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.
DEPARTMENT OF PUBLIC SERVICE

Public Hearing on the Joint Petition of
Time Warner Cable, Inc. and  Case 14-M-0183
Comcast Corporation for Approval

90 Church Street - Fourth Floor
New York, New York

June 19, 2014
6:02 p.m.

ADMINISTRATIVE JUDGE:
The Honorable DAVID L. PRESTEMON

APPEARANCES:

For the Commission:
AUDREY ZIBELMAN, Chair
DIANE X. BURMAN, Executive Office
PETER MCGOWAN, Chief Policy Advisor
CHAD G. HUME, Director

SPEAKERS:
MARK E. REILLY, Comcast
DELARA DERAKHSHANI, Consumers Union
SUSAN LERNER, Common Cause New York
MARK MALASPINA, Computers for Youth
MICHAEL J. SANTORELLI, Advanced Communications Law & Policy Institute

HOLLY VAN PELT
Reporter
LEX #104595
JUDGE PRESTEMON: Good evening, ladies and gentlemen, and welcome to the Public Service Commission, case 14-M-0183. This case involves a petition to the Commission of Comcast Corporation and Time Warner Cable, Inc. seeking approval under the Public Service law of the transfer of certain Time Warner cable telephone systems, cable systems franchises and assets to Comcast as a transaction that is commonly referred to as the Comcast/Time Warner merger.

The proceeding tonight is divided into two parts. First we have an information forum in which a representative of Comcast will explain their proposal. This will be followed by four individuals representing various organizations who will discuss some of the public interest issues involved or they believe are involved in the transaction.

My name is David Prestemon. I am an administrative law judge with the Department of Public Service. With me here today are Audrey Zibelman, chair of the Public Service Commission, Diane Burman, commissioner. The two of them are two of the five commissioners who will be ultimately making the decision in this case. Also with me are Chad Hume, who is the Director of the Department of the Office of Telecommunications, and Pete McGowan, who is Chief Policy Advisor to the Commission.

Following the public statement or the information forum, there may be some questions from the commissioners and the staff
here. Following the informational forum, we will move immediately to a public statement hearing. The purpose of the public statement hearing is to allow members of the public to stress their views on this proposed transaction live and in-person, and their comments will be transcribed, be included in the transcript that will be before the Commission as part of the record in this case. You should know that you do not have to speak here in order to have your comments heard by the Commission. The Commission accepts comments directly through its website by going to the website and going to the case number you can enter your comments directly there. You can also make comments by sending an e-mail to the Commission secretary, by calling the Commission's hotline or sending a regular old letter. If you want instructions on how to do that or if there's someone who couldn't be here that you think might want to comment, we have a fact sheet here at the table. You can pick it up there. That explains how you can submit your comments. With that I think we can begin with the informational forum.

Speaking for Comcast is Mr. Mark Reilly. He's a Senior Vice President for Government and Regulatory Affairs for Comcast Cable.

MR. MARK REILLY: Thank you, Judge Prestemon, Chair Zibelman, Commissioner Burman, Mr. McGowan and Mr. Hume.

My name is Mark Reilly, and I'm Senior Vice President of
Government Affairs for the Northeast Division of Comcast. 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 here in New York. Since acquiring NBC Universal in 2011, Comcast has added nearly 2000 new jobs and invested over 400 million dollars in the state. NBC Universal moved the Tonight Show and production studios for Sprout, America's Got Talent and other popular NBC 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, where we partner and invest in startups to launch new businesses that will develop new technology, products and 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 ensure that the transition is seamless.

Since many New Yorkers are relatively unfamiliar with Comcast, I want to briefly describe some of the innovative and improved 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 on the faster and more reliable broadband services that 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 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 3 billion dollars in further upgrades to our network over the next three years. Comcast has the expertise and financial resources to accelerate the conversion to all digital for Time Warner Cable systems throughout the State of New York and across the country. 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 operating platform provides unmatched interactive TV functionality. Our live TV streaming feature allows X1 customers to stream practically their entire cable channel lineup, including must carry stations as well as PEG channels to computer -- computers and mobile devices throughout the home. XFINITY on Demand includes approximately 50,000 programming choices, more than double that of Time Warner Cable. It features the most current TV shows and movies. These selections are available on and accessible on multiple devices and over 80 percent free of charge. We also offer an industry leading TV everywhere experience with access to more than 300,000 streaming choices, including over five live TV channels, and our recently launched XFINITY TV online store allows customers to access new movies and TV shows weeks before they're available on Blu-ray or DVD. 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 ID over multiple devices and our new voice-to-go service that allows
customers to place calls over a 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 platform, which is a cloud-based platform, to deliver the first talking guide in the industry. The X1 remote controls include soft keys that disabled customers can configure for quick and easy access to the talking guides, closed captioning video description as well as other features. We've also deployed a readable voice net 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 e-mail text and other online services on tablets and smart phones. Comcast also has a dedicated customer support team in our new accessibility center of excellence. We're committed to extend the very best accessibility features and support services, including those developed by Time Warner Cable, across the combined company's footprint. Comcast recognizes that improving customer service is another critical issue. Comcast has invested billions of dollars in network infrastructure, greatly improving service
reliability and reducing 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. We offer one to two hour service appointment windows, including evenings and weekends, and we're meeting these appointments 97 percent of the time.

For those of you who didn't catch my comments the first them, they are being repeated for you.

We offer more self-installation options so customers can all install and innovate services without a service call, and we've given customers access to the same diagnostic tools used by our customer care agents, and now more than forty percent of our customers are using these options to their benefit so that they're able to control their products and services on their own schedule. We've given our customers the ability to manage their accounts online, on their mobile devices and even on their TV screens. These tools have proven highly popular, and we expect by the end of this year that more than half of our customers will be using them to directly manage their accounts, 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 its JD Power overall satisfaction score by more than any other video or broadband
provider in the industry. We will bring the same commitment to improve customer service to consumers here in New York. For business customers the combination of Comcast and Time Warner Cable will create a stronger, more cost 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 add employees, and where Comcast has made inroads to the business market, other providers 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 those 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 City with locations around the state rather than having to deal with two companies with different products and offerings. These businesses will now be able to receive best in
class services from a single provider at multiple locations, not only in New York, but in adjacent states as well currently served by Comcast. This will bring greater competition to the marketplace that is still heavily dominated by other providers and help drive small, medium business growth and economic development throughout the state. The greater geographic reach and economies of scale resulting from the transaction will also enable Comcast to offer expanded wholesale service to mobile operators in the state, helping those mobile operators provide greater bandwidth and lower cost services to their wireless customers in New York. Greater competition for these various business services, along with substantial improvements to video and voice services for residential customers that I previously described, will enhance economic welfare and benefit in New York and 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 have increased speeds thirteen times in the last twelve years. We offer residential broadband speeds of up to 505 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 up to only 100 megabits per second in limited areas, and as to the issue of speed, the FCC released yesterday its measuring broadband in America report,
which found, again, that Comcast delivers more than its
advertised speed every hour of the day, even in peak hours in
the evening.

Comcast has deployed approximately 8 million advanced Wi-Fi
gateways in the home, giving our customers the nation's fastest
wireless speeds and excellent performance over their residential
wireless networks, and we now have 3 million public Wi-Fi
hotspots across the country, with plans to reach 8 million
beyond by the end of the year. This will allow our customers to
use their XFINITY internet service on-the-go in millions of
locations across the country. Time Warner Cable only recently
began on the advanced Wi-Fi gateways in its customers' homes,
and compared to Comcast's 3 million Wi-Fi hotspots, Time Warner
Cable has deployed approximately 29,000.

In short, approval of the transaction will not only bring
improved, more reliable internet service at home, but also
expanded internet access on the go, and because Comcast is the
only ISP in the United States that has agreed to be legally
bound by the FCC'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 our most popular offering, and more than two-thirds of all of our customers across the country prefer two to three product bundles to a standalone service of cable, voice or broadband service.

In addition, for our highly acclaimed Internet Essentials program, Comcast has made important progress in closing the broadband adoption gap for low income families with a special focus on school-aged children. Internet Essentials provides low income households with broadband of up to 5 megabits per second for 9.90 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 1.2 million low income Americans to the internet, more than any program of its kind by any company anywhere in the United States. The transaction will expand that program to low income students and families throughout the Time Warner 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, bringing greater diversity in governance, employment, suppliers, programming and community investment. Comcast will similarly extend public interest commitments from the NBC Universal transaction, such as making local, diverse and
children's programming available on various platforms, such as Video on Demand and TV everywhere. Comcast also has a proven commitment to local communities and organizations. Since 2001 Comcast has invested over 3.2 billion dollars in cash and in kind contributions supporting local nonprofit organizations and other charitable partners. Beyond financial gifts, Comcast shares its greatest resources, its people, in giving back to local communities. Last year our employee -- our employees and their families gave back in a day of service on Comcast Cares Day and they contributed in one day more than 500 million hours of -- half a million hours of service to improve schools, senior centers and other vital community organizations. On top of all of these significant benefits, and contrary to what some critics say about reduced choice for consumers, this transaction does not take away a choice for video, voice or broadband for New Yorkers. Instead, this transaction takes one of the choices that New Yorkers have today and transforms it. It transforms that choice into a better video provider, transforms that choice into a more robust IP-based voice provider. It 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 program choices at home and on the go, best in class
voice products, enhanced competition for advanced business and wireless back hall 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 record from prior transaction demonstrates, we are a company that not only keeps, but often over delivers on our promises. Thank you very much for your time.

JUDGE PRESTEMON: Thank you, Mr. Reilly. Our next speaker is Delara Derakhshani. Ms. Derakhshani serves as the Policy Counsel in the Consumers -- the Washington office of the Consumers Union where she is the lead advocate for the organization's telecommunications, media and privacy efforts.

MS. DELARA DERAKHSHANI: Thank you all so much for having me here today. My name is Delara Derakhshani, and I serve as policy counsel for Consumers Union, the advocacy arm of Consumer Reports Magazine. Consumer Reports is the largest independent product testing organization with a mission to work for a fair, just and safe marketplace. In addition to our testing of national survey capabilities, we rate thousands of products and services each year for more than 8 million of record. And as part of our advocacy efforts, we engage in the dialogue of consumers and work to protect them against practices, abusive practices, in the marketplace. We appreciate the opportunity to be here today.
This proposed merge is not in the public interest. Comcast and Time Warner have made a number of promises about how this deal will benefit consumers, but the reality is that this deal would give Comcast enormous power and unprecedented dominance in the marketplace. If the merger is approved, the company will control over two-thirds of all cable television customers and nearly forty percent of all high-speed internet customers in the United States. The result would be higher prices, fewer choice and worse customer service for New Yorkers and for consumers all across the nation. To put it simply, this deal should be rejected.

Consumers across the nation are already riddled with price hikes and lousy customer service. Each year the cost of cable continues to rise sharply, according to the FCC's figures, many times the rate of inflation, and many consumers find themselves having to buy larger and larger packages of expensive cable programming just to get access to some of the programming that they truly want, and in New York the story is no different. According to recent press reports, the cost of standard cable package, the required monthly rate to rent a set top box in order to get your cable to work and the cost of internet service all continue to rise in New York. And at the same time despite the rising prices, consumers nationwide have told us that they are dissatisfied with the service they are receiving from these two companies. According to the latest reader survey by
Consumer Reports, Comcast and Time Warner Cable are among the worst companies in customer satisfaction for TV service. Comcast ranked 15th among seventeen television service providers included in the ratings and earned particularly low remarks for value for money and customer support. Time Warner Cable ranked 16th overall for television service with particularly low ratings for value, reliability and phone and online customer support. It's hard to see how combining these two companies that already have a poor track record with consumers would somehow improve the situation for customers here in New York or anywhere else. To the contrary, combining these two companies would give the merged entity an even larger national presence, more market power and less of an incentive to address consumers' needs. I have just described to you an industry in which consumers are stuck with rising bills, limited in their choice of providers, have to pay monthly subscription fees for large packages of content, some of which they may not even want, and endure frustrating experiences with customer service. At Consumers Union we've engaged in a dialogue with consumers who will be most impacted by this merger, and they've told us exactly how they feel. In April of 2014, just recently, in a nationally representative survey, we found that most Americans are opposed to the proposed merger between Comcast and Time Warner Cable. Our poll showed that only eleven percent support this merger, while fifty-six percent opposed it with another
thirty-two percent with no opinion on the deal. Large majority of the consumers agree that this deal will hurt them by leading to higher prices, fewer choices and a reduced incentives to provide good customer service. Specifically seventy-four percent believe there will be price hikes. Seventy-four percent were concerned that smaller cable companies -- smaller companies wouldn't be able to compete, and two-thirds believed that Comcast will have little incentive to improve customer service. Not only that, but more than half, actually, thought that customer service would get worse.

Consumers were also skeptical about the benefits that would occur to them in the deal. Only sixteen percent believe that Comcast will pass along any proposed benefits or any efficiencies that they may -- that may result from the deal, resulting in actual benefits to them, and only twelve percent of Americans overall believe that mergers like this are actually good for the economy. But furthermore, right here in New York, we've received hundreds of complaints which are on file with our organization. I wanted to recount just a couple of them that I think really highlight the type of experiences and frustrations that consumers are experiencing. For example, Barbara P. from New York who pays $127 a month for Time Warner service said to allow this merger to take place is to allow the lowest rated cable providers to merge. Let each company work on improving service to existing customers before even thinking about
mergers. And Alfred W. of Brewster, New York, who is a Comcast customer, noted that every time he makes a complaint, it's met with efforts to up-sell on equipment. He said the latest is that I was told unless I upgrade, they won't come out to see me to tell me what's wrong, even though it's the same problem with their wiring that has occurred for about twice a year now for the last ten years. And finally one last example, Ted V. of Mendon, New York is a Time Warner customer who pays $175 a month, and he expressed to us his feeling that the lack of competition in Rochester, in the Rochester, New York area, results in higher prices for broadband services that perform at lower speeds than in areas where there is actually competition.

So before I conclude my remarks, I'd like to mention that our organization is also very concerned about the issue of net neutrality in maintaining an open internet, the concept that internet service providers should treat online content equally. The FCC is currently considering new net neutrality rules that may enable internet service providers to sell preferential access to content providers who are willing to pay for it, and this would give Comcast, especially after this merger, new power to play favorites among websites and services and to control the quality, speed and availability of programming. This merger would only further increase the concerns we have about net neutrality.

In conclusion, I thank you very much for the opportunity to
speak with you -- before you today, and I'd be happy to answer any questions.

JUDGE PRESTEMON: Thank you, Ms. Derakhshani. Our next speaker is Susan Lerner of Common Cause New York. Ms. Lerner is the Executive Director of Common Cause New York. Has been an activist for over years -- over thirty years. She speaks and writes extensively on, among many other subjects, media and democracy issues.

MS. SUSAN LERNER: Thank you very much for that kind introduction. Common Cause New York is a leading force in the battle for honest and accountable government, and Common Cause nationwide has a national media and democracy reform initiative, which is aimed at spotlighting and countering the growing political and economic power of the communications industry. Here in New York we've taken active positions on telecommunications and other media matters, ranking from the Verizon FIOS contract here in New York City, internet access in New York City parks, to oversight of cable franchise agreements, just among a few. We have worked with a broad range of groups throughout the state on media and telecom matters, and I'm very grateful to the Commission for holding this public forum and also for the opportunity to discuss the proposed Time Warner Cable merger, the Time Warner purchase by Comcast.

At Common Cause we're very grateful for the recent change in New York State law, which sets what we believe is an
appropriate standard requiring that the proposed merger be in
the public interest in order for it to be approved. We believe
strongly along with our coalition partners Consumers Union and
several groups which are here today, that this proposed
acquisition simply cannot meet that standard and should not be
approved by the Public Service Commission. We're concerned with
the negative impact which the formation of such a huge entity
will have on what is the necessary vigorous marketplace of ideas
that's essential for the well functioning of our democratic
system, the ability of a really colossal entity to play
favorites and unfortunately, the experience in other
marketplaces and as a result of other mergers leads us to
conclude that Comcast, unlike its very smooth presentation here
today, actually has predilection for playing favorites and for
using its market power. The FCC has found that it has, in at
least one instance, violated the merger conditions for the
Comcast/NBC merger in a move having to do with its cable TV
lineup which negatively impacted its competitor, Bloomberg TV,
and placing Bloomberg TV very high up in the lineup, keeping it
out of the really popular area of the channel lineup in order to
advantage its own business network subsidiary, MSNBC, and the
FCC has ordered it to make a change in that regard. We believe
that there are other anticompetitive practices which Comcast has
used its market power to engage in. Comcast has set, when it
was forcing a data cap situation on its customers, it chose to
exempt its own Video on Demand services from the cap charge, from the cap that consumers were facing, but counted the downloads of its competitors towards that cap, what we believe is clearly an uncompetitive practice, anticompetitive practice, and we believe probably also violates the terms of the NBC/Comcast merger.

So really -- let's see. We're also concerned with the increased political power which an entity of this size and this degree of resources would have here in New York State. Telecom companies, Time Warner among them, are among the largest spenders on lobbying and significant campaigning contributors, and in fact last year we at Common Cause New York filed a -- we issued a report in our influential Moreland Monday series where we suggested to the Moreland Commission on corruption, that they should look seriously at the political spending by the telecom industry because of the way in which we believe it influences public policy often not to the public good. We can look at other jurisdictions to see the way in which Comcast behaves as a public citizen and the significant anti-regulatory, anticonsumer measures, which it relentlessly pushes and states throughout the country; North Carolina and South Carolina being an example, recent example, where its efforts, along with other industry giants, to some municipal broadband services was successful and its continuing effort so far unsuccessful in Kansas and Utah this year to stop municipalities from providing affordable
access to broadband when they believe that their citizens would benefit from a municipal system.

I'd also like to point out in terms of the competitive marketplace that is very interesting that Univision recently has spoken out against this merger because it believes that it has been discriminated against, similarly to the way which Bloomberg TV has been discriminated against by Comcast, which uses its market power.

And finally I'd like to -- well, actually, not finally, I'd like to talk a bit about the business climate here in New York City and the investment which New York City and other areas of our state have made in fostering a climate for tech innovation and internet startups. Some of you may have seen an interesting map which appeared on the New York Times website in the last week or so that actually shows the various areas of the city in which you have clusters of tech startups of which are an expanding number, and the city has invested quite a bit in encouraging tech startups with the idea of now fostering something called Silicon Alley here in New York City, and of course you're familiar with the concept of the tech valley in the capital and surrounding regions, and Buffalo now has joined in and is trying to become a tech innovator as well. We are very much concerned about Comcast pricing practices as far as broadband access is concerned for businesses and for others. We understand that Comcast has indicated that it will impose a
regional pricing structure here, and many of the broadband services in other states are priced at a much higher price point than either freestanding broadband or packages here in New York State. This could have an immediate deleterious impact on the government policies which seek to encourage tech startups and entrepreneurships here in New York, and I apologize that there's a typo in my written testimony. When I refer to fifty percent of the workplace being made up of freelancers and self-employed people, it's actually thirty percent made up of freelancers and self-employed, but I think we see it very, very directly here in New York City, and people who have the need for reliable, affordable individual broadband. A graphics designer who works at home, a video editor who works out of their apartment, may not be in an area where you would expect to have a high-speed broadband, and they're probably not buying a business package, but they would be getting a residential package, now we believe most likely more highly priced by Time Warner making it more difficult. Eighty-five percent of the businesses in New York are small businesses. Many of them survive because of their access to the internet. Certainly many small retailers find it absolutely essential to supplement their in-store purchases with e-commerce, large amounts of information which have to be uploaded and downloaded. What impact is a data cap going to have on those business? We suggest it's going to be negative, and we're very concerned about that, because as everybody points
out, small business is the engine of our economy, and our
economy is sputtering at the moment, and anything which adds
hundreds of dollars to monthly costs for small businesses is
simply a burden which we should resist very rigorously.

Finally, I'd like to talk a little bit about the
Internet Essentials program, and just to say that it's -- that
it's always interesting to follow an industry spokesperson who
paints a very, very rosy picture and to wonder why it is that
there is such an extraordinary disconnect between the wonderful
programs that they outline and the source of consumer responses
that my colleagues at Consumers Union are finding, and
unfortunately the situation with Internet Essentials is all too
similar; a very different world view from the provider of the
idea and the people who actually are supposed to benefit from
it. It's a good idea as far as it goes, but we are concerned
with a number of different aspects. Number one, given the
really substantial problem of the digital divide, why limit it
to families with school-aged children and not only families with
school-aged children, but only families who qualify for the free
lunch program? In discussions with our high school interns,
they tell us that only a small percentage of their school
population actually qualifies for the free lunch, and yet the
schools find that significant numbers of students need
assistance. But what about low income seniors? What about low
income people living on their own, families without children who
need internet services and who are unable to afford them or for whom they're just not available? We hear from our colleagues in other states that there are significant barriers to taking advantage of Internet Essentials. It's already a program which is targeted at a very limited population, and the population within that limited number is already further limited by barriers which Comcast places in front of advocates, and the fact that this program that they talk a lot about to regulators and to the press has such a low participation rate in the target population really raises questions about their followthrough.

It's very easy, it's great to announce a good program with fanfare and to brag about it to regulators. It's a lot harder to sustain the program and to make it really attractive to the people that it should be benefitting, and so the explanation and the actual real world experience just does not jive, and unfortunately, when we look at Comcast performance with other mergers in other jurisdictions and with other programs, we see too stark of a difference between what they promise that they will deliver and what they actually deliver when the rubber hits the road. So we believe that there are significant problems here, and we believe that simply conditioning the merger is not going to solve our concerns based on the experience we see in other jurisdictions and with earlier mergers. Here in New York we have the advantage of being able to see how Comcast actually performs in the real world after other merger conditions and in
other jurisdictions, and we believe that their performance raises real concerns, and we think that once the record is fully established in this proceeding, that it will not support a finding that this merger is in the public interest. Thank you.

JUDGE PRESTEMON: Thank you very much, Ms. Lerner. Our next speaker is Mark Malaspina, president of Computers for Youth. Mr. Malaspina oversees the nationwide program of innovation and implementation for Computers for Youth, including the organization's school-based programs to help low income families adopt and use broadband effectively to support their children's educational success.

MR. MARK MALASPINA: Good evening. We appreciate the opportunity to contribute our insight as the New York State Public Service Commission evaluates the potential merger of Comcast and Time Warner Cable. CFY does not take an official position for or against the potential merger of Comcast and Time Warner Cable. Instead, the purpose of our testimony is to focus on a very important merger consideration. How exactly would Comcast operationalize its commitment to provide essential low cost broadband service to low income families in the Time Warner Cable service area in New York State? In its existing service areas, Comcast operates the Internet Essentials program, which provides eligible low income families with opportunity to obtain low cost broadband service and refurbished computer. We believe that Internet Essentials has strong potential to benefit low
income families, but we recommend three important improvements to Internet Essentials if it is rolled out in a Time Warner Cable service area; first, to implement innovative outreach strategies involving schools and teachers. Second, to avoid enrollment obstacles, and third, to support continued enrollment by the families.

Before discussing these recommendations, I'd like to provide some background about CFY's experience in helping low income families adopt broadband service. Founded fifteen years ago, CFY helped low income children succeed academically by enabling their families and teachers to leverage the power of digital learning and personalized instruction and driving students' self-directed learning. We have directly served more than $60,000 students in high poverty schools across the country, involving schools also across the five boroughs of New York City. Our approach has two components. First of all, we provide students and their families with home learning technology and hands-on training in using technology to support student learning. After receiving training families receive title to home learning centers, which are refurbished laptops or desktops, pre-imaged with Microsoft Office and educational software across the whole subject area. We also provide families with information about broadband enrollment, including details of any available broadband discount program. Secondly, we provide teachers with professional development workshops and
consulting to help them implement the learning practices that engage students effectively in the classroom and extend learning to the home. We also inform teachers about the broadband signup process so that they can motivate and encourage families to enroll.

Based on our experience, CFY was chosen as the lead program partner for two large federally funded initiatives designed to increase and sustain home broadband adoption among low income families in New York City from 2010 to 2013. Through these programs, CFY served a total of more than 27,000 families across more than eighty high poverty schools in all five boroughs. The programs were funded primarily by the U.S. Department of Commerce and operated by the New York City Department of Information Technology and Telecommunications and the New York City Department of Education. Through our rolling survey work with families prior to program implementation each year, we found that approximately fifty percent of families did not have home broadband before they received the program. This lack of home broadband was a serious issue both for the affected families and for the entire school community. In order to derive broadband adoption among these families, CFY implemented our standard program components for families and teachers. We also implemented innovative discounted broadband programs with two local broadband providers, Time Warner Cable and Cablevision. We negotiated the best terms we could with each
provider, and memorialized those terms in a signed agreement with each provider in which the provider committed to offer the discount for the life of the federally funded initiative and to ensure a five year discount for all families that enrolled. We set up a comprehensive system to enable families to sign up for the broadband discount through an online system, and we provided multilingual staff support to help families move through the entire enrollment process all the way from initial application to installation. More than eighty-six percent of the New York City families who initially did not have home broadband prior to the program, successfully subscribed to home broadband after our program implementation. Some of the families enrolled in these discount broadband programs and others enrolled in market rate broadband programs either with these providers or other providers. We believe we have gained some important insight into the challenges and solutions of driving broadband adoption among the low income families. We believe that Comcast Internet Essentials program is a promising initiative, but we have three program recommendations based on our experience in New York City and other regions; first, to implement innovative outreach strategies involving schools and teachers. In our experience schools and teachers are very important agents of change in driving broadband adoption among low income families. Families generally have a good level of trust in schools and individual teachers. Moreover, school leadership understands the
importance of broadband for their students' learning and teachers are highly motivated to serve as partners in the family broadband adoption process, so that they can adopt internet-based instructional strategies that extend learning beyond the limited classroom time. We found that teachers were essential partners for us in encouraging families to attend our workshops and enroll in broadband, and we attribute much of our program success to the fact that we work closely with schools and teachers in implementing the program. Based on this experience, we encourage Comcast to explore ways in which they can coordinate with schools and teachers in supporting low income families. Strategies could include A, sponsoring school-based workshops for families to learn how they can support their children's learning and understand the benefits of enrollment, and B, providing teachers in Comcast service areas with Internet Essentials information that they can provide to those families who do not have broadband at home. Our second recommendation is to avoid enrollment obstacles. Through our work in New York City, we believe that it is important to consider three important obstacles that can face New York State families who seek to enroll in Internet Essentials. One very important obstacle is home language. Many of the adults of the families we serve are native speakers of languages other than English and have limited English ability, and we found these families needed significant hands-on, multi-language support in
order to move successfully through the application enrollment process. It will be critical for Internet Essentials to fully support families with a range of home languages, not just Spanish, in order to meet the needs of families in New York State. A second obstacle is ineligibility based on recent service. Our understanding is that Internet Essentials is not open to families who have subscribed to Comcast internet service within the last ninety days. Our agreement with Time Warner Cable did not contain those restrictions, and we think the restrictions would create unnecessary obstacles for families. We recommend that the unrestricted approach that we negotiated with Time Warner Cable be considered via the Internet Essentials program as well. A third obstacle is ineligibility based on prior arrears. Our understanding is that Internet Essentials is not open to families with an overdue Comcast bill or unreturned equipment. Although we fully understand the motivation behind this policy, we recommend that these rules be reconsidered based on our experience with Cablevision and Time Warner Cable. Per our agreement with Cablevision, Cablevision did not permit families to enroll in the discount program if they had any previous bill that was forty-five days past due. We found that this rule posed a very significant obstacle for enrollment, as many families were either unable to pay off the arrears or other families seemed to lose trust in the entire program as they came to view the entire discount program as a rouse to get them to
pay up pass debts. On the other hand, Time Warner Cable agreed
to a more accommodating approach in which families could enroll
even if they had a past due bill based on services or unreturned
equipment of up to $300. Moreover, Time Warner Cable fully
forgave any past due bill of up to $300. This policy posed
substantially less of an obstacle to families in the Cablevision
program and it built the families' confidence that the program
was not a debt collection vehicle in disguise. Third, support
-- our third recommendation is to support continued enrollment.
It is important that low income families are supported not only
in adopting discounted programs, broadband, but also in
continuing to be enrolled in discounted broadband over time. In
other words, the measurement of program success should be total
adoption over time, initial adoption plus retention, not just
initial adoption. One important issue related to continued
enrollment is residential mobility. Because rates of
residential mobility among low income families are often high,
it is important that families receive support and guidance on
retaining discounted broadband services if they move. The
broadband providers with whom we worked in New York City did not
have defined protocols for supporting families who moved, and
often we had to support families to request discounted service
in the new location without going through the entire eligibility
review process all over again. Based on our experience, we
recommend that the Internet Essentials program incorporate
effective protocols for supporting low income families if such
protocols are not already in place.

A second important issue related to continued enrollment is
ineligibility based on modified service. We know that a portion
of families who initially enrolled in the Cablevision and Time
Warner Cable discount programs upgraded their service, eg,
paying market rates for faster speed, and then later decided to
go back to the discount program when their economic
circumstances changed. It was very important for families to
have this flexibility without becoming ineligible for the
discount program. We, therefore, recommend that the following
language in the Internet Essentials' terms and conditions be
reviewed and potentially modified, as it appears to indicate
that families who upgrade their service may be rendered
ineligible for Internet Essentials going forward. Quote,
program participation also may be terminated if the covered
service is upgraded, altered or changed by you for any reason,
end of quote.

To summarize, we are passionate believers in the power of
technology to support learning, and we believe that Comcast's
Internet Essentials program offers tremendous potential to
support low income families.

Thank you for the opportunity to share our thoughts about
how the Internet Essentials program could be even better if it
were to roll out in Time Warner's Cable's current services area.
Thank you.

JUDGE PRESTEMON: Thank you, Mr. Malaspina, and our final speaker tonight is Michael Santorelli. Mr. Santorelli is the Director of the Advanced Communications Law and Policy Institute at New York Law School, where he also serves as an adjunct professor affiliated with the school's Institute for Information Law and Policy. As an ACLP director, Mr. Santorelli oversees the program's many research and writing efforts, a major component of which involves the examination of the array of broadband and technology policy issues impacting New York City and New York State.

MR. MICHAEL SANTORELLI: Thank you, Judge and Chairs, Commissioner Burman, Mr. Hume, Mr. McGowan. It's a pleasure to be here tonight.

First and foremost, I appreciate the Commission leading by example on its energy efficiency initiatives with the conditions in here. So I thank you for that.

CHAIR ZIBELMAN: I was going to say, given the lateness of the hour and our appreciation that you're all here, if you all want to get casual and take off your jackets, we won't mind, including the folks up here.

JUDGE PRESTEMON: I'll lead the way.

CHAIR ZIBELMAN: Let's lead by example.

JUDGE PRESTEMON: Anybody that's still got their suit coat on is just being stiff.
CHAIR ZIBELMAN: You're already getting us to change our minds.

MR. MICHAEL SANTORELLI: So thank you very much for the opportunity to participate in this forum. I'm really honored to be here and contribute to these very important discussions. Before I start, I just want to note up front that I'm here in my individual capacity studying these issues involved in this discussion, and someone who's benefitted immensely from the wisdom of stakeholders, public policyholders, et cetera, and the public not-for-profit and private sectors, and I'm also here as a lifelong resident of New York, and I also wanted to note up front, for what it's worth, law school has been supported by a wide range of firms in the technology space firms, individuals, foundations that have over the years included firms like Microsoft, Google, Comcast, Time Warner, foundations like Ford, McArthur, Mozilla, Rockefeller. So I want to put that out there for whatever it's worth, but my comments here today are my own.

Broadband is really critical to New York City and New York State, so much so that I just wanted to acknowledge that the mayor's counsel, Maya Wiley, is in the audience, who is focused on these issues is really doing some interesting work spearheading around broadband, the critical nature of broadband, I think it increasingly goes without saying because it has the potential to positively impact every person who uses it, every senior citizen, every person with disability, every student,
every parent, every teacher. It also has the ability to transform every sector and area institution that it touches, and that's what makes it such a powerful unit of technology, that it has the ability to fundamentally re-orient the entire sectors and level the playing field for users. A few years ago our program at the school issued a report that assessed the impact of broadband on New York. In that paper we examined the broad array of benefits that high-speed internet access is delivering or is poised to deliver in key parts of the New York economy and in key communities. The analysis included, the paper included data and analysis that tracked a growing mountain of data that have been merged in recent years supporting the basic conclusion that broadband, when effectively harnessed, has a range of measurable and unmeasurable impacts on users, many of which differ from community to community and from sector to sector. For older adults, for example, broadband connectors for seniors, especially those who are isolated, feel more relevant and connected. For people with disabilities it enables a universe of accessible content and tools that facilitate a range of opportunities. For students it delivers more targeted learning opportunities. It connects parents with teachers and a growing number of instances leads to better outcome. For residents and businesses in rural communities, broadband, you know, that portion of New York that's above the Bronx, broadband also serves as a connector to resources that might not immediately be
available, and as a vehicle for delivering critical healthcare and education services, and the list of benefits and impacts goes on and on, expands every sector in the state. And as a result, public awareness of these benefits is increasing in kind as more and more people go online and use their connections to meet their individual needs, and for a public policy standpoint, the emergence of broadband has an impactful and versatile tool to become essential to short term and long term economic development planning. All of its many uses and benefits work in concert with effort to position the state as a leader in technological innovation, be it in producing semiconductors, conducting cutting edge scientific research or serving for high-tech startup, but realizing the many possibilities of broadband is incredibly hard work. These efforts are bigger than one company or one merger. To get to where we as a state, as a community need to be requires concerted, collaborative action to figure out the best most sustainable way for, to these ends, Governor Cuomo in particular extended his vision and his leadership on these issues. His administration has been extremely proactive not only on setting goals, but also deploying a diverse, array of programs and initiatives that constitute an all-of-the-above strategy for broadband throughout the state. His administration, for example, has committed tens of millions of dollars in funding, more than any state of the country, to seed the public private partnerships to support
deploying broadband to areas of the state that remain underserved. The governor has launched an ambitious program, Stark New York, to lure new businesses to the state. Robust availability of broadband is increasingly essential to those efforts, and the state is poised to vote in small on the smart school bond initiative that promises to, among many other things, technology and restructuring schools around the state, and through agencies like Broadband Program Office, the state has emerged as a true leader in developing the effective technology neutral strategies that are tailored to work with a hugely diverse array of communities and geographies and demographics in the state.

So in short, progress is being made on all fronts. Gaps in availability are being reduced. The broadband adoption rate is slowly inching up. Startups and other technology-focused businesses are choosing New York as their home, but challenges certainly remain. Tens of thousands of households in the state remain unserved or underserved. Many of these households are difficult to reach, making them uneconomically served in the absence of some sort of public funding element, like Connect New York. There are also challenges associated with fostering continued innovation and competition among all the firms under broadband, and especially those providing internet access service via cable, fiber, DSL, fixed wireless, mobile, satellite. Each of these platforms has played a key role in
bringing broadband to some part of the state, and in likelihood, they will continue to play key roles to bringing broadband to certain parts of the state. And there are also enormous challenges related to promotion continued adoption of broadband and ensuring that we just have the skills needed to put their connections and their broadband-enabled devices to meaningful uses. All of this should serve as the foundation for what we think of as the public interest in the context of discussions about broadband in New York. The public interest here revolves around the ability of all stakeholders to align resources in every sector of an internet community around shared goals for broadband connectivity. The key question to ask them, of any proposed transaction or program or initiative is whether it will make us better off, whether it is worthwhile to shake up the status quo in an effort to overcome barriers that might be impeding further progress. So as a general notion, if the actions of a particular entity clash with these ideals, then it's fair to say that they're not acting in the public interest, but if they do things or commit to doing things that address these many challenges, then we should say that they are acting in the public interest. In the context of this particular transaction and any major transaction for that matter, it's very tempting and very easy to be cynical about perceived motives for possible outcomes. It's also tempting to look at this proposal through a very broad lens, when in fact we the public of
New York need to look at this from the perspective of whether this transaction or, again, any transaction or program or initiative will help to realize our goals, New York's goals for broadband, and so it's critical that we keep all of this in perspective. It's sometimes tempting to look at this merger as a microcosm or a proxy for all the other big macro issues that are being debated, and certainly those debates are an outcome to impact every firm throughout the ecosystem, including the ones at issue here today, as well as consumers throughout the country, but those battles are best fought in other forums because mergers are just not the best way to make lasting policy. But nevertheless, this process that we're involved in here today affords many opportunities for us, the public, to ask some tough questions about whether the proposed transaction will operate in our interest and will make us as a state better off. Unfortunately, there's no formula that exists to provide us with a definitive answer one way or the other, but again plug in a bunch of data and have it spit out a result. But there are a lot of relevant inquiries that we can and -- that can and should be made, and the answer to which should inform this particular discussion. Foremost, among these is whether the transaction would contribute to helping us as a state realize poorer goals for broadband connectivity on both the supply side and the demand side, our proposed commitment of resources and efforts to leverage scale enough to assist in improving assisting networks
throughout the state and building out new ones and in helping to close stubborn digital divide.

There's much data in the public filings and in the public statements and elsewhere to suggest that the transaction would in fact yield more benefits and cost on these points. Another question to ask is how this transaction might impact businesses of all sizes. Will they and their employees be better off? Will the transaction bolster state efforts like Startup New York, help to fuel more startups and attract new businesses to the state? Again, there's evidence to suggest that it would, that it would likely support efforts to improve network infrastructure for businesses of all sizes. And what about here in New York City? If the transaction were to go through, would the newly formed entity be able to catalyze further innovation to help to spur industry, to help to increase investment in the city's increasing essential startup space? Would those proposed actions align with state and local goals supporting community growth in key sectors in otherwise diverse buying economic activity? Again, there's evidence to suggest that it will in fact yield better outcomes and continuing forward with the status quo. New York City in particular is well positioned to benefit for impossible leveraging existing assets here, like NBC and Comcast Venture Funding Arm, all of which could assist it, the newly formed company, and immediately establishing it as a partner to helping New York City and potentially other cities
throughout the state cement its reputation as a hub for high
tech innovation.

And finally, on an issue that's near and dear to me, is
broadband adoption. What about broadband adoption? Is Internet
Essentials what it's cracked up to be, and we've heard some
varying perspectives here, but leaving aside criticisms about
alleged shortcomings in program eligibility criteria and other
aspects, there's substantial evidence to suggest that the
program's effective in connecting unconnected low income
community members and working to ensure that they are digitally
ready. One million new internet users is an impressive number,
one million people who are aligned who probably would not be
aligned but for program. In having studied and written about
the program in isolation and as part of sort of analyses of
other adoption programs, I truly believe that it could have an
enormous impact in New York, and especially here in New York
City, which has some of the largest school districts in the
nation, and what makes it even more exciting, and Mark touched
on this in his testimony, is that New York City and New York
State is already home to just a broad array of really great
digital literacy groups, like News For You, Computers for
Children, testified at a previous hearing, so many others here
in the city and the state, and I imagine that all those groups
would be very eager to partner with Comcast via Internet
Essentials or some other program or some other way to come up
with just some really creative solutions to this really endemic, entrenched, complex problem on the demand side.

So in closing, I wanted to reiterate the importance of keeping these discussions in proper context. Doing so allows for more merit-based evaluations that revolve around a relatively simple metric of whether transactions or any effort implicating broadband in New York will or will not on the whole help to move the needle on core goals for this vital technology.

Thank you again for asking me to contribute. I look forward to any questions that you might have.

JUDGE PRESTEMON: Thank you, Mr. Santorelli. That was our final speaker in the information forum. We now have an opportunity for the commissioners and members of the Department staff to ask any questions of the speakers they may have. If there is a question directed to you, you can probably just use one of these microphones at the stand here, but I believe first I believe Chair Zibelman has a comment.

CHAIR ZIBELMAN: Just a comment. First of all, I wanted to thank everybody for attending this, the speakers, as well as the audience.

AUDIENCE SPEAKER: All your microphones, they muted. Everybody mumbles. They're very low. All of them are low.

CHAIR ZIBELMAN: Can you hear me now?

AUDIENCE SPEAKER: Yes.

CHAIR ZIBELMAN: Okay, great.
AUDIENCE SPEAKER: Everybody.

CHAIR ZIBELMAN: I apologize for that. We will endeavor to speak closer to the microphone. Is that okay?

AUDIENCE SPEAKER: Better.

CHAIR ZIBELMAN: So first of all, I want to thank the speakers, Comcast, for joining us tonight and all the members of the public. We on behalf of the Commission, this is -- and staff, this is a very critical component of our deliberation process. It's important for us to hear from the public. We take your comments very seriously, both your oral comments tonight and any written comments that you want to supplement and add it to the record. So again, thank you for being here. And as you know, this process will involve public hearings. We've had three so far, and in addition there will be an opportunity to write formal comments in as well. Our staff as well will be writing comments, and all of which will be essentially considered by the Commission to make a determination on the proposed transaction. So again, thank you for being here. I have, if I can, Judge.

JUDGE PRESTEMON: Yes, go ahead.

CHAIR ZIBELMAN: I have just one -- a question I'd like to ask, actually, to the four of you who testified in terms of the merger, and it seems to me that a little bit of what I've heard, and just for my own clarification, is that everybody agrees that, and I suspect Comcast too agrees, that one of the outcomes
we want to get out of this is certainly from the Commission’s perspective an important outcome is around universal access to broadband, and when I say universal access, it's not just the ability to connect; it's the ability to connect at a price one can afford, and that secondarily that it doesn't act as a limiting factor as you -- as Ms. Lerner, you were suggesting for others might want to do alternatives. So the question I had, and I thought it was a interesting comment, is this issue in front of us now one where, as I believe the gentleman suggested, we can condition it in order to achieve the public interest or is it something that you're suggesting that because of the -- this -- the scale of the company, Ms. Lerner, that can't see any conditions, and I'm sorry I'm gonna --

MS. DELARA DERAKHSHANI: Ms. Derakhshani.

CHAIR ZIBELMAN: Ms. Derakhshani, the same thing, can you conceive of conditions that the Commission could impose to address your concerns or is it -- are you suggesting that the shear scale should be considered by the Commission as a threat to getting these concerns addressed, which then leads me to my next question, is since the situation is here now that we're not getting the access we want, what's the alternative route that you would suggest would be better for the state?

MS. SUSAN LERNER: Well, first we have two --

ADVISOR MCGOWAN: You want to hit that button?

MS. SUSAN LERNER: Yes, I do. Thank you. We have two
concerns. The first is in deed the scale, but the scale from a public point of view creates an entity that has so much inherent power, market power, financial power, political power that it is basically unregulatable and not truly accountable either to its customers or to the governmental entities with which it enters into contracts and the entities which would then, like the PSC, have oversight responsibility over its conduct. The kind of penalties, for instance, that you would be able to access for the conduct here in New York would be barely a pinprick for an entity of the size of a Comcast if you found it had violated conditions, and the second point that I try to make is that I think that we can look at Comcast behavior and promises that it has not fulfilled or either violated in relation to other mergers to raise significant concerns that yes, I'm sure that there are a host of conditions which we could suggest, which the Commission and its staff would be able to recommend, but we have very little confidence that Comcast will actually honor those Commission -- those promises, and we believe that its conduct in relation to earlier mergers shows that it will violate conditions when it feels it's to its advantage and that the remedies available to government are not going to restrain its anticompetitive self-interested conduct.

MS. DELARA DERAKHSHANI: So Consumers Union would maintain that any benefits are not enough to outweigh the harms that are likely to result from this deal, and we would maintain that it
should be blocked. We have a few -- there are a few points I want to touch on. First is that determining what's in the public interest is just not limited to a discussion of broadband; obviously, a very part of the discussion, but things such as the consumers experience I think play just as equal -- just as important a role and customer service and the consumer experience, we've heard a lot about the state of that in New York, and there are a lot of concerns that it's not going to get any better, so and, you know, oftentimes I notice that the companies, the combined two companies point to network investment as an indication of how things might get better, but again, there's -- we have yet to see that any of these benefits will really pass along to consumers or that they'll reach all consumers, and the ultimate goal should be to be able to reach consumers in all areas, including rural areas where there may not be as much of an incentive to build out, for example. So we're also concerned about perhaps a bit of an overstatement of the level of competition. There's still a lot of issues, but the broader public interest standard I think should seriously consider the consumers's perspective in addition to many of the things that were mentioned today.

MR. MARK MALASPINA: CFY is not taking a position on the -- on the merger as a whole. We -- we would suggest that if the balance of the pros and the cons are evaluated, that as we said, the Internet Essentials program I think has potential. I do
think that this would be an opportunity for Comcast together with other parties to revisit some aspects of Internet Essentials, taking into account, for instance, the language issues in New York City, taking into account some of the learnings that we had from programs with Time Warner Cable itself and make the Internet Essentials program a much, much stronger program, that again, we think it has tremendous potential, and as Michael said, I think could be transformative if done in fully the correct away. So that -- that would be -- we recognize the Internet Essentials is not the only issue here, but for us it would be an important one to -- to consider in its details a transformative role.

MR. MICHAEL SANTORELLI: So to your question about the notion of universality and broadband in the state, just a couple of points. First I think most, if not all, cable franchises already have requirements in them, so I think that those would be -- sorry, I'm very soft spoken. So pardon me if I -- if you don't hear me. But in terms of the certain broader notion of universality of broadband in the state, generally as I mentioned in my testimony, and respectfully it's a -- as I'm sure you all are very aware of, it's exceedingly complex and respectfully it goes beyond this particular proceeding. I have had the opportunity to serve on the New York State Broadband Task Force for the last six or eight months or so, and this really gave me a really unique window into the very many challenges that face
-- so many communities face; state, north countries, southern tier, et cetera, and so figuring out, you know, solutions for these areas where broadband is not available or areas that are unserved doesn't lend itself to a one-size-fits-all solution. As I mentioned in my testimony, it's more sort of all-of-the-above strategy. Some areas might be amenable to cable. Some might be more amenable to fixed wireless, which is an increasingly popular product in certain areas that are especially geographically remote. The Connect New York program that I think has been mentioned, I mentioned it and it has been mentioned elsewhere, has also been very successful in seeding these partnerships and bringing a diverse array of stakeholders to the table to figure out exactly which communities need to be served and how to serve those communities in ways that are both economic and that are, again, that reflect the -- the unique topography and demographics of a particular area, so.

CHAIR ZIBELMAN: I could see you were --

MR. MARK REILLY: You could see me on the edge of my seat, right. It's always a challenge when you've got four speakers who raise a lots of different issues and where to begin. So, you know, I think to answer your question, you were talking about some of the challenges set before you and some of the issues that have been raised tonight about those who don't have access, and they don't have access because the facilities don't run by their door or they don't have access because of
affordability. We have, for those who were participating in the
public forum in Albany last night, we talked a little bit about
this same issue and talked about Comcast history of extending
its network in adjacent Vermont, was one of the examples that we
gave, and it was in a partnership where the state had identified
similar issues to what's being identified here tonight as part
of the challenge in New York, at least part of the challenge in
more rural New York, that some just don't have a choice running
by their doorstep or by their farm, we heard about last evening,
and how important it is to have those advanced services running
by the door. So we have as our normal business extended our
network, but also where there are those really remote areas that
it is really difficult to justify a return on investment to
extend the network, we have engaged in partnerships similar to
the Connect New York partnership with the Vermont Telecom
Authority, and that was able to bring our network to those more
rural parts of Vermont, and we envision, as we said last night,
that there will be an interest on our part in participating in
the Connect New York program to bring more people in New York
online. But as far as adoption is concerned, you know, we heard
a lot this evening about the inadequacies of Internet
Essentials, and it's -- you know, it feels from our perspective
like it's a no good deed goes unpunished moment because the
reality is no other company is stepping up to the plate like
Comcast has stepped up to the plate to offer a program that can
try to connect people to the internet, who but for this program 
don't have the means to be connected, and we talked last night 
about the fact that we have modified the program because some 
said initially this isn't good enough. This isn't really going 
to meet the needs of individuals who need to be connected. So 
what do I mean by that? When we launched the program, it was 
only for the free school lunch program students, and it was only 
in public school, and when we talked to individuals like the 
individuals you've heard this evening, when we talked to 
policymakers, they said wouldn't it be great if you didn't limit 
it just to those who were in public school and those who were in 
the free school lunch program. We then expanded it to the 
reduced school lunch program, and then we had instances where 
there were provision 2 schools, where seventy percent of the 
people in that school are in free or reduced school lunch, but 
the other thirty percent aren't, but they, for recordkeeping 
ease, if you will, consider the entire school to be eligible for 
free school lunch program. We expanded our Internet Essentials 
program to meet that. Moreover, when we launched the program as 
one and a half megabits, we heard from educators and we heard 
from parents and we heard from policymakers. While we 
appreciate Comcast's efforts to connect those who aren't 
connected, one and a half megabits is inadequate. We doubled 
the speed. When we had it at three megabits per second, we also 
heard from people saying, you know, for some of these videos
that we're looking to download, educational videos, even three megabits isn't fast enough. We brought the speed up to five megabits. So every step along the way, whether it's speed, whether it's those who were eligible or for that matter public school, we opened it up to parochial. We opened it up to charter. We have people from cyber school say what about us. We opened it up to them. We had home schools say what about us. We opened it up to them. So we have changed this program throughout. Where are we today? So we estimate that about ten percent of those who are eligible sign up. If you compare that to our regular internet service, we've been at this now for almost twenty years, and we have about forty percent of individuals we pass sign up for that service. Are we interested in partnering with more organizations to expand the reach of the program, yes.

CHAIR ZIBELMAN: Thank you.

JUDGE PRESTEMON: I have one question, sort of as a followup to some of the comments. Do any of you believe that the Commission could treat the sheer size of the company that would be created by the combination of Comcast and Time Warner as contrary to the public interest if that combination is not in violation of any laws governing the combination of companies to the merger?

MS. DELARA DERAKHSHANI: So I think the question was what is -- what -- is there a reason that this could be against the
public interest, given the shear size of the company, and I think that the answer is yes, and I touched on this a little bit in my testimony earlier, in that a large company with a huge national presence may have less of an incentive to address local New Yorkers' concerns, for example, and that's something that I think is likely to result, so --

AUDIENCE SPEAKER: Could you restate the question?

JUDGE PRESTEMON: Okay. What I was trying to say is can -- could -- is there a basis for the Commission to treat the shear size of the combined company as being contrary to the public interest if there are no laws that dictate that the size of the company or the combination of these companies is illegal or otherwise improper?

MS. SUSAN LERNER: In essence, not an antitrust violation?

JUDGE PRESTEMON: Not an antitrust violation -- (inaudible)

MS. SUSAN LERNER: I think that this Commission has a separate charge in terms of how it would define public interests from a classic antitrust pro competition definition, and I think that we have a regulatory framework, and I think we have public expectations in terms of the ability to hold companies accountable and to be able to perform effective oversight, as I think I said in response to the chair's question, and I believe that once -- when you have a company with the kind of market power and actual just economic size of the combined Time Warner Comcast, that the ability of any one state to effectively
provide oversight in the public interest becomes limited, and
the ability of the state to require remedies which will
meaningfully govern the conduct of that large of a national of
an entity becomes very limited, and that has, I think, a very
significant negative impact on public interest.

JUDGE PRESTEMON: Thank you. Everybody does not have to
answer, but you may.

MR. MICHAEL SANTORELLI: I would answer the question by
saying that no -- no, I don't think that -- the -- that the
Commission has a basis for that. Let's go over the inquiry here
before the Commission of New York State and as often outlined
the filing and elsewhere, the company, the merged entities don't
compete head to head in New York, so it's sort of swapping out
one for the other and as for any potential antitrust violations,
there are ample laws in the books here in New York on a federal
level to protect against anything that might happen subsequently
post merger.

MR. MARK REILLY: So, you know, where it feels like the
conversation is going is that things will get so big in New York
that we should be afraid of this, and the reality is, though,
that the proposal before us is for Comcast to step into the
shoes of Time Warner. So then the analysis I think should
reflect upon what do we get from Time Warner today, and what
could we get, and I think for every product, whether you're
talking about video, you're talking about voice, you're talking
about broadband, there are better things that you get from Comcast than you can get from Time Warner. So what do I mean by that? Time Warner has said that it will convert to all digital. We have said we will accelerate that schedule to convert to all digital. Time Warner's top speed right now offers a hundred megabits per second. Comcast is 500 megabits. So the materials talk that we've submitted, and they're available for the public for review, we talk about those differences. One thing, though, that we haven't really spent much time talking about is that benefit of scale. So people talk about a number of things tonight. We'd like those advanced services, and we'd like for you to also do more for people who are at the lower end of the economic spectrum. It takes significant resources to be able to do that, and New Yorkers will have the benefit not only of being able to essentially plug into that network that's all around them, that's more advanced than the network that exists in New York today, but you also think with respect to that reliability, you have the ability with the merger of this kind for New Yorkers to not only plug into that advanced network, but when it comes to times of crisis, whether it's hurricane or other natural disasters, having that network that is nearby for redundancy as well as the resources to restore services, meaning people in trucks coming to restore services in a situation like a Hurricane Sandy, if you have a company with scale, you have the ability to lean on those kinds of resources. At the end of
the day we've spent 85 billion dollars investing in our network
over the last fifteen years. It's not an inexpensive game to
play to be able to reinvest in the network and keep meeting
customer demand. The last five years it's 27 billion. Last
year was 6 billion. So you need a company that's going to have
the resources to be able to deliver what consumers want, and we
heard a lot of I want tonight, and you need a company not only
with the resources to do that, but the expertise.

JUDGE PRESTEMON: Thank you. I don't believe there are any
additional questions, so we are going to move on right now to
the public statement hearing phase proceedings tonight. As I
said at the beginning, this is an opportunity for any member of
the public who wants to, to come up here and give their comments
to us live and in-person and have them transcribed and made part
of the record of the case. All we ask is that you go to the
table back here, fill out a card indicating your interest in
speaking. We will then call everybody in the order in which the
cards were handed in.

CHAIR ZIBELMAN: Looks like we have several.

JUDGE PRESTEMON: We have twenty-two individuals who have
indicated they'd like to speak. If everybody took ten minutes,
we would be here until close to midnight. So please, if you can
out of consideration of your other interested speakers, try to
keep your remarks down to as brief as possible, preferably five
minutes or less.
We are going to begin tonight with the New York City public advocate; Letitia James.

MS. LETITIA JAMES: So I'm not sure why the AC is not working in here, but obviously in the City Council we've had hearings that have gone past midnight, and sometimes democracy demands that you sacrifice the time so that any interest in the public. So --

AUDIENCE SPEAKER: Can you press the button so we can hear you, please? We cannot hear you.

MS. LETITIA JAMES: I gradually get louder.

AUDIENCE SPEAKER: Thank you. You don't have too many -- it's not too long, five minutes.

MS. LETITIA JAMES: Yes.

AUDIENCE SPEAKER: Thank you.

MS. LETITIA JAMES: I have to build up, but you'll hear me. Trust me.

So good evening, Chair Audrey Zibelman, and members of the New York State Public Service Commission. As New York City's public advocate and chair of the Commission on Public Information and Communications, COPIC, it is my duty to represent and inform the public on relevant changes in communications technology and the effects any such changes might have in our -- in our state, in our city and in our community. The proposed Comcast/Time Warner Cable merger has the potential of carrying considerable implications for New York City
consumers, which is why I've come here today and I'm prepared to testify.

Prior to rendering a decision, the questions that I've heard thus far to me suggest a concern that this project is too big to fail, and I would suggest otherwise. The Public Service Commission must thoughtfully and diligently deliberate the effects that the proposed merger would have on New York City residents and New York State residents, and to ensure that the needs of all of our people are best served by any changes that would or could result. The deal would merge Comcast Corporation, which is not only the biggest cable company in the United States; it's also the largest media provider in the world, with Time Warner Cable, the second largest cable -- cable company in the country. This merger is highly concerning to any reasonable person with respect to the effects of noncompetition on internet and cable customers, as it will likely diminish what is already minimal competition for high-speed internet, and so notwithstanding the fact that the law may be silent on this issue, it does raise some antitrust concerns and questions with regards to basic competition in our country and in our city. Currently United States customers pay more for broadband internet access than those in most other developed countries, yet more often than not, we received inferior service with respect to speed and reliability. Specifically, in large urban hubs such as New York City and Los Angeles and Washington DC,
Residents pay inflated prices for slower internet service. In New York City competition for service is essentially non-existent, offering customers no option whatsoever, and essentially forcing the patronage to a sole provider, which is primarily Time Warner Cable. I've heard from constituents in my former councilmanic district who basically argued with me as to why we did not have more competition in the industry. Accordingly, within New York City Time Warner Cable can name its price for cable services without threat of competition and little incentive to ensure that service is provided well. This may further degrade without competition, not less. In addition, apart from cable and internet customers, Time Warner Cable and Comcast already have the vast majority of power to set prices on transit and content providers, and that should concern the members of this board, some of whom are direct competitors of content providers owned by Comcast, which certainly sounds ripe for an abusive power by Comcast towards non-Comcast owned content providers. Comcast recently acquired NBC Universal, and this merger would consolidate two content empires. Furthermore, if the merger were to succeed, the interconnection market where Comcast in particular already has tremendous control, would undoubtedly -- would be undoubtedly altered, possibly facilitating Comcast to gain additional leverage and demanding higher payments from transit companies. We must ensure that any approved agreement does not negatively impact the quality and
capacity of internet and cable services for New York City consumers.

The chair asked earlier about making language, making this conditional. I would ask that you go a little bit further. As this merger is considered, it is critically essential that you assess how our most underserved communities would be impacted. How will this transaction impact the digital divide which primarily affects low income and marginalized communities, not only in New York City, but across the state. We must analyze the possible short and long term social and economic implications of such a decision. Internet service providers are currently able to charge consumers inflated prices as a result of poor competition. It is possible the merger would only lead to additional price increases, completely shutting off families and individuals already facing difficulty paying for the service. Low income communities would, therefore, be disproportionately excluded from accessing what is now considered a basic form of infrastructure in our society and means of communication -- and as a means of communication. In today's world access to the internet is inarguably critical to function in formal and informal spaces, and the costs to digital segregation are rising. Needless to say, the internet serves as a channel of endless information to which individuals now access the news, employment opportunities, education, entertainment, culture, et cetera. If accessing the internet becomes more
difficult for low income communities, academic and employment competition may be undermined and would conceivably damage the prospects of upward mobility for low income New Yorkers and further exasperate income inequality. If the merger were to pass, Comcast's Internet Essentials program for low income consumers currently at a cost of $9.95 a month would be extended to New York City residents; however, many accuse the program and we have heard from many in the Office of Public Advocate of how difficult it is to access by the fact that they establish these cumbersome criteria. Additionally, the program evidently offers second class internet quality and speed five megabits per second for Internet Essentials, compared to twelve megabits per second for regular paying customers. In Philadelphia, for example, where Comcast is headquartered, the program has low participation rates and has even caused protests and rallies. Comcast -- Comcast is, therefore, accused of using Internet Essentials as a public relations scheme in order to have the merger granted while it simultaneously gains increased profits by acquiring low income customers in areas in which their service already exists.

As a starting point in addressing some of these concerns, and if you are prone to approve this merger, the merger should provide free, yes, free service to low income communities. The merger should also include a component for local hiring and job training. Additionally, free Wi-Fi service should be provided
in many more parks and playgrounds and public schools, and
during this time of critical importance, there is also an
opportunity for Time Warner and Comcast to modify their terms of
service to allow people to securely share their Wi-Fi connection
with neighbors or others within range without jeopardizing their
profits, of course. The merger cannot allow either company to
breach current public good contracts such as Time Warner's
contract to support public access in exchange for their cables
running in public-rights-of-way. On the contrary, public access
channels should be expanded and diverse in educational programs.
Strictly children's programming should be a priority.

Last but not least, providers must accelerate deployment of
high-speed internet to digitally underserved communities, not
only in the city, but across the state. Transparency and
accountability are imperative in this process, and I urge the
Commission to investigate the issues that I have shared this
evening, but let me end by saying please do not be afraid of
something that is too big to fail. We've seen how that has had
an impact on New York City and on residents across The City of
New York. You should raise all of these issues, and if in fact
you are concerned about anti -- about competition and antitrust
concerns, then perhaps you should oppose this.

I thank you for this opportunity to testify this evening,
and the Office of Public Advocate will continue to monitor --
monitor the situation, and we will also consider -- consider
legal options that might be available based on the number of
issues and concerns that we have heard from New Yorkers as a
result of this merger. Thank you.

JUDGE PRESTEMON: Thank you, Ms. James. If I don't say the
name correctly, make sure you do when you come up to speak, and
spell it. Our next speaker is Ben Kallos, New York City council
member, who's last name is spelled K-A-L-L-O-S.

MR. BEN KALLOS: Thank you very much, the Commission, for
having us here and for having the public here and thank you to
our public advocate, Letitis James, for being here as an
advocate for the people.

I'm council member Ben Kallos. You can Tweet me at
Ben Kallos. I'm the Governmental Operations Committee chair. I
give my testimony on behalf of eight council members,
James Vacca, Technology Committee Chair, Richie Torres, Public
Housing Committee Chair, Stephen Levin, General Welfare
Committee Chair, Jimmy Van Bramer, Majority Leader,
Costa Constantinides, Library Subcommittee Chair, Danny Dromm,
Education Committee Chair, and Karen Koslowitz, State and
Federal Legislation Chair. And you might wonder why all we care
about this issue, but it impacts so many different areas of the
city and all of those subject areas. As Comcast, the largest
company in the United States, seeks to -- the largest cable
company in the United States, seeks to acquire Time Warner
Cable, the second largest, with more than 2.6 million
subscribers in this state, please use your new regulatory power to determine whether or not the merger is in the best interest of existing customers and the residents of New York City and State.

We believe that such a merger would only be in the public interest if paired with net neutrality and a significant expansion of free and affordable internet access for low income families and individuals to reduce the digital divide. The Internet Essentials program launched by Comcast in 2011 to provide low income households with affordable broadband is a positive first step, but major shortfalls must be addressed.

Only 2.6 million families of the 7.2 million families making under $35,000 in Comcast service area are eligible for the program, as it only applies to families with children eligible for federal free or reduced priced lunch. Of that 2.6 million, a mere 300,000 families have applied. This does little to close the digital divide; the gap between those who can afford internet access and those who cannot, a division that entrenches social and economic disparity. We propose that you require the expansion of the Internet Essentials plan for New York customers as cited in Part C, Section 1 of the petition. The transaction will generate other significant public benefits. Internet Essentials must go beyond families with children on free and reduced lunch to provide free access to NYCHA Public Housing. That's 403,120 residents and 175,587 families in 178,557
apartments. People on unemployment insurance benefits and institutions serving vital public needs, such as 1,700 public schools serving 1.1 million students and 223 public libraries free or affordable access should be provided to family and individual recipients of income qualifying federal, state and city subsidies and the loopholes that deny Internet Essentials to old customers, those who have missed a bill in the past or those who have unreturned equipment must be closed. Closing the digital divide has been a priority for New York City and indeed our nation. The FCC's 2010 national broadband plan includes the imperative to create mechanisms to ensure affordability to low income Americans, noting that only forty percent of adults making less than 20,000 per year adopted terrestrial broadband at home, while ninety-three percent of adults earning more than $75,000 a year have adopted broadband at home. This has also been a major priority of mayor and the city council. Mayor de Blasio has laid out a goal of universal, affordable broadband to ensure all New Yorkers can carry out the fundamental tasks of accessing information, applying for jobs, communicating with co-workers and loved ones that broadband access facilitates. The City Council included the need to expand free Wi-Fi across our public parks in our budget priorities for the upcoming fiscal year.

As you consider a merger that will provide Comcast with forty percent of all broadband customers in the United States,
Comcast and Time Warner must also and equally importantly voluntarily abide by the FCC's Title 2 regulations banning unreasonable or unjust discrimination and ensuring net neutrality. Internet access, no provider, least of all one controlling such a huge share of the interest access, should control the flow of information on the internet by speeding up or slowing down traffic for pay or based on content type.

Currently the FCC is seriously considering using its authority under the telecommunications regulations founded in Title 2 of the Communications Act. Comcast and Time Warner should choose to abide by these regulations voluntarily. All Americans and New Yorkers deserve access to the internet, the same access no matter their income level or content types. The merger between two corporate giants have become providers of one of America's most crucial resources, must, if approved, be in the public interest, and only ensuring affordable and unconstrained broadband access will guarantee that. We as representatives of America's most popular city urge you to look toward a future where all families and individuals can reap the benefits of a competitive, free and open internet. Thank you.

JUDGE PRESTEMON: Thank you, Councilman. Our next speaker is Andrew Gounardes, representing the Brooklyn Borough President's Office.

MR. ANDREW GOUNARDES: Thank you. Good evening. My name is Andrew Gounardes, G-O-U-N-A-R-D-E-S, and I serve as general
council to Brooklyn Borough President, Eric Adams. I offer this statement on his behalf.

Thank you to the New York State Public Service Commission for holding this public hearing tonight on the proposed merger of Time Warner and Comcast. It is important and appropriate to the Borough Presidents' Office comments on this proposed merger. I note that there are a lot of questions and concerns that many people have about this merger, and our office echoes the sentiments of both Public Advocate James, and council member in their statements as well, but tonight I want to focus on the issue of public access and how important public access is for the people of Brooklyn. As part of its franchise agreement with the City of New York, Time Warner Cable and all of the other cable service providers operating across the city have a contractual obligation to support community access organizations which provide public access services for residents of each borough. These agreements are subject to the approval of the Franchise and Concession Review Committee on which each borough president sits. When the cable service providers last renegotiated their franchise agreement with New York City, the last administration at Brooklyn Borough Hall made sure that public access was a high priority and that Brooklyn's Community Access Organization, BRIC, received its fair share of support. Why is public access so important? The answer is actually very simple. Public access helps sustain the free society that we
all so deeply cherish in this age of digital democracy. When we empower the people of Brownsville and Bay Ridge, of Williamsburg and Brighton Beach, of Canarsie and Cobble Hill, with not only the means of digital information, but the tools that create such digital information, we can break down barriers and unleash opportunities undreamt of across Brooklyn. BRIC provides the only unmet mediated coverage available to community leaders in Brooklyn. BRIC also provides spiritual outreach. More than twenty percent of BRIC's programming is -- is put on by local religious programming that represents all phases across our borough. Also provides positive coverage on Brooklyn-based cultural activities that do not get media attention from mainstream media sources. BRIC is a forum in which Brooklynites work together to create a community in our own image, so important when today Brooklyn is one of the hottest brands internationally. It's true. And lastly, the important thing about our Community Access Organization is that it provides technical training and jobs. Provides training that allows people not only to make themselves ready for jobs in the media, but also to increase media literacy that is vital to participation in today's world. In this we have one interest, one Brooklyn. We see the public resources which are part of this agreement as critical to our efforts to bring Brooklyn together as one. Public access to cable channels, to equipment, to free media training, to interconnectivity, these are the
tools that every modern society needs to create a true sense of community. The Borough President's Office strongly endorses and supports the work done by our Community Access Organization, BRIC. Brooklyn could not, Brooklyn would not be where it is today without the services and programming provided and available to each of our 2.6 million residents. Public access is so important to Brooklyn, and that is why our office is asking the Public Service Commission, if it sees fit, to approve this merger, to approve it based on the following points: To maintain public education and government channel capacity at levels current in the existing franchise agreements. Cablecast public education and government channels with the same quality as commercial channels and keep public education and government channels in easily accessed stable locations.

Furthermore, we seek assurances of support for public access services, including vital training, production and distribution services now provided to digitally underserved populations as well as hyper-local media coverage, regardless of any shift in cable markets facilitated by the concentration of market power.

Lastly, we assure -- I ask for assurances that city revenues from franchise agreements continue at at least the current levels, but obviously we must achieve at increase significantly.

The Borough Presidents' Office looks forward to continuing
a productive and working relationship with Comcast, should this merger be approved, one in which the public interest works hand-in-hand to stay a very profitably business, a very profitable business, to create telecommunication systems that keep Brooklyn at the forefront of new technologies. Thank you.

JUDGE PRESTEMON: Thank you. The next speaker is William Colegrove, representing the Manhattan Borough President's Office, and let me call one ahead so that you can be ready to come up next. The next one is Zephyr Teachout.

MR. WILLIAM COLEGROVE. Thank you. Last name is Colegrove, C-O-L-E-G-R-O-V-E.

Good evening. Thank you for the opportunity to testify. I'm here to read testimony prepared by the Manhattan Borough President, Gale A. Brewer. Gale A. Brewer is the Borough President of Manhattan. Prior to her election as Borough President, she served for twelve years in the New York City Council, eight of them as chair of the Council's Committee on Technology. Borough President has long been an advocate for consumer rights as well as open internet and universal access to broadband. It is within that context that we present our comments today in opposition to the proposed merger between Comcast and Time Warner Cable.

It is the role of the Public Service Commission to determine whether this proposed merger is in the best interest of New Yorkers, specifically cable and telephone customers. I
would submit that although Comcast and Time Warner do not
directly compete for service offerings at this time, the
solution is lack of direct competition, is not less competition.
Instead I would argue it is in the state's interest to pursue
means of implementing more direct competition among cable and
telephone providers to improve customer service and bring down
prices. Signing off on this proposed merger would create a mass
conglomerate as has been stated that control seventeen of the
twenty largest media markets in the country. The size and the
scope of this new company would discourage any new companies
from attempting entry in the telecom space. Absent any real or
future competition, what incentive for Comcast cap to bring down
prices, pursue innovation and serve its customers, I would argue
very little, and this obviously does not serve the public
interest of New Yorkers. Not only would the creation of such a
massive company dissuade new companies from attempting to
compete New York, it would also give Comcast unprecedented power
to negotiate with the networks and content providers. This
could potentially threaten the availability of certain types of
content for New Yorkers, especially local contents. As has been
stated previously, we are especially concerned about the impact
of this potential merger on public access channels which provide
vital hyper-local information to our constituents. Another
important access point for local content here in New York is
New York 1, which is owned by Time Warner Cable. Given the fact
that Comcast also owns NBC, we are concerned about the loss or alteration in New York 1's local news coverage, giving Comcast potential interest in promoting NBC.

On the internet broadband side we are concerned about several potential problems with the merger. The first relates to the current federal debate over the future of net neutrality. To protect the internet, we need the FCC to issue strong regulations to governing broadband. Broadband carriers should be designated common carriers and the internet could perhaps be labeled as a telecommunications service. This would help foster competition and access to infrastructure that would allow smaller providers to enter the competitive market. Again, this merger has the potential to create a massive company which would discourage any such competition, which only adds to our skepticism.

We are also concerned about Comcast's recent activities with one of the internet's largest content providers, Netflix. As has been widely reported, Netflix was recently experiencing congestion on Comcast networks in providing content to consumers. Allegedly, Comcast has refused direct access to faster connections to entities such as Netflix pay for access. Comcast has claimed that the deal it struck with Netflix has simply cut out the middleman. Netflix, however, has refuted this claim, stating that absent a direct agreement with Comcast, it would have to deal with a third-party transit provider. That
transit provider would in turn have to negotiate with Comcast effectively guaranteeing a company like Netflix would have to pay for access to Comcast customers. This type of dispute is only going to become more common if Comcast becomes the only game in town for the majority of New Yorkers and all Americans.

We've also yet to see an affirmative demonstration of the value that will be provided if this merger is allowed to proceed. Comcast has also cited its low cost Internet Essentials program, offering 9.99 a month internet access and low cost computers as evidence of its commitment to close the digital divide. Although we commend Comcast for attempting to provide low cost service, we would caution that, as has been mentioned, already attempted here in New York. The problem with that earlier program is that for the vast majority of families that have been targeted, delinquency on past bills rendered them ineligible for the new rate, not to mention the aforementioned problems with only serving families with children who qualified for free or reduced lunch.

We fear similar adoption rate plans with the Comcast plan here in New York. Comcast's current track records with the program is also not encouraging. According to recent reports, only eleven percent, although you heard here only ten percent, of eligible families in the current program area have taken advantage of Internet Essentials. We would consider that low subscriber rate a failure of outreach and evidence that the
program has serious problems that need to be addressed.

Prior to approval of any merger, this body should demand clear, meaningful deliverable to the companies in question as a public service to New Yorkers. This can mean requiring benchmarks of price be met as well as customer service reviews. Absent these guarantees, we would argue that the Commission's requirements have not been met.

In closing, we also want to note for the record that we are disappointed this will be the only hearing in New York City on this topic. As the proposed merger is an all-stock transfer, it is exempt from review by the New York City Franchise Review Committee or FCRC. Given the tremendous essential impact on New York City, we believe this matter warrants full review at the local level and are frustrated with the lack of control in this matter, of course, if that is not done. That's this committee's problem, but thank you again for the opportunity to testify. I'm happy to answer any questions.

JUDGE PRESTEMON: Thank you, Mr. Colegrove.

Now we have Zephyr Teachout from Fordham Law School, and also I believe a candidate for government of New York.

MS. ZEPHYR TEACHOUT: Yes, right. Thank you very much.

JUDGE PRESTEMON: Let me just call one ahead.

Catherine Barnes will be our next speaker.

MS. ZEPHYR TEACHOUT: Great. Thank you so much for having me here. It's a very important -- my name is Zephyr Teachout,
Z-E-P-H-Y-R  T-E-A-C-H-O-U-T. I'm a Associate Professor of law
at Fordham, a gubernatorial candidate on the democratic party
line and a citizen, student of history of corruption and of
monopolies. I think there's a lot of history here tonight, and
one of the reasons I'm interested in monopolies, understood
broadly, not just in terms of antitrust law, is the way in which
they relate to patterns of corruption. I want to briefly
address your question earlier about whether size itself might
constitute a violation, a few different responses which I can
answer more fully in the comments to the Commission. First, is
that I think the -- the question suggested a more simple view of
what antitrust laws mean if we take a broader view of existing
antitrust laws, but yes, the mandate is different than exact
tracking of other antitrust laws, but creates its own mandate,
and importantly as the prior speaker mentioned, puts the burden
on the cable companies to prove that it is in the public
interest, and that -- that burden is quite important, I think.
I -- I stand opposed to the merger. I start with the basic
premise. New York should demand open, affordable, universal and
world class internet. Inspiringly unfettered communication is
the foundation of democracy, and equally, importantly, entirely
unfettered commerce is the foundation of a strong economy.
Unfortunately, both communication and commerce are threatened by
this merger. Two monopolist internet providers already provide
bad and overpriced service. They are both already vertically
integrated into direct ownership of content, including some of America's most important news networks. Some of the greatest content providers based here in New York may oppose this merger, but as you understand, they may be afraid to speak out against it out of fear of retaliation. So let me explain. If a content provider opposed this merger now, Time Warner or Comcast or the new fused entity, could punish them and make it harder for them to share their content. So I hope you also take into account the silent voices of those who might not dare speak. Anyway, there are four specific reasons why the PSC should oppose the merger. The first, which many have already spoken about, is that cable costs are too high, and the merger will lead to higher prices for New Yorkers. Recall that Comcast executive vice president, David Cohen, said quote, we are certainly not promising that customer bills will go down or increase less rapidly. Second, the new merger will allow Comcast to more fully take advantage of new FCC rules that allow dominant cable providers to put tools in place on big content providers for enhanced service. So in other words, the merger would make it easier for Comcast to subject important New York businesses to tolls under the threat of being shut down or shunted for slower lanes. This is a kind of recipe for further consolidation of wealth and power that is bad for small businesses, entrepreneurs and a kind of economy that we want. Third, the merger will allow Comcast to cable-ize the internet by making it nearly
impossible for any New York citizen to cut the cord and take personal control of the content that they watch. Comcast will control New York sports programming. They'll prevent companies like Netflix and startup programming providers the kind of company that we want to encourage for offering content that is actually competing with cable. As my running mate, Tim Wu, couldn't be here tonight because he was accepting a antitrust award in Washington, said, New Yorkers are crazy about their sports. If Comcast gains unfettered control over Time Warner, it will do what it can to use the Nets, Knicks, Rangers, Yankees and other as an anticompetitive force. But finally the merger will lead to an invisible government. That's the phrase that the New Yorkers of a hundred years ago used, controlling some of the most important industries we have here, the television and video entertainment industries. So companies like CBC, Disney ABC and Fox have to use Comcast to get to their customers? They have to compete against a Comcast property, NBC? That's unfair to those companies, and it's also unfair to New Yorkers who work for those companies, and most importantly, it is politically dangerous to have so much power over media concentrated in so few private hands.

I see no way this merger serves our interest as consumers, as those who support small businesses or as citizens. Thank you for your time.

JUDGE PRESTEMON: Thank you. And Ms. Barnes, and following
Ms. Barnes will be Greg Sutton.

MS. CATHERINE BARNES: Okay, my name is Catherine Barnes. I'm from New York City, a very good area.

AUDIENCE SPEAKER: Louder.

MS. CATHERINE BARNES: I should be able to get good service, but I call up Time Warner on a regular basis because my Wi-Fi is off. I call up. They say unplug it and plug it in, and it doesn't always work that way. I have had people out twice in two years to my apartment to fix it. Now I've also had the dubious privilege of being a Comcast customer out in Oregon where I lived in a gated community, and our way of finding out who was coming to visit us or not or coming into the property was through television, and Comcast was the only access we had to find it. It broke down regularly. So my problem is service, and then also I'm a severely handicapped New Yorker, in that I get $1,100 from Social Security. I paid $37 plus, up 'till about April, and then I now have to pay $57 plus out of that $1,100 to get Time Warner. Now that is not a good amount of money to pay, and I am one of the better paid Social Security people here. So this is definitely not in the public -- public interest. Also, we had a lot of window dressing from the Comcast people -- person, a lot of window dressing. They have all these wonderful little things, but do they really have them and for how many people do they have them. And also jobs, thousands of jobs were mentioned. Where are the jobs? When I
call up anybody, I talk to somebody in Southeast Asia. I don't talk to a New Yorker. Even for the political parties, considering that.

Another thing too, it's not these two, but I was on a Wi-Fi contract with Verizon, and it occurred to me today they had no business making a contract with me for that because my business -- my building doesn't even have Verizon. So I had to pay about $300 to get out of that contract. So there are a lot of things that you really have to consider, not just how good it might be, but what it really is to everybody, and I'm 74, and this country scares the hell out of me right now. We are losing so much. I grew up in the '40s and '50s when we grew tremendously because we had competition. Everybody had a chance to do something. Now nobody does. It's them and nobody else. That's it. And that's about what I have to say.

Oh, also, the sports stadiums, you know how every city has to build a sports stadium to keep their team, we have the Yankee Stadium, et cetera, what's to stop Comcast from, you know, holding us hostage to get better contracts? What's to stop that? It's far too big, far too big, and too big to fail as it goes. We don't need it at all. Thank you. And thank you for having the hearing.

JUDGE PRESTEMON: Thank you. Mr. Sutton up now, and to be followed by Anthony Riddle.

MR. GREG SUTTON: My name is Greg Sutton, G-R-E-G
S-U-T-T-O-N, and I'm the Managing Director of Manhattan Neighborhood Network, and on behalf of Manhattan Neighborhood Network, the Community Access Organization serving the Borough of Manhattan, we would like to thank the New York State Public Service Commission for holding these important hearings.

Since the inception of cable TV in New York City, Community Access television has been an essential and dynamic feature of the New York City media landscape.

Across the five boroughs, Community Access represents the essence of the localism and diversity, providing media and broadband access to a remarkable array of communities that make up the wonderful mosaic that is New York.

We work to meet two important community needs: Access to the knowledge and skills that people need to thrive in the information economy, and access to high-speed internet.

MNN, along with our sister organizations in the Bronx, Brooklyn, Queens and Staten Island are the largest media education institutions in the City of New York. In the last five years MNN alone has averaged an annual total of more than 1,600 enrollees who have learned how to write, direct, edit and produce high quality television and video.

Today New York City Community Access TV outlets are the single largest cable casters of original content anywhere in the country. At MNN more than 500 community producers use our studios and equipment annually and more than 1,000 Manhattan
producers submit some 13,000 hours of original independently
produced content each year, including seventy live shows each
quarter. Access to our studios, equipment, media education and
community events is free to anyone who lives in the borough. To
put this in perspective, comparable training in the private
sector would cost thousands, if not tens of thousands of
dollars. MNN and Community Access Organizations are essential
contributors to economic development in a city where media and
communications are leading industries.

In recent years Community Access Organizations citywide
have made expansion and inclusion a priority. In 2012 MNN
opened the El Barrio Firehouse Community Media Center on 104th
Street. The MNN Firehouse has had a transformational impact on
East Harlem and the uptown community, offering cultural and
community events as well as cutting edge digital media classes
in English and Spanish.

In 2013 the MNN El Barrio Firehouse hosted twenty-seven
community events and welcomed 845 people to the facility, and
the firehouse team is forging new partnerships with the local
community groups, schools and churches, including partnerships
to support our award-winning Youth Media Center, which focuses
on training Manhattan's youth to create action-oriented,
socially conscious media.

MNN, like other Community Access Organizations, is a
training grounds for careers, a transformer of communities and
an educator of young people about how they can use media
equipment, work in teams, think critically and be creative. All
of this has been thanks to the support of community media by
many individuals and organizations, as well as elected
officials, the New York Council and city and state officials.
In particular, we'd like to thank Time Warner Cable, with whom
we'd had a positive working relationship that spans over three
decades. In the last round of franchise renewals, public
officials recognized our achievements with pride and Time Warner
greatly increased its support levels and channel capacity in an
effort to expand and sustain our operations and increase our
ability to serve our community.

Providing these services and airing tens of thousands of
hours of original, locally focused content requires resources.
Most notably, stable, high quality cablecast channels that allow
reliable access to local voices. The programming aired on MNN
is simply not available on any other media outlet. We served
unserved populations with shows in many languages that addressed
the needs of diverse, ethnic communities in ways that can't be
sustained on commercial media. Our programming is not
replicated elsewhere, and is of high quality in both
transmission standards and content. Year after year, countless
external festivals and awards programs recognize MNN producers.

We would like to take this opportunity to raise some
important and cautionary concerns. On the Time Warner Cable
system citywide, MNN and other community access organizations have recently been moved off their historic locations cablecast channel clusters to what is tantamount to a digital Siberia. Last year, Time Warner Channel 57, where literally hundreds of community producers had cablecast their shows for many years, was sold to the highest bidder. Communities Access channels citywide were moved to Time Warner Cable Channel 1,997, away from any other educational or governmental access channels. Because very little publicity accompanied this move, New York City community producers and the viewers who watch their programs were left floundered.

Moving forward, it's vital that MNN and other local cablecast channels are easily found and adequately publicized across all five boroughs. We support the clustering of local channels on the cable TV systems and look forward to working with cable providers in New York City to achieve this goal while preserving and strengthening the accessibility and localism that Community Access provides the city.

In addition, as technology continues to enhance the picture quality cablecast on local systems, and as both video production systems and consumer capabilities also improve, it's essential that Community Access television and local PEG channels become available in the highest quality format, including in High Definition television.

The funding for Community Access Organizations is currently
based on the number of cable subscribers in our boroughs, and in
the coming years an increasing number of customers may migrate
to internet-only subscriptions due to a surge in the
availability of streaming devices that deliver programming. We
need to work together to ensure that the funding stream provided
through cable TV subscription will be extended to parallel means
of viewership. This shift will preserve our ability to provide
high quality, local programming and innovative training programs
that seek to close the gap and lessen the digital divide for all
city residents. MNN is preparing the next generation of
technology users, but we need the continued and evolving support
of franchisees to do so.

We look forward to partnering with the city and state
governments and with Comcast, should its merger with Time Warner
Cable been approved. Together we can ensure that community
service, localism and diversity continue to grow and thrive in
an ever-changing media and technology landscape. Thank you.

JUDGE PRESTEMON: Thank you, Mr. Sutton. Up now is
Anthony Riddle, representing BRIC, to be followed by
Katherine Williston of Common Cause.

MR. ANTHONY RIDDELE: My name is Anthony Riddle. I'm the
Co-Director of Community Media for BRIC, the public access
organization for Brooklyn.

On behalf of the people of Brooklyn, BRIC thanks the
members of the Public Service Commission for holding this
hearing. Time Warner operates a profitable business in the public-rights-of-way belonging to all the people of City of New York. In exchange for use of this unique public property, the City receives payments in the form of cash and communication systems for use by the people, both cable and networking. Public Access organizations also receive support and distribution capacity. We consider administration of these resources a sacred trust. Our organizations use these resources to create community, to deliver services, to bridge a growing digital divide between the haves and have-nots. We offer training. Community Access Organizations funded through grant agreements with franchise holders help to bridge the digital divide by training thousands of people a year on most modern audio visual equipment. We offer a wide variety of classes in video production, editing, graphics, sound and lighting and also offer introductions to the use of social media for distribution. Comparable training at other facilities in New York cost thousands of dollars. Our classes regularly have waiting lists and draw heavily from neighborhoods that would otherwise not have access to training resources. More than 5,000 adults learn to make video programs using high quality equipment at our facility every year. This year alone BRIC offered media training at more than twelve public schools to over 12,000 students on a regular basis. BRIC training and support enabled by the grant agreements can have a profound affect on a community with
special needs. In the past year BRIC's new media share program has provided customized training programs for staff and volunteers at seventeen non-profits doing great work for the community, including the staff from Helen Keller's Services, including some visually impaired staff members are being taught to edit program video using smart phones and professional editing software. Staff and volunteers from You Gotta Believe were successfully trained to produce the Adopting Teens and Tweens Show, a program promoting the adoption of older children. Diaspora Community Services was taught to make PSAs promoting their direct services to women living with HIV, to youth health advocates and, in particular, Brooklyn's Haitian community both here and in the Diaspora. We offer facilities. BRIC studios, location equipment, media lab and edit suites are all offered free of charge to Brooklyn residents and community organizations. We are open seven days a week to accommodate the schedules of working class people and students. We provide technical staff to support production and engineers to keep everything humming.

BRIC has also established an important new relationship with the Brooklyn Public Library. We now offer video and social media classes at BPL branches and neighborhoods across the borough. In addition, our producers can now check out digital video equipment in these branches in their own neighborhoods. More than 600 community residents have taken classes at these
branches in the first year of operation. We are expanding these locations in an effort to provide services tailored to the unique character of Brooklyn's many neighborhoods.

Programming, BRIC offers channel time to Brooklyn -- to the Brooklyn public on a first-come, first-served basis. We are a free speech forum that does not judge the programs as long as they meet basic legal and technical standards.

Every quarter more than 500 volunteers submit programs that we broadcast on four cable channels to 550,000 homes as well as internationally over the internet. Over the past twenty-five years, BRIC has broadcast an estimated half million hours of programming, a half million hours of programming. These programs represent every culture, language, nationality and political viewpoint found in Brooklyn. More importantly, we have been the only forum for many who are never seen or fairly represented in mainstream media, providing vital, hyper-hyper local media coverage of Brooklyn neighborhoods, issues, culture and people. Since the launch -- since the launch BRIC produced -- excuse me, since the launch of the BRIC-produced Brooklyn Independent Media in October 2013, over 1,100 Brooklyn-based and Brooklyn-affiliated guests have appeared on BK Live, Brooklyn's first ever life daily show. Brooklyn Independent Media's civic affairs programming highlights civic events, community board meetings, live debates and interviews with local elected officials.
Finally, this is what we ask for. We already have a relationship with Time Warner. We came to an agreement with them, and we would like to have a recommitment ceremony with Comcast if they're going to come into the neighborhoods. This is difficult, if -- if rewarding work. We all ask that Public Access Operations and commitments to the city be kept whole through this transition and the remainder of the current franchise agreements. This is possible through the following conditions:

Channels, maintain the PEG channel capacity at levels in current franchise agreements. Cablecast PEG channels with the same quality as the commercial channels. Keep the PEG channels in easily accessed, stable locations.

Financial support, commit to stable financial support for Public Access Services - vital training and production and distribution services now provided to the digitally underserved populations and hyper-hyper local media coverage regardless of any shift in the cable markets facilitated by the concentration of market power or otherwise.

And finally, assure that city revenues from franchise agreements continue at at least the current levels, again, regardless of any shift in the way the cable markets are defined and the way the cable customers are defined.

We look forward to partnering with the city and state governments and with Comcast to ensure that if this merger goes
through, it helps to close the digital divide. We can do this
by increasing our opportunity to develop partnerships with
schools and libraries, training people on the latest technology
and ensuring New Yorkers continue to have access to high quality
local and community programming. Thank you.

JUDGE PRESTEMON: That you, Mr. Riddle.

Katherine Williston is up now, and next will be Mr. Paul Alzate
of Common Cause.

MS. KATHERINE WILLISTON: My name is Katherine Williston.
I'm a resident of New York and simply a volunteer with Common
Cause. I'm a long time customer of Time Warner Cable. I
currently pay Time Warner $131 for cable television service per
month. In addition, I pay Verizon $159 dollars for my landline,
my cellphone and my DSL. In total I pay $290 per month for
telecommunications utilities. I would like to take my business
elsewhere to get a better deal, but Time Warner and Verizon are
my only options where I live on the upper west side. I have a
friend, Barbara, who lives in London. She pays not quite 34
pounds or about $58 a month for the same services, better
services, faster services, and her package includes long
distance to countries as far away as New Zealand and Australia
free. Barbara has seventeen providers in London to choose from.
What has happened to the idea of competition in the marketplace
that provides services and choices to customers so they can shop
around for better prices? What has happened is big money, big
money in our political system. So far this year Comcast has contributed almost $2,000,000 to the campaign office of members of un-strategic committees and Congress. Comcast has spent an additional $18,000,000 last year on lobbying efforts to lobby to convince lawmakers and regulators to overlook antitrust considerations and to support the corporate interests over public interests. Time Warner recently sent me a Dear Customer letter in which they trumpeted their proposed merger with Comcast. The letter stated that Time Warner and Comcast were, quote, dedicated to delivering a great customer experiences. They did not mention how much extra these great customer experiences would cost me. The reality is this merger is dedicated to blunting competition in order to increase the political muscle of Time Warner and to increase their corporate bottom line. I urge you to deny this.

JUDGE PRESTEMON: Mr. Alzate is up next, and following Mr. Alzate, Frankie Miranda, representing the Hispanic Federation.


I feel a little nervous having to follow that arousing speech because that was a haymaker to the big fat cats that are trying to dominate our little and fabulous state.

Now I'm here because I am a worried consumer. I am a working man. I still have to live with my family because these
are very tough economic times. It is very hard for a working man like me to live on my own, and now my family has to struggle with rising rates and middling quality when it comes to broadband. I am worried that with this upcoming potential merger, this work hard, these rising prices will increase. Now the honorable gentleman representing Comcast, he's made some million dollar points regarding this upcoming merger. He has mentioned things like New York City will be able to plug into a better network for redundancy. Now redundancy is one of those fancy words because experts like to use fancy words to try to trick the public. Redundancy is simply a simpler way of saying backup. So he's saying it's gonna provide backup. He's also saying that we will be able to lean on better resources, that through this merger there they will be able to meet consumer demands by leveraging more resources, more resources and more expertise. But the problem with this argument is that there has to be more better ways to serve the needs of their customers than a merger, which is obviously a way to feed their bottom line at the expense of the consumer. I will not have this. As a working man, as a -- as a member of my family that has to struggle with bills, as a member of my community, as a New Yorker, as an American, I cannot let this stand, and I implore you members as honorable Commission, to try to do everything in your power to block this merger.

Also, I would like to speak as a member of the Hispanic
Community in the United States. There are many of us. The problem with this merger is that NBC Universal, they own one of these -- they own, sorry, they own Telemundo. They are competing with Univision and the CEO of Univision, his name is Randy Falco, he has come out against this merger. Why, because Telemundo owned by NBC Universal, which is owned by Time Warner Cable, Time Warner, they have access to 91 percent of Hispanic households in the United States. To let this merger go through will be to allow more domination of households like mine. This will mean higher prices for very important programming. This is how we get our news about our culture back home. This is where we get our entertainment. This will mean higher prices for us and probably lower quality programming, and this is why I further implore you to do everything in your power to block this merger.

And I would like to conclude by -- by offering a little history lesson for everyone in this room. During the Gilded Age, the robber barons, they ruled the railways, and they preyed on their customers. I implore each and every member of this Commission to stop the future robber barons from controlling the pathways of the internet. Thank you.

JUDGE PRESTEMON: That you, Mr. Alzate. Mr. Miranda up, and following him will be Jack Bevacqua, also with Common Cause.

MR. FRANKIE MIRANDA: Good evening, everyone. My name is Frankie Miranda, M-I-R-A-N-D-A. I am the Senior Vice President
of the Hispanic Federation Service, oriented membership
organization of nearly one hundred Latino health and human
service agencies dedicated to promote social, political and
economic wellbeing of the Latino community. The Federation
provides a wide range of services geared towards strengthening
Hispanic families and supporting Latino institutions, serving
well over two million Hispanics living in our region. I am here
not to speak or weigh in on the proposed merger. I'm here to
provide a different perspective. I'm here to speak about
extraordinary efforts that Comcast had provided to the Hispanic
residents of the State of New York through its support to the
Hispanic Federation programs. For almost a decade now Comcast
has partnered with the Hispanic Federation in numerous efforts
that have -- that have improved the quality of life of thousands
of New York residents, especially those of Latino descent. To
name a few examples, Comcast has supported our efforts to
educate parents about the importance of early childhood
education and provide them with tools that will help their
children obtain critical skills before their first day of
kindergarten. During the 2010 census Comcast joined our efforts
to reach as many New Yorkers as possible to educate them about
the critical importance of their participation and driving needs
-- needed sources to the region. Thousands have been registered
to vote, and many more have been educated on their civil rights
and duties, thanks in part to Comcast's commitment to our
mission. Muy Bueno, Hispanic movement, our board of registration in civic engagement digital platform, was launched thanks to the partnership with Comcast, and right now it's in its fourth year. Muy Bueno has become a bilingual multi-platform board of registration and city participation campaign. I cannot emphasize enough how tremendously important these Comcast initiatives are to our children, our families, our community.

In summation, Comcast has been a pioneer and longstanding supporter of many of our causes, providing quality, educational programming in diverse communities throughout our region. We value immensely their partnership and ongoing commitment to community service and empowerment. Thank you.

JUDGE PRESTEMON: Thank you, Mr. Miranda. Mr. Bevacqua speaking now, will be followed by Jeff Thomson, also with Common Cause.

MR. JACK BEVACQUA: Thank you for the opportunity to speak. Jack Bevacqua, B-E-V-A-C-Q-U-A.

So thank you for the opportunity to speak before you today. My name is Jack Bevacqua, and I'm an intern for Common Cause New York, a nonpartisan group, a resident of Westchester County, New York. I am here to share my perspective as both consumers and New York residents and express my deep concerns regarding this occasion if the proposed merger were to be approved. As has been widely discussed, this merger poses very real threats
to our state and its people's general welfare. Public prosperity in both social and economic context is in today's world dependent upon access to high-speed, affordable and responsible internet and cable service. Given the fact that Americans pay far more than citizens of other developed countries' internet and at a substantially slower speed, which I as a college student am unfortunately all too familiar with, we are in dire need of a serious reform. Our nation's competitive edge is dependent on the strengthening of these services and competition between providers is the most effective force available to achieve this end. Comcast loves to claim that one of the foremost reasons why they're pursuing this merger is to better serve us, their customers. They say that if only they grow bigger and consume a greater portion of the telecommunications market share, they will be able to innovate and ultimately produce a better service to a wider range of people. This is all despite the fact that Comcast is already the U.S.'s largest cable provider and consistently ranked among the absolute lowest in the customer satisfaction rating. The company won the consumer's 2014 worst company in America awards earlier this year and received an F for general corporate governance by an independent shareholder research organization. Yet they still retain the position of the world's largest and most profitable mass media in communications. Aside from questioning how it is that Comcast is still so successful,
despite their deeply unsatisfied customer base, something that
defies the promise of capitalism, why shouldn't we believe that
allowing them to become an even bigger, permitting them to earn
55 percent for the market for traditional cable service in
New York State would somehow be the key ingredient in making
their service better and customers more satisfied? On what
basis can we believe this? What lesson does history or basic
economic theory teach us about allowing monopolies to exist and
its effects on the consumer public. What is a company's
incentive to improve if it does not face competition or the
threat of failure? Perhaps most important, however, is how this
merger will violate New York's most basic premise.
Fundamentally New York is a state of concepts of innovation,
competition, efficiency and progress. Here we believe in a
system wherein those who play by the rules and maybe even help
serve others in the process have the opportunity to flourish,
not those who lie, cheat and exploit their way to the top. As
documented in the high profile Bloomberg LP v Comcast
telecommunications case, Comcast has sought to pursue their own
interests by deliberately pulling others down. In this case the
company participated in discrimination of, quote, video
programming distribution on the basis of affiliation or
non-affiliation with vendors, end quote, deciding not to place
Bloomberg News merger with NBC News, despite being deliberately
told by the FCC it could not encourage that. Why should we
believe that they will not employ similar tactics again to get to an even more significant extent. How can we trust the company to uphold the virtue of net neutrality, particularly considering how it is sought to implement a data cap as a means of becoming even more profitable? We must work as hard as we can to hold Comcast accountable and let any future deficiencies from arising within these areas.

So I ask our public officials, will you embrace a New York in which the wealthy and powerful are permitted to become wealthy and powerful at the direct expense of we, the people, a New York in which these excessive businesses is not to rules, regulations or our customers, but to political power granted them, a New York in which a monopolism is favored over innovation, choice and progress. I implore you to make the right decision, the decision that will allow our state and its people to continue to be integrate. I urge you to block this proposed merger. Thank you.

JUDGE PRESTEMON: Thank you, Mr. Bevacqua. Up now is Jeff Thomson of Common Cause; will be followed by Timothy Karr of Free Press.

MR. JEFF THOMSON: My name is Jeff Thomson, J-E-F-F, T-H-O-M-S-O-N, no P.

Thank you very much, Judge, and other commissioners for this opportunity to discuss the proposed merger between Time Warner and Comcast.
Now my name is Jeff Thomson. I'm from San Diego, California, and I'm a student senior at New York University. I articulate my opposition today to the proposed merely as one of the millions of the Americans who have seen their bills rise faster and higher despite having noticeably slower and unequal internet speed, throughout not only the United States, but comparatively to the rest of the world. Those in support of this merger have argued that because these corporations are not geographically competitive with each other, there is no threat to cable consumerism, competition amongst providers or to internet content neutrality. As far as competition goes, this combined company post merger would be the sole cable distributor in twenty-seven of the top thirty U.S. media markets. A visiting Harvard professor recently noted that for business in nineteen of the twenty largest Metropolitan areas their only choice for high capacity wired connection will be Comcast. After this merger Comcast will own about thirty percent of all cable viewers and forty percent of all high-speed and internet broadband users. Now along with this proposal would not only increase the size, scope and reach of Comcast to satisfactory services, but also allow Comcast to prioritize its own content over competitors. As Senator Al Franken has recently noted, Comcast has already been cut, quote, selective targeting -- selectively targeting and interfering with online competitors despite assurances that it would not do so. Now this merger of
the first and second lowest rated companies, according to the American Customer Satisfaction Index, will not only result in further rate hikes, slower internet and crushing leverage over content providers to fast track their own services.

Other side. Now Comcast has also articulated a desire to cap the amount of data that we are allowed to access with our subscription. Now I am against this, not as someone who sits alone at night with bowls of ice cream watching Netflix, but as a young man born at the dawn of a technological revolution who has seen how powerful and transformative the internet has become and has affected our world and our daily lives. Our world has shifted from manual to automatic, from underground optic cables to storage in the clouds, from hardware to software. Within my lifetime, very short amount of time here, I have seen my classrooms transform from chalkboards and clunky overhead projectors to smart boards and class as a tablet. Homeworks have shifted -- homeworks assignments have shift from a notebook to my iPad and class registration as well as employment opportunities are available online. The interactions with my professors and my friends are often taking place behind a computer screen. So this is not a unique situation. As President Clinton observed in 1998, we are entering an age where, quote, every child can stretch a hand across a keyboard and reach every book ever written, every painting ever painted, every symphony ever composed. I believe that universal access
to high-speed and affordable internet services serves as one of the foundations of our society, the education of our children and indeed of our very own human social existence.

Now I would like to devote simply a few seconds to recognize who we as the every day people as consumers, customers and soon to be college graduates, we are opposing this merger not merely because it is the void of any public benefit or interest, but also because if we do not voice our grievances with this proposal, our voices will be drowned out by the drone of corporate lobbyists. Now leading lobbying efforts in Washington on behalf of Comcast is former FCC commissioner, Meredith Baker, who actually beautifully initially approved the Comcast/NBC Universal merger in 2011, and former FCC chairman Mike -- Mr. Michael Powell, who is now serving as, quote, the cable industry's leading advocate spokesman and representative in its relationship with the U.S. Congress, the administration, the FCC and other federal agencies as this former FCC chairman served as president and CEO of the National Cable and Telecommunications Association.

So I do hope with these inside voices, hopefully not drowning us out, that those in Washington, especially those in this room today, have heard why we the American people oppose this merger, but I do apologize if my voice does not carry to the capital and is not loud enough for them to hear. It is not amplified by the millions of dollars in expected windfall
profits for executives, nor is it sustained by the air caused by Washington DC's perennial revolving door.

Now I do know what speaks louder than money, louder than parasitic lobbyists perching in the ears of lawmakers and louder than lies from corporate executives, and that is the voice of the American people. I hope those of you in attendance today have heard what me and others have said and will continue to say. We hope you join in our effort against this monopolistic proposal, and we hope you stand with the American people. Thank you very much.

JUDGE PRESTEMON: Thank you, Mr. Thomson. Speaking now is Mr. Timothy Karr, and I will start spelling the names as long as I can read them so you don't have to. It's K-A-R-R, representing Free Press, and following him will be Justin Marano.

MR. TIMOTHY KARR: Well, you'll be relieved to learn that I've kept my comments to three minutes; however, Free Press has looked at this issue extensively and has filed a number of very lengthy documents related to the impact that this deal would have on customers, would have on that, and would have on the American public at large. As you mentioned, my name is Timothy Karr. I am from Free Press, the public advocacy group that fights for everyone's right to connection and communication. Free Press has 55,000 members who call New York their home. I first moved to New York City about twenty-five
years ago, and at that time the internet was in its infancy. I had just been made -- it had just been made available under an open quote. In this case millions of every day users power to share information, create websites and connect with one another. From there the network grew into a truly worldwide web, a people-powered engine of economic opportunity and free speech. For more than a decade I have represented the interests of these internet users. Wherever they are in America, people have told me one thing, they want an internet that is big and fast, open and affordable. I'm here to tell you that this merger would accomplish none of this. First, Comcast internet won't be big and fast. Speaking in New York last month, Comcast executive, David Cohen, announced plans to move entirely to a usage-based billing model. Comcast intends to charge extra fees to any customer who exceeds the company's data caps. This is Comcast's way of penalizing customers for using their connection in innovative ways. By squeezing our use, the cable monopoly will cripple the types of homegrown innovations that have become the hallmark of the internet. Second, Comcast, Comcast's internet won't be open. Don't believe Comcast's spin about net neutrality. Yes, the company has to observe open internet rules as a condition of its merger with NBC Universal, but Comcast has no plans to protect net neutrality once these terms expire. It already has a deplorable track record. In 2007 Comcast was caught red-handed blocking user access to Bighorn. Comcast is
now trying to engineer new ways to extort money from Netflix, whose video services had slowed to a crawl over its network. Comcast also spends tens of millions on campaign contributions and lobbyists, including money for some of Washington's most outspoken opponents of net neutrality. It's a money and politics scheme that is heavy invested in the death of the open network. And finally, Comcast internet won't be affordable. Over the past seventeen years the price of Comcast basic cable service has grown at more than twice the annual rate of inflation. Even its Internet Essentials program designed to connect low income families has come under heavy criticism for many who have tried but were denied access after getting scared in Comcast's red tape, and yet analysts put the company's broadband profit margin at eighty percent or higher. Really, is it any wonder that Cablevision is so profitable, there's no competition. Most U.S. consumers have just one choice of cable provider, and this situation will only get worse and more costly if we approve this merger. There isn't a single good reason to do that. The Comcast/Time Warner Cable merger just makes no sense.

JUDGE PRESTEMON: Thank you, Mr. Karr. Just let me say that all of the comments tonight have been very reasonable in length, and I thank you for that greatly. It doesn't make a big difference to me because it's my job, but it might have made a big difference to someone who came here at 6 and didn't get to
speak 'till midnight, so this is very good, and I appreciate it.

So up, Mr. Justin Marano, M-A-R-A-N-O, and he will be followed
by Benjamin Solotaire.

MR. JUSTIN MARANO: M-A-R-A-N-O. Good evening, and thank
you for the opportunity to speak this evening.

As a member of one of the countries's largest distributor
and brokers of technology services, we have relationships with
not just Time Warner Cable and Comcast, but the other major
cable companies as well, such as Cablevision, Bright House,
Charter, Suddenlink, you know, to name a few. We also obviously
have partnerships with telecom companies, all the major I-lect,
C-lect fiber providers across the country. Our partners who
are, in most part, small businesses and are bars, interconnects,
network integrators, MSPs, IT solution providers, all align with
my organization to be a carrier not a consultant, and offer
carrier network cloud and collaboration service solutions
through the carriers in our portfolio to their endusers. With
New York City being the epicenter of commerce in the U.S., many
not just mid-market and enterprise customers, but SMB
multi-location customers as well have locations within New York
City.

Now in today's environment I heard a lot of people talk
about residential service, you know, we only deal with B to B,
and Comcast nor Time Warner Cable is even an option for these
guys. You know, anyone with locations, whether it's regional or
national in scope, cannot use either company's network as an option for their WANN solutions. And with business and IP broadband thriving due to, among many other things, the paradigm shift in technology to cloud services as many others have mentioned, you know, approving a merger like this would really just give customers an alternative access to typically the incumbent I-lect, who's probably -- whose connectivity, their services are probably running over today. Now you can think about customers who don't have a location in New York and are looking to extend into this market, which could mean an additional opportunity. If they're on an existing Comcast network, they're gonna look elsewhere because they can't expand their network into this, you know, in one of the country's largest markets. And that's all I have to say. Thank you.

JUDGE PRESTEMON: Thank you, Mr. Marano. Now speaking is Benjamin Solotaire, spelled, S-O-L-O-T-A-I-R-E, and he will be followed by Tosha Miller.

MR. BENJAMIN SOLOTAIRE: Thank you to members of the Public Service Commission for holding this hearing. My name is Benjamin Solotaire, and I'm here to represent the Fortune Society where I work in the David Roth Emergency Center for Public Policy. The Fortune Society offers a holistic array of programs and services designed to help all who are formerly incarcerated successfully reenter society as well as an alternative to incarceration program. Our programs focus on the
tangible ways that can help people successfully reenter into society and strengthen the fabric to our community. The impact of the Fortune Society is profound. Our programs have helped participants avoid over 88,000 days in jail, prison in one year, saving the City and State of New York over 8 million dollars. Our program saved taxpayers an average of $22,000 per day. Our relationship with Manhattan Neighborhood Network, who spoke earlier, is critical to our mission and vision. For more than three years we have been taping our monthly show, Both Sides of the Bars of MNN Studios. Working with MNN enables the Fortune Society to raise awareness of issues that impact not only those who are or have been incarcerated, but issues that touch the life of every single New York City resident. We dedicate ourselves to educating the public about the deficiencies within our current prison system so that everyone feels compelled to play a role in creating a fair and humane correctional system that truly rehabilitates people. MNN's facilities, equipment and support provide us with an unmatched opportunity to tell our story, raise awareness, further our mission and increase the positive impact in making communities throughout New York City. Both the Fortune Society and Manhattan Neighborhood Network play vital rolls in providing services to residents of Manhattan. The proposed 45 million dollar merger of Comcast and Time Warner will lead to a company that provides cable to almost thirty-three percent of households and high-speed internet
service to almost forty percent. As you consider the implications of a merger between Comcast and Time Warner Cable, I urge you to strengthen the public access and to ensure that it is visible and accessible to everyone in the borough. Thank you so much for this opportunity to testify today.

JUDGE PRESTEMON: Thank you, Mr. Solotaire. I just wanted to mention that if anybody thinks otherwise, once you've spoken you don't have to hang around, but if you'd like to hear all of the other interesting comments, please do so.

AUDIENCE SPEAKER: I'm sorry, I didn't hear what you said.

JUDGE PRESTEMON: I said that those who have spoken do not have to stay here for the full meeting if they don't want to. I just want to make that clear, and but if you want to stay and hear what others have to say, that's fine also.

AUDIENCE SPEAKER: It's only polite that we listen to them because they've listened to us, and it just supports us.

JUDGE PRESTEMON: Good. Tosha, am I pronouncing that correctly?

MS. TOSHA MILLER: Yes.

JUDGE PRESTEMON: Tosha is spelled T-O-S-H-A, Miller.

MS. TOSHA MILLER: I'm Tosha Miller. I'll be representing the New York City Black Chamber of Commerce, as well as myself as a citizen. I know how important it is to have affordable income, especially when you're in a underserved area. So just focusing on the Internet Essentials, I was a person in a
underserved area that could not afford a computer or afford internet service. So I think the program that they have here is phenomenal. I mean I understand with seniors that are on a fixed income, you know, it's hard for them to afford internet; I really understand that, but young people, people in school that have homework to do, to have a program like this is -- is great, and the expansion of two companies together is even better. So with the Chamber of Commerce, New York City Chamber of Commerce, which I'm under the National Black Chamber of Commerce, which is located in DC, we support small business owners, especially with procurement contracts. I think last year alone or in 2011 Time Warner spent, with supplier diversity on minority MWBE companies, 256.5 million dollars to those small business owners. With that being said, that creates jobs. It creates extra income, especially those individuals, I know many that have been -- were laid off in 2008 and started their own businesses and, you know, and now they -- they get these procurement contracts with the government, you know, the cities, the state or companies like Comcast or companies like Time Warner or other organizations. I think that the merger between the two companies, I'm not -- I don't understand the -- the whole concept and too big to fail. He said that they're just stepping in the shoes and becoming Time Warner, so I don't see, you know, where there's any major issues. Perhaps there could be some more incentives in terms of the Internet Essentials where they
could, you know, maybe make it more affordable to senior citizens based on their income, you know, 'cause I understand, you know, their -- their concerns and, you know, but I also have been a person that maybe made a low income, and but I just may have found other ways to get my internet service. I may have gone to the library. I might have downgraded my service. I might have to cut back on various different things, but I -- I'm in support of -- of this merger.

JUDGE PRESTEMON: Thank you, Ms. Miller. Next up Gregory Rose, Queens Chamber of Commerce, and he will be followed by Fitzgerald Miller of One Hundred Black Men.

MR. GREGORY ROSE: Hello. My name is Gregory Rose from the Queens Chamber of Commerce. I'm representing Jack Friedman and the Chamber Executive Director, and I'll be reading his testimony here today.

Thank you, Chairman Zibelman and the rest of the Commission for having me here today. My name is Jack Friedman, Executive Director of the Queens Chamber of Commerce. As technology continues to change the way we communicate and interact with one another, it is important that entrepreneurs in Queens and throughout the city are able to access the latest innovations to enhance their interactions with customers. We have every reason to believe that the proposed merger between Time Warner Cable and Comcast will help small businesses in Queens as it continues to play an important part of our economy. We have been talking
about the lack of access of broadband, particularly in boroughs other than Manhattan since 2012 when the Center for an Urban Future came out with a report titled New Tech City. After speaking with many tech companies, they discovered that it was hard for them to find a place to work because in areas where the rent was less expensive, such as Queens, the buildings did not have adequate access to the internet. While there is more broadband access now than there was in 2012, it still remains a problem for small businesses to receive acceptable service. In other cities, Comcast has not only brought internet access to places which previously had no broadband, but also improved it in areas that already did. In places where Comcast has brought internet access to homes and small businesses, these communities received up to 270 megabytes per second, up from 85 megabytes per second, helping to enhance what restaurants, barber shops and doctors' offices are able to accomplish. It should also be added that if this merger is approved, Comcast will not be the only provider in the city. Millions of residents have cable and internet providers that are not Time Warner Cable, and Comcast will only be able to serve those residents if those residents decide to change their service.

We believe that the merger between Time Warner and Comcast will enhance small businesses in Queens capabilities and help ensure a strong and growing economy. Thank you.

JUDGE PRESTEMON: Thank you, Mr. Rose. Mr. Miller, will be
followed by Elnora Watson of the Urban League of Hudson County.

MR. FITZGERALD MILLER: Good evening, commissioners. First name, Fitzgerald, last name is Miller, M-I-L-L-E-R. I currently serve as the president of the One Hundred Black Men in New York, and in 2004 we partnered with the Bloomberg Administration to create the Eagle Academy for Young Men in the South Bronx. This September we'll open up our sixth school. One of the things that I've learned when you work in a poor neighborhood is access to technology in a fast, global marketplace, particularly having this national debate of how we fix our school systems, charter versus public, and how do we make the learning environment for our young people engaging, but more importantly, give them an enhanced learning experience. I can most certainly tell you on behalf of our chairman, Curley Dossman, One Hundred Black Men of America, and the 116 chapters nationwide, our relationship with Comcast, although as a 501C organization, we do not give any legislative advice or make an opinion, but most certainly we can share our experiences. Our relationship on a national basis with Comcast with this Internet Essentials program is phenomenal. Specifically, in Atlanta, Georgia, One Hundred Black Men of American where we have five chapters includes some extraordinary work where young folks, perhaps who cannot have or do not have access to the internet, through that relationship we make enhanced improvements in the learning environment. And Washington DC, in our nation's capital, One Hundred Black Men of
Washington DC, again is showing promising results with this program. Chicago and Detroit and the list of the One Hundred Black Men affiliated chapters are doing some incredible work through this program. I know Mrs. Miller moments ago who mentioned the diverse program, no affiliation between the two of us, I can most certainly tell you in the local New York market One Hundred Black Men of New York are experienced with Time Warner Cable. What is diverse program MWBEs has experienced some extraordinary benefits and opportunities. When you consider the unemployment rate in the African American community here in New York City ranging about twenty-two percent and thirty-six percent between young people between the ages of 18 and 26, which, unfortunately, is leading them to some perhaps not so good behavior on the streets, we believe these job opportunities that when you talk about the 6 billion dollars that Comcast and Time Warner have invested in the investments potential in the future can benefit all of us. Now I'm not here to debate the merits and the terms of the investment because we all know there's no marriage which is perfect, but I believe that this council under all of the comments we heard and most certainly speaking with the players involved, I'm sure that you can come up with a prenuptial agreement that everyone will be happy. So with that, please do not rush out to sell your stock, but I thank you for your time, and most certainly on behalf of our chairman, Dossman, of One Hundred Black Men of America, and
all our affiliated chapters, we share those comments with you. Thank you.

JUDGE PRESTEMON: Thank you, Mr. Miller. Elnora Watson, up, and the first name is spelled E-L-N-O-R-A Watson. She will be followed by Gary Greenberg.

MS. ELNORA WATSON: Thank you. Thank you for this opportunity here this evening. I am Elnora Watson, CEO of the Urban League of Hudson County, New Jersey, and a proud community partner of Comcast which has helped support our coalition to improve the educational, professional and social opportunity for persons who are impacted by poverty. Through Comcast's days we have experienced the hands-on roll up your sleeves mentality of employees in management of Comcast. We have been the beneficiary of countless volunteer hours, including painting and upgrading of our systems and helping us to create a welcoming and functioning space in which to operate and have been some -- have been some of the outcomes of these volunteer days. Adding to our core competence of empowering communities and changing lives, Comcast has invested in our mission to make the Comcast digital connectors and Internet Essentials program, which has helped us to prepare individuals for computer-related jobs, digital skills, digital media production and computer networking. Each of our connectors, 14 to 21 years of age, low income graduates in this program received crystal certification and a notebook upon completion. These graduates are part of a
national force, but locally our connectives have helped more than 12,000 families connect to the web and impacted the lives of more than 9,000 low income families by providing them with transformative access. In New Jersey this is very important. The state broadband initiative in New Jersey could have substantially more impact on workforce development, education, small business and healthcare. The platform which digital demands can be met through support the workforce development, increase educational opportunities, and it also enables businesses and healthcare to improve their services. On all fronts I have -- I have to implore the evidence and partnerships we have found in Comcast. Our digital connectors received training to reach out to the community and bridge the digital and skills gap through a 10 dollar a month internet access program offered by Comcast. Countless members of our community who otherwise are not able to afford are able to get broadband access and these Comcast connectors, these digital connectors, our programs, had a special initiative to reach out to seniors to help them use what equipment they did have and help to acquire other equipment for them. And so I cannot underscore that the four areas which are significantly impacted by increased broadband access are areas that we at the Urban League of Hudson County care about deeply. I can attest that Comcast has stood with us in creative ways to bridge the gap and beyond, and as you weigh the pros and cons of this acquisition, I simply
want to underline our experience of -- with Comcast as the organization that takes corporate social responsibility seriously and who has demonstrated this for us repeatedly.

Thank you.

JUDGE PRESTEMON: Thank you, Ms. Watson. Now speaking is Mr. Gary Greenberg, spelled G-R-E-E-N-B-E-R-G, of the Boys and Girls Clubs. He will be followed by Michael Reichenberg.

MR. GARY GREENBERG: I'm Gary Greenberg. I'm the Executive Director of the Boys and Girls Clubs of Hudson County. It's wonderful following Ms. Watson. We've worked together and been colleagues in Hudson County, serving youths and families in Hudson County for many, many years. I've been with the Boys and Girls Club of Hudson County for thirty-eight years. I just -- I'm here really tonight to take this opportunity to thank Comcast and thank somebody like Charles Smith, who is just not a distant corporation, but they've become really -- and I would call them more than corporate partners, but I would really call them as friends. I want to thank them for bringing the Internet Essentials program into Jersey City and into our community. I mean I know I was there firsthand when it was introduced at Public School Number 7, we were up there, and I have to say that the school was jam packed and it was extremely well received. In addition, I also know firsthand, matter of fact, just on Monday night that we actually connected a parent who is developmentally disabled who has an autistic son and have --
actually our staff connected them and made the contact for her and was able to get them to access and become part of the internet, the Comcast Internet Essentials program. So, you know, we're very, very thankful for that. I would also like to thank Comcast because they've been providing a funding opportunity to the Boys and Girls Clubs of Hudson County where they have been the sponsor of our technology centers for many, many years. At first we had one technology center which had twenty, you know, computers in a beautiful center that many, many kids were jamming into. It was so popular, in fact, that we had to open up a second technology center just to accommodate the number of young people that want -- that needed access to it. Also at the Boys and Girls Clubs of Hudson County, not only are we an after-school program, but we also have a Montessori school, and in September we're actually opening a charter school for the health sciences, a high school. So we really thank Comcast for being with us as friends and we also made a commitment; we're moving into a new Boys and Girls Club that's about to open actually in a couple of weeks, and they've committed funding for that -- for the technology centers in the new facility through 2016, so not only will 250 high school students a day have access to our technology center, then we stay open until 8:00 in the evening and then actually we have adult programs until 11 o'clock at night, and the Boys and Girls Club is open seven days a week practically around the clock.
I'd also like to thank Comcast for -- for Comcast Cares Day who came down to the Boys and Girls Club and with our kids and with our staff and with our other volunteers and board members completely refurbished the Boys and Girls Club and beautified it that made it much more pleasant and a much more stimulating environment for everybody to use, and it was just an outstanding day. Also, for more than a ten year period, we've always -- we've -- we have a dinner that -- for 400 people, 200 of our Boys and Girls Club young members of sponsored by -- by the business community, by members of the business community, and Comcast has always been there. They've always been mentoring our kids. They're back year after year, and just as a good luck charm because I'd like to be able to fill the hole that we, you know, that where it's conducted. I always make it a point to call Charles as my first call because that's my good luck charm in order to fulfill and sell out and give our kids an opportunity to have dinner with members of the business community all along the Jersey City so-called gold coast. I would also like to thank Comcast for the opportunity of not just me, but my other Boys and Girls Club colleagues of the other executive directors from around the state who we get the opportunity to participate in the newsmakers program, where I get, I think it's five, six, seven, eight to ten minutes of an opportunity to tell the public at large and educate the communities in our catch man areas about the Boys and Girls Club
and the opportunities that we provide, and I can't tell you how many places I go and so on and so forth where people come up to me and say oh, you're the guy from the Boys and Girls Club, how do I get my child into your programs and so on and so forth, and I know that this happens all over the state. So on behalf of all of the members and children and their families who -- who come to the Boys and Girls Club and practically, you know, call that their second home and representing other Boys and Girls Club directors from around New Jersey, I just want to thank Comcast for everything that they've done for us, and I just cherish the friendship, so thank you.

JUDGE PRESTEMON: Thank you, Mr. Greenberg. Next speaker is Michael Reichenberg, R-E-I-C-H-E-N-B-E-R-G. Is he here? I guess not. We'll put that aside in case he just stepped out briefly. So we'll go to Keith White of the Christian Cultural Center. This is what happens as you get to the bottom of the stack.

The next speaker would have been Michael Simas of Partnership for New York City. He also had to leave, but he left a copy of his -- a written copy of his comments, which we will post on the Commission's website under the public comments section for this case.

So that brings us to Bruce Kushnick.

MR. BRUCE KUSHNICK: Kushnick.

JUDGE PRESTEMON: Kushnick.
MR. BRUCE KUSHNICK: I'll spell it. I know my handwriting is terrible. I failed penmanship in grade school. Sorry, and I admit it. K-U-S-H-N-I-C-K, Bruce. My mom wanted me to become a doctor. I didn't fulfill her obligation, so.

My name is Bruce Kushnick. I work for New Networks. We recently published a report with the Public Utility Law Project, which you are probably familiar with, called It's Interconnected. It has a section about Verizon New York and its fiberoptic deployment, which is a separate subject. It also has a section called, a special section on Time Warner and the special -- and the social contract, and the Time Warner situation in New York.

For those of who don't know, in 1995 the FCC decided that it had to go out and solve a couple of hundred different complaints filed by the cable companies pertaining to the fact that they wanted to go into new businesses and wanted to raise rates to go out and build these new parts of the network. They wanted to go into the internet service and broadband service. In 1995 Time Warner signed a contract called the social contract with the FCC that was for five years that was supposed to end in the year 2000 where they were supposed to spend 4 billion dollars, and they were supposed to go out and they were allowed to raise rates a dollar a year, so that it would be $5 by the end of the year 2000, and in order for them -- and they would go out and actually upgrade the networks, and B, they would wire
all of the schools within the franchise areas, and they would do it at cost, and they would do the wiring at cost, and they would do the rooms at cost. And it turned out that in 2001 when the contract expired, the $5 was never removed from the bill. They've been collecting the $5, as far as we can tell, for the last thirteen years in the State of New York and all other states. Comcast has done the exact same thing. Starting in the year 2000 Comcast has -- Comcast and Verizon -- sorry, Comcast and Time Warner have collected 49 billion dollars for the social contract, which is $5 extra per customer per month, which is $60 a year for the last thirteen years. Two, we have no idea how many schools were wired. In fact, we can find of the auditors that we work with in multiple states dealing with Time Warner and Comcast, we could not find any of the -- any of the school boards or any of the principals who had wiring done by Time Warner under the social contract.

Now there are two questions. Question one, did they collect in New York 1.7 billion dollars over the last thirteen years for the 2.6 million customers, every year collecting $60 extra for the wire of schools? Now if it was a contract with the state -- with the FCC and it was terminated and it was expired, which it was, did they collect money illegally past the year 2000? We believe the answer is yes. Two, we believe that if they are collecting the money, then they should have been wiring the spools. We are asking every franchise holder in the
country to go out and find out what the hell happened with the 
money and what the hell happened with the wiring of every school 
because every school in the United States in the Time Warner and 
Comcast areas should have had a fiber -- a fiberoptic or coax 
wire or a cable modem service that was an internet service paid 
for at cost for the cable modem and paid for by the wireless 
schools. We have seen no audits by the state or by the FCC at 
this point. So we are asking the state before they sign any 
agreements or make this -- these mergers go through, that they 
audit the books to find out if the schools had actually gotten 
wired at any point between 1995 and 2014 under the social 
contract, and B, was the $6 -- $5 a month added to the bills, 
and B -- and C, was it ever removed from the bill starting in 
the year 2001. That's pretty much it.

I will give you one other finding. It turns out that in 
our report we go through the profit margins of Time Warner. 
Time Warner, it cost Time Warner's internal numbers $1.34 a 
month to offer internet service, high-speed internet service to 
the customers, and I believe their average is $34 from the 
customer. If customers have paid since 2000, $5 a month to have 
the networks upgraded, and to basically wire the schools and 
then we find out that the profit margins are 97 percent for Time 
Warner, isn't this a little -- shouldn't we question whether or 
not there should be a merger? Also you should know this 
happened in all the Comcast areas as well. So we are asking
before anything is done in the state, to have an investigation
of all of our -- which we filed already at -- with the -- with
the Commission, and PULP has filed separately about the Comcast
essentials, and please read our comments. They are available.
We posted them as of yesterday. Thank you very much. If you
have questions, please let me know.

JUDGE PRESTEMON: When was the study performed?
MR. BRUCE KUSHNICK: Our study was done in May -- May 2014.
The social contracts were actually written in 1995. We have
links to all of the documents, and they're available.

JUDGE PRESTEMON: You performed the study for the Public
Utility Law Project?
MR. BRUCE KUSHNICK: We -- Public Utility Law Project hired
New Networks to do the study.

JUDGE PRESTEMON: Is the study available online --
MR. BRUCE KUSHNICK: On line.

JUDGE PRESTEMON: -- website?
MR. BRUCE KUSHNICK: And I'll be glad to send information
that everybody has a copy because I think it's -- I should tell
you the other punch line because you asked about the wiring --
the wiring of New York State. Verizon has only wired twenty
percent of the territory; however, there's been three rate
increases in the State of New York that started in the year 2005
that said they were for massive deployment of fiberoptics and
losses. Our study showed that the massive deployment of
fiberoptics, which was FIOS, because it was -- it was
FIOS-based, based on a title 2 common carriage
telecommunications network service, and they were able to use
the utility rights-of-way and charge customers for the cable
parts based on that finding, and two, they collected something
like 4 billion dollars from pots customers to pay for that
wiring. So if you want to know what's gonna happen to the
state, Verizon will stop doing the upgrades. Oh, literally only
eighty percent of the state is not gonna get wired as far as
municipalities and there will be no competition, and Verizon is
filed basically to shut down all the copper in their
territories, and they started in the Rockaways, filing with the
251, Section 251 location, which basically said in the area of
the Rockaways we are going to shut off all the copper and for
50,000 people we are going to file it with the FCC because we
can. That's the only paperwork we're gonna do, and essentially
we have no more obligations whatsoever. We asked whether or not
that wire that was -- is the title 2 part of the utility or is
it basically owned by Verizon as a private property. This --
these -- these big questions, this means that there will not be
any competition of wires by Verizon to -- to Time Warner in the
State of New York if we are right. So whether -- if the merger
goes through, you're basically sitting here with whatever is
there in the ground with Time Warner, and Comcast will be there.
There won't be any competition for it, and Verizon is not going
to show into FIOS in most of the areas to compete, so the prices
cannot go down. There is no other competitor around that can
offer services, and putting all these people on wireless and
shutting off copper, as you know, with the Fire Island docket
that was open, we showed that the cost -- the cost models that
were done by Verizon are basically made up. All of the expenses
that we found, that basically a lot of losses are being created
by the various parts of the business basically dumping expenses
into the utility raising rates, raising the expenses, and
Verizon New York has paid no taxes for the last five years,
income taxes. So as far as the ultimate question about the
merger here, what we are left with is one big question, if
Verizon isn't going to show up and Time Warner/Comcast goes
through, they can just raise rates at will, as they've shown to
do. So we are asking for investigations of these issues today,
and we will definitely get you all reports, no problem. Thank
you very much.

JUDGE PRESTEMON: Our next speaker will be Thomas Kamber.
Is Mr. Kamber here?

THE WITNESS: Yup.

JUDGE PRESTEMON: That's spelled K-A-M-B-E-R, and following
Mr. Kamber we will have Eileen McCorry.

MR. THOMAS KAMBER: I want to thank the members of the
Commission for holding the hearing and for waiting so long with
us into the evening.
I am the Executive Director of a nonprofit called Older Adults Technology Services, called OATS, and we are a ten-year-old nonprofit networks with senior citizens doing training and programming technology for older adults. We run twenty-four centers in New York City. We've trained over 20,000 people to go online and have built over thirty technology centers here in New York. We're, in the broad sense of the challenges in senior phase going on, we provide a lot of the technology training and programming around getting people connected, but one of the real challenges they had is connectivity and particularly cost. It comes up a lot and even today only forty-one percent of seniors are using broadband at home. The center does studies every year tracking these numbers, and seniors always lag the general population by a fairly large, you know, ten, twenty points in terms of broadband adoption. Only sixty-one percent are using internet at all right now. In that context we've long seen Internet Essentials as a real option. That kind of a model is really promising, and even before Internet Essentials Comcast was interested in seniors and working with these issues in New York. They sent executive level people up to one of our programs up in the Bronx back in 2007, constituent sites, and learned from the models that we were doing before setting up Internet Essentials. We've been down to Philadelphia, Comcast Care Days and volunteered there training with the local people and there seems to be a
real commitment to learning and developing a program that will meet the need as a result. So we see the merger in that context as providing opportunity to do something really profound with Internet Essentials. We felt that Internet Essentials should be something that we can take advantage of here in New York for a long time. Obviously every program can be improved. We'd like to see it serve as many people as possible and can be as successful as possible, but seniors really need the connectivity, and absent major government program that's providing it right now, this is the best opportunity we've had to get it. Thank you.

JUDGE PRESTEMON: Thank you. Eileen --

MS. EILEEN MCCORRY: It's M-C-C-O-R-R-Y.

JUDGE PRESTEMON: Thank you, and Ms. McCorry will be followed by Melissa Baker.

MS. EILEEN MCCORRY: My name is Eileen McCorry. I am a resident of Manhattan and a Time Warner Cable customer. As has been noted by several previous speakers, there are several very good reasons that I am as opposed to the multibillion dollar Comcast acquisition of Time Warner Cable. The merger will concentrate too much market power in the hands of one company. If approved, it would combine the largest cable -- it would -- the merger would result in the largest cable and broadband company in the United States. Even without this merger, the telecommunications industry has limited competition, especially
in the critical market for high-speed internet service. Combining two already big companies into one giant industry behemoth would give Comcast even greater control over the cable television and broadband internet markets, leading to higher prices, fewer choices and even worse customer service for consumers. I would like to focus on the damaging effects on consumers like myself. The merger would combine two huge companies that already score poorly when it comes to customer satisfaction. According to a latest Consumer Reports survey of consumers, Comcast and Time Warner are among the worst rated companies in overall customer satisfaction for TV service. Comcast and Time Warner Cable ranked in the bottom third of companies rated on overall satisfaction with internet service. Both companies received especially poor marks for value and low ratings for phone/online customer support. Comcast ranked 15th among seventeen television service providers included in the ratings and earned particularly low marks from consumers for value for the money and customer support. Time Warner ranked 16th overall for television service with particularly low ratings for value, reliability and phone/online customer support. These low rankings for customer service can in part be explained by the lack of competition in the cable market. When companies know that customers are unlikely or unable to switch providers, customer service becomes less of a priority. These companies already have little incentive to provide quality
customer service, but a merged company with increased market power and an even larger national presence will have even less incentive to address consumers' needs.

I'm gonna give a personal example, and it wasn't just me; it was a number of people in New York and throughout the United States. The recent outage of Time Warner Cable's Road Runner e-mail service is a case in point. I and countless others could not access e-mail for the better part of a week. Time Warner's response was a case study in how not to respond. Complaints were logged by Time Warner's Road Runner customers on Time Warner's online customer service forums, their Facebook page by the hundreds and on numerous other user community forums across the internet. The company's response was to minimize the situation, and I'm gonna quote what their response was; quote, some of -- some of our internet customers who use Road Runner e-mail have been affected by an intermittent issue. Our engineers are working to resolve the issue as soon as possible, and we are sorry for any inconvenience, end quote. This became a sort of mantra, repeated over and over on the website, on the phone, in statements to the media. No indication of a cause, the steps being taken to mitigate the situation and estimated timeframe for resolution. According to an article in USA Today that appeared on Thursday, June 12, again I'm quoting from the article, quote, company spokesman Scott Pryzwansky said that the problem affected customers in multiple markets, but it was
intermittent, and the vast majority of our internet customers weren't affected at all. The company declined to give specifics about the scope of the e-mail issue. Pryzwansky said the company's engineers are working to resolve the issue as soon as possible. Okay, this appeared last Thursday, a week ago. The issue has still not been completely resolved by the following Monday, the Monday of this week. Time Warner has an estimated 15 million customers across twenty-nine states and 2.6 million in New York. By my calculation, that means one and a half million nationwide customers and 260,000 in New York were affected. This is not a minor problem. For many people it was more than an inconvenience. Their livelihoods were at stake. People use their Road Runner e-mail to conduct business from their homes. They lost customers, clients and revenue. That's the reason that I am as opposed to this. It -- we need more competition, not less. Thank you.

JUDGE PRESTEMON: Thank you, Ms. McCorry. Melissa Baker up now; will be followed by Jordan Isenstadt.

MS. MELISSA BAKER: Good evening. Members of the Public Service Commission, on behalf of the National Black Leadership Commission on AIDS, Incorporated, I thank you for holding this hearing this evening. My name is Melissa Baker, and today I represent C. Virginia Fields, President and CEO of the National Black Leadership Commission on Aids, Incorporated. Our relationship with Manhattan Neighborhood Network is a key
component to the education and mobilization efforts that drive our organization. The National Black Leadership Commission on AIDS, Incorporated is on the front lines of public health crisis in high-risk communities, working to improve access to quality health care, promote public health and disease prevention and influence public health policy. Thanks to Manhattan Neighborhood Network's equipment, facilities and support, we are able to produce Health Action Television where we discuss key issues in HIV and AIDS and other health disparities in communities of African descent. The program has afforded us the opportunity to expand our reach as well as educate the broader community about work being done by various guests.

Manhattan Neighborhood Network is a key partner for the National Black Leadership Commission on AIDS. As you consider the implications of a merger between Comcast and Time Warner, I encourage you to take this opportunity to strengthen public access. The proposed 45 billion dollar merger of Comcast and Time Warner Cable will lead to a company that provides cable to almost thirty-three percent of households and high-speed internet services to almost forty percent. High quality, accessible and visible local programming is vital to New York City, and our partnership with Manhattan Neighborhood Network is living proof of what happens when two vital community organizations combine resources to educate, mobilize and empower our citizens. Thank you very much.
JUDGE PRESTEMON: Thank you, Ms. Baker. Mr. Isenstadt also had to leave. He's left a written copy of his comments. Those two will be posted on the Commission's website in the docket for this case. And that leaves us with only one. And this one I won't be able to pronounce, Andres Jansons. You will have to spell this one.

MR. ANDRES JANSONS: Yes. My name is Andres Jansons, J-A-N-S-O-N-S. I operate a travel agency, and for a number of years we had reasonably good phone service with -- with copper wires that worked when there were power outages. As a result of several mergers and combinations Verizon was created. Verizon forced us to use the fiberoptic and took away the copper wire service. As a result Sandy came along. We had no power. We had no phone service, and we were totally -- totally left in the cold for ten days. Didn't have access to our customers. We lost business. Didn't have access to internet. No news whatsoever. Control of communications by corporations makes it easier for the government to step in and take control, especially if there's only one or two companies as opposed to having fifty companies. Controlling communications is a first step in the direction of a totalitarian government as we saw in history regarding Nazi Germany, Soviet Russia, Mr. Gaddafi, Saddam Hussein and so forth. Is this what we want here? History has shown that mergers, whether they be airlines, auto manufacturers, radio and TV, cut down competition and cut down
our choices of access to news and what's going on in the world. History has shown us that the loss of competition and these mergers result in higher prices inevitably. There hasn't been one instance where I know of where a merger has lowered prices for the consumer. If I'm wrong, I'd like to be corrected. So this -- is this what we want here, and I urge the Commission to not allow this merger to take place because it's just gonna hurt the consumer. Thank you.

JUDGE PRESTEMON: Thank you, Mr. Jansons. Alright, I'm going to --

MS. MAUDE LEDERMAN: I didn't submit a card, but may I say something? Lederman, L-E-D-E-R-M-A-N, Maude, M-A-U-D-E. I just would like to let everybody know that what all of these companies are using is our commons, our airlines, our rights-of-way, et cetera, ours and I -- I am against this merger. We need competition, period, and -- and the man is absolutely right about communications being so important. Even like in San Francisco they killed the internet when they suspected that there might be something. Shouldn't be, period. Thank you.

JUDGE PRESTEMON: Thank you. Alright, I'm going to ask one more time if Michael Reichenberg is here? Or Keith White? If not, then I thank you all very much.

MS. CATHERINE BARNES: Can I ask a question? Catherine Barnes, I was here earlier, B-A-R-N-E-S.
First of all, I'm not a little old lady who watches Netflix late at night. I'm trying to be an instructor and make more money, and the only thing I use my internet -- my Time Warner for is internet. I also pay for my landline for, you know, through Verizon, and I use CREDO for long distance. So I'm paying more than just $57 a month out of my 1,100. That's one thing. Another thing is this, we heard from so many social organizations tonight saying how great Comcast was because of this one program they had. Yes, that is good, but what are they getting for it? They are getting tax breaks. They are getting tax breaks. That was never mentioned by anybody. So they are not being that magnanimous about it all. So that is not the thing that should make any decision of yours. Your decision is what's good for the common good, and that means all of us, all of us. And losing internet openness, whatever it's called, plus the ability --

AUDIENCE SPEAKER: Neutrality.

MS. CATHERINE BARNES: Yeah, internet neutrality, plus the ability to have various things rather than one controller, we are really, really, really headed down a bad path on this -- in this country. You can't see it so much, but I've been around enough to see differences, and we are on our way to totalitarianism, period. That's it. And open your eyes. It's very visible. It's very visible.

JUDGE PRESTEMON: Thank you.
AUDIENCE SPEAKER: Where do we go? Where will we go if they are there and then there is a problem? Where do I go, to Comcast or to Time Warner? I will go to Comcast. Where do we go? We will have nothing. There will be nothing.

AUDIENCE SPEAKER: There's no choice. There are five different companies here. Give them a chance too.

JUDGE PRESTEMON: Okay. Well, again, I --

AUDIENCE SPEAKER: Oh, another thing, I heard about this just as I was on my way out the door today. You should publicize your hearing. I didn't hear about it until just before the hearing. Thank you very much. Thank you for everything.

JUDGE PRESTEMON: Thank you.

AUDIENCE SPEAKER: I will say goodnight and shut my mouth.

JUDGE PRESTEMON: Alright, there will be no further speakers. I thank you all very much for coming out tonight, and this hearing is closed.

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(Whereupon, the public hearing was concluded at 9:43 p.m.)
CERTIFICATE

I, Holly Van Pelt, a reporter and Notary Public within and for the State of New York, do hereby certify:

That the witness(es) whose testimony is hereinbefore set forth was duly sworn by me, and the foregoing transcript is a true record of the testimony given by such witness(es).

I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

HOLLY VAN PELT
The following are my corrections to the attached transcript:

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