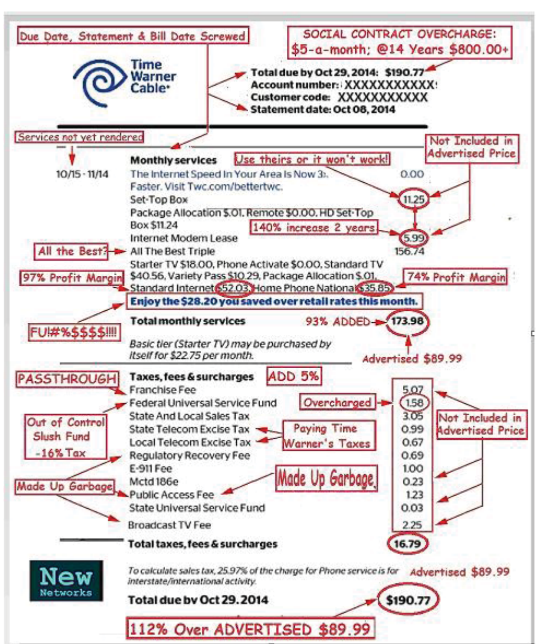
Before the
Federal Communications Commission
WASHINGTON, D.C. 20554

In the Matter of	)	
Applications of	)	MB Docket No. 14-57
Comcast Corp. and Time Warner Cable Inc.	)	
For Consent To Assign or Transfer Control of Licenses	)	
and Authorizations	)	

PETITION FOR INVESTIGATION & COMPLAINT

New Networks Institute & Teletruth

We call for the halt of the proposed Time Warner Cable-Comcast merger, but more importantly, this Petition for Investigation & Complaint calls for the immediate start of a series of investigations. Simply put, one has only to examine this mark up of this Brooklyn New York, Time Warner Triple Play bill (October, 2014) to realize something is terribly wrong, which we will lay out in detail. But these issues impact ALL services and from ALL carriers, who have established the same harmful business practices.



Bruce Kushnick, Executive Director, New Networks Institute
Tom Allibone, Director of Audits, Teletruth

January 6th, 2014

PETITION FOR INVESTIGATION & COMPLAINT

The Public Interest has been tarnished, stained and harmed and it is time for a course correction of oversight, accurate data, investigations and enforcement of the laws. It is time to not only re-evaluate the public policies that govern communications services in America, but fix what's broken— finally.

And to start, we are calling for a halt to the proposed Time Warner-Comcast merger and we have laid out a series of next steps and investigations that need to be done immediately.

The idea that Comcast and Time Warner, who are two of "the most hated companies in America" in 2014,[1] have proposed a merger that would give one company monopoly control over cable services in the United States (or a duopoly where the other companies have the same problematic business practices) shows just how far we have fallen as a nation to protect the public interest. Besides controlling the cable wires and the broadband, Internet and cable service over those wires, Comcast also owns a large swath of the content on these networks, from NBC to Telemundo, and even movie studios, including Universal Pictures, and cable networks, including Bravo and the Syfy channel.

We will focus on five mostly unexplored areas and supply facts, data and analysis as to why this proposed merger needs to be halted, but more importantly five areas we believe need immediate investigation.

1) **Time Warner's "Triple Play"** bill exposed questionable business practices and charges including 'made up fees', billing errors, as well as deceptive and possible Truth-in-Billing and Truth-in-Advertising violations. These problems are not restricted to Time Warner but are industry-wide.
2) **Time Warner & Comcast's "Social Contract" with the FCC**. In 1995 an actual agreement called the "Social Contract" was put in place to have the cable companies upgrade their networks and provide broadband and Internet services to schools in their territories. The FCC allowed 'temporary' rate increases of up to $5.00 a month; 'temporary', as the Contract expired at the end of 2000. Time Warner (at least) never stopped charging customers the extra fee nor is there evidence that the Company wired the schools as required. Moreover, Time Warner and Comcast's profit margins for "high-speed Internet" was 97% in 2013; the "Social Contract" additions became pure profits, but cost every cable subscriber hundreds of dollars.
3) **A recently filed consumer protection action** was filed with the Albany New York Supreme Court against Time Warner and it reveals multiple issues, including customer service problems, selling broadband/Internet services that were not delivered, among other harms to customers.[2] These problems are not restricted to Time Warner but are industry-wide.

[1] http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2014/acsi-telecommunications-and-information-report-2014
[2] http://s3.documentcloud.org/documents/1357011/complaint-with-exhibits-a-through-k-redacted.pdf

4) **22 Years of Continuous Rate Increases Means There has been No 'Effective Competition'.** Using actual bills, we found that Time Warner's Brooklyn New York's prices for 'regular' cable service increased 306% from 1992-to-November, 2014, from $22.95 a month to $93.16 a month. The "Triple Play" bill shows that this was from made up fees, deregulation of the set-top box (with no alternative), pass-through taxes, and simply because there are no other options; at best, some markets have a 'duopoly' which is ineffective for controlling prices or problems with service.
5) **Multiple Cross-Ties with Verizon's Wireline and Verizon Wireless, and with Time Warner and Comcast Need Immediate Attention**. The FCC and DOJ allowed Verizon Wireless to create a marketing deal with both cable companies to bundle the wireless service with the cable service in areas Verizon has refused to upgrade to FiOS. But what was unexamined is the fact that Verizon Wireless has a sweetheart deal with Verizon wired companies, such as Verizon New York, for use of the networks – as Title II. This means that the wired, wireless, and cable companies are colluding to control almost ALL communications services.

In short, we are not simply asking that the FCC reject the proposed Time Warner-Comcast merger but to start immediate investigations of the cable companies' business practices. It is time to actually fix the problems everyone in America knows about and is experiencing. These investigations must be done in conjunction with the state commissions, the Attorney General's offices, and the Federal Trade Commission (FTC), as the communications bill is no longer one service or covered under one jurisdiction. With the sales of the triple play and other marketing packages, these issues impact all communications services — wireline, wireless or cable company supplied cable TV, broadband, Internet, phone, and wireless services.

The FCC and State Commissions Must Focus on the Public Interest

The FCC has obligations to make sure that the Public Interest is being served. Moreover, the FCC's actions are supposed to be informed by competition principles.

According to the FCC, Congress has mandated that these mergers be done with an analysis of the public interest:[3]

> "Congress has directed the Commission to review transactions involving licenses and authorizations under the Communications Act and to determine whether the proposed transaction would serve 'the public interest, convenience, and necessity'."

And according to New York State law[4], again, the merger must be in the public interest.

> "The commission shall approve the application unless it finds that the applicant, the proposed transferee or the cable television system does not conform to the standards established in the regulations promulgated by the commission

[3] http://www.fcc.gov/blog/fcc-transaction-review-competition-and-public-interest
[4] http://codes.lp.findlaw.com/nycode/PBS/11/222.

> pursuant to section two hundred fifteen of this article or that approval would be in violation of law, any regulation or standard promulgated by the commission or the public interest."

The FCC Must Examine Competition.

The FCC claims that it cares about competition:[5]

> "I believe, as the Commission has consistently recognized, that the FCC's actions should be informed by competition principles. These principles look to the impact of practices on consumers and the public interest, not just on competitors. They are designed to be fact-based and data-driven. They reflect a common-law belief that the experiences of the present are, to paraphrase Justice Holmes, as important as the logic of the past. They should be applied in a rigorous manner.
>
> "But, the 'public interest' standard is not limited to purely economic outcomes. It necessarily encompasses the 'broad aims of the Communications Act,'[3] which include, among other things, a deeply rooted preference for preserving and enhancing competition in relevant markets, accelerating private-sector deployment of advanced services, ensuring a diversity of information sources and services to the public,[4] and generally managing spectrum in the public interest. Our public interest analysis may also entail assessing whether the transaction will affect the quality of communications services or will result in the provision of new or additional services to consumers."

Does the merger increase competition? No. Is there competition today? No.

Customers Are Not Happy about their Communications Providers.

Do people know something is wrong? Emphatically yes.

The American Customer Satisfaction Index survey outlined that the cable companies are 'the most hated companies in America. The Wire[6] (The Atlantic.com) put it this way:

> "The American Customer Satisfaction Index, put out quarterly by the University of Michigan's Ross School of Business, is 'considered the most comprehensive customer satisfaction survey in the United States' … Time Warner was at the bottom of the barrel with a score of 56/100. This is actually the lowest score of all time."

[5] http://www.fcc.gov/blog/fcc-transaction-review-competition-and-public-interest
[6] http://news.yahoo.com/comcast-time-warner-most-hated-companies-america-224643748.html

According to the survey:[7]

> "High prices, poor reliability, and declining customer service are to blame for low customer satisfaction with pay TV services."

All of this also matches the recent FCC Commissioner Clyburn's Reddit fiasco where the Commissioner did an "Ask me anything" (AMA) session. Adweek's headline says it all:[8]

> "An FCC Commissioner's Reddit AMA Went About as Terribly as You'd Expect. Mignon Clyburn gets buried under a downvote avalanche"

As we will discuss, the regulators have encouraged exacerbated these problems over the last decade through a lack of oversight, enforcement, basic data collection and to be blunt – ignoring fundamental issues.

The question really is — what steps are the FCC and state commissions going to take to fix these problems — now that it has been brought to their attention?

On the mergers – Why would any regulator give companies major new benefits, including more market power, when there is collusion with the only major competitor, Verizon, where the previous agreements to wire the schools were ignored while the companies continue to collect money after the contract expired, or that the communications bills are now Christmas trees for the companies with different buckets of revenues hidden on unreadable bills?

[7] http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2014/acsi-telecommunications-and-information-report-2014
[8] http://www.adweek.com/news/technology/fcc-commissioners-reddit-ama-went-about-terribly-youd-expect-161612

STANDING

New Networks Institute and Teletruth are no stranger to the FCC. We have collectively filed over 70 proceedings, including having our own pages at the FCC for our Data Quality Act complaints. As Teletruth we served on the FCC's Consumer Advisory Committee in 2003-2004. Nationwide, Teletruth has acted as a leading advocacy group in telecommunications, having helped to establish multiple, successful, settled class action suits, and with our communications auditing group, Teletruth helped to recover over $35 million in customer overcharging. In 2002, we worked with the Small Business Administration's Office of Advocacy to create a Small Business Telecom Summit, and worked with Congressmen Nadler's office to created proposed legislation, "The Broadband Bill of Rights".

New Networks Institute, established in 1992, is currently a market research and consulting firm and has an assembled team of independent experts, analysts, communications auditors and lawyers. Teletruth was established in 2002 as an independent customer advocacy group and its advisors have worked in working teams on projects, as well as put together public campaigns.

Unlike other groups, Teletruth and New Networks Institute are independent and have remained for-profit organizations. We are not funded by large corporations or political parties or other influencers. Over the last decade, we have been funded by research grants, such as from the California Consumer Protection Board, the sale of books and research, and expert witness, research and analysis in (mostly successful) telecommunications related legal and regulatory challenges.

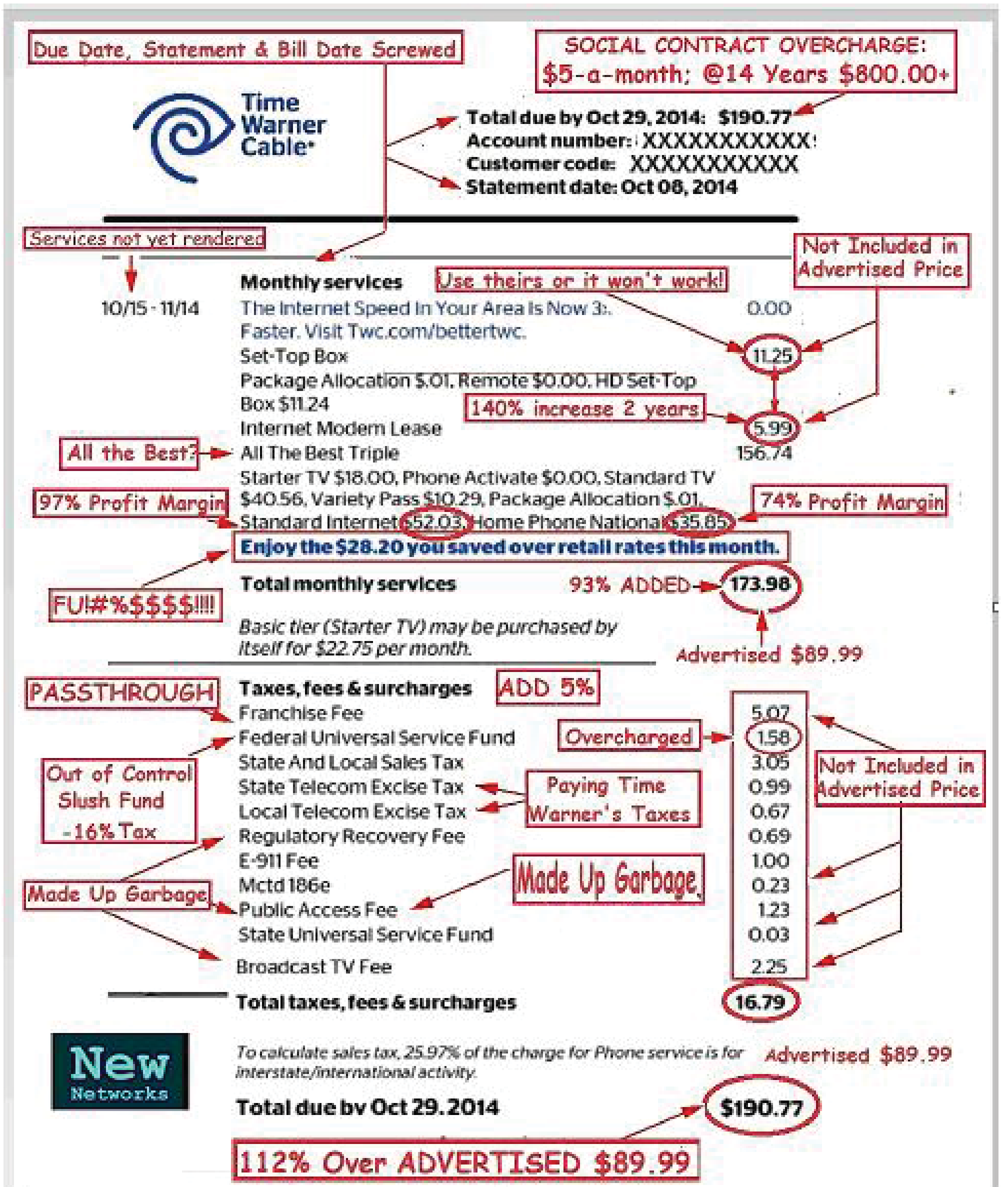
Over the last few years— We have worked with the Fire Island NY residents to get their community wired with fiber optics by Verizon in 2014 (after Verizon had refused to fix the copper wire and forced the communities onto inferior wireless, VoiceLink), worked with Stow Creek & Greenwich New Jersey residents and helped to get their towns upgraded to fiber optics after they challenged Verizon, based on existing New Jersey state law. We worked with groups and citizens in Massachusetts, New York, New Jersey, Pennsylvania, Kentucky and other states providing data and analysis in the state-based 'deregulation' attempts by the American Legislative Exchange Council (ALEC). In May 2014, Public Utility Law Project (PULP) published a report written by New Networks Institute (with assistance from David Bergmann, Esq.) and the research was used, in part, in a petition filed with the NY Public Service Commission in July 2014 by the Connect New York coalition (including AARP, Consumer Union, Common Cause) to investigate Verizon New York's financial cross-subsidies for wireless services. Also, our filing pertaining to the Time Warner-Comcast merger was highlighted in the City of New York's comments on the topic with NY PSC in 2014.

And finally, we are only focused on telecommunications policy, competition, infrastructure, and communications billing issues, not media, or just Internet, or content issues, like copyright.

Executive Summary

1) Communications Bill Issues

Mark up of this Brooklyn New York, Time Warner Triple Play bill (October, 2014)



The Time Warner Triple Play offered in Brooklyn New York, includes High speed internet, (which is now one service instead of being an Internet service and a broadband service, as was the case pre-2005), cable TV, as well as local & long distance phone service – 5 services, not to mention all of the ancillary services, such as video-on-demand programming, WiFi or international phone calling. And because of the marketing ties of Time Warner and Verizon Wireless, it can include a bundle that adds wireless service.

- **Continuous Rate Increases —** Time Warner Cable (TWC) cable TV rates in Brooklyn NY increased steadily 306% from 1992-to-November, 2014, from $22.95 a month to $93.16 a month.
- **Deceptive Pricing —** The advertised price for the basic Time Warner triple play is $89.99, not counting all additional fees. After the ‘promotion’ ends, the total, actual cost is $190.77 a month – 112% above advertised costs in 2 years.
- **The Advertised Price Is a Bait and Switch**, **Leaving Out ‘Fixed Costs’ —** A customer can never, ever, get the advertised price as it does not include basic, fixed costs, from made up ‘fees’ and surcharges, pass through costs, such as the franchise fee, or the set top cable box, which is now $11.25 a month.
- **Made Up Fees are Now the Norm —** From the “Broadcast fee”, or the “Regulatory Recovery fee”, the bills are littered with multiple fees that are not mandated by some regulatory or taxing authority.
- **Major Fixed Costs and Direct Revenue Charges are Not in the Advertised Price —** Made up fees, pass though taxes, and separate line item services (set top box) that are mandatory are Not in the advertised price, even though it is direct revenues to the companies.
- **Mistakes on the Bills are the Norm —** The featured Time Warner Triple Play bill has a $.07 overcharge on the Universal Service Fund and another overcharge on the ‘franchise fee’ calculation.
- **Collateral Materials are Deceptive —** The advertising of the price of service as well as the information on the web site are deceptive in a litany of ways, including not supplying the total costs, not providing the calculations used for the taxes, fees and surcharges, not outlining how the bills go up 100%+ above the advertised prices after the promotion ends, etc.
- **No Regulator has bothered to Examine the Entire Bill,** even for one service, including all ancillary charges, taxes, fees and surcharges.
- **Communications Nightmare —** These practices are applied to ALL services offered from all of the major the phone, cable and wireless companies.

2) Time Warner and Comcast Social Contract Issues

- In 1995, the FCC created the “Social Contract” — an Order to grant the cable companies financial assistance for upgrades of the cable plant for new services, as well as fixing quality-of-service issues. Time Warner[9] and Comcast[10], among others, could charge basic cable subscribers up to $5 a month extra on cable bills. The Social Contract was supposed to expire in the year 2000. After 2000, there was no oversight or investigations and the companies never lowered their rates to remove this extra federally-added charge on customers’ bills.
- In the Social Contract, the companies also committed to bring the high-speed Internet to schools in their franchise areas. Schools were all supposed to be given free cable modem service, a free cable modem, and would even get the inside wiring at cost.

[9] http://www.newnetworks.com/Social%20Contract%20fcc95478.doc
[10] http://transition.fcc.gov/Bureaus/Cable/News_Releases/1997/nrcb7021.txt

- By the end of 2013, this means cable customers nationwide paid about $61 billion from 1996-2013. However, $49 billion of this was charged since 2000. Without audits, it is impossible to tell the exact amount. On average, customers paid about $60 a year or about $771 extra since 2000.[11]

Outrageous Profits

Time Warner Cable CableTV, High-Speed Internet and Digital Voice Revenues, Costs and Profits 2013

(Source: Time Warner Cable 2013, 10K, Annual Report)

Revenues	**2013**	**2012**	**2011**
Video	$ 74.90	$74.64	$ 73.18
High-Speed Data	$43.92	$39.66	$ 38.32
Voice	$34.40	$ 35.68	$ 36.89
Costs Per Subscriber			
Video	$ 33.62	$31.12	$29.59
High-Speed Data	$1.32	$1.44	$1.46
Voice	$ 8.94	$10.01	$10.76
Profit Margin			
Video	55%	58%	60%
High Speed Data	97%	96%	96%
Voice	74%	72%	71%
Costs Vs Revenues			
Video	123%	140%	147%
High-Speed Data	3227%	2651%	2533%
Voice	285%	256%	243%

- According to Time Warner's 2013 Annual Report, high-speed Internet services' average cost to the customer was $43.92 and the voice service, (which is Internet-based) cost $34.40. However, since these costs are incremental, the costs to the company were $1.32 a month to offer the high-speed service, revealing a 97% profit margin, and only $8.94 to offer the voice service, which includes long distance and calling features, i.e., a 74% profit margin. This information is taken directly from Time Warner's own SEC filed documents and Comcast has reported almost identical costs and profits.
- The cable bill's continuous increases in rates means that customers are still being overcharged. The Time Warner cable TV bills examined from 1992-2013 had no lowering of rates after 2000, the year the Contract ended, but Time Warner did claim it was both revenues as well as added to profits.
- We can find no evidence that schools were wired, whether or not at cost during the Contract's duration.

[11] For the calculations for the Social Contract, see Section XIII, from "It's All Interconnected", May 2014.

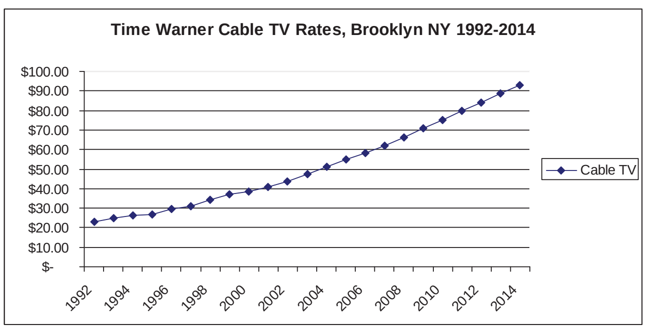
3) Consumer Protection Action Filed Against Time Warner in NY.

A Consumer Protection action was filed in the Albany Supreme Court and details how one customer's dealings with Time Warner was a nightmare on multiple levels, including multiple calls to untrained customer service staff, deceptive statements in advertisement or overbilling consumers for services.[12]

- Printing and stating prices for products and services in advertising and promotional materials which are false and materially misleading because they do not reflect the actual prices which will ultimately be charged to consumers for those services;
- Overbilling consumers for services and products not ordered or not received and failing to have adequate control and response procedures to deal with billing errors; Falsely printing and stating that a much smaller number of "cable modems" are technologically compatible with TWC Internet access lines than actually are, in order to deceive consumers into believing they cannot purchase or use personally-owned, low-price, technologically-compatible modems.

4) 22 Years of Continuous Rate Increases Means There has been No 'Effective Competition'.

Time Warner Cable (TWC) cable TV rates in Brooklyn NY increased 306% from 1992-to-November, 2014, from $22.95 a month to $93.16 a month.

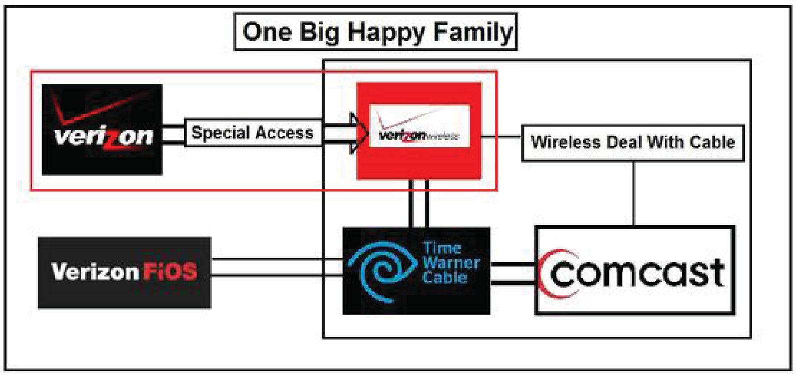


- **There is no direct effective competition to lower rates —** It is impossible to have continuous rate increases over 22 years and claim that there is competition.
- **It is impossible to turn the bills into Christmas Trees of various line items** that are direct revenue for the cable companies if there were competition.
- **The majority of the US doesn't have a basic wired competitor to cable, broadband or Internet —** Verizon and AT&T have not fulfilled their commitments to upgrade at least 50% of their territories, leaving the majority of the US without serious competition. [13]
- **The FCC's own data on broadband shows a monopoly or duopoly at best.**

[12] http://s3.documentcloud.org/documents/1357011/complaint-with-exhibits-a-through-k-redacted.pdf
[13] http://www.huffingtonpost.com/bruce-kushnick/are-you-in-a-verizon-or-a_b_3737177.html

- **All of the companies practice identical deceptive practices**, including deceptive advertising (leaving out major expenses), made up fees, and massive rate increases once the 'promotion' ends.

5) Cross-Subsidies of Verizon Wired, Verizon Wireless and Time Warner and Comcast.



After the cable companies sold Verizon their wireless spectrum in 2012, Verizon also signed a marketing agreement with the cable companies to bundle Verizon Wireless services with the cable bundle.[14]

There are relationships and financial ties between Verizon's wired-business and Verizon Wireless, as well as Verizon's deal with Time Warner and Comcast that are complicated, twisty, multi-layered and reveal a nasty underbelly.

If we combine Verizon's FiOS deployments, Verizon's plan to shut off the copper and replace it with Verizon Wireless, and the deal Verizon has with Comcast and Time Warner today—for one state, New York, we find that:

- FACT: Verizon's FiOS is a brand name of cable, phone, and high speed Internet service that rides over a FTTP, Fiber-to-the-Premises, telecommunications line.
- FACT: 80% of the State's municipalities will have a monopoly from Time Warner and/or Comcast, the cable provider, on cable and broadband.
- FACT: In the 20% of New York State's municipalities with FiOS will have a 'duopoly' between Verizon and Time Warner for cable, broadband and phone service.[15] (In New York State, Time Warner is the major cable incumbent, but Comcast has a presence.)
- FACT: Verizon announced that in areas that are not upgraded with FiOS, the company plans to 'shut off the copper' and offer Verizon Wireless services.

[14] http://usatoday30.usatoday.com/money/industries/technology/story/2012-08-16/Verizon-cable-companies/57093934/1
[15] http://www.huffingtonpost.com/bruce-kushnick/did-verizon-short-change_b_5428840.html

- FACT: Verizon Wireless is in bed with Comcast and Time Warner and instead of competing, Verizon Wireless will be colluding to sell their service in a bundle with either Comcast or Time Warner.
- FACT: Verizon Wireless is also has a sweetheart deal with Verizon New York for special access-wired services, as well as the wires to the companies' cell towers.
- FACT: Wireless can't compete with cable for Cable TV or higher-speed Internet service.

NEXT STEPS & INVESTIGATIONS

1) Investigate ALL communications bills, including the Time Warner's "Triple Play"

We request the FCC start an investigation and a proposed notice of rulemaking on all charges on all communications bills with the goal to remove all unwarranted taxes, fees and surcharges, and create penalties for failure to comply with basic truth-in-billing laws. These guidelines also need to be re-examined as it must encompass truth-in-advertising issues — and it is time to get it right.

This problem is not new and it impacts ALL current communications bills — wireline, wireless, cable, phone, broadband and Internet, as they are now all sold together in bundles, such as the Time Warner Triple Play bill from Brooklyn New York, October 2014.

A decade ago, NASUCA pointed out to the FCC that the addition of made up charges was a serious problem and violated the Truth-in-Billing order.

> "On March 30, 2004, the National Association of State Utility Consumer Advocates (NASUCA) filed a petition for a declaratory ruling prohibiting telecommunications carriers – both wireline and wireless - from "imposing monthly line-item charges, surcharges or other fees on customers' bills unless such charges have been expressly mandated by a regulatory agency." [4] NASUCA contends that all monthly line items are subject to the "full and non-misleading billed charges" principle adopted by the Commission in its Truth-In-Billing Order. Further, NASUCA argues that carriers' current uses of line-item charges are misleading and deceptive in their application, bear no demonstrable relationship to the regulatory costs they purport to recover, and therefore constitute unreasonable and unjust carrier practices and charges."

"

And starting in 1998, New Networks Institute and Teletruth filed multiple times with the FCC to fix the billing issues. For example, in 2004 we filed a "Truth-In-Billing Petition Against the 'FCC Subscriber Line Charge' as well as the Creation of a New Proposed Rulemaking to Fix the FCC's Truth-in-Billing Guidelines."

And it got worse. The addition of new 'made up' charges, new 'pass-through' taxes, fees and surcharges and worse, the FCC's creation of a new billing charge, the "access recovery charge" or the continual increase of the Universal Service Fund tax without any consideration of the existing made up fees — is now out of control.

We told you so. We told the FCC that these practices would get worse with more deregulation — and we were right. We also pointed out that the related advertising was corrupted and needed to be cleaned up. For example, today, the advertised price never reflects the actual costs, or worse, the price can increase over 100% after the 'promotional' period ends. These are all signs of a market failure to control bad acts, and they have now become an industry-wide group of practices that need to be halted immediately.

2) **Time Warner & Comcast's "Social Contract" with the FCC**. In 1995 an actual agreement called the "Social Contract" was put in place to have the cable companies upgrade their networks and provide broadband and Internet services to schools in their territories. The FCC allowed 'temporary' rate increases of up to

We are requesting that the FCC finally examine a fundamental issue. The FCC created a contract with an expiration date that allowed the companies to add up to $5.00 a month, a 'temporary' fee that should have been removed when the Contract expired at the end of 2000. It didn't as we tracked Time Warner (at least) never stopped charging customers the extra fee. This means that the industry has been collecting about $300 million a month in customer overcharging and it continues today unabated.

Second, we request the FCC start data collection to see whether schools had been wired, for free or at cost as there is no evidence that the Company wired the schools as required.

The FCC has continuously raised the Universal Service Fund Tax, claiming that schools need to be wired and yet it has made no effort to find out whether, under this Contract, any schools had been properly upgraded.

We ask—Had the cable companies done these upgrades and wiring how much money would customers have saved in USF fees, how much of the USF could have been used to get the schools high-speed broadband, and how much extra was spent because the companies never fulfilled their obligations?

Moreover, Time Warner and Comcast's profit margins for "high-speed Internet" were 97% in 2013; the "Social Contract" additions became pure profits, but cost every cable subscriber hundreds of dollars.

REQUEST: Remove the $5.00 a month and require the companies to wire the schools in their coverage area now—for free or at cost.

3) **A recently filed consumer protection action** was filed with the Albany New York Supreme Court against Time Warner revealed multiple issues, including customer service problems, selling broadband/Internet services that were not delivered, among other harms to customers. These problems are not restricted to Time Warner but are industry-wide.

Request: An immediate investigation into customer service issues in the age of contracts and deregulation with an eye towards penalties for basics such as miss-information by untrained representatives or misrepresentation about the products and services being offered, their capabilities or actual price. Mandatory recordings of all conversations should be standard and made available to the customer— at no charge. An established procedure for disputes also needs to be implemented with coordination of the agencies as the products being offered are now ALL services — from digital phone/VoIP local, long distance and international, cable TV, broadband, Internet and even wireless.

4) **22 Years of Continuous Rate Increases Means There has been No 'Effective Competition'.** Using actual bills, we found that Time Warner's Brooklyn New York's prices for 'regular' cable service increased 306% from 1992-to-November, 2014, from $22.95 a month to $93.16 a month. The "Triple Play" bill shows that this was from made up fees, deregulation of the set-top box (with no alternative), pass-through taxes, and simply because there are no other options; at best, some markets have a 'duopoly' which is ineffective for controlling prices or problems with service.

REQUEST: Begin an investigation into the lack of effective competition which includes all of the issues dealing with current communications costs, unreadable phone bills, lack of adequate customer services and remedies including opening the networks up to direct competition for broadband, Internet and cable services, and/or 'price regulation' which includes an analysis of the total revenues from customer charges, including revenues from made up fees to pass throughs.

It is clear that with Time Warner and Comcast's 97% profit margins on 'high-speed Internet' that something is truly amiss.

5) **Multiple Cross-Ties with Verizon's Wireline and Verizon Wireless, and with Time Warner and Comcast Need Immediate Attention**. The FCC and DOJ allowed Verizon Wireless to create a marketing deal with both cable companies to bundle the wireless service with the cable service in areas Verizon has refused to upgrade to FiOS. But what was unexamined is the fact that Verizon Wireless has a sweetheart deal with Verizon's wired companies, such as Verizon New York, for use of the networks – as Title II. This means that the wired, wireless, and cable companies are colluding to control almost ALL communications services.

REQUEST: Simply Put. The FCC erred in allowing a marking deal with Verizon and the cable companies or allowing the transfer of the spectrum to Verizon. And in a separate Complaint, we will outline the ties of Verizon wireless and Verizon wired companies, but it is clear that all of this equals collusion of the entire major market players in all Verizon states.

Besides a primary reason to halt the mergers, this needs a full investigation.

Conclusion

Before any merger is considered between Comcast and Time Warner, the FCC needs to do these investigations into the current harmful business practices that have been allowed to go on for too long.

The Executive Summary was created based on the following reports and articles which were the starting points for the investigations.

- **Communications Bills: Examining the Time Warner Triple Play**
- http://www.huffingtonpost.com/bruce-kushnick/time-warner-cables-advert_b_6009364.html
- **The Time Warner and Comcast Social Contract**
- http://www.huffingtonpost.com/bruce-kushnick/investigate-time-warner_b_6142934.html
- **Special Report: The Time Warner, Comcast Social Contract**
- http://www.teletruth.org/docs/timewarnercomcast.pdf
- **Consumer Protection action against Time Warner in New York.**
- http://s3.documentcloud.org/documents/1357011/complaint-with-exhibits-a-through-k-redacted.pdf
- **Verizon Wired, Wireless, Comcast and Time Warner Collusive Ties**
- http://www.huffingtonpost.com/bruce-kushnick/deny-the-merger-the-collu_b_5562362.html
- **Testimony: New York State PSC Hearing on the Time Warner & Comcast Merger**
- http://newnetworks.com/tmcomcastmerger/
- **New Networks Institute & Teletruth FCC Filings**
- http://www.newnetworks.com/FCCfilingsNewNetworksTelettuth.htm
- **New Networks Institute & Teletruth Bibliography**
- http://newnetworks.com/mission-statement/bibliography/

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