

Communications
Workers of America
AFL-CIO, CLC

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March 9, 2006

Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Dear Ms. Dortch:

RE: Ex Parte Notice. MB Docket No. 05-192. In the Matter of Adelphia Communications Corporation, Debtor-in-Possession, Time Warner, Inc. and Comcast Corporation Seek Approval to Transfer Control and/or Assign FCC Authorizations and Licenses.

On March 9, 2006, Communications Workers of America Executive Vice President Jeff Rechenbach and Economists Debbie Goldman and Kenneth Peres met with Commissioner Michael Copps and his senior legal advisor Jordan Goldstein. The attached presentation was delivered.

The CWA representatives discussed the deleterious effects of the proposed transaction on competition and workers.

In relation to the anti-competitive impact of the merger they discussed how cable companies have already used their market power to stifle video competition by limiting access to regional sports networks (RSNs) through exclusive deals or raising prices. Data was presented showing the low levels of market penetration by satellite providers in areas where cable networks have exclusive deals with RSNs. For example, Philadelphia (in which Comcast retains the exclusive right to broadcast Phillies, 76er and Flyers games) has the lowest satellite penetration rate of the top 25 designated market areas in the country. Subsequent to our meeting we located an economic regression analysis by Lexecon showing that DBS operators achieve significantly less penetration in markets where they lack RSN programming. The Lexecon analysis found that DBS penetration in Philadelphia was half the level implied by its econometric model.*

* Lexecon, Analysis of Potential Competitive Effects of the Proposed Adelphia/Comcast/Time Warner Transactions, attached as Appendix A in the DirecTV Surreply submission of October 12, 2005 in this docket.

The CWA representatives also described how the proposed transaction would exacerbate the problem by significantly increasing the market power of Comcast and Time Warner in regions with RSNs. As a result, Comcast and Time Warner will gain even more incentive and power to further suppress current competitors but also to stifle prospective Telco competitors.

The CWA representatives recommended that the FCC condition any approval of the proposed transaction with the following competitive and consumer protections.

- Time Warner and Comcast make programming – including regional sports programming – available to all competitors at non-discriminatory prices, terms and conditions with arbitration mechanisms.
- RSN carriage be required during arbitration.
- Exclusive agreements by Time Warner and Comcast with RSNs be prohibited.

In relation to the negative impacts on workers, the CWA representatives pointed out that the Asset Purchase Agreement requires employees to reapply for their jobs but that an Adelphia memo states that job offers will be given to workers but only non-union employees will obtain comparable compensation.

This type of discriminatory treatment would undermine one of the essential conditions for the provision of quality service – the stable employment of an experienced workforce. Instead, transferred employees should experience no loss of employment at their current location, no reduction in compensation, and no loss of union representation as a result of the transfer.

Time Warner and Comcast have made commitments to the Los Angeles and Dallas City Councils that would protect both represented and non-represented workers. For example, in separate letters to the Los Angeles City Council both Time Warner and Comcast stated that they would “offer ALL employees, represented or not, positions of similar or greater status, and aggregate compensation, at their current locations if they so desire.” The companies also stated that at the completion of the transaction they would “engage in good faith bargaining [and] honor the letter and the spirit of the law.”

CWA recommends that Time Warner and Comcast make a similar statement with the same language and apply it to all the workers affected by the proposed transaction. After all, what is good for Time Warner and Comcast and the affected workers in Los Angeles and the Dallas metroplex should be

good for Time Warner and Comcast and all the other workers affected by the transaction.

However, CWA noted that recent actions by Time Warner in Los Angeles and Dallas and Comcast in Oakland raised serious questions about their commitments to honor the “spirit of the law” and to refrain from discriminating against represented workers.

It is thus incumbent on the companies not only to provide the recommended but also to meet their commitments through positive actions.

Sincerely,

A handwritten signature in black ink that reads "Kenneth R. Peres". The signature is written in a cursive style with a large initial 'K' and a long, sweeping underline.

Kenneth R. Peres, PhD.
Economist
Research and Development Department
Communications Workers of America

encl.

cc: Commissioner Copps
Jordan Goldstein