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ONE HUNDRED FOURTEENTH CONGRESS

## Congress of the United States House of Representatives

COMMITTEE ON THE JUDICIARY

2138 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6216

(202) 225–3951 http://www.house.gov/judiciary

March 17, 2016

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

The Honorable Tom Wheeler Chairman, Federal Communications Commission 445 12<sup>th</sup> Street SW 8<sup>th</sup> Floor Washington, D.C. 20554

Dear Attorney General Lynch and Chairman Wheeler:

As your respective agencies review Charter Communications' proposed acquisitions of Time Warner Cable (TWC) and Bright House Networks (BHN), I write to bring to your attention important issues to consider and to urge close review of these transactions. Moreover, should you decide to impose any conditions on these transactions, as is generally the case, I strongly urge that such conditions be made durable and easily enforceable to promote competition in this market and ensure consumer choice and affordability.

The House Judiciary Committee has held hearings on a number of transactions in the telecommunications industry in recent years. Among the various issues that the Committee examined was the potential for pay television providers that are also dominant high-speed broadband providers to use their dominant position as broadband providers to throttle the emergence of competing online video distributors.

According to critics, the Charter-TWC-BHN transaction would allow the merged entity, together with Comcast, to control 70 to 90 percent of the high-speed broadband market, as that market is defined by the Federal Communications Commission. Critics also assert that New Charter's increased footprint could enable it to undermine competition from existing and emerging over-the-top (OTT) streaming services by pricing high-speed broadband in service bundles to effectively deter and limit consumer access to popular OTT competitors. Finally, some have raised the concern that new or independent programmers could be negatively impacted by the

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Charter-TWC-BHN transaction. Lacking the leverage of must-have content like live sports and marquee national events, critics contend that new or independent programmers could be forced to accept below-market terms for carriage or other unfavorable conditions, thus threatening their viability and diluting the diversity of voices in the market.

In response to these concerns, Charter maintains that it has made certain commitments to protect online video distributors and net neutrality and that 88 percent of households would have a choice of two or more wired broadband providers, thereby dimishing its ability and incentive to engage in such anticompetitive behavior. Charter likewise contends that it does not have significant programming interests to protect, that it carries a significant number of diverse and independent programmers, and that several independent programmers support the transaction.

I urge you to focus on these considerations and to weigh the arguments of boths sides carefully as you continue your reviews of these transactions and their potential impact on competition and the public interest. As I noted initially, should you deem it necessary to impose conditions, I would ask that such conditions are made durable and easily enforceable in order to promote competition, prevent consumer harm, and protect the public interest.

Thank you for your consideration.

Sincerely,

onn Conyers, Jr.

Ranking Member

cc:

Honorable Bob Goodlatte, Chairman, House Committee on the Judiciary