

Adelphia Time Warner Company

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Transaction is Not in the Public Interest



to FCC

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CWA Presentation to FCC

February 27, 2006

Transaction is Not in the Public Interest

- Anti-Competitive Impact
- Negative Impact on Employees



Part I. Anti-Competitive Impact

- Cable companies have already used their market power to stifle video competition by limiting access to Regional Sports Networks or raising prices

The transaction will significantly increase market power in regions with RSNs

Cable companies will have even more incentive and power to limit prospective Telco competitors



their Market Power Competition

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S
a has exclusive access to its RSN that carries Phillies,

te obtained exclusive access to an unaffiliated RSN that
games – even after this RSN went off the air Bobcat
only carried by Time Warner.

ES

ught the RSN and doubled the rate charged to DirecTV
and has exclusive marketing deal with a new RSN that
but is charging competitors a rate that is
isly paid to carry Indians, Cavaliers, Reds and

portsnet NY a new RSN that will carry Mets
is but is charging higher prices than the YES network that carries
ees games – even though the Mets have 1/3 the ratings

Cable Companies Have Utilized over RSNs to Stifle Current DBS

■ Exclusive Deals

Comcast in Philadelphia
76ers and Flyers
Time Warner in Charlotte
carried Bobcats g
games are still on

■ Increased Rates

Comcast in Chicago bo
Time Warner in Clevela
only carries Indians games
almost the same as previous
Blue Jackets games.

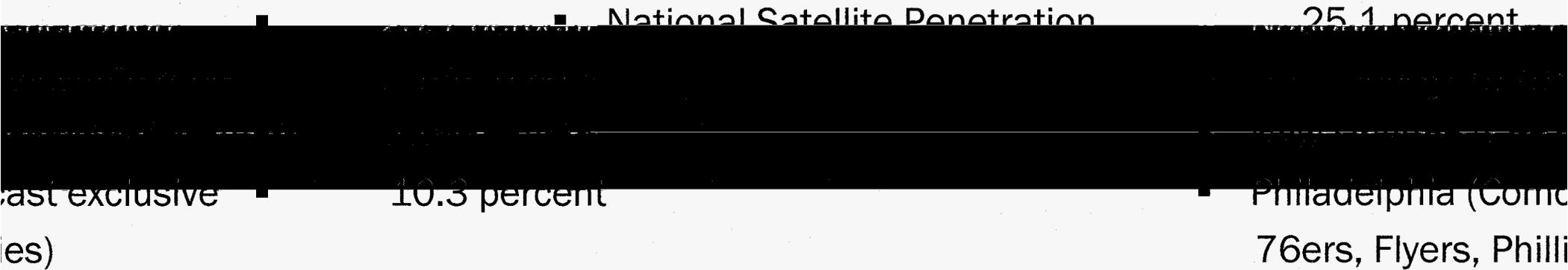
Comcast and Time Warner own S
games but is charging higher
Yank



The Impact of Cable's Strategy: Less Competition

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Where cable companies have exclusive Regional Sports Networks, satellite penetration is half the national rate



The Proposed Transaction Will Exacerbate the Problem by Further Enhancing Market Concentration

RSN Footprint	HHI Post Trans	HHI Change	
SET	4,210.6	403.7	C-
Comcast Sportsnet Philadelphia	4,156.7	376.9	Co
FSN Florida	2,592.2	580.7	FS
Sun Sports	2,515.2	578.0	SU
FSN Ohio	2,395.7	837.8	FS
	2,216.9	740.5	FSN West/West 2
work	2,168.7	358.6	Mid-Atlantic Sports Net
the Southeast	2,148.6	325.8	Comcast/Charter Sport
et MidAtlantic	2,126.4	390.8	Comcast Sportsnet
	2,080.1	576.9	FSN Pittsburgh

is presumed when the HHI is greater than 1800 and a change of over 100.

Note: market power

Source: DirecTV.





Even More Incentive and Telco Competitors

could be severely
customers wherever
cess to RSNs or impose

Cable Companies Will Have Power to Limit Prospective

- Telcos – just like DBS – will be hampered from obtaining cable companies deny access to unreasonable rates.

Conditions to Address Anti-Competitive Impact

- Prohibit exclusive agreements by Time Warner and Comcast with RSNs.
 - Time Warner and Comcast to make programming – including regional sports programming – available to all competitors at non-discriminatory prices, terms and conditions with arbitration mechanisms.
- RSN carriage should be required during arbitration.
- Precedent: FCC News Corp/Hughes *Order* prohibits exclusive arrangements between DirecTV and



Part II. Negative Impact on Employees

- 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 non-union employees 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)
- Comcast is an anti-union company.



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Addressing Negative Employment Impa

- Transferred employees shall experience no loss of employment in their current location, _____ in compensation, and no loss of union representation as a result of the transfer.

Language of Time Warner & Comcast in Los Angeles and Dallas should be extended to all union represented workers

- Time Warner and Comcast Letters in Los Angeles
 - “First, I want to reiterate [Time Warner Cable’s or Comcast’s agreement depending on the letter] ... to offer ALL employees, represented or not, positions of a similar or greater status, and aggregate compensation, at their current work locations if they so desire....”
 - “Be assured that upon completion of the transaction... [Time Warner Cable or Comcast] will engage in good faith



Will Time Warner and Comcast Honor their Commitments?

Time Warner held meetings with CWA workers in Los Angeles. These workers are currently referred to Time Warner if the proposed

union, he would be the negotiator for the 401(k), pension plan, and these workers would get automatically if they were non-union. He also negotiated a 1.5% wage increase

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after he testified before the Oakland City Council, and he testified before the Oakland City Council regarding Comcast's violations of labor laws.

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Time Warner

- Mr. Drake, a senior counsel and negotiator for Time Warner, met with CWA members on February 22 and 23 2006 in Los Angeles. He is currently employed by Adelphia in units that will be transferred to Time Warner if the Adelphia transaction is completed.
- Mr. Drake told the workers that if they kept the union, Time Warner would likely not agree to negotiate for tuition aid programs that workers would otherwise receive. He also stated that a recently negotiated contract would be significantly eroded by union dues.

Comcast

- Comcast fired Will Condo, a longtime employee, who was a member of the California City Council and a member of the