



Radio // Television // Web

Via ECFS

October 13, 2015

Ms. Marlene Dortch, Esq.
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Application of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent to the Transfer of Control of Licenses and Authorizations, MB Docket No. 15-149

Dear Ms. Dortch:

TheBlaze TV (“TheBlaze”) wishes to provide its views on the transfer application of Charter Communications, Inc (“Charter”), Time Warner Cable Inc (“TWC”), and Advance/Newhouse Partnership (“Advance/Newhouse or Brighthouse”) and to offer its support for the proposed transaction.

TheBlaze is unique among independent television networks because it is the first mainstream television channel to have launched on the Internet first, building its audience and proving the value of its content online before seeking MVPD carriage. Today, TheBlaze enjoys carriage on more than 100 MVPDs nationwide, including DISH Network and Cablevision, and has direct-to-consumer relationships with a few hundred thousand subscribers on its streaming video platform. As programmer in both the linear and streaming video space, TheBlaze is keenly aware of the impact mergers and acquisitions can have on this evolving marketplace and offers the Commission a perspective that is unique amongst independent programmers.

I. Increased Scale from the Proposed Transaction Provides the Applicants New Opportunities to Challenge Unfair Wholesale Bundling Practices

Unlike broadcasters, vertically integrated MVPDs and large media conglomerates that can utilize their market power to force MVPDs to carry unwanted content, independent programmers, like TheBlaze, must rely on actual market demand to justify carriage of their programming. Over the last decade, large media conglomerates, particularly broadcasters or companies affiliated with broadcasters, have leveraged retransmission consent rights or other “must have” programming (e.g., live sports), unfairly forcing MVPDs to carry a stable of cable television channels that have little or no consumer value or demand. This forced bundling drains scarce programming resources and monopolizes channel capacity to the detriment of emerging independent programmers like TheBlaze.

The problem of wholesale bundling is only becoming more acute and the harm to independent programmers more severe. As Charter noted before the Commission last year, “In 2006, the average number of bundled channels for cable’s Expanded Basic Service was 71, at a cost of \$45.26. In 2014, those figures had skyrocketed to forced bundles of 160 channels at a cost of \$64.41.”¹ Clearly, this forced bundling raises the price of linear television for consumers and ultimately challenges the price elasticity of pay-TV. As consumers resist the upward price pressure created by wholesale bundling, MVPDs are forced to eliminate other programming options to cut costs. Independent programmers, without market leverage, bear the disproportional brunt of these cost cutting measures by being denied carriage, forced to accept carriage on less than favorable rates and terms or dropped altogether from channel line ups.

The proposed transaction, along with the recently approved AT&T-DIRECTV transaction, offer a chance to change the economics of cable television programming and thus create opportunities for independent networks like TheBlaze. With nearly 24 million customers, a post-transaction Charter will be positioned as a top 3 MVPD. This size affords the company with the ability to challenge wholesale bundling demands that disproportionately impact independent programmers. It should be further noted that the benefits of this scale are unique to this transaction. Unlike the proposed Comcast-Time Warner Cable merger presented to the Commission last year, Charter Communications is not vertically integrated with retransmission consent rights and therefore has a much greater incentive to challenge the wholesale bundling practices of the largest video programming vendors.

II. Charter is a Leader in Broadband Deployment and Will Extend its Best-in-Class Internet Experience to Time Warner Cable and Bright House Subscribers; Charter Has Committed to Abstain from Unfair and Discriminatory Internet Practices

As noted in the Applicants’ public interest statement, Charter Communications has made significant investment in the deployment of DOCSIS 3.0 throughout its footprint. This investment enables Charter to offer minimum internet speeds of 60-100 megabits per second to nearly all of its customers. These internet speeds are two and a half to four times faster than the benchmark speed of 25 megabits per second set by the FCC to be considered broadband. Charter has committed to upgrading TWC and Brighthouse digital subscribers to this minimum speed within one year of closing and to all subscribers within 30 months of closing. Charter has also made a voluntary commitment to abstain from data caps and provide a pathway to amicably settle interconnection disputes.

These substantial voluntary commitments from Applicants represent a significant expenditure of capital and commitment to fair dealing. TheBlaze believes that should the FCC condition this transaction on additional Internet-related commitments, independent networks may actually be harmed. Like forced bundling, the imposition of conditions that require additional Internet

¹ *In The Matter of Petition for Rulemaking to Amend The Commission’s Rules Governing Practices of Video Programming Vendors*, RM 11728 Comments of Charter Communications, Inc. at 2.

bandwidth upgrades or roll out commitments would divert both the capital and bandwidth that would otherwise be available to support emerging independent networks.

For the above reasons, TheBlaze believes the proposed transaction will increase distribution opportunities for emerging content providers and increase the diversity of viewpoints available to and demanded by consumers. We urge the Commission to approve this transaction with minimal government interference.

Sincerely,

/s/

Lynne Costantini
President, Business Development
TheBlaze

cc: Ms. Vanessa Lemmé
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Mr. Adam Copeland, Esq.
Mr. Jim Bird, Esq.