

NEW YORK STATE SENATE
NEW YORK STATE ASSEMBLY
NEW YORK CITY PUBLIC ADVOCATE
MANHATTAN BOROUGH PRESIDENT
NEW YORK CITY COUNCIL

September 21, 2015

The Honorable Audrey Zibelman
Chair, New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, NY 12253-1350

Dear Chairperson Zibelman:

Over the past year, the Public Service Commission (PSC) reviewed a proposed merger between Comcast and Time Warner Cable (TWC) to determine whether it was in the public interest. During that period, we advocated on behalf of the City of New York, seeking the preservation of network neutrality, expansion of Lifeline eligibility to broadband, and other requests aimed at bridging the digital divide, while expressing overall concerns with anti-competitive elements of the proposed merger. Many initially thought the merger could not be stopped and if it was stopped, that we would never have another bite at universal broadband.

We have made progress this year in ensuring the democracy of the Internet as well as ensuring greater access. As you are aware the Federal Communications Commission (FCC) adopted net neutrality and Chairman Wheeler called for Lifeline eligibility for broadband. On a local level, Mayor Bill de Blasio announced Link NYC which will provide free gigabit wireless Internet using old payphones throughout the City of New York. Now we have an opportunity to expand on these important gains. On May 26, 2015, Charter Communications announced a \$78.7 billion deal to acquire TWC. With the submission of the Charter-TWC petition before your body, we continue where we left off and welcome another opportunity to see a deal involving TWC serve the public interest by providing free and affordable universal broadband.

Once again, we ask that the Public Service Commission ensure the proposed transaction promotes the public interest as mandated by statute. Access to reliable, high-speed, and affordable Internet is not a luxury, but a necessity in the 21st century. As New York City's information and technology industry gains strength in research, development, and applications, it is imperative that our companies and research institutions can compete globally. The Mayor's office estimates that approximately one in five (22%) New York City families do not have access to broadband at home, a number that jumps to more than one in three (36%) for families below the poverty line. This transaction is an opportunity to do better and should be used to guarantee universal broadband, consumer protections, and robust infrastructure commitments as a necessity to be in the "public interest."

Maintain and Expand Access to Affordable and Quality Broadband Services

We ask that Charter preserve and expand affordable broadband programs currently offered by TWC and Bright House Networks to increase access to individuals, families, and businesses by:

- The Bright House Networks’ “Connect2Compete” program must be made available to all Charter customers in New York City for an affordable rate of \$9.95, must include free training and low-cost desktop, laptop, or tablet computers, must provide free access to the proposed network of 700,000 Wi-Fi hotspots, and must be expanded from free and reduced school lunch recipients to include low-income families and individuals who are eligible for the FCC’s Lifeline program. Existing loopholes that deny services must be eliminated so that any eligible low-income customer can access services. The quality of these services must, at a minimum, be equal in speed and service quality to the least expensive Internet tier offered such as those customers receiving Time Warner Cable’s “Everyday Low Price” Internet services; and
- Charter must commit to maintaining TWC’s status as an eligible telecommunications carrier (ETC) in order to provide Lifeline services for any phone services it plans to offer in the City of New York. On May 28, 2015, FCC Chairman Wheeler, proposed that Lifeline be expanded to include broadband, and Charter, which has been initially supportive of the recommendation, must commit as part of this transaction to providing Lifeline services for broadband once it is expanded by the FCC. In the interim, Charter must commit that any customer receiving the FCC Lifeline benefits for phone service bundled with Internet also be offered to participate in the aforementioned Connect2Compete program as outlined; and
- Expanding Time Warner Cable’s “Everyday Low Price” affordable Internet tier, which currently provides 2 Mbps download speed and 1 Mbps upload speeds for \$14.99 per month, to at least 5 Mbps and 1 Mbps upload speeds for \$9.95/month. Minimum download and upload speeds should be pegged to the highest speeds available; and
- Providing, at a discounted price, business Internet service equivalent to “Everyday Low Price” plan in speed and reliability; and
- Removing connection fees anywhere in New York City that do not already have existing cable services.

Universal Broadband to Bridge the Digital Divide

We ask that Charter guarantee they will expand broadband and provide free access, training, and equipment to their broadband services for:

- All public housing residents of the New York City Housing Authority, and establish training and access centers for every housing complex within the merged entity’s service area; and
- All senior, youth, and community centers, as well as all homeless shelters, domestic violence shelters (with anonymous browsing capability), congregate care facilities, supportive housing facilities, and mental health group homes; and
- Maintain and expand existing free Wi-Fi service in all New York City libraries, parks and on the backbone of the proposed 700,000 public Wi-Fi hotspots.

This build-out must be done in a timely manner. We seek to protect the City’s most vulnerable groups, as well as ensuring that all New Yorkers have fair access to Charter’s broadband services.

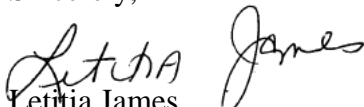
Improvements in Infrastructure, Jobs, Transparency, and Customer Service

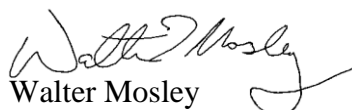
As a company engaged in a \$78.7 billion deal with substantial profit margins, Charter must commit to rapid infrastructure investment. Charter must enhance services by taking the following measures to ensure that New Yorkers are provided with effective and reliable cable services:

- Maintain or improve upon existing franchise commitments including NY1 and public access; and
- Upgrade New York City's Hybrid Fiber-Coax plant in Charter's service areas to be provided at least gigabit network speeds, thus establishing New York City as a global leader in broadband access; and
- Provide meaningful reductions in long wait times and narrow service windows by hiring more customer service staff in New York City; and
- Establish an infrastructure development training fund to train New Yorkers for broadband/information technology construction and operations jobs; and
- Prohibit coercive upselling of additional services during customer service calls; and
- Add at least one additional customer service center in each borough and establish a Charter call center in New York state; and
- Establish a service quality plan that has objective metrics that must be met, under penalty paid to customers. This is akin to the Verizon Performance Improvement Plan which mandates such minimum performance requirements; and
- Improve transparency surrounding pricing increases and service changes; and
- Commit to substantial reductions in the number of customer complaints as measured by the PSC.


These provisions are meaningless unless there is tough enforcement that holds Charter accountable. We ask that the Public Service Commission join the expanding coalition of businesses, advocates, and elected officials whose aim is to ensure this merger will be fair and beneficial to all New Yorkers. We request you adopt these considerations, present them to Charter during your negotiations, and formalize them in an agreement that is enforceable by the New York State Attorney General and the PSC.


Sincerely,


Letitia James
New York City Public Advocate


Walter Mosley
Assembly Member


Ben Kallos
New York City Council Member


Brad Hoylman
New York State Senator


Gale Brewer
Manhattan Borough President


Ruben Wills
New York City Council Member