

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



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Joint Application of Comcast Corporation, Time Warner Cable Inc., Time Warner Cable Information Services (California), LLC, and Bright House Networks Information Services (California), LLC for Expedited Approval of the Transfer of Control of Time Warner Cable Information Services (California), LLC (U6874C); and the Pro Forma Transfer of Control of Bright House Networks Information Services (California), LLC (U6955C), to Comcast Corporation Pursuant to California Public Utilities Code Section 854(a).

And Related Matter.

Application 14-04-013
(Filed April 11, 2014)

Application 14-06-012
(Filed June 17, 2014)

NOTICE OF EX PARTE COMMUNICATION OF COMCAST CORPORATION

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January 29, 2015

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Pursuant to Rule 8.4 of the California Public Utilities Commission (“CPUC”) Rules of Practice and Procedure, Comcast Corporation (“Comcast Corporation”) hereby submits this Notice of the following *ex parte* communications in the above-referenced proceeding.

On January 26, 2015, Chris MacDonald, Vice President of Government Affairs for the West Region, Michael Brady, Vice-President of Regulatory Affairs of Comcast Cable, John Gutierrez, Director of Government Affairs of California of Comcast Corporation, Sandi McCubbin, (consultant for Comcast Corporation) and Suzanne Toller of Davis Wright Tremaine LLP (counsel for Comcast Corporation) met with Tom Glegola, advisor to Commissioner Randolph (from approximately 3:00 – 4:15 p.m), Lisa Podolinsky and Christine Hammond, advisors to Commissioner Picker (from approximately 4:40 p.m. to 5:00 p.m), and Jessica Hecht, advisor to Commissioner Florio (on January 27, 2015 from approximately 9:30 to 10:00 am.) in

three separate meetings. These meetings were initiated by Davis Wright Tremaine and took place at the Commission's San Francisco office at 505 Van Ness Avenue, San Francisco, California.

During the meetings, Ms. Toller provided the procedural background and status of the pending applications. Mr. Brady provided an overview of the status of the Federal Communications Commission's ("FCC") and other states' approval of the transaction. He noted that almost all required state public utility commission ("PUC") approvals of the transaction had been received and that the FCC clock was scheduled to expire in late March. Mr. MacDonald indicated that in the twelve states served by Comcast in its West Region, all required state approvals had been obtained except for the CPUC's and that all required local approvals had been obtained except for one in Arizona, which was expected in February. The various Comcast representatives then described the benefits of the transaction as summarized in the handout that was used in the meeting. The Comcast representatives concluded the meeting by stressing that the transaction satisfied the relevant public interest factors in PU Code Sections 851 and 854. A copy of the handout used in the meetings is attached.

Respectfully submitted this 29th day of January 2015.

/s/ Suzanne Toller

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COMCAST, TWCIS (CA), AND CHARTER FIBERLINK TRANSFER OF CONTROL APPLICATIONS

Overview

The proposed transfers of control will spur greater competition in California markets, promote economic development, and broadly advance the public interest in specific areas identified by the California Public Utilities Commission (Commission). Combining Comcast and Time Warner Cable (TWC) will create a world-class technology and media company capable of providing an expansive array of enhanced voice, broadband, and video services that neither company could offer as quickly or extensively on its own. California residents, businesses, and institutions will benefit from higher quality offerings, expanded broadband deployment and adoption, improved customer service, and Comcast's proven commitment as a good community partner. Approval of the transactions will also extend to the acquired systems Comcast's substantial commitments to diversity, investing in new technologies and initiatives for accessibility, and industry-leading energy conservation efforts.

Increased Consumer Value

California consumers will enjoy the best aspects of Comcast's and TWC's innovative voice services, providing better, competitively-priced alternatives to incumbent telephone companies and other voice providers. Comcast will also continue to provide service to any LifeLine customers of TWCIS(CA), and honor discounted rates for Charter customers who used to receive LifeLine services from Charter. In addition, Californians will enjoy faster Internet speeds, greatly increasing the value of their broadband services. Given the current differences in average speeds between Comcast and TWC networks, these broadband speed gains alone will be worth more than \$20 million per year for California consumers. And Comcast will deploy its industry-leading network security and emergency backup capabilities in the acquired TWC systems. Because the transfers of control will occur at the ownership level, the transaction will be seamless to consumers and will not affect service quality or delivery.

Benefits to California Businesses and the State Economy

California businesses will benefit from the combined company's greater geographic reach, which will enable Comcast to offer seamless advanced voice and data transport services to small, medium-size, and enterprise businesses with locations in Northern and Southern California. Comcast will also be able to compete more effectively for special access and backhaul services. ILECs and other incumbent business service providers have long dominated these market segments. Where Comcast and TWC have made inroads into these business segments, incumbent providers have responded by lowering their prices and improving their services. This greater competition will spur economic development in California.

Expanded Broadband Adoption

Comcast offers the nation's largest and most comprehensive broadband adoption program, *Internet Essentials*, which is specifically designed to address the primary barriers to broadband adoption. Comcast has worked tirelessly with community partners and local officials in California and across the country to promote *Internet Essentials*. The program has already connected over 1.4 million low-income Americans to the transformative power of the Internet –

including over 46,000 low-income households and over 185,000 people in Comcast's existing California footprint. The transfers of control will significantly expand this vital program to tens of thousands of low-income students and their families in the acquired TWC systems in California. Comcast is deeply committed to the future of *Internet Essentials*. The company has extended the program indefinitely, expanded the number of eligible families by 30 percent, streamlined the enrollment process, and increased broadband speeds twice in less than two years (currently offering 5 mbps). Comcast also recently awarded grants to two California communities to create "*Internet Essentials Learning Zones*," based on their significant work with Comcast to help close the digital divide in the State.

Standalone Broadband Offerings

Post-transaction, Comcast will continue to provide California customers with services that meet their needs and household budgets, including standalone broadband offerings. This will give Californians the flexibility to mix and match any speed of broadband with the services of Comcast, another video provider, or no traditional video service at all.

Diversity

Comcast voluntarily participates in the GO 156 reporting program for its voice, broadband, and cable offerings in California. Comcast is the first cable company in the State to file a fully compliant GO 156 supplier diversity report. This reflects Comcast's unparalleled commitment to promoting diversity in the communications marketplace in California and elsewhere. Over 150 diversity groups and community partners have publicly voiced their support for the transaction, including groups representing African American, Asian American, Hispanic, LGBT, and Native American communities.

Customer Service

Comcast recognizes that it has more work to do to improve customer service, including in California. The company is investing heavily to improve the customer experience in all aspects of service. These efforts are already working – customers have greater online tools to help manage their accounts and self-install services; promised two-hour service appointment windows are being met approximately 97 percent of the time; repeat service visits have declined by 20 percent since 2010; and Comcast has partnered with UPS so customers can choose from over 4,400 conveniently located UPS stores nationwide and in California for equipment returns. These and other customer service improvements will be expanded to the acquired TWC systems.

Public Interest Statutory Factors

The transfers of control satisfy other relevant public interest factors in PU Code Section 854. Among other things, the transaction will improve the financial condition of the California entity and create revenue synergies and efficiencies that will allow greater investment in the combined company's networks and services in the State. Employees will benefit from the creation of a stronger, more competitive California employer with first-class technical and managerial expertise. The California entity will also continue to operate in accordance with the CPCNs granted by the Commission and be subject to regulation under the PU Code. And, because Comcast and TWC operate in separate geographic areas in the State, the transaction will not reduce competition for any services in any local market. Given all these factors, the transfers of control should be approved and no mitigation measures are necessary.