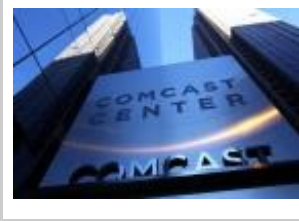


30 Million Customers Under One Roof

iVan Budimir August 27, 2014



Comcast and Time Warner Cable™ officially confirm 45.2 billion USD merger

(Newswire.net -- August 27, 2014) -- After snatching up NBC Universal a few years ago, Comcast has announced it plans to overtake Time Warner Cable. Two largest cable network companies control over 57% of the market. TWC controls markets like New York City, LA and Texas, while Comcast strongholds include Philadelphia and Washington DC. But it's not only 30 million+ TV subscribers, but also more than 30 million internet connections and more than 15 million phone lines.

This merger still needs approval by the FCC and Justice Department and that will take some time. Despite that, both parties expect the deal to close by the end of this year. Interestingly though the reports say there is no penalty, nor "break up fee", if the deal does not go through, which, experts speculate, leads to a conclusion that the merger is already a done deal.

Comcast thinks it can negotiate better rates with the studios and channels than Charter with its failed bid on TWC. Once it expands, it will cover a larger customer base, not only TV subscribers but internet networks as well. Another issue is system incompatibility since Comcast is experimenting with various levels of data caps, while Time Warner Cable is not at the moment.

Time Warner Cable, suffered an unusual nationwide Internet outage early Wednesday morning, sparking new complaints about the company's service. "An issue with our Internet backbone created disruption with our Internet and On Demand services," the company said in a statement. The company said that cable TV and phone services were not affected by the Internet downtime. Many of those homes are in big metropolitan areas like New York City and Los Angeles. That made Wednesday's outage more noticeable, because it affected journalists and the people who employ them.

Both companies have made big investments to improve customer service and the quality of their products, but the customers complained that none of that matters when they wake up and find out the Internet is not working.

Comcast and Time Warner Cable expect to create \$1.5 billion in operating savings, with 50 percent of those savings expected in the first year. The proposed deal will be accretive to Comcast, which plans to expand its stock buyback program to \$10 billion at the close of the transaction.

Comcast Chief Executive Brian Roberts said he was confident about getting the green light from regulators as the two companies plan to divest 3 million subscribers, so that their combined customer base of 30 million would represent just under 30 percent of the U.S. pay television video market. He said no decisions have been made on which markets to sell.

Comcast argues in its public interest statement that it has a much smaller footprint in the market than its competitors. Comcast may have a hard time convincing the public that less choices are good for consumers, but it is tapping a set of wide set of resources to make sure Washington doesn't object.

Although Comcast and Time Warner Cable seem to be holding a lot of cards, they're not necessarily an unbeatable hand, there are signs there's already a broad coalition ready to contest the creation of this new monopoly. Meanwhile, the more than two dozen state attorney generals have joined the feds in looking at the deal.

Source: <http://newswire.net/newsroom/news/00000000-30-million-customers-under-one-roof.html>