



SEATTLE CITY COUNCIL

Legislative Summary

Res 31569

Record No.: Res 31569

Type: Resolution (Res)

Status: Attested by City Clerk

Version: 2

In Control: City Clerk

File Created: 02/11/2015

Final Action: 02/27/2015

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.

Notes:

Date
Filed with City Clerk: 2/27/2015

Mayor's Signature: 2/27/2015

Sponsors: Harrell, Licata

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: jodee.schwinn@seattle.gov

Filing Requirements/Dept Action:

Approval History

Version	Date	Approver	Action
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History of Legislative File

Legal Notice Published: ☐ Yes ☐ No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Full Council	02/17/2015	referred	Public Safety, Civil Rights, and Technology Committee			
Action Text: The Resolution (Res) was referred to the Public Safety, Civil Rights, and Technology Committee							
Notes:							
1	Public Safety, Civil Rights, and Technology Committee	02/18/2015	adopt as amended				Pass
Action Text: The Committee recommends that Full Council adopt as amended the Resolution (Res).							

Notes:

In Favor: 2 Member Harrell, Licata

Opposed: 0

2 Full Council 02/23/2015 adopted Pass

Action Text: The Resolution (Res) was adopted by the following vote and the President signed the Resolution:

In Favor: 8 Council President Burgess, Councilmember Clark, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Councilmember Rasmussen, Councilmember Sawant

Opposed: 0

2 City Clerk 02/23/2015 submitted for Mayor
Mayor's signature

Action Text: The Resolution (Res) was submitted for Mayor's signature to the Mayor

Notes:

2 City Clerk 02/27/2015 attested by City
Clerk

Action Text: The Resolution (Res) was attested by City Clerk

Notes:

2 Mayor 02/27/2015 Signed

Action Text: The Resolution (Res) was Signed

Notes:

2 Mayor 02/27/2015 sent to Clerk City Clerk

Action Text: The Resolution (Res) was sent to Clerk to the City Clerk

Notes:

CITY OF SEATTLE
RESOLUTION 31569

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.

WHEREAS, in 2010 Comcast Corporation purchased NBC Universal for \$30 billion and in 2014 it announced plans to purchase Time Warner Cable for \$45 billion; and

WHEREAS, Comcast Corporation leads the U.S. with nearly 22 million cable subscribers and over 20 million broadband subscribers while Time Warner Cable is the second-largest U.S. cable company, with roughly 11 million cable and broadband subscribers, together representing roughly half of all paying cable-TV-phone customers in the U. S.; and

WHEREAS, since the announcement of the proposed Comcast Corporation-Time Warner Cable merger, Comcast Corporation has made permanent its 3-year pilot program, Internet Essentials, which provides discount Internet service, low cost computer purchases, and digital literacy training to certain low income families; and

WHEREAS, United States antitrust laws regulate the conduct and organization of business corporations to promote fair competition for the benefit of consumers in part by restricting mergers and acquisitions that can substantially lessen competition and abuse monopoly power; and

WHEREAS, the Federal Communication Commission has recorded a number of sanctions against Comcast Corporation regarding fair competition among cable and Internet service providers, technological innovation, consumer service, and adherence to national and local operating agreements;

WHEREAS, the proposed merger of Comcast Corporation and Time Warner Cable is currently under review for approval by the Federal Communication Commission;

NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE
MAYOR CONCURRING, THAT:**

1 Section 1. The City of Seattle concludes that a proposed merger of the two largest U.S.
2 cable and Internet providers holds the potential to harm consumers and businesses if not
3 thoroughly vetted.

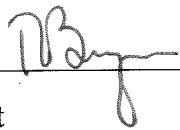
4 Section 2. The City of Seattle will communicate its position to the FCC and to the U.S.
5 Justice Department that careful examination of past performance by Comcast Corporation –
6 when combined with the negative impacts joining the two largest U.S. cable companies may
7 have on pricing, competition, and technological innovation – should lead to close scrutiny of this
8 proposed merger.

9 Section 3. The City of Seattle will communicate its position to the FCC and to the U.S.
10 Justice Department that, in the event of their approval of the Comcast Corporation-Time Warner
11 Cable merger, the following public-interest obligations should apply:

- 12
- 13 a) Preserve and advance Public, Educational, and Government access cable channels and
14 programming (PEG);
- 15 b) Do not oppose municipal broadband efforts and oppose state initiatives that would
16 impose prohibitions or restrictions on public and public/private broadband projects;
- 17 c) Significantly expand Comcast Corporation's low-cost Internet Essentials program in
18 order to:
- 19 i. increase the number of eligible students;
- 20 ii. include disadvantaged groups such as seniors and persons living in subsidized
21 housing; and
- 22 iii. provide higher internet speeds for discounted programs.
- 23 d) Continue abiding by the FCC's Open Internet Rules and do not discriminate in bit
24 transport nor block access to lawful content;
- 25
- 26
- 27

- 1 e) Improve customer service by employing verifiable, time-based measurements and by
2 subscribing to such measurements that may be administered by service area
3 jurisdictions;
4 f) Do not impose data caps on Internet customers;
5 g) Do not use the competitive advantage brought about by this consolidation to increase
6 prices for cable and internet services.

7
8 Adopted by the City Council the 23rd day of February, 2015, and
9 signed by me in open session in authentication of its adoption this 23rd day
10 of February, 2015.

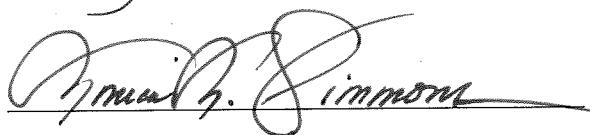
11 
12 President _____ of the City Council

13
14 THE MAYOR CONCURRING:

15 
16 _____

17 Edward B. Murray, Mayor

18
19 Filed by me this 27 day of February, 2015.

20 
21 _____

22 Monica Martinez Simmons, City Clerk

23
24 (Seal)

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.

CITY OF SEATTLE
RESOLUTION 31569

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WHEREAS, in 2010 Comcast Corporation purchased NBC Universal for \$30 billion and in 2014 it announced plans to purchase Time Warner Cable for \$45 billion; and

WHEREAS, Comcast Corporation leads the U.S. with nearly 22 million cable subscribers and over 20 million broadband subscribers while Time Warner Cable is the second-largest U.S. cable company, with roughly 11 million cable and broadband subscribers, together representing roughly half of all paying cable-TV-phone customers in the U. S.; and

WHEREAS, since the announcement of the proposed Comcast Corporation-Time Warner Cable merger, Comcast Corporation has made permanent its 3-year pilot program, Internet Essentials, which provides discount Internet service, low cost computer purchases, and digital literacy training to certain low income families; and

WHEREAS, United States antitrust laws regulate the conduct and organization of business corporations to promote fair competition for the benefit of consumers in part by restricting mergers and acquisitions that can substantially lessen competition and abuse monopoly power; and

WHEREAS, the Federal Communication Commission has recorded a number of sanctions against Comcast Corporation regarding fair competition among cable and Internet service providers, technological innovation, consumer service, and adherence to national and local operating agreements;

WHEREAS, the proposed merger of Comcast Corporation and Time Warner Cable is currently under review for approval by the Federal Communication Commission;

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- 14 programming (PEG);
- 15 b) Do not oppose municipal broadband efforts and oppose state initiatives that would
- 16 impose prohibitions or restrictions on public and public/private broadband projects;
- 17 c) Expand Comcast Corporation's low-cost Internet Essentials program in order to:
 - 18 i. increase the number of eligible students;
 - 19 ii. include disadvantaged groups such as seniors and persons living in subsidized
 - 20 housing; and
 - 21 iii. provide higher internet speeds for discounted programs.
- 22 d) Abide by the FCC's Open Internet Rules and do not discriminate in bit transport nor
- 23 block access to lawful content;
- 24
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- 27

e) Improve customer service by employing verifiable, time-based measurements and by
subscribing to such measurements that may be administered by service area
jurisdictions;

f) Do not impose data caps on Internet customers;

g) Do not use the competitive advantage brought about by this consolidation to increase
prices for cable and internet services.

Adopted by the City Council the ____ day of _____, 2015, and
signed by me in open session in authentication of its adoption this ____ day
of _____, 2015.

President _____ of the City Council

THE MAYOR CONCURRING:

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

STATE OF WASHINGTON -- KING COUNTY

--SS.

321602

No.

CITY OF SEATTLE, CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

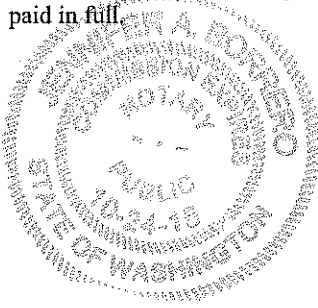
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:31569-71 TITLE ONLY

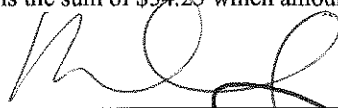
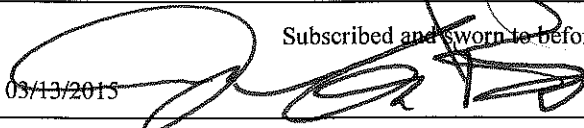
was published on

03/13/15

The amount of the fee charged for the foregoing publication is the sum of \$54.25 which amount has been paid in full.



Affidavit of Publication


Subscribed and sworn to before me on
03/13/2015 

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on February 23, 2015, and published below by title only, will be mailed upon request. ~~or can be~~ accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>. Contact: Office of the City Clerk at (206) 684-8344.

RESOLUTION NO. 31571

A RESOLUTION adopting the Seattle City Council 2015 Work Program.

RESOLUTION NO. 31570

A RESOLUTION adopting the City of Seattle Privacy Principles governing the City's operations, which will provide an ethical framework for dealing with current and future technologies that impact privacy, and setting timelines for future reporting on the development of a Privacy Statement and Privacy Toolkit for their implementation.

RESOLUTION NO. 31569

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.

Date of publication in the Seattle Daily Journal of Commerce, March 13, 2015.

3/13(321602)