

United States Senate

WASHINGTON, DC 20510-2309

May 26, 2015

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MB
Competition
Merger

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

The Honorable Loretta Lynch
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington, DC 20530

Dear Chairman Wheeler and Attorney General Lynch:

I ask that you carefully review Charter Communications' proposed merger with Time Warner Cable (TWC) and acquisition of Bright House Networks (BHN) to determine whether these transactions are in the best interest of the American public. I have long been concerned about the effects of consolidation in the telecommunications industry on American consumers. Any deal of this size and scope warrants scrutiny.

For my part, I will be examining this deal in the coming weeks, and I urge the Federal Communications Commission (FCC) and the U.S. Department of Justice (DOJ) to look closely at the consequences for Americans' access to vital telecommunications services and the corporate interests at stake. To protect the American people, it is essential that regulators thoroughly examine the proposed deal and, if allowed to proceed, consider the need for strong and enforceable consumer protections to guard against any anti-competitive effects and to promote the public interest.

As the industry currently stands, "New Charter" would be the second largest multichannel video programming distributor, with 17.3 million video subscribers, and it would control up to 30 percent of the broadband market under the recently updated standard for high-speed Internet service (i.e., requiring a minimum download speed of 25 Mbps). In the companies' joint announcement today, they stress that their combined scale would allow "New Charter" to provide improved telecommunications services at more competitive prices. They further commit to expanding and improving access to broadband Internet for low-income customers. In assessing the promised benefits to consumers, the FCC and DOJ should consider the companies' current practices, the competitive landscape and their incentives to serve the public interest post-transaction, and the extent to which the new company could be held accountable for its stated commitments.

With only a handful of cable and Internet companies currently controlling the market, the burden is on Charter Communications, TWC, and BHN to prove that this proposed deal and further concentration of the industry would affirmatively benefit consumers. Those with an interest in combining these companies must demonstrate that their combined scale will lead to increased affordability, quality, and expansion of telecommunications services for consumers across the nation.

As always, thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact Leslie Hylton on my staff at Leslie_Hylton@judiciary-dem.senate.gov or (202) 224-5204. I look forward to continuing to work with you as you evaluate Charter Communications' proposed transactions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Al Franken", with a long horizontal flourish extending to the right.

Al Franken
United States Senator



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2015

The Honorable Al Franken
United States Senate
309 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Franken:

Thank you for your letter regarding Charter Communications' proposed merger with Time Warner Cable and acquisition of Bright House Networks. I appreciate hearing your views.

The Commission will evaluate whether the proposed merger is in the public interest. Our analysis takes several factors into account, including the issues noted in your letter: the impact on consumers and competition. Indeed, as I recently said, an absence of harm would not be sufficient. Rather, the Commission will look to see how American consumers would benefit if the deal were approved. While I am unable to discuss the merits of this particular proposal, I can assure you that the Commission will be conducting an open and transparent process as required by FCC rules and regulations. After developing a full and complete record, we hope to conclude our review as quickly as possible.

Again, thank you for your interest in this matter. Your letter will be made part of the official record of the proceeding.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a stylized flourish above the name.

Tom Wheeler