

Senator Klobuchar's QFRs
"Examining the Comcast-Time Warner Cable Merger and the Impact on Consumers"

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Comcast owns the NBC Universal suite of content – including must-have channels like Bravo and USA Network, and several regional sports networks. Competitive video providers in Time Warner's footprint will now have to buy NBC programming from Comcast. For competitors this cost must be passed on to its consumers. Will the merged company's larger presence throughout the country, especially in major markets like New York and Los Angeles, give it even more leverage to charge its competitors more for the Comcast-NBC suite of programming? Could the merger impact prices for consumers who are served by MVPDs outside of Comcast and Time Warner Cable's footprint?

Public Knowledge's answer:

Yes. The harms from vertical integration and horizontal expansion are interrelated. The greater the combined company's horizontal reach as a cable company—that is, the more markets it provides service in and the more subscribers it serves—the greater its incentive to use its programming assets to benefit the cable part of its business. Post-merger, if the company overcharges for NBCU content, even if that reduces demand for that programming, the company as a whole would still benefit due to the harms to competitors in the distribution space.