



March 16, 2015

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Re: MB Docket No. 14-57, Applications of Comcast Corporation, Time Warner Cable Inc., Charter Communications, Inc. and SpinCo for Consent to Assign Licenses and Transfer Control of Licensees

Dear Ms. Dortch:

On March 12, 2015, Angie Kronenberg and Mary Albert of COMPTTEL, Jill Canfield of NTCA – The Rural Broadband Association (“NTCA”), Micah Caldwell of ITTA, Richard Schmalensee and Howard Chang of Global Economics Group, and Markham Erickson and Andrew Guhr of Steptoe & Johnson, LLP met with members of the Commission’s staff regarding the proposed transactions between Comcast Corporation (“Comcast”), Time Warner Cable, Inc. (“TWC”) and Charter Communications, Inc. (“Charter”). A list of the Commission staff members attending the meeting is appended to this letter. At that meeting, COMPTTEL, NTCA, and ITTA discussed how the proposed transaction, if approved, would severely harm competition in a number of markets, ultimately slowing the growth of new technologies and new networks. Restricting innovation and competition in this way could impact job creation, consumer prices, and economic growth.

In addition to the topics discussed in the Steptoe & Johnson *ex parte* letter also filed today, COMPTTEL raised serious concerns of particular interest to its members regarding the effect of the merger on the wholesale access market and the continuing availability of wholesale inputs that are critical to broadband competition after the transactions are consummated. TWC has been an active participant in the carrier wholesale market providing inputs that COMPTTEL members use to compete in the retail market, including last mile fiber, transport, Ethernet, cable modem services and other Internet services. The cable company is often the only wholesale alternative competitors have to the incumbent local exchange carriers (“ILECs”).

While Comcast has said that it will honor the existing contracts that carrier customers have with Time Warner Cable, it has not committed to make the TWC wholesale offerings available to new carrier customers once it assumes control or to existing customers once their contracts expire.¹ Comcast has emphasized that it intends to increase its presence in the retail business sector and that the merger will make it a stronger and more cost efficient competitor by, among other things, expanding its geographic reach.² The merger will also increase Comcast's incentive and ability to suppress competition from rivals in the business retail market and thereby increase the number of "in-play" customers and "in-play" revenues that it hopes to win. One way it can do so is to foreclose access to wholesale inputs that rivals are currently purchasing from Time Warner Cable. The elimination of a wholesale source of supply that provides a check on ILEC wholesale prices cannot help but lead to higher retail rates and less competition.

Neither Comcast nor Charter has made any commitments with respect to the continuing availability of the TWC or Comcast wholesale inputs that carrier customers are currently purchasing in the TWC areas that will be transferred to Charter or the Comcast areas that will be transferred to GreatLand. In those areas, COMPTTEL members resell TWC and Comcast cable modem services, respectively, to provide high speed broadband services (up to 20 Mbps) to small businesses, primarily those with ten or fewer employees. The cable modem services are an alternative to the far more expensive ILEC special access services that allow competitive carriers to offer small business customers a competitively priced service and an additional choice in providers. Faced with the uncertainty about continuing availability post-transaction, carrier customers that rely on TWC and Comcast cable modem wholesale inputs to serve their end users in the TWC and Comcast franchise areas that will be transferred to Charter and GreatLand have been unable to aggressively market their competitive services to new customers or to offer term agreements. To the extent that these wholesale inputs are eliminated post-transaction, competitive providers that rely on them will have no economic incentive to stay in the market and competition in the retail market will be suppressed.

¹ See generally COMPTTEL, Petition to Deny, MB Docket No. 14-57, at 11 (Aug. 25, 2014) (noting Comcast has not committed to make available the wide array of wholesale inputs that TWC provides); COMPTTEL Reply at 2-8 (showing Comcast has failed to demonstrate that the transaction will not harm the market for access to wholesale inputs).

² Comcast Application, Exhibit 4 at ¶32; Comcast and TWC Opposition to Petitions to Deny and Comments at 1, 68-74.

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Should you have any questions regarding this matter, kindly contact the undersigned.

Respectfully submitted,
/s/
Mary C. Albert

cc: Jonathan Sallet
Hillary Burchuk
Bill Dever
Hillary DeNigro
Sarah Whitesell
Mary Beth Murphy
Alison Neplokh
Jeffrey Neumann
Elizabeth McIntyre
Jerusha Burnett
Adam Copeland
William Freedman
Michelle Schaefer
Bakari Middleton
Eric Ralph
Ben Childers
Will Reed
Jamila Bess Johnson
Elizabeth Cuttner
Amanda Burkett
Jamie Douglas
Adam Lazaros
Keith Ingram
Julie Saulnier
Ty Bream
Paul Lafontaine
David Waterman
Susan Lee
Marcia Glauberman
Scott Jordan
William Rogerson
Kathy Berthot
Sean Mirzadegan
Robert Cannon