

**Prepared Statement of Senator Chuck Grassley of Iowa  
Ranking Member, Senate Judiciary Committee  
Hearing on the Proposed Comcast-Time Warner Merger  
Wednesday, April 9, 2014**

Good morning and welcome to all of the witnesses. Thank you for being here. I'm looking forward to hearing your testimony on what impacts, both positive and negative, the proposed Comcast-Time Warner transaction could have on competition in the telecommunications market and Americans' access to cable television and internet.

Comcast and Time Warner are the two largest cable companies in the country. They serve tens of millions of Americans and provide services ranging from home phone, to internet, to television. Comcast also develops some of its own content, especially after its acquisition of NBC Universal. So a combined Comcast-Time Warner could significantly affect the markets for television programming, high-speed internet access and program access.

We're not here today to decide whether, or on what conditions, Comcast and Time Warner will be permitted to merge – that's not the Judiciary Committee's role. The Federal Communications Commission and the Justice Department have the responsibility to determine whether there are any issues with this transaction. But this hearing does present the Committee with an excellent opportunity to conduct its oversight responsibility and examine the current state of the television and internet markets. It's a chance for us to see how well our laws are working in an area that has a direct impact on the lives of Americans.

Every year we're seeing new and exciting innovations in technology and communications. I remember a time when I used a black clunky telephone that was attached to the wall – everyone had the same one if you wanted telephone service. When I first came to Congress, I didn't carry a phone around in my pocket like I do now. And I would have never expected that one day I'd have an enthusiastic Twitter following. Innovations like these have radically changed the way Americans—and people throughout the world—communicate and interact with each other, learn, get news, conduct business, and access entertainment.

Possibly the most central feature of these technological innovations is the internet. Access to the internet is quickly becoming an absolute necessity for more and more Americans. They need it to compete in a fast-paced and globalized economy. They need it to stay in touch with family and friends. And they need it to access the content of their choice.

Right now we're experiencing a bit of a revolution in internet technology. Products like Verizon FiOS and Google Fiber are changing the internet's infrastructure by delivering faster access through fiber optic cables. And on the content side, companies like Netflix and Hulu are leading more and more people to "cut the cord" and access most of their media through the internet and their handheld devices rather than on traditional television.

Comcast and Time Warner control a significant amount of the cable infrastructure that Americans use to access high-speed internet. They control the cable lines that go directly into people's homes. So there's a lot of interest in what will happen if the two companies merge. Consumers want to know whether a combined Comcast-Time Warner will be in a better position to expand high-speed internet access. What will Comcast-Time Warner do to their cable bills? Are prices going to increase? Will they have

more content choices? People want to know what this will do to the industry. Will the merger inhibit growth and deployment of broadband services? Will it enhance competition with companies like DISH Network and Google Fiber? What are the downstream effects of the merger? What are the implications of the merger for open access and peering? Consumers care about their options, the quality of their cable access, and the price that they pay.

Aside from simply accessing the internet, another question is whether a combined Comcast-Time Warner will impact television or internet content in a detrimental way. For example, will Comcast be able to block consumers' access to content, or will the merger allow Comcast to negotiate for better licensing arrangements from popular broadcasters like ESPN and Disney? Comcast creates some of its own programming. Some have suggested that this will put independent programmers at a disadvantage. Most people would agree that we're better off when Americans have a wide variety of programming options to choose from – so all these are valid questions.

Today we have an opportunity to learn more about how these markets actually work and what the transaction could mean to competition and consumers. To be sure, there's been no shortage of opinions expressed in the media since Comcast and Time Warner announced that they planned to merge. But I'm here to ask some tough questions. I'm especially interested to hear what this merger might mean for Americans who live in rural areas.

I look forward to hearing what you all have to say.

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