

Congress of the United States
Washington, DC 20515

July 9, 2012

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

The Honorable Eric H. Holder
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Chairman Genachowski and Attorney General Holder:

We are strongly committed to the nationwide deployment of high-speed wired and wireless broadband networks. These digital networks are the critical infrastructure of the 21st century, driving investment, innovation, job creation, global competitiveness and improvements in health care, education, and public safety.

We are aware that the Commission and the Department are currently reviewing agreements between Verizon Wireless and four of the nation's largest cable companies, Comcast, Time Warner Cable, Cox, and Bright House Networks. These agreements involve complicated transactions that include not only Verizon's purchase of wireless spectrum but also joint marketing agreements in which the parties agree to promote, market, and sell each other's products and services and to form a joint venture to develop, on an exclusive basis, proprietary technologies.

The commercial agreements between Verizon Wireless and the leading cable companies appear to turn the promise of the 1996 Telecommunications Act on its head. When Congress passed the 1996 Telecommunications Act, consumers were promised the benefits of increased competition between cable and phone companies, driving investment in broadband networks, creating jobs, enabling new and improved services and applications, and lower prices.

But, the agreement between Verizon Wireless and the major cable companies appears to renege on that promise, turning formerly energetic competitors into business partners. The joint marketing agreements appear to limit the availability of competitive services in video, broadband, voice, and wireless markets. This could lead to reduced investment in infrastructure, job loss, fewer choices, and ultimately higher prices for consumers.

Until now, Verizon Communications has systematically deployed its all fiber FiOS network, competing directly with cable's broadband and video services. But, it appears that the commercial agreements would eliminate or reduce cross-platform competition and diminish incentives to expand FiOS deployment. This would leave many of the communities that we represent on the wrong side of the digital divide.

To date, Verizon has refused to deploy its FiOS network in a number of large and medium-sized cities in its footprint, including Boston, Baltimore, Buffalo, Albany, Syracuse, among others, and has made clear that it has no intention of further investments in the FiOS network. People of color and lower-income households will be disproportionately affected by the decreased incentives to invest in FiOS.

Verizon's recent announcement that it will no longer sell stand-alone DSL services leaves consumers with even fewer alternatives.

The cross marketing agreements and formation of a joint operating entity among Verizon Wireless and our nation's largest cable companies would also have far-reaching implications on the competitive landscape across the nation. The Verizon/cable partnership will give them enormous advantage over their competitors, given their ability to bundle their services into a unique quad play of voice, video, Internet, and wireless, and through the development of proprietary technology, to provide seamless connectivity across wired and wireless platforms.

Further, as our nation continues to emerge from a period of high unemployment, a transaction that would reduce investment in competing networks will eliminate thousands of good, middle-class jobs that would otherwise be needed to build, maintain, service, and sell those network services as well as manufacture the equipment and fiber necessary to deploy competing networks.

We are aware that many voices have raised questions about the proposed transaction, including mayors and elected leaders from nine upstate New York cities, Boston, and Baltimore, as well as consumer, labor, civil rights, and other public interest organizations.

The Verizon/cable transaction raises serious concerns for competition and consumers. As you review the Verizon Wireless/cable transaction, we strongly urge you to protect the public interest in cross-platform competition driving lower prices and higher quality services, and to ensure that all Americans have access to the most advanced technologies and services.

Sincerely,


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Member of Congress


Jerrold Nadler
Member of Congress


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Member of Congress



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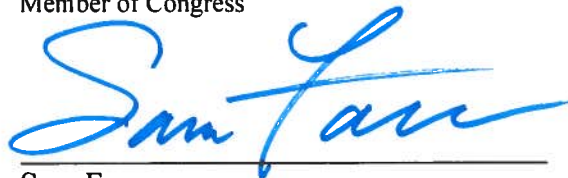
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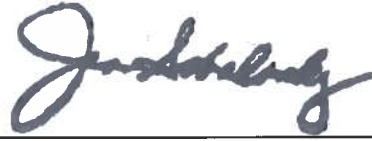
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