cannot predict the outcome of any of the actions described above or how the final resolution of any such actions would impact our results of operations or cash flows for any one period or our consolidated financial condition, the final disposition of any of the above actions is not expected to have a material adverse effect on our consolidated financial position, but could possibly be material to our consolidated results of operations or cash flows for any one period.

### Other

We are subject to other legal proceedings and claims that arise in the ordinary course of our business. While the amount of ultimate liability with respect to such actions is not expected to materially affect our financial position, results of operations or cash flows, any litigation resulting from any such legal proceedings or claims could be time consuming, costly and injure our reputation.

## Note 16: Financial Data by Business Segment

Our reportable segments consist of our Cable and Programming businesses. In evaluating the profitability of our segments, the components of net income (loss) below operating income (loss) before depreciation and amortization are not separately evaluated by our management. Assets are not allocated to segments for management reporting although approximately 95% of our assets relate to the Cable segment. Our financial data by business segment is presented in the table below.

| (in millions) | Cable[(a)(b)] | Programming[(c)] | Corporate and Other[(d)(e)] | Eliminations[(e)(f)] | Total |
|---|---|---|---|---|---|
| **2008** | | | | | |
| Revenue[(g)] | **$ 32,443** | **$ 1,426** | **$ 644** | **$ (257)** | **$ 34,256** |
| Operating income (loss) before depreciation and amortization[(h)] | **13,170** | **362** | **(399)** | **(1)** | **13,132** |
| Depreciation and amortization | **6,125** | **199** | **107** | **(31)** | **6,400** |
| Operating income (loss) | **7,045** | **163** | **(506)** | **30** | **6,732** |
| Capital expenditures | **5,545** | **44** | **161** | **—** | **5,750** |
| **2007** | | | | | |
| Revenue[(g)] | $ 29,305 | $ 1,314 | $ 515 | $ (239) | $ 30,895 |
| Operating income (loss) before depreciation and amortization[(h)] | 11,922 | 286 | (425) | 3 | 11,786 |
| Depreciation and amortization | 5,924 | 223 | 100 | (39) | 6,208 |
| Operating income (loss) | 5,998 | 63 | (525) | 42 | 5,578 |
| Capital expenditures | 5,993 | 35 | 130 | — | 6,158 |
| **2006** | | | | | |
| Revenue[(g)] | $ 24,042 | $ 1,054 | $ 412 | $ (542) | $ 24,966 |
| Operating income (loss) before depreciation and amortization[(h)] | 9,667 | 239 | (318) | (146) | 9,442 |
| Depreciation and amortization | 4,657 | 167 | 79 | (80) | 4,823 |
| Operating income (loss) | 5,010 | 72 | (397) | (66) | 4,619 |
| Capital expenditures | 4,244 | 16 | 31 | 104 | 4,395 |

(a) For the years ended December 31, 2008, 2007 and 2006, Cable segment revenue was derived from the following services:

| | 2008 | 2007 | 2006 |
|---|---|---|---|
| Video | 58.0% | 60.4% | 62.6% |
| High-speed Internet | 22.3% | 21.9% | 20.6% |
| Phone | 8.2% | 6.0% | 3.8% |
| Advertising | 4.7% | 5.2% | 6.1% |
| Franchise fees | 2.8% | 2.8% | 3.0% |
| Other | 4.0% | 3.7% | 3.9% |
| Total | 100.0% | 100.0% | 100.0% |

Subscription revenue received from customers who purchase bundled services at a discounted rate is allocated proportionally to each service based on the individual service's price on a stand-alone basis.

(b) Our Cable segment includes our regional sports networks.

(c) Our Programming segment consists primarily of our consolidated national programming networks, including E!, Golf Channel, VERSUS, G4 and Style.

(d) Corporate and Other activities include Comcast Interactive Media, Comcast Spectacor, a portion of operating results of our less than wholly owned technology development ventures (see "(e)" below), corporate activities and all other businesses not presented in our Cable or Programming segments.

(e) We consolidate our less than wholly owned technology development ventures that we control or of which we are considered the primary beneficiary. These ventures are with various corporate partners, such as Motorola and Gemstar. The ventures have been created to share the costs of development of new technologies for set-top boxes and other devices. The results of these entities are included within Corporate and Other except for cost allocations, which are made to the Cable segment based on our percentage ownership in each entity.

(f) Included in the Eliminations column are transactions that our segments enter into with one another. The most common types of transactions are the following:
- our Programming segment generates revenue by selling cable network programming to our Cable segment, which represents a substantial majority of the revenue elimination amount
- our Cable segment receives incentives offered by our Programming segment when negotiating programming contracts that are recorded as a reduction of programming expenses
- our Cable segment generates revenue by selling advertising and by selling the use of satellite feeds to our Programming segment
- our Cable segment generates revenue by providing network services to Comcast Interactive Media

(g) Non-U.S. revenue was not significant in any period. No single customer accounted for a significant amount of our revenue in any period.

(h) To measure the performance of our operating segments, we use operating income before depreciation and amortization, excluding impairments related to fixed and intangible assets, and gains or losses from the sale of assets, if any. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of our businesses and from intangible assets recognized in business combinations. It is also unaffected by our capital structure or investment activities. We use this measure to evaluate our consolidated operating performance, the operating performance of our operating segments, and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. We believe that this measure is useful to investors because it is one of the bases for comparing our operating performance with other companies in our industries, although our measure may not be directly comparable to similar measures used by other companies. This measure should not be considered a substitute for operating income (loss), net income (loss), net cash provided by operating activities or other measures of performance or liquidity reported in accordance with GAAP.

## Note 17: Quarterly Financial Information (Unaudited)

| (in millions, except per share data) | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total Year |
|---|---|---|---|---|---|
| **2008** | | | | | |
| Revenue | **$ 8,389** | **$ 8,553** | **$ 8,549** | **$ 8,765** | **$ 34,256** |
| Operating income | **$ 1,555** | **$ 1,750** | **$ 1,670** | **$ 1,757** | **$ 6,732** |
| Net income | **$ 732** | **$ 632** | **$ 771** | **$ 412** | **$ 2,547** |
| Basic earnings per common share | **$ 0.24** | **$ 0.21** | **$ 0.26** | **$ 0.14** | **$ 0.87** |
| Diluted earnings per common share | **$ 0.24** | **$ 0.21** | **$ 0.26** | **$ 0.14** | **$ 0.86** |
| Dividends declared per common share | **$ 0.0625** | **$ 0.0625** | **$ 0.0625** | **$ 0.0625** | **$ 0.25** |
| **2007** | | | | | |
| Revenue | $ 7,388 | $ 7,712 | $ 7,781 | $ 8,014 | $ 30,895 |
| Operating income | $ 1,261 | $ 1,468 | $ 1,391 | $ 1,458 | $ 5,578 |
| Net income | $ 837 | $ 588 | $ 560 | $ 602 | $ 2,587 |
| Basic earnings per common share | $ 0.27 | $ 0.19 | $ 0.18 | $ 0.20 | $ 0.84 |
| Diluted earnings per common share | $ 0.26 | $ 0.19 | $ 0.18 | $ 0.20 | $ 0.83 |
| Dividends declared per common share | $ — | $ — | $ — | $ — | $ — |

## Note 18: Condensed Consolidating Financial Information

Comcast Corporation and five of our cable holding company subsidiaries, Comcast Cable Communications, LLC ("CCCL"), Comcast Cable Communications Holdings, Inc. ("CCCH"), Comcast MO Group, Inc. ("Comcast MO Group"), Comcast Cable Holdings, LLC ("CCH") and Comcast MO of Delaware, LLC ("Comcast MO of Delaware"), have fully and unconditionally guaranteed each other's debt securities. Comcast MO Group, CCH and Comcast MO of Delaware are collectively referred to as the "Combined CCHMO Parents."

Comcast Corporation has unconditionally guaranteed Comcast Holdings' ZONES due October 2029 and its $10^5/_8$% Senior Subordinated Debentures due 2012. Our condensed consolidating financial information is presented in the tables below.

**Condensed Consolidating Balance Sheet**
As of December 31, 2008

| (in millions) | Comcast Parent | CCCL Parent | CCCH Parent | Combined CCHMO Parents | Comcast Holdings | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Cash and cash equivalents | $ — | $ — | $ — | $ — | $ — | $ 1,195 | $ — | $ 1,195 |
| Investments | — | — | — | — | — | 59 | — | 59 |
| Accounts receivable, net | — | — | — | — | — | 1,626 | — | 1,626 |
| Other current assets | 171 | 8 | — | — | — | 657 | — | 836 |
| Total current assets | 171 | 8 | — | — | — | 3,537 | — | 3,716 |
| Investments | — | — | — | — | — | 4,783 | — | 4,783 |
| Investments in and amounts due from subsidiaries eliminated upon consolidation | 70,076 | 34,499 | 43,536 | 46,314 | 26,519 | 4,471 | (225,415) | — |
| Property and equipment, net | 306 | — | — | — | — | 24,138 | — | 24,444 |
| Franchise rights | — | — | — | — | — | 59,449 | — | 59,449 |
| Goodwill | — | — | — | — | — | 14,889 | — | 14,889 |
| Other intangible assets, net | 1 | — | — | — | — | 4,557 | — | 4,558 |
| Other noncurrent assets, net | 603 | 7 | 14 | — | 17 | 537 | — | 1,178 |
| **Total assets** | **$ 71,157** | **$ 34,514** | **$ 43,550** | **$ 46,314** | **$ 26,536** | **$ 116,361** | **$ (225,415)** | **$ 113,017** |
| **Liabilities and Stockholders' Equity** | | | | | | | | |
| Accounts payable and accrued expenses related to trade creditors | $ 196 | $ — | $ — | $ — | $ — | $ 3,197 | $ — | $ 3,393 |
| Accrued expenses and other current liabilities | 810 | 224 | 73 | 87 | 129 | 1,945 | — | 3,268 |
| Current portion of long-term debt | 1,242 | 1,006 | — | — | — | 30 | — | 2,278 |
| Total current liabilities | 2,248 | 1,230 | 73 | 87 | 129 | 5,172 | — | 8,939 |
| Long-term debt, less current portion | 19,839 | 2,294 | 4,462 | 2,691 | 610 | 282 | — | 30,178 |
| Deferred income taxes | 7,160 | — | — | — | 656 | 19,166 | — | 26,982 |
| Other noncurrent liabilities | 1,460 | — | — | — | 119 | 4,592 | — | 6,171 |
| Minority interest | — | — | — | — | — | 297 | — | 297 |
| **Stockholders' Equity** | | | | | | | | |
| Common stock | 33 | — | — | — | — | — | — | 33 |
| Other stockholders' equity | 40,417 | 30,990 | 39,015 | 43,536 | 25,022 | 86,852 | (225,415) | 40,417 |
| Total stockholders' equity | 40,450 | 30,990 | 39,015 | 43,536 | 25,022 | 86,852 | (225,415) | 40,450 |
| **Total liabilities and stockholders' equity** | **$ 71,157** | **$ 34,514** | **$ 43,550** | **$ 46,314** | **$ 26,536** | **$ 116,361** | **$ (225,415)** | **$ 113,017** |

**Condensed Consolidating Balance Sheet**
As of December 31, 2007

| (in millions) | Comcast Parent | CCCL Parent | CCCH Parent | Combined CCHMO Parents | Comcast Holdings | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Cash and cash equivalents | $ — | $ — | $ — | $ — | $ — | $ 963 | $ — | $ 963 |
| Investments | — | — | — | — | — | 98 | — | 98 |
| Accounts receivable, net | — | — | — | — | — | 1,645 | — | 1,645 |
| Other current assets | 100 | — | — | — | — | 861 | — | 961 |
| Total current assets | 100 | — | — | — | — | 3,567 | — | 3,667 |
| Investments | — | — | — | — | — | 7,963 | — | 7,963 |
| Investments in and amounts due from subsidiaries eliminated upon consolidation | 67,903 | 32,760 | 40,240 | 43,356 | 25,815 | 2,244 | (212,318) | — |
| Property and equipment, net | 208 | — | — | — | — | 23,416 | — | 23,624 |
| Franchise rights | — | — | — | — | — | 58,077 | — | 58,077 |
| Goodwill | — | — | — | — | — | 14,705 | — | 14,705 |
| Other intangible assets, net | — | — | — | — | — | 4,739 | — | 4,739 |
| Other noncurrent assets, net | 281 | 11 | 17 | — | 30 | 303 | — | 642 |
| **Total assets** | **$ 68,492** | **$ 32,771** | **$ 40,257** | **$ 43,356** | **$ 25,845** | **$ 115,014** | **$ (212,318)** | **$ 113,417** |
| **Liabilities and Stockholders' Equity** | | | | | | | | |
| Accounts payable and accrued expenses related to trade creditors | $ 10 | $ 3 | $ — | $ — | $ — | $ 3,323 | $ — | $ 3,336 |
| Accrued expenses and other current liabilities | 694 | 267 | 75 | 98 | 74 | 1,913 | — | 3,121 |
| Current portion of long-term debt | — | 1,142 | — | 305 | — | 48 | — | 1,495 |
| Total current liabilities | 704 | 1,412 | 75 | 403 | 74 | 5,284 | — | 7,952 |
| Long-term debt, less current portion | 19,133 | 3,294 | 3,498 | 2,713 | 908 | 282 | — | 29,828 |
| Deferred income taxes | 6,256 | — | — | — | 1,015 | 19,609 | — | 26,880 |
| Other noncurrent liabilities | 1,059 | 6 | — | — | 116 | 5,986 | — | 7,167 |
| Minority interest | — | — | — | — | — | 250 | — | 250 |
| **Stockholders' Equity** | | | | | | | | |
| Common stock | 34 | — | — | — | — | — | — | 34 |
| Other stockholders' equity | 41,306 | 28,059 | 36,684 | 40,240 | 23,732 | 83,603 | (212,318) | 41,306 |
| Total stockholders' equity | 41,340 | 28,059 | 36,684 | 40,240 | 23,732 | 83,603 | (212,318) | 41,340 |
| **Total liabilities and stockholders' equity** | **$ 68,492** | **$ 32,771** | **$ 40,257** | **$ 43,356** | **$ 25,845** | **$ 115,014** | **$ (212,318)** | **$ 113,417** |

## Condensed Consolidating Statement of Operations

For the Year Ended December 31, 2008

| (in millions) | Comcast Parent | CCCL Parent | CCCH Parent | Combined CCHMO Parents | Comcast Holdings | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Service revenue | $ — | $ — | $ — | $ — | $ — | $ 34,256 | $ — | $34,256 |
| Management fee revenue | 735 | 226 | 413 | 413 | — | — | (1,787) | — |
| | 735 | 226 | 413 | 413 | — | 34,256 | (1,787) | 34,256 |
| **Costs and Expenses** | | | | | | | | |
| Operating (excluding depreciation) | — | — | — | — | — | 13,472 | — | 13,472 |
| Selling, general and administrative | 358 | 226 | 413 | 413 | 53 | 7,976 | (1,787) | 7,652 |
| Depreciation | 23 | — | — | — | — | 5,434 | — | 5,457 |
| Amortization | — | — | — | — | — | 943 | — | 943 |
| | 381 | 226 | 413 | 413 | 53 | 27,825 | (1,787) | 27,524 |
| Operating income (loss) | 354 | — | — | — | (53) | 6,431 | — | 6,732 |
| **Other Income (Expense)** | | | | | | | | |
| Interest expense | (1,307) | (298) | (334) | (212) | (146) | (142) | — | (2,439) |
| Investment income (loss), net | (40) | — | — | — | 57 | 72 | — | 89 |
| Equity in net income (losses) of affiliates | 3,196 | 1,712 | 2,704 | 2,842 | 1,455 | 24 | (11,972) | (39) |
| Other income (expense) | (5) | — | — | — | — | (280) | — | (285) |
| | 1,844 | 1,414 | 2,370 | 2,630 | 1,366 | (326) | (11,972) | (2,674) |
| Income (loss) from continuing operations before income taxes and minority interest | 2,198 | 1,414 | 2,370 | 2,630 | 1,313 | 6,105 | (11,972) | 4,058 |
| Income tax (expense) benefit | 349 | 104 | 117 | 74 | 50 | (2,227) | — | (1,533) |
| Income (loss) from continuing operations before minority interest | 2,547 | 1,518 | 2,487 | 2,704 | 1,363 | 3,878 | (11,972) | 2,525 |
| Minority interest | — | — | — | — | — | 22 | — | 22 |
| **Net income (loss)** | **$ 2,547** | **$ 1,518** | **$ 2,487** | **$ 2,704** | **$ 1,363** | **$ 3,900** | **$ (11,972)** | **$ 2,547** |

## Condensed Consolidating Statement of Operations

For the Year Ended December 31, 2007

| (in millions) | Comcast Parent | CCCL Parent | CCCH Parent | Combined CCHMO Parents | Comcast Holdings | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Service revenue | $ — | $ — | $ — | $ — | $ — | $30,895 | $ — | $ 30,895 |
| Management fee revenue | 630 | 213 | 338 | 338 | — | — | (1,519) | — |
| | 630 | 213 | 338 | 338 | — | 30,895 | (1,519) | 30,895 |
| **Costs and Expenses** | | | | | | | | |
| Operating (excluding depreciation) | — | — | — | — | — | 12,169 | — | 12,169 |
| Selling, general and administrative | 297 | 213 | 338 | 338 | 17 | 7,256 | (1,519) | 6,940 |
| Depreciation | 6 | — | — | — | — | 5,101 | — | 5,107 |
| Amortization | — | — | — | — | — | 1,101 | — | 1,101 |
| | 303 | 213 | 338 | 338 | 17 | 25,627 | (1,519) | 25,317 |
| Operating income (loss) | 327 | — | — | — | (17) | 5,268 | — | 5,578 |
| **Other Income (Expense)** | | | | | | | | |
| Interest expense | (1,116) | (363) | (321) | (234) | (95) | (160) | — | (2,289) |
| Investment income (loss), net | 7 | — | 5 | — | 70 | 519 | — | 601 |
| Equity in net income (losses) of affiliates | 3,095 | 1,551 | 2,274 | 2,427 | 1,305 | (52) | (10,663) | (63) |
| Other income (expense) | 1 | — | — | — | — | 521 | — | 522 |
| | 1,987 | 1,188 | 1,958 | 2,193 | 1,280 | 828 | (10,663) | (1,229) |
| Income (loss) from continuing operations before income taxes and minority interest | 2,314 | 1,188 | 1,958 | 2,193 | 1,263 | 6,096 | (10,663) | 4,349 |
| Income tax (expense) benefit | 273 | 128 | 112 | 81 | 15 | (2,409) | — | (1,800) |
| Income (loss) from continuing operations before minority interest | 2,587 | 1,316 | 2,070 | 2,274 | 1,278 | 3,687 | (10,663) | 2,549 |
| Minority interest | — | — | — | — | — | 38 | — | 38 |
| **Net income (loss)** | **$ 2,587** | **$ 1,316** | **$ 2,070** | **$ 2,274** | **$ 1,278** | **$ 3,725** | **$ (10,663)** | **$ 2,587** |

**Condensed Consolidating Statement of Operations**
For the Year Ended December 31, 2006

| (in millions) | Comcast Parent | CCCL Parent | CCCH Parent | Combined CCHMO Parents | Comcast Holdings | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Service revenue | $ — | $ — | $ — | $ — | $ — | $ 24,966 | $ — | $ 24,966 |
| Management fee revenue | 526 | 193 | 298 | 298 | 8 | — | (1,323) | — |
| | 526 | 193 | 298 | 298 | 8 | 24,966 | (1,323) | 24,966 |
| **Costs and Expenses** | | | | | | | | |
| Operating (excluding depreciation) | — | — | — | — | — | 9,819 | — | 9,819 |
| Selling, general and administrative | 256 | 193 | 298 | 298 | 16 | 5,967 | (1,323) | 5,705 |
| Depreciation | 8 | — | — | — | 2 | 3,818 | — | 3,828 |
| Amortization | — | — | — | — | 4 | 991 | — | 995 |
| | 264 | 193 | 298 | 298 | 22 | 20,595 | (1,323) | 20,347 |
| Operating income (loss) | 262 | — | — | — | (14) | 4,371 | — | 4,619 |
| **Other Income (Expense)** | | | | | | | | |
| Interest expense | (776) | (400) | (325) | (259) | (68) | (236) | — | (2,064) |
| Investment income (loss), net | — | — | — | — | 34 | 956 | — | 990 |
| Equity in net income (losses) of affiliates | 2,867 | 1,509 | 1,900 | 2,069 | 1,266 | (79) | (9,597) | (65) |
| Other income (expense) | — | — | — | — | — | 114 | — | 114 |
| | 2,091 | 1,109 | 1,575 | 1,810 | 1,232 | 755 | (9,597) | (1,025) |
| Income (loss) from continuing operations before income taxes and minority interest | 2,353 | 1,109 | 1,575 | 1,810 | 1,218 | 5,126 | (9,597) | 3,594 |
| Income tax (expense) benefit | 180 | 143 | 114 | 90 | 26 | (1,900) | — | (1,347) |
| Income (loss) from continuing operations before minority interest | 2,533 | 1,252 | 1,689 | 1,900 | 1,244 | 3,226 | (9,597) | 2,247 |
| Minority interest | — | — | — | — | — | (12) | — | (12) |
| Income (loss) from continuing operations | 2,533 | 1,252 | 1,689 | 1,900 | 1,244 | 3,214 | (9,597) | 2,235 |
| Income from discontinued operations, net of tax | — | — | — | — | — | 103 | — | 103 |
| Gain on discontinued operations, net of tax | — | — | — | — | — | 195 | — | 195 |
| **Net income (loss)** | **$ 2,533** | **$ 1,252** | **$ 1,689** | **$ 1,900** | **$ 1,244** | **$ 3,512** | **$ (9,597)** | **$ 2,533** |

## Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2008

| (in millions) | Comcast Parent | CCCL Parent | CCCH Parent | Combined CCHMO Parents | Comcast Holdings | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|---|
| **Operating Activities** | | | | | | | | |
| Net cash provided by (used in) operating activities | $ (446) | $ (241) | $ (200) | $ (175) | $ 9 | $ 11,284 | $ — | $ 10,231 |
| **Financing Activities** | | | | | | | | |
| Proceeds from borrowings | 1,998 | — | 1,510 | — | — | 27 | — | 3,535 |
| Retirements and repayments of debt | (308) | (1,150) | (541) | (300) | (263) | (48) | — | (2,610) |
| Repurchases of common stock | (2,800) | — | — | — | — | — | — | (2,800) |
| Dividends paid | (547) | — | — | — | — | — | — | (547) |
| Issuances of common stock | 53 | — | — | — | — | — | — | 53 |
| Other | (3) | — | — | — | (56) | (94) | — | (153) |
| Net cash provided by (used in) financing activities | (1,607) | (1,150) | 969 | (300) | (319) | (115) | — | (2,522) |
| **Investing Activities** | | | | | | | | |
| Net transactions with affiliates | 2,269 | 1,391 | (769) | 475 | 310 | (3,676) | — | — |
| Capital expenditures | (140) | — | — | — | — | (5,610) | — | (5,750) |
| Cash paid for intangible assets | — | — | — | — | — | (527) | — | (527) |
| Acquisitions, net of cash acquired | — | — | — | — | — | (738) | — | (738) |
| Proceeds from sales of investments | — | — | — | — | — | 737 | — | 737 |
| Purchases of investments | — | — | — | — | — | (1,167) | — | (1,167) |
| Other | (76) | — | — | — | — | 44 | — | (32) |
| Net cash provided by (used in) investing activities | 2,053 | 1,391 | (769) | 475 | 310 | (10,937) | — | (7,477) |
| Increase (decrease) in cash and cash equivalents | — | — | — | — | — | 232 | — | 232 |
| Cash and cash equivalents, beginning of period | — | — | — | — | — | 963 | — | 963 |
| **Cash and cash equivalents, end of period** | **$ —** | **$ —** | **$ —** | **$ —** | **$ —** | **$ 1,195** | **$ —** | **$ 1,195** |

**Condensed Consolidating Statement of Cash Flows**
For the Year Ended December 31, 2007

| (in millions) | Comcast Parent | CCCL Parent | CCCH Parent | Combined CCHMO Parents | Comcast Holdings | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|---|
| **Operating Activities** | | | | | | | | |
| Net cash provided by (used in) operating activities | $ (516) | $ (246) | $ (199) | $ (186) | $ (20) | $ 9,356 | $ — | $ 8,189 |
| **Financing Activities** | | | | | | | | |
| Proceeds from borrowings | 3,695 | — | — | — | — | 18 | — | 3,713 |
| Retirements and repayments of debt | — | (600) | — | (245) | — | (556) | — | (1,401) |
| Repurchases of common stock | (3,102) | — | — | — | — | — | — | (3,102) |
| Issuances of common stock | 412 | — | — | — | — | — | — | 412 |
| Other | (12) | — | — | (8) | — | 82 | — | 62 |
| Net cash provided by (used in) financing activities | 993 | (600) | — | (253) | — | (456) | — | (316) |
| **Investing Activities** | | | | | | | | |
| Net transactions with affiliates | (372) | 846 | 199 | 439 | 20 | (1,132) | — | — |
| Capital expenditures | (110) | — | — | — | — | (6,048) | — | (6,158) |
| Cash paid for intangible assets | — | — | — | — | — | (406) | — | (406) |
| Acquisitions, net of cash acquired | — | — | — | — | — | (1,319) | — | (1,319) |
| Proceeds from sales of investments | — | — | — | — | — | 1,761 | — | 1,761 |
| Purchases of investments | — | — | — | — | — | (2,089) | — | (2,089) |
| Other | (72) | — | — | — | — | 134 | — | 62 |
| Net cash provided by (used in) investing activities | (554) | 846 | 199 | 439 | 20 | (9,099) | — | (8,149) |
| Increase (decrease) in cash and cash equivalents | (77) | — | — | — | — | (199) | — | (276) |
| Cash and cash equivalents, beginning of period | 77 | — | — | — | — | 1,162 | — | 1,239 |
| **Cash and cash equivalents, end of period** | **$ —** | **$ —** | **$ —** | **$ —** | **$ —** | **$ 963** | **$ —** | **$ 963** |

## Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2006

| (in millions) | Comcast Parent | CCCL Parent | CCCH Parent | Combined CCHMO Parents | Comcast Holdings | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|---|
| **Operating Activities** | | | | | | | | |
| Net cash provided by (used in) operating activities | $ 90 | $ (240) | $ (226) | $ (224) | $ 20 | $ 7,198 | $ — | $ 6,618 |
| **Financing Activities** | | | | | | | | |
| Proceeds from borrowings | 7,474 | — | — | — | — | 23 | — | 7,497 |
| Retirements and repayments of debt | (350) | (619) | — | (988) | (27) | (55) | — | (2,039) |
| Repurchases of common stock | (2,347) | — | — | — | — | — | — | (2,347) |
| Issuances of common stock | 410 | — | — | — | — | — | — | 410 |
| Other | 33 | — | — | — | — | (8) | — | 25 |
| Net cash provided by (used in) financing activities | 5,220 | (619) | — | (988) | (27) | (40) | — | 3,546 |
| **Investing Activities** | | | | | | | | |
| Net transactions with affiliates | (5,272) | 859 | 226 | 1,212 | (3) | 2,978 | — | — |
| Capital expenditures | (8) | — | — | — | — | (4,387) | — | (4,395) |
| Cash paid for intangible assets | — | — | — | — | — | (306) | — | (306) |
| Acquisitions, net of cash acquired | — | — | — | — | — | (5,110) | — | (5,110) |
| Proceeds from sales of investments | 47 | — | — | — | 10 | 2,663 | — | 2,720 |
| Purchases of investments | — | — | — | — | — | (2,812) | — | (2,812) |
| Other | — | — | — | — | — | 31 | — | 31 |
| Net cash provided by (used in) investing activities | (5,233) | 859 | 226 | 1,212 | 7 | (6,943) | — | (9,872) |
| Increase (decrease) in cash and cash equivalents | 77 | — | — | — | — | 215 | — | 292 |
| Cash and cash equivalents, beginning of period | — | — | — | — | — | 947 | — | 947 |
| **Cash and cash equivalents, end of period** | **$ 77** | **$ —** | **$ —** | **$ —** | **$ —** | **$ 1,162** | **$ —** | **$ 1,239** |

# EXHIBIT F

## Sample Customer Notice and Customer Notice Affidavit

**A sample of the notice to be provided to customers is attached.**

**An affidavit that the notice has been sent according to the applicable rule(s) will be provided when the notice is sent to customers.**

# [COMCAST & CIMCO LOGOS]

[[DATE]]

Thank you for being a loyal customer of CIMCO Communications, Inc. (“CIMCO”). As you may know, CIMCO recently entered into a contract to sell its communications business to Comcast Digital Phone, the Comcast telephone affiliate in your state (“Comcast”).

We are pleased to inform you that Comcast will be your new service provider, on or after DATE, subject to certain regulatory approvals. You can expect to continue to receive cutting-edge technology and superior customer service after the transfer. Comcast is one of the nation’s largest providers of voice, data and entertainment services.

**Your transition from CIMCO to Comcast requires no action on your part.**

The transfer of your services to Comcast will be seamless to you and there will be no change in the services you receive or your current telephone number(s). We believe that this transition will be good for your company. With Comcast’s unique capabilities, we can now bring you powerful new communications products.

As your new service provider, Comcast will continue to provide you with the same services you currently receive in accordance with the rates, terms and conditions of your existing contract or effective tariffs on file with the Federal Communications Commission or your state’s public utility commission. If in the future Comcast determines that rates, terms or conditions require modification, it will follow the applicable contract terms, laws and regulations in making such modifications, including adherence to any advance notice requirements. CIMCO will be responsible for resolving any questions or complaints regarding CIMCO’s service prior to or during the transfer of your services to Comcast. CIMCO’s toll free customer service number is 1-877-691-8080, which you may continue to use after the transfer. After the transfer, Comcast will continue to provide the same high quality customer service you have experienced as a CIMCO customer.

Comcast is dedicated to earning and keeping your business. We do not anticipate that this transition to Comcast will cause you to incur any carrier change charges, but if you do, Comcast will pay them. Additionally, you have the right to select another service provider, subject to any termination charges agreed to in your current contract. If you do want to select another provider, you should contact that provider directly. Assuming you do not transfer your service to a different provider by [[DATE]], Comcast will become your service provider on or after [[DATE]]. If you have a preferred carrier freeze on your account, it will be lifted. You will need to contact your local service provider to arrange a new freeze.

Comcast looks forward to meeting your communications needs, including bundled packages of voice, internet and video services. We will continue to work hard for you by consistently looking for opportunities to fulfill your ever-changing business needs.
If you have any questions regarding this matter, please contact us at 1-877-691-8080 anytime.

Sincerely,

# EXHIBIT G

## Comcast Phone of Ohio

## List of Officers and Directors

## COMCAST PHONE OF OHIO, LLC OFFICERS

| OFFICER NAME | TITLE |
|---|---|
| Roberts, Brian L. | Chairman |
| Burke, Stephen B. | President |
| Stemper, William | President - Business Services |
| Angelakis, Michael J. | Chief Financial Officer |
| Angelakis, Michael J. | Executive Vice President |
| Lewis, Jr., Gerard J. | Chief Privacy Officer |
| Lewis, Jr., Gerard J. | Vice President - Content, Technology and Information |
| Lewis, Jr., Gerard J. | Deputy General Counsel |
| Werner, Tony G. | Chief Technology Officer |
| Werner, Tony G. | Executive Vice President |
| Cohen, David L. | Executive Vice President |
| Cohen, David L. | Assistant Secretary |
| Bond, Madison E. | Executive Vice President - Content Acquisition |
| Scott, David A. | Executive Vice President - Finance and Administration |
| Carrig, Ken | Executive Vice President - Human Resources |
| Juliano, David A. | Executive Vice President - Marketing and Product Development |
| Schanz, John D. | Executive Vice President - National Engineering and Technology Operations |
| Watson, David N. | Executive Vice President - Operations |
| Block, Arthur R. | Senior Vice President |
| Block, Arthur R. | Assistant Treasurer |
| Block, Arthur R. | Secretary |
| Gaston, Douglas | Senior Vice President |
| Gaston, Douglas | General Counsel |
| Gaston, Douglas | Assistant Secretary |
| Kiriacoulacos, Peter | Senior Vice President |
| Kiriacoulacos, Peter | Chief Procurement Officer |
| Pighini, Ernest A. | Senior Vice President |
| Pighini, Ernest A. | Controller |
| Salva, Lawrence J. | Senior Vice President |
| Pick, Robert S. | Senior Vice President - Corporate Development |
| Dombroski, Raymond E. | Senior Vice President - Development, Deployment and Operations |
| Desmond, Sharon T. | Senior Vice President - Finance and Business Operations |
| Avgiris, Catherine | Senior Vice President and General Manager, Voice Services |
| Kini, Anand | Senior Vice President - Financial Planning and Analysis |
| Willard, Sheila R. | Senior Vice President - Government Affairs |
| Zachem, Kathryn | Senior Vice President - Government Affairs |
| Strahan, William | Senior Vice President - Human Resources Compensation and Benefits |
| Nathan, Thomas R. | Senior Vice President - Legal and Regulatory Affairs |
| Nathan, Thomas R. | Deputy General Counsel |
| Nathan, Thomas R. | Assistant Secretary |
| Tobin, James E. | Senior Vice President - Product Development, Voice and Business Plan |

| OFFICER NAME | TITLE |
| --- | --- |
| Butz, Gregory R. | Senior Vice President - Product Marketing and Development |
| Biddle, Livingston L. | Senior Vice President - Real Estate Investments |
| Dankenbrink, Kristine A. | Senior Vice President - Taxation |
| Williams, David | Senior Vice President - Wireless Technology Strategy |
| Nagel, Thomas F. | Senior Vice President and General Manager - Wireless Services |
| Dordelman, William E. | Vice President |
| Dordelman, William E. | Treasurer |
| Koles, Kathryn | Vice President |
| Koles, Kathryn | Deputy General Counsel |
| Rankin, Brian | Vice President |
| Rankin, Brian | Deputy General Counsel |
| Slinkard, Robert | Vice President - CDV Deployment |
| Clancy, Michael | Vice President - Carrier Management |
| Davis, Susan Jin | Vice President - Corporate Development Voice Services |
| DiTrolio, Joseph F. | Vice President - Financial Operations |
| Topping, Andrew C. | Vice President - Labor and Employment |
| Topping, Andrew C. | Deputy General Counsel |
| Smith, Jeffrey E. | Vice President - Marketing, Facilities and General Operations |
| Smith, Jeffrey E. | Deputy General Counsel |
| Solis, William | Vice President - Voice Operations |
| Davidson, T. M. | Vice President - Voice Services |
| Kowolenko, David J. | Vice President - Voice Services |
| O'Sullivan, Robert | Vice President - Voice Services |
| Sanders, Daniel | Vice President - Voice Services |

## EXHIBIT H

### List of Ohio Exchanges Specifically Involved or Affected

On October 8, 2009, Comcast Phone filed an Application to Add Exchanges to its Certificate (Docket No. 09-908-TP-AAC) ("Exchange Application"). According to the List of Exchanges attached to the Exchange Application, Comcast Phone seeks authority to provide service in all of the AT&T Ohio exchanges, among others. The Exchange Application was filed independently of the Transaction discussed in **Exhibit C**.

Coincidentally, the exchanges affected by the present Transfer Application only involve a small number of AT&T Ohio exchanges. Because Comcast Phone has already filed the Exchange Application to include *all* AT&T Ohio exchanges, Comcast Phone respectfully submits that there is no need to identify here which exchanges are at issue. Accordingly, Comcast Phone has not requested that additional exchanges be added to its Certificate in this Transfer Application, and instead, respectfully requests that the Commission incorporate by reference Comcast Phone's Exchange Application in Docket No. 09-908-TP-AAC. Comcast Phone does so in an effort to reduce the administrative burden on the Commission, and to avoid any possible confusion over potentially filing duplicative applications with the Commission.