KATHY CASTOR
14TH DISTRICT, FLORIDA

COMMITTEE ON
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OVERSIGHT AND INVESTIGATIONS
COMMITTEE ON THE BUDGET
REGIONAL WHIP

Congress of the United States
House of Representatives
Washington, DC 20515–0914

WASHINGTON OFFICE:
205 CANNON BUILDING
WASHINGTON, DC 20515
(202) 225-3376

DISTRICT OFFICE:
4144 NORTH ARMENIA AVENUE
SUITE 300
TAMPA, FL 33607
(813) 871-2817

www.castor.house.gov

February 2, 2016

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: Urge robust public interest review in merger of Charter - Time Warner Cable - Bright House Networks MB Docket 15-149

Dear Chairman Wheeler:

I respectfully request that the Federal Communications Commission (FCC) conduct a robust public interest review of the application for transfer of licenses and authorizations relating to the merger of Charter Communications (Charter), Time Warner Cable (TWC), and Advance/Newhouse Partnership, the parent of Bright House Networks. The proposed transaction would combine the fourth (TWC), seventh (Charter), and 10th (Bright House Networks) largest multichannel video programming distributors (MVPDs) in the country to create the third largest provider in the country, serving roughly 17.3 million customers. Additionally, the new company would bring together 19.4 million broadband subscribers, creating the second largest broadband internet provider in the country, and would provide services to customers across portions of nearly 40 states. Such a merger would have a substantial impact on consumers in the Tampa Bay area, which is one of the largest media markets in the United States.

The FCC reviews applications for the transfer of control and assignment of licenses and authorizations to determine whether or not the public interest would be served. The parties, not the FCC, have the burden of demonstrating that the proposed transactions would be *in the public interest* based on a preponderance of evidence. It will be appropriate for the FCC to attach conditions to any approval to protect consumers to ensure that the transaction is indeed *in the public interest*.

Both consumer groups and independent companies have announced their opposition to the merger and transfer. Advocacy organizations Public Knowledge, Common Cause and Open MIC wrote jointly that the merger has the potential to harm consumers and squander innovation in this growing industry.[1] Dish Network also weighed in and argued in a regulatory filing that a

[1] https://www.publicknowledge.org/documents/petition-to-deny-proposed-merger-between-charter-and-time-warner-cable

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Charter/TWC acquisition would be "no better" than Comcast's earlier attempt to purchase TWC [2] in which the FCC concluded that the proposed merger would pose an unacceptable risk to competition and innovation especially given the growing importance of high-speed broadband to online video and innovative new services.[3] In that case, the FCC and Department of Justice concluded that the merger would not serve the public interest. I respect the open process and painstaking hours that were devoted to that analysis. I urge you to conduct the same type of thorough review here.

I have numerous concerns about the Charter/TWC/Bright House Networks transaction and appreciate the opportunity to share my concerns and the concerns of consumers across the Tampa Bay area. I urge you to consider our local interests to ensure that the Charter/Bright House Networks application would serve the public interest. The proposed "New Charter" will impact consumers and suppliers of video, voice, and broadband applications and entire service markets. Specifically, it is important to ensure that consumers in the Tampa Bay area and across the country not experience diminished customer service and service quality, an unnecessary and unwise reduction in our local workforce and diversity of that workforce, a reduction in local programming and degraded programming options, and a reduction in the local commitment to schools and philanthropic endeavors.

Customer Service and Service Quality - Tampa Bay area residents have high standards when it comes to customer service, customer satisfaction and accessibility to local offices and live person troubleshooting. According to recent customer satisfaction surveys, including J.D. Power and *Consumer Reports*[4], and reports from the *Tampa Bay Times,* Bright House Networks generally ranks "better than most" and "among the best", while Charter ranks average or worse. Any merger and transfer in licenses must require the highest standard of customer service and include measurable benchmarks. Consumers should not trade downward for service and, when it appears that they are, the FCC should subject the transaction to high scrutiny for any attempt to transfer control of their licenses and authorizations. Consumers are tired of time-consuming corporate runarounds where it is difficult to get a customer service agent on the phone to change service or report a problem. Any approval must be based upon overall improvements for consumers and not solely on improvements for shareholders and New Charter's bottom line.

To finance the transaction, Charter proposes to take on $27 billion in debt. I am concerned that such a sizable debt could compromise New Charter's ability to fulfill commitments to improve service quality and availability. Indeed, former FCC Commissioner Michael Coops recently warned that "[t]o finance this deal, Charter will be taking … new debt—about $1,142 for each subscriber. To keep its lenders and creditors happy, the merged company will have every incentive to raise prices and slash service."[5]

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[2] http://about.dish.com/blog/dish-petitions-fcc-deny-chartertime-warner-cable-merger

[3] https://www.fcc.gov/document/chairmans-statement-comcast-twc-merger

[4] http://www.tampabay.com/news/business/corporate/charters-reported-10b-acquisition-could-be-bad-news-for-tampa-bays-bright/2223519

[5] https://medium.com/@coppsm/the-scariest-cable-merger-nobody-in-washington-is-talking-about-aeaafcc53bf7#.krqfy50jc

Reduction in our local workforce and diversity of the workforce - One of the reasons Bright House Networks scores so high in customer service and consumer ratings is the highly professional and accessible local workforce across the Tampa Bay area. In order to ensure that Tampa Bay consumers continue to receive the best service, it will be necessary to maintain and grow the local workforce, especially as the Tampa Bay area and State of Florida continue to grow. The diversity of the workforce also should reflect the diversity of the area and any retreat from the Bright House commitment would likely harm service and programing for consumers.

Local programming and degraded programming options - The Tampa Bay community highly values Bay News 9, the 24-hour *local* news and weather channel, and the Bright House Sports Network (BHSN) that televises local community sporting events. Charter should maintain and grow Bay News 9, the BHSN and invaluable local programming rather than reduce coverage, cut corners and cut costs. Other local community access programming options are also important to my Tampa Bay neighbors. I urge the FCC to establish conditions and benchmarks to guarantee that Bay News 9, BHSN and local programming are not degraded or substituted with an amalgam of other programming that is not relevant to the lives of Tampa Bay residents.

Furthermore, the entire industry continues to innovate for the benefit of consumers and the FCC must ensure that this transaction foster further innovation and in consumer choice. The structure of and competition within the industry are changing with viewers' habits. Subscribers to MVPDs are declining. You recently acknowledged that "an online video market is emerging that offers new business models and greater consumer choice". I urge you to continue to promote competition for the benefit of the public interest and consumers. The FCC public interest evaluation necessarily encompasses the "broad aims of the Communications Act," which include, among other things, a deeply rooted preference for preserving and enhancing competition, accelerating private sector deployment of advanced services, promoting a diversity of information sources and services to the public, and generally managing the spectrum in the public interest.

The public interest analysis also entails assessing whether the proposed transaction would affect the quality of communications services or result in the provision of new or additional services to consumers. In conducting this analysis, the FCC may consider technological and market changes, and the nature, complexity, and speed of change of, as well as trends within, the communications. The New Charter transaction has the potential to harm consumer choice by delaying the development of the new and growing online video distribution industry by inhibiting distributors' access to programming or their ability to send programs to customers over the internet. The $27 billion debt needed to finance the transaction again raises concerns regarding Charter's ability to provide sufficient capacity to deliver online video and other services to its broadband subscribers. I urge you to consider whether or not such debt will inhibit new or additional services for consumers. The transaction should enhance services to consumers to meet the public interest test.

Even within this transaction the FCC must be mindful of how we integrate and encourage emerging and local small businesses. Smaller companies including standalone streaming apps, or over-the-top apps, make up a growing industry. The impact of consolidation on smaller companies and independent programming should be the subject of FCC scrutiny as well.

Protect local commitment to schools and philanthropic endeavors - I am very concerned that New Charter will renege on robust commitments made to local students, schools, customers and non-profit charities. Bright House Networks works with over 500 charities and has a long history of investing in education and after-school programs in Tampa Bay neighborhoods. Bright House has a legacy that focuses on improving the quality of education in the classroom through broadband cable resources and technologies that have promoted achievement in science, technology, engineering, and math. Recently Charter pledged to begin offering some low-income residents -- students and seniors -- a $14.99-a-month high-speed Internet service plan within six months of the merger closing.[6] Bright House Networks currently offers a lower option of $9.95 through the Connect2Compete (C2C) program. Hillsborough County Schools supports the C2C program.[7] Charter should continue the Bright House commitment and clearly spell out its overarching philanthropic commitment to the Tampa Bay community to aid all in determining whether or not the transfer is in the public interest.

While consolidation appears to be the trend in telecommunications industry, I ask that the FCC be mindful of the potential negative consequences to Tampa Bay area consumers and communities. I urge the FCC to closely scrutinize all of these issues and more in its public interest determination. Thank you for your attention to this important matter. If you have any questions or comments, please do not hesitate to contact me or Kevin Karpay at 202-225-3376.

Sincerely,

Kathy Castor

Kathy Castor
United States Representative
Florida – District 14

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[6] http://www.latimes.com/entertainment/envelope/cotown/la-et-ct-charter-time-warner-cable-merger-puc-hearing-20160126-story.html

[7] http://www.sdhc.k12.fl.us/news/17/connect-2-compete/

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

March 1, 2016

The Honorable Kathy Castor
U.S. House of Representatives
205 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman Castor:

Thank you for your letter regarding Charter Communications' proposed merger with Time Warner Cable and acquisition of Advance/Newhouse Partnership, the parent of Bright House Networks. I appreciate hearing your views.

Consistent with our rules, the Commission will evaluate whether these proposed transactions are in the public interest. Our analysis on any transaction is always robust and takes several factors into account, including the issues you raise in your letter. Not only do we assess whether we can appropriately remedy any harms that may arise from the transaction, we also place great emphasis on the benefits that the transaction will confer on American consumers. 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,

Tom Wheeler