

United States Senate

WASHINGTON, DC 20510

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Competition
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July 9, 2015

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Wheeler:

Many Americans have very few, if any, options when it comes to choosing their local cable and Internet providers. And, as the telecommunications industry becomes increasingly concentrated, this lack of choice has resulted in huge price increases and often poor service for consumers. We are writing to respectfully request the Federal Communication Commission's (FCC) assistance in empowering Americans with more information about ever-increasing rates for cable and Internet services and how providers calculate consumers' monthly bills. This request has added urgency in the context of the proposed merger between Charter Communications and Time Warner Cable (TWC), which will only increase concentration in the cable and broadband markets.

In addition to steeply rising prices, consumers are often unaware of the various fees that are tacked onto their monthly bills because of the lack of transparency in pricing. To cite just one example, Time Warner Cable began charging a cable modem rental fee in 2012 of \$3.95 a month. TWC then raised the price to \$5.99 a month in 2013. Today it charges \$8 a month, a 203 percent increase in three years' time, in addition to monthly broadband charges.

With increasing concentration in the industry, there are now de facto telecommunications monopolies throughout the United States. For example, just 37 percent of Americans have more than one option for high-speed broadband providers. Given the lack of incentive for companies to provide better quality service and competitive prices, it is no surprise that individuals rank cable and Internet providers last in customer satisfaction when compared to other companies in other industries.

The FCC has the mandate to collect pricing information and the duty to promote the deployment of broadband, and has taken a number of recent positive steps towards achieving these objectives. According to 47 USC §1303(c)(1)(B), the FCC "shall conduct and make public periodic surveys of consumers in urban, suburban, and rural areas in the large business, small business, and residential consumer markets to determine [. . .] (B) the amounts consumers pay per month for such capability." The Commission's collection of pricing information is critical to upholding its mission to protect consumers, and promote competition, and deploy broadband across America.

We need healthy competition to foster innovation and ensure fair prices for consumers. At the very least, Americans should be able to understand the price of the product they are buying and what their neighbors are paying for the same service.

In order to better serve consumers, we are requesting the Commission continue to fulfill its mandate and answer the following specific questions on the price of broadband and cable services:¹

- 1) How much do Americans pay for broadband and cable services, on average by state?
- 2) How much do Americans pay for broadband and cable services, on average by telecommunications provider?
- 3) How much do Americans living in urban areas pay for broadband and cable services, on average?
- 4) How much do Americans living in rural areas pay for broadband and cable services, on average?

As always, thank you for your consideration of our request. We look forward to working with the Commission to increase transparency for consumers.

Sincerely,



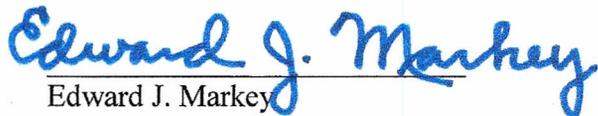
Bernard Sanders
United States Senator



Al Franken
United States Senator



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator

¹ Pricing information should include associated fees, such as usage caps and modem rental fees, in order to truly see the effects of these prices on consumers. In addition, when defining broadband, the FCC should consider not the company's advertised speed of broadband as specified in the Commission's 2013 collection order, but the actual speed delivered. For broadband, please break out answers by download speed tiers, the tiers being 4 megabits per second, 10 megabits per second, 25 megabits per second, 100 megabits per second, and 1 gigabits per second.