

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

09/05/25

04:59 PM

A2507016

Joint Application of Charter Communications, Inc., Charter Communications Holdings, LLC, and Cox Enterprises, Inc. for Approval Pursuant to Public Utilities Code Section 854 of the Indirect Transfer of Control of Cox California Telcom, LLC (U-5684-C).

Application 25-07-016

**PROTEST OF THE PUBLIC ADVOCATES OFFICE
TO THE JOINT APPLICATION FOR APPROVAL OF THE TRANSFER OF
CONTROL OF COX CALIFORNIA TELCOM, LLC (U-5684-C) TO
CHARTER COMMUNICATIONS, INC.**

NOAH STID

Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-1949
Email: Noah.Stid@cpuc.ca.gov

BIXIA YE

Public Utilities Regulatory Analyst
Communications and Broadband Policy Branch

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-2050
Email: Bixia.Ye@cpuc.ca.gov

September 5, 2025

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF AUTHORITIES.....	iv
I. INTRODUCTION.....	1
II. SUMMARY OF IDENTIFIED ISSUES.....	2
III. DISCUSSION.....	3
A. Jurisdiction.....	3
1. The Commission Should Include Cox Communications California, LLC in the Review of the Proposed Transaction.....	3
2. Public Utilities Code § 854(b) is Applicable to the Proposed Transaction.....	6
a. Public Utilities Code § 854(b) applies if Cox California has California Revenue in excess of \$500 Million.....	6
b. Public Utilities Code § 854(b) applies because Joint Applicants have opened the door to consideration of the public benefit of the Proposed Transaction.....	7
3. Public Utilities Code § 854 (c) is Applicable to the Proposed Transaction.....	9
4. The Commission Has Jurisdiction to Examine the Impact of the Proposed Transaction on Voice over Internet Protocol (VoIP).....	10
5. Section 706(a) of the Telecommunications Act of 1996 Provides the Commission with Authority to Review the Proposed Transactions Impacts on Broadband and Video service.....	10
6. The Commission Has Jurisdiction to Examine the Impact of the Proposed Transaction on Wireless Service in California and the Associated Wholesale Market.....	11
B. Issues To Be Considered.....	12
1. The Commission Should Examine the Impact of the Proposed Transaction on Competition in the Fixed Broadband Market.....	12

a.	Market Concentration and Competitive Harm.....	12
b.	Potential Interconnection Issues.....	14
c.	Advisory Opinion from California Attorney General	15
2.	The Commission Should Examine the Impact of the Proposed Transaction on Affordable Broadband, Low- Income Broadband, and Broadband Service to Environmental and Social Justice (ESJ) Communities.....	15
a.	Affordable Broadband.....	15
b.	Low-income Broadband.....	16
c.	Service to ESJ Communities.....	17
3.	The Commission Should Examine the Impact of the Proposed Transaction on Competition in the Video Services Market.....	17
a.	Potential Market Power and Bundling Effects.....	17
b.	Bargaining Power with Content Providers.....	18
c.	Advisory Opinion from California Attorney General	19
4.	The Commission Should Examine the Impact of the Proposed Transaction on Competition in the Mobile Virtual Network Operators (MVNO) Market	19
a.	Potential Competition Concerns	19
b.	Mobile Service Pricing Oversight.....	19
c.	Advisory Opinion from California Attorney General	20
5.	The Commission Should Examine the Impact of the Proposed Transaction on Post-Merger Charter’s Financial Conditions and Debt Management.....	20
6.	The Commission Should Examine the Impact of the Proposed Transaction on Post-Merger Charter’s Diversity, Equity, and Inclusive (DEI) Practices	22
7.	The Commission Should Examine the Impact of the Proposed Transaction on Customer Privacy	23
C.	Procedural Matters.....	23

IV. CONCLUSION25

TABLE OF AUTHORITIES

Page(s)

Commission Rules of Practice and Procedure

Rule 2.6..... 1

California Public Utilities Code

216 10

233-234..... 10

706(a)..... 10, 11

854 1, 4, 5, 6

854(b)..... passim

854(b) and (c) 1, 2, 5

854(b)(1) passim

854(b)(2)..... 2, 8, 15, 17

854(b)(3) passim

854(c)..... 3, 9, 10, 22

854(c)(1) 2, 20, 21

854(c)(6) passim

366.2 and 8281-8286 22

Commission Decisions

D.95-10-032..... 12

D.97-03-067..... 5

D.16-05-007..... 5, 8, 9

D.19-08-025 10

D.20-04-008..... 5, 7

D.20-09-012 10

D.21-11-015 12

D.22-10-021 10

D.24-11-003 10

I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this protest to the Joint Application of Charter Communications, Inc. (Charter), Charter Communications Holdings, LLC, and Cox Enterprises, Inc. (collectively, “Joint Applicants”) requesting that the Commission authorize the indirect transfer of control of Cox California Telecom, LLC (U-5684-C) (Cox California Telecom) to Charter pursuant to Public Utilities Code Section 854.¹ Notice of the Joint Application appeared in the Commission’s Daily Calendar on August 6, 2025. Accordingly, Cal Advocates’ protest is timely.

The Joint Application was filed in connection with an agreement announced on May 16, 2025, under which Charter will acquire Cox Communications, Inc. (Cox) and its subsidiaries, including Cox California Telecom, LLC² and Cox Communications California, LLC (Proposed Transaction). If approved, the Proposed Transaction would consolidate Charter and Cox operations across broadband, video, and mobile services, resulting in a post-merger Charter with significantly increased market power in California’s broadband and video markets.

The impact of the Proposed Transaction on California markets raises substantial concerns regarding its compliance with statutory requirements under Public Utilities Code Sections 854(b) and (c),³ potential harms to competition in the broadband, video, and Mobile Virtual Network Operators (MVNO) markets, impacts on affordability and equity in telecommunications services, and the Commission’s responsibility to protect the public interest. For these reasons, Cal Advocates urges the Commission to conduct a

¹ A.25-07-016, *Joint Application of Charter Communications, Inc., Charter Communications Holdings, LLC, and Cox Enterprises, Inc. for Approval Pursuant to Public Utilities Code Section 854 of the Indirect Transfer of Control of Cox California Telecom, LLC (U-5684-C)*, filed on July 30, 2025 (hereinafter “Joint Application”).

² Joint Application, at 1.

³ Public Utilities Code (Pub. Util. Code) §854.

comprehensive review of the Proposed Transaction, request an advisory opinion from the California Attorney General regarding the Proposed Transaction's impact on competition, and impose mitigation measures or conditions necessary to protect California customers. The Commission should take these steps and exercise its oversight to ensure that the Proposed Transaction, if approved, serves the public interest.

II. SUMMARY OF IDENTIFIED ISSUES

Review of the Joint Application comes under Public Utilities Code Section 854 (b) and (c). Accordingly, the issues in this proceeding should include, but are not limited to, the following:

1. The Commission should examine the impact of the Proposed Transaction on competition in the fixed broadband market (Public Utilities Code Sections 854(b)(1), (b)(3), and 854(c)(6)).
2. The Commission should examine the impact of the Proposed Transaction on affordable broadband, low-income broadband, and broadband service to Environmental and Social Justice (ESJ) communities (Public Utilities Code Sections 854(b)(1), (b)(2), and 854(c)(6)).
3. The Commission should examine the impact of the Proposed Transaction on competition in the video services market (Public Utilities Code Sections 854(b)(1), (b)(2), (b)(3), and 854(c)(6)).
4. The Commission should examine the impact of the Proposed Transaction on competition in the Mobile Virtual Network Operators (MVNO) market (Public Utilities Code Sections 854(b)(1), (b)(3) and 854(c)(6)).
5. The Commission should request an advisory opinion from California Attorney General regarding the impact of the Proposed Transaction on competition in the fixed broadband, video, and MVNO markets.
6. The Commission should examine the impact of the Proposed Transaction on post-merger Charter's financial conditions and debt management (Public Utilities Code Section 854 (c)(1)).
7. The Commission should examine the impact of the Proposed Transaction on post-merger Charter's Diversity, Equity, and Inclusive (DEI) practices (General Order 156 and Public Utilities Code Sections 366.2 and 8281-8286).

8. The Commission should examine the impact of the Proposed Transaction on customer privacy (Public Utilities Code Sections 2891 and 2891.1).

III. DISCUSSION

A. Jurisdiction

For the Proposed Transaction to proceed in California, the Commission must make required findings under Sections 854(b)(1), (2), and (3) and also find the transaction to be, on balance, in the public interest, after considering the factors listed in Section 854(c). Moreover, the Proposed Transaction has the potential to impact delivery of Voice over Internet Protocol (VoIP), broadband, video, and mobile services. Thus, the Commission should also review the implications of the Proposed Transaction on broadband and video markets under Section 706 of the Telecommunications Act of 1996. Beyond that, the Commission should review the implications of the Proposed Transaction on MVNO markets. Overall, The Commission must exercise its jurisdiction to make the required finding that the Proposed Transaction as a whole results in net-benefits and is in the public interest.⁴

1. The Commission Should Include Cox Communications California, LLC in the Review of the Proposed Transaction

The Joint Applicants attempt to limit the Commission’s oversight of the Proposed Transaction to Cox California Telcom and argue that “Cox subsidiaries other than [Cox California Telcom] offer broadband, mobile, and video services in the state. Those subsidiaries and services are outside the scope of this Joint Application...”⁵ This assertion is incorrect.

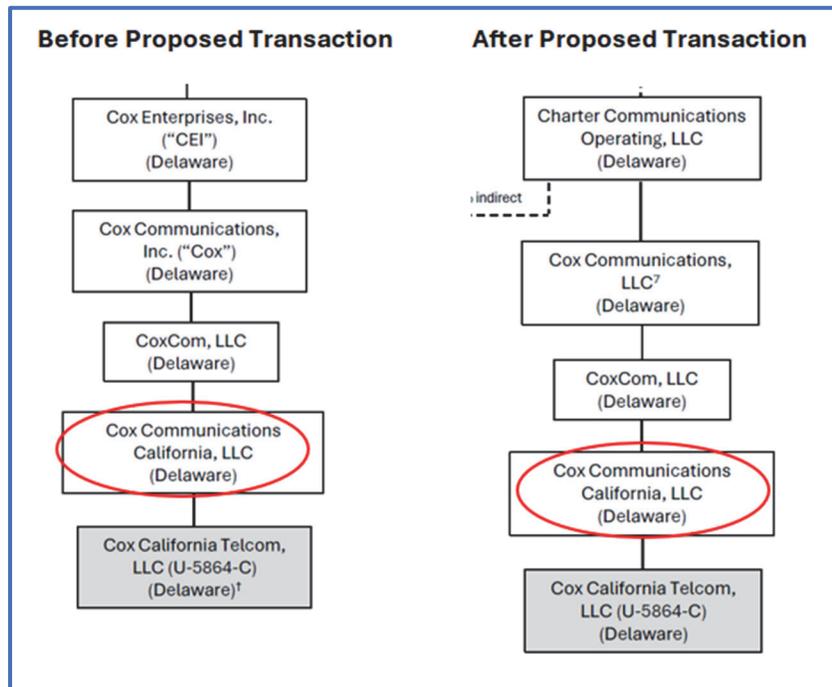
Cox California Telcom is a California utility and a subsidiary of Cox Communications California, LLC, (Cox Communications California). As of 2024, Cox Communications California has deployed broadband service to 816,133 locations and is

⁴ Pub. Util. Code §854(b)-(c).

⁵ Joint Application, at 22.

one of the top five fixed broadband providers in the state with at least 1,000 Mbps download capability.⁶ Figure 1 below compares Cox’s organizational structure charts before and after the Proposed Transaction. Both Cox California Telecom and Cox Communications California will be impacted by the Proposed Transaction.

Figure 1: Cox Organization Structure before and after the Proposed Transaction⁷



For purposes of evaluating the Proposed Transaction and determining compliance with Section 854, the Commission should consider the business operations and gross annual California revenues of Cox Communications California. The Commission has consistently exercised jurisdiction over affiliates and subsidiaries in merger or transfer of control proceedings where those affiliates operate in California communications markets. For example, in the decision authorizing the transfer of control of Time Warner Cable Information Services (California), LLC and Bright House Networks Information Services

⁶ FCC National Broadband Map. Broadband availability data as of December 31, 2024. <https://broadbandmap.fcc.gov/data-download/nationwide-data>

⁷ See Exhibits C (“Pre-Closing Organizations Charts”) and D (“Post-Closing Organizational Structure Chart”) to the Joint Application.

(California), LLC to Charter (D.16-05-007, issued in Application (A.) 15-07-009), the Commission examined not only the certificated utility subsidiary but also Charter’s affiliates, recognizing that affiliate operations materially affect California consumers and the public interest.⁸ Similarly, in the decision approving the transfer of control of Sprint Communications Company L.P. to T-Mobile USA, Inc. (D.20-04-008, issued in A.18-07-011), the Commission emphasized the critical need to include the wireless affiliates of both T-Mobile and Sprint in its review, finding them “key to the merger,” and determining that their revenues should be included in the threshold amount governing Sections 854(b) and (c).⁹ The same reasoning applies here: Cox Communications California must be included in the Commission’s review to ensure a complete and accurate assessment of the Proposed Transaction’s impacts on California.

Moreover, excluding Cox Communications California would artificially narrow the Commission’s review and prevent the Commission from fulfilling its statutory duty. The Commission cannot make the required public interest finding if it ignores one of the largest broadband providers in the state. Cox Communications California’s broadband, video, and mobile services are directly relevant to competition, service quality, and consumer protection in California. In prior decisions that required the Commission to determine the applicability of Section 854 to corporate affiliates, the Commission has emphasized that it must “focus on substance rather than form” of a transaction to ensure that corporate structure does not thwart the public benefit requirements of Section 854.¹⁰ Therefore, the Commission should include Cox Communications California in its review of the Proposed Transaction to ensure that it is accurately able to evaluate the claimed public interest benefits.

⁸ D.16-05-007, *Decision Granting Application to Transfer Control Subject to Conditions*, May 12, 2016 at 19-21; issued in Application (A.) 15-07-009 et al.

⁹ D.20-04-008, *Decision Granting Application and Approving Wireless Transfer Subject to Conditions*, April 16, 2020 at 4-7; issued in A.18-07-011 et al.

¹⁰ D.97-03-067, *In re Pacific Telesis Group*, May 31, 1997 at 11-12, *see also* Findings of Fact 9-11; issued in A.96-04-038.

For of the reasons described above, Cox Communications California should be included in the Commission’s review, and the term “Cox California” collectively refers to Cox Communications California, LLC and Cox California Telcom, LLC.

2. Public Utilities Code § 854(b) is Applicable to the Proposed Transaction.

The Commission must review the Proposed Transaction under Public Utilities Code Section 854(b), consistent with prior Commission decisions. Section 854(b)¹¹ requires that the Commission "shall" find that a proposed transaction will "[p]rovide short-term and long- term economic benefits to ratepayers," among other necessary findings, in order to make the public interest finding required by Public Utilities Code Section 854.¹² Thus, the Commission must find that the Proposed Transaction provides benefits to ratepayers as a prerequisite for approval.

a. Public Utilities Code § 854(b) applies if Cox California has California Revenue in excess of \$500 Million.

Public Utilities Code Section 854(b) applies to any merger or acquisition in which a utility that is a party to the proposed transaction has gross annual California revenues exceeding \$500 million. The Joint Applicants assert that the Cox California Telcom is the only California utility affected by the Proposed Transaction, and that it has gross

¹¹ Pub. Util. Code § 854(b) states: “Before authorizing the merger, acquisition, or control of any electrical, gas, or telephone corporation organized and doing business in this state, if any utility that is a party to the proposed transaction has gross annual California revenues exceeding five hundred million dollars (\$500,000,000), the commission shall find that the proposal does all of the following: (1) Provide short-term and long-term economic benefits to ratepayers. (2) Equitably allocate, where the commission has ratemaking authority, the total short-term and long-term forecasted economic benefits, as determined by the commission, of the proposed merger, acquisition, or control, between shareholders and ratepayers. Ratepayers shall receive not less than 50 percent of those benefits. (3) Not adversely affect competition. In making this finding, the commission shall request an advisory opinion from the Attorney General regarding whether competition will be adversely affected and what mitigation measures could be adopted to avoid this result. (4) For an electrical or gas corporation, ensure the corporation will have an adequate workforce to maintain the safe and reliable operation of the utility assets.”

¹² Pub. Util. Code § 854(b).

annual California revenue below this threshold.¹³ However, Cox California Telcom is a direct subsidiary of Cox Communications California (see Figure 1). If Cox Communications California’s gross annual California revenue exceeds \$500 million, the Commission should consider the collective California revenue of Cox California in applying Section 854(b). The Commission has held that the revenues of affiliates and subsidiaries must be included in the threshold amount governing Section 854(b). In D.20-04-008 (T-Mobile/Sprint), the Commission explains:

In the present case, Joint Applicants characterize the transaction as an acquisition by T-Mobile USA – a holding company – of Sprint’s wireless California entities – Sprint Spectrum L.P. (U3062C), and Virgin Mobile USA, L.P. (U4327C). However, T-Mobile’s wireless affiliates – T-Mobile West LLC (U3056C) and Metro PCS California LLC (U3079C) – are also “key to the merger” and their revenues should be included in the threshold amount governing Sections 854(b) and (c).¹⁴

...

Thus, the Commission finds that the gross annual California revenues of T-Mobile’s wireless affiliates, which exceed \$500 million, trigger review under Sections 854(b) and (c).¹⁵

Consistent with this precedent, the Commission must consider the aggregate revenue of Cox California as a whole, rather than only the subsidiary.

b. Public Utilities Code § 854(b) applies because Joint Applicants have opened the door to consideration of the public benefit of the Proposed Transaction.

The Commission has previously applied Section 854(b) where, as here, the Joint Applicants raise public benefits contemplated by the statute as a justification for the

¹³ Application at 13.

¹⁴ D.20-04-008, at 5.

¹⁵ D.20-04-008, at 7.

change in control. In D.16-05-007, the Commission noted that Joint Applicants (including Charter) specifically invoked the “type of benefits required under §854(b) in their application,” and therefore the Commission analyzed these purported benefits within the scope of the Application.¹⁶ The Commission reasoned that “by advancing the alleged economic benefits outlined above as reasons for this Commission to approve the Transaction, Joint Applicants have opened the door to our evaluation of the implications of these changes on the public interest of California.”¹⁷ As the Joint Application makes the same claims here, the same rule should apply.

The Joint Application extensively cites to the purported benefits of the Proposed Transaction to California, including by alleging that it will “improve customer service and the overall availability, quality, and pricing of broadband, mobile, video, voice, and enterprise products and services.”¹⁸ Thus, Joint Applicants have “opened the door” for the Commission to review these benefits. It is appropriate and necessary for the Commission to evaluate the purported benefits of the Proposed Transaction specifically identified by the Joint Applicants through the framework of Section 854(b)¹⁹, consistent with D.16-05-007.²⁰

Importantly, Public Utilities Code § 854 (b)(2) requires the Commission to ensure an equitable allocation of total short-term and long-term economic benefits between shareholders and ratepayers. Accordingly, the Commission should apply this provision to require the Joint Applicants to demonstrate how customers will share the economic benefits resulting from the transaction.

¹⁶ D.16-05-007, at 21.

¹⁷ D.16-05-007, at 24.

¹⁸ Application at 15. The Joint Applicants explicitly promote benefits to the affordability and performance of broadband in the Application at 2, 3, 14-15, 17, 22-25, 34-36.

¹⁹ See supra note 11.

²⁰ D.16-05-007 at 21, 24.

3. Public Utilities Code § 854 (c) is Applicable to the Proposed Transaction

The Commission should apply Public Utilities Code Section 854(c)²¹ to review the Proposed Transaction, consistent with previous Commission treatment of Charter’s acquisitions of California utilities through an “indirect transfer of control.” In A.15-07-009, the Commission evaluated the public interest benefits of Charter’s acquisition of Time Warner Cable Information Services (California), LLC and Bright House Networks Information Services (California), LLC. There, the Assigned Commissioner noted in the scoping ruling that “[b]oth Charter Communications Inc. and Time Warner Corporation have gross annual California revenues exceeding \$500 million, and accordingly the Transaction is subject to review under Public Utilities Code § 854(c).”²² The Commission upheld this determination and conducted a thorough review under Public Utilities Code § 854(c).²³ The same Charter entity that was previously subject to Public Utilities Code § 854(c) in A.15-07-009 is also a Joint Applicant in this proceeding, which concerns a substantially similar “indirect transfer of control,” and all of the other reasons to apply Public Utilities Code Section 854(c) remain consistent here. Therefore, the Commission should evaluate the Proposed Transaction under Section 854(c), as it has done in the past for similar transactions involving Charter.

²¹ Public Utilities Code § 854(c) states: “Before authorizing the merger, acquisition, or control of any electrical, gas, or telephone corporation organized and doing business in this state, if any entity that is a party to the proposed transaction has gross annual California revenues exceeding five hundred million dollars (\$500,000,000), the commission shall consider each of the criteria listed in paragraphs (1) to (8), inclusive, and find, on balance, that the merger, acquisition, or control proposal is in the public interest: (1) Maintain or improve the financial condition of the resulting public utility doing business in the state. (2) Maintain or improve the quality of service to public utility ratepayers in the state. (3) Maintain or improve the quality of management of the resulting public utility doing business in the state. (4) Be fair and reasonable to affected public utility employees, including both union and nonunion employees. (5) Be fair and reasonable to the majority of all affected public utility shareholders. (6) Be beneficial on an overall basis to state and local economies and to the communities in the area served by the resulting public utility. (7) Preserve the jurisdiction of the commission and the capacity of the commission to effectively regulate and audit public utility operations in the state. (8) Provide mitigation measures to prevent significant adverse consequences that may result.”

²² *Assigned Commissioner’s Scoping Ruling*, November 13, 2015 at 4; issued in A.15-07-009.

²³ D.16-05-007, at 20-21.

Moreover, Section 854(c) applies to any merger or acquisition in which any entity that is a party to the proposed transaction has gross annual California revenues exceeding \$500 million.²⁴ As explained above, Cox California is a party to the proposed transaction and if it has gross annual California revenue above this threshold, this is further basis for the Commission to apply Section 854(c) in its review of the Proposed Transaction.

4. The Commission Has Jurisdiction to Examine the Impact of the Proposed Transaction on Voice over Internet Protocol (VoIP)

Public Utilities Code Sections 216 and 234 authorize the Commission to regulate VoIP service. The Commission has repeatedly affirmed its authority over VoIP service.²⁵ Cox California offers VoIP service to both its residential and business customers in California. Accordingly, the Commission has the authority to examine the potential impacts of the Proposed Transaction on these services. The Commission should use this authority to ensure that the impact of the Proposed Transaction's on VoIP service results in a net public benefit.

5. Section 706(a) of the Telecommunications Act of 1996 Provides the Commission with Authority to Review the Proposed Transactions Impacts on Broadband and Video service.

The Commission has authority to review the implications of the Proposed Transaction on broadband deployment under Section 706(a) of the Telecommunications Act of 1996, which states:

²⁴ Pub. Util. Code § 366(c).

²⁵ D.24-11-003, *Decision Establishing Regulatory Framework for Telephone Corporations Providing Interconnected Voice Over Internet Protocol Service* at 15-19 (Nov. 5, 2024), citing to Pub. Util. Code §§ 216, 233-234; D.19-08-025, *Decision Adopting an Emergency Disaster Relief Program for Communications Service Provider Customers*, at Conclusion of Law 17 (“VoIP providers clearly fit within the plain language of the definition of a public utility “telephone corporation.”), as affirmed in D.20-09-012, *Order Modifying Decision (D.) 19-08-025, and Denying Rehearing of Decision, As Modified*, at 30-39; see also D.22-10-021, *Decision Updating the Mechanism for Surcharges to Support Public Purpose Programs*, at 68-69 (“As VoIP carriers are public utility telephone corporations, the Commission no longer needed to rely on Section 285 as the basis for its authority to require VoIP carriers to contribute to the state’s [Public Purpose Program] funds.”)

The Commission and each State commission with regulatory jurisdiction over telecommunications services²⁶ shall encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans (including, in particular, elementary and secondary schools and classrooms) by utilizing, **in a manner consistent with the public interest**, convenience, and necessity, price cap regulation, regulatory forbearance, measures that **promote competition** in the local telecommunications market, or other regulating methods that remove barriers to infrastructure investment.²⁷ (emphasis added).

Section 706(a) authorizes the Commission to review the Proposed Transaction’s potential impacts on the deployment of “advanced telecommunications capability,” which is defined “without regard to any transmission media or technology, as high-speed, switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology.”²⁸ As a result, the Commission has authority to review the impacts of the Proposed Transaction on broadband service in California. The Commission’s review should also include video and content services. Because these services depend on broadband networks, any significant impacts of the Proposed Transaction on the video and content services market would, in turn, affect broadband competition and deployment.

6. The Commission Has Jurisdiction to Examine the Impact of the Proposed Transaction on Wireless Service in California and the Associated Wholesale Market

Cox Communications California has offered mobile service in California as a mobile virtual network operator (MVNO), relying on wholesale agreements with

²⁶ The 1996 Telecommunications Act states: “The term ‘telecommunications service’ means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used. (47 U.S.C. § 153).

²⁷ 47 U.S.C. § 1302(a).

²⁸ 47 U.S.C. § 1302(d)(1).

facilities-based wireless providers to deliver mobile service. The Commission has previously exercised jurisdiction to review the impact of transfers of control involving MVNOs. For example, in the decision authorizing the transfer of TracFone Wireless, Inc. to Verizon (D.21-11-015), the Commission recognized its authority to examine the competitive impacts on the MVNO and wireless wholesale markets.²⁹ Cox operates as an MVNO without its own facilities-based wireless network in the same way that TracFone did in D.21-11-05, where the Commission asserted its authority over MVNO markets.

Accordingly, the Commission has authority to review the impacts of the Proposed Transaction on the California wireless services market and associated wholesale arrangements, to ensure that competition and consumer choice are protected.

B. Issues To Be Considered

1. The Commission Should Examine the Impact of the Proposed Transaction on Competition in the Fixed Broadband Market

The Commission should review the impact of the Proposed Transaction on competition in the fixed broadband market to ensure compliance with Public Utilities Code Sections 854(b)(1), (b)(3), and 854(c)(6). The Commission should carefully examine whether the Proposed Transaction would harm broadband competition and if it is likely to create anticompetitive effects.

a. Market Concentration and Competitive Harm

Comcast, Charter, and Cox are the three largest cable providers in the U.S and California. Post-merger, Charter would overtake Comcast as the largest cable provider

²⁹ D.21-11-030, *Decision Granting Joint Application and Approving Transfer of Control of Tracfone Wireless, Inc. to Verizon Communications, Inc., Subject to Conditions*, November 18, 2021. The Commission stated: “In Decision (D.) 95-10-032, the Commission addressed the problem of defining its remaining jurisdiction over wireless providers in light of the above law and concluded that it retained jurisdiction over transfer of ownership of wireless companies” (at 7).

nationally and would hold significant market power in California.³⁰ Based on FCC broadband data, Charter already deploys more than half of California’s high-speed broadband locations (See table 1 below). After the merger, Charter would control approximately 60% of California locations with download speeds of at least 1,000 Mbps.

Table 1: Charter and Cox California Broadband Availability as of December 2024

Broadband Download Speeds	Description	California Overall	Charter	Cox California	Charter and Cox California Overlapping	Post-merger Charter
>=100 Mbps	Number of Locations	10,016,456	4,870,635	816,133	25,503	5,661,265
	% of California Overall	100%	49%	8%		57%
>=500 Mbps	Number of Locations	9,662,505	4,870,635	816,133	25,503	5,661,265
	% of California Overall	100%	50%	8%		59%
>=1,000 Mbps	Number of Locations	9,542,521	4,870,296	816,133	25,503	5,660,926
	% of California Overall	100%	51%	9%		59%

The Joint Applicants claim that Charter and Cox have no, or very few, overlapping locations, so the Proposed Transaction will not harm competition.³¹ However, FCC broadband data show that Charter and Cox California have 25,503 overlapping locations.³² At 16,485 of these locations (65%), Charter and Cox California are the only two providers offering speeds of at least 1,000 Mbps download.³³ If the Proposed Transaction is approved, customers in those areas will have access to only a single provider for high-speed service and will have no meaningful choice between providers. Finally, Charter is already the sole provider of gigabit service in 48% of its service area,

³⁰ "What's the Story? Charter, Cox to combine" May 27, 2025. <https://www.lightreading.com/cable-technology/what-s-the-story-charter-cox-to-combine>

"Charter, Cox to merge mobile, business strategies in largest US cable company" May 16, 2025. <https://www.spglobal.com/market-intelligence/en/news-insights/articles/2025/5/charter-cox-to-merge-mobile-business-strategies-in-largest-us-cable-company-89072898>

³¹ Joint Application, at 32.

³² FCC National Broadband Map. Broadband availability data as of December 31, 2024. <https://broadbandmap.fcc.gov/data-download/nationwide-data>

³³ FCC National Broadband Map. Broadband availability data as of December 31, 2024. <https://broadbandmap.fcc.gov/data-download/nationwide-data>

while Cox is the sole provider in 65% of its service area.³⁴ Consolidating these footprints would significantly expand Charter’s monopoly power in the high-speed fixed broadband market.

The Proposed Transaction represents a substantial increase in market concentration that demonstrates a serious risk of anticompetitive effects in the California fixed broadband market and undermines the Joint Applicants’ claims that the Proposed Transaction will lower broadband prices for Californian consumers.

b. Potential Interconnection Issues

The Commission should examine the merger’s potential impact on the interconnection market, involving traffic exchange between edge providers and broadband providers such as Charter and Cox. The post-merger company’s increased market power could give it the ability to engage in tactics that increase costs for interconnection that are passed on to consumers or otherwise degrade service quality. This was a key concern that the Federal Communications Commission investigated as part of Charter’s 2016 acquisition of Time Warner Cable and Bright House Networks.³⁵

California’s Net Neutrality Act (Act)³⁶ provides important consumer protections by prohibiting blocking, throttling, and paid prioritization within an Internet Service Providers’ (ISPs) own network. However, these protections primarily apply within California and may not extend to how Charter manages interconnection points located outside the state. For example, if Charter were to route California traffic through out-of-state interconnection points, the terms of those interconnection agreements would not be directly subject to the Act. This could create a regulatory gap, allowing Charter to

³⁴ FCC National Broadband Map. Broadband availability data as of December 31, 2024. <https://broadbandmap.fcc.gov/data-download/nationwide-data>

³⁵ FCC 16-59: In this order, FCC approves, subject to conditions, the applications of Charter, Time Warner Cable Inc., and Advance/Newhouse Partnership for transfer control of licenses and authorizations, May 5, 2016. Paragraphs 93-139.

³⁶ California Senate Bill 822: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB822

impose higher costs on content providers. Those added costs would likely be passed on to California customers through higher prices or degraded service quality.

To prevent this type of circumvention, the Commission should compare in-state and out-of-state interconnection practices and examine the effect of the proposed transaction on the interconnection market.

c. Advisory Opinion from California Attorney General

Public Utilities Code Section 854(b)(3) requires the Commission to request an advisory opinion from the California Attorney General regarding whether competition will be adversely affected and what mitigation measures could be adopted to avoid this result. Given the high level of concentration that will result from the Proposed Transaction, such consultation is essential as a precaution against anticompetitive effects of the proposed transaction.

2. The Commission Should Examine the Impact of the Proposed Transaction on Affordable Broadband, Low-Income Broadband, and Broadband Service to Environmental and Social Justice (ESJ) Communities

The Commission should review whether the post-merger Charter will provide affordable broadband plans, maintain and improve low-income broadband offerings, and ensure broadband services are available to Environmental and Social Justice (ESJ) communities in compliance with Public Utilities Code Sections 854(b)(1), (b)(2), and 854(c)(6).

a. Affordable Broadband

The Commission should review whether post-merger Charter will provide affordable broadband plans. While the Joint Applicants claim that the Proposed Transaction “will offer consumers more value and better products by promoting

competitive pricing,”³⁷ they make no enforceable price commitments and provide no details on specific plan offerings for California customers post-merger. There is reason for concern that prices for Charter customers may go up following the Proposed Transaction. For example, only one month after announcing the Proposed Transaction, Charter announced the increase of \$2 per month for some of its internet plans beginning in July 2025, and \$5 per month for Spectrum Select TV packages, citing “rising operational costs.”³⁸ Although Charter asserts that its prices are competitive with Cox,³⁹ that may not be the case for all speed tiers, for example, the speed tier of 100-500 Mbps and 500-1,000 Mbps. All of these factors indicate that Charter’s increased market power following the Proposed Transaction could reduce competition and lead to higher prices for Californian broadband customers.

b. Low-income Broadband

Both Charter and Cox California currently offer low-cost plans for eligible low-income consumers but provide no explanation on how those plans will be addressed in the post-merger company. Cox’s low-cost plan offers significantly higher broadband speeds (100 Mbps download)⁴⁰ compared to Charter’s plan (50 Mbps download).⁴¹ The Commission should examine (1) what low-cost broadband plan, if any, will be offered post-merger, (2) how customers will migrate to the new plan, and (3) whether service disruptions or reduced quality may result.

³⁷ Joint Application, at 23.

³⁸ “Spectrum Announces TV & Internet Price Hike for Customers, Cites Rising Costs”, June 27, 2025. <https://cordcuttersnews.com/spectrum-announces-tv-internet-price-hike-for-customers-cites-rising-costs/#:~:text=Spectrum%2C%20a%20leading%20provider%20of,twice%20in%20just%2012%20months>.

³⁹ Joint Application, at 23-24.

⁴⁰ Cox’s low-cost internet plan, <https://www.cox.com/residential/internet/low-cost-internet-plans.html>

⁴¹ Spectrum Internet for Low-Income Households <https://www.spectrum.com/internet/spectrum-internet-assist>

c. Service to ESJ Communities

The Commission's ESJ Action Plan explicitly recognizes disadvantaged communities, all Tribal lands, and low-income households as ESJ communities.⁴² Any degradation of affordable broadband access post-merger would run counter to the Commission's stated ESJ goals.

Joint Applicants state that the Proposed Transaction will accelerate deployment of Data Over Cable Service Interface Specification (DOCSIS) 4.0 in Cox California's service areas⁴³ but do not provide a concrete plan, timeline, or any explanation as to why accelerated deployment requires a merger. At the same time, Charter's increased market share post-merger could reduce incentives to invest in less profitable communities, potentially worsening the digital divide and undermining California's broadband equity goals. The Commission should carefully examine how the Proposed Transaction may impact ESJ communities.

The Commission should review and determine how post-merger Charter will share benefits with customers by offering affordable broadband prices, strengthening low-income broadband offerings, and ensuring broadband service to ESJ communities.

3. The Commission Should Examine the Impact of the Proposed Transaction on Competition in the Video Services Market

The Commission should review the impact of the Proposed Transaction on competition in the video services market to ensure the transaction complies with Public Utilities Code Sections 854(b)(1), (b)(2), (b)(3), and 854(c)(6).

a. Potential Market Power and Bundling Effects

Post-merger, Charter would be one of the largest cable television providers in California. Charter's increased scale could strengthen its ability to impose bundling of its

⁴² The Commission issued *Environmental & Social Justice Action Plan*, Version 2.0, April 7, 2022. At 2.

⁴³ Joint Application, at 25.

traditional TV services with over-the-top (OTT) streaming access,⁴⁴ leading to higher overall prices for communication services. This would give Charter a competitive advantage over stand-alone streaming providers, since Charter will control whether and how the streaming services are included for customers. Such bundling practices could disadvantage competing streaming providers, causing them to lose subscribers and potentially raise prices, thereby reducing affordability and consumer choice.

Public Utilities Code Sections 854(b)(1), (b)(3), and 854(c)(6) require the Commission to review whether the Proposed Transaction would adversely affect competition, provide short-term and long-term economic benefits, and be beneficial to the state and local economics. If the Proposed Transaction enables Charter to leverage its video market power to the detriment of competition, consumers could face higher prices and fewer choices. Accordingly, the Commission must carefully examine the potential effects of bundling practices post-merger to ensure compliance with these statutory mandates.

b. Bargaining Power with Content Providers

The transaction would also increase Charter's bargaining power with content providers, potentially affecting wholesale programming costs and market dynamics. The Joint Applicants state the Proposed Transaction will allow the combined company to reduce costs of delivering video services,⁴⁵ but do not provide any firm price commitments. The Commission should ensure that any efficiencies or cost savings are shared with customers, such as through reduced video service prices or improved offerings.

⁴⁴ The bundling is limited to those content providers that have both a streaming app and cable TV channels (Disney/Hulu/ESPN/Discovery, Peacock/NBC, Paramount/CBS/Comedy Central, HBO/HBO Max, etc.).

⁴⁵ Joint Application, at 31.

c. Advisory Opinion from California Attorney General

As required by Public Utilities Code Section 854(b)(3), the Commission should request an advisory opinion from California Attorney General regarding whether the Proposed Transaction would adversely affect competition in the video market and what mitigation measures should be considered.

4. The Commission Should Examine the Impact of the Proposed Transaction on Competition in the Mobile Virtual Network Operators (MVNO) Market

The Commission should review the impact of the Proposed Transaction on Competition in the MVNO market to ensure the transaction complies with Public Utilities Code Sections 854(b)(1), b(3) and 854(c)(6).

a. Potential Competition Concerns

Both Charter and Cox provide mobile services as MVNOs by using Verizon's network. Post-merger, Charter would have stronger bargaining power in negotiations with facilities-based wireless providers or Mobile Network Operators (MNO) for wholesale access. MVNOs like Cox California rely entirely on these wholesale agreements to provide service, making them vulnerable to any unfair treatments provided by MNOs. While the increased bargaining power could allow Charter to reduce wholesale prices and potentially pass on savings to customers, it also raises concerns that Charter may engage in anticompetitive behavior. Charter may prioritize its own retail service or restrict favorable terms for other MVNOs, which could place smaller MVNOs at a competitive disadvantage and reduce customer choice. The Commission should carefully review the Proposed Transaction's effect on the wholesale wireless access market.

b. Mobile Service Pricing Oversight

The Commission should ensure any efficiencies or cost savings achieved from the Proposed Transaction should be shared with consumers through lower mobile prices or improved service offerings. Since the Joint Applicants have not made any price

commitments regarding mobile services, the Commission should carefully review post-merger mobile service pricing plans.

c. Advisory Opinion from California Attorney General

As required in Public Utilities Code Section 854(b)(3), the Commission should request an advisory opinion from California Attorney General regarding whether competition will be adversely affected in the MVNO market and what mitigation measures could be adopted to protect consumers and promote a competitive wireless service.

5. The Commission Should Examine the Impact of the Proposed Transaction on Post-Merger Charter's Financial Conditions and Debt Management

The Commission should review the impact of the Proposed Transaction on post-merger Charter's financial condition to ensure the transaction complies with Public Utilities Code Section 854 (c)(1).

Based on Charter's first quarterly financial report for 2025, the company holds approximately \$92 billion in long-term debt and an additional \$1.8 billion classified as the current portion of long-term debt.⁴⁶ Under the announced merger agreement with Cox, Charter will assume at least \$12 billion of Cox's debt and make a cash payment of \$4 billion.⁴⁷ In addition, Charter will assume Liberty Broadband's existing debt of approximately \$2.6 billion as part of the merger between Charter and Liberty Broadband (Liberty Merger).⁴⁸ Charter's net income for 2024 and the first quarter of 2025 was

⁴⁶ Charter's 10-Q report for 1st Quarter in 2025, at 1.

⁴⁷ Joint Application, at 9. Also see "Charter Communications and Cox Communications Announce Definitive Agreement to Combine Companies", May 16, 2025. <https://ir.charter.com/static-files/fa1e2f20-3f43-435a-9115-41dd9c62e3a1>

⁴⁸ "Charter to Acquire Liberty Broadband Corporation", November 13, 2024 <https://www.libertybroadband.com/investors/news-events/press-releases/detail/321/charter-to-acquire-liberty-broadband-corporation#:~:text=As%20a%20result%20of%20the,the%20close%20of%20the%20transaction.>

approximately \$6.3 billion.⁴⁹ The Joint Applicants’ pro forma financials project the combined company’s total net income would be only \$5.65 billion.⁵⁰ Both figures fall short of covering the additional \$14.6 billion in debt resulting from these two merger transactions. This additional debt burden raises concerns that post-merger Charter may be forced to reduce capital expenditures on broadband deployment, maintenance, or service upgrades to pay off its debt. Reduced investment could harm California consumers through slower network improvements or degraded service quality. As a result, close scrutiny under Public Utilities Code Section 854 (c)(1) is warranted.

In addition, using the Joint Applicants’ pro forma financials as of December 2024 and March 2025, and including the \$2.6 billion in debt from the Liberty Merger, the combined company’s Net Debt to Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) ratio is 4.7.⁵¹ A Net Debt-to-EBITDA ratio above 4.0 is generally considered a high ratio, raising concerns about a company’s ability to meet its debt obligations,⁵² particularly if earnings decline or interest rates rise. Although the Joint Applicants state that “Charter plans to adjust its long-term target leverage ratio after the closing to 3.5 to 4.0 times Adjusted EBITDA,”⁵³ Charter fails to provide a concrete financial plan for achieving this target.

It is crucial for the Commission to closely review Charter’s ability to manage the increased debt burden and cash outlay of the Proposed Transaction. If Charter must incur

⁴⁹ Charter’s 2024 10-K and 2025 1st quarter reports. The sum of \$5.1 billion for 2024 and \$1.2 billion for the 1st quarter in 2025.

⁵⁰ Exhibit B to the Joint Application, Unaudited Pro Forma Condensed Combined Statement of Operations. The sum of \$4.5 billion for 2024 and \$1.15 billion for the 1st quarter in 2025.

⁵¹ Net Debt of \$124.9 billion to EBITDA of \$26.6 billion. Charter and Cox Pro Forma financial as of December 31, 2024 shows the EBITDA is \$26.6 billion. Charter and Cox Pro Forma financial as of March 31, 2025 shows Net Debt is \$122.3 billion, plus \$2.6 billion debt from Liberty Merger.

⁵² “Net Debt-to-EBITDA Ratio: Definition, Formula, and Example”
<https://www.investopedia.com/terms/n/net-debt-to-ebitda-ratio.asp#:~:text=The%20net%20debt%2Dto%2DEBITDA%20ratio%20is%20a%20measurement%20of,risk%20exposure%20and%20financial%20health>

⁵³ Joint Application, at 22.

additional debts to finance these transactions, the Commission should assess whether such borrowing could create financial difficulties for Charter, which would potentially increase the risk of bankruptcy or prompt another merger or restructuring in the near future.

6. The Commission Should Examine the Impact of the Proposed Transaction on Post-Merger Charter's Diversity, Equity, and Inclusive (DEI) Practices

To comply with General Order (GO) 156⁵⁴ and Public Utilities Code Sections 366.2 and 8281-8286, the Commission should ensure that the Proposed Transaction does not undermine California's policies promoting supplier diversity and inclusive business practices.

GO 156 requires providers to increase procurement in all categories from business enterprises owned and controlled by women, minorities, disabled veterans, and LGBT people.⁵⁵ The Commission should closely review whether the merger could affect Charter's ability or commitment to comply with GO 156. The Commission should require the Joint Applicants to demonstrate how post-merger Charter will promote its compliance with the Commission's Supplier Diversity Program and the public interest under Public Utilities Code Section 854(c).⁵⁶

This review is particularly important because Charter and Cox have taken different approaches to DEI: Charter has scaled back certain DEI initiatives, while Cox Enterprises has strengthened its commitment to DEI efforts.⁵⁷ These opposite stances may not only

⁵⁴ GO 156: *Rules Governing the Development of Programs to Increase Participation of Women, Minority, Disabled Veteran, Lesbian, Gay, Bisexual and Transgender (LGBT) and Persons with Disabilities Business Enterprises in Procurement of Contracts from Utilities, Community Choice Aggregators, and Electric Service Providers, as Required by Public Utilities Code Sections 366.2 and 8281-8286.*

⁵⁵ GO 156, at 4.

⁵⁶ Application 24-10-006, *Assigned Commissioner's Amended Scoping Memo and Ruling*, May 29, 2025 at 5 <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M567/K610/567610381.PDF>

⁵⁷ See, Ramonas, Andrew *Adobe, Marriott Part of Diversity Report Retreat on Nasdaq*, March 31, 2025, Accessible at: <https://news.bloomberglaw.com/esg/adobe-marriott-part-of-diversity-reporting-retreat-on->

(continued on next page)

create uncertainty about the direction of post-merger DEI policies but could also lead to internal cultural and workplace conflicts within the merged entity. It is therefore critical to determine whether the merger will follow the dismantling of DEI initiatives, as Charter has done, or remain committed, as Cox has, to ensure the transaction aligns with California’s supplier diversity and equity objectives.

7. The Commission Should Examine the Impact of the Proposed Transaction on Customer Privacy

Although consumer privacy protections in California are primarily governed by the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act (CPRA), the Commission also retains authority under the Public Utilities Code Sections 2891 and 2891.1 to prevent the unauthorized use or disclosure of telecommunications customer information. Post-Merger Charter would gain access to significant volumes of sensitive consumer data across multiple services, including broadband usage, video viewing behavior, and mobile voice and data activity. Charter may be able to consolidate and analyze this information and then create detailed customer profiles for internal marketing or sales to third parties, raising concerns about targeted advertising and customer privacy concerns

To protect the public interest, the Commission should examine how the post-merger Charter will protect customer privacy to comply with statute requirements.

C. Procedural Matters

Cal Advocates agrees with the Joint Applicants that this proceeding should be categorized as ratesetting. The Commission should schedule public participation hearings (PPHs) throughout Cox California’s service area to ensure that customers are aware and can provide input regarding the Proposed Transaction. Cal Advocates

[nasdaq](#), Accessed on August 19, 2025. “Adobe, Marriott International, Charter Communications, and Fifth Third are among more than three dozen large companies that have scrubbed public data about women and minorities on their boards so far this year, as the courts and Trump administration assail DEI.”; *See also*, Cox Enterprises, *Inclusion Diversity & Equity*, June 6, 2024, Accessible at: <https://www.coxenterprises.com/wp-content/uploads/2024/06/IDE-Statement.pdf>, Accessed on: August 19, 2025.

recommends that the PPHs be held at least 30 days prior to the submission of intervenors' testimonies. This timing allows intervenors to consider customers' comments in the development of their testimonies.

To ensure adequate time for discovery and preparation, Cal Advocates proposes that intervenor testimonies be due at least 120 days after the Joint Applicants' opening testimonies are served. This schedule accommodates thorough data analysis and resolution of any disputes regarding data request responses.

Disputed issues of fact are likely to arise during the course of the proceeding. Therefore, Cal Advocates anticipates that evidentiary hearings will be necessary to establish a complete record for the Commission's review. The evidentiary hearings should be scheduled no sooner than 30 days after the Joint Applicants serve their rebuttal testimonies to ensure fairness and provide intervenors with adequate time to prepare for hearings. This schedule will allow Cal Advocates and other intervenors sufficient time to review the rebuttal evidence, conduct any necessary follow-up discovery, and prepare for the hearings accordingly.

Cal Advocates proposes the following procedural schedule set forth in Table 2.

Table 2: Cal Advocates' Proposed Schedule

Event	Description	Date
Application filed	Wednesday, July 30, 2025	Wednesday, July 30, 2025
Application posed in Daily Calendar	Wednesday, August 6, 2025	Wednesday, August 6, 2025
Protest	Rule 2.6(a): Within 30 days of the date the application first appears in the Daily Calendar	Friday, September 5, 2025
Reply to Protest	Rule 2.6(e): Within 10 days after protest	Monday, September 15, 2025
Prehearing Conference	Rule 7.2(a): Between 45 and 60 days after the initiation of the proceeding	September 15 - September 30, 2025
Scoping Memo	Proposal: Within 30 days after prehearing conference	Thursday, October 30, 2025
Joint Applicants' opening testimony	Proposal: Within 100 days after the Joint Application filed	Friday, November 7, 2025
Public Participation Hearings	Proposal: At least 30 days before intervenor testimony due	November - December 2025
Intervenor Testimony	Proposal: At least 120 days after Joint Applicants' opening testimony	Monday, March 9, 2026
Rebuttal Testimony	Proposal: 21 days after intervenor testimony	Monday, March 30, 2026
Evidentiary Hearing	Proposal: At least 30 days after rebuttal testimony	May 4 - May 8, 2026
Opening Brief	Proposal: 30 days after evidentiary hearing	Monday, June 8, 2026
Reply Brief	Proposal: 21 days after opening brief	Monday, June 29, 2026
Proposed Decision	Proposal: 40-60 days after reply brief	Aug-26
Opening Comments	Rule 14.3(a): Within 20 days after proposed decision	
Reply Comments	Rule 14.3(d): 5 days after opening comments	

IV. CONCLUSION

The Proposed Transaction will have significant impacts on California's broadband, video, and mobile markets. Post-merger Charter will become the dominant provider of high-speed broadband service in California, with significantly enhanced bargaining power and market share across broadband, video, and MVNO markets. While the Joint Applicants assert that the Proposed Transaction will not harm competition and

will benefit the public interest, it is notable that the Joint Applicants provide no concrete commitments to ensure California customers will realize the claimed benefits. For all of the above reasons, the Commission should conduct a comprehensive review of the issues identified in this Protest to determine whether the Proposed Transaction serves the public interest, complies with statutory mandates, and protects California's broadband, video, and mobile customers.

Respectfully submitted,

/s/ NOAH STID

Noah Stid
Attorney for

The Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-1949
Email: Noah.Stid@cpuc.ca.gov

September 5, 2025