

United States Senate

WASHINGTON, DC 20510-7020

February 29, 2016

The Honorable Loretta Lynch
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

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

Dear Attorney General Lynch and Chairman Wheeler:

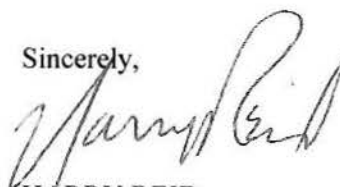
Most Americans enjoy little competition in the high-speed broadband marketplace. This lack of competition creates a risk that investment and innovation in broadband will stagnate, leading to higher prices and fewer choices for consumers. Further consolidation may increase this risk. For this reason, I urge you to review closely Charter's proposed acquisition of Time Warner Cable and Bright House Networks, which effectively creates a national high-speed broadband duopoly, to determine whether further broadband consolidation is in the public interest.

When examining Comcast's proposed acquisition of Time Warner, the Justice Department and Federal Communications Commission questioned whether the consolidated company would be more likely to act as a "gatekeeper" between customers and content providers. Based on both press reports and remarks given by senior agency officials subsequent to the review, the agencies determined the answer was yes. Using this standard, there is a significant question about whether Charter's purchase of Time Warner will lead to the same result. The proposed Charter acquisition has the potential to erect further barriers to broadband competition, including from wireless and fiber. Moreover, barriers to broadband competition and reduced consumer choice in online video inextricably are linked. Ensuring access to and effective competition among online video distributors (OVDs) is essential to promoting continued investment in broadband. And while little attention has been placed on Charter's forays into the online video market or the commercial relationships between Charter and Liberty Media, these facts should not be ignored.

While the companies involved in the Charter transaction may commit to mitigating anticompetitive outcomes, I ask that you closely review how effectively such commitments may be enforced. Further, I ask you to examine whether any policies that may benefit OVDs in the short term create the type of long-term certainty necessary to entice new entrants to this nascent marketplace. A competitive broadband marketplace is the only circumstance that will drive this outcome and until such a marketplace exists, further consolidation may pose a significant risk to consumers.

Thank you for your attention to this matter.

Sincerely,



HARRY REID
Democratic Leader