STOP MEGA CABLE

March 10, 2016

EX PARTE PRESENTATION

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Ex Parte Presentation in MB Docket No. 15-149, *Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent to Transfer Control of Licenses and Authorizations*

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, the Stop Mega Cable Coalition submits this letter summarizing a meeting on March 8, 2016 with Marc Paul, Legal Advisor, Media for Commissioner Rosenworcel. The following members of the Stop Mega Cable Coalition were present: David Goodfriend and Theodore Williams, beIN Sports and Sports Fans Coalition; George Slover, Consumers Union; Alison Minea, DISH; Paul Raak, ITTA; Jill Canfield, NTCA – The Rural Broadband Association; and John Bergmayer and Meredith Rose, Public Knowledge.

The Stop Mega Cable Coalition is a diverse group of public interest groups, media and telecommunications businesses, programmers, labor and other concerned parties[1] united in the belief that the merger of Charter Communications, Time Warner Cable and Bright House Networks presents significant harms for consumers, competition and innovation. This transaction will produce a new cable and broadband giant – Mega Cable – that threatens the future of video distribution services provided by over-the-top ("OTT") distributors, and smaller and new entrant MVPDs. During the meeting, members of the Coalition discussed the many harms that would result from this merger, including in the following key market segments:

Broadband. Mega Cable would be the dominant broadband provider in many of the country's largest and most important geographic markets, including New York City, Los Angeles and Dallas-Ft Worth, among many others. In addition, Mega Cable and Comcast would control broadband access to the vast majority of American homes at speeds of 25 Mbps and above – at *least* 70% and possibly as high as 90%. Mega Cable and Comcast's massive control

[1] Current Coalition members include: Alliance for Community Media, beIN Sports, Cincinnati Bell, Common Cause, Consumers Union, DISH, FairPoint Communications, Future of Music Coalition, Greenlining Institute, ITTA, Media Alliance, NTCA-The Rural Broadband Association, Open Technology Institute at New America, OpenMedia, Public Knowledge, The Rural Broadband Alliance, Sports Fans Coalition, Writers Guild of America, East, Writers Guild of America, West, and Zoom Telephonics.

of the high-speed broadband market would allow the companies to coordinate efforts to reduce competition from other streaming services, while raising prices for consumers. This concentration of the broadband market will allow two companies to control the fate of OTT services that rely on a robust high-speed broadband connection. Mega Cable and Comcast could coordinate their actions by simply responding to the other's behavior. These harms would be particularly acute for Mega Cable subscribers, given that approximately two-thirds of customers in the Mega Cable footprint will not have access to a competing broadband alternative at 25 Mbps and above.

Streaming Services. Mega Cable would have the means and incentive to harm established and emerging streaming services, to the benefit of its own service offerings. Mega Cable could limit consumer access to a stand-alone broadband service, or raise the price of stand-alone broadband in a way that favors its own bundle of services. Mega Cable could also discriminate against competing streaming services while treating its own content favorably.

Programming. Mega Cable will have the incentive and ability to coordinate efforts to starve out independent programmers. This could allow the entity to force independent, local and diverse voices to accept below-market terms, thus jeopardizing their viability. Or, Mega Cable could restrict the ability of third-party programmers to distribute their content on competing OTT platforms.

Mega Cable would also be able to leverage its dominance to prevent streaming or MVPD competitors from acquiring affiliated and unaffiliated must have programming, including RSNs, or ensure it acquires programming on more favorable rates and terms than competitors. Due to its enlarged size post-transaction, Mega Cable would be able to enjoy discounts for programming and ensure that rivals get less favorable rates, terms and conditions for programming.

Consumers. Mega Cable would compound ongoing price hikes, poor customer service and the lack of choice in the cable and broadband marketplaces. Charter, Time Warner Cable and Bright House Networks boast some of the lowest customer satisfaction scores – not just in the cable industry, but *any* industry. In order to merge, Mega Cable would take on $27 billion in new debt – about $1,142 in debt for each customer – which could be reconciled by passing along these costs to consumers. Mega Cable will have every incentive to cut costs by further degrading customer service, limiting investment in new innovations and raising prices.

Members explained that all of the harms enumerated above would be exacerbated by coordinated action by Mega Cable and Comcast. The Coalition also provided the attached documents, which illustrate some of the many ways that Mega Cable could threaten competing OVD and MVPD services.

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Charter's proposed acquisition of Time Warner Cable and Bright House Networks threatens serious harms for consumers, competition and innovation. The Stop Mega Cable Coalition urges the Commission to solve or prevent the harms presented by this transaction.

Respectfully submitted,

/s/

Stop Mega Cable Coalition

Enclosure

cc: Marc Paul