

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,

and

STATE OF NEW YORK,

Plaintiffs,

v.

VERIZON COMMUNICATIONS INC.,
CELLCO PARTNERSHIP d/b/a VERIZON
WIRELESS,
COMCAST CORP.,
TIME WARNER CABLE INC.,
COX COMMUNICATIONS, INC., and
BRIGHT HOUSE NETWORKS, LLC,

Defendants.

FILED

AUG 13 2013

Clerk, U.S. District & Bankruptcy
Courts for the District of Columbia

Case: 1:12-cv-01354 (RMC)

~~PROPOSED~~ FINAL JUDGMENT

WHEREAS, Plaintiffs, United States of America and the State of New York, filed their Complaint on August 16, 2012, Plaintiffs and Defendants, by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against or admission by any party regarding any issue of fact or law;

AND WHEREAS, Defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, Plaintiffs require Defendants to agree to undertake certain actions and refrain from certain conduct for the purposes of remedying the unlawful restraints of trade alleged in the Complaint;

AND WHEREAS, Defendants have represented to Plaintiffs that actions and conduct restrictions can and will be undertaken and that Defendants will later raise no claim of hardship or difficulty as grounds for asking the Court to modify any of the provisions contained below;

NOW THEREFORE, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is ORDERED, ADJUDGED AND DECREED:

I. Jurisdiction

This Court has jurisdiction over the subject matter of and each of the parties to this action. The Complaint states a claim upon which relief may be granted against Defendants under Section 1 of the Sherman Act, 15 U.S.C. § 1.

II. Definitions

As used in this Final Judgment:

A. “BHN” means defendant Bright House Networks, LLC, a Delaware limited liability company with its headquarters in East Syracuse, New York, its successors and assigns,

and its Subsidiaries, divisions, groups, Partnerships and Joint Ventures, and their directors, officers, managers, agents, and employees.

B. “Broadband Internet services” means the provision to end-users of high-speed (capable of download speeds exceeding 760 kbps) connectivity to the Internet.

C. “Cable Defendants” means Comcast, TWC, BHN, and Cox, acting individually or collectively, as appropriate.

D. “Cable Service” means any wireline Broadband Internet service, telephony service, or Video Programming Distribution service offered by a Cable Defendant, or any bundle thereof, provided over facilities owned or operated by such Cable Defendant.

E. “Comcast” means defendant Comcast Corporation, a Pennsylvania corporation with its headquarters in Philadelphia, Pennsylvania, its successors and assigns, and its Subsidiaries, divisions, groups, Partnerships and Joint Ventures, and their directors, officers, managers, agents, and employees.

F. “Commercial Agreements” means: (1) the Reseller Agreement for Comcast Cable Communications, LLC, by and between VZW and Comcast Cable Communications, LLC, (2) the Comcast Agent Agreement, dated December 2, 2011 by and between Comcast Cable Communications, LLC and VZW, (3) the VZW Agent Agreement, dated December 2, 2011, by and between VZW and Comcast Cable Communications, LLC, as amended by Amendment Number 1, effective as of December 2, 2011, (4) the Reseller Agreement for Time Warner Cable Inc., by and between VZW and TWC, (5) the TWC Agent Agreement, dated December 2, 2011 by and between TWC and VZW, (6) the VZW Agent Agreement, dated December 2, 2011, by and between VZW and TWC, as amended by Amendment Number 1, effective as of December

6, 2011 and Amendment Number 2, effective as of June 4, 2012, (7) the BHN Agent Agreement, dated December 2, 2011 by and between BHN and VZW, (8) the VZW Agent Agreement, dated December 2, 2011, by and between VZW and BHN, (9) the Reseller Agreement for Bright House Networks, LLC, by and between VZW and BHN, (10) the Cox Agent Agreement, dated December 16, 2011 by and between Cox and VZW, (11) the VZW Agent Agreement, dated December 16, 2011, by and between VZW and Cox, as amended by Amendment Number 2, effective as of May 14, 2012, (12) the Reseller Agreement for Cox, by and between Cox and VZW, and (13) all schedules, exhibits, and amendments variously thereto.

G. “Competitively Sensitive Cable Information” means any non-public information relating to the price, terms, availability, or marketing plans of Cable Services.

H. “Competitively Sensitive VZT Information” means any non-public information relating to the price, terms, availability, or marketing plans of VZT Services.

I. “Cox” means defendant Cox Communications, Inc., a Delaware corporation with its headquarters in Atlanta, Georgia, its successors and assigns, and its Subsidiaries, divisions, groups, Partnerships and Joint Ventures, and their directors, officers, managers, agents, and employees.

J. “DSL Footprint” means any territory that is, as of the date of entry of this Final Judgment, served by a wire center that provides Digital Subscriber Line (“DSL”) service to more than a *de minimis* number of customers over copper telephone lines owned and operated by VZT, but excluding any territory in the FiOS Footprint.

K. “DSL Footprint Store” is any Verizon Store that shares a 5-digit zip code with any street address in the DSL Footprint, but excluding any FiOS Footprint Stores.

L. “Defendants” means Verizon, Verizon Wireless, Comcast, TWC, BHN, and Cox, acting individually or collectively, as appropriate.

M. “FiOS Footprint” means any territory in which Verizon at the date of entry of this Final Judgment or at any time in the future: (i) has built out the capability to deliver FiOS Services, (ii) has a legally binding commitment in effect to build out the capability to deliver FiOS Services, (iii) has a non-statewide franchise agreement or similar grant in effect authorizing Verizon to build out the capability to deliver FiOS Services, or (iv) has delivered notice of an intention to build out the capability to deliver FiOS Services pursuant to a statewide franchise agreement.

N. “FiOS Footprint Store” is any Verizon Store that shares a 5-digit zip code with any street address in the FiOS Footprint.

O. “FiOS Service” means any wireline Broadband Internet service, telephony service, or Video Programming Distribution service offered by Verizon that operates over fiber to the home over facilities owned or operated by Verizon.

P. “JOE Agreement” means the Limited Liability Company Agreement of Joint Operating Entity, LLC, dated December 2, 2011, among JOE LLC, Comcast, VZW, Time Warner Cable LLC, and BHN, and all schedules, exhibits, and amendments thereto.

Q. “JOE LLC” means Joint Operating Entity, LLC, a Delaware limited liability company, its successors and assigns, and its Subsidiaries, divisions, groups, Partnerships and Joint Ventures, and their directors, officers, managers, agents, and employees.

R. “Non-Verizon Wireless Service” means any wireless service provided to an end-user over any network operating over wireless spectrum licensed by the Federal Communications

Commission (“FCC”) pursuant to the FCC’s rules and offered by an entity other than Verizon Wireless.

S. “Person” means any natural person, corporation, company, partnership, joint venture, firm, association, proprietorship, agency, board, authority, commission, office, or other business or legal entity, whether private or governmental.

T. “Sell” (including the correlative terms “Sale” and “Selling”) means offer, promote, market, or sell.

U. “Subsidiary,” “Partnership,” and “Joint Venture” refer to any person in which there is partial (25 percent or more) or total ownership or control between the specified person and any other person, provided that (1) BHN is not a Subsidiary, Partnership, or Joint Venture of TWC for any purpose of this Final Judgment; (2) Hulu, LLC is not a Subsidiary, Partnership, or Joint Venture of Comcast for any purpose of this Final Judgment; (3) Midcontinent Communications is not a Subsidiary, Partnership, or Joint Venture of Comcast for any purpose of this Final Judgment; (4) JVL Ventures, LLC is not a Subsidiary, Partnership, or Joint Venture of Verizon Wireless for any purpose of this Final Judgment; and (5) TCM Parent, LLC (d/b/a Travel Channel) is not a Subsidiary, Partnership, or Joint Venture of Cox for any purpose of this Final Judgment.

V. “TWC” means defendant Time Warner Cable Inc., a Delaware corporation with its headquarters in New York, New York, its successors and assigns, and its Subsidiaries, divisions, groups, Partnerships and Joint Ventures, and their directors, officers, managers, agents, and employees.

W. “Verizon” means defendant Verizon Communications Inc., a Delaware corporation with its headquarters in New York, New York, its successors and assigns, and its Subsidiaries, divisions, groups, Partnerships and Joint Ventures, and their directors, officers, managers, agents, and employees.

X. “Verizon Defendants” means Verizon and Verizon Wireless, acting individually or collectively, as appropriate.

Y. “Verizon Store” is any retail store, kiosk, or other physical location open to the public that is in any part owned or operated, directly or indirectly, by Verizon or Verizon Wireless. Stores that are authorized to sell Verizon Wireless Services but that are not in any part owned or operated by Verizon or Verizon Wireless are not Verizon Stores.

Z. “Verizon Wireless” or “VZW” mean defendant Cellco Partnership d/b/a Verizon Wireless, a joint venture between Verizon Communications Inc. and Vodafone Group, plc.

AA. “Verizon Wireless Equipment” means any end-user equipment designed to allow a user to access a Verizon Wireless Service.

BB. “Verizon Wireless Service” means any retail wireless service offered by Verizon Wireless and provided to an end-user over any network operating over wireless spectrum licensed by the Federal Communications Commission (“FCC”) pursuant to the FCC’s rules.

CC. “Video Programming Distribution” means the distribution of professional video programming to residential customers.

DD. “VZT” means any subsidiary or entity within Verizon that offers consumer wireline services in the United States.

EE. “VZT Service” means any Broadband Internet service, telephony service, Video Programming Distribution service, or any other consumer service offered by VZT, or any bundle thereof, including FiOS Services, over facilities owned, operated, or leased by VZT.

FF. “Wireless Exclusivity Provision” means any contractual provision that restricts or prohibits the sale of a Non-Verizon Wireless Service by a Cable Defendant.

III. Applicability

This Final Judgment applies to Verizon, Verizon Wireless, Comcast, TWC, BHN, and Cox, as defined above, and all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

IV. Required Conduct

Within thirty (30) calendar days after the filing of the Complaint in this matter, or five (5) calendar days after notice of the entry of this Final Judgment by the Court, whichever is later:

A. Defendants shall amend the Commercial Agreements so that there is unambiguously no restriction or condition on the sale by Verizon Wireless of any Verizon Wireless Service. Under the amended Commercial Agreements, Verizon Wireless shall be free to sell Home Fusion, Home Phone Connect, or any other Verizon Wireless Service.

B. Defendants shall amend the Commercial Agreements so that there is unambiguously no restriction or condition on the sale by Verizon Wireless of any VZT Service. Under the amended Commercial Agreements, Verizon Wireless shall not be required to sell Cable Services on an “equivalent basis” as VZT Services, nor shall Verizon Wireless’s freedom

to sell VZT Services relate in any way to Verizon Wireless's efforts or successes in selling Cable Services.

C. Defendants shall amend the Commercial Agreements so that there is unambiguously no restriction on Verizon Wireless's ability to authorize, permit, or enable VZT to sell a Verizon Wireless Service in combination with VZT Services or any Person's Broadband Internet, telephony, or Video Programming Distribution service. Notwithstanding the foregoing, the amended Commercial Agreements may prohibit Verizon Wireless from initiating or marketing such a combined Sale.

D. Verizon Wireless, Comcast, TWC, and BHN shall amend the JOE Agreement to give each of TWC and BHN the right to independently develop any technology that TWC or BHN has first presented to the Board of Managers of JOE LLC. The amended JOE Agreement may, however, prohibit TWC or BHN from developing such technology that JOE LLC has determined to pursue for so long as JOE LLC continues to actively pursue such technology.

E. Verizon Wireless, Comcast, TWC, and BHN shall amend the JOE Agreement to clarify that any member of JOE LLC that exits JOE LLC shall, upon exit from JOE LLC (including an exit required pursuant to V.F), be granted an irrevocable, perpetual, royalty-free fully paid-up non-exclusive license with immediate rights to sublicense, exploit, and commercialize any intellectual property rights owned by JOE LLC as of the applicable exit date, except that if JOE LLC dissolves, the members at the time of dissolution may receive joint ownership of the intellectual property rights owned by JOE LLC as of the date of dissolution instead of receiving such a license. Notwithstanding the foregoing, any such license may be subject to (i) any restrictions contained in any third-party licenses granted to JOE LLC, (ii)

obligations of confidentiality with respect to trade secrets (including source code) of JOE LLC, and (iii) termination based on the licensee or any of its affiliates bringing certain intellectual property infringement claims against JOE LLC or any of its other direct or indirect licensees.

F. Defendants shall amend the Commercial Agreements so that a Cable Defendant electing to operate as a reseller of Verizon Wireless Services shall have the right to make such services commercially available six (6) months after such an election. Notwithstanding the foregoing, the amended Commercial Agreements may condition a particular Cable Defendant's election to operate as a reseller of Verizon Wireless Services on another Cable Defendant's first making such an election.

G. Defendants shall amend the Commercial Agreements to incorporate the prohibitions reflected in V.A, V.B, and V.D.

V. Prohibited Conduct

A. Verizon Wireless shall not sell any Cable Service: (a) for a street address that is within the FiOS Footprint or (b) in a FiOS Footprint Store. Verizon Wireless shall not permit any other Person to sell any Cable Service in a FiOS Footprint Store.

B. Verizon Wireless shall not, after December 2, 2016, sell any Cable Service: (a) for a street address that is within the DSL Footprint or (b) in a DSL Footprint Store. Verizon Wireless shall not, after December 2, 2016, permit any other Person to sell any Cable Service in a DSL Footprint Store. Verizon Wireless may, at any time prior to 120 days before December 2, 2016, petition the United States to allow sales of Cable Services in any subset or subsets of the DSL Footprint (up to and including the entire DSL Footprint) after December 2, 2016. Upon

such a request, the United States shall, in good faith, expeditiously examine market conditions in each subset of the DSL Footprint proposed by Verizon Wireless, to determine whether such sales will adversely impact competition. If the United States determines, in its sole discretion, that such sales in any or all of the subsets of the DSL Footprint proposed by Verizon Wireless will adversely impact competition, it may deny the petition as to those subsets. The United States shall grant or deny such a petition within sixty (60) calendar days of receiving each such petition. This provision is without prejudice to and does not limit any Defendant's right to seek any modification of the Final Judgment pursuant to Fed. R. Civ. P. 60(b)(5).

C. Notwithstanding V.A and V.B, Verizon Wireless may market Cable Services in national or regional advertising that may reach or is likely to reach street addresses in the FiOS Footprint or DSL Footprint, *provided that* Verizon Wireless does not specifically target advertising of Cable Services to local areas in which Verizon Wireless is prohibited from selling Cable Services pursuant to V.A and/or V.B. Further notwithstanding V.A and V.B, Verizon Wireless may, in any Verizon Store:

- i. service, provide, and support Verizon Wireless Equipment sold by a Cable Defendant; and
- ii. provide information regarding the availability of Cable Services, *provided that* Verizon Wireless does not enter any agreement requiring it to provide and does not receive any compensation for providing such information in any Verizon Store where Verizon Wireless is prohibited from selling Cable Services pursuant to V.A and/or V.B.

D. Verizon Wireless shall not enforce any Wireless Exclusivity Provision after December 2, 2016. Verizon Wireless may, at any time prior to 120 days before December 2, 2016, petition the United States to allow Verizon Wireless to enforce one or more Wireless Exclusivity Provisions after December 2, 2016. Upon such a request, the United States shall, in good faith, expeditiously examine market conditions to determine whether such exclusivity will adversely impact competition. If the United States determines, in its sole discretion, that such exclusivity will adversely impact competition, it may deny the petition. The United States shall grant or deny such a petition within sixty (60) calendar days of receiving each such petition. This provision is without prejudice to and does not limit any Defendant's right to seek any modification of the Final Judgment pursuant to Fed. R. Civ. P. 60(b)(5). Nothing in the foregoing requires any Cable Defendant to enter into an agreement with any wireless carrier or to otherwise engage in activities that would have violated any Wireless Exclusivity Provision if such provision had continued in effect after December 2, 2016.

E. Defendants shall not at any time, without the prior written approval of the United States in its sole discretion, enter any technology-development Joint Venture or Partnership that will as a result of such entry include both a Verizon Defendant and a Cable Defendant.

F. Any Defendant that is a member of JOE LLC shall not, without the prior written approval of the United States, remain in the JOE LLC after December 2, 2016. However, any Defendant that is a member of JOE LLC may, at any time after 180 days before December 2, 2016, and prior to 150 days before December 2, 2016, petition the United States for permission to remain a member of JOE LLC. Upon such a request, the United States shall, in good faith, expeditiously examine market conditions to determine whether the Defendant's continued

membership in JOE LLC will adversely impact competition. If the United States determines, in its sole discretion, that such continued membership will adversely impact competition, it may deny the petition. The United States shall grant or deny each such a petition within sixty (60) calendar days of receiving such petition. This provision is without prejudice to and does not limit any Defendant's right to seek any modification of the Final Judgment pursuant to Fed. R. Civ. P. 60(b)(5).

G. Defendants shall not, without the prior written approval of the United States in its sole discretion, enter into or execute any amendment, supplement, or modification to the Commercial Agreements or the JOE Agreement (including any amendments necessary to comply with this Final Judgment). This provision does not apply to: (1) agreements expressly permitted by V.I(1) or V.I(2) below, or (2) agreements changing the compensation that a Cable Defendant receives from Verizon Wireless for selling Verizon Wireless Services, *provided that* such changes are broadly implemented for both Cable Defendant and non-Cable Defendant agents of Verizon Wireless. The United States shall grant or deny a request for an exercise of its sole discretion pursuant to this paragraph within sixty (60) calendar days of receiving such a request.

H. Defendants shall not, without the prior written approval of the United States in its sole discretion, effect any change in any compensation Verizon Wireless receives from any Cable Defendant for selling Cable Services, except as otherwise provided for in the Commercial Agreements. The United States shall grant or deny a request for an exercise of its sole discretion pursuant to this paragraph within sixty (60) calendar days of receiving such a request.

I. No Verizon Defendant shall enter into any agreement with a Cable Defendant nor shall any Cable Defendant enter into any agreement with a Verizon Defendant providing for the sale of VZT Services, the sale of Verizon Wireless Services, the sale of Cable Services, or the joint development of technology or services without the prior written approval of the United States in its sole discretion. This provision does not apply to (1) agreements executed in connection with ordinary course implementation or operations of the Commercial Agreements or the JOE Agreement; (2) agreements executed in the ordinary course in connection with the sale of products or services pursuant to the Commercial Agreements or the JOE Agreement; (3) the negotiation of and entering into content agreements between the Verizon Defendants and Cable Defendants who provide video programming content; (4) the purchase, sale, license or other provision of commercial or wholesale products or services (including advertising and sponsorships) and the lease of space in the ordinary course among or between the Defendants; (5) any interconnection agreement between any Cable Defendant and the Verizon Defendants; or (6) any agreement in connection with broad-based industry technology development consortia or standards setting organizations. The United States shall grant or deny a request for an exercise of its sole discretion pursuant to this paragraph within sixty (60) calendar days of receiving such a request.

J. No Defendant shall participate in, encourage, or facilitate any agreement or understanding between VZT and a Cable Defendant relating to the price, terms, availability, expansion, or non-expansion of VZT Services or Cable Services. The foregoing does not apply to (1) intellectual property licenses between JOE LLC and VZT, (2) the negotiation of and entering into content agreements between Verizon Defendants and Cable Defendants who

provide video programming content, (3) the purchase, sale, license or other provision of commercial or wholesale products or services (including advertising and sponsorships) and the lease of space in the ordinary course among or between the Defendants, or (4) any interconnection agreement between any Cable Defendant and the Verizon Defendants.

However, in no event shall a Defendant participate in, encourage, or facilitate any agreement or understanding between VZT and a Cable Defendant that violates the antitrust laws of the United States.

K. No Verizon Defendant shall disclose competitively sensitive VZT information to any Cable Defendant, nor shall any Cable Defendant disclose any competitively sensitive Cable information to VZT. If a Cable Defendant discloses competitively sensitive Cable information to Verizon Wireless, Verizon Wireless shall take reasonable precautions to prevent such information from being communicated or otherwise made available to VZT. No employee of a Verizon Defendant shall have access to both competitively sensitive VZT information and competitively sensitive Cable information, except (1) to the extent sharing aggregated information is expressly permitted by the Commercial Agreements or the JOE Agreement, or (2) by Verizon Wireless officers or employees responsible for implementing or evaluating joint offers between Verizon Wireless and the Cable Defendants, and joint offers between Verizon Wireless and VZT.

VI. Document Retention and Disclosures

A. Within forty (40) calendar days of the filing of the Complaint in this matter, or ten (10) calendar days after notice of the entry of this Final Judgment by the Court, whichever is

later, each Defendant shall deliver to the United States and the State of New York an affidavit that describes in reasonable detail all actions it has taken to comply with Sections IV and V of this Final Judgment. In the case of Verizon Wireless, such affidavit should include, but not be limited to, a description of the systems in place to identify whether a street address is within the FiOS Footprint prior to any sale of a Cable Service by Verizon Wireless. Each Defendant shall deliver to the United States and the State of New York an affidavit describing any changes to the efforts and actions outlined in its earlier affidavits filed pursuant to this Section within fifteen (15) calendar days after the change is implemented. Notwithstanding the foregoing, Defendant Cox shall have no obligation to provide any such affidavits to the State of New York.

B. Within forty (40) calendar days of the filing of the Complaint in this matter, or ten (10) calendar days after notice of the entry of this Final Judgment by the Court, whichever is later, each Verizon Defendant shall submit to the United States and the State of New York a document setting forth in detail the procedures implemented to effect compliance with Section V.K of this Final Judgment. The United States shall notify the Defendant within ten (10) business days whether it approves of or rejects the Defendant's compliance plan, in its sole discretion. In the event that a Verizon Defendant's compliance plan is rejected, the reasons for the rejection shall be provided to the Defendant and that Defendant shall be given the opportunity to submit, within ten (10) business days of receiving the notice of rejection, a revised compliance plan. If the United States and the Defendant cannot agree on a compliance plan, the United States shall have the right to request that the Court rule on whether the Defendant's proposed compliance plan is reasonable.

C. Within ten (10) calendar days of executing any amendment or modification to the Commercial Agreements or the JOE Agreement, any Defendant that is a party to the amended or modified agreement shall furnish to the United States and the State of New York a copy of such amendment or modification, along with a narrative explanation of the purpose and effect of such amendment or modification. Notwithstanding the foregoing, Defendant Cox shall have no obligation to provide any such amendment, modification, or narrative explanation to the State of New York.

D. The Verizon Defendants shall furnish the periodic reports described in Appendix A by the respective deadlines established therein. Such reports may be modified by agreement between the United States and the Verizon Defendants. The obligation to furnish such reports shall expire ninety (90) calendar days after the later of: (1) the termination of all of the Commercial Agreements and (2) the date on which no Defendant is a member of JOE LLC.

E. The Cable Defendants shall collect and maintain all communications with the Verizon Defendants relating to the Commercial Agreements or the JOE Agreement. A Cable Defendant's obligation to collect and maintain such documents may be modified by agreement between the United States and the Cable Defendant. A Cable Defendant's obligation to collect and maintain such documents shall expire ninety (90) calendar days after the later of: (1) the termination of all of the Commercial Agreements and (2) the date on which no Defendant is a member of JOE LLC.

F. The Verizon Defendants shall collect and maintain all communications with the Cable Defendants relating to the Commercial Agreements or the JOE Agreement. The obligation to collect and maintain such documents may be modified by agreement between the

United States and the Verizon Defendants. The obligation to collect and maintain such documents shall expire ninety (90) calendar days after the later of: (1) the termination of all of the Commercial Agreements and (2) the date on which no Defendant is a member of JOE LLC.

VII. Compliance Inspection

A. For the purposes of determining or securing compliance with this Final Judgment, of determining whether the Final Judgment should be modified or vacated, or of exercising any discretion granted by this Final Judgment, and subject to any legally recognized privilege, from time to time authorized representatives of the United States Department of Justice Antitrust Division and, in conjunction with the United States, the Antitrust Bureau of the Office of the New York Attorney General, including consultants and other persons retained by the United States and the State of New York, shall, upon written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division or, in conjunction with the United States, the Antitrust Bureau of the Office of the New York Attorney General, and on reasonable notice to Defendants, be permitted:

- (1) access during Defendants' office hours to inspect and copy, or at the option of the United States and the State of New York, to require Defendants to provide hard copy or electronic copies of, all books, ledgers, accounts, records, data, and documents in the possession, custody, or control of Defendants, relating to any matters contained in this Final Judgment; and
- (2) to interview, either informally or on the record, Defendants' officers, employees, or agents, who may have their individual counsel present,

regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by Defendants.

B. Upon the written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, Defendants shall submit written reports or response to written interrogatories, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained by the means provided in this Section or pursuant to Section VI shall be divulged by the United States or the State of New York to any person other than an authorized representative of the (1) executive branch of the United States, (2) the Federal Communications Commission, or (3) the Office of the New York Attorney General, except in the course of legal proceedings to which the United States is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by Defendants to the United States or the State of New York, Defendants represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure, and Defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure," then the United States or the State of New York shall give Defendants ten (10)

business days' notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding).

VIII. Antitrust Compliance and Education Program

Each Defendant shall:

A. Furnish a copy of this Final Judgment and related Competitive Impact Statement within sixty (60) calendar days of entry of the Final Judgment to its officers, directors, and senior executives, and to its employees whose job responsibilities involve management of JOE LLC or the implementation of any of the Commercial Agreements;

B. Furnish a copy of this Final Judgment and related Competitive Impact Statement to any person who succeeds to a position described in Section VIII.A within thirty (30) days of that succession;

C. Annually furnish to each person designated in Sections VIII.A and VIII.B a description and summary of the meaning and requirements of this Final Judgment and the antitrust laws generally. Such annual description and summary shall make clear that no provision of this Final Judgment permits conduct that would violate the antitrust laws, including but not limited to agreements related to prices or future build-out plans; and

D. Obtain from each person designated in Sections VIII.A and VIII.B, within sixty (60) days of that person's receipt of the Final Judgment, a certification that he or she (1) has read and, to the best of his or her ability, understands and agrees to abide by the terms of this Final Judgment; (2) is not aware of any violation of the Final Judgment that has not been reported to the Defendant; and (3) understands that any person's failure to comply with this Final Judgment

may result in an enforcement action for civil or criminal contempt of court against each Defendant and/or any person who violates this Final Judgment.

IX. Retention of Jurisdiction

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

X. Expiration of Final Judgment

Unless this Court grants an extension, this Final Judgment shall expire ten (10) years from the date of its entry.

XI. No Limitation on Government Rights

Nothing in this Final Judgment shall limit the right of the United States or the State of New York to investigate and bring actions to prevent or restrain violations of the antitrust laws concerning any past, present, or future conduct, policy, or practice of the Defendants; provided, however, that nothing in this Final Judgment shall be construed to waive any jurisdictional defense of Defendant Cox to any investigation, claim, or action of the State of New York.

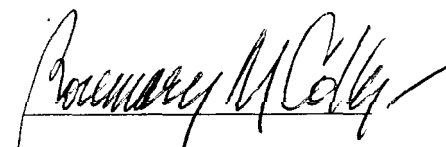
XII. Public Interest Determination

Entry of this Final Judgment is in the public interest. The parties have complied with the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16, including making copies available to the public of this Final Judgment, the Competitive Impact Statement, and any comments thereon and the United States's responses to comments. Based upon the record before the Court, which includes the Competitive Impact Statement and any comments and response to comments filed with the Court, entry of this Final Judgment is in the public interest.

Date: 9 August 2013

Court approval subject to procedures
of Antitrust Procedures and Penalties

Act, 15 U.S.C. § 16


United States District Judge

Appendix A – Periodic Reports

1) Verizon Wireless shall furnish to the United States (with a copy to the FCC and, as to information for the State of New York, to the Antitrust Bureau of the Office of the New York Attorney General) a periodic report regarding the sales of Cable Services by Verizon Wireless. Such report shall state, separately for each calendar month since January 2012, for each Cable Defendant, and for each geographic area (as agreed to by the United States in its sole discretion), the number of sales of each Cable Service. Verizon Wireless shall furnish such report within thirty (30) calendar days of the entry of this Final Judgment, and every three (3) months thereafter.

2) Verizon Wireless shall furnish to the United States (with a copy to the FCC and, as to information for the State of New York, to the Antitrust Bureau of the Office of the New York Attorney General) a periodic report regarding the sales of VZT Services by Verizon Wireless. Such report shall state, separately for each calendar month since January 2012 and for each geographic area (as agreed to by the United States in its sole discretion), the number of sales of each VZT Service. Verizon Wireless shall furnish such report within thirty (30) calendar days of the entry of this Final Judgment, and every three (3) months thereafter.

3) Verizon shall furnish to the United States (with a copy to the FCC and, as to information for the State of New York, to the Antitrust Bureau of the Office of the New York Attorney General) a periodic report regarding the areas where Verizon has built out the capability to deliver FiOS Services. Such report shall contain the number of houses in each geographic area (as agreed to by the United States in its sole discretion) where FiOS Services are available, the number of houses in each geographic area (as agreed to by the United States in its

sole discretion) where FiOS Services have become available for the first time in the previous twelve months, an estimate of the actual costs incurred by Verizon to make FiOS Services available to such houses, a disclosure of any franchise agreement entered into by Verizon within the previous twelve months, a disclosure of any request by Verizon to modify or cancel a franchise agreement in the previous twelve months, a disclosure of any breach of an obligation to build out the capability to deliver FiOS Services in the previous twelve months, an estimate of the number of houses in each geographic area (as agreed to by the United States in its sole discretion) where FiOS Services are expected to become available for the first time in the next twelve months, and an estimate of the number of houses in each geographic area (as agreed to by the United States in its sole discretion) that are expected to become available for the first time in the next five years. Verizon shall furnish such report within ninety (90) calendar days of the entry of this Final Judgment, and every year thereafter.

4) Verizon shall furnish to the United States (with a copy to the FCC and, as to information for the State of New York, to the Antitrust Bureau of the Office of the New York Attorney General) a periodic report regarding Verizon's DSL service. Such report shall state, separately for each month since January 2010, where available, and for each wire center, the number of households where Verizon offers DSL service, the average data revenue per Verizon residential DSL account, the number of lines subscribing to Verizon DSL service, the number of lines initiating Verizon DSL service, and the number of lines disconnecting Verizon DSL service. Such report shall further state, separately for each month since January 2010, where available, and for each of the United States, the number of lines subscribing to Verizon DSL service by speed tier, and the number of Verizon DSL lines identified in Verizon's system as

disconnected to subscribe to a FiOS Service. Verizon shall furnish such report within ninety (90) calendar days of the entry of this Final Judgment, and every six (6) months thereafter.

5) Verizon Wireless shall furnish to the United States (with a copy to the FCC and to the Antitrust Bureau of the Office of the New York Attorney General) a periodic report regarding the activities of JOE LLC. Such report shall contain, at a minimum, a description of the technology and products under development by JOE LLC, a description of any products for sale employing technology developed by JOE LLC, a list of any pending patent applications assigned to JOE LLC, and a summary of any intellectual property licensing agreements entered into by JOE LLC. Verizon Wireless shall furnish such report within ninety (90) calendar days of the entry of this Final Judgment, and every year thereafter.