

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.**

In the matter of)	
)	
Applications of Charter Communications,)	
Inc., Time Warner Cable, Inc., and Bright)	MB Docket No. 15-149
House Networks, Inc. to Assign and)	
Transfer Control of FCC Licenses and other)	
Authorizations)	

Comments of
Thomas A. Schatz
President
Citizens Against Government Waste

October 13, 2015

Citizens Against Government Waste (CAGW) is a private, nonprofit, nonpartisan organization dedicated to educating the American public about waste, mismanagement, and inefficiency in government. On behalf of the more than 1.2 million members and supporters of CAGW, I offer the following comments in general support of the pending applications of Charter Communications, Time Warner Cable, Inc., and Bright House Networks, Inc. (MB Docket No. 15-149).

The Communications Act charges the Federal Communications Commission (FCC) with determining whether any proposed media transactions meet a “public interest” standard. According to a 2013 paper by Gwen Lisa Shaffer and Scott Jordan of the University of California, Irvine, this mandate “may encompass protecting service quality for consumers, preserving American jobs, safeguarding localism, or providing opportunities for audiences to hear diverse points of view (FCC, 2004).”¹ It is with this mandate in mind that I urge your support of the proposed applications of Charter Communications, Time Warner Cable, and Bright House Networks into a newly formed company, hereinafter referred to as New Charter.

On May 26, 2015, Charter Communications, Time Warner Cable, and Bright House Networks announced their intent to merge the three companies following approval by the FCC and the Department of Justice, under a newly restructured Charter Communications. The New Charter structure will provide Internet service to 19.4 million customer; video service to 17.3 million customers, and voice service to 9.4 million customers across 41 states, and will enable

¹ Gwen Lisa Shafer and Scott Jordan, “Classic Conditioning: The FCC’s Use of Merger Conditions to Advance Policy Goals,” *Media Culture & Society*, 35(3) 392-403, 2013, http://www.cla.csulb.edu/departments/journalism/wp-content/uploads/2012/02/MCS_mergers.pdf.

the new company to accelerate deployment of faster Internet speeds, state-of-the-art video experiences, and fully-featured voice products at highly competitive pricing. Even with this increase in its physical footprint, New Charter will be the largest cable operator in only five of the top 20 designated market areas: Cleveland, Dallas, Los Angeles, Orlando, and Tampa, with no national programming interests.²

The New Charter also plans to invest in rollouts of advanced technology across the entire footprint of the new company, as well as expand its networks in the residential and commercial sectors, adding new competition and providing Internet access in areas that have struggled to gain service. Currently, Charter provides almost 100 percent digital services for online video and applications. New Charter plans to complete the full digitalization of Time Warner Cable and Bright House Networks, which will provide additional spectrum to be used for faster broadband speeds and more high-definition channels, as well as on-demand video offerings.³ The new company also plans to provide Charter's slowest broadband tier of 60 Mbps to former Time Warner Cable and Bright House Network customers, and expand Time Warner Cable and Bright House Networks' advanced 300 Mbps service.⁴

In addition to improved service and the provisioning of faster broadband Internet to an increased number of consumers, New Charter has announced plans fuel the economy by bringing Time Warner Cable customer care jobs back to the U.S. from overseas, and hiring and training its new employees to provide improved customer service.

In other words, the proposed merger would be in the public interest by improving customer service, leveraging technological advances to provide better products, and bringing jobs back to the U.S., thereby providing an economic boon to the country.

New Charter has gone to great lengths to assure consumers and regulators involved in approving the merger transaction that the company has "no plans to block, throttle, or engage in paid prioritization because our customers demand an open Internet."⁵ In addition, the company announced that it would "continue to engage in reasonable and non-discriminatory interconnection and submit any interconnection disputes to the FCC for resolutions on a case-by-case basis."⁶ This decision has been made irrespective of how the U.S. Court of Appeals will eventually rule on the FCC's Open Internet Order. Indeed, New Charter is committed to improving customer service and experience, upgrading its overall infrastructure, and providing superior broadband access to the communities the newly merged company will serve.

² Matt Hamblen, "Charter-Time Warner Deal Would Get Tough Regulatory Scrutiny," Computer World, May 26, 2015, <http://www.computerworld.com/article/2926226/networking/charter-time-warner-deal-would-get-tough-regulatory-scrutiny.html>.

³ "Public Interest Statement (Summary)," Charter Communications, June 25, 2015, <https://charterresourcecenter.com/wp-content/uploads/2015/09/Charter-Time-Warner-Cable-Bright-House-Networks-Public-Interest-Statement-Summary.pdf>.

⁴ Ibid.

⁵ Matt Hamblen, "Charter-Time Warner Deal Would Get Tough Regulatory Scrutiny," Computer World, May 26, 2015, <http://www.computerworld.com/article/2926226/networking/charter-time-warner-deal-would-get-tough-regulatory-scrutiny.html>.

⁶ "Public Interest Statement (Summary)."

The proposed transaction among Charter Communications, Time Warner Cable and Bright House Networks poses no loss of competition; instead, the combined New Charter holds the promise of improvements to consumer choice, quality of service, expanded options and increased job opportunities across the nation. Because there is no overlap in the coverage areas of the three companies, competition in the New Charter coverage area will not be reduced. CAGW encourages the commission to let this merger move forward by unconditionally approving the companies' applications for consent to transfer various FCC licenses and other authorizations.

Sincerely,

A handwritten signature in black ink that reads "Thomas Schatz". The signature is written in a cursive, slightly slanted style.

Thomas A. Schatz
President