Testimony
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I have been Chief Executive Officer of Spot On Networks, LLC ("SON") since its founding in 2004. SON has been serving the multifamily residential community since 2005 as a WiFi service provider. The multifamily residential community currently represents nearly 35% of the population of the United States, which includes a large percentage of affordable housing.

The stakeholders in SON represent some of the founders of the United States cellular telephone industry as well as being pioneers in developing wireless communications services in such foreign markets as the Former Soviet Union and states of Eastern Europe. We, as a group, have always believed that we could do well by doing good.

SON has been involved in providing WiFi services since 2005, serving multifamily residential communities with wireless services. The young demographic population residing in these communities use wireless communications almost exclusively for their data needs, thus creating huge demand on wireless services. These communities are a challenging environment for wireless services because of the interaction of their dense population of wireless devices so close to each other and the burgeoning demand on the one side and the limitations of the cellular system capacity on the other. Managed WiFi services are capable of resolving these issues.

SON has been in the forefront of innovative design approaches, new technologies and more efficient ways to serve these communities. Our services – and those of our WiFi competitors- are generally 30% less costly than services provided by the dominant cable providers in the areas SON serves, and SON provides unique features not otherwise found in other wired or wireless access technologies that enable us to satisfy the needs of these residents in this challenging environment.

As an example, we provide an apartment building in New York City with wireless internet access as well a secure wireless service for building staff. We also provide, in the same building, as part of the same physical network, a wireless backbone that helps monitor and control energy usage in each apartment. Our ability to "bolt on" applications like energy monitoring and access control, and completely monitor and control all components on the network, 24/7, makes our service not only innovative but cost effective. These facilities are not a "dream" application but are available today.

Although large, the multifamily residential community has long been a "step-child" of the industry as a whole because telecommunications service providers gear their offereings toward single family households. The problem of serving these communities is further exacerbated by "green initiatives" for energy conservation in buildings which dictate the choice of building materials. These materials prevent cellular signals from penetrating inside these buildings and decrease the effectiveness of wireless to reach these segments of the population. These problems even present public safety concerns because not only are normal voice calls deterred and data access limited but 9-1-1 calls are "sketchy" at best.

Community-wide managed WiFi services can not only resolve these service issues, but also deliver significantly large capacity to residents inside these buildings as a result of the. Federal Communications Commission ("FCC") issuance of large swaths of frequency in the WiFi frequency bands. WiFi providers such as SON provide innovative approaches to design and integration of hardware and software that enhance the ability to provide such services. These approaches enable building owners to take advantage of cost efficient services to serve their residents better at a lower cost.

This is how we work. We bring broadband to a building relying on a big broadband supplier, often a cable operator, sometimes a fiber operator, as the source of that broadband backhaul. Most often that cable provider also provides retail cable services and content in a particular area – sometimes as the only supplier to that area. Then we build our own, facilities-based network inside the building, making use of the FCC allocated radio spectrum, to deliver the kinds of services that are needed by residents of multifamily residential communities and those building owners providing such housing.

But here is the rub. To do this, SON, like other WiFi providers, needs access to bandwidth owned or controlled by companies such as Verizon FiOS, Comcast Business, Time Warner Telecom, Charter Business, and others. In many parts of the country only one company controls most or all of the broadband available in a significant market and geographic area – a city or a suburb or even a region. I direct your attention to the Wall Street Journal article of March 12, 2014 in which the serving areas of competitive broadband access are depicted on the map of the United States that highlights this situation.

If SON could not acquire such bandwidth from a large broadband provider, say because that large broadband provider chose not to sell to WiFi providers for whatever reason, including that some of the WiFi providers may also offer some competitive services, then that unilateral decision, which would be entirely the decision of the sole provider of broadband backhaul in an area, would eliminate the possibility of our providing such innovative services, and would squelch any competition in the marketplace controlled by such broadband providers.

Fortunately, up until recently, WiFi providers have usually been able to obtain such access to broadband backhaul and SON, for example, has access agreements in place with companies such as Verizon, ATT, Charter and Time Warner, as well as fiber providers such Cogent, Fiberlight, XO and others. This access is what has permitted unfettered and unlimited expansion of access, innovative services and competition. In fact, I would say that the willingness of broadband providers to give WiFi providers access to this broadband has become the industry norm.

I believe the development of this norm is due in part to a condition the FCC placed in its approval of the Time Warner/ AOL merger which required that the merged entity provide wholesale internet access to an entity such as ours, at a reasonable price and with reasonable terms. Although that condition may have expired legally, its spirit is still honored in practice and such price and terms exist today through Time Warner as well as the other service providers that I have mentioned.

Because the merger of Time Warner and Comcast would create the largest broadband service provider in the country, essentially controlling broadband access to approximately 40% of the United States population, with an even larger percentage in multifamily residential communities, I believe it is essential to condition such a merger with strict rules requiring that the merged entity be required to sell access to companies such as SON so that we would be able to buy any available high speed broadband access at reasonable rates. Not to do so would squelch an existing market practice that fosters competition, innovation and increased access for consumers.

The absence of such a condition would reward any entity's anticompetitive sub-industry standard conduct, metastasize such anticompetitive practices and serve to reduce broadband choice and access and decrease innovation and competition. On the other hand to place such a condition on the approval of this transaction – that is, a requirement to provide wholesale broadband access services on reasonable terms- is a modest means to ensure that a pro-competitive and pro-innovation market condition will continue. It only seems sensible to extend the legacy of the reasonable and successful condition which the FCC placed on the AOL Time Warner acquisition to the assets that were created by that merger – the very assets Comcast now seeks to acquire.

If there is any question why the United States is 17th in the developed nations in broadband capabilities, and 2nd in cost of this facility, the Wall Street Journal map I have previously cited graphically illustrates the reasons. When a service provider controls an area, with little or no competition, the service provider is incentivized to extract maximum profit for minimum investment to satisfy its shareholders with little regard for innovation or improvement in services.

My view is that there are compromises available that make it a "win-win" situation for shareholders and for the citizens of this country. **We could all do well by doing good.**