

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Department of Information Technology / Legislative	Frank Video 4-8849	N.A.

Legislation Title:

A RESOLUTION proposing that certain public-interest obligations be required of Comcast Corporation for its proposed merger with Time Warner Cable Incorporated in the event the merger is approved by the Federal Communications Commission.

Summary of the Legislation:

This Resolution communicates the Seattle City Council's position to the Federal Communications Commission (FCC) that its review of the proposed merger of Comcast Corporation and Time Warner Cable should examine the merger's potential to negatively impact consumers on pricing, competition, and technological innovation, and that in the event of the FCC's approval of the Comcast Corporation-Time Warner merger, certain public-interest obligations should be required in order to lessen any potentially negative impacts to consumers.

Background: The online encyclopedia, Wikipedia, reports that prominent critics of the Comcast-Time Warner Merger include technology expert Susan P. Crawford, U.S. senator Al Franken of Minnesota, the city of Lexington, Kentucky, the city of Worcester, Massachusetts, and U.S. representative John Conyers of Michigan, while public opinion is generally negative. A March 2014 Reuters/Ipsos poll found that 52% of Americans believed the deal was bad for consumers, while 22% thought it would be beneficial. An April 2014 poll conducted by Consumer Reports found that the merger was opposed by 56% of the public and supported by 11%, 32% having no opinion, and 74% agreeing that a merger "will result in higher Internet and cable prices for everyone." A coalition of 56 consumer-advocacy and public interest groups have expressed opposition to the merger, including both the Writers Guild of America, East and Writers Guild of America, West, the Media Alliance, Public Knowledge, and the Parents Television Council. Outside of this group, Consumer Watchdog has also opposed the merger. Some companies within the industry have expressed opposition to the merger, including DirecTV, Netflix, and Cogent Communications. Prior to reaching a deal to acquire some subscribers of the merged company, Charter Communications also opposed the merger.

Please check one of the following:

This legislation does not have any financial implications.
(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

This legislation has financial implications.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

No.

b) What is the financial cost of not implementing the legislation?

None.

c) Does this legislation affect any departments besides the originating department?

No.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

A letter addressed to the Federal Communications Commission signed by the Mayor and by all Seattle City Councilmembers.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Other Issues:

None.

List attachments to the fiscal note below: None.