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Hon. Chuck Grassley
Committee on the Judiciary
United States Senate
Washington, D.C. 20510-6257

Re: Comcast - Time Warner Cable Merger

April 28, 2014

Dear Senator Grassley:

We received Senator Leahy's letter on April 17, 2014 concerning questions that you had raised. We will provide our answers to your questions as set forth below:

Question 1:

Some have argued that free markets and a lack of government regulation have enabled technological innovation and allowed internet services to flourish. Do you believe that imposing new regulations could stifle innovation and inhibit the growth and deployment of broadband services?

We believe that free markets and less regulation, in general, enable technological innovation and improve services through competition. Unfortunately, when a monopoly is established, especially through regulation, as has occurred in the cable television/broadband industry, unregulated monopolies will generally stifle innovation, and will charge more for services than would otherwise occur in a competitive market. Between 2009 and 2013 Comcast raised their Basic TV rates by 68%. To get the industry to where it needs to be, increased competition is a critical requirement, and that can only occur if the regulatory authorities mandate certain rules to encourage that competition.

Question 2:

In your view, should there be more or less government involvement in this industry?

We do not believe in heavy government involvement in any industry other than to protect those users of services or products by promoting competition. This industry is made up of local, regional and national monopolies as a result of previous government regulation establishing exclusive franchises in certain areas. Existing government involvement can be lessened once sustainable competition becomes available in those areas. By mandating certain rules such as requiring the existing monopolies to sell wholesale broadband access to competitive service providers, and by prohibiting monopoly providers from providing services that stifle competition, government involvement can be reduced. By mandating that necessary access to wholesale high speed broadband be made available to disruptors and innovators, new technologies will reach the consumer, and government involvement will no longer be necessary.

Question 3:

What are the implications of this merger for open access and peering in the broadband market?

We are not involved in "peering" and so we take no position on this issue.

Question 4:

How does the proposed transaction affect competition in the market for "last mile' interconnection services?

"Last mile" interconnection service was mandated by the Telecommunications Act of 1996 and required local exchange carriers to provide interconnection to competitors that provide local loop service to subscribers and end users. This requirement was established to promote competition in areas where the local exchange carrier had a monopoly.

This proposed merger transaction of the two largest incumbent cable/broadband providers, without the mandates previously suggested, would create an environment that is similar to the situation that the Telecommunications Act of 1996 addressed, by establishing provisions to remove impediments to competition. This policy is what is needed now so that local, regional and national monopolies cannot prevent competitors from entering the market.

Thank you very much for giving us the opportunity to respond to your questions, and to clarify our view on this very important market.

Very truly yours,

Richard J. Sherwin
Chief Executive Officer

Cc: Hon. Patrick J. Leahy, Chairman