

**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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**Analysis of Altice's Reply Comments in Case 15-M-0647
Of the
New York State Public Service Commission (NYSPSC)**

Altice's redacted Reply Comments¹ (dated March 8, 2016) in Case 15-M-0647 (Altice/Cablevision transaction) before the NYSPSC include a rare combination of:

- (i) Unsubstantiated, mathematically and operationally implausible or even fictional forecasts of future performance;
- (ii) Rejection of meaningful commitments post-transaction, and
- (iii) Invocation of support from sources that are either highly biased, or are in no position or have not taken the time to assess Altice's claims and assertions independently.

These Reply Comments are consistent with the bulk of the contents (and extensive misrepresentations) of Altice's filings in FCC Docket 15-257. They also confirm Altice's intransigence regarding conditions that might be placed on its acquisition of Cablevision to protect the public interest and try to mitigate the risks of damage to customers, employees, and contractors and to the social and economic fabric of the Greater New York area. This foreseeable damage is inherent in Altice's well-documented financial and business practices as applied to its properties outside the US.

¹ At <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={96C295EF-5ED1-412F-BCCB-2FA3CF48BBDD}>

² See for example MFRConsulting: <http://apps.fcc.gov/ecfs/document/view?id=60001351844>;
<http://apps.fcc.gov/ecfs/document/view?id=60001395403>;

Moreover Altice's litany of nonsense submitted to the NYSPSC in these Reply Comments is accompanied by an arrogant and contemptuous silence about the substantial evidence – primarily (and independently) researched and compiled by the CWA and myself – that is derived from multiple independent sources including documents and statements from Altice itself. This amply documented and verifiable evidence exposes clearly and convincingly Altice's misleading and disingenuous representations in support of its acquisition of Cablevision and the spurious content of its claims of the superior performance of other properties under its ownership. It also uncovers the true nature and consequences of Altice's brutal mode of operation, characterized by Altice itself without explanation or details as its "**proprietary operating processes**". All this evidence has been presented and can be found in the record of the Federal Communications Commission's (FCC) Docket 15-257 on the Altice/Cablevision transaction² and much of it has also been communicated to the NYSPSC and to New York City³.

We are expected to believe that this "magic sauce" or "pixie dust", that no US cable operator possesses, will enable Altice to achieve an unprecedented combination of simultaneous deep cost reductions and significantly increased investment, not forgetting improved quality of service, that lie beyond the capabilities of today's Cablevision. At the same time an Altice-controlled Cablevision will somehow generate enough cash to meet substantially higher interest payments on the additional debt load that it will incur. Access to additional funding if necessary, from a revolving credit facility, that will only further increase required interest payments, is touted as insurance or back up in case the initial funding proves to be insufficient. Moreover Cablevision is depicted as a financial silo, immune from any problems that may arise in Altice's non-US properties yet miraculously able to benefit from its future membership of a much larger multinational enterprise. What will be the benefits of Cablevision's joining a multinational group from which it is supposedly financially insulated? Joint or global purchasing agreements? Access to other sources of capital? Not only are Altice's claims of benefits unbelievable and unsubstantiated, they are also in part mutually exclusive.

The evidence presented of Altice's activities outside the US demonstrates that its ownership of network operators has created a trail of demoralized and disaffected employees, disgusted and departing customers (and loss of revenues), and damaged contractors. Altice's so-called, self-proclaimed "*proprietary operating processes*"

² See for example MFRConsulting: <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=60001398658>;
<http://apps.fcc.gov/ecfs/document/view?id=60001422856>;
<http://apps.fcc.gov/ecfs/document/view?id=60001514900>;
<http://apps.fcc.gov/ecfs/document/view?id=60001518346>

³ My most recent filing with the FCC is MFRConsulting, "Altice's Vague, Unresponsive and Disingenuous Responses", which reviews Altice's redacted responses to requests for information from the FCC that are pertinent to issues addressed in its Reply Comments in the NYSPSC case - <http://apps.fcc.gov/ecfs/document/view?id=60001523781>

include the tactic of refusing to pay legitimate invoices and then bullying or intimidating smaller, weaker groups or companies to accept discounts of 30-40% or face the prospect of lengthy, expensive litigation during which time their cash flows will be severely affected and in any case the outcome is uncertain. Altice also makes the working conditions of many employees increasingly unpleasant (thereby encouraging “self layoffs”) and reducing the benefits to which they were previously entitled. Notably some of the same senior people within Altice, who have implemented the instructions of its sole decider Patrick Drahi in these properties outside the US, have now been given major roles in Altice USA.

Altice’s operating processes are not proprietary they are predatory.

In its Reply Comments Altice notably calls for flexibility in its freedom of action to react quickly and creatively to changing customer demands and competitive offerings. Flexibility for a business is desirable in many circumstances. But in this case Altice, as shown by its record in Europe and elsewhere, is using this word as a cover for escaping limitations on its ability to do at its sole discretion whatever it wants and can get away with, no matter how harmful to other legitimate interests, and to justify a refusal to accept any substantive conditions on the Cablevision transaction.

Altice also points to the sophisticated financing syndicate and large scale investors committed to the Cablevision transaction as evidence of the “market’s confidence in the viability of Altice’s model.” The quality and objectivity of the “extensive due diligence” and sophistication referred to should be viewed with, as a minimum, considerable skepticism in light of the sizable fees that these sources of finance have collected from previous transactions of Altice (with hopes for more), and the extremely high price that the sellers of a majority stake in Suddenlink (who have agreed to take a share in Cablevision) received in which a *quid pro quo* may have been a willingness to support Altice in later initiatives in the US. Moreover “market confidence” is scarcely evident in the value of Altice’s shares that have recently been trading at around €13, down from around €33 in mid-2015.

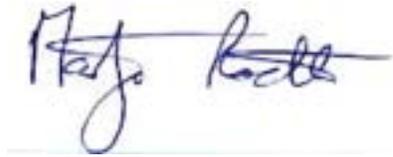
The only changes an Altice-controlled Cablevision (and its employees, customers, suppliers, and perhaps some small independent programmers as well) would experience – far from any benefits let alone net benefits - are the need to make substantially higher interest payments and the imposition of Altice’s brutal *modus operandi* (aka “proprietary operating processes”). Groups that have already suffered from these processes have vigorously condemned them and pointed out their harmful consequences that belie the rosy and positive picture presented by Altice. Furthermore these processes have been condemned (and fines imposed) in France by the DGCCRF (the French acronym for the Government’s Directorate General for Competition, Consumer Affairs and Repression of Fraud).

It is an appalling prospect that a major component of economically and socially critical broadband infrastructure and assets in the Greater New York area, i.e.

Cablevision, should fall under the control of a company such as Altice. The ethos of Altice is intrinsically hostile to and dismissive of the public interest and the aspirations and needs of those who depend on this infrastructure. Altice acts only in response to the ambitions and demands of its sole decider and a handful of key enablers, aided and abetted by richly compensated financial and legal accomplices.

Altice's acquisition of Cablevision should not be approved, whether without or with conditions, that in any event would be ignored or their purpose frustrated after the fact - by some "proprietary process" - regardless of what Altice might agree to on paper.

Signed March 10 2016

A handwritten signature in blue ink, appearing to read "Mark Raskin", written over a light blue horizontal line.