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REDACTED – FOR PUBLIC INSEPTION

August 1, 2012

Carly T. Didden
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FILED/ACCEPTED

AUG - 1 2012

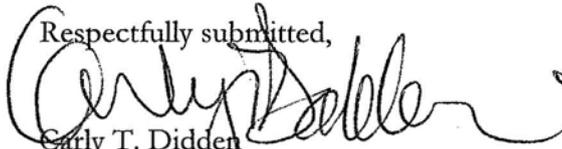
*Federal Communications Commission
Office of the Secretary*

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

**Re: Redacted - For Public Inspection
Applications of Cellco Partnership d/b/a/ Verizon Wireless, SpectrumCo, LLC, and
Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses, WT Docket No.
12-4**

Dear Ms. Dortch:

On behalf of the Communications Workers of America (“CWA”) and the International Brotherhood of Electrical Workers (“IBEW”) and pursuant to the Second Protective Order adopted in the above-referenced docket, enclosed please find two corrected copies of the Public Inspection version in redacted form of CWA’s and IBEW’s Ex Parte filing, originally filed with the Commission on July 24, 2012. A corrected Highly Confidential version is also being filed under separate cover with the Secretary’s office. Additionally, a corrected Highly Confidential version of this information is being filed separately with the Wireless Telecommunications Bureau.

Respectfully submitted,


Carly T. Didden
Patton Boggs, LLP
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(202) 457-6323

Counsel for CWA-IBEW

REDACTED – FOR PUBLIC INSPECTION

August 1, 2012

Page 2

CC: Rick Kaplan (OGC)

Joel Rabinovitz (OGC)

Peter Trachtenberg (WTB)

Jim Schlichting (WTB)

Christopher Sova (WCB)

Octavian Carare (WCB)

Martha Heller (MB)

Ty Bream (MB)

Adam Krinsky (Counsel for Celco Partnership d/b/a Verizon Wireless)

J.G. Harrington (Counsel for Cox TMI Wireless, LLC)

Michael Hammer (Counsel for SpectrumCo LLC)

Robert Kidwell (Counsel for Bright House Networks, LLC)

Matthew Brill (Counsel for Time Warner Cable Inc.)

Communications
Workers of America
AFL-CIO, CLC

501 Third Street, N.W.
Washington, D.C. 20001-2797
202/434-1100



July 24, 2012

BY ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: Applications of Cellco Partnership d/b/a/ Verizon Wireless, SpectrumCo, LLC, and Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses WT Docket No. 12-4

Dear Ms. Dortch:

On July 20, Debbie Goldman, Telecommunications Policy Director of the Communications Workers of America ("CWA") and Brendan Coffman, CWA Antitrust Counsel, met with Commission staff Rick Kaplan (OGC), Joel Rabinovitz (OGC), Peter Trachtenberg (WTB), Martha Heller (MB), Jim Schlichting (WTB), Ty Bream (MB), Christopher Sova (WCB), and Octavian Carare (WCB) to discuss the above-captioned proceeding.

Ms. Goldman and Mr. Coffman provided a hand-out to Commission staff, "The Verizon/SpectrumCo/Cox Transaction: A Communications Cartel in the Making" and a report previously filed with the Commission, "Verizon/Cable Deal: Slamming the Door on Our High Speed Future." We have attached a copy of the hand-out and the report to this letter. The information in the hand-out is based, in large part, on CWA analysis of the confidential and highly confidential documents provided by the Applicants in this proceeding. These documents provide overwhelming evidence to support the following conclusions:

1. The FCC must address all aspects of the proposed Transaction, which, taken together, pose significant public interest harm.
2. The cross-marketing agreements and Joint Operating Entity ("JOE") create a communications cartel with the market power to set prices, service levels, and determine the pace and direction of innovation.
3. The Transaction eliminates cross-platform competition, particularly in the

Verizon landline footprint. The Transaction will lead to FiOS decline and an end to FiOS expansion. This will result in the loss of approximately 72,000 jobs.

4. The Transaction makes it nearly impossible for the nation to achieve the National Broadband Plan's goal of 100 million households with broadband access at speeds of 50 Mbps downstream/20 Mbps upstream by 2015.¹
5. The Transaction raises numerous antitrust concerns. The cross-marketing agreements restrain competition; **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]**; and IP exclusivity ensures that no other companies will be able to compete in a quad play.

Necessary Conditions to Protect the Public Interest

CWA participants and Commission staff focused their discussion on CWA's proposed remedies to mitigate the public interest harm that would result from this transaction. As CWA has explained previously,² if the Commission decides to approve the transaction, it should only do so with the following conditions:

- 1. Prohibit cross-marketing arrangements in the Verizon landline footprint.**

A prohibition against cross-marketing in the Verizon landline footprint will maintain the incentive for Verizon to develop and expand FiOS, consistent with the goals of the 1996 Telecommunications Act and Commission policy to encourage cross-platform competition. As CWA has conclusively demonstrated, absent this Transaction, Verizon would have the financial and competitive incentives to expand FiOS to many currently unserved areas within its landline footprint.³ These unserved areas are not limited to rural areas. In fact, as CWA has demonstrated, it is in Verizon's economic interest to expand to many currently unserved urban areas on the East Coast, including Albany, Baltimore, Boston, Buffalo, and Syracuse.

¹ See Federal Communications Commission, *Connecting America: The National Broadband Plan*, p. 9 ("As a milestone, by 2015, 100 million U.S. homes should have affordable access to actual download speeds of 50 Mbps and actual upload speeds of 20 Mbps.").

² See Communications Workers of America/International Brotherhood of Electrical Workers Reply Comments, In the Matter of Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent to Assign Licenses, Application of Cellco Partnership d/b/a Verizon Wireless and Cox TMI Wireless, LLC For Consent to Assign Licenses, WT Docket No. 12-4, March 26, 2012, 2-14 ("CWA/IBEW Reply Comments"); CWA Comments, In the Matter of Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent to Assign Licenses, Application of Cellco Partnership d/b/a Verizon Wireless and Cox TMI Wireless, LLC For Consent to Assign Licenses, WT Docket No. 12-4, July 10, 2012 ("CWA VZW/TMO Comments").

³ See CWA/IBEW Reply Comments, 2-14; CWA VZW/TMO Comments, 4-8 and Appendix B.

CWA emphasized that it is imperative that the prohibition on cross-marketing apply *throughout* the Verizon landline footprint for multiple reasons. First, Verizon competes today against Comcast, Time Warner, Cox, and Bright House Networks (the “MSOs”) with its DSL broadband service in many of its non-FiOS landline footprint service areas.

Second, allowing cross-marketing in the Verizon footprint where Verizon has not yet deployed FiOS would serve as an additional disincentive to FiOS expansion. Although FiOS provides an attractive investment return in many currently non-FiOS areas, the combination of Verizon’s cap-ex savings from *not* building FiOS plus the commission on the sale of an MSO bundle may produce an even higher return than a FiOS investment. In other words, collusion is cheaper than network investment.

Third, the cross-marketing agreements implicate price coordination between Verizon and the MSOs, thereby eliminating the consumer benefits of cross-platform price competition. Consumers need actual competition between the two platforms, not the false sense of competition that would result from Verizon nominally offering FiOS where VZW is marketing MSO services. There is an added level of concern stemming from the arms-length interactions that will be necessary to implement the cross-marketing agreements; once the competitors are already dealing this closely, the risk of overt collusion on price becomes even higher.

Finally, the restrictions from the JOE and the likelihood that VZW and the MSOs will create a new brand through the JOE means that Verizon will likely move away from FiOS and towards the bundled MSO/VZW quad play if given the opportunity. In summary, because the cross-marketing agreements change the corporate incentives to compete throughout the Verizon landline footprint, the prohibition on cross-marketing should apply *throughout* the Verizon incumbent local exchange service areas.

- 2. Require meaningful commitments in the JOE that would allow any competitor access to intellectual property necessary to compete so long as they are willing to purchase licenses under reasonable and non-discriminatory terms.**

CWA reiterated its belief that the long-term aspirations of the JOE to [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

[END HIGHLY CONFIDENTIAL INFORMATION].

3. Consistent with past transactions,⁴ require Verizon to continue to offer FiOS broadband Internet service and expand in-region deployment to cover at least 95 percent of residential living units and households within the Verizon in-region territory, and ensure that a certain percentage of incremental deployment after the Transaction Closing will be to rural areas and low-income living units, with timetables, data reporting, and penalties for non-compliance.

4. [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

[REDACTED]

[REDACTED]

[END HIGHLY CONFIDENTIAL INFORMATION]

In summary, CWA emphasized that absent these conditions, the proposed Transaction, which represents a cartel-in-the-making, will result in reduced broadband and video competition, reduced investment in network deployment, job losses, and,

⁴ See, *AT&T and BellSouth Corporation Application for Transfer of Control*, Memorandum Opinion and Order, 22 FCC Rcd 5662, App. F (2007);); *In the Matter of Applications filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a/ CenturyLink for Consent to Transfer Control*, Memorandum Opinion and Order, WC Docket No. 10-110 (App. C), March 18, 2011 (rel); *In the Matter of Applications Filed by Frontier Corporation and Verizon Communications, Inc. for Transfer of Control*, Memorandum Opinion and Order, WC Docket No. 09-95 (App. C), May 21, 20120 (rel); *In the Matter of Applications Filed for Transfer of Control of Embarq Corporation to CenturyTel, Inc.*, Memorandum Opinion and Order, WC Docket No. 08-238, (App. C), June 25, 2009 (rel).

with less competitive pressure on pricing and service quality, more expensive bundles of cable channels and costly, slower broadband service.

Sincerely,

A handwritten signature in black ink that reads "Debbie Goldman". The signature is written in a cursive, flowing style.

Debbie Goldman
Communications Workers of America

**The Verizon/SpectrumCo/Cox
Transaction: A Communications Cartel
In the Making**

Attachment A



The Verizon/SpectrumCo/Cox Transaction

A Communications Cartel in the Making

WT Docket No. 12-4

Communications Workers of America

July 20, 2012

Overview

1. FCC must address all aspects of Transaction which, taken together, pose significant public interest harm
2. Cross marketing agreements and JOE create communications cartel with market power to set prices, service levels, pace & direction of innovation
3. Transaction eliminates cross-platform competition. Loss of 72,000 jobs
 - Transaction spells FIOS decline and end to FIOS expansion. Absent Transaction, [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] FIOS profitability and expansion path
4. Transaction makes it nearly impossible to reach National Broadband Plan 2015 goal: 100 m HH with broadband access at 50/20 Mbps speeds
5. Antitrust Concerns are Numerous
 - Cross-marketing agreements restrain competition
 - [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION]
 - [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] ensures no other companies will be able to compete in quad play
6. Modest Remedies Would Curtail Anticompetitive Effects
 - Prohibit cross-marketing arrangements in the Verizon footprint
 - Require specific non-exclusivity commitments by the JOE members
 - Impose FIOS build-out requirements



Verizon Communications is a Party to this Deal

• [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

• [REDACTED]

• [REDACTED]

[END HIGHLY CONFIDENTIAL INFORMATION]

- Verizon Communications owns 55% of VWZ
- Verizon Communications appoints 5 of 9 of VZW's Board of Directors, including the Chairman/CEO



Verizon Executives Extol FiOS Profitability

“FiOS is already about 60% of the consumer revenue in that portfolio...each and every quarter, we continue to increase the profitability of FiOS...we have some markets that are in excess of 50% penetrated from the first early days of when we started this. So I still think there is a very long runway for FiOS.”

Verizon CFO Fran Shammo at Thomson Reuters Street Events, Edited Transcript, VZ
– Verizon at JP Morgan TMT Teleconference, May 16, 2012



[BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] Profitable FiOS Expansion Path for [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION] of Unserved Customer Units

- [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



FiOS Competition Makes a Difference Verizon and Time Warner Triple Play Comparison

	Time Warner	Verizon FiOS	Verizon Price Difference
Top Tier	\$199.99 200+ channels 50 Mbps "burst," but normal speed is less	\$144.99 380+ channels, 4 premium 75/35 Mbps	- \$55 or -38%
Middle Tier	\$164.99 200+ channels 20 Mbps "burst," but normal speed is less	\$104.99 290+ channels 50/25 Mbps	- \$60 or 57%
Basic Tier	\$89.99 200+ channels 10/1 Mbps	\$94.99 210+ channels 15/5 Mbps	+\$5 or 5%

Source: Time Warner website <https://order.timewarnercable.com/OfferList.aspx> and Verizon website <http://www22.verizon.com/home/shop/shopping.html> (Data for Albany NY)



FiOS Competition Makes a Difference Verizon and Comcast Triple Play Comparison

	Comcast	Verizon FiOS	Verizon Price Difference
Top Tier	\$189.99 200+ channels, 5 premium 28/5 Mbps normal, with "burst" at 30/6 Mbps	\$144.99 380+ channels, 4 premium 75/35 Mbps	- \$40 or -28%
Middle Tier	\$149.99 290+ channels 28/5 Mbps normal, with "burst" at 30/6 Mbps	\$104.99 290+ channels 50/25 Mbps	- \$45 or 43%
Basic Tier	\$89.00 80+ channels 18/3 Mbps normal, with "burst" at 20/4 Mbps	\$94.99 210+ channels 15/5 Mbps	+\$5.99 or 6%

Source: Comcast website <http://www.comcast.com/Corporate/Learn/Bundles/bundles.html> and
Verizon website <http://www2.verizon.com/home/shop/shopping.html> (Data for Washington DC)



[BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]

[END HIGHLY CONFIDENTIAL INFORMATION] 11



[REDACTED]

Verizon Communications is Exchanging FiOS Profits for this Deal

- Verizon/SpectrumCo Transaction: \$3.6 billion
- Verizon values SpectrumCo spectrum at [BEGIN HIGHLY CONFIDENTIAL INFORMATION]* [END HIGHLY CONFIDENTIAL INFORMATION]
- Verizon agrees to terms that eliminate its incentive to develop and market FiOS
- Verizon and cable partners will introduce and control quad play

[BEGIN HIGHLY CONFIDENTIAL INFORMATION]

*

[END HIGHLY CONFIDENTIAL INFORMATION]



No FiOS Expansion = Loss of 72,000 Jobs

- **“As part of its public interest analysis, the Commission historically has considered employment-related issues such as job creation”** (AT&T/T-Mobile Order and Staff Analysis and Findings, WT Docket No. 11-65, para 259)
- The cross-marketing agreements eliminate Verizon’s incentives to continue FiOS investment, leaving 30 percent of Verizon’s landline footprint without FiOS
- Dr. Helene Jorgensen used an input-output study to estimate the jobs impact of an increase in Verizon’s FiOS deployment
- Conclusion: FiOS expansion to 95 percent of the footprint creates 71,710 job-years (a single job in one year)
 - 18,754 direct jobs
 - 20,914 indirect jobs
 - 32,042 induced jobs
- Dr. Jorgenson also found that an increase in FiOS penetration of 1 percent/year results in 3.1 million more subscribers and an increase in 23,500 job years



Anti-Competitive Components of Transaction

- Agency and reseller agreements unreasonably restrain trade by setting prices, dividing markets, and disincentivizing competition
- [BEGIN HIGHLY CONFIDENTIAL INFORMATION]
[REDACTED]
[END HIGHLY CONFIDENTIAL INFORMATION]
- The Joint Operating Entity (JOE) gives its members the ability to control upstream and downstream markets
- The JOE creates a patent pool with classic anti-competitive features
- These restraints are not reasonably necessary to realize any efficiencies



Anti-Trust Concerns: Joint Marketing Agreements

[BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION]

• Reseller agreements are best seen as a safety net for the transaction

• [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION]

• There is no reasonable relationship between the cross-marketing agreements and the purpose of the JOE – the restraints of trade are not acceptable ancillary restraints, but rather an unrelated naked agreement to fix prices and restrict competition



Antitrust Concerns:

[BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

[END HIGHLY CONFIDENTIAL INFORMATION]



Additional Anti-Competitive Restrictions: Examples in Cross-Marketing Agreements

[BEGIN HIGHLY CONFIDENTIAL INFORMATION]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[END HIGHLY CONFIDENTIAL INFORMATION]



Antitrust Concerns: JOE Members Terminate Collaborations with Other Firms

- Comcast/Time Warner/Clearwire. Comcast and Time Warner ended their wireless partnership with Clearwire after inking the deal with VZW
- Verizon Communications/DirectTV. Verizon announced end to LTE service trial with DirecTV after agreeing to SpectrumCo deal

• [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]

• [REDACTED]

[END HIGHLY CONFIDENTIAL INFORMATION]



Antitrust Concerns: Vertical Foreclosure

- The deal will confer monopoly/monopsony power on the JOE for the sale/acquisition of necessary components of broadband markets
- Comcast already leverages its favorable position to the detriment of consumers – consider its actions with respect to Xfinity applications on the Xbox, and history of controlling the set-top box market
- Content creators, OEMs, and device manufacturers will be especially harmed – they rely on the cable and wireless industry to get their products to the market – the JOE will be able to dominate these markets, and either demand higher prices (leading to higher prices for consumers) or outright reject to cooperate with these firms.



Antitrust Concerns: Patent Pool

- The JOE creates a patent pool with classic anti-competitive features. [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [REDACTED] [END HIGHLY CONFIDENTIAL INFORMATION]
- Patent pools and the use of intellectual property to disadvantage competitors represent a growing concern for antitrust enforcement. Failure to constrict this particular patent pool at its incipient stages will certainly lead to competitive harm in the future.



Modest Remedies are Available

Much of the anticompetitive concern will be alleviated through small, modest remedies that allow the JOE Members to pursue the fundamental purpose of the JOE:

1. Prohibit cross-marketing agreements in any part of the Verizon landline footprint – this will maintain the incentive for Verizon to develop and expand FiOS.
2. Require meaningful commitments in the JOE that would allow any competitor access to intellectual property necessary to compete so long as they are willing to purchase licenses under reasonable and non-discriminatory terms.
3. Require Verizon to continue to offer FiOS broadband internet service and expand in-region deployment to cover at least 95% of its footprint, including a commitment to extend some portion of this to rural or lower-income areas.

4. [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[REDACTED]
[END HIGHLY CONFIDENTIAL INFORMATION]



**Verizon/Cable Deal: Slamming The
Door On Our High Speed-Future**

Attachment B

VERIZON/ CABLE DEAL:

CWA

“We are deeply worried that the anti-competitive partnership between Verizon Wireless, the nation’s largest wireless provider, and four of the leading cable companies will have a negative impact on economic development and job creation in our cities, leading to higher prices, fewer service options, and a growing digital divide. As you review the Verizon Wireless/cable transaction, we strongly urge you to examine the impact of this transaction on competition and consumer choice, and ensure that our communities are not left behind.”

— Mayor Byron W. Brown, Buffalo, NY; Mayor Stephanie A. Miner, Syracuse, NY; Mayor Gerald D. Jennings, Albany, NY; Mayor Matthew T. Ryan, Binghamton, NY; Mayor Shayne R. Gallo, Kingston, NY; Mayor Susan Skidmore, Elmira, NY; Mayor Brian Tobin, Cortland, NY; Mayor Robert Palmieri, Utica, NY; Mayor Lou Rosamilla, Troy, NY

Verizon Wireless, Comcast, Time Warner, Cox, and Bright House Networks have reached an agreement on a deal that would:

- Allow Verizon Wireless and the four cable companies to sell each others’ products, allowing them to offer a “quadruple play” of video, internet, voice, and wireless service and eliminating incentives for Verizon to invest in its all-fiber FiOS network
- Form a joint operating entity to develop proprietary technology that will give them a lock on wired and wireless video and internet access
- Transfer \$3.9 billion in wireless spectrum from the cable companies to Verizon Wireless

These alliances—if approved by the Federal Communications Commission (FCC) and the U.S. Department of Justice (DOJ)—**would limit competition, raise prices, eliminate jobs and end Verizon’s deployment of its world-class all-fiber network, FiOS.**

Particularly worrisome is the end of FiOS expansion. This will leave many consumers and businesses on the wrong side of the digital divide, and by extension, on the wrong side of economic development, job growth and improvements in education, health care, energy conservation and public safety. To date, Verizon has not deployed FiOS in a number of large- and medium-sized cities in its footprint, including Buffalo, Albany, Syracuse, Boston and Baltimore.

A demographic analysis comparing the populations in these non-FiOS cities with the populations in the suburbs surrounding them—where Verizon has deployed FiOS—demonstrates that people of color and lower-income households are disproportionately impacted by a decreased incentive to invest in FiOS. Summaries of this analysis are on the five following pages.

Verizon recently announced that it will stop selling stand-alone DSL. As a result, non-FiOS communities will have virtually *no* broadband competitor to the cable monopoly.

The FCC and DOJ should condition any approval of the Verizon/cable transaction on specific guarantees:

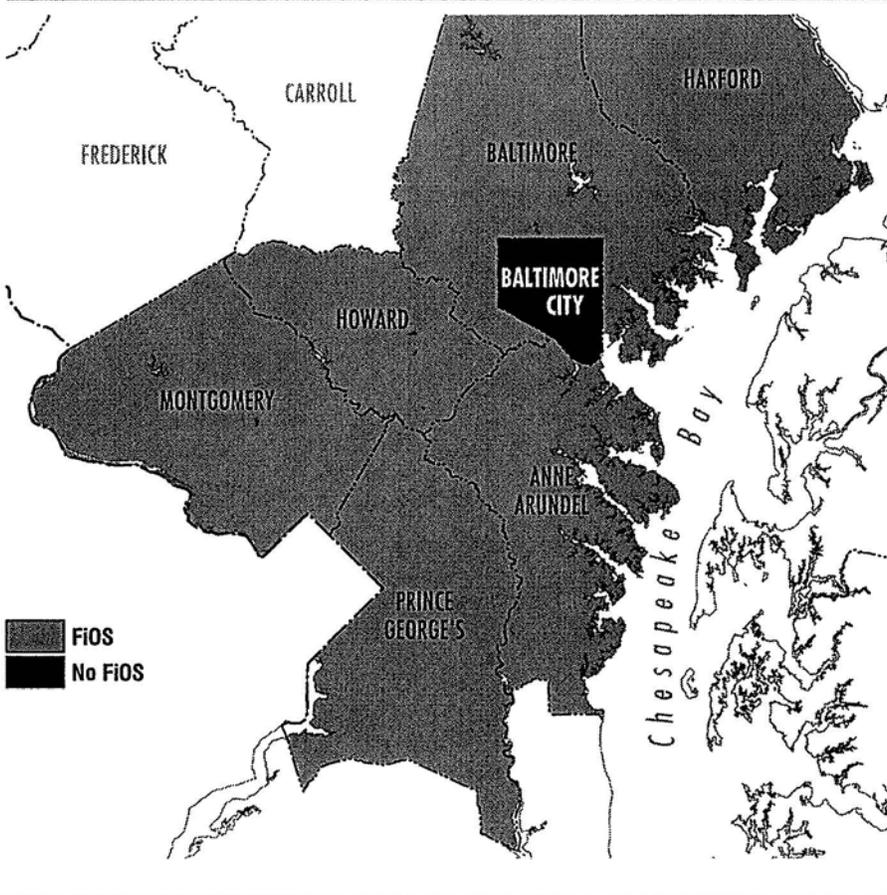
- Verizon Wireless and the cable companies will not cross-market their services within the Verizon footprint
- Verizon must build the FiOS network to 95% of Verizon households in existing markets and increase FiOS buildout in rural and low-income areas
- Verizon Wireless and the cable companies make the services they provide to each other and the technology they develop together available to other competitors so their marketing alliance and joint venture cannot lock out competitors

These conditions will preserve fair-market competition and ensure that giant cable and telecommunications companies aren’t allowed to inflate their profits by undermining consumer choice and community development.

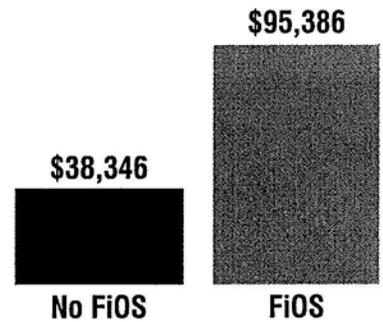
For more information, contact Debbie Goldman at 202-434-1194.
www.cwa-union.org
501 Third St. N.W., Washington DC 20001

BALTIMORE

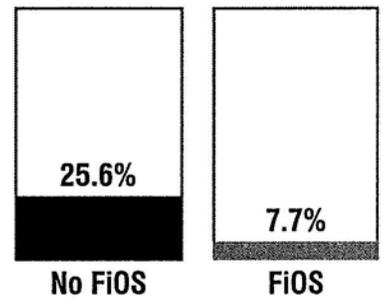
Left behind as FiOS spreads to six surrounding counties



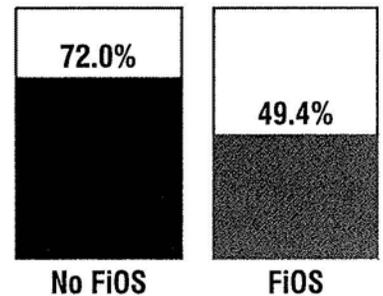
MEDIAN HOUSEHOLD INCOME



POVERTY RATE



% MINORITY



“High-speed, fiber optic networks are vital for economic competitiveness... Other advanced industrialized nations have already deployed fiber-optic networks on a large-scale; they recognize that high-speed fiber is the competitive infrastructure of the 21st century. Much of the suburban areas outside of Baltimore have FiOS. The City of Baltimore will never get a fiber-optic network if this deal is approved, which concerns me greatly. I am not willing to see Baltimore permanently relegated to the wrong side of the digital divide.”

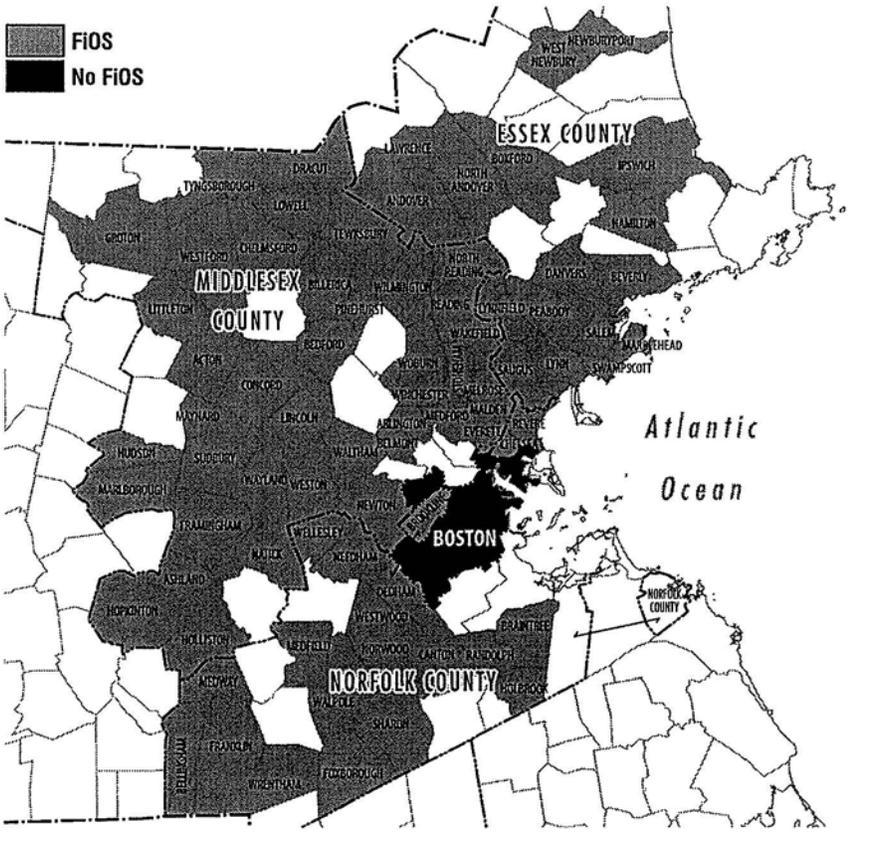
— Baltimore City Councilman William H. Cole IV

“The quadruple play services are not luxuries; in the 21st century, they are essential services. Yet without any competition, the Verizon/Time Warner/Comcast quasi-monopoly will extract high economic rents by forcing up prices and reducing service quality.”

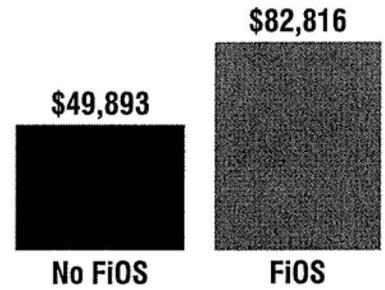
— Elbridge James, NAACP Maryland State Conference

BOSTON

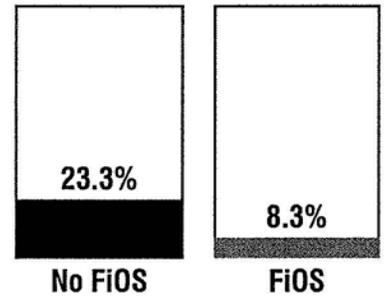
No internet revolution



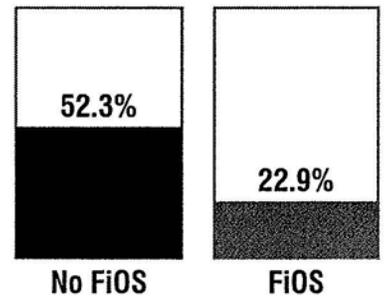
MEDIAN HOUSEHOLD INCOME



POVERTY RATE



% MINORITY



“The decision to bypass Boston disproportionately impacts minority and lower-income residents, small businesses, seniors and neighborhoods. It also hurts the city’s ability to attract jobs. In order to protect the public interest, we join together to urge the FCC to condition any approval of the Verizon/cable Transaction on specific guarantees that Verizon will expand its FiOS...including development throughout the city of Boston and the surrounding areas that do not have access to FiOS.”

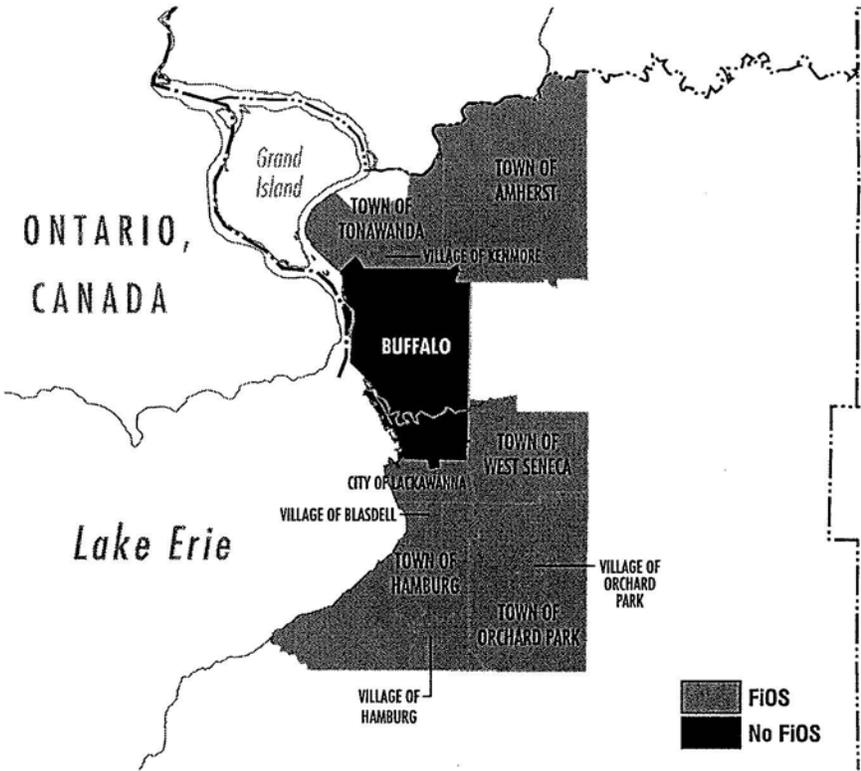
— Representatives of 15 Massachusetts community organizations

“Put simply, the City is concerned that these transactions are designed to ensure that Verizon and Comcast collaborate and never compete in Boston, thereby effectively depriving our communities, citizens, small businesses, schools, hospitals and educational facilities the benefits of video and broadband competition that is available in most of eastern Massachusetts’ surrounding suburbs and in other parts of the country.”

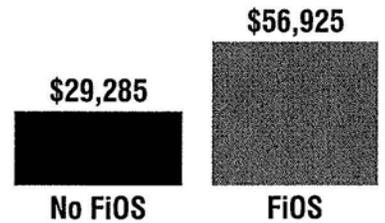
— Mayor Thomas M. Menino

BUFFALO

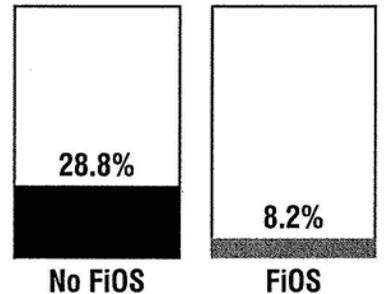
Hit hard by the digital divide



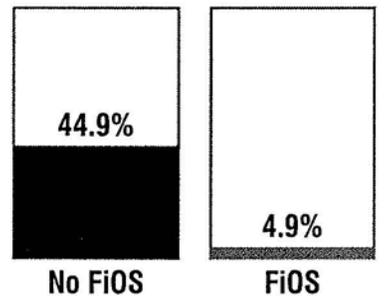
MEDIAN HOUSEHOLD INCOME



POVERTY RATE



% MINORITY



"In today's economy, having access to affordable high-speed internet is as important for success—for communities and individuals—as having electricity. If the Federal Communications Commission approves of Verizon's new scheme with cable companies, fiber-optic technology might never come to Buffalo or the other towns in Erie County that have been passed over, and neither would real competition.... This deal creates collusion, not competition."

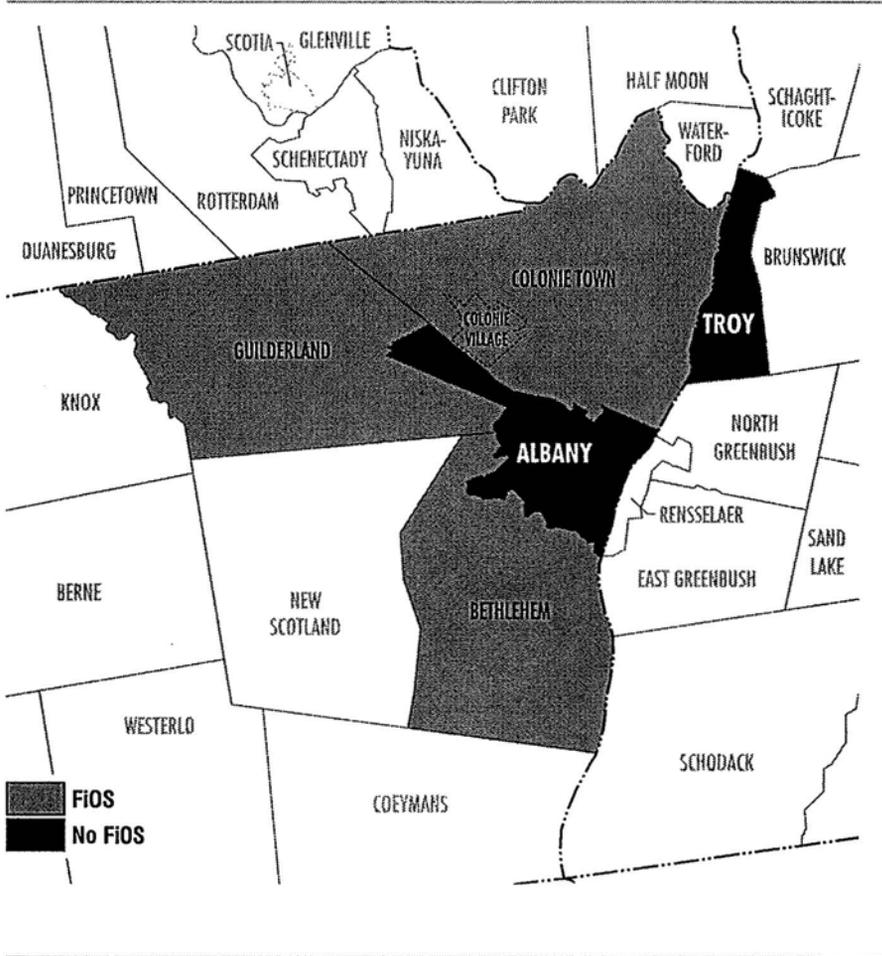
— New York State Assemblymember Sean Ryan

"Verizon specifically has expanded its FiOS network to ten suburbs of the Buffalo area but has not built into our urban neighborhoods. This situation has created an unbalanced market for cable and broadband services in the City of Buffalo with little competition.... When the private market places barriers to access or competition fails to produce outcomes that serve the greatest number of people we can only conclude that steps must be taken to alleviate those impediments."

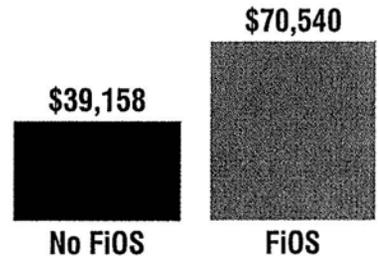
— Congressman Brian Higgins

ALBANY

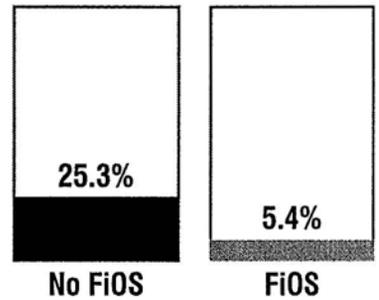
The Empire State's capital city has no FiOS



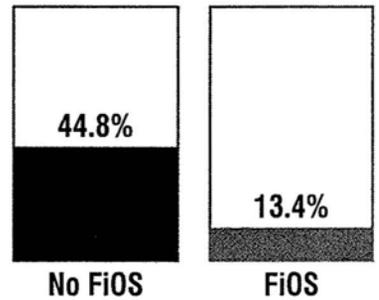
MEDIAN HOUSEHOLD INCOME



POVERTY RATE



% MINORITY



"This type of agreement is not in the best interest of those who need to get and stay connected the most: low income communities and families. This is a step backwards in bridging the digital divide, and builds an additional socioeconomic barrier."

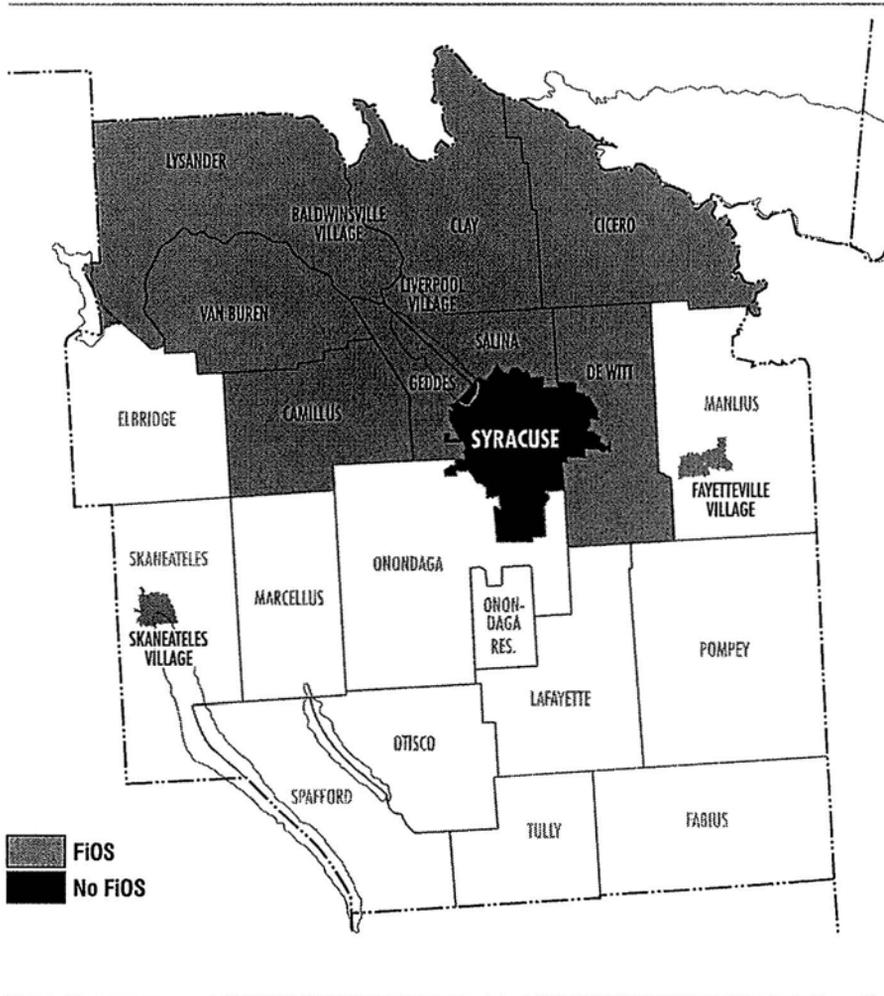
—Carolyn McLaughlin, Albany Common Council President

"The deal before the Federal Communications Commission between Verizon and Time Warner and other cable giants will leave Albany residents behind. Unless serious changes are made to the deal, I'm afraid Albany residents will be faced with higher prices and inferior services for Internet, telephone, and cable than in the surrounding communities, making it that much harder to encourage people to live in and start businesses in Albany."

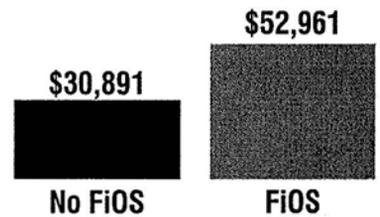
— Richard Conti, Albany Common Council, 6th Ward

SYRACUSE

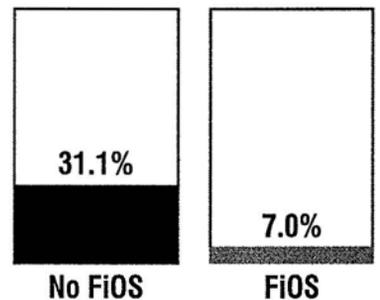
Surrounded by high speed—but none for the city



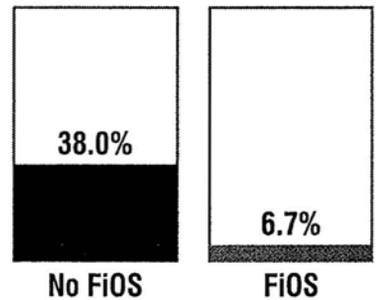
MEDIAN HOUSEHOLD INCOME



POVERTY RATE



% MINORITY



“Over the past few years, we have watched as Verizon Communications has built its all fiber FiOS network in 14 suburban communities.... Consumers benefit from competitive choice; small businesses benefit from truly high-speed connections to suppliers and customers; schools and hospitals benefit from education and health-related applications; communications workers benefit from the jobs building, maintaining, and servicing networks; and families and communities benefit from the 21st century jobs and expanded tax base. But to date, the residents and small businesses in Syracuse have not been able to reap these benefits.”

— Syracuse community organizations and elected officials including Legislator Monica Williams, Councilor Bob Dougherty, Councilor Helen Hudson, Councilor Jean Kessner and School Board President Burrill Wells