

**Statement of Senator Patrick Leahy (D-Vt.),
Chairman, Senate Judiciary Committee
Hearing on “Examining the Comcast-Time Warner Cable Merger and the Impact on
Consumers”
April 9, 2014**

The original business of the cable industry – delivering television programming – is migrating to the Internet, and the industry has been changing in response. Consumers can now watch what they want, when they want. When companies like Comcast and Time Warner Cable were founded, the term “binge watching” was unheard of; now it describes how many Americans watch their favorite shows. Cable companies have moved beyond delivering television, adapting their networks to provide broadband. They are now the sole source of this service for millions of Americans. As a result, cable companies play a dominant role in how many people in this country get their information. Consumers deserve to know how a merger between two of the largest companies in this industry will impact them.

Today’s hearing will cover the current state of the video and broadband markets. We will hear discussion of vertical integration, relevant markets, and public interest standards. These are important issues to consider when analyzing the merger, but consumers do not want to hear complex legal jargon or obscure regulatory terms. They want to know why their cable bills are going up. They want to know why they do not have more choice of providers. Consumers are trying to find out whether and how this merger is good for them. I want to find out the same things.

In 1996, I voted against the Telecommunications Act in part because of concerns I had about the lack of competition in the cable TV market. Along with many consumers, I continue to be concerned. Similar questions are now being raised about the broadband industry, where consumers feel like they face large bills and inadequate choices.

In Vermont, we care deeply about net neutrality, but we do not simply want lip service paid to the phrase. We want meaningful rules of the road to protect an open Internet so that anyone with an idea can have a chance to succeed in the online marketplace. Vermonters are not alone. Thousands of Americans have flooded the FCC in recent weeks with comments supporting the restoration of open Internet rules. Their voices on this issue should be heard.

I appreciate that Comcast agreed to be bound by the FCC’s Open Internet rules as part of the NBC/Universal transaction. This was an important commitment, especially now that core elements of the Open Internet Order have been struck down. The conditions that currently apply to Comcast should not be seen as the end point, but rather the minimum level of protection that should apply to promote competition online. Regardless of the outcome of this latest merger, I hope that Comcast will accept an extension of these rules beyond 2018. Better still, I urge Comcast to support stronger rules that will protect consumers and drive innovation.

The recent interconnection deal between Comcast and Netflix also raises important questions for advocates of net neutrality. When ISPs can charge tolls or block access to their networks, net neutrality policies alone may no longer be enough to protect consumers and promote an open

Internet. If companies must enter special agreements to ensure adequate quality for their streaming video service, I worry about the potential impact on other bandwidth-intensive services, such as telemedicine. It is an annoyance for consumers when they cannot stream the most recent season of *House of Cards* due to an interconnection dispute. But in the future, it could be a matter of life or death for patients who cannot reach healthcare services for the same reason.

This proposed transaction touches on a range of critical policy issues that extend beyond just the broadband space. This merger also raises important questions about diverse and independent video programming, and promoting a vibrant marketplace for online video. Our primary focus should be on how it would impact consumers. I urge the FCC and Justice Department to consider just as carefully the impact on consumers as they review the pending merger.

I thank the witnesses for coming, and I look forward to hearing your testimony.

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