

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Ms. Dortch,

In the Applications of Cox Enterprises, Inc. and Charter Communications, Inc. For Consent to Transfer Control of Licenses and Authorizations, WC Docket No. 25-233.

The American Consumer Institute Center for Citizen Research (ACI) is a nonprofit 501(c)(3) educational and research institute with the mission to identify, analyze, and protect the interests of consumers in legislative and rulemaking proceedings.

The recently announced merger between Cox and Charter, is an opportunity for the Federal Communications Commission (FCC) to break down old regulatory silos and recognize “competition as it exists today.”¹ Economically, the Cox-Charter merger passes all the tests: 1) the independent markets share little geographic overlap;² 2) the merger would not substantially reduce competition or squeeze out local competitors;³ and 3) operating in a high fixed cost industry, it would also improve economies of scale and strengthen competition against traditional wireless carriers.⁴

¹ Federal Communications Commission, FCC Chairman Carr's 'Build America' Speech, Federal Communications Commission, July 2, 2025, <https://www.fcc.gov/news-events/events/2025/07/fcc-chairman-carr-build-america-speech>; and Federal Communications Commission, Remarks of FCC Chairman Brendan Carr, Federal Communications Commission, July 2, 2025, <https://docs.fcc.gov/public/attachments/DOC-412663A1.pdf>.

² Federal Communications Commission, FCC National Broadband Map, Federal Communications Commission, September 30, 2025, https://broadbandmap.fcc.gov/provider-detail/fixed?version=dec2024&zoom=4.00&vlon=-95.434273&vlat=38.981771&providers=130360_40_on%2C130235_40_on&br=r&speed=0_0&pct_cvg=0.

³ Eric Fruits, ICLE Issue Brief Finds Proposed Charter-Cox Transaction Is a Pro-Competitive Response to a Converging Market, International Center for Law & Economics, September 17, 2025, <https://laweconcenter.org/icle-issue-brief-finds-proposed-charter-cox-transaction-is-a-pro-competitive-response-to-a-converging-market/>.

⁴ Ibid.

The Cox-Charter Merger Will Benefit Consumers

A Cox-Charter merger will benefit consumers. Combining the two firms, with very limited service area overlap, would allow them to leverage resources and greater economies of scale to shrink their high fixed costs, and hold a strong position in the evolving competitive landscape.⁵ Charter anticipates the merger will save \$500 million in operating expenses alone, which will free up margin for better services and consumer savings, a premise backed up by economic theory.⁶ Recent reporting finds merger-enabled cost savings are already expected to reach consumers through promotional pricing. Cox subscribers can switch from \$80 per month plans to \$50 per month plans with no reduction in internet speeds, with plans returning to normal rates after 12 months.⁷

Like any other market, future pricing decisions will be dictated by underlying market structures. Since Cox and Charter operate in highly competitive, convergent markets, where consumers have options and can move fluidly among platforms, economic theory suggests business cost savings are likely to be passed on to consumers through lower prices or quality improvements. The merging companies also plan to use a share of the new savings for service quality improvements, which may be necessary for cable to continue to compete as fiber deployment continues and fixed wireless becomes increasingly capable of faster speeds.⁸ In fact, the merger comes at a time when the cable industry standard Data Over Cable Interface Specifications (DOCSIS) is in its fourth generation, and state-level filings indicate the merging companies are committed to bringing this upgrade to Cox's service areas.⁹ Upgrades are expensive—but they could offer a faster, lower-latency, and more secure version of cable internet.¹⁰ As economies of scale improve, consumers stand to benefit from both cost savings and improved service quality.

⁵ Fred Ashton, Jeffrey Westling, Scrutiny of Charter and Cox Merger Must Recognize Industry Dynamics, American Action Forum, July 17, 2025, <https://www.americanactionforum.org/insight/scrutiny-of-charter-and-cox-merger-must-recognize-industry-dynamics/>.

⁶ Ellis Scherer, Why the Cox Merger Is a Win for Consumers, Information Technology & Innovation Foundation, July 25, 2025, <https://itif.org/publications/2025/07/25/why-the-charter-cox-merger-is-a-win-for-consumers/>.

⁷ Chili Palmer, Would the merger between Spectrum and Cox save you money?, High Speed Internet, May 16, 2025, <https://www.highspeedinternet.com/resources/spectrum-cox-merge>.

⁸ Doug Mohny, U.S. Home Fiber Deployments Top 88M homes passed, Fiber Broadband Association, April 17, 2025, <https://fiberbroadband.org/2025/04/17/u-s-home-fiber-deployments-top-88m-homes-passed/>; and Jonathan Kim, Fixed Wireless Internet: A Broadband Alternative Emerges, Dgtl Infra, August 25, 2022, <https://dgtlinfra.com/fixed-wireless-internet-broadband/>.

⁹ Ellis Scherer, Why the Cox Merger Is a Win for Consumers, Information Technology & Innovation Foundation, July 25, 2025, <https://itif.org/publications/2025/07/25/why-the-charter-cox-merger-is-a-win-for-consumers/>; and State of Rhode Island Division of Public Utilities and Carriers, Joint Application of Charter Communications, Inc., Cox Enterprises, Inc. and Cox Communications, Inc. to Transfer Control of CoxCom, LLC's Service Areas 1-8 Certificates of Authority to Operate and for CoxCom, LLC to Participate in Financing Arrangements, Rhode Island Public Utilities Commission, September 30, 2025, [https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2025-08/\(8.12.25%20DPUC\)%20Joint%20RI%20Application%20\(Charter-Cox\).pdf](https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2025-08/(8.12.25%20DPUC)%20Joint%20RI%20Application%20(Charter-Cox).pdf).

¹⁰ Ibid.



The Evolving Competitive Landscape

To reap these economic benefits, the FCC and the Department of Justice (DOJ) must recognize the evolving nature of the communications market. Once the beneficiary of significant market power, the cable broadband industry today competes in a market of technological convergence, where the historical barriers separating the siloed television, internet, and telephone markets have deteriorated.¹¹ As International Center for Law Economic Center (ICLE) scholars detail, “consumers now move fluidly among platforms, accessing a growing array of services through broadband, mobile networks, satellite connections, and streaming application.”¹² Traditional telecom carriers like Verizon compete with Cox and Charter in home internet service, while conventional cable TV providers like Comcast compete with T-Mobile in offering mobile telephone service.

As these industry silos have broken down, digital video consumption has expanded to include broadcast and streaming—eroding the market shares of traditional cable providers like Cox and Charter. Cable provider pricing plans charge for channels by the bundle. Meanwhile, new platforms for digital media consumption layer pricing competition by offering consumers the freedom to only pay for the content they want. Data shows the streaming model has increased 71 percent since 2021, and commands 44.8 percent market share as of May 2025—more than cable and broadcast combined.¹³

Pricing is of key importance to consumers. Analysis from the Information Technology and Innovation Foundation found that the Cox-Charter merger could offer savings through duplicative cost elimination, increasing operational efficiency, and passing savings on to consumers while reinvesting some in service upgrades, resulting in “less expensive, high-quality Internet service for those millions of Americans.”¹⁴ In a rapidly evolving competitive landscape, the Cox-Charter merger would be a win for consumers.

The Economics of Mergers in High Fixed Cost Industries

These consumer benefits are made possible by the dynamics of mergers in industries with high fixed costs. By their nature, high-fixed-cost industries deter would-be competitors from entering the market because of prohibitively high upfront expenses. These costs keep such industries lean, with only a handful of firms able to enter and challenge rival incumbents.

¹¹ Ellis Scherer, Joe Kane, Broadband Convergence Is Creating More Competition, Information Technology & Innovation Foundation, July 7, 2025, <https://itif.org/publications/2025/07/07/broadband-convergence-is-creating-more-competition/>.

¹² Eric Fruits, ICLE Issue Brief Finds Proposed Charter-Cox Transaction Is a Pro-Competitive Response to a Converging Market, International Center for Law & Economics, September 17, 2025, <https://laweconcenter.org/icle-issue-brief-finds-proposed-charter-cox-transaction-is-a-pro-competitive-response-to-a-converging-market/>.

¹³ Nielsen, Streaming Reaches Historic TV Milestone, Eclipses Combined Broadcast and Cable Viewing For First Time, Nielsen, June 2025, <https://www.nielsen.com/news-center/2025/streaming-reaches-historic-tv-milestone-eclipses-combined-broadcast-and-cable-viewing-for-first-time/>.

¹⁴ Ellis Scherer, Why the Cox Merger Is a Win for Consumers, Information Technology & Innovation Foundation, July 25, 2025, <https://itif.org/publications/2025/07/25/why-the-charter-cox-merger-is-a-win-for-consumers/>.

High fixed costs cannot be avoided, but their impact can be reduced. By scaling up its business, a firm can spread the impact of its large, fixed costs across increased output, leaving fixed costs unchanged but lowering the average cost per unit of production. Such economies of scale bring greater efficiencies to a firm, making it stronger and the market more competitive. Pursuing economies of scale through mergers and acquisitions can not only spread the impact of high fixed costs over greater production, but also cut costs like duplicate administrative and regulatory burdens. This is why there are often a small number of competitors in high-fixed-cost industries—not because of dishonest collusion, but because market forces push firms to join forces to stay competitive against other rivals.

Greater economies of scale are essential for businesses to survive and compete in high-fixed-cost industries, which are often improved and achieved through mergers and acquisitions. For example, fiber-optic cables are considered the gold standard for delivering high-speed internet, but providers face an estimated average of \$60,000 to \$80,000 per mile to build out new infrastructure.¹⁵ Fiber providers must incur these build-out costs first before serving a single customer. Merging to nurture an economy of scale can help keep younger fiber firms competitive and bring significant savings to consumers.

The 2024 merger between Shenandoah Telecommunications Company (Shentel) and Horizon Telecom doubled their number of fiber route miles as a new, merged company, Glo Fiber, and decreased their large fixed costs relative to their overall costs. With the convergence of telecom, broadband, and cable all competing to provide consumers with reliable home internet, Glo Fiber is passing its newfound economy of scale savings on to new customers through promotional plans that rival Verizon's.¹⁶ Mergers in high-fixed-cost industries benefit consumers with stronger competitors across industries, despite consolidation within those industries.

Conclusion: A Merger Win for Consumers

The Cox-Charter merger is pro-consumer. According to the latest data from the FCC Provider Map, California, Louisiana, Florida, and Massachusetts see only limited overlap. Nebraska, Virginia, Ohio, and Georgia see even less, and many other areas of service do not overlap at all.¹⁷ With minimal overlap, the merger would not consolidate the narrowly defined cable and broadband market—and by correctly defining the communications more broadly to include all the competitors, market competition would likely improve.

¹⁵ Dori Erann, The True Costs of Fiber in the U.S., Ceragon, June 22, 2025, <https://www.ceragon.com/blog/the-true-costs-of-fiber-in-the-u.s.>

¹⁶ Glo Fiber, Fiber Internet Service Provider Near You, Glo Fiber, September 30, 2025, <https://www.glofiber.com/en/internet>; and Verizon Communications, Inc., Verizon Fios | Fiber-Optic Internet | Plans Start at \$35/mo, Verizon, September 30, 2025, https://www.verizon.com/home/internet/fios-fastest-internet/?t=plus&cmp=KNC_H_P_COE_GAW_FIOS_2022_07_BP-16735141182&abr=CMOGBRPLUS&c=A005126&gclid=CjwKCAjw_-3GBhAYEiwAjh9fUGeOIU33-ICL-3--p-FCb9UBKfkrCYHxqUkrpR_ouYcMrdbDqYQ1SxoCyQQQAvD_BwE.

¹⁷ Federal Communications Commission, FCC National Broadband Map, Federal Communications Commission, September 30, 2025, https://broadbandmap.fcc.gov/provider-detail/fixed?version=dec2024&zoom=4.00&vlon=-95.434273&vlat=38.981771&providers=130360_40_on%2C130235_40_on&br=r&speed=0_0&pct_cvg=0.

Since Cox and Charter operate within a high fixed cost industry, the merger is likely to improve efficiency and competition by furthering economies of scale. Several similar examples within and outside the telecom industry show how economies of scale in similarly structured markets have led businesses to upgrade system quality and pass cost savings on to consumers as lower prices to improve competitive standing within their respective markets.

The reality of modern competition in the broadband industry is that the many different industries within the communication services tent—cable, broadband, streaming, telecommunications—are overlapping and competing with one another to deliver similar services to consumers. It is unrealistic to regulate cable providers as if they were only in competition with other cable providers. To stay competitive against their rivals from other industries, firms in high-fixed cost industries must engage in mergers and acquisitions and drive down their costs with greater economies of scale. The proposed merger between Cox Enterprises, Inc. and Charter Communications, Inc. will do that. ACI recommends that regulatory enforcement agencies not delay in approving this merger.

Respectfully submitted,

Logan Kolas
Director of Technology Policy at the American Consumer Institute Center for Citizen Research
4350 N. Fairfax Drive
Suite 750
Arlington, VA 22203
www.TheAmericanConsumer.Org

Nate Karren
Policy Analyst at the American Consumer Institute Center for Citizen Research
4350 N. Fairfax Drive
Suite 750
Arlington, VA 22203
www.TheAmericanConsumer.Org