



FILED

8-07-15
04:59 PM

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Joint Application of Charter Communications, Inc.; Charter Fiberlink CA-CCO, LLC (U6878C); Time Warner Cable Inc.; Time Warner Cable Information Services (California), LLC (U6874C); Advance/Newhouse Partnership; Bright House Networks, LLC; and Bright House Networks Information Services (California), LLC (U6955C) Pursuant to California Public Utilities Code Section 854 for Expedited Approval of the Transfer of Control of both Time Warner Cable Information Services (California), LLC (U6874C) and Bright House Networks Information Services (California), LLC (U6955C) to Charter Communications, Inc., and for Expedited Approval of a pro forma transfer of control of Charter Fiberlink CA-CCO, LLC (U6878C).

Application 15-07-009
(Filed July 2, 2015)

**MOTION FOR EXTENSION OF TIME TO FILE A PROTEST
OF THE COUNTY OF LOS ANGELES**

Pursuant to CPUC Rules of Practice and Procedure 11.1 and 11.6, the County of Los Angeles (“Movant”) respectfully submits this Motion for Extension of Time to File a Protest.

I.

NATURE OF REQUEST

The Joint Application of Charter Communications, Inc. et al. was filed on July 2, 2015, and it first appeared on the CPUC’s Daily Calendar on July 8, 2015. Pursuant to CPUC Rule of Practice and Procedure 2.6(a), “[u]nless otherwise provided by rule, decision, or General Order, a protest or response must be filed within 30 days of the date the notice of the filing of the application first appears in the Daily Calendar.” The 30 day period concludes on August 7,

2015. Movant respectfully requests a 30 day extension of time to file a protest of the application. Attorneys for the existing parties (the applicants) were contacted by email and there were some telephone discussions with an attorney representing Charter but the parties have not consented to this Motion.

II.

FACTUAL SUPPORT

The County of Los Angeles is served by both Time Warner and Charter, and is directly affected by the merger. The extension of time is necessary for Movant to assess its concerns about the proposed transaction, determine whether to protest the application (and if so on what grounds) and prepare any such protest. The initial 30 day period has been especially insufficient because it has occurred during summer months when offices are often short-staffed.

The proposed transaction implicates service in all regions of California¹ and it would give Charter a “colossal footprint in Southern California, with more than 2 million customers in Los Angeles, Riverside, San Bernardino, Orange, San Diego, Ventura and Santa Barbara counties”² in addition to a large presence in Northern California. The Commission’s staff has recognized that the broadband market, at least at the residential level, is a concentrated market where mergers may present concerns.³ In this case, as FCC maps suggest, the merger may result in

¹ Residential household Internet and cable coverage, by provider, The Wall Street Journal, http://si.wsj.net/public/resources/images/BT-AC106_CHARTE_16U_20150528094340.jpg.

² Meg James & Jim Puzzanghera, Charter-Time Warner Cable deal would create nation's 3rd-largest pay-TV service, L.A. Times, May 26, 2015, available at <http://www.latimes.com/entertainment/envelope/cotown/la-et-ct-charter-communications-to-buy-time-warner-cable-20150525-story.html#page=1>.

³ Robert Wullenjohn. et al., Market Share Analysis of Retail Communications in California June 2001 through June 2013: Expanding Markets, Market Concentration, and the Impact of

significantly more concentrated regional markets, with Charter and Time Warner, which now have abutting or overlapping service areas in Southern California, becoming a single combined entity.⁴

The financing of the proposed transaction would be highly leveraged, requiring Charter to borrow about \$30 billion.⁵ This could put the company in as much as \$66 billion in total debt.⁶ An article published on July 20 suggested that the debt could have junk bond status with attendant interest rates. Prior debt-financed acquisitions led Charter to declare bankruptcy only six years ago.⁷ The financial health of a broadband provider could weigh heavily on its ability to invest sufficiently in local infrastructure and to provide adequate service at reasonable prices.

The merger thus presents important issues related to the availability of adequate and competitive broadband in the State of California. It is thus important to the State to provide adequate time to identify issues that should be addressed in this proceeding. Movant requires additional time to review the filings and information in this matter.

The desired extension will not prejudice the applicants because the transaction cannot move forward without the approval of the Federal Communication Commission (FCC), the FCC

Intermodal Competition (2015), at 13, available at <http://www.cpuc.ca.gov/NR/rdonlyres/99DDE998-3B13-49DE-8DBB-ADD4D5AD5482/0/MktShareFINALPublishedJan52015errorfixedJan282015.pdf>.

⁴ FCC Connect to Compete Home Broadband Coverage Map available at <http://a.tiles.mapbox.com/v3/fcc.connect2compete/page.html#6/38.754/-116.697>.

⁵ *Id.*

⁶ Cordell Eddings, Charter's Ambitions Leave It on Razor's Edge of Junk Market, Bloomberg Business, July 20, 2015, available at <http://www.bloomberg.com/news/articles/2015-07-20/charter-s-bond-fueled-ambitions-leave-it-on-razor-s-edge-of-junk>.

⁷ *Id.*

has not yet begun its review of the proposed transaction, and that review process is expected to take many months.

III.

CONCLUSION

For the foregoing reasons, the County respectfully requests that this motion for an extension of time to file protests be granted. A proposed order is attached hereto.

DATED: August 7, 2015.

Respectfully submitted,

/s/ Gail Karish
Gail Karish

Counsel for the County of Los Angeles

Best Best & Krieger LLP
300 South Grand Avenue
25th Floor
Los Angeles, CA 90071
Telephone: (213) 617-8100
Fax: (213) 617-7480
Email: Gail.Karish@bbklaw.com

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Joint Application of Charter Communications, Inc.; Charter Fiberlink CA-CCO, LLC (U6878C); Time Warner Cable Inc.; Time Warner Cable Information Services (California), LLC (U6874C); Advance/Newhouse Partnership; Bright House Networks, LLC; and Bright House Networks Information Services (California), LLC (U6955C) Pursuant to California Public Utilities Code Section 854 for Expedited Approval of the Transfer of Control of both Time Warner Cable Information Services (California), LLC (U6874C) and Bright House Networks Information Services (California), LLC (U6955C) to Charter Communications, Inc., and for Expedited Approval of a pro forma transfer of control of Charter Fiberlink CA-CCO, LLC (U6878C).

Application 15-07-009
(Filed July 2, 2015)

**[PROPOSED] ORDER GRANTING AN EXTENSION OF TIME TO FILE A PROTEST
OF THE APPLICATION**

Having considered the arguments of the parties, and good cause appearing,

IT IS THEREFORE ORDERED:

1. The deadline to file a protest to the above-captioned application is extended by 30 days, through and including September 7, 2015.

SO ORDERED

Dated: _____

Administrative Law Judge