



[Time Warner Cable Charter Concerns Voiced at Tuesday's California Hearing - CTFN](#)

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Charter Communications and its merger partners heard plenty of praise — mostly for its diversity goals — but also pointed critiques over its plans to operate in California during a crowded public hearing Tuesday night before an administrative law judge with the California Public Utilities Commission.

January 28, 2016 - by Robert W. Welkos

Many of the questions raised by critics of the proposed \$78.7 billion merger of Charter with Time Warner Cable and Bright House Networks, focused on the fuzziness of the local details being presented by the applicants regarding how the transaction would impact millions of customers in Southern California, particularly low-income Internet broadband users.

Representatives of Common Cause, the Greenlining Institute, Stop the Cap!, and DISH Network urged the CPUC to reject the merger because it does not comport with the public benefits required by state law.

One of the chief concerns was the market concentration in Southern California that would result from the merger. “The New Charter will have very high concentration in the Southern California area,” Ana Maria Johnson, program and project supervisor at the Office of Ratepayer Advocates, the consumer advocacy arm of the CPUC, told CTFN during a break in the hearing.

She noted that the merger would affect 82 percent of households in Southern California, resulting in 69 percent of those households having only New Charter as their choice. “We say this merger is harmful,” she said. “The concentration ... in Southern California is extremely high and anti-competitive. So, there are no measures to counter those concerns, those harms that heightened concentration will bring,” she said.

Also, Johnson noted, company claims that the merger will benefit the public “are pure speculation. They don’t make any specific California commitments. You hear a lot about line extension investment but you don’t hear exactly what will happen in California.”

So far, she said, “If you look at all the public benefits (Charter is promising), it all has been nationwide and none of it coming to California. Where are those line extensions going to occur? Where are those investments going to occur? All those are very critical and important to know.”

Adam Falk, Charter’s senior vice president of government affairs, told the hearing that the merger is intended to “build on the best attributes of the merging companies.” He added that he was confident that the expansion of the company in California would be a “positive development” for the state and its residents. Falk said the merger would result in faster Internet broadband services, including a recently announced plan to offer low-income households high-speed Internet of 30 megabits for \$14.99 a month.

Earlier this month, Charter announced it had reached an agreement with leaders of top national civic organizations serving communities of color to appoint a Chief Diversity Officer to oversee the company’s diversity and inclusion efforts. Charter also announced it has committed itself to appointing one African American, one Asian American/Pacific Islander, and one Latino American to its newly formed board of directors within two years of the close of the transaction.

That announcement drew praise from a number of public speakers at Tuesday's hearing.

At the outset of the hearing, observers saw none of the rancor that marked the previous attempt by Comcast Corp. to merge with Time Warner Cable, but there was still an element of suspicion hanging over the proceedings. The hearing was chaired by CPUC Administrative Law Judge Karl J. Bemserderfer and attended by commission President Michael Picker, who briefly attended and asked no questions. The hearing was conducted in downtown Los Angeles.

Bemserderfer is the same hearing officer who last year issued a controversial recommendation that the five-member commission approve the Comcast merger. The judge's ruling came with a lengthy list of conditions, some of which Comcast vigorously opposed. But the commission never got a chance to vote on the merger since the Federal Communications Commission and the Department of Justice said they would challenge the merger in court. The companies withdrew their applications.

In California, a Comcast-Time Warner Cable merger would have covered almost all of the state. With Charter, however, most of the "footprint" would be in Southern California.

Rachelle Chong, a former CPUC commissioner who now represents the California Emerging Technology Fund, told the hearing that her group has been asking for "eight public benefits" as part of the merger.

Among those are expanding Charter's \$14.99 offer to include all low-income households including seniors, people with disabilities, and veterans; requiring infrastructure builds in 10 unserved and underserved areas of California including poor neighborhoods of Los Angeles County; and, increasing subscriptions equal to 45 percent of eligible households in two years.

Chong, who stressed that CETF neither endorses or opposes the merger, pointed out that Los Angeles County is the most populous county in the country and that the Inland Empire (San Bernardino and Riverside counties) are larger than 24 states. "California must get it right for the state of the nation," Chong said.

Chong told CTFN that in the Comcast case, the same administrative law judge adopted a number of conditions that her group had urged him to adopt.

Commission President Picker, who is overseeing the Charter review, issued a scoping memo indicating that he would like a proposed decision issued on May 15 with a final decision due on June 10. If those dates hold, it would mean that the FCC and the DOJ would likely issue their decisions on the merger weeks or months earlier since they are expected to announce their decisions in February or March.

The companies recently asked the CPUC to hold an expedited review of the merger in California but there has been no indication whether Bemserderfer will go along with that request. One source close to the proceedings told CTFN that Bemserderfer was delayed in getting to the Charter case because an earlier case ran long and because Bemserderfer also has a telecom investigation that needs his attention.

ORA's Johnson, meanwhile, said her agency opposes moving up the timeline. "There are a lot of steps that the commission has to go through as far as considering if the merger is in the public interest," she explained. "We have to be sure that we follow the due process in doing that."

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