

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350
www.dps.ny.gov

PUBLIC SERVICE COMMISSION

AUDREY ZIBELMAN

Chair

PATRICIA L. ACAMPORA

GARRY A. BROWN

GREGG C. SAYRE

DIANE X. BURMAN

Commissioners



KIMBERLY A. HARRIMAN
Acting General Counsel

KATHLEEN H. BURGESS
Secretary

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.**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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

INFORMATIONAL FORUM AND
PUBLIC STATEMENT HEARING

Wednesday, June 18, 2014
6:00 p.m.

University of Albany
Performing Arts Center
1400 Washington Avenue
Albany, New York

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

COMMISSIONER DIANE X. BURMAN

1 Case 14-M-0183 - 6-18-2014

2 (The public hearing commenced at
3 6:00 p.m.)

4 A.L.J. PRESTEMON: Good evening,
5 ladies and gentlemen. Welcome to the proceeding in
6 Public Service Commission case number 14-M -0183.

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

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

23 For Comcast Corporation, we have
24 Mark Reilly, who's a Senior Vice President of
25 Governmental Affairs for the Northeast Division of

1 Case 14-M-0183 - 6-18-2014

2 COMCAST.

3 Our other speakers -- excuse
4 me -- are Mr. Bernard Margolis, who is the state
5 librarian. He has been the state librarian and
6 assistant commissioner for libraries since January
7 2009. Mr. Margolis administers the New York State
8 Research Library and the Division of Library
9 Development.

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

22 We are also expecting Mr. Gerald
23 Norlander of the Public Utility Law Project. He
24 has been the executive director of that
25 organization for some time. It represents -- also

1 Case 14-M-0183 - 6-18-2014

2 represents residential customers in matters
3 affecting access to energy and telecom services,
4 affordability, and consumer protection.

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

14 After the speakers have -- have
15 given their presentations, there will be a brief
16 period for questions from the members of the
17 Public -- Department of Public Service staff, the
18 Commissioner, and myself. Immediately following
19 that informational forum, we will have a public
20 statement hearing. The purpose of the public
21 statement hearing is to allow members of the public
22 to express their views concerning this -- this
23 petition. All of the comments we receive tonight
24 are being transcribed. The transcript will be
25 before the Commission when it makes its decision in

1 Case 14-M-0183 - 6-18-2014

2 this case.

3 You do not have to have prepared
4 remarks or to present anything in paper. You can
5 speak extemporaneously. All we ask is that you
6 fill out a card at the desk where you came,
7 indicating your interest to speak, and then we will
8 call the speakers in the order that those cards
9 were turned in.

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

23 So, with that, I think we will
24 begin with the -- the presentation by Mr. Reilly of
25 Comcast Corporation.

1 Case 14-M-0183 - 6-18-2014

2 MR. REILLY: Thank you, Judge
3 Prestemon.

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

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

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

25 Comcast Ventures, the innovation

1 Case 14-M-0183 - 6-18-2014
2 investment arm of Comcast has opened centers in
3 Silicon Valley and here in New York. Through
4 Comcast Ventures, we partner with and invest in
5 start-ups to launch new businesses that will
6 develop new technology, products, services, and
7 create jobs. And Comcast offers competitive voice,
8 video, and Internet services to residential and
9 business customers in ten New York communities
10 within Dutchess, Putnam, Washington, and
11 Westchester Counties.

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

24 Since many New Yorkers are
25 relatively unfamiliar with Comcast, I want to

1 Case 14-M-0183 - 6-18-2014
2 briefly describe some of the innovative and
3 approved services Comcast makes available to its
4 customers and how the transaction will bring these
5 same services and other significant benefits to
6 consumers in New York. Although I recognize that
7 the Commission's jurisdiction is primarily over
8 video and voice matters, I will also touch upon the
9 faster and more reliable broadband services Comcast
10 provides, as well as Comcast's binding commitment
11 to an open Internet.

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

21 Comcast has the expertise and
22 financial resources to accelerate the conversion to
23 all digital for Time Warner Cable's systems
24 throughout the state. As Comcast customers have
25 already experienced, all digital systems will allow

1 Case 14-M-0183 - 6-18-2014

2 us to deliver next generation advanced video and
3 voice services, more programming choices, faster
4 Internet speeds, and significantly improved network
5 performance, reliability, and security.

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

22 We also offer an industry
23 leading T.V. everywhere experience with access to
24 more than three hundred thousand streaming choices,
25 including over fifty live T.V. channels and a

1 Case 14-M-0183 - 6-18-2014

2 recently launched XFINITY T.V. online store allows
3 customers to access new movies and T.V. shows often
4 weeks before they're available on Blu-ray or D.V.D.

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

17 Comcast is also deeply committed
18 to providing accessible solutions to consumers with
19 disabilities. Our goal is a smart home for
20 everyone, where accessibility is enabled across
21 products and services regardless of platform. For
22 example, we're leveraging that that same X1 cloud
23 based platform to deliver the first talking guide
24 in the industry. The X1 remote control includes
25 soft keys that disabled customers can configure for

1 Case 14-M-0183 - 6-18-2014

2 quick and easy access to that talking guide. It
3 also allows for close captioning, video
4 description, and other features.

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

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

19 Comcast recognized the --
20 recognizes that improving customer service is
21 another critical issue. Comcast has invested
22 billions of dollars in our network infrastructure,
23 which has greatly improved service reliability and
24 greatly reduced trouble calls. We will do the same
25 here in New York.

1 Case 14-M-0183 - 6-18-2014

2 We're also deploying innovative
3 products and features to make it easier and more
4 convenient for customers to interact with us. Gone
5 are the all-day service appointments. We offer
6 one- to two-hour service appointment windows,
7 including evenings and weekends. And we are
8 meeting these appointments that we offer to our
9 customers today ninety-seven percent of the time.

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

23 And we've made our billing
24 practices more transparent and customer friendly.
25 Although there is still progress to be made, these

1 Case 14-M-0183 - 6-18-2014
2 efforts are making a positive difference and
3 beginning to change some of the lagging perceptions
4 in the marketplace. Since 2010, Comcast has
5 improved J.D. Power overall satisfaction scores by
6 more than any other video or broadband provider in
7 the industry. We will bring the same commitment to
8 improved customer service to consumers here in New
9 York.

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

18 And where Comcast has made
19 inroads in the business market, other providers,
20 competitors, have responded by lowering their
21 prices and improving their services. The
22 transaction will enable Comcast to combine the best
23 of its business offerings with those of Time Warner
24 Cable, better positioning the combined company to
25 serve more small businesses in New York, including

1 Case 14-M-0183 - 6-18-2014

2 some additional New York communities where Comcast
3 will be acquiring systems from Charter
4 Communications in related transactions.

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

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

24 The greater geographic region
25 economies of scale resulting from the transaction

1 Case 14-M-0183 - 6-18-2014

2 will also enable Comcast to offer expanded --
3 excuse me -- expanded wholesale services to mobile
4 operators in the state, helping them provide
5 greater bandwidth for their mobile customers and lower
6 cost services to those same customers in New York.
7 Greater competition for these various business
8 services, along with the substantial improvements
9 to video and voice services for residential
10 customers that I previously described, will enhance
11 economic welfare and benefit for New York
12 consumers.

13 Beyond improved performance and
14 reliability for video and voice services, the
15 transaction will also significantly improve
16 customer experiences for broadband services. In
17 existing Comcast systems, we've increased Internet
18 speeds thirteen times in the last twelve years,
19 offering residential speeds of up to five hundred
20 and five megabits per second. By contrast, Time
21 Warner Cable has not yet transitioned the majority
22 of its systems in New York to all digital and they
23 offer speeds of up to only a hundred megabits in
24 limited areas.

25 And as to the issue of speed, hot

1 Case 14-M-0183 - 6-18-2014

2 off the press from the F.C.C. today, they issued
3 their fourth measuring broadband in America report
4 and that report concluded again that Comcast
5 provides more than the advertised speeds and
6 provides that every hour, every day, and even
7 during peak hours.

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

19 Time Warner Cable only recently
20 began deploying advanced Wi-Fi gateways in its
21 customers' homes. And compared to Comcast three
22 million Wi-Fi hotspots, Time Warner Cable has
23 deployed approximately twenty-nine thousand. In
24 short, approval of the transaction will not only
25 bring improved, more reliable Internet services at

1 Case 14-M-0183 - 6-18-2014

2 home, but also expanded Internet access on the go.
3 And because Comcast is the only I.S.P. in the
4 country that has agreed to be legally bound by the
5 F.C.C.'s original open Internet rules, the
6 transaction will also extend those protections to
7 Time Warner Cable customers.

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

17 In addition, through our highly
18 acclaimed Internet Essentials program, Comcast has
19 made important progress in closing the broadband
20 adoption gap for low income families across America
21 with a special focus on school-age children.

22 Internet Essentials provides low income households
23 with broadband of up to five megabits per second
24 for nine ninety-five a month, the option to
25 purchase an Internet ready computer for under a

1 Case 14-M-0183 - 6-18-2014

2 hundred and fifty dollars, and multiple options for
3 accessing free digital literacy training in print,
4 online, and in person.

5 Comcast has already connected
6 over one point two million low income Americans to
7 the Internet, more than any other program of its
8 kind anywhere in the United States. The
9 transaction will expand that program to low income
10 students and families throughout the current Time
11 Warner Cable footprint, including here in New York.

12 The transaction offers other
13 important public benefits, too. For example,
14 Comcast will extend its industry leading diversity
15 programs and unique External Joint Diversity
16 Advisory Council to the acquired Time Warner Cable
17 systems. This will bring greater diversity in
18 governance, employment, suppliers, programming, and
19 community investment. Comcast will similarly
20 extend public interest commitments from the N.B.C.
21 Universal transactions, such as making local
22 diverse and children's programming available on
23 various platforms such as video on demand and T.V.
24 everywhere.

25 Comcast also has a proven

1 Case 14-M-0183 - 6-18-2014
2 commitment to local communities and organizations.
3 Since 2001, Comcast has invested over three point
4 two billion dollars in cash and in-kind
5 contributions, supporting local non-profit
6 organizations and other charitable partners. And
7 beyond financial gifts, Comcast shares its greatest
8 resource, its people in giving back to local
9 communities. Last year, our employees and their
10 families, as part of Comcast Cares Day, contributed
11 more than half a million hours of service in a
12 single day to improve schools, parks, senior
13 centers, and other vital local community sites.

14 On top of all of these
15 significant benefits, and contrary to what some
16 critics say about reduced choice for consumers from
17 this transaction, this transaction does not take
18 away a single choice for video, for voice, or for
19 broadband for New Yorkers. Instead, this
20 transaction takes one of the choices New Yorkers
21 have today and transforms it. It transforms that
22 choice into a better video provider, it transforms
23 that choice into a more robust I.P. based voice
24 provider, and transforms that choice into a faster,
25 more innovative broadband provider. In short, one

1 Case 14-M-0183 - 6-18-2014

2 of the choices you have today becomes a better
3 choice tomorrow.

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

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

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

1 Case 14-M-0183 - 6-18-2014

2 So, next, Mr. Margolis.

3 MR. MCGOWAN: Thank you.

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

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

16 Today I will tell you I can't
17 live without broadband and you can't either. Today
18 you can't apply for a job without access to
19 broadband. Today almost, I think in twelve or
20 thirteen states, you can't pay your taxes without
21 using broadband. In about eighteen months, you
22 won't be able to do any transactions with the
23 Social Security Administration without broadband.
24 Broadband, in a very short period of time, has
25 become a necessity, a requirement. And yet, today,

1 Case 14-M-0183 - 6-18-2014

2 in New York, the picture is not as clear and not as
3 exciting as some of us would like it to be. There
4 still are about a million households in New York
5 that don't have access to broadband. The
6 infrastructure is either not robust enough to
7 support them or doesn't exist.

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

21 I said a million households don't
22 have access to the infrastructure. About five
23 million households have some access to the
24 infrastructure, but either, because there is a lack
25 of interest or, more importantly, they can't afford

1 Case 14-M-0183 - 6-18-2014

2 it, they're not accessing broadband. For me, from
3 a public library, a library perspective, this is a
4 civil rights issue.

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

17 The legal counsel to the Mayor of
18 New York gave a presentation a couple weeks ago at
19 the state's broadband summit. And she shared the
20 story of her two young children who go to a
21 Manhattan elementary school. They leave school at
22 three or so in the afternoon and they literally
23 march with three hundred of their classmates around
24 the corner to the New York Public Library Branch.
25 And they camp there until the library closes early

1 Case 14-M-0183 - 6-18-2014
2 in the evening, using the public computing system
3 available through the New York Public Library.
4 That's great that they have that access, but that
5 isn't the kind of equitable access that I think we
6 should be striving for.

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

19 Clearly, one of the issues for
20 those of us who serve in public education is how do
21 we use the magic of broadband, this sort of
22 necessary technology that is part of our culture
23 today, to improve how our citizens perform, to
24 improve how children are able to increase their
25 achievement, to improve how adults learn new

1 Case 14-M-0183 - 6-18-2014

2 skills, improve the skills that they have, are more
3 competitive in the world around us. And clearly,
4 broadband has enormous potential for us. And I'm
5 thrilled to hear Mr. Reilly share some of the
6 things that his company has already deployed to
7 maximize how broadband can be used in that way.

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

14 Obviously we want communities
15 that are productive, we want communities that are
16 safe, we want communities that are healthy. And
17 broadband, in some ways, does all of that. And I
18 use the word magic in some -- in some ways to
19 describe broadband, not because it's something that
20 we don't understand. We do understand it, though I
21 am quite surprised when my friends tell me that
22 it's possible right now, the technology exists,
23 maybe Mr. Reilly has it in his back pocket, to take
24 me presenting these remarks to you and to use
25 broadband technology to create a hologram of me,

1 Case 14-M-0183 - 6-18-2014
2 that's frightening, and present me talking to you,
3 to a group in Kansas City, Missouri, that that
4 technology exists today, for me three -- three
5 dimensionally, as a hologram, to appear somewhere
6 else.

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

21 From a library perspective, we
22 have over a thousand public library outlets in the
23 State of New York. We have about seven thousand
24 libraries total, which includes our school
25 libraries and our academic and special libraries.

1 Case 14-M-0183 - 6-18-2014

2 Those one thousand public libraries, in many, many
3 communities, are the primary way that people
4 consume broadband out of the work context. We need
5 more. We need a lot more.

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

20 Obviously, I've shared with you
21 some examples of how broadband is changing our
22 lives. I expect there will be many, many more of
23 those. In public education, we're seeing a lot of
24 those not external to the school buildings, but
25 inside the school, inside the classroom, inside the

1 Case 14-M-0183 - 6-18-2014

2 school library, where assessments and testing,
3 where all kinds of things now are being done
4 throughout the Empire State, using the -- the --
5 the broadband mechanism and using the broadband
6 delivery system.

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

17 I want to conclude by really not
18 saying anything about the specific elements in this
19 case of two major companies wanting to exercise
20 what is part of our capitalistic system. But I do
21 want to say that I hope the overarching perspective
22 of the Commission is how do we increase a structure
23 that obviously is building itself every day, how do
24 we make it affordable, and how, in fact, do we
25 guarantee, and that word is a strong one, but how

1 Case 14-M-0183 - 6-18-2014

2 do we guarantee that anyone, anywhere in our state,
3 has access to that utility and to that service
4 whenever they need it?

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

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

11 Mr. Vigil?

12 MR. VIGIL: Good evening,
13 Commissioners, your Honor, members of the
14 Department of Public Service staff. I am here as a
15 deputy secretary of state responsible for the
16 Division of Consumer Protection, but in my care and
17 capacity as well as interim director for the
18 Utility Intervention Unit, or U.I.U., to offer you
19 the position of the proposed merger of Time Warner
20 and Comcast. On behalf of the Secretary of State,
21 I thank you for the opportunity to speak to you.

22 And I also have to say that if
23 indeed Comcast has the capability of using
24 holograms to transmit someone's image across the
25 state, the secretary, in particular, will be

1 Case 14-M-0183 - 6-18-2014
2 interested in that to fulfill all the different
3 functions he has all across the state. So, please
4 note that.

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

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

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

24 The joint petition mentions the
25 Internet Essentials Program, which was introduced

1 Case 14-M-0183 - 6-18-2014

2 by Comcast in 2011. The U.I.U. recognizes
3 Comcast's efforts with committed local partners to
4 promote this program in low income communities and
5 would like to see the Internet Essentials Program
6 further expanded. Since the Internet Essentials
7 Program is the only implemented -- it's only
8 implemented in a few isolated locations, the U.I.U.
9 recommends, as a condition of an approved merger,
10 that this program replace Time Warner Cable's
11 existing low income program to provide a greater
12 number of low income consumers in the state with
13 low cost broadband service and access to computer
14 based training.

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

1 Case 14-M-0183 - 6-18-2014

2 services in the event of an emergency.

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

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

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

1 Case 14-M-0183 - 6-18-2014

2 stand-alone broadband service is priced at forty
3 dollars a month.

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

15 While it probably is very popular
16 with a certain sector of the population definitely,
17 it probably is not needed by certain consumers in
18 the state. If consumers do not have the option of
19 purchasing stand-alone broadband Internet services
20 at a reasonable price, a large population of
21 Internet services purchasers may be discouraged
22 from providing the service all together, which the
23 U.I.U. believes is not in the best interest of the
24 companies to begin with and obviously not for the
25 consumers either.

1 Case 14-M-0183 - 6-18-2014

2 But moving on from those issues
3 regarding specific products and services, there's
4 another issue that I would like to highlight. And
5 that is the service quality problems that have
6 plagued both companies. In 2012, the Division of
7 Consumer Protection had documented one hundred and
8 seven complaints made against Time Warner by
9 consumers. This was a sharp increase from the
10 twenty-one complaints received in 2011, which can
11 be attributed to Hurricane Sandy.

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

25 Aside from the service issues

1 Case 14-M-0183 - 6-18-2014

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

14 From our understanding, the
15 P.S.C., itself, received over one thousand
16 complaints against Time Warner in 2012, and one
17 thousand one hundred and fifty complaints in 2013.
18 For us, this reflects the poor customer
19 satisfaction ratings that Time Warner Cable
20 received in surveys conducted by J.D. Power,
21 Consumer Reports, and the American Customer
22 Satisfaction Index. In both the J.D. Power and
23 A.C.S.I. surveys related to television, telephone,
24 and Internet services, Time Warner Cable and
25 Comcast finished last and next to last for all

1 Case 14-M-0183 - 6-18-2014

2 their services.

3 The U.I.U., therefore, is
4 concerned that the quality of service will be
5 further impacted as the result of this merger. To
6 best ensure that the quality of service offered by
7 the companies improves, the U.I.U. recommends that
8 the Commission implement a number of conditions to
9 the approval of this merger.

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

17 The companies, D.P.S. staff, and
18 any other interested parties, including the U.I.U.,
19 PULP, should collaborate to come up with the
20 appropriate targets. Furthermore, the companies
21 should file a quarterly report with the Commission
22 and interested parties on their performance. The
23 current level of customer service is simply not --
24 not good enough for New York, and improvements must
25 be made.

1 Case 14-M-0183 - 6-18-2014

2 I thank you for the opportunity
3 to address you on this very important topic and to
4 further the role of the U.I.U. in advocating on
5 behalf of residential customers and small
6 businesses around the state.

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

9 Now, Mr. Norlander?

10 MR. NORLANDER: Judge, I have --.

11 A.L.J. PRESTEMON: Oh.

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

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

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

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

24 But before doing so, I'd like to
25 address the standard briefly. It is a well-known

1 Case 14-M-0183 - 6-18-2014
2 standard and it probably doesn't need much time to
3 go over, but the Commission, in determining whether
4 a proposed change of ownership is in the public
5 interest, does more than look to see if there's no
6 harm or to -- in these transactions.

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

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

24 On the issues of telephone
25 service, Time Warner is the second largest

1 Case 14-M-0183 - 6-18-2014
2 telephone provider in the state. It has one point
3 two million customers. And this raises numerous
4 issues of subscribership, universal service, and
5 consumer protection. New York is third from the
6 bottom, nationally, in terms of household
7 subscribership to telephone service. We have more
8 than -- around five or six percent of the
9 population of households don't have a phone, much
10 less broadband.

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

24 In a very heartening development,
25 Time Warner came forward in 2012 and declared that

1 Case 14-M-0183 - 6-18-2014
2 it is a telecommunications carrier, that it wanted
3 to be an eligible carrier for purposes of Lifeline
4 subsidies so that it could provide lower charges to
5 low income customers. And it began -- that was
6 approved and it has begun to serve low income
7 Lifeline customers since then. We don't know how
8 many customers of the one point two million it has
9 who are eligible for Lifeline or who are getting
10 it, but that -- that is a good development. It
11 should be continued.

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

22 What I would like to see is that
23 Comcast customers also have the ability to get
24 Lifeline service and that the Commission conditions
25 any approval of the transaction on Comcast also

1 Case 14-M-0183 - 6-18-2014
2 looking in the mirror and discovering that it, too,
3 is a phone company and that it should be subject to
4 requirements of phone companies which include the
5 Telephone Fair Practices Act, which include
6 regulation.

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

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

24 And since that designation, Time
25 Warner has been filing service quality reports,

1 Case 14-M-0183 - 6-18-2014

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

14 There's also an issue that the --
15 the Commission has relaxed the service quality
16 standards for Verizon to just count the service
17 quality to eight -- eight percent of the customers
18 who are core customers who are mainly Lifeline
19 customers. And because Time Warner just started
20 taking Lifeline, opening up Lifeline service, that
21 I would imagine they don't have very many customers
22 for whom we should measure service quality so that
23 the service quality measurement should be, I think,
24 for all companies measuring service to all
25 customers. But at least in this period of time

1 Case 14-M-0183 - 6-18-2014

2 when Lifeline enrollment is likely low, we should
3 look more carefully at service quality to all
4 customers.

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

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

20 The assumption that -- that
21 the -- you know, the Commission has set rates for
22 the local exchange companies and that the VoIP
23 providers can compete against that is -- is likely
24 to get price leadership and -- and basically
25 hovering around the same price with competition

1 Case 14-M-0183 - 6-18-2014
2 over various temporary bundle promotions and things
3 like that. And that's the kind of competition we
4 see and not -- and not price dropping of -- of any
5 significance or price variance of major
6 significance between the providers.

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

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

1 Case 14-M-0183 - 6-18-2014

2 to meet any particular goal.

3 On broadband, we -- we agree
4 with -- with the people -- with Mr. Margolis, from
5 the library, and -- and Mr. Vigil, there's a need
6 for commitment to universal broadband in the state.
7 And this does present an opportunity for the state
8 to -- to make a move to -- in connection with this
9 merger, to ask the companies to come forward with a
10 plan to roll out better and more broadband service
11 to meet a universal service goal.

12 I would like to point out a very
13 interesting issue involving the Internet Essential
14 Service of Comcast, which is, on its face, a very
15 good thing for people who get it. However, the
16 people who are existing Comcast customers pay maybe
17 forty dollars a month for broadband who are
18 eligible financially for Lifeline -- or for the
19 lower -- for the low income rate would not be
20 eligible because they are an existing customer.
21 It's only a promotional rate given to someone who's
22 coming on for the first time. And so that poses a
23 question of -- of rate discrimination.

24 And one might say well, you know,
25 there's no statute that deals with broadband and

1 Case 14-M-0183 - 6-18-2014

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

14 And then in the -- about a
15 hundred years ago, there was a case where the
16 Edison Company was at the time incorporated as a
17 lighting company and they started providing -- in
18 1915, they started providing the service for
19 refrigerators and power. And so someone came along
20 and said please provide me a customer -- the
21 lighting customer with power. And -- and Edison
22 said no and the case went -- went to court. And
23 the court said well, you know, they might not have
24 an obligation to provide electricity for power,
25 they're incorporated as a lighting company, but

1 Case 14-M-0183 - 6-18-2014

2 since they are using their network for the
3 provision of power, they are a public utility and
4 they have a legal obligation to provide -- to make
5 the service available to everybody at a reasonable
6 rate without discrimination.

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

19 I think another -- another
20 problem is the assumption that competition is there
21 to -- to discipline the -- the cable companies.
22 Verizon has halted the -- the rollout of FiOS into
23 new communities. They're in but a fraction of the
24 communities in the state. They're not in Albany.
25 They're not where I live in North Greenbush.

1 Case 14-M-0183 - 6-18-2014

2 They're not in many locations. And so we have
3 effectively a monopoly for wireline broadband,
4 which is Time Warner. And so, therefore, the --
5 the Commission, I think, should use this
6 opportunity to review the -- the rates of Time
7 Warner and the practices and the policies and --
8 and provide -- and obtain some assurances for
9 future rates and -- and rollout of more broadband.

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

21 So I -- I think that based on --
22 on the record that -- that the public is likely to
23 see, we don't see a basis to approve the
24 transaction and that the process will -- will be
25 decided in -- in a less than fully transparent

1 Case 14-M-0183 - 6-18-2014
2 manner. In saying that, you know, I think then
3 there -- I also note that there's no active party
4 in the case on behalf of consumers who are
5 propounding questions and doing discovery. Nor is
6 there an active party for any competitor or group
7 of competitors, potential competitors concerned,
8 perhaps, about the carriage of signals over
9 broadband. And so I think with that in mind, I
10 think the Commission needs to take extra steps to
11 assure that the concerns of -- and impacts on
12 customers are addressed.

13 Thank you for your time.

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

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

18 Commissioner Burman?

19 Peter? Okay.

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

25 MR. MARGOLIS: I can very

1 Case 14-M-0183 - 6-18-2014
2 comfortably tell you today that every single public
3 library in the state does have some level of
4 broadband service, ranging from three megabits, I
5 think we have forty libraries in that category, to
6 about fifty that have over a hundred.

7 MR. MCGOWAN: And would -- would
8 that also be true for the seven thousand --

9 MR. MARGOLIS: No.

10 MR. MCGOWAN: -- schools?

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

18 MR. MCGOWAN: So -- so the
19 ones --?

20 MR. MARGOLIS: We don't have
21 any -- I don't think any schools today that have a
22 gigabit or more. You know, if we were to compare
23 ourselves, say, to California, you know, the
24 gigabit now is sort of the -- the target for every
25 school in California. We are way off from that.

1 Case 14-M-0183 - 6-18-2014

2 MR. MCGOWAN: So is it a concern
3 that it's hard to afford or is it a concern that
4 it's simply not available?

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

13 MR. MCGOWAN: Okay. Thank you.

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

22 MR. REILLY: Sure. So we've
23 talked about our view in terms of the disparity of
24 what's offered today by Time Warner in the current
25 footprint, as well as compared to what Comcast

1 Case 14-M-0183 - 6-18-2014
2 offers to its customers. I'd describe bringing the
3 network up to standards that will enable consumers
4 to be able to access the reliability of the
5 network, as well as the opportunity for that
6 interactivity and greater experience in terms of
7 speeds, as well as enhancements to video,
8 enhancements to voice, and benefits to the business
9 community.

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

21 As a company, we extend our plant
22 every year and we also partner with government to
23 look at the kinds of areas that we heard this
24 evening where there's need, but there isn't
25 availability. So as an example, next door in

1 Case 14-M-0183 - 6-18-2014
2 Vermont, we had conversations with the policy
3 makers who had expressed concern about the lack of
4 access, so some of the same sort of themes that you
5 are talking about this evening and that we heard
6 previously.

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

22 MR. MCGOWAN: Okay. Let me just
23 press you on one more point, though, affordability.
24 Beyond the Essentials Program, how about universal
25 service in terms of -- universal service for

1 Case 14-M-0183 - 6-18-2014

2 broadband in terms of affordability?

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

19 PEW (phonetic spelling) has said
20 that this is really important to have, not only the
21 service at an affordable price, but the equipment
22 is critical to provide as well, or at least assist
23 in providing as well as the training. So those
24 three prongs, we put an awful lot of effort into.
25 And we're not done. There's a lot more that we can

1 Case 14-M-0183 - 6-18-2014

2 do together. So I don't want to just say beyond
3 that. It's a significant program that we're
4 prepared to roll out throughout New York.

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

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

25 In addition to that, we offer

1 Case 14-M-0183 - 6-18-2014
2 stand-alone broadband for our customers. We offer
3 stand-alone video. We offer stand-alone voice. If
4 you look kind of behind the curtain at Comcast
5 operations, we've got hundreds of different
6 combinations and we look to serve everybody from a
7 customer who wants to just get their broadcast
8 channels, that's all they want from us, and then
9 we've got people who, five hundred channels isn't
10 enough, their appetite is seemingly
11 unquestionable -- unquenchable, excuse me -- and we
12 look to try to meet as many needs as possible.

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

1 Case 14-M-0183 - 6-18-2014

2 choice with respect to what we offer.

3 MR. MCGOWAN: Thank you.

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

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

22 We heard feedback, which we
23 listened to and, more than listened to, acted upon
24 where people said while we appreciate one and a
25 half megabits for nine ninety-five a month and a

1 Case 14-M-0183 - 6-18-2014
2 free installation, we have people who aren't in
3 free school lunch, but they're in the reduced
4 school lunch. And if you look at the economic
5 challenges that even families who are in the
6 reduced school lunch face, they could really
7 benefit from a program like this. We expanded it
8 to reduced school lunch.

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

23 Then we had the parochials
24 approach us and say, you know, we have children, as
25 well, who have need and can't you help us. We

1 Case 14-M-0183 - 6-18-2014

2 expanded it. Then we had charter schools and,
3 again, the same question. We expanded it. Then we
4 had home school and, again, we expanded it. Then
5 we had the cyber school people approach us. And
6 yet, again, we expanded it. So this program has
7 gone through that I'll call it the eligibility
8 evolution. So we're up to the point now that
9 everything from public to the home school or cyber
10 school, if you are in free or reduced school lunch
11 or even a provision two school, you're eligible.

12 Then we heard from people saying
13 you know, this program is supposed to really be a
14 tool for kids to learn and remain on a competitive
15 level playing field with other kids who have more
16 resources available to them. And one and a half
17 megabits, if you're going to Con Academy
18 Educational Training, downloading that can be, at
19 one and a half megabits, a little bit of a
20 challenge. We doubled it to three megabits.

21 At three megabits, people said to
22 us, you know, even so it's a little bit of latency,
23 it's a little bit of a challenge. We've got some
24 great content. The goal is to help the kids, what
25 can you do? We then increased that to five

1 Case 14-M-0183 - 6-18-2014

2 megabits.

3 So today we have fourteen
4 different languages that we offer the materials.
5 We've got training that we partner with local
6 organizations and it's training that's in writing,
7 it's training that's online, and it's training
8 that's in person. And so we've gone through this
9 huge transformation of the program. So hopefully
10 as people here are listening to all of the
11 different groups that we have opened it up to, it
12 will give you some perspective. And I would assume
13 there are likely stats at the state level as to how
14 many provision two schools, how many free and
15 reduced school lunch, so that we can work together
16 to figure out how do we tackle this.

17 MR. MCGOWAN: Excellent. Thanks.

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

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

22 We're now going to move on to the
23 public statement hearing phase of the proceedings
24 tonight. We have a number of individuals who have
25 signed up and expressed an interest in speaking.

1 Case 14-M-0183 - 6-18-2014

2 So if you are going to speak,
3 there are four microphones around the room, two at
4 the bottom and two a little farther up the stairs.
5 You can come to any one of them, I'm told. So,
6 with that, I'll ask for our first speaker, Mary
7 Alice Crim.

8 MS. CRIM: Hello everyone.

9 A.L.J. PRESTEMON: Hello.

10 MR. MCGOWAN: Hello.

11 MS. CRIM: Can everyone hear me
12 all right? There we go.

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

24 If approved, this deal would
25 create a media behemoth with unmatched power to

1 Case 14-M-0183 - 6-18-2014

2 raise prices, squash competition, and reshape the
3 future of the Internet for the worst.

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

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

22 Comcast does tout its Internet
23 Essentials Program which we've heard a little bit
24 about tonight, which is intended to provide low
25 income communities Internet access. But there are

1 Case 14-M-0183 - 6-18-2014

2 a host of problems with this program that keep
3 people who need and depend on the Internet access
4 offline. For example, in order to qualify for the
5 program, as we've heard, you must have children in
6 school. What about seniors? What about
7 individuals? What about others who depend on the
8 Internet for life and everything today?

9 You must also not be a current
10 Comcast customer, which again, we heard a little
11 bit about tonight. If you are a current Comcast
12 customer, you need to disconnect your Internet for
13 a couple of months, which only punishes people who
14 need to reduce the cost of their Internet access.
15 And it's difficult to apply for the program. Only
16 a small fraction of those eligible have been able
17 to sign up since the program launched.

18 Comcast created this program just
19 before it bought N.B.C. and it used it as a carrot
20 to convince regulators to allow that merger to go
21 through. We must not be fooled. Comcast has no
22 intention to provide low cost Internet access to
23 the people that need it most.

24 Here's a few facts, all of which
25 are accessible on our website at Free Press dot

1 Case 14-M-0183 - 6-18-2014

2 net. If this merger goes through, Comcast will be
3 the largest paid T.V. private provider for
4 two-thirds of the United States population.
5 Comcast will control nearly fifty percent of the
6 truly high speed Internet market. Basic cable fees
7 will go up. In fact, Comcast fees for basic cable
8 in some cities have increased by sixty-eight
9 percent from 2009 to 2013.

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

18 This all means that if this
19 merger goes through, Comcast will be able to shape
20 the future of the Internet in New York and
21 throughout the U.S. A larger Comcast will be able
22 to use its market power in New York to close down
23 the open Internet, increase costs, and harm
24 broadband access at a time when the United States
25 lags well behind other developed nations on each of

1 Case 14-M-0183 - 6-18-2014
2 these measures. The company will be so huge that
3 it will set the agenda for the entire telecom
4 industry. And all this power will be in the hands
5 of a company that has violated our freedom of
6 speech online in the past by blocking its
7 customers' access to content and certain
8 applications.

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

17 This has big implications for all
18 of us that rely on the Internet for our businesses,
19 our education, our communities, and more. Small
20 businesses that depend on the Internet to compete
21 with other more established businesses and to
22 attract and retain customers will be at risk.
23 Students that use the Internet to do homework and
24 find information will be at risk. Organizations
25 providing vital community information via the

1 Case 14-M-0183 - 6-18-2014

2 Internet will be at risk. Independent media will
3 be at risk. And the list goes on.

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

14 In the past few months, I've
15 spent a lot of time talking with people around the
16 country who want a more just communication system,
17 many of them New Yorkers wary of Comcast. Let's
18 hear what some of your neighbors have to say.
19 Susan says, quote, I'm a senior on a fixed income.
20 I have only just managed, after months of haggling,
21 to negotiate a more affordable rate with Time
22 Warner Cable for broadband Internet, cable T.V.,
23 and digital phone. Where I live, there is no
24 alternative to Time Warner Cable. If this merger
25 goes through, there will be no alternative to

1 Case 14-M-0183 - 6-18-2014

2 Comcast. I will have to start haggling all over
3 again and my Internet and phone service, my
4 lifeline in case of emergency, will be at risk.
5 Don't give giant communication monopolies even more
6 control over our lives. Don't take away all of our
7 choices and force those of us on fixed incomes to
8 pay monopoly prices or do without these vital
9 services.

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

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

22 These New York Free Press members
23 join more than four hundred thousand people across
24 the country that have spoken out against this
25 merger. This merger is bad for business, it's bad

1 Case 14-M-0183 - 6-18-2014
2 for customers, and it gives too much control of our
3 communications infrastructure to just one company.
4 It threatens our ability to communicate with each
5 other and our freedom of speech. On behalf of Free
6 Press' more than five hundred -- fifty thousand
7 members, excuse me -- in the State of New York, I
8 urge you to vote against the transfer of Time
9 Warner Cable services and customers to Comcast.

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

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

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

23 MS. CAVANAUGH: Good evening.
24 Thank you for the opportunity to address you. My
25 name is Eileen Cavanaugh. I'm the executive

1 Case 14-M-0183 - 6-18-2014

2 director of the Boys and Girls Club of Greater
3 Holyoke and I'm here to speak on behalf of Comcast
4 Community Investment Program.

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

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

25 Comcast has specifically come out

1 Case 14-M-0183 - 6-18-2014
2 and sought out a partnership with the Boys and
3 Girls Club, in particular. We serve over three
4 hundred and fifty youth a day in our community.
5 We're one of the largest youth serving
6 organizations. And with that comes three hundred
7 and fifty families, as well. And so Comcast has
8 demonstrated a solid community partnership program
9 in several different ways. And I think that that
10 speaks volumes with respect to their investment and
11 giving back.

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

19 Most importantly, they also --
20 they give financial contributions, so there's
21 actual cash dollars that come into the community to
22 support the work of a non-profit. Through grant
23 funding programs, specifically, we've been the
24 recipient of several of them, helping support our
25 Club Tech programming, where we're bringing

1 Case 14-M-0183 - 6-18-2014
2 computer access and technology digital literacy to
3 some of the poorest youth in Holyoke. In
4 particular, they're supporting our mentoring
5 programs and our youth leadership programs, as
6 well, so it goes beyond just a digital literacy or
7 technology programming.

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

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

1 Case 14-M-0183 - 6-18-2014

2 neighborhood.

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

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

25 And so really, in my opinion, in

1 Case 14-M-0183 - 6-18-2014
2 closing, what I want to state is that through the
3 community support that Comcast offers in their
4 community give back program, we've been able and
5 they've been able to address some of the
6 achievement gap that our kids are suffering from in
7 our community in particular. And I certainly know
8 that it can be replicated in the State of New York.
9 Thank you.

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

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

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

21 Square One was formerly known as
22 Springfield Day Nursery. We were founded in 1883
23 as both a job training and childcare program,
24 helping women develop marketable skills and work
25 while their children received quality nurturing

1 Case 14-M-0183 - 6-18-2014

2 care.

3 Today, Square One has evolved
4 into a leader in providing early education and care
5 services for infant, toddlers, pre-schoolers,
6 before and after school programs. We also provide
7 family support services, health and fitness
8 services, and a voice in the community. Our
9 mission is to improve the lives and circumstances
10 of children and families by getting children off to
11 a good start in life. We use research based
12 curriculums in our early education and care
13 programs, provide parent education and support
14 services to families and caregivers in our family
15 resource centers and through our home visiting
16 programs.

17 With a focus on health, wellness,
18 and nutrition, we collaborate with our local
19 medical center and with the health sciences
20 department of our local colleges to ensure that the
21 children are well, are well fed, and are able to
22 learn.

23 Square One provides one --
24 provides services to one thousand children and
25 families each day, ninety-eight percent of whom are

1 Case 14-M-0183 - 6-18-2014
2 living at or below the poverty level and most of
3 whom are considered at high risk for school
4 failure. Our primary area of service is Hampden
5 County, which includes Springfield, Holyoke, and
6 Chicopee. Fifty-two percent of the children who
7 enter school in Springfield and in Holyoke do not
8 graduate and only one-third are reading
9 proficiently by the end of third grade. And we
10 know that children learn to read through third
11 grade and after third grade they read to learn.
12 And -- and this increases their chances of
13 graduating by forty percent.

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

20 Whether it is new nap time
21 children's mats to funding for a new literacy
22 program targeting school-age children or now
23 getting -- or making raised garden beds that have
24 turned our pre-schoolers into little farmers,
25 planting and harvesting their own fruits and

1 Case 14-M-0183 - 6-18-2014

2 vegetables, which in a food desert is really
3 critical, Comcast has and continues to be tuned in
4 to the needs of not just Square One's families, but
5 the needs of our entire community.

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

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

21 Preventing summer learning loss
22 is an important goal of ours and in the Western
23 Mass community. Approximately eighty-three percent
24 of those children in that program, all of whom are
25 coming from disadvantaged families, retain to their

1 Case 14-M-0183 - 6-18-2014
2 literacy learning over the summer from the prior
3 school year or they improved their skills.
4 Comcast's financial support also provided
5 educational and recreational field trips that
6 enabled these children to enjoy experiences that
7 they might not otherwise have, such as visiting an
8 EcoTarium to learn about nature and wildlife.

9 Comcast has made a tremendous
10 impact on our ability to successfully prepare
11 children for school and work and life. This
12 partnership is especially critical during these
13 difficult economic times when state and federal
14 funding resources are being depleted.

15 On Comcast Cares Day, a group of
16 employees came to one of our Square One sites on a
17 Saturday and did our spring cleanup on our grounds
18 and in our building. And it was not just raking
19 and sweeping. They built raised garden beds for
20 the children, bought and mounted a T.V. in the
21 indoor play space, washed down the playground
22 equipment, and planted flowers.

23 Three years ago, Springfield was
24 hit by a tornado. Three of our buildings at Square
25 One took a direct hit, a childcare center, a

1 Case 14-M-0183 - 6-18-2014
2 program building that housed our family support
3 services, and our administration building, totally
4 wiping out our entire infrastructure. Within a few
5 days, we had found temporary space to resume our
6 business, but the building needed to be wired. We
7 called Comcast and asked them how soon that they
8 could come and help us. They were there -- we
9 called them at one o'clock in the afternoon. They
10 were there at eight o'clock the next morning,
11 wiring our building. That, to me, is -- is being a
12 real community partner, helping us to get back into
13 business, so that we could serve one thousand
14 disadvantaged children and their families.

15 Thank you very much.

16 A.L.J. PRESTEMON: Thank you, Ms.
17 Kagan.

18 The next speaker is Darren
19 Skotnes.

20 MR. SKOTNES: Hi. I'm Darren
21 Skotnes. I'm a state worker for Mental Hygiene
22 Legal Services. I organize and scan patient files
23 to computer, which is I use a web dock server.
24 And -- and with the Time Warner/Comcast merger it
25 kind of affects me how I use like -- like the web,

1 Case 14-M-0183 - 6-18-2014

2 put things in digital perspective from hard copy.

3 And I spend a lot of time using the Internet, too,

4 like checking my email and -- and

5 like going on other sites like Facebook and so

6 forth. And -- and with this thing, I found

7 about -- on the -- I've been receiving a lot of

8 emails from a lot of organizations, like Move On,

9 which I'm -- I work for, which is part of the

10 democrat committee. And when I -- I read about

11 how -- how the F.C.C. is proposing new regulations

12 for the Internet, it seems like I -- what's that

13 have to do with it.

14 When Tom Wheeler, the F.C. chair

15 wants to -- to impose wants -- says that -- that

16 he's up for the open Internet and it's kind of like

17 sort of that nobody even agrees. It just thinks

18 like -- like what it does when there's been stories

19 of how -- how one is divided, slow lane, fast lane,

20 that doesn't make any sense. It just kind of does

21 sort of the way of -- of slowing down the Internet

22 by big corporations just like broadband or

23 broadband and so -- so forth when -- and sometimes

24 the Internet's slow, sometimes it's fast, but

25 there's no reason to fix it by having a slow lane,

1 Case 14-M-0183 - 6-18-2014
2 fast lane thing. And so I -- so that's -- let's
3 continue to like fight and make the -- and restore
4 net neutrality.

5 Thank you.

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

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

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

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

23 We feel our station offers the
24 best local programming to broadcast in Warren and
25 Washington Counties. And as part of this process,

1 Case 14-M-0183 - 6-18-2014

2 to ensure that the public's best interests are
3 represented, we would ask that all parties look to
4 find a way to broadcast our signal in Warren and
5 Washington Counties.

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

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

25 Our client just announced a new

1 Case 14-M-0183 - 6-18-2014
2 program, a documentary on heroin use, which is an
3 epidemic in the North Country and impacting,
4 dramatically, communities throughout Warren and
5 Washington County. But again, our signal is not
6 carried in Warren and Washington and our citizens
7 are denied the ability to see this very important
8 programming.

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

18 Thank you very much.

19 A.L.J. PRESTEMON: Thank you, Mr.
20 Westcott.

21 The next speaker is Collin
22 Thomas.

23 MR. THOMAS: Hi there. I'm
24 Collin Thomas. I am a resident of the City of
25 Troy. I'm here to speak out in the negative or

1 Case 14-M-0183 - 6-18-2014
2 against the Comcast/Time Warner merger. We already
3 kind of are under the thumb of a monopoly in terms
4 of service through Time Warner. Even if you want
5 to choose a different Internet service provider,
6 we -- I've used Earth Link before and you still
7 have to go through Time Warner. So there's really
8 no way around it.

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

19 So, to help prevent rapid costs
20 to the public, and as we've seen the
21 telecommunication companies, whether it's, you
22 know, Verizon or Comcast or you know, name it, a
23 telecom company lobbying against net neutrality, we
24 can only see, you know, an increase of opposition
25 to net neutrality as we allow companies to be more

1 Case 14-M-0183 - 6-18-2014

2 profitable and see more of a profit into creating
3 tiered service for citizens.

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

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

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

12 And thank you all very much for
13 coming tonight.

14 (The proceeding concluded at 7:45

15

16

17

18

19

20

21

22

23

24

25

1 Case 14-M-0183 - 6-18-2014

2 STATE OF NEW YORK

3 I, G. Michael France, do hereby certify that the
4 foregoing was reported by me, in the cause, at the time
5 and place, as stated in the caption hereto, at Page 1
6 hereof; that the foregoing typewritten transcription
7 consisting of pages 1 through 84, is a true record of
8 all proceedings had at the hearing.

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

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

G. Michael France, Reporter