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# **Adelphia-Time Warner-Comcast Transaction is Not in the Public Interest**

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CWA Presentation to FCC  
December 15, 2005



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# Transaction is Not in the Public Interest

- Anti-Competitive Impact
- Negative Impact on Employees
- Financial Issues





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## Conditions to Address Anti-Competitive Impact

- Commission should require Time Warner and Comcast to make affiliated programming – including regional sports programming – available to all competitors at non-discriminatory prices, terms and conditions
- Precedent: FCC News Corp/Hughes *Order* prohibits exclusive arrangements between DirecTV and affiliated regional sports networks, with arbitration mechanisms

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## Negative Impact on Employees

- Commission public interest standard includes review of impact of transaction on employees
- Precedents: WorldCom-MCI, SBC-AMT, PRTC-GTE
- Transaction discriminates against union employees
  - Asset Purchase Agreement requires employees to reapply for their jobs.
  - Adelphia memo (9/12/05) states that job offers will be given to workers but only non-union employees will obtain comparable compensation
  - Comcast but not Time Warner commits “ to respect existing contracts with Adelphia employees following the proposed transaction” (A-TW-C Reply Comments)

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## **Conditions to Address Negative Employment Impact**

- Stable employment of experienced employees is essential to provision of quality service
- The Commission should ensure that transferred employees experience no loss of employment in their current location, no reduction in compensation, and no loss of union representation as a result of the transfer.

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## Financial Issues

- 9 N.C. communities commission Action Audit to conduct analysis of impact of transaction on Time Warner Cable
- Action Audit findings
  - TW \$8.9 billion in new debt -- long-term debt doubles
  - TW reduced cash liquidity
- Action Audit conclusion: “higher cable rates, minimal likelihood of cable system upgrade and reduced customer and technical service due to the need...to pay down significant debt and produce revenues for shareholders.”



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## **Conditions to Protect Quality and Availability of Services**

- Commission should monitor build-out of advanced services, especially in rural areas
- Commission should monitor service and employment levels