March 21, 2016

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

Re: MB Docket No. 15-149 — Merger of Charter, Time Warner Cable and Bright House

Dear Chairman Wheeler:

We the undersigned organizations urge you to deny the proposed acquisition of Time Warner Cable and Bright House Networks by Charter Communications. Several of our organizations collectively submitted hundreds of thousands of individual comments from our members and generated thousands of phone calls opposing the merger to lawmakers and the Commission. Several of us have also filed formal petitions to deny the merger with the Commission.

We are dismayed by rumors and reports that the FCC is considering an order to approve this disastrous deal. The case is clear, and the popular outcry is growing. This merger serves no one but the companies backing it and should be blocked.

Cable companies continue to serve as video providers for hundreds of millions of Americans, and they continue to increase their dominance as providers of critical communications tools such as true high-speed broadband. As Internet access becomes increasingly indispensable for engaging in our 21st-century economy and democracy, further consolidation of cable providers does not serve the public interest.

The transaction would result in the new Charter nearly equaling Comcast's current size, and would create a national broadband duopoly. These two companies would control nearly two-thirds of the nation's high-speed broadband subscribers, and would offer service to almost 80 percent of the country. People in roughly 60 percent of Charter's vastly expanded territory would have no other realistic option but Charter for bundled high-speed Internet and video services.

This substantial increase in market power would give Charter both heightened ability and incentive to raise prices at will. These incentives are tied to Charter's willingness to take on more than $27 billion in new debt to finance the deal. This additional debt burden of $1,142 for each customer would saddle the newly combined entity with an incredible $66 billion in debt. To repay that, and to satisfy its investors, the new Charter would have to raise its prices substantially — squeezing captive customers and forcing some offline.

As a recent Pew Research Center report found, broadband adoption rates are dropping, particularly for low-income households and communities of color. The main reason for this decline is high prices that force people in marginalized communities to choose between paying for broadband and other necessities. If this transaction were approved, cities like Los Angeles, New York City, Dallas and Cleveland would see Black and Latino households and low-income families take the hardest hit from rate hikes.

Despite Charter's promises to improve diverse programming and offer low-cost broadband to some families, we know that such merger conditions have historically been difficult to implement and impossible to enforce. Even if they were enforceable, these limited commitments would fail to remedy the serious systemic harms this merger would cause to broadband affordability.

Affordable broadband, coupled with the availability of diverse and competitive content online, is a far more promising prospect for the future of video than are Charter's vague promises. But this merger would give Charter the power to squelch content creators and distributors too. On its own and in coordination with other gatekeepers, Charter would stifle "over-the-top" options to guard its legacy cable television revenues. It could do so in several ways by leveraging its incumbent cable television provider advantages and by abusing its natural monopoly over broadband.

In his written testimony delivered to the Senate's antitrust subcommittee earlier this month, DoJ antitrust chief Bill Baer explained the risk to "internet-based services that rely on a broadband connection to reach consumers" from just such an "all-powerful gatekeeper." In answer to questions posed during that hearing, he discussed the problems stemming from the fact that most Americans have "one or zero" high-speed broadband choices available to them — meaning they really have no choice at all. He noted that the incentives for the companies which control that broadband "pipeline" are to "favor content they may have created on their own," to "den[y] creative works the opportunity to be seen," and to "discourage over-the-top transmission of content," concluding that such incentives were a key factor in leading the DoJ to oppose past cable mergers.

If people are to experience the full benefits of a diverse and innovative video market that provides opportunities for independent voices, culturally relevant programming and a variety of political viewpoints, the Commission must enhance competition between cable and online distributors. Approving Charter's merger would have just the opposite effect.

As Chairman Wheeler has noted, "meaningful competition for high-speed wired broadband is lacking and Americans need more competitive choices for faster and better Internet connections." And as President Obama has noted time and again when talking about the need for better broadband options, "In too many places across America, some big companies are doing everything they can to keep out competitors."

This debt-laden deal would only restrict competition and raise rates for people in communities that can least afford it. We respectfully reiterate our request that the proposed acquisition be denied.

Sincerely,

18 Million Rising
Alliance for Community Media
The Center for Media Justice
Common Cause
Courage Campaign
CREDO Action
Daily Kos
Demand Progress
Fight for the Future
Free Press
Future of Music Coalition
The Greenlining Institute
Media Alliance
MoveOn.org
National Hispanic Media Coalition
Open Media
Open MIC (Open Media and Information Companies Initiative)
Presente.org
RootsAction
Stop the Cap!
SumOfUs
Working Families Party