



April 6, 2015

EX PARTE PRESENTATION

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Ex Parte Presentation in MB Docket No. 14-57, *Applications of Comcast Corp. and Time Warner Cable Inc. for Consent to Assign or Transfer Control of Licenses and Authorizations*

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, the Stop Mega Comcast Coalition submits this *ex parte* to include in the record the attached New York Times article dated April 5, 2015, *Comcast Recruits Its Beneficiaries to Lobby for Time Warner Deal*.¹ The article reports that many of the nonprofit organizations, elected officials, and academic institutions that have spoken out in favor of the merger have previously received monetary contributions from Comcast itself or its trade association. Stop Mega Comcast urges the Commission to consider this article when evaluating public comments that may appear to favor the merger.

Respectfully submitted,

/s/

Stop Mega Comcast Coalition

Attachment

¹ Comcast Recruits Its Beneficiaries to Lobby for Time Warner Deal, NEW YORK TIMES, April 5, 2015, available at <http://www.nytimes.com/2015/04/06/business/media/comcast-recruits-its-beneficiaries-to-lobby-for-time-warner-deal.html> (attached).



The New York Times | <http://nyti.ms/1yNHsCn>

MEDIA

Comcast Recruits Its Beneficiaries to Lobby for Time Warner Deal

By **ERIC LIPTON** APRIL 5, 2015

WASHINGTON — The letters have come from all around the United States — from the Nutmeg Big Brothers and Big Sisters in Connecticut, the Houston Area Urban League and even the Dan Marino Foundation in Fort Lauderdale, Fla. — some praising the Comcast Corporation, others urging the federal government to stand aside and approve Comcast’s proposed takeover of Time Warner Cable.

The argument has been reinforced by a blitz of academic papers from groups like the International Center for Law and Economics in Portland, Ore. More endorsements have come in from elected officials like Gov. Phil Bryant, a Republican of Mississippi, and Fred Crespo, a Democratic state representative in Illinois.

“The merger will not hinder competition but will bring better technology to more consumers,” Mr. Bryant said.

But there is a common element to dozens of these appeals: The senders received money from Comcast in recent years, either as a charitable donation, corporate support or a political contribution, records show.

It is a demonstration of how Comcast, the media conglomerate long known for its aggressive lobbying operation, has enlisted a vast network of allies to press federal regulators to approve the \$45 billion transaction, much as it did in 2010 as it sought to acquire NBCUniversal.

But even while Comcast has been busy working to mobilize this support — it had a huge team of 124 federal lobbyists working for it last year — there is growing chatter in Washington that it has been less successful this time in making the public case for its deal.

Several hundred thousand comments have been sent directly or through third parties to the Federal Communications Commission opposing the acquisition, representing a vast majority of those submitted, a review of the files shows, and relatively few members of Congress have signed letters endorsing the transaction, compared with the dozens who signed letters during the NBC review.

“Comcast obviously has a very strong organizational capacity to message,” said Juleanna Glover, a corporate consultant and former lobbyist. “But they have had an extremely hard time coming up with a simple, clean message that advocates of the deal can understand and carry forth.”

David L. Cohen, Comcast’s executive vice president who oversees the company’s sprawling lobbying and public relations program, said in an interview on Friday that he was proud of the job the company had done in campaigning for the deal, as well as documenting for regulators why it made sense.

He did not dispute that many of the voices supporting the deal received donations from Comcast. But he said he was offended by the suggestion that their endorsements had been made in return for the financial help.

“We have never provided financial support to an organization in exchange for support in a transaction,” he said. “Our support is based on the quality of the work they do in the community.”

Comcast said recently that it expected the Justice Department and the F.C.C. to finish their review by the middle of this year, at which time the F.C.C. will vote on the deal.

The analysis by outside policy specialists — in academia, law and technology — is one of the most important parts of the extensive public comment record, because they typically have an intimate understanding of the federal regulations and can raise important points the government must consider.

So while one man from Tallahassee, Fla., simply wrote in to the F.C.C. saying, “This will be a nightmare for consumers!” — obviously in opposition to the deal, Geoffrey A. Manne, executive director of the International Center for Law and Economics, a former law school professor and Microsoft executive, submitted a six-page detailed analysis of the transaction.

“Increased Concentration Does Not Equal Anticompetitive Effect,” Mr. Manne wrote last August, summarizing his submission. He separately wrote pieces in *Wired* magazine, extolling the virtues of the deal, and through a separate advocacy

organization he helps run, called TechFreedom, wrote a blog post that appeared the same day that the deal was announced early last year. Each time, he praised the transaction.

But nowhere in these statements does Mr. Manne directly disclose that Comcast is among a small group of donors that finances his nonprofit group, a fact that Mr. Manne confirmed in response to a question late last week.

“We are no value to our donors or ourselves unless we maintain our independence and academic rigor,” he said, before adding that “maybe there is some subconscious thing there.”

Mr. Manne’s group is hardly alone.

Letters detailing the benefits of the Comcast deal were submitted to the Federal Communications Commission by staff members from Americans for Tax Reform, the American Enterprise Institute, the Institute for Policy Innovation, Competitive Enterprise Institute, the Free State Foundation and the Center for Individual Freedom, as well as by a professor at a technology program at the University of Pennsylvania, all of which received support from Comcast or its trade association, tax documents and other disclosures reviewed by The New York Times show.

A similar pattern is evident with charities like the Urban League and more than 80 other community groups that supported the media company and that also accepted collectively millions of dollars in donations from the Comcast Foundation over the last five years, documents reviewed by The Times show. The Greater Philadelphia Hispanic Chamber of Commerce, for instance, received \$95,000 from Comcast over the last three years.

What is clear is that Comcast has tried to make the most of these endorsements. Varsovia Fernandez, the president and chief executive of the Hispanic Chamber of Commerce, wrote a letter to the Federal Communications Commission, as well as a commentary piece in The Philadelphia Daily News, titled, “Comcast Deserves a Fair Shake.”

The company maintains a list on its website of organizations that have sent in endorsements, and at times issues news releases and sends Twitter messages to make sure they are noticed. The list includes dozens of state and local officials, many of whom have received financial support from Comcast. The company has contributed millions to candidates in state elections in the last four years, including

\$15,000 to Governor Bryant of Mississippi, whose spokeswoman said his positive words about the company had nothing to do with the donations.

Representative Tony Cárdenas, a California Democrat who is one of the few lawmakers in Washington to take a definitive stand on the deal — he opposes it — said that the relative silence from members of Congress did not surprise him. He said the deal was bad for the country and would result in a single company with too much control over cable television and the Internet.

“Comcast is huge, and they have 130-plus lobbyists running around Washington, who keep reminding you that they are here,” Mr. Cárdenas said. “But this is not a healthy deal.”

Mr. Cohen rejected any suggestion that the deal did not have widespread support among members of Congress. It is just that fewer are directly affected by it, compared with the NBC deal, and Comcast has not pressed as many to provide letters this time, he said.

What matters most, he added, is the legal and technical case that has been made to federal and state regulators. He said he was convinced that they would support the transaction based on its merits.

“We have done an outstanding job of creating an extremely strong record that this transaction should be approved,” he said. “And that is the record the regulators are going to make the decision on.”

In the interview, he also conceded that the widespread complaints about Comcast’s customer service, which the company is trying to address, have probably contributed to the number of people writing in opposing the deal — even though, he said, that is not relevant to the decision. But he attributed most of it to organized efforts by some of Comcast’s corporate rivals, which are helping to finance coalitions to oppose the deal.

“The atmospherics around our customer service clearly stir some antipathy among some consumers,” Mr. Cohen said. “And it does provide a basis for opponents of the transaction to gin up three-sentence, nonsubstantive communications to the F.C.C. saying that they don’t like Comcast or they don’t like Time Warner Cable.”

A version of this article appears in print on April 6, 2015, on page B1 of the New York edition with the headline: Recipients of Comcast Donations Back Merger.

Comments on New York Times article “Comcast Recruits Beneficiaries to Lobby for Time Warner Deal,” as of 12 p.m. (noon) on Monday April 6, 2015.

jeffries sacramento ca 32 minutes ago

Let's face it- our very existence depends on money. Our government is run by money, non profits need money, small and medium businesses need money, even families need money. The problem we have is that we have allowed money to be funneled into fewer and fewer hands.

Whether by accident or design we have been conditioned to spend the little we have to support the behemoth corporations who continue to abuse the system. They are the beneficiaries of trade deals, tax breaks, and even write legislation we are then held accountable for. We question none of this for we are consumed with our quest to get the next big thing, the latest and greatest, the new and improved, whatever it is that will enhance our self worth or increase our status.

Why do we care so much for external things that are fleeting in value as they are constantly replaced? Why do we support the current system and look away while we consign our children to the coming feudal system? In my opinion it is because it is hard to think for yourself. It is hard to step away from the one size fits all way of life we are bombarded with. It is hard to challenge those who are financially successful and yet morally bankrupt.

Where are the likes of Teddy Roosevelt- the trust busting leader or FDR who reigned in the bankers? Will we never see these types of leaders again or is it more about us? Perhaps these types of leaders would emerge if they had a populace that would demand Campaign Finance Reform. Maybe it is up to us.

rpasea Hong Kong 32 minutes ago

Time to break up Comcast and TW and let more competitors in. I cut off cable TV years ago but still pay thru the nose in Seattle for an internet connection (some \$60 per month for so so speed, much slower than advertised). In Hong Kong, where I spend most of my time, I pay \$12/month for unlimited data (3G) and something like 2000 minutes per month on my smart phone. At home, we pay \$30/month for VERY fast and reliable home internet access.

The US telecoms market is now a cartel and the prices reflect this. Time for a breakup for this and other industries (airlines come to mind - especially the cartels called "alliances").

Michael V Cuomo princeton nj 32 minutes ago

I think the Internet will ultimately disrupt the traditional cable industry, as the trend will soon be that customers will stream live TV over the Internet and not be forced into expensive TV packages or two-year contracts. Some companies have already started doing this, or announced it will soon do this (e.g., Apple TV, Sling).

It is important for big companies like Comcast to get more market share through mergers because pretty soon they will lose customers to these new streaming TV companies.

However, you need Internet to stream TV and these big companies still control that. Plus you have Comcast which owns NBC Universal and its content.

What we need is more competition in the marketplace. Only that will ensure high quality and low prices. This merger is the exact opposite of what we need, and is only Comcast preparing itself for future domination over America's cable/Internet infrastructure.

Mark Shyres Laguna Beach, CA 21 minutes ago

Contributors donate to the government officials whose ideas they support. Comcast and TW have terrible reputations. What else is new?

RDG Cincinnati 21 minutes ago

The old Bob Dylan line from "It's Alright, Ma" will never lose its brutal honesty: Money doesn't talk, it swears.

Andy Hain Carmel, CA 21 minutes ago

How can anyone trust Comcast? Their service personnel come into your home and during the forty minutes for which they're paid to make your connection, all they do is talk about the homes of their other customer calls who are famous or very wealthy, even telling you the neighborhood where they lived. Could not get the slimy guy out of here fast enough. Phone didn't work right afterwards, so I dropped Comcast three weeks later.

Marc New York City 21 minutes ago

I'm a Time Warner customer, internet only, and I have watched their fees grow endlessly and senselessly. They have been creative with tactics such as suddenly charging separately and exorbitantly for an old modem (a required device) that they had already planted in my apartment years before (surely a TWCable executive got a big raise for coming up with that idea). I also paid the bill for a cash stressed relative in another state who was getting internet from Comcast, in order to keep her son with internet access for his schooling. As a result, I got a clear view of the fees and bills from both companies. With this merger, I could move around the country but in many places not escape Comcast (Fios is not available where I currently live, nor is any other real alternative, but Fios doesn't actually compete on price anyway). No escape, no competition. That's the Comcast/TWC business plan.

Andrew Cutraro NJ 21 minutes ago

Five years ago when we moved from DC to Brooklyn, I cancelled my Comcast service ahead of the move. Comcast failed to scan a barcode on a \$25 modem that I sent back as per their instructions. No one tried to contact me - they just sent the case to a collections agency. I had no idea that blemish (their own mistake - they admit they have the modem) showed up on my credit report when we went to buy house. There was NOTHING I could do. Zero recourse. It has ended up costing me thousands of dollars on points for a higher mortgage rate. That alone, not to mention the stress, and time this

simple error has caused me. The banks are happy to comply also, as they can justify a higher loan rate for me and my family. I could sue, but who's got time for that? They know this. They don't care. They don't need to. They're a monopoly. BUST IT UP. Or open up the wireless marketplace so we can have true competition and innovation. Is there ANYONE out there that is happy with this industry and their customer service? I don't know a single one.

ClearedtoLand WDC 21 minutes ago

From only a security perspective, where is the logic and public interest in concentrating a service as vital as the Internet in a company which epitomizes dysfunctional service? Having received dozens of identical "limited time" offers from Comcast, their contempt for consumers and low ethical standards are obvious.

Robert N McDowell Huntingdon, PA 21 minutes ago

The fact that Comcast has to spread so much cash around to get support for this merger says as much as one needs to know about the quality of their product! We live in an area Comcast is sadly our only option and for a ridiculous price. To reduce the playing field even further just makes no sense at all except to the pocketbooks of Comcast executives and their shareholders. It certainly provides no advantages to the customer!

NYT Pick

Phil Levitt West Palm Beach, FL 1 hour ago

It's like the old joke about the Paris cab driver who, when told his brake pads were dangerously thin, asked the mechanic to make his horn louder. Instead of fixing the problems with service, antagonistic employees and incomprehensible billing, Comcast has a huge lobbying organization to get what it wants.

Jennifer NYC 1 hour ago

In Slovenia, wifi is free. They laugh at us purported first-world denizens for allowing cable and broadband companies to dissect and extract for profit every band we utilize. Like water used to be in NJ, cable should be a public utility.

hfdru Tucson, AZ 1 hour ago

Capitalism only works when it is coupled with strict anti monopoly and anti trust regulations. We send our children off to die in foreign countries to protect our freedom while the companies they are protecting sit here and pay huge sums to bribe our leaders to take away our freedom of choice and to squash the so called invisible hand of capitalism.

Blue Heron Philadelphia 1 hour ago

In some respects, customer service is now the least of Comcast's problems--how ironic is that? This is hardly the first let alone last case study conclusively demonstrating that the corporate stakeholder engagement model that has worked for big business over the last three or more decades has been broken for sometime. Firms like Comcast keep

tweaking here and there to resuscitate a way of doing business that has worked well for only some constituents (e.g. mostly shareholders & lazy regulators, analysts, even media) but poorly for most others for far too long. This case also demonstrates that corporations increasingly can no longer buy themselves goodwill while behaving badly in other areas. Indeed, Comcast is emerging as a study in decades of blank check public relations run amok. They're hardly the only ones. The fact that they have such a truly dismal service and supplier track record in this instance hasn't helped, to be sure. But their experiences facing ever more heavy headwinds are the tip of a much larger SOP iceberg facing more and more corporations, who would do well to get ready for a period up ahead where not getting their ways on a host of fronts will be the new normal. Stop digging a deeper hole for yourselves, Comcast--and start doing the right things instead.

Grant Wiggins NJ 1 hour ago

No! Shocked, shocked...

April Kane 38.0299° N, 78.4790° W 1 hour ago

What happened to anti-trust laws? How can it now be legal for one company be able to control content and distribution?

Sara NYC 1 hour ago

Quelle surprise.

Utown Guy New York City 1 hour ago

When New York City's plan to create a mega free WiFi zone in the city later this year with the project of a wireless superhighway called LinkNYC, wouldn't that make all of the cable companies obsolete? It is said to be financed by advertisers.

Television was paid for initially by advertisers. Why should the public be subjected to these ridiculous fees by the cable companies for access to airways that is supposedly own by the American people? If the internet becomes a free medium, what will become of these behemoth cable companies?

Kristine Illinois 1 hour ago

Why would anyone would believe anything a Comcast representative says? Oh. I see. You have never been a Comcast customer.

NYT Pick

JV Boston, MA 1 hour ago

I am really puzzled by the "experts" at any of the Federal agencies who will even consider this merger to be a good thing. One only has to look to pricing in most regions of the country including urban. In my area, I really only have 2 choices, and they've pretty much settled on a price parity, and against any visible competition -I can get a

basic triple play for ~\$100, or I can get Broadband only for \$80. That doesn't seem like very aggressive pricing to see unbundling options.

But the "experts" only have to look to the other industry that they've organized into an oligopoly over time - the airlines. Today, customers have no pricing power, ticket prices continue to reign high despite fuel costs plunging...

Let's hope the better analogy that comes along is the T-mobile/wireless industry scenario. That's the kind of change (and merger rejection) that we need!

VG Rosenwald New York, NY 1 hour ago

much has been written about comcast consumers, many of whom have been maligned by comcast when they've tried to alter or entirely sever their accounts. time warner cable (twc) isn't far behind. throughout my many years as a twc subscriber, i have lost cable power at least once a month, sometimes multiple times in the same week. when that occurs, twc expects me to telephone its service department minimally twice: once to report the outage, & the second time to ask for credit after the outage has been fixed. in between, twc's marketing department is forever telephoning me, trying to entice me to increase my "bundle." while i've considered curtailing my twc account, currently there isn't much to choose from for ordinary subscribers. verizon's fios doesn't cover my part of nyc, & other alternatives (satellite dish or watching tv off of my computer) are even less appealing. is the answer cold turkey or tolerating twc/comcast's bad service & behavior? for news junkies, there is no choice.

Susan New York, NY 1 hour ago

TWC is bad enough without Comcast taking it over. I remember when CBS had a dispute with TWC and it was off the air in NY for a few weeks. During that time TWC had the gall to call me and try to get me to purchase more (internet and telephone). I confronted the TWC rep and said "you take something (CBS) away from me and have the gall to try to sell me more product at the same time? Who is in charge of your marketing department?" The poor rep was reduced to apologizing profusely. What ever happened to the "good old days" when "the telephone company" was broken up to allow more competition? Guess the answer is in DC. Corrupt politicians.

jp Baltimore, MD 2 hours ago

Customers would benefit if Comcast was broken up, not made into an even larger monopoly. Their customer service is terrible; their pricing hard to understand and ever-changing; the speed of their connection varies from slow to acceptable. They need regulation and competition.

Paul J. Washington, DC 2 hours ago

If David Cohen was a used car salesman I certainly wouldn't buy a car from him. But then again I have common sense. If someone sticks their nose into business that normally shouldn't be their business that should raise all kinds of red flags.

The Urban League? Really? What's their vested interest in an internet company's merger? I cry foul and am grateful to know this.

J. R. Freed West Palm Beach 2 hours ago

I'm able to write this comment because, at this time, my Comcast service is working! Although it does work more often than not, it is not reliable. As a former Time Warner customer in NYC, I happily switched to Verizon FIOS when it became available, and would never consider switching back. Here in Florida, however, there is no choice but Comcast, and the lack of competition is reflected in their horrible customer service. Not only should this merger be prohibited, but competition (or municipal internet access) should be encouraged.

Karen L. Illinois 1 hour ago

Same here in Chicago! TV service is fine, but internet horrible. They never could get my internet working reliably, blamed all manner of my software, etc., and 2 years later, have still to come out and bury the cord they ran in my front yard in winter. Back with ATT internet and husband just clipped the cord and threw it out so he doesn't have to move it when mowing the lawn.

Now if only there were some TV competition, I could remove this terrible company from my life completely. And they have the gall to advertise for home security systems! If this merger goes through, just another illustration of how government is sold to the highest bidder.

Vanadias Maine 2 hours ago

If "concentration doesn't inhibit competition," why don't we just merge all of the telecommunications in the country into one super corporation? Why stop there? Why not have a single broadcast company for the entire planet? Think of all the choices we could have then!

I'll tell you why. Because Manne is lying. (And, as this article points out, he is being legally bribed to lie). If you read his piece in 'Wired,' the anticompetitive effect to which he refers has nothing to do with prices--which have skyrocketed against inflation--and everything to do with innovation. And if we're being honest, even those modest gains in innovation have been stultified by special interests. (Who wouldn't, for instance, prefer a pared-down cable service, with just a few channels you watch regularly, and much higher speed internet for streaming? When is that going to happen for a lower price?)

These aren't intellectually serious people we're dealing with. They're bill-slicked frauds hiding behind legal graft. The companies they represent should be smashed into smaller pieces--not concentrated. And they should be laughed out of the building for making such obviously phony arguments.

HowardNielsen Oregon 2 hours ago

David Cohen said, " he was offended by the suggestion that their endorsements had been made in return for the financial help." How hilarious is that? Why else is money distributed by lobbyists?

Stuart Wilder Doylestown, PA 2 hours ago

I wait with bated breath for a single comment to this article with even tepid praise for Comcast. Is there any American company so universally hated for so many good reasons?

Brooklyn Song Brooklyn 1 hour ago

Yes. Time Warner.

frazerbear New York City 2 hours ago

Can the Supreme Court say with a straight face that there is no relationship between corporate money and Congressional action?

James Love Arlington, VA 2 hours ago

Good reporting of a long standing practice in the telecom world, buying support for anticompetitive mergers.

Morris Thorpe Detroit 2 hours ago

What a disheartening show.

"Our support has nothing to do with donations." Trying to argue against this assertion is a fool's errand. We know that (of course) the two are related. And they know it as well.

And in the end, 140 lobbyists will have much more say in the issue than millions of us. They win. We lose.

marywho Nantucket, Mass 2 hours ago

We need more and more available information on the links between political donations and legislation. We no longer have a real democracy because of the power of money. We need total transparency, because our system is blatantly corrupt.

Raymond Washington DC 2 hours ago

Unbelievable that the cable companies have money like that to throw around. Comcast just posted \$2 billion in profits!! You'd think they might pass some of that onto the customer in terms of lower fees or discounts. But they don't. Well, as a Comcast customer, my subscription ends today.

Richard Wynnewood PA 2 hours ago

Having played a small part in Comcast's IPO as legal counsel to the underwriters and having witnessed Comcast's astounding growth since then into a communications and entertainment monolith, I should be supporting its proposed takeover of another huge market. But I'm not. I've been a Comcast customer for decades and I think their service is reasonably good. But they keep raising prices, not based on increased costs but simply because they can. That's what monopoly powers lead to -- higher and higher consumer prices. Yes, we also have Verizon FiOS in parts of our market, but they're not competing on price because they don't have to. They happily survive under the umbrella of Comcast's monopolistic pricing. If Comcast's takeover of Time Warner Cable were accompanied by a legally binding agreement to keep consumer prices at levels not exceeding a reasonable profit margin approved by the FCC, I would support the merger because adding more revenues should enable Comcast to deliver its services at lower marginal costs. But I don't see that happening.

AD New York 2 hours ago

we need to stop pretending that the U.S. has somehow mastered the corruption that impedes progress and development in poorer countries and admit that we've simply given it another name: lobbying.

The only relevant question about the Time Warner-Comcast deal is how much worse service can get compared to the horrible service these two anticompetitive corporate behemoths already provide. Either the government needs to step in and regulate them, forcing them to provide the kind of service that people in truly developed countries take for granted, or block the deal and break up the companies like it did with Ma Bell.

Sharon Florida 2 hours ago

I sincerely hope the FCC does not allow Comcast to take over Time Warner. We have two homes, one in Florida (where we have no choice but to use Comcast) and one in NY with no choice by Time Warner. The service we receive from Time Warner, while not perfect, is remarkable next to the nightmare that is Comcast. It is impossible to have anything taken care of without 3 phone calls to Comcast and when you make those calls (or more) you get different answers from each person. The company is SO huge already that the communication between departments is worse than anyone can imagine. Making it larger and leaving the consumer even LESS choice, will be horrific. In addition their product just does not work well. Their billing dept is disorganized, each person quotes a different price and they lose phone messages.

Time Warner employs real people, at least when you call them, they seem to genuinely care about their service.
