

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Joint Petition of Charter Communications,)
Inc. and Time Warner Cable Inc. for) Case 15-M-0388
Approval of a Transfer of Control of)
Subsidiaries and Franchises; for Approval of)
a Pro Forma Reorganization; and for)
Approval of Certain Financing Arrangements)
)

**DECLARATION OF JONATHAN HARGIS IN SUPPORT OF CHARTER
COMMUNICATIONS, INC.’S MOTION FOR STAY**

1. My name is Jonathan Hargis, and I am the Executive Vice President and Chief Marketing Officer at Charter Communications, Inc. (“Charter”). I assumed this role in 2012 and, in this position, I am responsible for overseeing Charter’s marketing strategy.

2. Prior to holding my current position, I was employed at Cablevision Systems Corporation, where I served as the Executive Vice President, Marketing. Before that, I held various leadership roles at AT&T.

3. I am submitting this Declaration in connection with Charter’s request for a stay of the Public Service Commission’s (the “Commission”) July 27, 2018 order revoking approval of the merger between Charter and Time Warner Cable Inc. (the “*Revocation Order*”) in the above-captioned proceeding. In my capacity as Charter’s Executive Vice President and Chief Marketing Officer, I am familiar with the *Revocation Order*’s impact on Charter’s present and future sales and earnings, and am also familiar more generally with the ways in which threatened future disruptions to a communications service company’s operations can impact present sales. Accordingly, I have personal knowledge of the facts set forth in this Declaration, including knowledge from persons working at my direction.

4. The markets for cable video, broadband Internet, and voice services are highly competitive in New York, particularly in areas such as New York City where Charter and Verizon Communications, Inc. (“Verizon”) both offer high-speed broadband Internet access to the same homes and businesses. Charter has been successful in marketing its services against Verizon’s competing “FiOS” offering since Verizon introduced the service, but the *Revocation Order*’s requirement that Charter file a wind-down plan could erode Charter’s competitive position by sowing customer confusion that Charter’s competitors, including Verizon, can exploit.

5. Because of the competitive environment, lost customers are difficult to recover. Institutional customers generally sign on to long-term contracts, and residential customers, even absent extended contractual commitments, do not frequently switch back and forth between providers. Accordingly, any customers Charter loses as a result of the uncertainty caused by the *Revocation Order* are unlikely to be recovered by Charter for several years, if ever.

6. It is clear that the *Revocation Order* is already damaging Charter’s goodwill: The Commission has received correspondence from several of Charter’s current and potential customers mentioning the *Revocation Order*. Such public uncertainty and damage to Charter’s goodwill will only increase if Charter is required to file a public wind-down plan that is sure to receive significant media attention, raising further concerns and doubts with Charter’s existing and putative customer base.

7. Charter’s competitors have already attempted to take advantage of the *Revocation Order*. For example, Verizon has already begun reaching out to several of Charter’s significant customers, including residential management companies in New York City. Verizon representatives have asserted that Charter will no longer be permitted to operate in New York State as a result of the *Revocation Order*, and have offered Verizon’s services as a substitute. An

example of such a communication is attached as Exhibit A to this Declaration. To the best of my knowledge, as recently as November 2018, [REDACTED], Verizon representatives reached out to them at home, informed them that Charter is leaving the New York market, and stated that the customers needed to disconnect their current Charter service. Such exploitation by Charter's competitors is likely to increase and be amplified if Charter is required to file a public wind-down plan for exiting the state.

8. The *Revocation Order* has also already threatened to cause Charter the [REDACTED]

[REDACTED] Following the issuance of the *Revocation Order*, [REDACTED]

[REDACTED] Although Charter was ultimately able to [REDACTED]

[REDACTED] the uncertainty raised by the *Revocation Order* [REDACTED].

9. The *Revocation Order* has also been detrimental to Charter's ability to [REDACTED]

[REDACTED] due to [REDACTED] uncertainty regarding whether Charter will

be able to continue to operate in the State. Indeed, since the *Revocation Order's* issuance, [REDACTED]

[REDACTED] due to this

uncertainty. I expect the *Revocation Order's* impact on [REDACTED] will worsen if Charter is required to submit a wind-down plan, with significant impact on Charter's ability to [REDACTED]

[REDACTED]. Likewise, I anticipate that Charter's ability to [REDACTED] will be negatively impacted if Charter is required to submit a wind-down plan. [REDACTED]

10. In addition to the harm that the *Revocation Order* has already caused, the *Order's* requirement that Charter file a wind-down plan, if not stayed, is likely to amplify the potential for customer confusion, loss of goodwill, and lost sales. Moreover, Charter's competitors are likely to use the wind-down plan filing in further attempts to woo away Charter's customers. Although sophisticated observers may understand that the *Revocation Order* will be the subject of judicial proceedings that may reverse or substantially modify its requirements, customers and potential customers will inevitably be confused about whether the filing of a wind-down plan signifies Charter's discontinuance of services in New York.

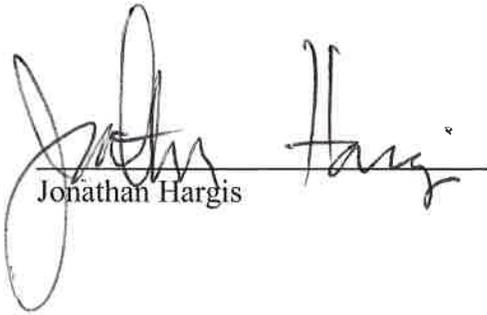
11. Given that competitors have already started using the *Revocation Order* to attempt to lure away Charter's customers, they are likely to escalate such marketing efforts if Charter is required to submit a wind-down plan that provides them with additional material to use for their own competitive gain.

12. It is difficult to project and quantify with precision the extent to which Charter will suffer lost sales in New York from the uncertainty that the *Revocation Order* has created and will continue to create if its requirements are not stayed. Based upon my familiarity with and experience in the industry and analysis I have conducted of potential lost sales and potential loss of existing customers, I estimate that, over time, this uncertainty could cause Charter to lose a significant number of customers.

13. Likewise, it is impossible to quantify accurately the harm Charter is experiencing and will continue to experience due to the *Revocation Order*. Additionally, it is impossible to replicate the competitive position that Charter would have had vis-à-vis its competitors were it not for the Commission's *Order* hanging over its head. Moreover, because cable customers do not frequently switch providers (and indeed may be locked into long-term contracts by Charter's

competitors), there are infrequent opportunities to acquire new customers or re-acquire lost customers. Accordingly, even if Charter's operations in New York continue normally without interruption and it is never required to discontinue any New York services, the harm to Charter's business in the State from such short-term customer loss is likely to be significant and long-lasting.

I declare under penalty of perjury that the foregoing is true and correct to the best of my information and belief.


Jonathan Hargis

Executed on November 19, 2018 at 12:36 PM

Julie Pontier
Signature

2/28/2023
Expiration Date



State of Connecticut
County of Fairfield

Sworn to before me this 19th
day of November, 2018

EXHIBIT A

[REDACTED]

From: "Dardis, Keith" [REDACTED]
Date: August 9, 2018 at 9:33:27 AM EDT
To: "Hargis, Jonathan" [REDACTED]
Subject: NY PSC position

[REDACTED]

From: Niles, Scott R
Sent: Thursday, August 09, 2018 9:18 AM
To: Dardis, Keith
Subject: FW: Phone Message - Verizon Wireless

[REDACTED]

From: Robertson, Ryan A
Sent: Thursday, August 09, 2018 9:15 AM
To: Niles, Scott R [REDACTED] Danowski, Erik V
[REDACTED]
Subject: FW: Phone Message - Verizon Wireless



Ryan Robertson | Director, Spectrum Community Sales | [REDACTED]
201 Tresser Blvd. | Stamford, CT 06901
Jobs.spectrum.com



From: Torres, Edward
Sent: Friday, August 03, 2018 3:50 PM
To: Doherty, Sean M; Robertson, Ryan A; Danowski, Erik V
Subject: FW: Phone Message - Verizon Wireless

FYI

Below is one of our Mgmt. companies, there have been several CSS Reps today reaching out to me that Verizon is calling all NYC Mgmt. Companies stating that everyone is on the verge of losing services from Spectrum.

Can we have a letter from corporate to give out to all of mgmt. companies?



Edward Torres
Community Sales Supervisor
Spectrum Community Solutions



From: [Redacted]
Sent: Friday, August 03, 2018 3:44 PM
To: Shamlian, Edward [Redacted]
Cc: Torres, Edward [Redacted]
Subject: FW: Phone Message - Verizon Wireless

My company is getting a lot of calls regarding Spectrum losing contract with providing service in NYS.

What is going on?



Phone Number: [Redacted]

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From: [REDACTED]
Sent: Friday, August 03, 2018 3:33 PM
To: [REDACTED]
Subject: Phone Message - Verizon Wireless

1877-[REDACTED] – Charlotte [REDACTED]

Calling from Verizon. Available Monday through Friday 9AM – 5PM

Spectrum lost their contract in NY and TBT is has Spectrum. They would like to give service if need be.

[REDACTED]

*Administrative Assistant
Management Department*

[REDACTED]

Telephone: 718-[REDACTED]

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