

**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

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Altice/Cablevision and Long Island

I submit the attached article by the Fair Media Council (FMC) of Long Island (February 24, 2016) entitled "*At Issue: Altice, Cablevision & Long Island's Future*"¹ into the record in this proceeding. It presents the concerns that are relevant to communities in Long Island and throughout Cablevision's footprint, with reference to circumstances and characteristics that are specific to Long Island's geographic, demographic and historic market environments. These circumstances include the significant role Cablevision plays in the lives of Long Island residents and communities as well as the importance of the Newsday publication and the TV channel *News12* that are included in Altice's acquisition of its assets.

So in addition to concerns about the future of broadband services the acquisition of Cablevision by Altice raises serious concerns about its impact on media, at least in Long Island. In this context I also submit an article published in France² ("*The Reasons for the Strike at L'Express Group*" with my unofficial translation) that describes events in publications in France during the few months last year after their acquisition by Altice that give credence to these concerns.

The article by the Fair Media Council (FMC) is an example of the growing awareness among communities that would be directly affected by an Altice-controlled Cablevision of the risks and foreseeable harm to them from this acquisition. I and others have identified these risks and harmful consequences on the basis of independently validated evidence from multiple sources that we have uncovered about Altice's business and financial practices and apparent ethos with respect to customers, employees, and subcontractors, as well as regulators. The leaders appointed by Altice to direct its US operations have

¹ <https://www.fairmediacouncil.org/altice-cablevision-long-islands-future/>

² <http://www.la-croix.com/Culture/Medias/Les-raisons-de-la-greve-au-groupe-L-Express-2015-11-24-1384369>

played major roles in implementing these deleterious practices in Altice's properties outside the United States.

The FMC article points to Altice's intransigence with respect to New York City (and indeed dozens of other local franchise authorities), which involves a claim based on a highly questionable interpretation of language in Cablevision's franchise agreements (forcefully rebutted by New York City) that this acquisition does not involve a transfer of franchise that requires approval from them and the filing of FCC Form 394. Altice's behavior in this matter is suggestive of an attitude that even if it agrees in future on paper to some conditions to secure approval of its acquisition of Cablevision it may exploit every possible legal technicality or casuistic loophole to wriggle out of actually having to honor or respect the purpose and regulatory intent behind them. Moreover the FMC article emphasizes that current Cablevision employees are in no position to make promises or give assurances about what an Altice-owned future may hold. Yet it is the implicit assumption that Altice will maintain and even expand the benefits they have received from Cablevision that lies behind the many expressions of approval or support for Altice's acquisition that have been filed by some communities and groups with the New York State Public Service Commission.

The Wireline Competition Bureau has requested additional information³ from Altice designed to establish whether its heretofore vague and unsubstantiated claims of the benefits its control of Cablevision will generate are credible and its rebuttals of the opposition to this transaction (such as that they are based only on "hearsay and speculation") are solid and not simply "sound and fury, signifying nothing". The contents of the FMC article are especially pertinent with respect to the first five requests made by the Wireline Competition Bureau:

³ FCC Wireline Competition Bureau, <http://apps.fcc.gov/ecfs/document/view?id=60001422846>

1. List current state and municipal regulatory proceedings addressing Altice's proposed acquisition of Cablevision, their current status and expected timeline for resolution, and identify the issues that are under review in the proceedings.
2. Please describe the relationship, if any, between the financial status of Cablevision post-transaction and Cablevision's ability to maintain or improve its network and customer service quality post-closing.
3. Provide pro forma financials (balance sheet, income statement, and combined statement of operations), substantially in accordance with SEC Regulation S-X, Article 11 (as if Altice were regulated by the Securities and Exchange Commission), incorporating in such financials both Altice's acquisition of Cequel Corporation d/b/a Suddenlink (Suddenlink) and the current transaction with Cablevision.
4. Moody's Investor Service recently downgraded Altice N.V. after announcing several large-scale acquisitions, including the acquisition of Cablevision. Please explain the impact of this downgrade or any other possible rating actions by Moody's or other major credit rating agencies such as Standard and Poor' and Fitch Group on Cablevision's financial health post-acquisition. Provide a comparison of Altice's anticipated debt levels after financing the transaction compared to those of the top eight U.S. cable companies based on publicly available information, and explain all underlying data and calculations on which this comparison is based.
5. Altice states that that it expects long term benefits stemming from network investment and that it plans to upgrade the Cablevision infrastructure by pushing fiber deeper into the network. Provide, with as much specificity as possible and as of the date Applicants filed their applications in this proceeding, October 14, 2015:
 - a. The number of households Cablevision's in-footprint network passes.
 - b. To how many (and what percentage of) households within its footprint has Cablevision deployed broadband? At what speeds are the services currently available to those households?
 - c. How many in-footprint households would be upgraded post-transaction to higher download speeds and when? Indicate the difference between this response and Cablevision's current plans.
 - d. How many in-footprint households would be upgraded post-transaction to fiber and when? Indicate the difference between this response and Cablevision's current plans.
 - e. How many out-of-footprint households would be additionally served post-transaction? Indicate the difference between this response and Cablevision's current plans.
 - f. Describe with specificity any synergies claimed that would support the merger-specific changes listed above.
 - g. Describe any risks to the merger-specific changes listed above, including any risks that may arise from Altice's investments outside of the United States.

The contents of the FMC article can be placed in the overall context of the Cablevision acquisition as follows.

The future of Cablevision and the impact on Long Island will be determined within the broader context of this proposed acquisition by Altice that also operates in parts of Connecticut and New Jersey as well as New York City and other communities in New York State, and includes a review by the Federal Communications Commission (FCC). The schedule for the FCC's review currently foresees a conclusion in the first week of May (although this

so-called "shot clock" period can be extended and the clock stopped for a while), i.e. a few days after the current deadline of April 29 for a decision by the New York State Public Service Commission (NYSPSC). Approval by the FCC, like approval by the NYSPSC requires a demonstration by Altice of the net benefits that its control of Cablevision would generate compared to Cablevision's remaining a stand-alone operation. Questions that have been raised by opponents to the transaction with the FCC that are relevant to Long Island as they are to all affected communities are:

- 1. What would Altice bring to Cablevision other than increased debt? While Altice talks about its global expertise for example, it is the US cable industry that has developed key technologies for cable operators in the rest of the world, including Altice's own properties outside the US, through CableLabs an organization to which Cablevision belongs. Arguably therefore it is Cablevision that would bring new expertise to Altice and not the other way round.*
- 2. Will the large savings and deep cuts planned by Altice lead to a deterioration in Cablevision's ability to deliver high quality services, improve its customer care, and provide the benefits it has traditionally delivered for Long Island and other communities? Cablevision compares favorably to other US cable operators, including those that are much larger. Does Altice really have a unique "magic sauce" or "pixie dust" that no other US cable operator has found?*
- 3. How seriously will the FCC and NYSPSC consider the evidence that has been presented of Altice's business practices in France and Portugal that it says it will apply in the US? These practices have in these countries gravely disaffected and demoralized employees and harmed subcontractors who do business with it (e.g. by delaying payments of invoices and demanding sizable discounts of 30-40%, for which practices it has been fined and publicly condemned by the French Directorate General for Competition, Consumption and Fraud Repression)?*
- 4. Why is Altice being intransigent in refusing to apply for approval of Cablevision's franchises under the control of its new owner in many communities (including New York City) on the basis of a questionable legal interpretation of language in their agreements (that has been forcefully rebutted by New York City)? Is this behavior indicative of its general attitude towards regulation, the agreements it signs and the commitments it makes?*
- 5. Will Altice provide adequate responses to the requests for additional information it has received from the FCC and the NYSPSC that in particular must give credibility to the otherwise implausible and vague assertions of the benefits it will generate and how?*

Signed February 25, 2016

