



The **WALT DISNEY** Company

Bill Bailey
Vice President
Government Relations

August 2, 2013

Ms. Charlotte Savercool
Legislative Clerk
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Ms. Savercool,

On June 12, 2013, Ben Pyne, President, Global Distribution, Disney Media Networks, testified before your committee. On July 24, 2013, Chairman Walden sent Mr. Pyne several Questions for the Record (QFRs). Attached are Ben Pyne's responses to the QFRs.

Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Bailey', with a large, stylized flourish at the end.

Bill Bailey

Attachments (5)

The Honorable Mike Doyle

1. **What are the technical or legal limitations that prevent video providers in the United States from offering DVR services that automatically record live events from beginning to end regardless of whether the event is extended due delays or overtime?**

In the context of the multichannel video market, the Walt Disney Company is a broadcaster and a programmer. We are not currently in the business of selling either DVR equipment or service.

2. **During the NHL playoffs, games went into single, double, and triple overtime. Viewers that time shifted these games largely had to guess when they would end. I understand that video providers in Europe receive real-time flagging information from content providers that alert DVR systems to the start and end of programming, what impediments prevent a similar system from being widely deployed in the United States?**

Please see our response to Question 1.

3. **What can Congress or the FCC do to help enable this functionality?**

We believe any discussion of real-time flagging functionality is best left to the marketplace.

4. **I understand that you testified that although Disney never “tied” products, it did offer popular and less popular networks in “packages.” I am not sure I fully understand the difference and thus I would like to receive at your earliest convenience a copy of Disney’s rate card showing all of the prices its networks, including the card that shows the prices for the packages that you mentioned. Please indicate which networks are available for individual purchase without the necessity of licensing or obtaining retransmission consent for any other network or station, and the rate payable when the network is purchased individually, or the range of rates if volume discounts apply.**

The Walt Disney Company does not engage in anticompetitive tying arrangements. Given the competitively sensitive nature of our pricing information, I am not able to share it. I have executed three sworn affidavits in the past attesting that “Disney offers retransmission rights to each of its ABC-owned broadcast stations for standalone cash payments” and that “Disney does not require carriage of any of its cable programming services as a condition to retransmission rights to its ABC-owned television stations.” I further attested that “Disney does not require carriage of any of its other programming services as a condition to carriage of its two most popular cable channels: ESPN and Disney Channel.” I am attaching a copy of each of these affidavits to this response.

DECLARATION OF BENJAMIN N. PYNE

I, Benjamin N. Pyne, President, Global Distribution, Disney Media Networks, have responsibility for negotiating for multi-channel video programming distributor ("MVPD") carriage of the ten ABC-owned television stations and The Walt Disney Company's cable networks, including ESPN, ESPN2, ESPN Classic, ESPNEWS, ESPN Deportes, ESPNU, Disney Channel, Toon Disney, ABC Family and SOAPnet.

I attest that Disney negotiates retransmission consent only on behalf of the ten ABC-owned television stations and distribution deals only on behalf of The Walt Disney Company's cable networks, including ESPN, ESPN2, ESPN Classic, ESPNEWS, ESPN Deportes, ESPNU, Disney Channel, Toon Disney, ABC Family and SOAPnet.

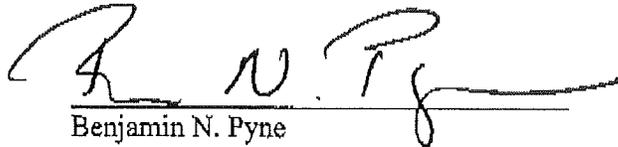
Disney has no authority to negotiate for, and does not negotiate for, carriage of the signals of the ABC affiliates it does not own or control on any distribution platform and the affiliates have no authority to negotiate for, and do not negotiate for, carriage of any Disney-owned cable network.

In negotiating for MVPD carriage for the ABC-owned television stations and The Walt Disney Company's cable networks:

- Disney offers retransmission rights to each of its ABC-owned broadcast stations for standalone cash payments. Disney does not require carriage of any of its cable programming services as a condition to retransmission rights to its ABC-owned television stations.
- Disney does not require carriage of any of its other programming services as a condition to carriage of its two most popular cable channels: ESPN and Disney Channel. Any MVPD who wishes to carry Disney Channel or ESPN without carrying other Disney programming services may elect to do so at a standalone rate that reflects the market value of those channels on a stand alone basis.
- The only Disney cable networks that are not available on a stand-alone basis are complementary ESPN services, such as ESPNEWS and ESPN2, which have never been intended to be offered to MVPDs or subscribers without the flagship ESPN channel.
- Disney offers package discounts to MVPDs who agree to carry multiple channels in order to gain broader carriage for those services. Many MVPDs take advantage of Disney's packaged offerings.
- For small cable operators, Disney negotiates cable carriage arrangements through the National Cable Television Cooperative, Inc. ("NCTC"). Disney's arrangements with NCTC benefit approximately 1,065 operators with an aggregate subscribership of approximately 8 million subscribers.

[Signature on Next Page]

I hereby declare, under penalty of perjury, that, to the best of my knowledge, information and belief, all of the factual information contained herein is accurate and complete.

A handwritten signature in black ink, appearing to read "B. N. Pyne", written over a horizontal line.

Benjamin N. Pyne
President, Global Distribution,
Disney Media Networks

January 3, 2008

DECLARATION OF BENJAMIN N. PYNE

I, Benjamin N. Pyne, Executive Vice President, Disney and ESPN Networks Affiliate Sales and Marketing, have responsibility for negotiating for multi-channel video programming distributor (“MVPD”) carriage of the ABC owned television stations and The Walt Disney Company’s cable networks, including ESPN, ESPN2, ESPN Classic, ESPNEWS, Disney Channel, Toon Disney, ABC Family and SOAPnet.

I attest that, in negotiating for MVPD carriage:

- Disney does not require carriage of its cable programming services in exchange for its consent to carriage of its ABC-owned television stations;
- Disney offers carriage of its ABC-owned broadcast stations for standalone cash payments;
- Disney does not require carriage of any of its other programming services before it will permit carriage of Disney Channel;
- ESPN offers the opportunity for any MVPD to carry only the ESPN service;
- ESPN does not require carriage of any of its other programming services before it will permit carriage of the ESPN service;
- An MVPD who wishes to carry Disney Channel or ESPN without carrying other Disney programming services may elect to do so;
- Disney offers MVPDs significant flexibility to choose the manner in which they carry its many services;
- MVPDs may negotiate for carriage of ESPN2 and ESPN Classic on the first, second or third most widely-penetrated tier;
- Disney negotiates for carriage of ESPN, Disney Channel and ABC Family on either the first or second most widely-penetrated tier of service;
- ESPNEWS, Toon Disney and SOAPnet are available to be carried on any tier;
- Disney offers all of its most popular programming services—ABC, ESPN and Disney Channel—on a standalone basis;
- An MVPD may carry ESPN but not ESPN2; and
- An MVPD may carry ABC but not SOAPnet.

I hereby declare, under penalty of perjury, that, to the best of my knowledge, information and belief, all of the factual information contained herein is accurate and complete.



Benjamin N. Pyne
Executive Vice President, Disney and ESPN
Networks Affiliate Sales and Marketing

August 13, 2004

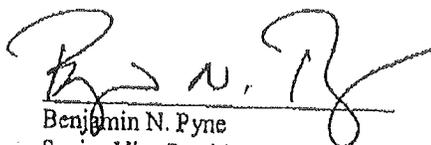
EXHIBIT A

DECLARATION OF BEN PYNE

I am Senior Vice President of Affiliate Sales and Marketing for ABC Cable Networks Group. Among other responsibilities, I am responsible for working with the ABC owned television stations to negotiate retransmission agreements for the ten ABC owned television stations.

I attest that, in negotiating for retransmission consent, ABC offers MVPDs a cash stand-alone price for retransmission consent for the ABC owned stations. If the cable operator accepts that offer, that decision results in no additional obligation to carry any Disney/ABC programming. To the extent that any given MVPD decides not to accept ABC's stand-alone cash offer, and instead elects the alternative to negotiate to carry programming, that decision is made by the individual MVPD. We attempt to work with the MVPD to customize a reasonable offer to address their particular needs.

I hereby declare, under penalty of perjury, that, to the best of my knowledge, information, and belief, all of the factual information contained in this Declaration is accurate and complete.



Benjamin N. Pyne
Senior Vice President of Affiliate
Sales and Marketing
ABC Cable Networks Group

February 3, 2003