To: The Federal Communication Commission and Senators Patty Murray & Maria Cantwell

Subject: America's 10-Year Experiment in Broadband Investment Has Failed - NO MORE MONOPOLIES

Dear Commissioners & Senators,

I'm writing to you so that you might use your influence to prevent an even larger broadband monopoly from being created with yet another takeover: Comcast / Time-Warner.

Please review the Bloomberg research article (February 20, 2014) below, if not seen before, comparing more advanced countries, with ours, on broadband infrastructure gains.

We understand that Congress is not responsible to their constituents for any company's customer satisfaction, oh, but wait, when that company is allowed monopoly, our representatives just put themselves in the position to warrantee that very satisfaction; haven't they?

Besides operating their business model within a publicly allowed use of airwaves, satellite and government owned "rights of way" that were mostly thought to be by citizen permission, we are all appalled by the notion of certainty, the cable players believe they have, over our government regulators by applying for this mega-media merger. Does this include you?

We are currently held hostage, particularly by Comcast, in too many parts of Seattle, among hundreds of other cities around the country. My cable prices have risen 47% within the last year. This is a walloping 3,133% of the BLS's CPI of 1.5% for 2013 (USDL-14-0037).

There are way to many issues about this industry to mention here & now, but creating a larger monopoly will serve NO one in a positive way.

Prices ALWAYS go up, tens of thousands of jobs will be lost (permanently), and the workforce remaining will survive with the lowest common denominator between the two company's benefits and wages.

Is there an upside to this take-over? Just the usual Wall Street malfeasance and shenanigans to benefit the 1%.

I have not found one person in this 250 unit SHAG building (in Shoreline) who is for a greater corporate monopoly and were already in an uproar with Comcast prices (with no other services available).

We need more competition, NOT less! You already know about their ghastly pricing and billing issues.

Thanks for your attention to this precedent setting regulatory issue. I would like to hear from you in reference to your position and analytics that I may distribute to my constituents.

Best Regards,
Glenn Ritzma (IBM Alumnus)
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Seattle, WA 98133

P.S. I have years of notes and recordings on Comcast service & billing issues that might be helpful to regulatory hearings.

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http://www.businessweek.com/articles/2014-02-20/americas-10-year-experiment-in-broadband-investment-has-failed

America's 10-Year Experiment in Broadband Investment Has Failed

By Brendan Greeley February 20, 2014

Tom Wheeler, chairman of the Federal Communications Commission, announced Wednesday that there would be new rules written to guarantee net neutrality. It’s a good thing any website can reach any person unimpeded by tolls, and it’s good that Wheeler still wants to make this possible. The Internet service providers will first work to dilute the new rules, of course, and then sue to overturn them. Entire legal departments, lobbying outfits, and public-relations firms live for this moment, the beginning of a now-familiar three-year grind with the FCC.

ISPs have spent more than a decade arguing the same basic thing, sometimes in suits against the commission, sometimes in amicus briefs in support of the commission. Sometimes the question at hand has been a merger, sometimes the possibility of competitor access to their networks, sometimes the prospect of breaching net neutrality. The utterly consistent position from the ISPs has been this: Guarantee us a higher income stream from a more concentrated market, and we’ll build out new infrastructure to reach more Americans with high-speed Internet. A decade ago, this argument had at least the benefit of being untested.

Now things are much simpler: We know that the ISPs’ argument has been wrong.

Every government that wants to get more of its citizens online runs into the same problem. It’s very expensive to run fixed lines of copper or even faster fiber along the “last mile,” the stretch that runs from the beginning of your neighborhood to the wall of your house, and there are very few government solutions: Either help pay for the last mile or force the existing phone and cable monopolies to open it up on a wholesale basis, allowing new companies to compete in the hope those entrants will make their own investments.

But the U.S., alone among countries in the Organisation for Economic Co-operation and Development except for Mexico and Slovakia, has chosen a third path. In deference to the cable and phone companies, we have allowed them to hold on to their own last miles, competing only with each other and reinvesting their profits into more infrastructure.

Here’s how things stood in 2003.

The chart above measures broadband connections per 100 residents, something analysts call “broadband penetration.” It’s a broad measure that shows, simply, how many citizens have decided that broadband is offered at the right price and terms to be worth the purchase.

Back in 2003 there was South Korea, which early on both opened up the last mile of its existing cable and phone companies, and offered cheap loans to companies to invest in more fiber, and then there was everyone else. You could say the U.S. was either 10th or tied for fourth, at about 10 percent. France, Germany, and the U.K. were all behind us, under 6 percent.

At the time, the U.S. held a tremendous potential advantage. Not only did every house have a copper telephone line, almost every house had a cable line, too. Blessed with such riches, in 2002 the FCC made a technical ruling that came down to a very simple deal. Keep your duopoly rents, federal regulators told the cable and phone companies, so long as you invest some of them in reaching more Americans with broadband. This was our third way. The U.S. has been conducting a vast experiment in what happens when you encourage monopolies in return for infrastructure investment.

Here’s how things look now.

The U.S. has slipped to 16th place. Germany, France, and the U.K. have passed us, and all the countries ahead of us have applied some combination of either opening up the last mile or paying for infrastructure at the government level.

Switzerland opened up the last mile of its phone monopoly in 2007. Under a directive from Brussels, all EU countries have opened up the last mile for all monopolies. Sweden, in addition, aggressively invested at both the national and local level in rolling out more fiber, and as a result has not only higher broadband penetration but a higher percentage of faster fiber connections. The U.K. took the drastic step of splitting British Telecom into two separate companies, one that sells access and another that competes with startups to win retail customers.

And France. Ah, France. Unlike Switzerland, Germany, or the Netherlands, France had no cable, only a single state telecom monopoly. The simple step of opening up that last mile of a single monopoly moved France from 14th in 2003 to fourth in 2013. Stuck with terrible infrastructure, France has produced astonishing, consumer-friendly innovation. Free, one of the startups that took advantage of access to the old state monopoly’s telephone lines, offers 1-gigabit DSL, free calls to 108 countries, 197 channels, and a set-top box with a game console and a Blu-ray player—all for €39 a month ($53.60).

And without any special regulatory concessions, Free has started doing what every telecom regulator dreams of: paying for new infrastructure. The company is investing in its own super-fast fiber connections to homes.

What’s consistent about all of these approaches is that the U.S. has declined to adopt them. We have chosen, instead, to guarantee duopoly profits to our phone and cable incumbents, and in return have begged them to roll out more infrastructure. And for the past decade, telecom companies have pointed proudly in press releases to the amount of money spent on infrastructure. They have also lobbied to prevent the FCC from knowing too much about just what they spent or where they spent it.

Infrastructure is an odd, Soviet kind of metric. People don’t just decide to buy a product because it’s there. They buy it because it’s cheaper or has a great warranty and service department or comes in red. Monopolies don’t make things in red because they don’t have to. And so with broadband Internet service.

In its press release announcing the merger with Time Warner Cable (TWC), Comcast (CMCSA) cited its innovations that help consumers. I don’t need to make any judgments about the list because the market already has. The cable companies in the U.S. have had a decade to produce innovation. Whatever innovations they produced did not excite Americans, not nearly as much as Dutch or French or even Belgian innovation excited those countries’ consumers.

In 2002 the FCC thought it wanted infrastructure. But infrastructure is nothing until people use it. People are not stupid. They want a good product at a good price—and when they get it, they will pay for it. If the U.S. has a lower percentage of broadband subscriptions, it’s because Americans aren’t seeing something good enough to buy. This isn’t an accident. It’s because the FCC just spent more than a decade begging for the wrong thing. It wanted infrastructure. It should have wanted a market.