



POLICY & ACTION FROM CONSUMER REPORTS

The Honorable John Thune
Chairman
Senate Commerce, Science & Transportation Committee
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bill Nelson
Ranking Member
Senate Commerce, Science & Transportation Committee
716 Senate Hart Office Building
Washington, DC 20510

Dear Chairman Thune and Ranking Member Nelson:

Consumers Union, the policy and advocacy arm of Consumer Reports, appreciates the Committee's decision to hold a hearing to examine the Federal Communications Commission's ongoing efforts to protect consumers and promote competition in the telecommunications and broadband marketplace.

We strongly support the Commission's recent network neutrality decision to reclassify broadband as a telecommunications service. We believe reclassification is the most effective way to hold broadband providers accountable and ensure that all consumers have access to the content of their choice on nondiscriminatory terms. We commend the Commission for the thorough, deliberative process under which it reached this pro-consumer result. The rules will be of significant benefit in protecting the Internet against discriminatory broadband provider practices that can lead to slower and more expensive Web access for consumers.

Tough net neutrality rules go hand in hand with the need for vigorous competition necessary to ensure that consumers receive the full benefit of the various video and broadband options available today, and to spur the development of new options in the future. A handful of dominant broadband providers have undue ability and incentive to leverage market power in ways that are harmful to competition and consumers. And they seek to increase their dominance even further.

For this reason, we have been urging the FCC and the Justice Department to reject the proposed Comcast-Time Warner Cable merger. If approved, this merger would give Comcast control over sixty percent of cable and more than half of the high speed broadband in the U.S. We have submitted statements to both agencies explaining in detail the severe harms we believe this merger would cause competition and consumers. More than 800,000 consumers have written to the FCC to express their concern about the proposed merger, and according to our own public opinion polls at Consumer Reports, only 11 percent of the public supports the merger.

Cable rates continue to rise faster than inflation, while survey after survey has rated both companies poorly when it comes to customer satisfaction, including the most recent survey by Consumer Reports. Many thousands of consumers across the nation have already written to us about troubling practices involving improper billing, poor customer service experiences, and instances of excessive and unwarranted price hikes with no explanation. The proposed merger will only make matters worse for millions more.

Consumers are right to be concerned about this merger. The result would be fewer choices, higher prices, and even worse customer service for consumers across the nation.

Consumers have also reached out to us with concerns about the flood of unwanted pre-recorded and auto-dialed calls to their wireless numbers and residential lines. Those calls continue to plague consumers and cause them a great deal of frustration.

Consumers Union has supported the protections put in place by the Telephone Consumer Protection Act, and we have urged the FCC to resist industry arguments to exempt responsible parties from liability and weaken the existing protections in place. We also strongly believe that telephone providers can and should do a better job of providing consumers with technology to identify and block these unwanted calls, at no charge. We recently started a campaign at EndRobocalls.org. Already, over 210,000 consumers have asked phone companies to roll out the technology to provide a simple way to block these calls. The scales are now tipped too far in favor of companies who enable TCPA violations and have financial and business incentives to get access to as many consumers as possible. We need to right that balance in favor of consumers.

We hope these observations will assist the Committee in its continuing consideration of many important telecommunications policy issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Delara Derakhshani", with a horizontal line extending to the right.

Delara Derakhshani
Policy Counsel
Consumers Union

CC: Members of the Senate Commerce Committee