

United States Senate

WASHINGTON, DC 20510-2309

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January 31, 2012

Chairman Julius Genachowski
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Attorney General Eric H. Holder, Jr.
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Chairman Genachowski and Attorney General Holder:

I have been following with interest Verizon Wireless' announcement that it is seeking the Federal Communications Commission's (FCC) consent to acquire licenses from Cox Communications and SpectrumCo, LLC ("SpectrumCo"). SpectrumCo is an entity that is owned primarily by the nation's two largest cable companies, Comcast Corporation and Time Warner Cable, Inc., and Verizon Wireless is the nation's largest mobile-phone carrier. I am concerned that these transactions will greatly impact how much consumers pay for their wireless phone, high-speed Internet, and cable television service, and I urge you to closely examine all of the terms and conditions of these deals.

Verizon's plan to purchase spectrum from these cable companies will further concentrate ownership of the nation's airwaves in the hands of a single company. These are very complicated transactions—not just because of the size of the spectrum deals—but also because it appears that these companies have agreed to enter into joint-marketing arrangements. The exact nature of these marketing agreements has not been made public, but based on press reports and the companies' statements, it appears as though the companies have agreed to promote, market, and sell one another's products and services. This is very troubling, because it would seem to carve up the marketplace for cable, broadband, and wireless phone service. These joint-marketing agreements will turn these rival companies into partners, rather than competitors. I fear this will ultimately mean less competition, less choice, and higher prices for consumers.

When Congress chose to deregulate the telecommunications industry fifteen years ago, it did so with the hope that cable companies would become competitors to the dominant phone companies. These deals indicate that cross-platform competition will likely never occur, and instead consumers will likely see a push towards expensive bundled "quadruple play" services that will only push their monthly telecommunications bills ever higher. The trend of rising cable, wireless, and Internet rates in this country is unacceptable, and I urge both of your agencies to carefully examine these transactions to ensure they will not diminish competition in media and telecommunications markets. I specifically urge the Commission to examine whether the marketing components of these transactions will serve the public interest.

These transactions warrant close examination by the Senate Judiciary Committee's Subcommittee on Antitrust and Competition Policy, and I have also urged Senator Kohl to hold a hearing so that we can further analyze the competitive impacts of these deals.

Thank you for your prompt and careful consideration of my views on this matter. I look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Al Franken". The signature is fluid and cursive, with a long horizontal stroke at the end.

Al Franken
United States Senator