

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

***Applications filed to Transfer Control of Cablevision Systems
Corporation to Altice N.V., WC Docket No. 15-257***

Comment of MFRConsulting

144 Beacon Street

Boston, Massachusetts 02116-1449

Project Researcher/Author: Martyn Roetter

mroetter@gmail.com, (617) 216-1988

February 19, 2016

The New York State Review of the Altice/Cablevision Transaction

I attach for the Commission's review and consideration the redacted comments of the staff of the New York State Department of Public Service (DPS) filed on February 5, 2016¹ in this State's review of the Altice/Cablevision transaction (Case Number 15-M-0647). This review focuses on the potential benefits and harm from this transaction to customers in New York, who comprise about 61% of Cablevision's current customer base. The DPS staff concludes:

"Staff has reviewed the purported benefits identified by the Petitioners as well as the potential detriments of the proposed transaction, and we find that they have not established the requisite net positive benefit as a result of the proposed merger. Without the proper demonstration that the debt associated with the deal will not interfere with the reinvestment of synergy savings in their New York operations, the mitigation of additional risks identified above and enforceable conditions that translate into New York consumers being guaranteed to share promised efficiency gains, the proposed transaction must be rejected. To ensure the proposed transaction promotes the public benefit and satisfies the Commission's public interest standard under the Public Service Law, Staff recommends that the Petitioners make the necessary demonstrations and commitments and agree to enforceable conditions to deliver net positive benefits to New York customers. These commitments and enforceable conditions should at a minimum address service quality, job retention, universal service, network deployment to unserved/under-served areas, and broad infrastructure investment and improvement."

¹ <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={AF443C5C-DE2A-46FF-8AF6-FA06760F8454}>

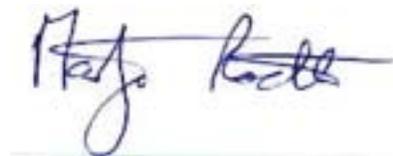
These conclusions and the accompanying analyses of substantial debt-related risks and adverse consequences for the quality of services delivered to Cablevision's customers and for the impact on other stakeholders are consistent with and in critical aspects reinforce the findings of myself and other opponents and critics of the Altice/Cablevision transaction including the Communication Workers of America (CWA), Zoom Telephonics and Cogent Communications. In addition the DPS staff points to the absence of: (i) Convincing explanations of how, and (ii) Definitive commitments by Altice, as well as (iii) A lack of credible evidence that it will actually achieve - or even be able to implement - the improvements on which it bases its alleged benefits.

The Comments by the DPS staff also provide data showing that the scope for improvements in Cablevision's performance and operations is at most much smaller than is implied in Altice's ambitious and unrealistic claims of what it will be able to achieve. These improvements or even sustaining Cablevision's current levels of performance, for example in terms of customer service, are not credible goals in the face of the deep cuts in costs envisaged by Altice. These cuts amount for example to up to a 40% reduction in the non-content related components of Cablevision's operational expenses per customer.

The DPS staff does not address the question of whether Altice's depiction of its capabilities and expertise in improving the performance of its properties outside the US is believable or accurate. However, both I and the CWA have provided substantial evidence from publicly available sources – both foreign and US, including documents from Altice itself – demonstrating that the rosy portrait Altice is presenting of its existing operations abroad is false and misleading². Altice has not delivered net benefits and has to the contrary been a detrimental owner with respect to the impact on significant numbers of customers, employees and suppliers or contractors as a result of its acquisitions in other countries.

Evidence of the harmful and undesirable consequences of Altice's ownership of network operators abroad corroborates the concerns expressed about its foreseeable impact on Cablevision, and provides further substantiation of the risks and detriments identified and discussed by the New York DPS staff and opponents of this transaction. There are no grounds for thinking that Altice would deliver net benefits in the US were it to acquire Cablevision, whereas there are multiple independently identified and validated grounds for expecting it to deliver substantial net detriments.

Signed Friday February 19, 2016



² <http://apps.fcc.gov/ecfs/document/view?id=60001351844>;
<http://apps.fcc.gov/ecfs/document/view?id=60001395403>;
<http://apps.fcc.gov/ecfs/document/view?id=60001351918>