

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

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Caroline Behrend, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	No. 03-6604
	)	The Honorable John R. Padova
v.	)	
	)	
Comcast Cable Holdings, LLC, <i>et al.</i> ,	)	
	)	
Defendants.	)	
	)	
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DECLARATION OF JOHN C. BEYER, PH.D.,  
IN RESPONSE TO EXPERT REPORT OF DR. STANLEY M. BESEN  
REGARDING CLASS CERTIFICATION

John C. Beyer, Ph.D., being duly sworn, deposes and says,

I. INTRODUCTION

1. I am President of Nathan Associates, Inc., an economic and financial consulting firm established in 1946. I previously submitted, on November 29, 2004, a Declaration Regarding Class Certification, and on September 21, 2006, an Updated Declaration Regarding Class Certification in this matter, (hereafter Beyer Declaration – 2004, Beyer Declaration – 2006, or Declarations). On October 11, 2006 my deposition was taken concerning the Declarations (hereafter Beyer Deposition or Deposition). Counsel for Plaintiffs have asked me to review and respond to the Expert Report of Dr. Stanley M. Besen in Opposition to Plaintiffs’ Motion for Class Certification of the “Philadelphia Cluster” submitted November 9, 2006 (hereafter Besen Report), as it pertains to Dr. Besen’s conclusions regarding the common impact of the alleged violations on all members of the proposed class and whether there are accepted and feasible methodologies to estimate economic impact and damages on a class-wide and individual basis. Although my prior Declarations pertained to both Comcast’s Philadelphia Cluster and Chicago

Cluster, Dr. Besen's Report focused solely on the Philadelphia Cluster and I have done the same here.

2. Based upon his review of my prior Declarations Dr. Besen has reached the following flawed conclusions concerning common impact and common damages methodology:

"The analysis on which Dr. Beyer relies does *not* show that all members of the proposed Class have been impacted by Comcast's behavior,"<sup>1</sup> (emphasis in original);

"... members of the proposed class have *not* paid the same prices, have *not* received the same service, and, in general, have *not* had the same experiences during the proposed Class period."<sup>2</sup> (emphasis in original);

"The evidence does *not* show that Comcast's behavior has led to higher prices throughout the Philadelphia Cluster."<sup>3</sup> (emphasis in original);

"The methods described by Dr. Beyer ... for calculating damages ... are seriously flawed [because Dr. Beyer's methods] ... implicitly [assume] that overbuild competition would *necessarily* have occurred but for Comcast's clustering strategy"<sup>4</sup> (emphasis in original).

3. Dr. Besen's conclusions regarding the lack of common impact and the lack of a common damages methodology are flawed primarily because:

- i) Dr. Besen has misunderstood and mischaracterized my analysis and opinions concerning common impact – he has mistakenly concluded that Plaintiffs' assertion (and my conclusion) of common impact is based upon the assumption that but for the alleged Comcast violations all of Comcast's Philadelphia Cluster would have been

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<sup>1</sup> Besen Report, p. 5.

<sup>2</sup> Besen Report, p. 7

<sup>3</sup> Besen Report, p. 5

<sup>4</sup> Besen Report, p. 6.

overbuilt. My analysis and conclusions are not based on any such presumption of overbuilding. Consequently, Dr. Besen's analysis and opinions have mistakenly focused on an assessment of the probability of overbuilding (particularly by other cable MSOs) rather than on the relevant question, which is whether all members of the proposed Class would have paid higher prices as a consequence of Comcast's swapping, acquisitions and other alleged anticompetitive conduct in the Philadelphia region;

- ii) Dr. Besen has also erroneously concluded that, for there to be common impact, all members of the proposed Class must have paid the same price for the same set of services, had the same price per channel increases, and that proposed Class members must have had the same experiences during the Class period – his analysis ignores the fact that all members of the proposed class are paying higher prices than would be the case but for the alleged misconduct, even though prices and customer experiences may have differed somewhat across Comcast Cluster cable systems;
- iii) Dr. Besen has used an inappropriate benchmark for assessing the price increases of Comcast's cable systems – he compares the change in the price per channel for Comcast's expanded basic service to the Cable & Satellite CPI published by the Bureau of Labor Statistics (C&S CPI), even though, by his own admission, the C&S CPI measure includes charges for premium channels, equipment, and installation, which are not included in the price per channel measure to which the C&S CPI measure is being compared. Further, Dr. Besen inexplicably ignores an appropriate benchmark – changes in the U.S. average monthly price for expanded basic programming reported periodically by the Federal Communications Commission (FCC) – which shows clearly the increased price that Comcast's Philadelphia Cluster customers have paid; and
- iv) Dr. Besen has relied upon an inappropriate and erroneously calculated measure of price increase, the increase in price per channel, for Comcast's Philadelphia Cluster cable systems. The change in the price per channel is an artificial measure of Dr. Besen's creation which Comcast does not use (nor does any other cable operator in

the U.S., nor does the FCC, nor do other industry observers) for evaluating pricing of expanded basic cable services. Comcast does not price or sell its expanded basic service on a per channel basis. In any event, the measure is erroneously calculated because Dr. Besen has not included public, educational, government and leased access channels (PEG channels) in his channel count, thereby distorting his measure of the change in price per channel.

4. In my Declarations regarding class certification (and also in my Deposition) I concluded that:

- i) “the alleged antitrust violations would have impacted all members of the proposed Classes [Philadelphia and Chicago] through the payment of higher prices for subscription cable programming services than would have otherwise prevailed”;<sup>5</sup> and
- ii) “there are accepted methodologies available, which are common to all members of the proposed Classes, to quantify damages related to the defendants’ antitrust violations, and that damages can be feasibly calculated on a class-wide [and individual] basis.”<sup>6</sup>

5. My conclusion that the alleged violations would have adversely impacted all members of the proposed Classes was based upon the observation and assessment that Comcast’s swapping with and acquisition of other incumbent cable systems in the cluster regions has eliminated actual and potential competition from those cable companies who have exited the cluster region. Comcast’s clustering and increased market power in the cluster regions have raised entry barriers for other potential competitors, thereby further reducing the threat of competition. Together, the elimination of potential incumbent cable competitors from the cluster regions and the reduced threat of potential competition from other potential entrants have increased Comcast’s market power in the cluster regions, enabling the further increase of already supra-competitive prices to higher levels than would have prevailed otherwise. Consequently, all members of the proposed Class would have been adversely impacted by Comcast’s alleged

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<sup>5</sup> Beyer Declaration – 2006, p. 4.

<sup>6</sup> Beyer Declaration – 2006, p. 5.

anticompetitive behavior. The price constraining effect of potential competition, and the increase in market power and resulting increase in prices arising from the reduced threat of potential competition, are concepts that are commonly understood and accepted by economists and are well supported in the professional literature, as discussed later in this report.

6. My conclusion of common impact is also based upon the observation that the price Comcast customers have paid for the expanded basic tier of programming in the Philadelphia Cluster has increased more since 1999 than the price paid for expanded basic on average throughout the U.S., as reported in the FCC's periodic studies of cable prices. The FCC studies indicate that, on average in the U.S., the price customers paid for expanded basic programming increased by 39.6% from 1999 to 2004, the latest year available. In contrast, the average price Comcast's Philadelphia Cluster customers paid for expanded basic programming increased by 89.3% from 1999 to 2004. While I do not agree that the simple price per channel measure used by Dr. Besen is an appropriate measure for evaluating the price increases paid by Comcast's customers, it is informative to note that the same FCC studies show that the U.S. average price per channel for expanded basic programming increased 4.0% from 1999 to 2004, while the average price per channel for expanded basic paid by customers in Comcast's Philadelphia Cluster cable systems increased by 34.5%, a rate of increase almost nine times faster.

7. As I described in my previous Declarations and in my Deposition, my conclusion that there are acceptable, feasible methods, common to all proposed members of the Classes, to quantify damages on a class-wide and individual basis, is also based upon my observation and review of the FCC cable price studies, as well as similar publicly available studies published by the U.S. Government Accounting Office (GAO) and others, and upon the reasonable expectation that relevant data can be produced by Comcast and by the local franchising authorities in the Philadelphia Cluster region.

8. In my prior Declarations and in my Deposition, I described two "yardstick approach" benchmarks, suggested by the FCC and other cable price studies, which could be used to estimate the economic damages attributable to Comcast's alleged anticompetitive behavior on a class-wide and individual basis. These two benchmark methods are common to all members of the proposed Class. One benchmark, the change in the price charged for expanded basic

programming by other (non-clustered) cable systems, can be used to estimate one component of economic damages – the supra-competitive price increase charged by Comcast’s Philadelphia Cluster systems as a consequence of the swapping, acquisitions, and other alleged unlawful conduct. For example, the FCC’s reported 39.6% average increase in the monthly charge for expanded basic programming across all cable systems in the U.S. might be used as a benchmark against which to compare the 89.3% increase in the average price for expanded basic in the Comcast Philadelphia Cluster.<sup>7</sup> A second benchmark, the 15% to 20% price differential between cable systems that do not face overbuild competition and the cable systems that do face overbuild competition, which has been reported by FCC, GAO and other cable price studies, can be used to estimate a second component of economic injury – the already established, supra-competitive overcharge (i.e. the existing monopoly power that non-overbuilt cable companies have, whether clustered or not) that Comcast has protected and maintained as a consequence of the alleged anticompetitive behavior.

9. The remaining sections of this Declaration provide further elaboration and discussion of my observations and opinions concerning the flaws in Dr. Besen’s analysis and conclusions concerning the lack of common impact and the lack of a common methodology for estimating damages. The following sections also reaffirm and further clarify my own conclusions that all members of the proposed Class have been impacted by Comcast’s alleged anticompetitive conduct, and that a feasible and reliable methodology, common to all proposed Class members, can be used to estimate damages on a class-wide and individual basis.

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<sup>7</sup> I note that the FCC’s reported price for all cable systems includes both clustered and non-clustered systems. To the extent that clustered systems, such as the Philadelphia Cluster systems, have higher prices and are included in the reported average, the reported average is higher than it would be without those clustered systems and may provide, therefore, a conservative estimate of the higher price differential of the Philadelphia Cluster.

II. HIGHER PRICES ACROSS ALL PHILADELPHIA CLUSTER CABLE SYSTEMS  
IS THE RELEVANT QUESTION FOR COMMON IMPACT,  
NOT THE SPECIFIC PROBABILITY OF OVERBUILT

10. The relevant issue for common impact to all members of the proposed Class is not, as Dr. Besen's analysis and conclusions imply, whether all of the cable systems in the Philadelphia Cluster would have been overbuilt (or had the same probability of being overbuilt) but for Comcast's swapping and other allegedly anticompetitive behavior, but rather, whether that behavior eliminated and reduced potential competition leading to increased market power for the Philadelphia Cluster and increased prices for all proposed Class members. Many of the analyses and conclusions presented in Dr. Besen's Report, as well as in his deposition testimony on November 16, 2006, are constructed to build up and then tear down the "straw man" assertion, incorrectly attributed to Plaintiffs and myself, that Comcast's Philadelphia Cluster cable systems would have been overbuilt but for the swapping and other alleged unlawful conduct. Having built and then torn down the "overbuild straw man," Dr. Besen essentially concludes, incorrectly, that members of the proposed Class have not experienced common impact because the cable systems in the Philadelphia Cluster had different probabilities of being overbuilt, and that Comcast's subscribers have suffered no damages because Comcast's Philadelphia Cluster cable systems would not have been (and purportedly will not be) overbuilt. Dr. Besen conducted this flawed analysis and reached these incorrect conclusions concerning the probability of overbuild and the lack of common impact despite the fact that by his own admission, Dr. Besen recognized that the relevant issue of common impact is not the probability of overbuild, but rather whether all members of the proposed Class have been impacted by paying higher prices than they would have paid but for Comcast's alleged unlawful behavior.<sup>8</sup>

11. Dr. Besen's "overbuild straw man" is asserted in Section III of his Report where he states:

"... a significant number of Comcast subscribers in the Philadelphia area were completely unaffected by the formation of the Philadelphia Cluster because they

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<sup>8</sup> Besen Report, p. 15, and Besen Deposition, p. 131-134.

faced little or no possibility of overbuilding ... [and] the effects of clustering on the probability of overbuilding were likely to vary among subscribers within the proposed Class;”<sup>9</sup> and

“... [Dr. Beyer’s damages methodology] implicitly assumes that overbuild competition would *necessarily* have occurred but for Comcast’s clustering strategy and has not occurred because of that strategy despite the fact that, at best, the evidence relied on by Dr. Beyer shows only that the formation of the Philadelphia Cluster may have affected the *likelihood* that overbuilding would have occurred.”<sup>10</sup> (emphasis in the original).

Several sections of Dr. Besen’s report are devoted to setting up and then tearing down the “overbuild straw man.” For example, in Section IV.D of his Report Dr. Besen incorrectly states “the only basis for Dr. Beyer’s proposition that clustering deters overbuilding is a study by Dr. Hal Singer.”<sup>11</sup> Later, in Section VI.B of his report Dr. Besen further states “Dr Singer’s study, relied upon in Dr. Beyer’s Declaration, reports that overbuilding in his sample [of Michigan cable system areas as of November 2001] never occurred where the incumbent cable operator’s cable system had been upgraded to provide digital service ... [and] because there is no threat of entry by an overbuilder in digitally upgraded areas, the acquisition of another cable system would have *no* anticompetitive effect”<sup>12</sup> (emphasis in the original). Dr. Besen goes on to state, in Section XI of his Report, “the effects of clustering on the probability of overbuilding, and the effect of overbuilding on prices, are likely to differ among different types of cable systems,”<sup>13</sup> and in Section XII of his Report, states that “Dr. Beyer’s proposed methods fail to account

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<sup>9</sup> Besen Report, p. 5.

<sup>10</sup> Besen Report, p. 6.

<sup>11</sup> H. J. Singer, *Does Clustering by Incumbent Cable MSOs Deter Entry by Overbuilders?* While this study was referenced in my prior Declarations as an example of a study which found that clustering raised entry barriers for potential competitors, I have not relied solely on this study for the conclusion that Comcast’s clustering has increased entry barriers and, as explained in this Declaration, neither I nor Plaintiffs have asserted that overbuilding would have occurred but for Comcast’s swapping, acquisitions and other allegedly anticompetitive behavior. My conclusions do not depend on the assumption that overbuilding would have occurred.

<sup>12</sup> Besen Report, p. 18. In fact, Dr. Singer’s study simply reported, at pages 12-13, that “in every case in Michigan where the incumbent system was upgraded to digital cable, overbuilding occurred before the incumbent had upgraded its system to digital cable ... because the presence of digital cable would perfectly predict the absence of overbuilding activity, I could not include a variable on the original dataset to account for digital upgrades,” meaning simply that the timing of the specific dataset did not allow for any determination of the effect on overbuilding of digital upgrades, and suggesting that “in the post digital era, overbuilders have tended [thus far] to seek out areas that are not yet upgraded to digital,” and not that overbuilding would never occur once a cable system had a digital upgrade. In fact, many cable systems that have had digital upgrades have been overbuilt following the digital upgrade, including Comcast systems in the Philadelphia Cluster.

<sup>13</sup> Besen Report, p. 30.



adequately for the link between clustering and overbuilding, by implicitly assuming that overbuilding would have occurred if clustering had not.”<sup>14</sup> Finally, in Section XII of his Report, Dr. Besen concludes that “Dr. Beyer proposes to estimate damages by implicitly assuming that, but for the transactions at issue, overbuilding would have occurred throughout the Philadelphia area.”<sup>15</sup>

12. Despite Dr. Besen’s incorrect focus on the probability of overbuilding and his incorrect assertion that common impact (and Class-wide damages) depend upon the assumption that overbuilding would have occurred but for Comcast’s swapping, acquisitions and other allegedly unlawful conduct, Dr. Besen does recognize that my conclusions (and Plaintiffs’ claim) do not depend upon that assumption. In Section XII of his Report Dr. Besen states “Dr. Beyer might also be arguing that even if clustering does not prevent actual competition, it may limit potential competition, and thus lead to higher prices.”<sup>16</sup> This is, in fact, one of my primary conclusions - the other is that swapping with incumbent cable MSO owners of adjoining and neighboring cable systems, and acquiring other incumbent MSO cable companies in the region, eliminated the threat of competition from those potential competitors.

13. However, Dr. Besen goes on to conclude, incorrectly and without any theoretical or factual support, that:

“if an increase in clustering has only a small effect on actual competition, its effect on potential competition is likely to be small as well. Moreover, the estimates of the magnitude of the competitive overcharge that Dr. Beyer proposes to use are based on the effect of *actual overbuilding* and thus do not measure the effect of a change in the extent of *potential competition*” (emphasis in the original).<sup>17</sup>

As discussed below, Dr. Besen is wrong about both of these conclusions. First, the threat of potential competition does constrain incumbent firm pricing, even where there may be no actual competitors. This is a fundamental economic concept that is commonly taught and accepted among economists. Second, in my prior Declarations I identified methods for estimating two

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<sup>14</sup> Besen Report, p. 32.

<sup>15</sup> Besen Report, p. 33.

<sup>16</sup> Besen Report, p. 32.

<sup>17</sup> Besen Report, p. 32.

components of damages: first, the price increases or overcharges incurred by Comcast's Philadelphia Cluster subscribers that were not incurred by other, non-clustered cable customers elsewhere; and second, the pre-existing overcharge, attributable to the lack of effective overbuild competition, which was protected and maintained by Comcast's swapping, acquisitions and other allegedly unlawful conduct. Only the second of these two components measures the effect of actual overbuilding, and even this measure does not assume that overbuilding would occur, but rather that the existing monopoly power has been protected and maintained by Comcast's allegedly anticompetitive conduct.

14. In section IV.A of his Report, Dr. Besen draws upon the economic theory of "contestable markets" attributed to Baumol, Panzar, and Willig (1982), to mistakenly conclude that "when entry requires substantial irreversible investments, markets are not contestable" and, therefore, because overbuilding requires substantial investment by potential competitors, that overbuilding is unlikely and that "potential entry is [not] likely to have a strong effect on the prices charged by an incumbent cable operator."<sup>18</sup> Dr. Besen's reliance on the theory of contestable markets is strange. Not once in my Declarations or Deposition did I refer to "contestable markets." This is another "straw man" created and then torn down by Dr. Besen. But, Dr. Besen goes further by failing to understand the theory of contestable markets.

15. The Baumol, Panzar, and Willig book that Besen cites and relies upon was written, according to the authors, to establish the concept of "perfectly contestable markets," which, like the concept of "perfect competition" could be used by economists to assess the structure of markets and the effect of potential entry and competition in those markets.<sup>19</sup> The authors recognized that markets are rarely "perfectly contestable" because of a variety of entry barriers

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<sup>18</sup> Besen Report, p. 8-9.

<sup>19</sup> Baumol, Panzar, and Willig (1982), Contestable Markets And the Theory of Industry Structure, p. 5, "Our analysis employs for its free entry concept an extremely strong criterion and explores the implications for industry equilibrium of the potential entry associated with that criterion. Markets in which entry is free under this strong definition we refer to as 'perfectly contestable'" and, p.13-14, "We offer the concept of perfectly contestable markets as a new widely applicable benchmark that both encompasses and transcends the concept of perfectly competitive markets. ... we are motivated to understand the details of value determination and of industry structure in contestable markets, not because we believe that most markets are perfectly contestable (although many may be approximately so), but because we believe that prices and industry structure in most markets can usefully be compared to what they would be if those markets were perfectly contestable."

that may exist, and that, nevertheless, the threat of potential entry and competition does affect the behavior and pricing of incumbent firms.

“... we provide a formal analytical structure that, we hope, fully encompasses the insight offered long ago, notably by Bain: that potential competition, that is the mere threat of entry, can have enormous consequences for the general welfare and that it can affect the behavior of [incumbent] firms significantly and beneficially.”<sup>20</sup>

16. In fact, there are many examples of industries that are regarded as “generally not contestable,” because of substantial, irreversible investment, where incumbent firms have acted strategically to eliminate or reduce the threat of potential competition. I have studied the economic influence of potential competition in many industries, as diverse as crystalline cellulose, self-adhesive labels, commercial air transport, and clinical health services, among others. None of these are perfectly contestable markets. Also relevant is the fact that overbuilding has occurred in the cable TV industry, by RCN, Wide Open West, and others, and that the threat of potential and actual overbuild competition is an important consideration when incumbent cable MSOs, including Comcast, set prices. Indeed, Comcast documents cited and produced by Dr. Besen show that Comcast has carefully monitored the franchising and overbuilding activity of RCN and Verizon in the Philadelphia Cluster region.<sup>21</sup> In any event, however, the magnitude of the effect on prices of eliminating and/or reducing the threat of potential competition is an issue that will be addressed in the merits phase of this litigation, and is not relevant to the issue of common impact.

17. The relevant question for determining whether there has been common impact is whether Comcast’s swapping and other alleged anticompetitive conduct has eliminated and reduced potential competition, raised entry barriers, increased Comcast’s market power in the area, and enabled Comcast to protect, and even increase, supra-competitive prices for its cable services. The concepts of potential competition, raised entry barriers, and increased market power leading to increased prices are well established in the economics literature and widely

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<sup>20</sup> Baumol, Panzar, and Willig (1982), p. 2.

<sup>21</sup> Appendix B of Dr. Besen’s Report referenced several documents related to “Overbuilding Information,” including “RCN Tracking Sheet—Delaware County.xls,” “CompetitiveTowns\_PADE Aug 05.doc,” and RCN and Verizon Franchise Agreements, which clearly indicate the close attention and serious consideration that Comcast has given to overbuilding in the Philadelphia Cluster area.

taught and accepted by professional economists. George Stigler (1968) wrote “the condition for competition is many potential rivals, not necessarily many existing rivals.”<sup>22</sup> In the book cited by Dr. Besen, Baumol, Panzar, and Willig (1982) wrote “the power of potential competition to extend the beneficent sway of the invisible hand is the central theme of our book.”<sup>23</sup> Jean Tirole (1988) wrote “in the absence of actual competition, potential competition is very effective in disciplining the incumbent firms” and “the mere ‘threat of entry’ has an effect on the market behavior of the incumbent firm...”<sup>24</sup> Carlton and Perloff (2005), in the widely taught and cited Modern Industrial Organization, wrote “the importance of entry to the competitive process has been recognized for a long time ... Demsetz (1968) and Buamol, Panzar, and Willig emphasize that industries with only a few firms (or just one) can be very competitive if there is a threat of entry by other firms.”<sup>25</sup> And, in a direct reference to the cable television industry, Savage and Wirth (2002) wrote “with recent deregulation it is possible that the threat of entry from a potential competitor may force incumbents to reduce subscription prices directly, and/or indirectly by adjusting quality...”<sup>26</sup>

18. The concept of raising entry barriers to reduce the threat of potential competition, which, as I explained in my prior Declarations, has been the effect of Comcast’s swapping, acquisitions and other allegedly unlawful conduct in the Philadelphia Cluster, is also widely taught and accepted among professional economists. Stigler (1968) wrote “a barrier to entry may be defined as a cost ... which must be borne by a firm which seeks to enter an industry but is not borne by firms already in the industry.” Tirole (1988) wrote “a firm may incur both strategic and administrative expenses to obtain or keep a monopoly position ... other examples are the accumulation of various forms of capital and the erecting of barriers to entry.” Carlton and Perloff (2005) wrote “an incumbent may use a variety of strategies designed to raise the cost of entry, all of which require the incumbent to exploit some asymmetry between it and the potential entrant in order to raise the cost to a potential entrant above its own. When it is

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<sup>22</sup> George Stigler (1968), The Organization of Industry, p. 19.

<sup>23</sup> Baumol, Panzar, and Willig (1982), p. 13.

<sup>24</sup> Jean Tirole (1988), The Theory of Industrial Organization, p. 309.

<sup>25</sup> Carlton and Perloff (2005), Modern Industrial Organization, p. 6.

<sup>26</sup> Savage and Wirth (2002), *Entry and Potential Competition in U.S. Cable TV Markets*, p. 23. Savage and Wirth were referring to the elimination of exclusive cable franchises by the 1992 Cable Act and to the 1996 Telecommunications Act allowing telephone companies to enter the cable TV industry as locally franchised cable companies.

successful the incumbent can create a long run barrier to entry.” Dr. Besen also recognizes that the clustering of cable systems in the Philadelphia Cluster has created efficiencies that are advantageous to Comcast and disadvantageous to potential entrants, thereby raising entry barriers.<sup>27</sup>

19. Dr. Besen argues that these clustering efficiencies – which include consolidation of overhead expenses, scale economies of plant, consolidation of operations, and the ability to approximate the areas served by the local telephone provider so as to offer telephone service on a competitive basis – bring benefits to subscribers that they would not receive without clustering.<sup>28</sup> However, when the firm realizing the efficiencies has sufficient market power, these asserted cost and marketing efficiencies may not be passed through to customers in the form of lower prices. As I described in my previous Declarations, a 2001 FCC study analyzed the effect of clustering on monthly prices to determine whether the increased economies of scale led to lower monthly prices for customers. The FCC study found the opposite effect; as clustering increased, average monthly rates for cable programming service also increased.<sup>29</sup>

20. In fact, the evidence shows that, on average, the price that Comcast’s Philadelphia Cluster customers have paid for expanded basic cable programming service has increased more than, rather than less than, the price paid on average by U.S. cable customers, as reported by the FCC studies of cable television prices. As Exhibit 1 shows, the average monthly charge for expanded basic service paid by Comcast’s Philadelphia Cluster subscribers increased by 89.3% from 1999 to 2004 (from \$24.94 to \$47.22), while the average monthly charge for customers of all U.S. cable systems increased only 39.6% from 1999 to 2004, the latest year available from the FCC studies.<sup>30</sup>

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<sup>27</sup> Besen Deposition, p. 120-123.

<sup>28</sup> Besen Report, p. 22.

<sup>29</sup> FCC, Report on Cable Industry Prices, FCC 01-49, p. 31.

<sup>30</sup> Average prices for expanded basic programming in the Philadelphia Cluster have been calculated on a subscriber weighted basis. As discussed later in this Report, price increases in the Philadelphia Cluster from 1999 to 2004 have been larger than the U.S. average for all cable systems even when price increases are measured on a price per channel basis, although, in my opinion, price per channel is not an appropriate measure of the price Comcast customers pay for the expanded basic tier of channels.

21. The larger average price increase of Comcast's Philadelphia Cluster cable systems is evidence of the increased market power that Comcast has achieved as a consequence of its alleged anticompetitive swapping and acquisitions of cable systems. The Federal Trade Commission and the Department of Justice (2006), in their Commentary on Horizontal Merger Guidelines, have noted that "evidence pointing directly toward competitive effects [e.g., the larger price increase] may arise from statistical analysis of price and quantity data related to, among other things, incumbent responses to prior events (sometimes called 'natural experiments') such as entry or exit by rivals [e.g., Comcast's swapping, acquisitions and other allegedly anticompetitive behavior]." Economists generally believe that increased entry barriers and increased market power result in higher prices charged by incumbent firms. Tirole (1988) wrote "in order to explain why the profit rate is systematically greater in certain industries than in others, some type of restriction to entry must exist in these industries to prevent other firms from taking advantage of the profitable market situation ... along these lines, Bain (1956) defined as a barrier to entry anything that allows incumbent firms to earn supranormal profits without the threat of entry."<sup>31</sup> Carlton and Perloff (2005) wrote "a restriction on entry leads to a price above the long-run competitive equilibrium price."<sup>32</sup>

III. DIFFERENCES IN PRICE CHANGE AMONG PHILADELPHIA CLUSTER  
CABLE SYSTEMS ARE DUE TO DIFFERENCES IN 1999 PRICES,  
AND DO NOT INDICATE THE LACK OF COMMON IMPACT

22. Dr. Besen uses his analysis of the variability of measured price changes among cable systems in the Philadelphia Cluster, in Section IX of his Report, to conclude that "the experiences of the members of the proposed Class during the proposed Class period have not been 'essentially' or 'nearly' the same"<sup>33</sup> and that, therefore, there is no common impact. Dr. Besen's analysis and conclusions are flawed and misleading. Common impact has occurred if all members are paying higher prices for expanded basic programming than would otherwise have been the case. Common impact does not depend upon finding that all members of the proposed

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<sup>31</sup> Jean Tirole (1988), The Theory of Industrial Organization, p. 305.

<sup>32</sup> Carlton and Perloff (2005), Modern Industrial Organization, p. 73.

<sup>33</sup> Besen Report, p. 28.

class have experienced the same percentage or absolute change in the price. Indeed, because in 1999, prior to most of the alleged anticompetitive swapping and clustering of cable systems, there was greater variability among cable systems in the price customers paid for expanded basic, it is necessarily the case that there will be variability in measures of the percentage change in price. That is necessarily and mathematically true, even though the price for expanded basic programming now varies much less among the cable systems in the Philadelphia Cluster, and is exactly the same in many systems.

23. Exhibit 2 of this report illustrates this point. Exhibit 2 shows the 1999 and 2006 price for expanded basic programming paid by each Philadelphia Cluster cable system for which both 1999 and 2006 price information were available. As depicted by the top of each bar in Exhibit 2, many of the systems in the Philadelphia Cluster have exactly the same price for expanded basic currently, and many have nearly the same price. In contrast, the lower segment of each bar depicts the 1999 price for each system, and shows the greater variability of prices at that time. The upper segment of each bar depicts the change in price from 1999 to 2006. Clearly there is substantial variability in the measure of price change for each cable system, even though there is now increased commonality in the price across cable systems. This variability in price change is due predominantly to the variability of prices in 1999, prior to most of the swapping, acquisitions and other allegedly unlawful conduct.

#### IV. DR. BESEN'S MEASURE OF CHANGE IN THE PRICE PER CHANNEL IS NOT APPROPRIATE

24. The analysis and conclusion in Section IX of Dr. Besen's report are also flawed and misleading because Dr. Besen has used an inappropriate measure of price – a simple price per channel measure – that once again he has created as a “straw man” to be torn down. The simple price per channel measure is the wrong measure by which to assess increases in the price that Comcast's customers have paid for expanded basic programming because customers must purchase all of the channels in the expanded basic tier as a package; the channels are not offered a-la-carte. The simple price per channel measure used by Dr. Besen is also wrong because all

channels are treated equally – the less popular channels such as Sneak Prevue and Style TV are given the same value weight as the most popular, “must have” channels such as ESPN and Nickelodeon.<sup>34</sup>

25. Monthly prices for expanded basic programming service are commonly reported by observers of the cable TV industry, and have been studied by the FCC, GAO and others to examine changes in price as well as the factors that have contributed to those price changes. For example, the TV & Cable Factbook, a commonly used industry reference which both Dr. Besen and I have used to compile information about prices, subscribers and channels in the Philadelphia Cluster cable systems, typically reports the price for and number of channels included in both the Basic Service and Expanded Basic Service tiers of cable service. The TV & Cable Factbook does not report price per channel measures. Moreover, the FCC’s periodic studies of cable TV prices also report the average rates (prices charged) for Basic and Expanded Basic service. The FCC study also reports a price per channel measure but notes that although a simple price per channel measure accounts for changes in the number of channels, an increase in the number of channels is not necessarily an increase in the quantity or quality of the service.<sup>35</sup>

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<sup>34</sup> Dr. Besen’s measure of the change in the price per channel has been erroneously calculated because PEG channels have not been included in the channel count. Excluding the PEG channels has distorted his measure of the change in price per channel. My analysis of the number of PEG channels offered by the Philadelphia Cluster systems indicated that, on average across the cable systems, 4.5 PEG channels were excluded from the 1999 channel count and 3.2 PEG channels were excluded from the 2004 channel count. Because including the PEG channels reduces the price per channel, and because the number of PEG channels has declined from 1999 to 2004, the effect of excluding the PEG channels was to significantly distort downward the measured percentage change in the price per channel. When the PEG channels are excluded the percentage change in price per channel from 1999 to 2004 is 28.4% on average, while with the PEG channels included the percentage change is 34.5%, which is a significantly larger increase. My analysis of the effect of excluding PEG channels on the measured percentage change in the price per channel is limited to the 1999 to 2004 period because 2004 is the latest year for which comparable price data is available from the FCC’s studies of cable prices. As is discussed in the next section of this Declaration, comparison of properly calculated changes in the price per channel for expanded basic programming, on average, among the Philadelphia Cluster cable systems to an equivalent FCC reported measure, rather than to the Cable and Satellite CPI measure that has been inappropriately used by Dr. Besen, shows that the price per channel has increased much more in the Philadelphia Cluster than in the U.S., on average.

<sup>35</sup> FCC 05-12, February 4, 2005, *Report on Cable Industry Prices*, p. 3, paragraph 7 and footnote 10. The FCC study also noted on p. 8, fn. 25 that some analysts of cable TV prices “suggest that subscribers may not value an increase in the number of channels in direct proportion to the number of channels added, and thus the additional channels may have a declining marginal value,” and that the FCC did not seek information on how subscribers “would value programming tiers if given the option of receiving fewer channels or different channels than those offered.”



26. Dr. Besen himself acknowledged at his deposition that not all channels are equally important, and that Comcast does not offer expanded basic programming on an a-la-carte basis in the Philadelphia Cluster.<sup>36</sup> Differences among cable systems in the number and specific selection of channels included in the expanded basic arise primarily because of differences in the local “over-the-air” channels carried by the cable systems. My analysis of the expanded basic prices and of the channels offered by Comcast’s Philadelphia Cluster systems showed that differences in the number of channels arise largely because of differences in the local “over-the-air” channels that are available and offered, and not because of significant differences in the selection and number of the most popular cable channels offered.

27. Even more telling is the fact that Comcast charges exactly the same \$50.40 monthly price for expanded basic programming in 14 cable systems in the Philadelphia Cluster, even though there are differences among those systems in the selection and number of channels included.<sup>37</sup> For example, the monthly price for expanded basic programming is \$50.40 in both the Hamburg, PA and Holland, PA cable systems. However, the Hamburg cable system includes 75 cable and local “over-the-air” channels while the Holland system includes only 41 channels. Further the Hamburg cable system includes less important channels such as ESPN2, MSNBC, and Spike TV, which the Holland cable system does not include. Nevertheless, both cable systems charge the same price for the package of expanded basic channels. Using a price per channel measure, as Dr. Besen has done, creates irrelevant, misleading differences in price. In this example, the price per channel of the Holland, PA system is \$1.23, nearly double the \$0.67 price per channel of the Hamburg, PA system. These irrelevant differences in the price per channel further distort differences in measures of the change in price per channel. My analysis of the selection and number of expanded basic channels offered by each cable system in the Philadelphia Cluster was based upon the Comcast channel information produced by Dr. Besen. This analysis is included as Appendix A of this report.

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<sup>36</sup> Besen Deposition, p. 38.39, p. 41-42, and p. 140.

<sup>37</sup> The monthly price for expanded basic is \$50.45 (only 5 cents different) in two other cable systems, Lambertville, NJ and Kennett Square, PA.

V. THE CABLE & SATELLITE CPI IS THE WRONG BENCHMARK FOR ASSESSING INCREASES IN THE PRICE PAID FOR EXPANDED BASIC SERVICE

28. Dr. Besen has used, inappropriately, the Cable & Satellite CPI (C&S CPI) as a benchmark for assessing changes in the price per channel for expanded basic cable programming among Philadelphia Cluster cable systems. Even if a change in the price per channel were the appropriate measure for assessing increases in the price for expanded basic, and it is not, the C&S CPI is not the best available, or even an appropriate, benchmark. The C&S CPI tracks much more than changes in the price for expanded basic – it also tracks and includes changes in the composition of and price paid for premium channels like HBO and Showtime, premium tiers of sports channels, equipment charges, and installation charges. The C&S CPI is not a price per channel measure. Comparing changes in the C&S CPI to changes in the price per channel for expanded basic is like comparing apples to oranges.

29. The most recent FCC study of cable price changes makes reference to the C&S CPI, but notes explicitly that “because it covers a different mix of services, the cable CPI cannot be compared directly with the results of our survey,” (i.e., the FCC’s measures of changes in the monthly prices paid for Basic and Expanded Basic cable programming services).<sup>38</sup> Dr. Besen himself agreed that the C&S CPI measures a different package of services than the expanded basic programming services that both he and I (and the FCC) have analyzed. However, Dr. Besen mistakenly justifies using the C&S CPI based upon the reference to it in my prior Declarations and because the C&S CPI takes into consideration the number of channels.<sup>39</sup> Neither of these explanations justify the use of the inappropriate benchmark. My reference to the C&S CPI, like the similar reference by the FCC, was simply an acknowledgment of the C&S CPI measure, and was not used for direct comparison. Additionally, although the C&S CPI does take into account changes in the number of channels, it does not simply divide consumer expenditures for the basket of cable services by the number of channels to get a price per channel measure. Consequently it is not appropriate for Dr. Besen to compare changes in the price per channel for expanded basic service to the C&S CPI.

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<sup>38</sup> FCC 05-12, February 4, 2005, Report on Cable Industry Prices, p. 4, para. 9.

<sup>39</sup> Besen Deposition, p. 136 and p. 135.

30. Dr. Besen inexplicably and erroneously ignores the fact the FCC cable price studies provide a much more appropriate and relevant benchmark for changes in the price (and price per channel) paid for expanded basic service. The FCC, which by law is charged with studying and reporting on changes in cable TV prices, publishes its cable price studies periodically. As shown in Exhibit 1 of this report, the FCC studies indicate that the average price paid for the expanded basic tier of cable programming services has increased by 39.6%, from \$29.40 per month in 1999 to \$41.04 per month in 2004, the latest year reported by the FCC.<sup>40</sup> In contrast, the average price paid for expanded basic by Comcast's Philadelphia Cluster customers has increased by 89.3%, from \$24.94 in 1999 to \$47.22 in 2004, more than double the percentage increase reported by the FCC for all U.S. cable systems.

31. Even though I believe that measures of the price per channel and changes in the price per channel are not appropriate, for reasons explained earlier in Section IV of this Declaration, I have also shown, in Exhibit 1, how these measures compare to the equivalent measures reported by the FCC for all U.S. cable systems, on average. This analysis demonstrates that Dr. Besen's inappropriate use of the C&S CPI as a benchmark leads to his misleading and incorrect conclusion that cable prices in the Philadelphia Cluster have not increased by more than the U.S. average. As Exhibit 1 shows, even though the number of channels offered on average by the cable systems in the Philadelphia Cluster has increased (on a percentage change basis) more than the U.S. average for all cable systems, the price per channel has increased much more rapidly. The price per channel has increased by 34.5% in the Philadelphia Cluster, while the U.S. average price per channel increased only 4.0%. Consequently, Dr. Besen's conclusion that 47% of the subscribers in the Philadelphia Cluster (including the named Plaintiffs) have not been adversely impacted because the percent change in the price per channel that they have experienced is less than the percent change in the C&S CPI is wrong, not only because it is based on the use of an inappropriate benchmark, but more importantly, because it ignores totally the relevant issue –

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<sup>40</sup> The monthly prices for expanded basic cable programming that I have analyzed combine the price for basic and expanded basic programming because all customers who purchase expanded basic also must purchase basic service.

whether all subscribers (including the named Plaintiffs) have paid higher prices than would otherwise have prevailed.<sup>41</sup>

32. In conclusion, Dr. Besen's use of the C&S CPI as a benchmark against which to compare the percentage change in the price per channel for expanded basic service in the Philadelphia Cluster is flawed and misleading. The C&S CPI is not a price per channel measure, rather it measures changes in the price paid for a package of cable services, like the package of expanded basic channels. Thus, the 35.5% change in the C&S CPI from 1999 to 2006 is more comparable to the FCC's measure of a 39.6% change in the price of expanded basic from 1999 to 2004 (and to the 89.3% change in the price paid for expanded basic in the Philadelphia Cluster from 1999 to 2004) than it is to the 34.5% change in the price per channel for expanded basic in the Philadelphia Cluster (or the 4.0% change in the FCC's measure of price per channel).

VI. DIFFERENCES AMONG CABLE SYSTEMS  
IN PRICE, CHANNELS, PRICE PER CHANNEL, EXPERIENCE AND LOCATION  
ARE NOT RELEVANT TO THE ISSUE OF COMMON IMPACT

33. Differences among Comcast's cable systems and subscribers are not relevant to the issue of common impact – whether all members of the proposed Class have paid higher prices than would otherwise have prevailed. Dr. Besen's Report wastes a substantial amount of space and analysis in an attempt to demonstrate that Comcast's subscribers in the Philadelphia Cluster do not pay the same prices, do not receive the same number of channels (and consequently do not pay the same price per channel), have not experienced the same percentage change in prices, and have not had the same experience because the cable systems are in different locations and were added to the Cluster at different times. These differing measures and experiences are irrelevant to the issue of common impact.

34. In Section VIII of his Report, Dr. Besen describes three different approaches that he undertook to show that “all Comcast subscribers in the Philadelphia Cluster did not pay ‘essentially the same’ price for preferred basic service during the proposed Class period ... did

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<sup>41</sup> Besen Report, p. 28.

not receive ‘essentially the same’ preferred basic service ... [and] did not pay the same quality-adjusted price, measured as price per channel.”<sup>42</sup> All three of Dr. Besen’s approaches are used to show that in 2004, 2005 and 2006 a portion of the Philadelphia Cluster subscribers did not pay exactly the same price, nor have exactly the same number of channels, nor pay exactly the same price per channel as the most common (i.e., mode) price, number of channels, and price per channel in the Philadelphia Cluster at the time. Whether some portion of Comcast’s subscribers, or even all subscribers, paid the same price is not relevant to the issue of common impact – whether all have paid a higher price. Dr. Besen has misunderstood the point of those measures. The reason that, in my prior Declarations, I analyzed and calculated the portion of subscribers that paid the same, or nearly the same (i.e., within 5%) price, was to show that Comcast subscribers have all been affected by Comcast’s pricing decisions for the Philadelphia Cluster. The fact that, as a consequence of Comcast’s pricing decision, many more cable systems and subscribers in the Philadelphia Cluster now have the same price or nearly the same price for expanded basic service is clearly illustrated in Exhibit 2 of this report, which I discussed earlier.<sup>43</sup> Dr. Besen’s own analysis shows that the percentage of Philadelphia Cluster subscribers who pay exactly or nearly the same price for expanded basic service (i.e., within 5% of the mode price), has increased from 52% to 69% from 2004 to 2006.

35. Dr. Besen’s concludes in Section IV.C of his report that, because the location and acquisition timing of cable systems in the cluster differ, the probability of overbuild differs and the consequent effect on subscribers will also differ.<sup>44</sup> This conclusion is flawed and irrelevant to the issue of common impact. As I have explained earlier, my conclusions concerning common impact and Class-wide damages do not depend upon the assumption (or probability) of overbuilding, but rather on the fact that Comcast’s swapping and other allegedly anticompetitive

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<sup>42</sup> Besen Report, p. 26.

<sup>43</sup> I note that Dr. Besen is incorrect in his assertion that the method I used for determining the mode price for expanded basis service is flawed because the mode was determined by cable system (or community) rather than by subscriber. The mode (or most common) monthly price for expanded basic service is the same, whether determined by cable system or subscriber. Therefore the number and percentage of subscribers that have the same mode price, or nearly the same price (i.e. within 5% of the mode price) is also not affected by how the mode price is determined. Dr. Besen’s analysis shows that the mode number of channels is likewise the same whether determined by cable system or subscribers. While the determination of the mode price per channel would be affected by whether the cable system or subscriber count is used, I did not do that analysis because it is not relevant to the issue of common impact.

<sup>44</sup> Besen Report, p. 19-20.

behavior has enabled Comcast to increase prices more than would otherwise have occurred, for all subscribers in the Philadelphia Cluster. Consequently, it makes no difference when and where a cable system was added to the Cluster, but rather that the swapping and other allegedly unlawful conduct enabled larger price increases for all members of the proposed Class.

36. Dr. Besen has further concluded, incorrectly, in Section IV.C of his Report, that “to the extent that acquired systems placed a greater competitive constraint on bordering acquiring systems than on more distant acquiring systems, the effects of their acquisitions on Comcast’s pricing should be greater.”<sup>45</sup> This is yet another irrelevant, and incorrect “straw man” argument. This incorrect conclusion stems from Dr. Besen’s incorrect assertion that common impact (and Class-wide damages) depends on the assumption that overbuilding would have occurred but for the swapping and other alleged anticompetitive conduct. As I have explained previously in this Declaration, the relevant issue is whether all members of the proposed Class have paid higher prices. It is irrelevant where a cable system is located within the Philadelphia Cluster, and it is irrelevant whether a subscriber (or the named Plaintiffs) live in close proximity to or distant from other legacy, swapped or acquired cable systems. Pricing decisions are made on at least a regional basis, and not franchise by franchise or system by system. Consequently, Comcast’s pricing decisions have affected all subscribers in the Philadelphia Cluster.

37. Similarly, Dr. Besen’s conclusion in Section VI.D of his report that, because the cable systems in the Philadelphia belong to different functional regions within Comcast, subscribers have had different experiences and service offerings is also irrelevant to the issue of whether subscribers have all paid higher prices. It is interesting to note that in making this point Dr. Besen described many personnel, billing, budgeting, customer relations, operations, and management functions that are managed by the different regions, but did not mention pricing decisions or the level within Comcast at which pricing decisions are made.<sup>46</sup>

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<sup>45</sup> Besen Report, p. 20.

<sup>46</sup> Besen Report, p. 21.

VII. A COMMON METHODOLOGY CAN BE USED TO ESTIMATE  
CLASS-WIDE AND INDIVIDUAL DAMAGES

38. With regard to the issue of whether a common methodology can be used to estimate Class-wide and individual damages, it is interesting to note that Dr. Besen does not conclude that no such methodology exists, but rather that the methods that I have proposed do not “address the complexity of applying a common methodology to all members of the proposed Class given the wide variations in the circumstances of the members of that Class.”<sup>47</sup> This assertion by Dr. Besen is apparently based upon his extensive analysis and discussion of differences among the Philadelphia Cluster cable systems in irrelevant measures of channels, price per channel, and changes in price per channel, irrelevant differences in the timing of the swaps and acquisitions, and, Dr. Besen argues, differences in the probability of overbuilding among systems. As I have explained earlier in this Declaration, these differences are not relevant to the issue of common impact, which is whether all members of the proposed Class have paid higher prices for expanded basic than would otherwise have been the case.

39. In my prior Declarations and Deposition testimony I have proposed and discussed two methods, both of which draw upon “yardstick approach” benchmarks of the price paid for expanded basic cable service by customers of other cable systems, which can be used to estimate aggregate, Class-wide damages and individual damages. I proposed that two components of damages can be estimated using methods that will be common to all proposed Class members. The first component of damages relates to the overcharge that Comcast’s Philadelphia Cluster customers have paid because, as a consequence of the swapping, acquisitions and other allegedly unlawful conduct, the price paid for expanded basic programming has increased more than would otherwise have been the case – i.e., the 89.3% increase, on average, in the Philadelphia Cluster vs. the 39.6% increase, on average, for all U.S. cable systems, reported by the FCC. The second component of damages relates to the supra-competitive price differential that has been protected and maintained because Comcast’s alleged anticompetitive swapping, acquisitions and other conduct have enhanced its market power in the Philadelphia region – i.e., the 15% to 20%

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<sup>47</sup> Besen Report, p. 30.

lower price differential when cable systems face effective overbuild competition that has been reported by FCC, GAO and other studies.

40. In my prior Declarations I provided an illustration of how the first component of damages could be measured, by comparing the average actual prices in the Philadelphia Cluster to prices that would have prevailed had the price increased at the rate of change reported by the FCC for all U.S. cable systems. Exhibit 5 of this Declaration provides an illustration of estimates of both components of damages, on average for the Philadelphia Cluster, and individually for specific cable systems. The top segment of each bar in Exhibit 5 represents an estimate of the overcharge attributable to the first component of damages – the larger price increase due to swapping and other allegedly anticompetitive conduct, (in this example the difference between the actual 89.3% increase observed in the Philadelphia Cluster from 1999 to 2004 and the 39.6% increase reported by the FCC for all U.S. cable systems). The middle segment of each bar represents an estimate of the pre-existing overcharge that Comcast has protected and maintained, (in this example a 15% price differential attributable to not having effective overbuild competition). As Exhibit 5 illustrates, either the first component of damages by itself, or both components combined, can be estimated, either Class-wide or by individual cable system, using methodologies that are common to all members of the proposed Class. The information and data required for these common methods is available from prior studies by the FCC, GAO and others, and additionally can be produced by Comcast and collected from the franchising authorities in the Philadelphia Cluster region.

## VIII. SUMMARY OF CONCLUSIONS

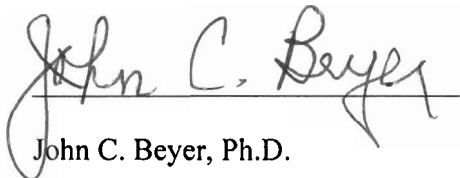
41. In conclusion, Dr. Besen has focused on irrelevant and/or inappropriate measures to erroneously conclude that all members of the proposed Class would not have been adversely affected by Comcast's allegedly anticompetitive swapping, acquisitions and other conduct, and that a common methodology can not be used to estimate Class-wide and individual damages. The relevant issue is whether all members of the proposed Class have paid higher prices than would have prevailed otherwise, not, as Dr. Besen claims, whether they paid the same price per channel for expanded basic and have experienced the same percentage increase in the price per



channel. Similarly, the relevant issue is whether Comcast's swapping and other allegedly unlawful conduct has eliminated potential competition, raised entry barriers and enabled larger price increases, not, as Dr. Besen claims, whether the cable systems would have been overbuilt (or had the same probability of overbuild) but for Comcast's conduct. The available evidence clearly shows (when an appropriate benchmark is used) that the price Philadelphia Cluster customers have paid for the expanded basic package of channels has increased, on average, at more than double the rate of all cable systems in the U.S. The methodology that I have described, in paragraphs 38 and 39 of this Declaration, to estimate Class-wide and individual damages can be implemented using information available from existing FCC, GAO and other studies (together with information that can be produced by Comcast). This methodology is common to all members of the proposed Class.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on Dec, 1/06 (Date)

  
John C. Beyer, Ph.D.

**Exhibit 1 - Comparison of Changes:  
Philadelphia Clusters vs. FCC Cable Study Benchmark**

	1999	2004	Pct Chg
<b>Monthly Programming Rates - Expanded Basic</b>			
Philadelphia Cluster Weighted Average	\$24.94	\$47.22	89.3%
FCC - All U.S. Cable Systems	\$29.40	\$41.04	39.6%
<b>Expanded Basic Channels</b>			
Philadelphia Cluster Weighted Average	48.6	68.4	40.7%
FCC - All U.S. Cable Systems	52.4	70.3	34.2%
<b>Expanded Basic Price per Channel</b>			
Philadelphia Cluster Weighted Average	0.51	0.69	34.5%
FCC - All U.S. Cable Systems	0.56	0.58	4.0%

Sources:

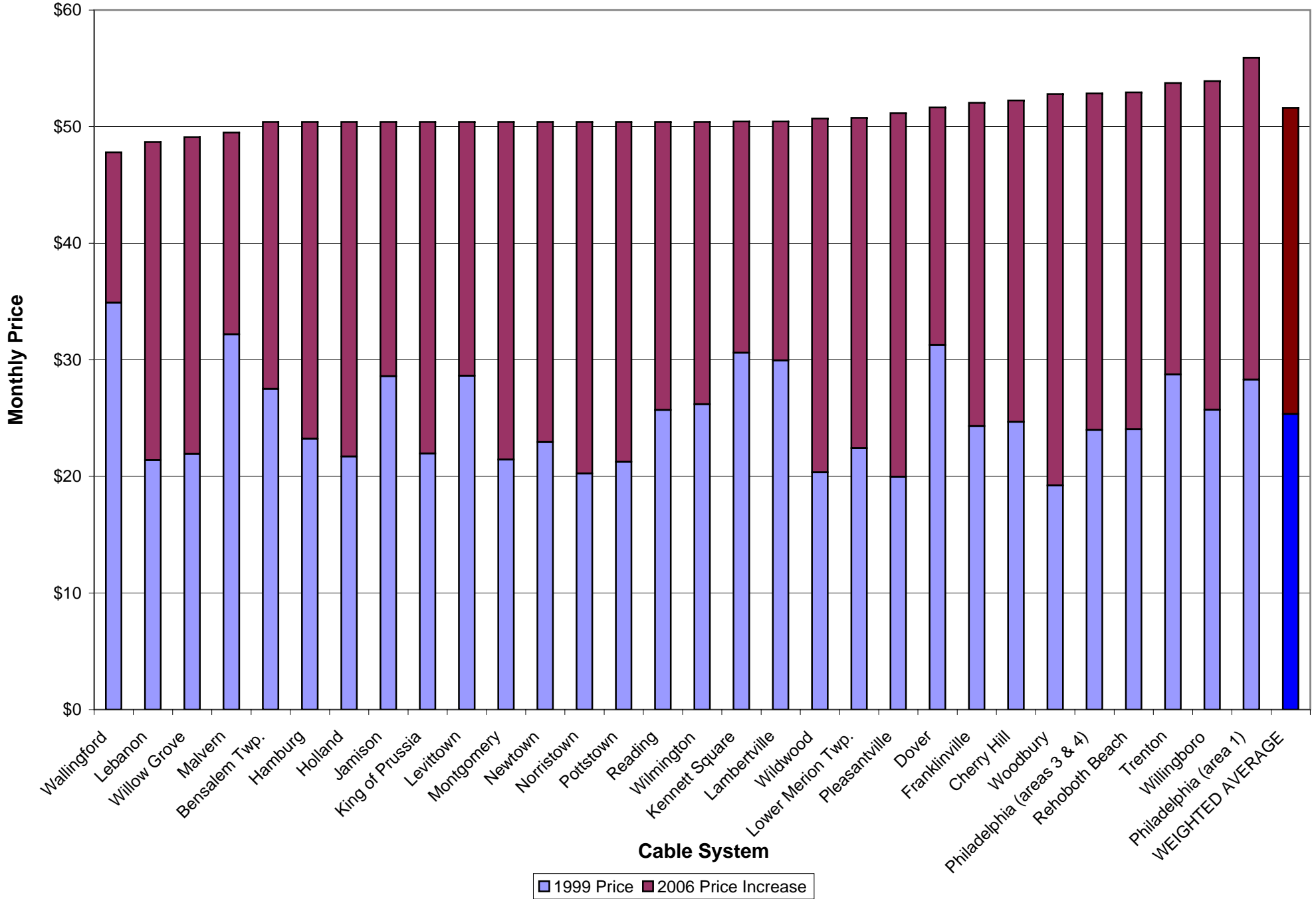
FCC 05-12, p. 20 for FCC benchmarks.

Exhibit 11 of Beyer Declaration (Nov 2004) for Philadelphia Cluster prices.

TV & Cable Factbook (1999) for 1999 channels.

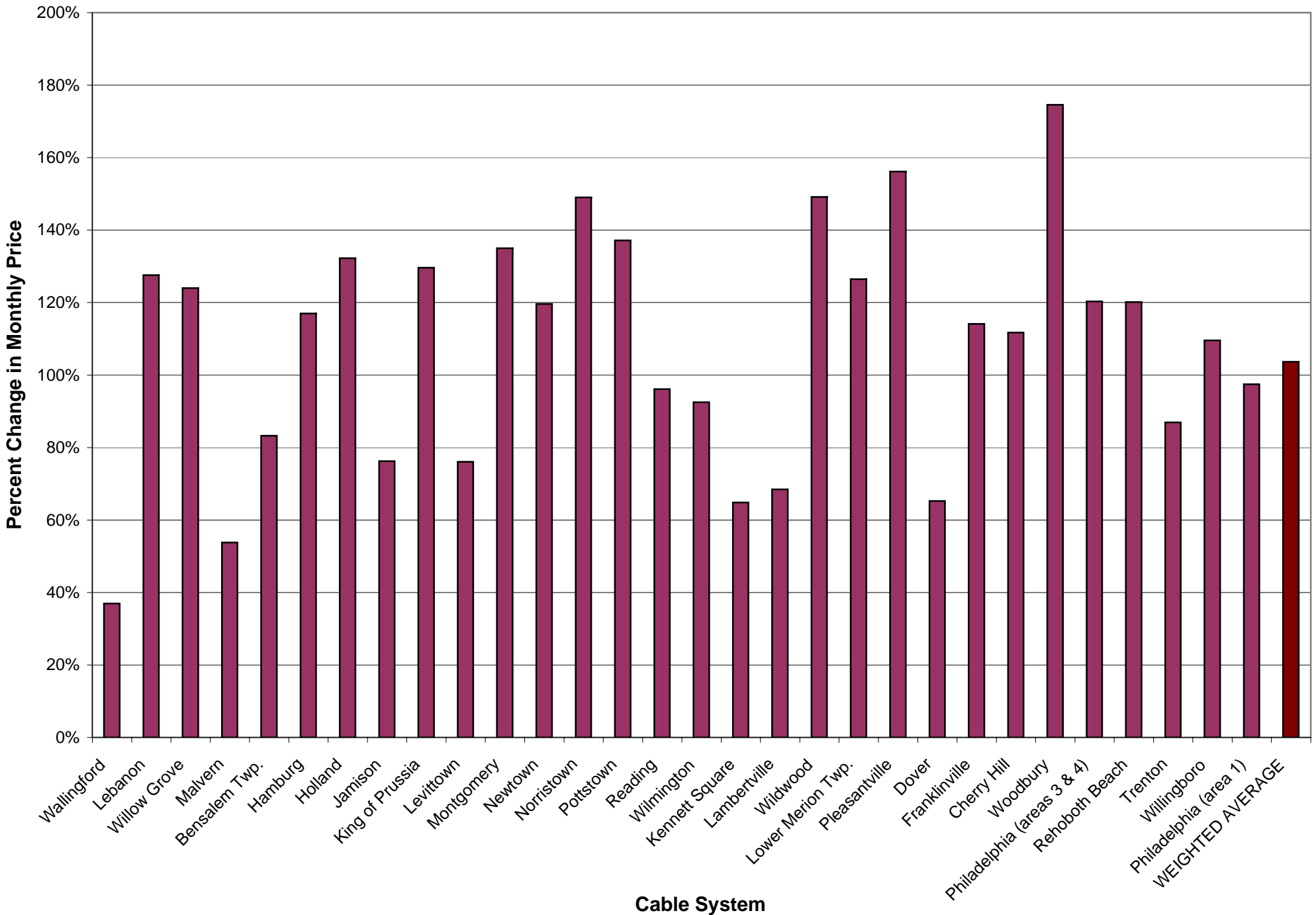
2004 channels are from channel data produced by Dr. Besen, with PEG channels from TV & Cable Factbook (2004) added.

**Exhibit 2 - Monthly Price for Expanded Basic Programming  
Philadelphia Cluster Cable Systems -  
1999 and 2006**



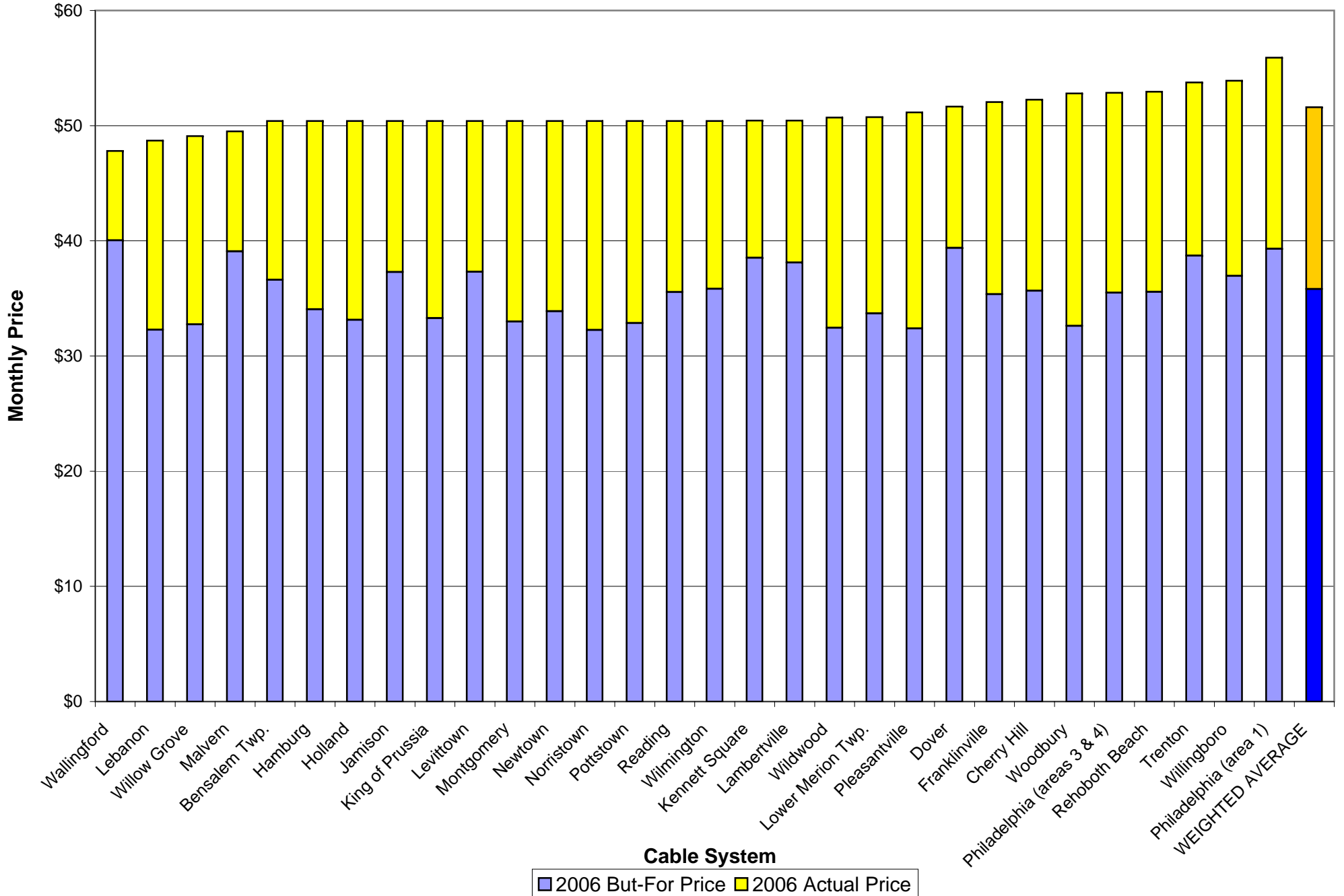
Source: Appendix C of September 21, 2006 Updated Declaration of Dr. Beyer. Limited to cable systems (or communities) for which both 1999 and 2006 prices were available. The Weighted Average is weighted by the number of subscribers in each cable system.

**Exhibit 3 - Percent Change in Monthly Price for Expanded Basic Cable Programming  
in Philadelphia Cluster Cable Systems - 1999 to 2006**



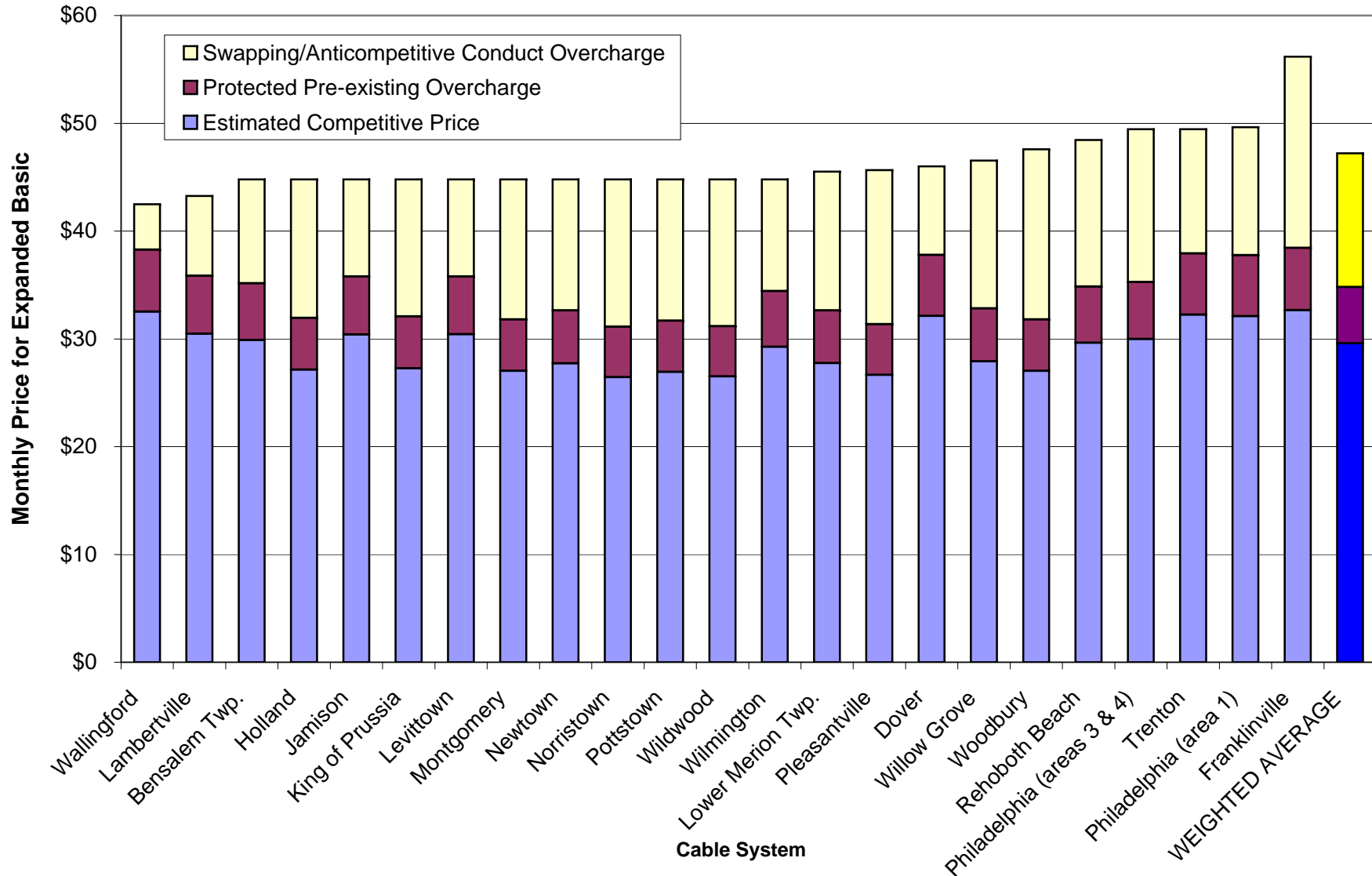
Source: Exhibit 2; measured as the percentage change in price from 1999 to 2006.

**Exhibit 4 - Actual and Illustrative Estimate of But-For Prices  
Philadelphia Cluster Cable Systems - 2006**



Source: Exhibit 2 for Actual 2006 Price. The But-For 2006 Price was estimated for illustrative purposes, based upon the 89.3% (Philadelphia Cluster) and 39.6% (FCC for all US) price change differential for the period 1999 to 2004, the latest year available from the FCC.

### Exhibit 5 - Illustration of Damages Components for Philadelphia Cluster - 2004



Source: Exhibit 2; Swapping/Anticompetitive Conduct Overcharge is estimated using the 89.3% (Philadelphia Cluster) vs. 39.6% (FCC benchmark) differential in price change from 1999 to 2004; Protected Pre-existing Overcharge is estimated using the 15% price differential for overbuild systems reported by the FCC and other studies of cable prices.

Channel	Total Cable Systems with Channel	DE0003 REHOBOTH BEACH	DE0004 DOVER	DE0006 WILMINGTON	NJ0003 CHERRY HILL	NJ0006 PLEASANTVILLE	NJ0015 TRENTON	NJ0017 WILLINGBORO	NJ0022 WOODBURY	NJ0034 FRANKLINVILLE	NJ0041 GLOUCESTER	NJ0042 LAMBERTVILLE	NJ0051 WINDSOR	EAST WALLINGFORD	PA0002 WALLINGFORD	PA0005 PHILADELPHIA areas 1	PA0012 READING	PA0014 CHESTER COUNTY
Monthly Price (\$)		52.95	51.65	50.40	52.25	51.15	53.75	53.90	52.80	52.05	50.20	50.45	56.75	47.80	55.90	50.40	50.65	
<b>Total Channels in Cable System</b>		<b>63</b>	<b>68</b>	<b>70</b>	<b>67</b>	<b>68</b>	<b>57</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>68</b>	<b>71</b>	<b>73</b>	<b>69</b>	<b>66</b>	<b>73</b>	<b>67</b>	
ESPN	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Arts & Entertainment	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cartoon Network	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CNBC	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CNN	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Comedy Central	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Discovery Channel	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
E! Entertainment Television	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Headline News	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Learning Channel	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Lifetime	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MTV	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Nickelodeon	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
QVC	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Sci-Fi Channel	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TBS Superstation	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
USA Network	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
VH1	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Weather Channel	33	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ABC Family Channel	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
American Movie Classics	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Court TV Networks	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ESPN 2	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Food Network	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
HGTV	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MSNBC	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Speed Channel	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Spike TV	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Turner Network TV	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Bravo	31	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
C-SPAN	31	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Golf Channel	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
History Channel	31	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WPHL-TV (WBN) Philadelphia	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WPSG (UPN) Philadelphia	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WPVI-TV (ABC) Philadelphia	32	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Country Music TV	31	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Fox News Channel	30	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
FX	30	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
KYW-TV (CBS) Philadelphia	31	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TV Land	30	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WCAU (NBC) Philadelphia	31	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WHYY-TV (PBS) Wilmington	31	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WTXF-TV (FOX) Philadelphia	31	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Animal Planet	29	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
BET	29	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WGTV-TV (IND) Burlington	30	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Disney Channel	28	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Eternal Word TV Network	28	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
GSN	28	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WFMZ-TV (IND) Allentown	28	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Comcast SportsNet Philly	27	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Discovery Health Channel	27	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Turner Classic Movies	27	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WUVP-TV (UNV) Vineland	27	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WPPX (ION) Wilmington	26	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
C-SPAN 2	24	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Outdoor Life Network	25	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Style Network	25	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Home Shopping Network	23	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WYBE (ETV) Philadelphia	24	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WTVE (IND) Reading	22	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WWSI (TMO) Atlantic City	22	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CN8: The Comcast Network	20	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Travel Channel	16	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WLVT-TV (PBS) Allentown	17	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MTV2	15	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Philadelphia Park Live	16	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TV Guide Channel	14	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WBPH-TV (IND) Bethlehem	12	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MarketConnect Network	11	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WMCN-DT (IND) Atlantic City	11	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WNJT (PBS) Trenton	11	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Channel	PA0016 LEVITTOWN	PA0017 SELLERSVILLE	PA0024 LEBANON	PA0027 BENSALEM TWP	PA0028 NORRISTOWN	PA0033 JAMISON	PA0034 MALVERN	PA0059 OF PRUSSIA	KING KENNETT SQUARE	PA0071 NEWTOWN	PA0083 HAMBURG	PA0345 HOLLAND	PA0352 LANSDALE	PA0394 POTTSTOWN	PA0425 WILLOW GROVE	PA0453 TRAPPE	PA0048 LOWER MERION TWP
Monthly Price (\$)	50.40	50.40	48.70	50.40	50.40	50.40	49.50	50.40	50.45	50.40	50.40	50.40	50.40	50.40	49.10	50.40	50.75
<b>Total Channels in Cable System</b>	<b>69</b>	<b>69</b>	<b>71</b>	<b>71</b>	<b>70</b>	<b>70</b>	<b>71</b>	<b>69</b>	<b>71</b>	<b>70</b>	<b>75</b>	<b>41</b>	<b>68</b>	<b>67</b>	<b>69</b>	<b>65</b>	<b>64</b>
ESPN	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Arts & Entertainment	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Cartoon Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CNBC	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CNN	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Comedy Central	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Discovery Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
E! Entertainment Television	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Headline News	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Learning Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Lifetime	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MTV	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Nickelodeon	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
OVC	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Sci-Fi Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TBS Superstation	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
USA Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
VH1	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Weather Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ABC Family Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
American Movie Classics	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Court TV Networks	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ESPN 2	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Food Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
HGTV	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MSNBC	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Speed Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Spike TV	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Turner Network TV	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Bravo	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
C-SPAN	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Golf Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
History Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WPHL-TV (WBN) Philadelphia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WPSG (UPN) Philadelphia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WPVI-TV (ABC) Philadelphia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Country Music TV	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Fox News Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
FX	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
KYW-TV (CBS) Philadelphia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TV Land	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WCAU (NBC) Philadelphia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WHYY-TV (PBS) Wilmington	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WTXF-TV (FOX) Philadelphia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Animal Planet	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
BET	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WGTW-TV (IND) Burlington	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Disney Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Eternal Word TV Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
GSN	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WFMZ-TV (IND) Allentown	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Comcast SportsNet Philly	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Discovery Health Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Turner Classic Movies	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WUVP-TV (UNV) Vineland	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WPPX (ION) Wilmington	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
C-SPAN 2	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Outdoor Life Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Style Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Home Shopping Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WYBE (ETV) Philadelphia	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WTVR (IND) Reading	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WWSI (TMO) Atlantic City	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CN8: The Comcast Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Travel Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WLVTV-TV (PBS) Allentown	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MTV2	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Philadelphia Park Live	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TV Guide Channel	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WBPH-TV (IND) Bethlehem	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MarketConnect Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WMCN-DT (IND) Atlantic City	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WNJT (PBS) Trenton	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X



Channel	Total Cable Systems with Channel	DE0003 REHOBOTH BEACH	DE0004 DOVER	DE0006 WILMINGTON	NJ0003 CHERRY HILL	NJ0006 PLEASANTVILLE	NJ0015 TRENTON	NJ0017 WILLINGBORO	NJ0022 WOODBURY	NJ0034 FRANKLINVILLE	NJ0041 GLOUCESTER	NJ0042 LAMBERTVILLE	NJ0051 WINDSOR	EAST WALLINGFORD	PA0002 WALLINGFORD	PA0005 PHILADELPHIA areas 1	PA0012 READING	PA0014 CHESTER COUNTY
Hallmark Channel	10	X	X		X						X						X	X
WNJS (PBS) Camden	10			X	X	X			X	X	X				X	X		X
CN8	8				X	X		X	X		X							
ESPN Classic Sports	8				X								X					X
Pennsylvania Cable Network	8															X	X	
ShopNBC	8	X			X			X	X		X			X				
Home Shopping Network 2	7	X				X				X	X			X				
WGAL (NBC) Lancaster	6																X	X
Univision	6	X	X															X
WNET (PBS) Newark	5						X						X	X				X
i - Independent Television	5	X				X								X			X	
WNJN (PBS) Montclair	4												X	X				
WPIX (WBN) New York	4						X						X	X				
INSP	4			X		X		X		X								
Telemundo	4					X												
WABC-TV (ABC) New York	3						X						X	X				
WCBS-TV (CBS) New York	3						X						X	X				
WNBC (NBC) New York	3						X						X	X				
WNYW (FOX) New York	3						X						X	X				
WWOR-TV (UPN) Secaucus	3						X						X	X				
Oxygen	3																	
SoapNet	3	X	X											X				
Trinity Broadcasting Network	3	X	X															
WTF-TV (PBS) Harrisburg	3																	
WPMT (FOX) York	3																	
WPXN-TV (ION) New York	2						X						X					
WXTV (UNV) Palerson	2						X							X				
Comcast SportsNet Mid-Atlantic	2	X		X														
GalaVision	2																	
Great American Country (GAC)	2	X	X															
Madison Square Garden Network	2												X	X				
Sneak Prevue	2				X		X											
Style TV	2			X														
TV One	2	X	X															
WBOC-TV (CBS) Salisbury	2	X	X															
WFUT-TV (TEL) Newark	1													X				
WMDT (ABC) Salisbury	2	X	X															
WNJU (TMO) Linden	1													X				
WVIA-TV (PBS) Scranton	2																	
Yankees Entertainment & Sports (YES)	2												X	X				
American Life TV Network	1																	
America's Store	1	X																
BET J	1																	
Comcast/Charter Sports Southeast (CSSS)	1																	
Encore	1																	
Encore Action	1																	
FITV	0																	
Fox Sports Net New York	0																	
Fuse	0																	
GAS	1		X															
KDKA-TV (CBS) Pittsburgh	0																	
News 12 New Jersey	1													X				
News 12 Traffic & Weather	0																	
Outdoor Channel	1																	
Product Information Network (PIN)	1																	
Showtime	1			X														
Superslotion WGN	0																	
WDPB (PBS) Seaford	1	X																
WE: Women's Entertainment	0																	
WCCB-TV (IND) Red Lion	1																	
WHP-TV (CBS) Harrisburg	1																	
WHM-TV (ABC) Harrisburg	1																	
WJAC-TV (NBC) Johnstown	0																	
WLYH-TV (UPN) Lancaster	1																	
WMBC-TV (IND) Newton	1													X				
WMGM-TV (NBC) Wildwood	1					X												
WMPT (PBS) Annapolis	1	X																
WNYE-TV (PBS) New York	1													X				
WPCB-TV (IND) Greensburg	0																	
WPSU-TV (PBS) Clearfield	0																	
WRNN-TV (IND) Kingslon	0																	
WTAE-TV (ABC) Pittsburgh	0																	
WTAJ-TV (CBS) Altoona	0																	
WWSI-DT (TMO) Atlantic City	1																	

Channel	PA0016 LEVITTOWN	PA0017 SELLERSVILLE	PA0024 LEBANON	PA0027 BENSALEM TWP	PA0028 NORRISTOWN	PA0033 JAMISON	PA0034 MALVERN	PA0059 OF PRUSSIA	KING KENNETT SQUARE	PA0071 NEWTOWN	PA0102 HAMBURG	PA0345 HOLLAND	PA0352 LANSDALE	PA0394 POTTSTOWN	PA0425 WILLOW GROVE	PA0453 TRAPPE	PA0048 LOWER MERION TWP
Hallmark Channel			X				X		X		X						
WNJS (PBS) Camden													X				
CN8			X		X						X						
ESPN Classic Sports	X						X		X								X
Pennsylvania Cable Network			X	X			X		X		X		X				
ShopNBC			X								X						
Home Shopping Network 2								X									X
WGAL (NBC) Lancaster			X				X		X		X						
Univision			X											X		X	
WNET (PBS) Newark						X					X						
i - Independent Television			X														
WNJN (PBS) Montclair	X																X
WPIX (WBN) New York				X													
INSP																	
Telemundo							X	X	X								
WABC-TV (ABC) New York																	
WCBS-TV (CBS) New York																	
WNBC (NBC) New York																	
WNYW (FOX) New York																	
WWOR-TV (UPN) Secaucus																	
Oxygen			X								X						
SoapNet																	
Trinity Broadcasting Network																	
WITF-TV (PBS) Harrisburg			X								X						
WPMT (FOX) York			X								X						
WPXN-TV (ION) New York																	
WXTV (UNV) Paterson																	
Comcast SportsNet Mid-Atlantic																	
GalaVision											X						
Great American Country (GAC)																	
Madison Square Garden Network																	
Sneak Prevue																	
Style TV		X															
TV One																	
WBOC-TV (CBS) Salisbury																	
WFUT-TV (TEL) Newark																	
WMDT (ABC) Salisbury																	
WNJU (TMO) Linden																	
WVIA-TV (PBS) Scranton			X														
Yankees Entertainment & Sports (YES)																	
American Life TV Network			X														
America's Store																	
BET J																	
Comcast/Charter Sports Southeast (CSS)					X												
Encore					X												
Encore Action								X									
FitTV																	
Fox Sports Net New York																	
Fuse																	
GAS																	
KDKA-TV (CBS) Pittsburgh																	
News 12 New Jersey																	
News 12 Traffic & Weather																	
Outdoor Channel							X										
Product Information Network (PIN)													X				
Showtime																	
Superstation WGN																	
WDPB (PBS) Seaford																	
WE: Women's Entertainment																	
WGCB-TV (IND) Red Lion			X														
WHP-TV (CBS) Harrisburg			X														
WHTM-TV (ABC) Harrisburg			X														
WJAC-TV (NBC) Johnstown																	
WLYH-TV (UPN) Lancaster			X														
WMBC-TV (IND) Newton																	
WMGM-TV (NBC) Wildwood																	
WMPT (PBS) Annapolis																	
WNYE-TV (PBS) New York																	
WPCB-TV (IND) Greensburg																	
WPSU-TV (PBS) Clearfield																	
WRNN-TV (IND) Kingston																	
WTAE-TV (ABC) Pittsburgh																	
WTAJ-TV (CBS) Altoona																	
WWSI-DT (TMO) Atlantic City		X															