

Verizon, Time Warner Offering Internet, Cable Bundles Despite Concerns

Verizon Wireless and Time Warner Cable announced April 12 that customers in parts of Ohio, Kansas and North Carolina can now sign up for bundled offerings, including Time Warner Cable video, Internet and voice services and Verizon smartphones and [tablets](#).

The announcement between the two companies comes as federal regulators are still looking into whether such deals, or even such a partnership, are legal or ethical.

In December 2011, Verizon announced it had entered into a deal with SpectrumCo, a combination of Time Warner, Comcast and BrightHouse Networks, in which it would purchase wireless spectrum and agree to resell some SpectrumCo products, just as the latter would market its mobile products and services. The deal—particularly the marketing aspect—raised red flags throughout the industry, with U.S. Sen. Al Franken (D-Minn.), among others, worried about what it would mean for consumers and pricing if major competitors were instead to become allies.

On March 21, members of the Senate Subcommittee on Antitrust, Competition Policy and Consumer Rights [questioned executives from Verizon and Comcast](#), as well as representatives from companies opposing the deal.

U.S. Sen. Amy Klobuchar (D-Minn.) wondered whether such bundles would lock consumers into paying higher rates or result in less competition and so fewer options for consumers.

"No one is constrained to buying in bundles ... There's *nothing* to get from these bundles other than convenience or a discount of sorts that the consumer can choose or not choose," Randal Milch, Verizon executive vice president and general counsel, told her.

Sprint, T-Mobile and the Rural Telecommunications Group (RTG) are [more upset by the spectrum-trading side of the deal](#).

"Verizon Wireless is systematically attempting to corner the market for commercial mobile wireless spectrum while simultaneously stripping existing and potential competitors of all their spectrum holdings," Carri Bennet, RTG's general counsel, said in a Feb. 22 statement. "This practice is anti-competitive and a violation of antitrust law and should result in the FCC's denial of all of the applications filed by Verizon Wireless."

The FCC has yet to deny Verizon or the cable companies anything yet. This leads us to their April

12 announcement.

"The joining together of the best products and services from Time Warner Cable and Verizon Wireless into a single package is a big win for customers ..." said Jeffery Hirsch, Time Warner's chief marketing officer, in the statement. "These new packages provide more choice, convenience, greater value and bring customers a more complete entertainment and communications experience inside their home and wherever they go."

As of April 12, packaged offerings are available in Columbus, Ohio; Toledo, Ohio; Kansas City, Kansas; and Raleigh, N. C., with more communities gaining access in the "coming months."

The companies further sweetened the deal by announcing that new and current Time Warner and Verizon Wireless customers who sign up for a package "may be eligible to receive a \$200 prepaid debit card."

Some fine print on the [Verizon Website](#) explains that the card comes with the activation of a new two-year Verizon smartphone or tablet data plan and a qualifying Time Warner Cable services upgrade or new subscription and a minimum of 90 days of services.