Re: Case 14-M-0183 – Comcast / Time Warner Cable Merger

Informational Forum - 6:00 p.m.
Public Statement Hearing - 7:30 p.m.

** Please note this is a Preliminary transcript, subject to later edits when reviewed by the parties and the Administrative Law Judges assigned to the case.
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 14-M-0183 - JOINT PETITION OF TIME WARNER CABLE INC. AND COMCAST CORPORATION FOR APPROVAL OF A HOLDING COMPANY LEVEL TRANSFER OF CONTROL.

INFORMATIONAL FORUM AND PUBLIC STATEMENT HEARING

Wednesday, June 18, 2014
6:00 p.m.
University of Albany
Performing Arts Center
1400 Washington Avenue
Albany, New York

DAVID L. PRESTERMON
Administrative Law Judge
Three Empire State Plaza
Albany, New York 12223-1350

COMMISSIONER DIANE X. BURMAN
A.L.J. PRESTEMON: Good evening, ladies and gentlemen. Welcome to the proceeding in Public Service Commission case number 14-M-0183.

This case involves a petition filed jointly by Comcast Corporation and Time Warner Cable, Inc., seeking approval of the Public Service Commission under the Public Service Law for the transfer of certain Time Warner Cable telephone systems, cable systems, franchises, and assets to Comcast, the transaction commonly referred to as the Comcast/Time Warner merger.

The proceeding tonight has two parts. We begin with an informational forum in which a presentation will be made by Comcast Corporation, explaining why they believe this transaction is in the public interest. We will then be hearing from three individuals who will be giving their perspectives on some public interest issues involved in this case.

For Comcast Corporation, we have Mark Reilly, who’s a Senior Vice President of Governmental Affairs for the Northeast Division of
COMCAST.

Our other speakers -- excuse me -- are Mr. Bernard Margolis, who is the state librarian. He has been the state librarian and assistant commissioner for libraries since January 2009. Mr. Margolis administers the New York State Research Library and the Division of Library Development.

Also here tonight is Mr. Marcos Vigil, who is with the New York State Department of State Utility -- well, he's actually the Deputy Secretary of State, responsible for a number of divisions of the -- the Office of the Secretary of State and he is currently serving also as the interim director of the Utility Intervention Unit in the Division of Consumer Protection, which is a unit that is concerned with participation in Public Service Commission hearings, primarily on behalf of residential and low income customers and their interests.

We are also expecting Mr. Gerald Norlander of the Public Utility Law Project. He has been the executive director of that organization for some time. It represents -- also
represents residential customers in matters affecting access to energy and telecom services, affordability, and consumer protection.

My name is David Prestemon. I'm an administrative law judge with the Department of Public Service. With me tonight is Diane Burman, one of the five commissioners of the Public Service Commission who will be making the decision in this case. Also here are Chad Hume, the director of the Office of Telecommunications of the Department of Public Service, and Steven Sokel, who is also with the Office of Telecommunications.

After the speakers have -- have given their presentations, there will be a brief period for questions from the members of the Public -- Department of Public Service staff, the Commissioner, and myself. Immediately following that informational forum, we will have a public statement hearing. The purpose of the public statement hearing is to allow members of the public to express their views concerning this -- this petition. All of the comments we receive tonight are being transcribed. The transcript will be before the Commission when it makes its decision in
You do not have to have prepared remarks or to present anything in paper. You can speak extemporaneously. All we ask is that you fill out a card at the desk where you came, indicating your interest to speak, and then we will call the speakers in the order that those cards were turned in.

If you are not interested in speaking tonight or if you know of people who couldn't be here, but might like to submit comments, there are many other ways to do that. The Public Service Commission accepts comments through its website. You can enter them directly by going to the case in -- on the website. You can also send comments by email to the secretary of the Commission, you can call the Commission on its hotline, or you can use regular old snail mail. All of the information for those various ways of commenting are on a fact sheet that you can get at the -- at the table outside.

So, with that, I think we will begin with the -- the presentation by Mr. Reilly of Comcast Corporation.
MR. REILLY: Thank you, Judge Prestemon.

And thank you, too, Commissioner and Mr. Sokel, as well as Mr. Hume for being here tonight, as well as members of the public.

My name is Mark Reilly. I'm Senior Vice President of Government Affairs for the Northeast Division of Comcast. And I'd like to thank you for this opportunity to appear before you and the people of New York to discuss the proposed transaction between Comcast and Time Warner Cable.

The transaction will create a new world class communications media and technology company, which will deliver real benefits to consumers, businesses, and public institutions in the State of New York. Comcast is already a good corporate citizen in New York. Since acquiring N.B.C. Universal in 2011, Comcast has added nearly two thousand new jobs and invested over four hundred million dollars in the state. N.B.C. Universal moved the Tonight Show and production studios for Sprout, America's Got Talent, and other popular N.B.C. networks and shows back to New York.

Comcast Ventures, the innovation
investment arm of Comcast has opened centers in Silicon Valley and here in New York. Through Comcast Ventures, we partner with and invest in start-ups to launch new businesses that will develop new technology, products, services, and create jobs. And Comcast offers competitive voice, video, and Internet services to residential and business customers in ten New York communities within Dutchess, Putnam, Washington, and Westchester Counties.

Through the transaction with Time Warner Cable, Comcast will significantly expand its presence and investment in the state, making next generation video, voice, and broadband services available to millions of New Yorkers. As a recognized industry leader with solid financial capabilities and technological expertise, Comcast will deliver better, more reliable services that improve the quality of life of New Yorkers. We will also continue to work with the Commission and Department of Public Service staff to help insure that the transition is seamless.

Since many New Yorkers are relatively unfamiliar with Comcast, I want to
briefly describe some of the innovative and approved services Comcast makes available to its customers and how the transaction will bring these same services and other significant benefits to consumers in New York. Although I recognize that the Commission's jurisdiction is primarily over video and voice matters, I will also touch upon the faster and more reliable broadband services Comcast provides, as well as Comcast's binding commitment to an open Internet.

For residential customers, Comcast will invest heavily to upgrade Time Warner Cable's systems across New York and transition them to all digital more quickly than Time Warner could do on its own. Comcast has already transitioned its systems to all digital and is committed to investing more than three billion dollars over the next three years in further upgrading of our networks.

Comcast has the expertise and financial resources to accelerate the conversion to all digital for Time Warner Cable's systems throughout the state. As Comcast customers have already experienced, all digital systems will allow
us to deliver next generation advanced video and
voice services, more programming choices, faster
Internet speeds, and significantly improved network
performance, reliability, and security.

More specifically, we will
improve customer experiences for Time Warner Cable
video subscribers in several ways. Comcast's
revolutionary X1 platform, if you haven't seen it
yet, there is a demonstration out in the lobby, it
provides unmatched interactive T.V. functionality.
Our live T.V. streaming feature allows X1 customers
to stream practically their entire cable channel
line-up including must carry stations and PEG
stations to computers and mobile devices throughout
the home. XFINITY on Demand includes approximately
fifty thousand programming choices, more than
double compared to Time Warner Cable. It features
the most current T.V.s and shows. These selections
are accessible on multiple devices and over eighty
percent are free of charge.

We also offer an industry
leading T.V. everywhere experience with access to
more than three hundred thousand streaming choices,
including over fifty live T.V. channels and a
recently launched XFINITY T.V. online store allows customers to access new movies and T.V. shows often weeks before they're available on Blu-ray or D.V.D.

The transaction will also combine the best aspects of the two companies' existing voice products, creating best in class voice services that will be available to millions of New Yorkers. These offerings will include a host of innovative features, including caller I.D. over multiple devices and our new Voice 2go service that allows customers to place calls over Wi-Fi or data connection from their Comcast assigned telephone numbers. And we will offer multiple international calling options so customers can reach more countries at very competitive rates.

Comcast is also deeply committed to providing accessible solutions to consumers with disabilities. Our goal is a smart home for everyone, where accessibility is enabled across products and services regardless of platform. For example, we're leveraging that same X1 cloud based platform to deliver the first talking guide in the industry. The X1 remote control includes soft keys that disabled customers can configure for
quick and easy access to that talking guide. It also allows for close captioning, video description, and other features.

We've also deployed a readable voicemail service so deaf and hearing impaired customers can access voicemail and convert that voicemail audio into text. And our XFINITY connect mobile app is screen reader enabled so blind and low vision users can access email, text, and other online services on tablets and Smart Phones.

Comcast also has a dedicated customer support team in our new Comcast Accessibility Center of Excellence. We're committed to extending the very best accessibility features and support services, including those developed by Time Warner Cable across the combined companies' footprint.

Comcast recognized the -- recognizes that improving customer service is another critical issue. Comcast has invested billions of dollars in our network infrastructure, which has greatly improved service reliability and greatly reduced trouble calls. We will do the same here in New York.
We're also deploying innovative products and features to make it easier and more convenient for customers to interact with us. Gone are the all-day service appointments. We offer one- to two-hour service appointment windows, including evenings and weekends. And we are meeting these appointments that we offer to our customers today ninety-seven percent of the time.

We offer more self-installation options so customers can install and activate services without a service call. And we've given customers access to the same diagnostic tools that our customer care agents have access to. And more than forty percent of our customers are now using these options. We've also given our customers the ability to manage their accounts online, on their mobile devices, and even on their T.V. screens. These tools have proven highly popular and we expect more than half of our customers will be using them to directly manage their accounts by the end of this year.

And we've made our billing practices more transparent and customer friendly. Although there is still progress to be made, these
efforts are making a positive difference and beginning to change some of the lagging perceptions in the marketplace. Since 2010, Comcast has improved J.D. Power overall satisfaction scores by more than any other video or broadband provider in the industry. We will bring the same commitment to improved customer service to consumers here in New York.

As for our business customers, the combination of Comcast and Time Warner Cable will create a stronger, more efficient provider for New York businesses of all sizes. Comcast has helped thousands of mom and pop businesses, from barber shops to delis, lower their monthly voice and data costs. This has enabled these small businesses to grow and to add employees.

And where Comcast has made inroads in the business market, other providers, competitors, have responded by lowering their prices and improving their services. The transaction will enable Comcast to combine the best of its business offerings with those of Time Warner Cable, better positioning the combined company to serve more small businesses in New York, including
some additional New York communities where Comcast will be acquiring systems from Charter Communications in related transactions.

In addition, by expanding our geographic reach and bringing these operations under the management of one company, we will be able to offer regional and larger businesses one-stop shopping for seamless lower cost voice and data services. For example, this will allow us to compete more effectively for business customers that are headquartered in New York with locations around the state.

Rather than having to deal with two companies, two different products, and two different offerings, these businesses will now have the option to choose and receive best in class services from a single provider at -- at highly competitive rates. This will bring greater competition to a market still heavily dominated by other providers and help drive small and medium business growth and economic development throughout the state.

The greater geographic region economies of scale resulting from the transaction
will also enable Comcast to offer expanded --

excuse me -- expanded wholesale services to mobile
operators in the state, helping them provide
greater band for their mobile customers and lower
cost services to those same customers in New York.

Greater competition for these various business
services, along with the substantial improvements
to video and voice services for residential
customers that I previously described, will enhance
economic welfare and benefit for New York
consumers.

Beyond improved performance and

reliability for video and voice services, the

transaction will also significantly improve
customer experiences for broadband services. In
existing Comcast systems, we've increased Internet
speeds thirteen times in the last twelve years,
offering residential speeds of up to five hundred
and five megabits per second. By contrast, Time
Warner Cable has not yet transitioned the majority
of its systems in New York to all digital and they
offer speeds of up to only a hundred megabits in
limited areas.

And as to the issue of speed, hot
off the press from the F.C.C. today, they issued their fourth measuring broadband in America report and that report concluded again that Comcast provides more than the advertised speeds and provides that every hour, every day, and even during peak hours.

Comcast also has deployed approximately eight million advanced Wi-Fi gateways in the home across the country, giving our customers the nation's fastest wireless speeds and excellent performance over the residential wireless networks. And we now have three million public Wi-Fi hotspots across our current footprint with plans to reach eight million hotspots by the end of this year. That allows our customers to use their XFINITY Internet service on the go in millions of locations across the country.

Time Warner Cable only recently began deploying advanced Wi-Fi gateways in its customers' homes. And compared to Comcast three million Wi-Fi hotspots, Time Warner Cable has deployed approximately twenty-nine thousand. In short, approval of the transaction will not only bring improved, more reliable Internet services at
home, but also expanded Internet access on the go. And because Comcast is the only I.S.P. in the country that has agreed to be legally bound by the F.C.C.'s original open Internet rules, the transaction will also extend those protections to Time Warner Cable customers.

Comcast customers have responded very favorably to our industry leading Internet offerings, as well as our next generation video and voice products that I previously described, so much so that our Triple Play package, with all three services, is now the most popular offering. And more than two-thirds of all Comcast customers prefer two to three product bundles to the stand-alone cable, voice, or broadband services.

In addition, through our highly acclaimed Internet Essentials program, Comcast has made important progress in closing the broadband adoption gap for low income families across America with a special focus on school-age children. Internet Essentials provides low income households with broadband of up to five megabits per second for nine ninety-five a month, the option to purchase an Internet ready computer for under a
hundred and fifty dollars, and multiple options for accessing free digital literacy training in print, online, and in person.

Comcast has already connected over one point two million low income Americans to the Internet, more than any other program of its kind anywhere in the United States. The transaction will expand that program to low income students and families throughout the current Time Warner Cable footprint, including here in New York. The transaction offers other important public benefits, too. For example, Comcast will extend its industry leading diversity programs and unique External Joint Diversity Advisory Council to the acquired Time Warner Cable systems. This will bring greater diversity in governance, employment, suppliers, programming, and community investment. Comcast will similarly extend public interest commitments from the N.B.C. Universal transactions, such as making local diverse and children's programming available on various platforms such as video on demand and T.V. everywhere.

Comcast also has a proven
commitment to local communities and organizations. Since 2001, Comcast has invested over three point two billion dollars in cash and in-kind contributions, supporting local non-profit organizations and other charitable partners. And beyond financial gifts, Comcast shares its greatest resource, its people in giving back to local communities. Last year, our employees and their families, as part of Comcast Cares Day, contributed more than half a million hours of service in a single day to improve schools, parks, senior centers, and other vital local community sites.

On top of all of these significant benefits, and contrary to what some critics say about reduced choice for consumers from this transaction, this transaction does not take away a single choice for video, for voice, or for broadband for New Yorkers. Instead, this transaction takes one of the choices New Yorkers have today and transforms it. It transforms that choice into a better video provider, it transforms that choice into a more robust I.P. based voice provider, and transforms that choice into a faster, more innovative broadband provider. In short, one
of the choices you have today becomes a better choice tomorrow.

In closing, upon approval of this transaction, New Yorkers can expect to benefit from next generation video technologies with more programming choices at home and on the go, best in class voice products, enhanced competition for advanced business and wireless back call services, and faster, more reliable, and more secure Internet services, a commitment to greater broadband adoption, diversity, accessibility, and investment in local communities and a laser-like focus on improving customer service. As Comcast's record from prior transactions demonstrates, we're a company that not only keeps, but often over-delivers on our promises. Thank you.

A.L.J. PRESTEMON: Thank you, Mr. Reilly.

Before we move on to the next speaker I want to mention that we've been joined now by Mr. Gerald Norlander, who's the executive director of the Public Utility Law Project, and, at this table, by Peter McGowan, who is chief policy advisor to the Public Service Commission.
So, next, Mr. Margolis.

MR. McGOWAN: Thank you.

Commissioner Burman, Judge Prestemon, fellow New Yorkers, distinguished panelists, it's my very special honor to be with you this evening and to share some comments specifically from the perspective of a public librarian.

I first heard the word broadband probably about a dozen years ago. And when I first heard the word, I said to myself is there a band here, is there music, what's happening, what is this. I knew what the Internet was, clearly, used it regularly in my work and in my hobbies, but broadband, that was a -- a new concept.

Today I will tell you I can't live without broadband and you can't either. Today you can't apply for a job without access to broadband. Today almost, I think in twelve or thirteen states, you can't pay your taxes without using broadband. In about eighteen months, you won't be able to do any transactions with the Social Security Administration without broadband.

Broadband, in a very short period of time, has become a necessity, a requirement. And yet, today,
in New York, the picture is not as clear and not as
exciting as some of us would like it to be. There
still are about a million households in New York
that don't have access to broadband. The
infrastructure is either not robust enough to
support them or doesn't exist.

While we are excited about
increased broadband speeds, most of us in New York
don't have access to them. And while there is
certainly a push and a very important economic push
to increase broadband speeds, we still have a long,
long way to go. Broadband is today a necessity.
And one of the important, I think, challenges for
the Public Service Commission, and I know you're up
to it, is to see whether there are opportunities in
this change in the business world to create some
dynamics that improve the infrastructure and
improve citizen access to broadband everywhere in
New York.

I said a million households don't
have access to the infrastructure. About five
million households have some access to the
infrastructure, but either, because there is a lack
of interest or, more importantly, they can't afford
it, they're not accessing broadband. For me, from a public library, a library perspective, this is a civil rights issue.

How can we create a dynamic in terms of how we serve people with a necessary service, broadband, in a way that guarantees everyone the access that they are entitled to as a citizen? That means infrastructure that works and is at the most sort of competitive speeds. It also means affordability, what in fact can I afford. And while I'm suggesting to you that five million people can't afford access to broadband, we have millions more in New York who only have access at work or school and when they go home they have no access.

The legal counsel to the Mayor of New York gave a presentation a couple weeks ago at the state's broadband summit. And she shared the story of her two young children who go to a Manhattan elementary school. They leave school at three or so in the afternoon and they literally march with three hundred of their classmates around the corner to the New York Public Library Branch. And they camp there until the library closes early
in the evening, using the public computing system available through the New York Public Library. That's great that they have that access, but that isn't the kind of equitable access that I think we should be striving for.

I know that the Public Service Commission has looked at the possibility of engaging in discussions with some of the other public utilities who might benefit from using broadband to monitor electric and gas use, in particular, and, in fact, that there might be some appropriate marriage between how broadband might be deployed in a much more affordable way to every household in New York as a way also of helping electric and gas use and the monitoring of that and the regulation of that in terms of more efficiency in that utility delivery system.

Clearly, one of the issues for those of us who serve in public education is how do we use the magic of broadband, this sort of necessary technology that is part of our culture today, to improve how our citizens perform, to improve how children are able to increase their achievement, to improve how adults learn new
skills, improve the skills that they have, are more competitive in the world around us. And clearly, broadband has enormous potential for us. And I'm thrilled to hear Mr. Reilly share some of the things that his company has already deployed to maximize how broadband can be used in that way.

I see broadband as one of the most important productivity tools that we have. So the Public Service Commission's role, I believe, in not only reviewing this transaction, but in providing regulatory oversight to maximize the productivity is very important to me.

Obviously we want communities that are productive, we want communities that are safe, we want communities that are healthy. And broadband, in some ways, does all of that. And I use the word magic in some -- in some ways to describe broadband, not because it's something that we don't understand. We do understand it, though I am quite surprised when my friends tell me that it's possible right now, the technology exists, maybe Mr. Reilly has it in his back pocket, to take me presenting these remarks to you and to use broadband technology to create a hologram of me,
that's frightening, and present me talking to you, to a group in Kansas City, Missouri, that that technology exists today, for me three -- three dimensionally, as a hologram, to appear somewhere else.

Now, if that's possible today, just imagine what will be possible tomorrow and how this technology, which is really very quickly evolving, will help us view our world in a very different way than today. Clearly, I speak to support you being very visionary. Obviously, there is a financial transaction involved today, but your actions will live on for years and years ahead, not only in terms of what you do with this particular financial transaction, but how you suggest to companies in this world how they deploy themselves and what are the guiding principles that should advise you in terms of the best policy actions to take.

From a library perspective, we have over a thousand public library outlets in the State of New York. We have about seven thousand libraries total, which includes our school libraries and our academic and special libraries.
Those one thousand public libraries, in many, many communities, are the primary way that people consume broadband out of the work context. We need more. We need a lot more.

And an added aside, because I have your attention, at least for a moment, it would be great if the State of New York, if the Public Service Commission would think about an E-rate similar to what the F.C.C. does for New York. How can we bring together some financial resources that, in fact, build out the public access infrastructure that could very well be an important part of future broadband delivery? And I think there are some -- there have been discussions and there are some models out there of how that might be done successfully and how that could have a very significant impact on the delivery of these services across the state.

Obviously, I've shared with you some examples of how broadband is changing our lives. I expect there will be many, many more of those. In public education, we're seeing a lot of those not external to the school buildings, but inside the school, inside the classroom, inside the
school library, where assessments and testing, where all kinds of things now are being done throughout the Empire State, using the -- the -- the broadband mechanism and using the broadband delivery system.

I expect that will escalate, as will the general tendency of our government to want to use broadband more, want to -- wanting to use the Internet more as a tool to communicate with citizens. It knows none of the sort of encumbrances of geography. It knows none of the encumbrances of time, so it doesn't matter that the office is closed because the office never has to be closed. And that's one of the beauties of broadband service.

I want to conclude by really not saying anything about the specific elements in this case of two major companies wanting to exercise what is part of our capitalistic system. But I do want to say that I hope the overarching perspective of the Commission is how do we increase a structure that obviously is building itself every day, how do we make it affordable, and how, in fact, do we guarantee, and that word is a strong one, but how
do we guarantee that anyone, anywhere in our state, has access to that utility and to that service whenever they need it?

Thank you very much for the opportunity and I'm really quite honored to be on this panel and hope for your questions when we're done.

A.L.J. PRESTEMON: Thank you, Mr. Margolis.

Mr. Vigil?

MR. VIGIL: Good evening, Commissioners, your Honor, members of the Department of Public Service staff. I am here as a deputy secretary of state responsible for the Division of Consumer Protection, but in my care and capacity as well as interim director for the Utility Intervention Unit, or U.I.U., to offer you the position of the proposed merger of Time Warner and Comcast. On behalf of the Secretary of State, I thank you for the opportunity to speak to you. And I also have to say that if indeed Comcast has the capability of using holograms to transmit someone's image across the state, the secretary, in particular, will be
interested in that to fulfill all the different functions he has all across the state. So, please note that.

A.L.J. PRESTEMON: I'm taking notes.

MR. VIGIL: The U.I.U., however, offers several recommendations to the Commission to protect consumers' interest. As the Commission has done in the past in its review of proposed merger, any approval of the merger should be subject to conditions necessary to ensure that they are in the public interest.

In the joint petition submitted by Time Warner and Comcast, collectively the companies, on May 15 the companies claim that the merger would enhance consumer welfare and deliver substantial public interest benefits. However, in our review of the joint petition, we find that it provides little detail with regard to the effect that the proposed merger on low income consumers and the type of programs and services that would be provided to this section of the consumer market.

The joint petition mentions the Internet Essentials Program, which was introduced
by Comcast in 2011. The U.I.U. recognizes Comcast's efforts with committed local partners to promote this program in low income communities and would like to see the Internet Essentials Program further expanded. Since the Internet Essentials Program is the only implemented -- it's only implemented in a few isolated locations, the U.I.U. recommends, as a condition of an approved merger, that this program replace Time Warner Cable's existing low income program to provide a greater number of low income consumers in the state with low cost broadband service and access to computer based training.

There is a compelling need throughout New York, as my co-panelist already mentioned, for a program like Comcast's Internet Essentials. And the U.I.U. requests a firm commitment on the part of the companies to expend significant resources to meet the need that would greatly benefit New York State. With greater access to the Internet, low income consumers throughout the state will be able to gain increased opportunities for education and employment, as well as more access to information regarding necessary
services in the event of an emergency.

With respect to employment issues, our department, in particular, has had several initiatives where now consumers across the state, those in particular that are planning to start a business, can file and incorporate online whether they want to start a business, corporation, or an L.L.C.

Likewise, we are part of a network of other state agencies that allow consumers across the state again that want to find employment, that want to start their businesses, to get their licenses online. And our concern is, particularly for those areas where the services right now is not strong enough, that a certain part of the population of the state will be deprived of these services going forward if this is not expanded.

In addition to programs and services for low income consumers, basic broadband should be made more affordable to consumers in all of the income brackets. For example, Time Warner has a stand-alone basic broadband offering that is priced at fourteen ninety-five a month. Comcast's
stand-alone broadband service is priced at forty dollars a month.

In the event that a merger between the companies comes to pass, the U.I.U. is concerned that Comcast would transition away from Time Warner's pricing schedule. In order to promote the best interest of consumers, the U.I.U. requests that Time Warner Cable stand-alone broadband pricing be continued. It is important for the public to have access to broadband service without having to purchase a number of other services, such as the bundle service or Triple Play that Comcast referenced.

While it probably is very popular with a certain sector of the population definitely, it probably is not needed by certain consumers in the state. If consumers do not have the option of purchasing stand-alone broadband Internet services at a reasonable price, a large population of Internet services purchasers may be discouraged from providing the service all together, which the U.I.U. believes is not in the best interest of the companies to begin with and obviously not for the consumers either.
But moving on from those issues regarding specific products and services, there's another issue that I would like to highlight. And that is the service quality problems that have plagued both companies. In 2012, the Division of Consumer Protection had documented one hundred and seven complaints made against Time Warner by consumers. This was a sharp increase from the twenty-one complaints received in 2011, which can be attributed to Hurricane Sandy.

From these complaints, we understood that a large number of customers lost service and did not receive adequate help as Time Warner's customer service departments were completely overwhelmed with what the state had suffered at that time. This, for us, particularly because of the services that we provide at the Department of State for several service agencies, as well as for future planning on the state, presents a potentially serious issue if another major storm were to hit New York State since many consumers have their phone service through their cable provider.

Aside from the service issues
that resulted from Sandy damage on the whole, Time Warner Cable still has significant service quality challenges. In 2013, the Division of Consumer Protection received eighty-three complaints against Time Warner Cable, a decrease from 2012, but still a significant number. These complaints were related to continuous rate increases, poor quality of picture, fees that Time Warner forced on all Time Warner Cable customers for rental of their modems when in the past this was not -- there was not a fee for -- for the modems, and billing errors.

From our understanding, the P.S.C., itself, received over one thousand complaints against Time Warner in 2012, and one thousand one hundred and fifty complaints in 2013. For us, this reflects the poor customer satisfaction ratings that Time Warner Cable received in surveys conducted by J.D. Power, Consumer Reports, and the American Customer Satisfaction Index. In both the J.D. Power and A.C.S.I. surveys related to television, telephone, and Internet services, Time Warner Cable and Comcast finished last and next to last for all
The U.I.U., therefore, is concerned that the quality of service will be further impacted as the result of this merger. To best ensure that the quality of service offered by the companies improves, the U.I.U. recommends that the Commission implement a number of conditions to the approval of this merger.

The U.I.U. recommends that the Commission focus on the quality of service provided to customers in the company's service area, and implement an objective service quality measure to which the companies would be subject to a negative revenue adjustment if they fail to meet this metric.

The companies, D.P.S. staff, and any other interested parties, including the U.I.U., PULP, should collaborate to come up with the appropriate targets. Furthermore, the companies should file a quarterly report with the Commission and interested parties on their performance. The current level of customer service is simply not -- not good enough for New York, and improvements must be made.
I thank you for the opportunity to address you on this very important topic and to further the role of the U.I.U. in advocating on behalf of residential customers and small businesses around the state.

A.L.J. PRESTEMON: Thank you, Mr. Vigil.

Now, Mr. Norlander?

MR. NORLANDER: Judge, I have --.

A.L.J. PRESTEMON: Oh.

MR. NORLANDER: I also have a written statement I'd like to just give you.

A.L.J. PRESTEMON: If you'd like.

MR. NORLANDER: Give you something to read as we go along. I promise not to read it. I shouldn't say that.

Commissioner, your Honor, and other honored members present, I'm Gerald Norlander. I'm the director of the Public Utility Law Project of New York. And I would like to primarily address telephone and broadband issues presented in this transaction.

But before doing so, I'd like to address the standard briefly. It is a well-known
standard and it probably doesn't need much time to go over, but the Commission, in determining whether a proposed change of ownership is in the public interest, does more than look to see if there's no harm or to -- in these transactions.

Instead, the test is whether or not there are positive benefits arising from the transaction. And that's very important to keep in mind because, although I apologize for arriving late, I'm confident that the representative of -- of Comcast has put forward the best foot of the companies, and good things that they have done, and -- and the best possible presentation of their intentions.

However, the -- the test isn't whether these are good companies or whether they're going to continue to do this. The question is whether, as a consequence of this transaction, there will be incremental positive benefits beyond that which we would normally expect in the normal improvement of services or a continued provision of services.

On the issues of telephone service, Time Warner is the second largest
telephone provider in the state. It has one point two million customers. And this raises numerous issues of subscribership, universal service, and consumer protection. New York is third from the bottom, nationally, in terms of household subscribership to telephone service. We have more than -- around five or six percent of the population of households don't have a phone, much less broadband.

And that situation has worsened over the years. We've chronicled it in numerous publications. And at the -- you know, it's been dismissed in the past, a few years back, as perhaps a data anomaly. But the anomaly is getting worse and no one -- we think that the growth of Voice over Internet telephone service has -- has risen at the same time that subscribership has fallen. And we think attention needs to be paid to the question of consumer protections, what -- are there barriers to getting service, is it too easy to shut the service off, and is the -- is the service too expensive.

In a very heartening development, Time Warner came forward in 2012 and declared that
it is a telecommunications carrier, that it wanted
to be an eligible carrier for purposes of Lifeline
subsidies so that it could provide lower charges to
low income customers. And it began -- that was
approved and it has begun to serve low income
Lifeline customers since then. We don't know how
many customers of the one point two million it has
who are eligible for Lifeline or who are getting
it, but that -- that is a good development. It
should be continued.

We have a concern that the
petition says -- makes a reference that they'll
continue to provide Lifeline service under its
current E.T.C. designation, unless and until the
Commission approves an application to relinquish
the Lifeline certificate. That could be just
lawyer's language and such, but there's not much
lawyer's language in the -- the petition. It's
more of a glowing description of -- of the program.
I'm a little concerned.

What I would like to see is that
Comcast customers also have the ability to get
Lifeline service and that the Commission conditions
any approval of the transaction on Comcast also
looking in the mirror and discovering that it, too, is a phone company and that it should be subject to requirements of phone companies which include the Telephone Fair Practices Act, which include regulation.

And under the Commission's regulatory paradigm, those are not terribly onerous conditions that -- in terms of lightened regulation that you have allowed. And so we think that there should be attention paid to the Comcast customers to make sure they get the consumer protections in Lifeline and that there be a commitment to continue the E.T.C. designation indefinitely and not -- not to suggest that there might be some application to go back the other way.

On the issue of service quality, as a consequence of the -- of the Time Warner becoming a telephone company -- or they actually moved their customers into a subsidiary that already was a hollow telephone company and they -- and so they became subject to the service quality rules of the Commission.

And since that designation, Time Warner has been filing service quality reports,
measuring the very things that the Commission has
been measuring for Verizon and other incumbent
local exchange carriers. However, those reports
have been filed under claims of trade secrecy, so
we don't know. I mean the reports are there, the
Commission has it, but the public doesn't know.
And we think that that should be made public and
that we should see how the company is performing
and that any approval of the transaction should
include the commitment to get into line with the
service quality performance metrics if they are not
in line with them at this time.

There's also an issue that the --
the Commission has relaxed the service quality
standards for Verizon to just count the service
quality to eight -- eight percent of the customers
who are core customers who are mainly Lifeline
customers. And because Time Warner just started
taking Lifeline, opening up Lifeline service, that
I would imagine they don't have very many customers
for whom we should measure service quality so that
the service quality measurement should be, I think,
for all companies measuring service to all
customers. But at least in this period of time
when Lifeline enrollment is likely low, we should look more carefully at service quality to all customers.

And as -- as Mr. Vigil noted, the -- the national performance and reputation of the companies on service quality suggested a need for closer scrutiny.

On rates, no one's talked about rates, but customarily when the Commission approves a merger -- a utility merger, very often we see a companion rate case with a full public exploration of the costs and financial condition and future rates of the company. We don't have that here. We don't have any real numbers as to the cost of service or the revenues and -- and expenses. I think that -- that lacking that, we don't really know if the rates are reasonable in -- in relation to their cost.

The assumption that -- that the -- you know, the Commission has set rates for the local exchange companies and that the VoIP providers can compete against that is -- is likely to get price leadership and -- and basically hovering around the same price with competition
over various temporary bundle promotions and things like that. And that's the kind of competition we see and not -- and not price dropping of -- of any significance or price variance of major significance between the providers.

So I -- I think that it -- also, there's no commitment as to future rates. So, you know, the Commission has been concerned in past mergers whether the cost of the mergers and so forth will come back to haunt consumers through increased rates.

There's also a concern, when you have holding companies that are interstate and international, that the New York operation will be seen as a cash cow for the -- for the larger holding company unless there is an assurance of investment of capital into the New York facilities to maintain and expand the operations here. And so I raise that also as an issue that the Commission needs to scrutinize. And it's not apparent from the petition as to whether there's any commitment for -- either for keeping rates at any particular level for any particular period of time, or for investing any particular amount of money for any --
to meet any particular goal.

   On broadband, we -- we agree

   with -- with the people -- with Mr. Margolis, from

   the library, and -- and Mr. Vigil, there's a need

   for commitment to universal broadband in the state.

   And this does present an opportunity for the state

   to -- to make a move to -- in connection with this

   merger, to ask the companies to come forward with a

   plan to roll out better and more broadband service

   to meet a universal service goal.

   I would like to point out a very

   interesting issue involving the Internet Essential

   Service of Comcast, which is, on its face, a very

   good thing for people who get it. However, the

   people who are existing Comcast customers pay maybe

   forty dollars a month for broadband who are

   eligible financially for Lifeline -- or for the

   lower -- for the low income rate would not be

   eligible because they are an existing customer.

   It's only a promotional rate given to someone who's

   coming on for the first time. And so that poses a

   question of -- of rate discrimination.

   And one might say well, you know,

   there's no statute that deals with broadband and
F.C.C. hasn't decided whether it's a -- a telecom service and so -- but actually this issue has -- has come up before, a hundred years ago. Cardozo (phonetic spelling) and other judges on the Court of Appeals decided the cases that said that even if there is no statute, a utility that uses the public streets and highways to run its business, to -- to use the thoroughfares, and that has the power to put its -- its facilities on private property and so forth, as a utility does, has a duty to serve everybody at a reasonable rate without discrimination.

And then in the -- about a hundred years ago, there was a case where the Edison Company was at the time incorporated as a lighting company and they started providing -- in 1915, they started providing the service for refrigerators and power. And so someone came along and said please provide me a customer -- the lighting customer with power. And -- and Edison said no and the case went -- went to court. And the court said well, you know, they might not have an obligation to provide electricity for power, they're incorporated as a lighting company, but
since they are using their network for the provision of power, they are a public utility and they have a legal obligation to provide -- to make the service available to everybody at a reasonable rate without discrimination.

So I think that some of those analogies might be fit today where we need to look very carefully at -- at where -- the decisions of the companies whether or not to roll out broadband the extra mile. We read of situations where the communities not far from Albany, people don't have any cable broadband because Time Warner won't -- won't provide it unless there are twenty customers per mile. Well, that -- that may or may not be a reasonable position, but the Commission should -- should look at the line extension issues and -- and see to it that that happens.

I think another -- another problem is the assumption that competition is there to -- to discipline the -- the cable companies. Verizon has halted the -- the rollout of FiOS into new communities. They're in but a fraction of the communities in the state. They're not in Albany. They're not where I live in North Greenbush.
They're not in many locations. And so we have effectively a monopoly for wireline broadband, which is Time Warner. And so, therefore, the -- the Commission, I think, should use this opportunity to review the -- the rates of Time Warner and the practices and the policies and -- and provide -- and obtain some assurances for future rates and -- and rollout of more broadband.

Finally, I don't think that there's enough in the public record that we can see that would support the -- the transaction at this point. We don't see the questions asked by the Staff. We don't see the answers provided by the Company. There's not going to be an evidentiary type hearing. There's not a rate case type display of the -- of the details of the income and expenses of the companies or justification for the existing or future rates and commitments for capital investments in the future.

So I -- I think that based on -- on the record that -- that the public is likely to see, we don't see a basis to approve the transaction and that the process will -- will be decided in -- in a less than fully transparent
manner. In saying that, you know, I think then there -- I also note that there's no active party in the case on behalf of consumers who are propounding questions and doing discovery. Nor is there an active party for any competitor or group of competitors, potential competitors concerned, perhaps, about the carriage of signals over broadband. And so I think with that in mind, I think the Commission needs to take extra steps to assure that the concerns of -- and impacts on customers are addressed.

Thank you for your time.

A.L.J. PRESTEMON: Thank you, Mr. Norlander.

Now we are going to open it up for any questions that there may be from staff.

Commissioner Burman?

Peter? Okay.

MR. McGOWAN: Yes. Can I ask -- could I ask Mr. Margolis, the -- the thousand public libraries across the state, are -- would you be able to say that they are all able to obtain broadband service?

MR. MARGOLIS: I can very
comfortably tell you today that every single public library in the state does have some level of broadband service, ranging from three megabits, I think we have forty libraries in that category, to about fifty that have over a hundred.

MR. McGOWAN: And would -- would that also be true for the seven thousand --

MR. MARGOLIS: No.

MR. McGOWAN: -- schools?

MR. MARGOLIS: No. We -- I wish we could extrapolate that same level, but no, actually, we have many, many school libraries that I would say are at the low end of the spectrum, three to five megs, even though that's probably one of the places where the need is significantly greater.

MR. McGOWAN: So -- so the ones --?

MR. MARGOLIS: We don't have any -- I don't think any schools today that have a gigabit or more. You know, if we were to compare ourselves, say, to California, you know, the gigabit now is sort of the -- the target for every school in California. We are way off from that.
MR. McGOWAN: So is it a concern that it's hard to afford or is it a concern that it's simply not available?

MR. MARGOLIS: Well, both. I think there are places in the state, Columbia County, Greene County, probably the nearest examples where the infrastructure won't support anything. And in some cases, when I say anything, literally anything. Some places will support more than what is now being consumed, but the schools and libraries can't afford it.

MR. McGOWAN: Okay. Thank you.

And if I could ask Mr. Reilly, a lot has been said, both here tonight and in many other places, about the importance of universal service for broadband, the importance of getting broadband out to all New Yorkers and to make it affordable. Could you just comment on how this transaction will affect universal -- universal service in terms of broadband?

MR. REILLY: Sure. So we've talked about our view in terms of the disparity of what's offered today by Time Warner in the current footprint, as well as compared to what Comcast
offers to its customers. I'd describe bringing the network up to standards that will enable consumers to be able to access the reliability of the network, as well as the opportunity for that interactivity and greater experience in terms of speeds, as well as enhancements to video, enhancements to voice, and benefits to the business community.

So getting the network healthy, if you will, and capable of launching the kinds of services that consumers in Comcast's footprint enjoy today would be the first objective because your question, I think, assumes that there's this opportunity to perhaps extend or expand that network. And I'd -- I'd say, from our point of view, extending or expanding a network that isn't healthy enough to offer the kinds of services and the kind of reliability, so we'd need to go through that. So think of that almost as a phase one.

As a company, we extend our plant every year and we also partner with government to look at the kinds of areas that we heard this evening where there's need, but there isn't availability. So as an example, next door in
Vermont, we had conversations with the policy makers who had expressed concern about the lack of access, so some of the same sort of themes that you are talking about this evening and that we heard previously.

We partnered with the Vermont Telecom Authority. And as a result of that partnership, we're able to extend that already healthy and vibrant network to those who lacked access. I understand that Time Warner in New York has partnered under the Connect New York Program, to bring people who similarly lack access, but are saying this is an important service to us, we'd like to be connected. And from Comcast’s perspective, we look at a program like Connect New York in a similar way to what we've done with the Vermont Telecom Authority, that I think there's an opportunity for policy makers to identify where the need is. And programs like that will, working together, bring access to those who don't have it.

MR. McGOWAN: Okay. Let me just press you on one more point, though, affordability. Beyond the Essentials Program, how about universal service in terms of -- universal service for
broadband in terms of affordability?

MR. REILLY: So I wouldn't want
to give too short shrift to beyond the Internet
Essentials Program. You know, as I look out among
our peers, I look to my left, I look to my right
for who else is committed to a national program
where we've devoted a hundred and sixty-five
million dollars in just two and a half years to try
to put some muscle behind what I think is a
national problem where those who can't afford to
have access are being left behind. And we're the
only ones who stepped forward, not in a pilot here
or there, but across the entire country, across our
entire footprint, said we'll devote the network,
we'll devote the financial resources so that we can
not only subsidize the computer, but we also will
support the training.

PEW (phonetic spelling) has said
that this is really important to have, not only the
service at an affordable price, but the equipment
is critical to provide as well, or at least assist
in providing as well as the training. So those
three prongs, we put an awful lot of effort into.
And we're not done. There's a lot more that we can
do together. So I don't want to just say beyond that. It's a significant program that we're prepared to roll out throughout New York.

And I think as you look at the challenge of affordability, there are people in New York today, who would be eligible for this program. And it is not offered by Time Warner. Time -- and we are saying we will offer this program throughout the Time Warner geography in the state and address affordability. So I think that's, you know, a big commitment that no one else is looking to make at that level.

So beyond that, I mentioned briefly, during my comments, that our most popular packages, more than two-thirds of customers look for the value in being able to bundle products and services. So if you cross the New York border or even go down to Carmel, you're going to see that we can offer our customers a bundled offering of broadband, as well as video, digital video including high definition, and a voice product, and that's for under ninety-three dollars a month that you can bundle all three services.

In addition to that, we offer
stand-alone broadband for our customers. We offer stand-alone video. We offer stand-alone voice. If you look kind of behind the curtain at Comcast operations, we've got hundreds of different combinations and we look to serve everybody from a customer who wants to just get their broadcast channels, that's all they want from us, and then we've got people who, five hundred channels isn't enough, their appetite is seemingly unquestionable -- unquenchable, excuse me -- and we look to try to meet as many needs as possible.

So we are looking to offer the Internet Essentials program to address the affordability problem with respect to broadband, but that's just part of our overall story. So, again, with hundreds of different choices, combinations, we're trying to be all things for all people and we're ready to make the investment in the state to do that phase one that I described to bring that network health up to the point where customers who are in that Time Warner Cable geography can get A, a more reliable network, but B, have access to those more advanced products and services that I've described, as well as a lot of
choice with respect to what we offer.

MR. McGOWAN: Thank you.

I didn't mean to undercut the value of Internet Essentials. One more detailed point, if anybody knows, does anybody -- I think Mr. Margolis mentioned that there are, I don't know, approximately five million New Yorkers who are unable -- for various reasons have been unable to get on, maybe they can't afford it. Does anybody know what -- what number of New Yorkers would be eligible for Internet Essentials?

MR. REILLY: So what I -- I don't have analysis on how many. What will help, though, I think -- help both Commissioner Burman and staff and the public know, so here's how the program works. And this may help enlighten people so who would be eligible. When we first launched the program, it was a one and a half megabit speed and it was offered only to free school lunch children and their families.

We heard feedback, which we listened to and, more than listened to, acted upon where people said while we appreciate one and a half megabits for nine ninety-five a month and a
free installation, we have people who aren't in free school lunch, but they're in the reduced school lunch. And if you look at the economic challenges that even families who are in the reduced school lunch face, they could really benefit from a program like this. We expanded it to reduced school lunch.

Then we ran into the issue where provision two schools where there are the seventy percent threshold of kids who are eligible for that free or reduced school lunch, the entire school then becomes a provision two school. And those schools approached us and said all right, so we've got free and we've got reduced school lunch and maybe it's seventy-five percent, twenty-five percent may be in a higher economic category, but we'd like for people to be able to -- in this entire school be eligible for the program. We modified the program again and made it available to provision two schools. So this is all for public schools.

Then we had the parochials approach us and say, you know, we have children, as well, who have need and can't you help us. We
expanded it. Then we had charter schools and, again, the same question. We expanded it. Then we had home school and, again, we expanded it. Then we had the cyber school people approach us. And yet, again, we expanded it. So this program has gone through that I'll call it the eligibility evolution. So we're up to the point now that everything from public to the home school or cyber school, if you are in free or reduced school lunch or even a provision two school, you're eligible. Then we heard from people saying you know, this program is supposed to really be a tool for kids to learn and remain on a competitive level playing field with other kids who have more resources available to them. And one and a half megabits, if you're going to Con Academy Educational Training, downloading that can be, at one and a half megabits, a little bit of a challenge. We doubled it to three megabits. At three megabits, people said to us, you know, even so it's a little bit of latency, it's a little bit of a challenge. We've got some great content. The goal is to help the kids, what can you do? We then increased that to five
So today we have fourteen different languages that we offer the materials. We've got training that we partner with local organizations and it's training that's in writing, it's training that's online, and it's training that's in person. And so we've gone through this huge transformation of the program. So hopefully as people here are listening to all of the different groups that we have opened it up to, it will give you some perspective. And I would assume there are likely stats at the state level as to how many provision two schools, how many free and reduced school lunch, so that we can work together to figure out how do we tackle this.

MR. McGOWAN: Excellent. Thanks.

A.L.J. PRESTEMON: Are there any other questions?

All right. Thank you very much, panelists. I appreciate it.

We're now going to move on to the public statement hearing phase of the proceedings tonight. We have a number of individuals who have signed up and expressed an interest in speaking.
So if you are going to speak, there are four microphones around the room, two at the bottom and two a little farther up the stairs. You can come to any one of them, I'm told. So, with that, I'll ask for our first speaker, Mary Alice Crim.

MS. CRIM: Hello everyone.
A.L.J. PRESTEMON: Hello.
MR. McGOWAN: Hello.
MS. CRIM: Can everyone hear me all right? There we go.

My name is Mary Alice Crim and I'm the Endangerment and Events Director at Free Press. Free Press is a national non-partisan, non-profit organization that advocates for media and technology policies that protect all of our rights to connect and to communicate. Free Press has more than seven hundred and fifty thousand members, more than fifty thousand of whom live here in New York State, which is why I'm here to offer public comments in opposition to Comcast's proposed merger with Time Warner Cable.

If approved, this deal would create a media behemoth with unmatched power to
raise prices, squash competition, and reshape the future of the Internet for the worst.

As I'm sure you'll hear from others here tonight, these two companies dominate the cable and Internet markets in the United States and, yet, they regularly come dead last in customer service surveys. In fact, Comcast was recently voted worst company in America in a consumerist poll. A new giant cable behemoth would lead to even less consumer choice, even less diversity, and much higher cable bills. In fact, Comcast's top lobbyist has admitted, quote, we're certainly not promising that customer bills are going to go down or that they'll increase less rapidly, end quotes.

Current New York Time Warner Cable customers will almost certainly see their bills increase if they're shifted to Comcast. Time Warner Cable offers Internet access for fourteen ninety-nine with no pre-conditions, contract, or qualifications. Comcast does not.

Comcast does tout its Internet Essentials Program which we've heard a little bit about tonight, which is intended to provide low income communities Internet access. But there are
a host of problems with this program that keep
people who need and depend on the Internet access
offline. For example, in order to qualify for the
program, as we've heard, you must have children in
school. What about seniors? What about
individuals? What about others who depend on the
Internet for life and everything today?
You must also not be a current
Comcast customer, which again, we heard a little
bit about tonight. If you are a current Comcast
customer, you need to disconnect your Internet for
a couple of months, which onlypunishes people who
need to reduce the cost of their Internet access.
And it's difficult to apply for the program. Only
a small fraction of those eligible have been able
to sign up since the program launched.
Comcast created this program just
before it bought N.B.C. and it used it as a carrot
to convince regulators to allow that merger to go
through. We must not be fooled. Comcast has no
intention to provide low cost Internet access to
the people that need it most.
Here's a few facts, all of which
are accessible on our website at Free Press dot
If this merger goes through, Comcast will be the largest paid T.V. private provider for two-thirds of the United States population. Comcast will control nearly fifty percent of the truly high speed Internet market. Basic cable fees will go up. In fact, Comcast fees for basic cable in some cities have increased by sixty-eight percent from 2009 to 2013.

Comcast will be the only company delivering both high speed Internet and paid T.V. services to four out of every ten U.S. homes. And if this merger goes through, two point six million Time Warner Cable paid T.V. subscribers will be transferred to Comcast, which would leave Comcast with more than three million subscribers in New York State alone.

This all means that if this merger goes through, Comcast will be able to shape the future of the Internet in New York and throughout the U.S. A larger Comcast will be able to use its market power in New York to close down the open Internet, increase costs, and harm broadband access at a time when the United States lags well behind other developed nations on each of
these measures. The company will be so huge that it will set the agenda for the entire telecom industry. And all this power will be in the hands of a company that has violated our freedom of speech online in the past by blocking its customers' access to content and certain applications.

The company is currently required to protect net neutrality through 2018, but only because of the conditions it agreed to when buying up N.B.C. just a few years ago. After that, Comcast would be free to block, prioritize, and discriminate at will. At Free Press, we know that our right to free speech online should not have an expiration date.

This has big implications for all of us that rely on the Internet for our businesses, our education, our communities, and more. Small businesses that depend on the Internet to compete with other more established businesses and to attract and retain customers will be at risk. Students that use the Internet to do homework and find information will be at risk. Organizations providing vital community information via the
Internet will be at risk. Independent media will be at risk. And the list goes on.

Comcast will say that this merger will help innovate and provide better services to -- to its customers. But at Free Press, we know that this is far from reality. If Comcast wanted to provide better service, it could use the billions it's proposing to spend on this deal to bring ultra-fast fiber broadband to millions of existing and future customers. But the company would rather buy up its competition than actually serve the public.

In the past few months, I've spent a lot of time talking with people around the country who want a more just communication system, many of them New Yorkers wary of Comcast. Let's hear what some of your neighbors have to say.

Susan says, quote, I'm a senior on a fixed income. I have only just managed, after months of haggling, to negotiate a more affordable rate with Time Warner Cable for broadband Internet, cable T.V., and digital phone. Where I live, there is no alternative to Time Warner Cable. If this merger goes through, there will be no alternative to
Comcast. I will have to start haggling all over again and my Internet and phone service, my lifeline in case of emergency, will be at risk. Don't give giant communication monopolies even more control over our lives. Don't take away all of our choices and force those of us on fixed incomes to pay monopoly prices or do without these vital services.

Mark says, quote, Stop the erosion of freedom of choice. The media is the property of the people. Consolidating media outlets in the hands of a few distorts the choices of information available to the public and enforces a form of control and oppression and is a threat to a free thinking, well-informed, and healthy democracy.

And Free Press member, Ann, says, As a small business owner, I deplore the fact that I have no choice for a cable provider. Please nix this deal.

These New York Free Press members join more than four hundred thousand people across the country that have spoken out against this merger. This merger is bad for business, it's bad
for customers, and it gives too much control of our communications infrastructure to just one company. It threatens our ability to communicate with each other and our freedom of speech. On behalf of Free Press' more than five hundred -- fifty thousand members, excuse me -- in the State of New York, I urge you to vote against the transfer of Time Warner Cable services and customers to Comcast.

Where New Yorkers lead, the rest of the country often follows. Your vote against the transfer and this merger will send strong signals to the Federal Communications Commission and the justice department as they prepare their formal review of this deal. Please help us stop the proposed merger between Comcast and Time Warner Cable. Thank you.

A.L.J. PRESTEMON: Thank you, Ms. Crim.

The next speaker, representing the Boys and Girls Club of Greater Holyoke, is Eileen Cavanaugh.

MS. CAVANAUGH: Good evening. Thank you for the opportunity to address you. My name is Eileen Cavanaugh. I'm the executive
director of the Boys and Girls Club of Greater Holyoke and I'm here to speak on behalf of Comcast Community Investment Program.

So, just to give you some history about Holyoke, in particular, we're located in Holyoke, Massachusetts. We are a socially and economically disadvantaged community, to say the least. We actually have the highest percentage of welfare recipients residing in the City of Holyoke. We have a chronically under-performing school system with a fifty percent dropout rate. And we have a high unemployment rate, actually three times the state average. So, to say that we are a disadvantaged community is an understatement.

At the Boys and Girls Club, our mission has been to serve youth, especially those who do need us most, coming from disadvantaged circumstances, to become caring, responsible, contributing members of our community. And in order to do that and accomplish that goal, which is quite a lofty goal in a community that suffers from so many factors, both socially and economically, we need community partners to do that work.

Comcast has specifically come out
and sought out a partnership with the Boys and Girls Club, in particular. We serve over three hundred and fifty youth a day in our community. We're one of the largest youth serving organizations. And with that comes three hundred and fifty families, as well. And so Comcast has demonstrated a solid community partnership program in several different ways. And I think that that speaks volumes with respect to their investment and giving back.

First off, they speak to the local need. They come into the community and ask the community and the people who live and work within the community what your needs are. So we're not fitting within a very large corporate box of a community giving program and that's very important coming from a non-profit.

Most importantly, they also -- they give financial contributions, so there's actual cash dollars that come into the community to support the work of a non-profit. Through grant funding programs, specifically, we've been the recipient of several of them, helping support our Club Tech programming, where we're bringing
computer access and technology digital literacy to some of the poorest youth in Holyoke. In particular, they're supporting our mentoring programs and our youth leadership programs, as well, so it goes beyond just a digital literacy or technology programming.

Comcast has also done an exceptional job in my opinion, supporting opportunities for sponsorship of special events in communities so that their constant presence is available and known to the residents of the community.

They also offer technical assistance and community service opportunities. They have a Comcast Cares Day, where their corporation has established a culture of giving back to the community, donating, and volunteering an entire day of service with often twenty-five to fifty staff for the day, coming to do beautification projects, cleanup projects within the community. And again, that is so very valuable to an organization like the Boys and Girls Club, where being able to beautify our property and our space actually changes the facade of the entire
neighborhood.

Comcast also, with respect -- we've heard a lot about the Internet Essentials program. And again, I know they do an awful lot of work with our local school system, but they specifically reached out to an organization like the Boys and Girls Club with respect to doing outreach. And so what they've offered is the Internet Essentials to our families, as well. Our population at the Boys and Girls Club is ninety-eight percent low income and free and reduced lunch. And so our families certainly qualify and are eligible for the program, but they're actively outreaching to these families through organizations like Boys and Girls clubs.

And so what we've been able to do is offer this Internet Essentials program. We've been able to open up the doors of our tech room, sponsored by Comcast, in particular, and offer community trainings to our families and parents. Comcast has actually trained our staff also, so there's a sustainability attached to the Internet Essentials.

And so really, in my opinion, in
closing, what I want to state is that through the
community support that Comcast offers in their
community give back program, we've been able and
they've been able to address some of the
achievement gap that our kids are suffering from in
our community in particular. And I certainly know
that it can be replicated in the State of New York.
Thank you.

A.L.J. PRESTEMON: Thank you, Ms. Cavanaugh.

Our next speaker, representing
Square One, is Joan Kagan.

MS. KAGAN: Good evening. My
name is Joan Kagan. I'm president and C.E.O. of
Square One, which is a private non-profit
organization in Western Massachusetts. Thank you
for the opportunity to come this evening and share
my comments on Comcast being a good community
partner.

Square One was formerly known as
Springfield Day Nursery. We were founded in 1883
as both a job training and childcare program,
helping women develop marketable skills and work
while their children received quality nurturing
Today, Square One has evolved into a leader in providing early education and care services for infant, toddlers, pre-schoolers, before and after school programs. We also provide family support services, health and fitness services, and a voice in the community. Our mission is to improve the lives and circumstances of children and families by getting children off to a good start in life. We use research based curriculums in our early education and care programs, provide parent education and support services to families and caregivers in our family resource centers and through our home visiting programs.

With a focus on health, wellness, and nutrition, we collaborate with our local medical center and with the health sciences department of our local colleges to ensure that the children are well, are well fed, and are able to learn. Square One provides one -- provides services to one thousand children and families each day, ninety-eight percent of whom are
living at or below the poverty level and most of whom are considered at high risk for school failure. Our primary area of service is Hampden County, which includes Springfield, Holyoke, and Chicopee. Fifty-two percent of the children who enter school in Springfield and in Holyoke do not graduate and only one-third are reading proficiently by the end of third grade. And we know that children learn to read through third grade and after third grade they read to learn. And -- and this increases their chances of graduating by forty percent.

Our work is not easy, but it is fulfilling because we know that it has a tremendous impact. However, our work and the outcomes of that work would not be possible were it not for the steadfast support and consistent commitment of organizations like Comcast.

Whether it is new nap time children's mats to funding for a new literacy program targeting school-age children or now getting -- or making raised garden beds that have turned our pre-schoolers into little farmers, planting and harvesting their own fruits and
vegetables, which in a food desert is really critical, Comcast has and continues to be tuned in to the needs of not just Square One's families, but the needs of our entire community.

Their commitment to children and community is evident in the contributions of time, talent, and treasure they have made and continue to make in an effort to improve lives. We are fortunate to have Comcast as a partner in our efforts to prepare the children to succeed in school, at work and in life.

A specific example of our partnership and their support is our collaboration which focuses on after-school and summer enrichment programs. In all, more than four hundred young school age children in the City of Springfield were provided with books, educational materials, the -- and the Internet Essentials Program, which helped these children to develop their literacy skills.

Preventing summer learning loss is an important goal of ours and in the Western Mass community. Approximately eighty-three percent of those children in that program, all of whom are coming from disadvantaged families, retain to their
literacy learning over the summer from the prior school year or they improved their skills. Comcast's financial support also provided educational and recreational field trips that enabled these children to enjoy experiences that they might not otherwise have, such as visiting an EcoTarium to learn about nature and wildlife. Comcast has made a tremendous impact on our ability to successfully prepare children for school and work and life. This partnership is especially critical during these difficult economic times when state and federal funding resources are being depleted.

On Comcast Cares Day, a group of employees came to one of our Square One sites on a Saturday and did our spring cleanup on our grounds and in our building. And it was not just raking and sweeping. They built raised garden beds for the children, bought and mounted a T.V. in the indoor play space, washed down the playground equipment, and planted flowers. Three years ago, Springfield was hit by a tornado. Three of our buildings at Square One took a direct hit, a childcare center, a
program building that housed our family support services, and our administration building, totally wiping out our entire infrastructure. Within a few days, we had found temporary space to resume our business, but the building needed to be wired. We called Comcast and asked them how soon that they could come and help us. They were there -- we called them at one o'clock in the afternoon. They were there at eight o'clock the next morning, wiring our building. That, to me, is -- is being a real community partner, helping us to get back into business, so that we could serve one thousand disadvantaged children and their families.

Thank you very much.


The next speaker is Darren Skotnes.

MR. SKOTNES: Hi. I'm Darren Skotnes. I'm a state worker for Mental Hygiene Legal Services. I organize and scan patient files to computer, which is I use a web dock server. And -- and with the Time Warner/Comcast merger it kind of affects me how I use like -- like the web,
put things in digital perspective from hard copy.

And I spend a lot of time using the Internet, too, like checking my email and -- and like going on other sites like Facebook and so forth. And -- and with this thing, I found about -- on the -- I've been receiving a lot of emails from a lot of organizations, like Move On, which I'm -- I work for, which is part of the democrat committee. And when I -- I read about how -- how the F.C.C. is proposing new regulations for the Internet, it seems like I -- what's that have to do with it.

When Tom Wheeler, the F.C. chair wants to -- to impose wants -- says that -- that he's up for the open Internet and it's kind of like sort of that nobody even agrees. It just thinks like -- like what it does when there's been stories of how -- how one is divided, slow lane, fast lane, that doesn't make any sense. It just kind of does sort of the way of -- of slowing down the Internet by big corporations just like broadband or broadband and so -- so forth when -- and sometimes the Internet's slow, sometimes it's fast, but there's no reason to fix it by having a slow lane,
fast lane thing. And so I -- so that's -- let's continue to like fight and make the -- and restore net neutrality.

Thank you.

A.L.J. PRESTEMON: Thank you, Mr. Skotnes.

Our next speaker is Mark Westcott with Mountain Lake Public Broadcasting.

MR. WESTCOTT: Hi. My name is Mark Westcott. I'm with D.N. Communications. We represent Mountain Lake Public Broadcasting.

Public media was created to serve the public. And Mountain Lake, located in Plattsburgh, uniquely represents the North Country and New York and the Adirondacks. Mountain Lake was chartered initially by New York State to cover a vast area, including Warren and Washington Counties. Our signal is not currently carried by Time Warner in Warren and Washington Counties, a decision that is at the discretion of Time Warner and, should this merger go through, Comcast.

We feel our station offers the best local programming to broadcast in Warren and Washington Counties. And as part of this process,
to ensure that the public's best interests are represented, we would ask that all parties look to find a way to broadcast our signal in Warren and Washington Counties.

Our programming is unique and we cover topics that are uniquely relevant to the citizens of Warren and Washington County. As an example, just last week the congressional republican primary debate between Elise Stefanik and Matt Doheny was covered by Mountain Lake P.B.S. But the citizens of Warren and Washington County could not watch the debate, and they make up a very large percentage of the Twenty-first Congressional District.

Another example is Lake Defenders, Mountain Lake's documentary on invasive species in Lake George. In fact, the premier for this program was held at The Sagamore on Lake George. But the citizens of Lake George could not watch this program, a program that covers a very important topic to the citizens of our region. We're asking for the signal to be carried so that people can watch this important programming.

Our client just announced a new
program, a documentary on heroin use, which is an
epidemic in the North Country and impacting,
dramatically, communities throughout Warren and
Washington County. But again, our signal is not
carried in Warren and Washington and our citizens
are denied the ability to see this very important
programming.

To conclude, I would just ask
that during this process, you consider what I've
said tonight. It's a process to ensure the best
interest that the citizens of New York are
protected as these merger proceedings go forth.
And we would ask that you represent the best
interests of Warren and Washington Counties by, in
the future, carrying our cable signal in those
counties.

Thank you very much.

A.L.J. PRESTEMON: Thank you, Mr.
Westcott.
The next speaker is Collin
Thomas.

MR. THOMAS: Hi there. I'm
Collin Thomas. I am a resident of the City of
Troy. I'm here to speak out in the negative or
against the Comcast/Time Warner merger. We already kind of are under the thumb of a monopoly in terms of service through Time Warner. Even if you want to choose a different Internet service provider, we -- I've used Earth Link before and you still have to go through Time Warner. So there's really no way around it.

And we can point to, you know, any number of examples of media or service consolidation across the board and see degradation in service and increasing costs. Even if they're not technically a monopoly, they operate as such, especially when they dominate an entire state. It just doesn't really make sense to -- to limit consumer choice and to make us rely on one company that's, you know, sole purpose is not necessarily to provide service, but provide service for profit.

So, to help prevent rapid costs to the public, and as we've seen the telecommunication companies, whether it's, you know, Verizon or Comcast or you know, name it, a telecom company lobbying against net neutrality, we can only see, you know, an increase of opposition to net neutrality as we allow companies to be more
profitable and see more of a profit into creating tiered service for citizens.

So, thank you for your time and have a good night. Thanks.

A.L.J. PRESTEMON: Thank you, Mr. Thomas.

That was the last card I have. Is there anyone else here who is interested in speaking who hasn't signed up? If not, then we will close the record.

And thank you all very much for coming tonight.

(The proceeding concluded at 7:45
STATE OF NEW YORK
I, G. Michael France, do hereby certify that the
foregoing was reported by me, in the cause, at the time
and place, as stated in the caption hereto, at Page 1
hereof; that the foregoing typewritten transcription
consisting of pages 1 through 84, is a true record of
all proceedings had at the hearing.

IN WITNESS WHEREOF, I have hereunto
subscribed my name, this the 24th day of June, 2014.

_________________________
G. Michael France, Reporter