Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Applications of Comcast Corporation and Time Warner Cable Inc. for Consent to Assign or Transfer Control of Licenses and Applications	)	MB Docket No. 14-57
	)	

COMMENTS OF THE INSTITUE FOR LOCAL SELF-RELIANCE
AND
MEDIA MOBILIZING PROJECT

I. INTRODUCTION

ILSR is the leading national authority on community-owned networks. Our organization explores how communities can make smart investments to improve educational opportunities, generate public savings, and spur economic development. ILSR examines the impact on local communities Time Warner Cable (TWC) and Comcast as well as other large cable and telephone companies.

MMP collaborates with poor and working people to tell the untold stories that help end poverty. MMP helped lead a process that secured millions in federal stimulus funds for Philadelphia partners aimed at ending the digital divide.

II. SUMMARY

ILSR strongly opposes the transfer or assignment of licenses and applications between TWC and Comcast.

III. THE PROPOSED MERGER WILL LIMIT CHOICE IN A MARKET ALREADY LACKING CONSUMER OPTIONS

Consumers who seek cable TV and/or Internet access via cable delivery have little choice of providers today. In many geographic areas, there is no real choice for high speed access due to the presence of only one provider, a cable company. TWC and Comcast, two of the largest cable companies in the United States, have historically refused to compete with each other, as Executive Vice President David Cohen told a Senate Judiciary Committee earlier this year.[1] Instead, they have found it more profitable to divide territories and respect the boundaries.

[1] April 9, 2014, at 1:40, http://www.c-span.org/video/?318477-1/comcasttime-warner-cable-merger

In some areas, especially those with community networks, Google, Verizon FiOS, or other local providers, there is a choice for high speed Internet access and cable television service. This merger would put many of the alternate providers in peril. From their inception, these smaller providers are at a disadvantage, especially when negotiating with content providers, because their resources are limited and the largest firms already have all the advantages in the market. Something is seriously wrong with a market where the firms most hated by consumers are growing the most rapidly.[2]

If the merger is allowed to proceed, the resulting entity will have ample resources to effectively block new entrants to the market and drive out existing alternative providers. This would subvert any goals of encouraging competition for these services. Such a large entity can easily subsidize predatory rates by raising rates in areas void of any competition, forcing customers in one market to pay for the corporation's long-term goal to drive out competition in another market. The long-term result will be even fewer options for consumers and higher long-term rates for all customers.

IV. CUSTOMER RATES, CUSTOMER SERVICE, AND DELIVERY OF SERVICES WILL SUFFER

With no consumer choice and no regulation of rates, the new corporate entity will be able to dictate rates that will require increased consolidation of other firms, further retarding any hope of competition.

V. ONE MASSIVE ENTITY WILL HANDICAP CONTENT PROVIDERS AND STIFLE INNOVATION

As Comcast grows in size, it becomes the ultimate gate keeper to the Internet access and television content. It need not control every last home because those wishing to reach a large audience will know that they have to play by Comcast's rules. We have already seen this in the past in conflicts over the Tennis Channel and Bloomberg News, where Comcast has used its market power to harm competitors. Allowing it to grow larger only increases this threat.

There is no evidence that greater scale results in better service to users. Indeed, bigger scale certainly seems to result in far worse customer service. In the matter of delivering high quality bandwidth to users, the monthly Netflix rankings of ISPs paint an important picture.[3] Expanding the list to some 60 ISPs as of August 2014, shows that the largest providers offer some of consistently slowest connections. Focusing solely on like providers – cable for instance – small entities are often providing better connections than Comcast or Time Warner Cable. There is no reason to believe that allowing Comcast to grow still larger would result in a better consumer experience.

VI. THE LOBBYING POWER RESULTING FROM A MERGER WILL CREATE INFLUENCE IN CONGRESS AND IN STATE LEGISLATURES

According to the Sunlight Foundation, Comcast reported $18.7 million[4] and TWC reported just under $8.3 million[5] lobbying during the 2013 – 2014 reporting period. If this

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[2] http://www.muninetworks.org/content/congrats-comcast-least-trusted-company-twice-over
[3] http://ispspeedindex.netflix.com/usa
[4] http://influenceexplorer.com/organization/comcast-corp/06d2d0dcdbda47e0bf2f37b835f6aed0?cycle=2014
[5] http://influenceexplorer.com/organization/time-warner-cable/e4f913962f01432d9ad0301a6b8ffc4d

merger is allowed to happen, Comcast will elevate to a position within the top five DC lobbying entities. Such an outcome would lead to a regulatory environment that is slanted in favor of the resulting large corporate provider rather than the consumers it is bound to serve. There are already good questions whether entities the size of Comcast can be effectively regulated due to their outsize influence in Washington, DC, and state capitals. Allowing it to grow larger makes public interest regulation all the more difficult.

VII. ABSOLUTELY ZERO PUBLIC INTEREST BENEFIT FROM A MERGER

Comcast and Time Warner Cable have made very little effort to claim any actual benefits to the public from this merger. They have candidly admitted that it will not slow the unceasing rise of prices for consumers at rates far above inflation. There is no public interest benefit, only harm.

Comcast has claimed that its "Internet Essentials" program is an example of their commitment to the public interest; this is a false statement. The program serves only a small fraction of those it is meant to help. Participants must pass difficult criteria in order to qualify and benefits are limited. Those participating in the program receive the lowest tier of service, are allowed to connect only one device, and the discount computers available are low quality. In short, the program does much more for Comcast's public image than it does for low-income households.

If these companies consolidate, we will see still more pressure to consolidate customer service centers that are already unable to provide good service. Time and again, consumers share examples of falsely imposed fees, uncooperative customer service representatives, and unauthorized charges.[6] If these two companies join together, the size of the entity and its powerful position in the market will eliminate the need to meet the current low standards because consumers will have no power to exercise choice. We would certainly expect the resulting entity to employ fewer Americans than they would separately.

VIII. CONCLUSION

For all the foregoing reasons, the Commission should oppose the transfer or assignment of licenses and applications between Time Warner Cable, Inc. and Comcast.

Respectfully submitted,

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[6] http://www.muninetworks.org/content/comcast-responds-break-call-customer-service-rep

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