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December 4, 2015

By ECFS

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

Re: Notice of Ex Parte Presentation, Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 15-149

Dear Ms. Dortch:

On Wednesday, December 2, 2015, the undersigned engaged in a telephone conversation with Owen Kendler, Office of General Counsel, Charter-Time Warner Cable-Bright House Networks Transaction Review Team, during which we discussed INCOMPAS's pleadings in the above-captioned proceeding.

INCOMPAS's pleadings describe how the proposed merger, if approved, would create a new barrier to broadband competition and infrastructure investment. The Applicants themselves acknowledge that New Charter would be able to secure even more favorable terms from video programmers than Charter Communications, Inc. ("Charter") or Time Warner Cable, Inc. ("TWC") could obtain without the proposed transaction.¹

In contrast, most competitive service providers face increasingly high costs for video programming. The smaller the provider, the higher these costs are: the Commission has previously found that a provider's bargaining power relative to video programmers is a function of the number of the provider's subscribers.² Despite these high costs, broadband providers must offer a multichannel video programming service to consumers in addition to broadband Internet access service; cord-cutters still represent a very minor segment of the video population, and

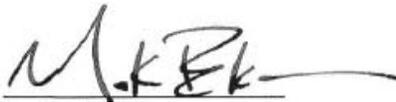
¹ INCOMPAS, Petition to Deny, MB Docket No. 15-149, at 7 & n.23 (Oct. 13, 2015) ("INCOMPAS Petition"); INCOMPAS, Reply, MB Docket No. 15-149, at 4 & n.13 (Nov. 12, 2015) ("INCOMPAS Reply").

² See INCOMPAS Petition at 7 & n.22.

consumers overwhelmingly demand linear video.³ Many broadband providers thus offer subscribers linear video service at a loss simply to complete the bundle and support the provision of competitive broadband services.⁴ As a result, the high cost of providing video service is a principal barrier to broadband investment and deployment, particularly for small and medium service providers.

Charter's economist does not adequately take these factors into account. Charter's economist attempts to parlay the benefits that would inure purely to the Applicants into consumer benefits by claiming that New Charter would likely pass through cost savings to consumers.⁵ However, even if this were true, these savings do not make up for the significant negative impact the proposed merger would have on future broadband competition and infrastructure investment.⁶ INCOMPAS is working on its own economic report to further support its arguments on this point.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. C. Erickson', with a horizontal line extending to the right from the end of the signature.

Markham C. Erickson
Counsel to INCOMPAS

³ INCOMPAS Petition at 10.

⁴ *Id.* at 9-10.

⁵ *See* INCOMPAS Reply at 4-8.

⁶ *Id.* at 8-14.