

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



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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).

Application 25-07-016

RESPONSE TO ADMINISTRATIVE LAW JUDGE INQUIRY

[PUBLIC VERSION]

Pursuant to the February 13, 2026 *Administrative Law Judge's Fourth Ruling Directing Filing of Additional Information* (the "ALJ Ruling"), Charter Communications, Inc. and Charter Communications Holdings, LLC (collectively, "Charter") respectfully submit the following responses to the inquiries raised in the ALJ Ruling.

The ALJ Ruling may relate to the December 30, 2025 *Motion of Joint Applicants to Amend and Clarify the Assigned Commissioner's Scoping Memo and Ruling* ("Motion"), filed by Charter and Cox Enterprises, Inc. ("CEI") (collectively, "Joint Applicants"), which addressed, in part, the United States Department of Justice ("DOJ") review and clearance under the Hart-Scott-Rodino ("HSR") Act now at issue in the ALJ Ruling. Charter reiterates its request from that Motion that the Commission modify the lengthy proceeding schedule, including to align with the one-year HSR clearance period, which ends on September 15, 2026, but also for many other reasons set forth in the Motion and below. While certain dates have already passed in the proposed modified schedule presented in the Motion, the Joint Applicants respectfully request that the Commission

still modify the schedule to address concerns raised about the timely resolution of the proceeding, so that a final decision by the Commission can occur no later than July 16, 2026.¹

A. Question 1

Explain and confirm that while mergers are reviewed by either the DOJ or the FTC, the merger at issue in this case is being reviewed by the DOJ, not the FTC.

Both the DOJ and the Federal Trade Commission (“FTC”) have concurrent, statutory authority to review mergers under the HSR Act.² As a matter of practice, however, transactions subject to the HSR Act are reviewed by only one of these two federal antitrust agencies, and not by both agencies in parallel. Through a clearance process, the agencies decide between themselves which agency will review a particular merger.³ The DOJ is the agency that has reviewed this transaction.

B. Question 2

Provide a detailed timeline for the DOJ review for this proposed merger. Include the following information in the timeline:

- a. The date(s) of any and all HSR filings with the DOJ. Identify the date(s) of any upcoming filings/refilings.*
- b. How long is the DOJ “waiting period?” What is the end date of the merger transaction DOJ “waiting period?”*

¹ The Motion requested a final decision by May 31, 2026. Due to the passage of time and Charter’s effort to find compromise, Charter is now seeking a modified final decision date of July 16, 2026, which ensures ample time for intervenors to pursue their claims and Commission review but still provides sufficient time to conclude the proceeding prior to the end of the HSR clearance period.

² References to the “HSR Act” refer to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, codified at 15 U.S.C. § 18a. See “Hart-Scott-Rodino Antitrust Improvements Act of 1976,” Fed. Trade Comm’n, available at <https://www.ftc.gov/legal-library/browse/statutes/hart-scott-rodino-antitrust-improvements-act-1976>. The FTC’s explanation of the HSR Act’s requirements can be found on the FTC’s website. See “Premerger Notification and the Merger Review Process,” Fed. Trade Comm’n, available at <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/mergers/premerger-notification-merger-review-process>.

³ See, e.g., “Premerger Notification and the Merger Review Process,” Fed. Trade Comm’n, available at <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/mergers/premerger-notification-merger-review-process> (“Parties proposing a deal file with both the FTC and DOJ, but only one antitrust agency will review the proposed merger. Staff from the FTC and DOJ consult and the matter is ‘cleared’ to one agency or the other for review....”).

c. How long is the DOJ “clearing period?” What is the date of the merger transaction DOJ “clearing period?”

2.a. The merger notification⁴ required under the HSR Act for the proposed combination of Charter and Cox Communications, Inc. (“Cox”) was filed with the FTC and the DOJ on July 14, 2025. The parties chose to withdraw their filings on August 13, 2025 and then refile their notifications on August 15, 2025 under a process that gives the reviewing agency additional time to consider the transaction. *See* 16 C.F.R. § 803.12(c). After the parties refiled their HSR merger notification on August 15, 2025, a 30-day waiting period began on August 16, 2025, and expired 30 days thereafter at 11:59 pm⁵ on September 15, 2025. There are no anticipated upcoming filings or refilings with the DOJ or with the FTC.

2.b. The statutory HSR waiting period is 30 days. *See* 15 U.S.C. § 18a(b)(1)(B). After the parties refiled their HSR merger notification on August 15, 2025, a second 30-day waiting period began on August 16, 2025, and expired 30 days thereafter at 11:59 pm on September 15, 2025.

2.c. The use of the term “clearing period” refers to the period during which HSR clearance is effective after the expiration (or early termination)⁶ of the HSR waiting period—i.e., the window during which the parties have satisfied their obligations under 15 U.S.C. § 18a(a) such that they are permitted to close a proposed transaction without being obligated to submit a new HSR notification or filing for the same transaction. This “clearing period” is one year. In the proposed

⁴ Throughout this response, “notification” refers to the HSR filing that is required to be submitted to the FTC and DOJ under the HSR Act, and “clearance” refers to the expiration or termination of the waiting period following the HSR notification.

⁵ All times referenced throughout this response are Eastern Standard Time.

⁶ Parties to a transaction may request early termination of the statutory waiting period. The relevant enforcement agency may grant the request if it determines in fewer than 30 days that the transaction is unlikely to substantially lessen competition. *See* “Legal Library: Early Termination Notices,” Fed. Trade Comm’n, available at <https://www.ftc.gov/legal-library/browse/early-termination-notice>.

transaction, the HSR waiting period expired at 11:59 pm on September 15, 2025. Thus, the HSR clearance period for this transaction expires at 11:59 pm on September 15, 2026.

C. Question 3

Define and describe the meaning of the DOJ “clearance period” in a merger.

As stated in response to Question 2(c), Charter understands this question to refer to the period during which clearance under the HSR Act is effective. The DOJ does not have the authority to “approve” a proposed transaction, or to prohibit its consummation without a federal court order. Rather, the DOJ can “clear” a transaction by not taking any action. Once the HSR waiting period expires (or early termination is received) for a transaction notified under the HSR Act, the parties are permitted to close their transaction under the HSR Act. However, the parties have only one year to do so; after one year, the parties’ HSR notice expires and the parties each must file new HSR merger notifications and re-start the HSR review process. This one-year period is sometimes called the “clearance period,” and applies to any transaction notified under the HSR Act, regardless of whether the DOJ reviewed the transaction. *See* 16 C.F.R. § 803.7(a) (“Notification with respect to an acquisition shall expire 1 year following the expiration of the waiting period.”).

D. Question 4

Is California regulatory approval a prerequisite for DOJ approval of Joint Applicants’ merger?

No. The DOJ’s decision not to take any action on the proposed transaction before the expiration of the HSR waiting period gives the parties the right under the HSR Act to close the transaction without regard to any state regulatory approvals.

Must all state regulatory processes conclude prior to DOJ approval?

The Joint Applicants cannot close until all closing conditions are met, which include (i) receipt of all required regulatory approvals, and (ii) clearance under the HSR Act. Accordingly, the Joint Applicants need California's approval prior to expiration of the HSR clearance period on September 15, 2026.

E. Question 5

Detail the impact should California conclude its state regulatory review after the federal DOJ clearing period end date.

If the parties' HSR clearance were to expire before California's review is completed, the parties would need to submit a new HSR notification and restart the process of obtaining clearance. At that point the Joint Applicants would necessarily reconsider the entire transaction due to multiple potential costs and risks associated with further delay beyond the *sixteen months* that would have already passed since the transaction agreement was signed in mid-May 2025.

- As a preliminary matter, the need to re-file for clearance under the HSR Act would cost at least [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] in outside fees (including a filing fee of approximately \$2.5 million and legal fees) and impose significant uncertainty. A new filing technically gives the DOJ the ability to hold up the transaction for further investigation. Such further investigation could involve additional discovery on the parties and the California regulatory process, including through a request for additional information ("Second Request"), which would involve months of further delay and substantial additional costs.
- Charter would also incur incremental costs of [BEGIN CONFIDENTIAL] [REDACTED] [REDACTED] [END CONFIDENTIAL] related to financing commitments to provide the \$4 billion of cash consideration due to CEI at closing of the transaction.

- Increased uncertainty as to the closing date limits Charter’s ability to effectively manage interest rate risk on the transaction financing Charter is required to raise within 90 days prior to closing. [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END CONFIDENTIAL]

- An extended transaction window between signing and closing has significant negative consequences to both the selling and acquiring business, including key personnel turnover, lack of focus on the companies’ day-to-day operations due to integration planning, and paused investment activities resulting from the uncertain path forward.

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] [END

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- [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

○ [REDACTED]

○ [REDACTED] [END]

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F. Question 6

Explain whether merging corporations that have filed an HSR with DOJ are required to close the deal within one year after the 30-day DOJ waiting period

expires. What is the statutory basis for the one-year time limit to consummate the merger? Detail the impacts should the deal close after the one-year date.

Yes, parties to a transaction requiring review under the HSR Act are only permitted to close the proposed transaction within one year after the expiration of the HSR waiting period. *See* 16 C.F.R. § 803.7(a) (“Notification with respect to an acquisition shall expire 1 year following the expiration of the waiting period.”). If the clearance period expires without the transaction having closed, then the parties would not be able to close the transaction in compliance with the HSR Act. Instead, the parties would need to submit a new HSR filing and re-start the process to obtain HSR clearance under that new filing. Preparing and submitting a new set of HSR filings would be a substantial and resource-intensive process for the Joint Applicants, requiring them to search for, collect, and review a significant amount of additional documents and information, thereby expending substantial internal and external resources, in addition to requiring the additional expenditures described in the response to Question 5 above.

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] **[END CONFIDENTIAL]** California consumers

would be materially worse off than if the transaction had been approved within the extended time period allowed and the public interest benefits had been delivered as a result of the transaction. Among the broad and well-established public interest benefits of the transaction, Californians in Cox’s service areas would not have access to the following:

- Charter’s pricing and packaging, which offers a higher-quality and higher-value set of services relative to Charter’s peers and competitors.
 - Charter customers who subscribe to a traditional cable package now receive programmers’ streaming apps (many of which are not available as part of Cox’s

video packages) at no additional cost—a retail value of up to \$129 per month or over \$1,500 per year.

- **[BEGIN CONFIDENTIAL]** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] **[END CONFIDENTIAL]**

- Charter’s mobile product, which offers customers higher speeds and lower prices, 5G service, free nationwide talk and text, and simple pricing that includes taxes and fees. Spectrum Mobile Speed Boost gives Charter customers the fastest overall speeds up to 1 Gbps when connected on their Spectrum Mobile device through Advanced WiFi service.
- Charter’s industry-first customer commitments, which focus on reliable connectivity, transparency, exceptional service, and always improving. Through reliable connectivity, Charter is committed to keeping its customers connected 100% of the time and promptly resolving issues. Transparency at every step means Charter provides clear and simple pricing and timely service updates, and Charter takes responsibility when things go wrong.
- Charter’s inclusive user experiences for the deaf and hearing impaired and blind and visually-impaired communities, which led organizations like the American Federation for the Blind, the American Council of the Blind, the Greater Los Angeles Agency on Deafness, and Deaf Equality to support the transaction. Specific benefits include:

- Charter's team of customer service representatives trained to assist individuals with visual impairments, hearing loss, and other accessibility needs that are available to assist customers by phone and chat, 24 hours a day, ensuring their customers can resolve internet, video, and phone issues without unnecessary barriers; and
- The Spectrum Access App, which provides audio descriptions of on-screen content and delivers closed captioning directly to a user's phone to reading captions through electronic Braille displays.

Also, absent the transaction, Cox's employees would not have access to Charter's generous compensation and benefits package:

- A starting wage of at least \$20 per hour.
- Charter's comprehensive health benefits; Charter has absorbed the full annual cost increase of medical, dental, and vision coverage for 13 consecutive years.
- A market-leading retirement program with a 401(k) plan that matches employee contributions dollar for dollar and most employees get an additional Charter 3% of pay added into another retirement plan.
- The ability for frontline employees to purchase stock and receive a matching grant of Charter Restricted Stock Units based on years of service, up to a 1-for-1 match.
- Deep employee discounts on Spectrum Mobile plans and free or discounted Spectrum products, including TV and Internet.
- On-the-job training and formal development programs, like Charter's U.S. Department of Labor-certified Broadband Field Technician Apprenticeship program, through which employees can continue their education through a catalog of debt-free degree

and certificate programs via flexible online learning or choose to receive traditional tuition reimbursement of up to \$10,000 each year for select degrees.

G. Question 7

What is the minimum number of days Joint Applicants need to close and finalize the transaction if regulatory approval is received?

It is not possible to determine the minimum number of days to close and finalize the transaction at this point because there are several factors that may influence or impact the projected date. While it would be Charter's intent to close as quickly as possible following receipt of all regulatory approvals and meeting all closing conditions, reaching a final decision in California at least 30-60 days prior to the expiration of the HSR-clearance date is critical to ensuring the timely completion of the transaction and is consistent with the most recent decision involving Verizon-Frontier.⁷

H. Question 8

Please provide the number of times in the past 10 years that states have concluded their review of a telecommunications merger after the DOJ. Please identify the specific mergers, the states that concluded their review after the DOJ, and provide details on the length of time between the DOJ's approval and the conclusion of the state's review.

As noted above in response to Question 3, the DOJ does not have the authority to "approve" a proposed transaction, but rather the DOJ can "clear" a transaction by deciding not to take any action, or in some cases may pursue a civil action and file a settlement with the parties.

The ALJ's question appears to seek instances in which states have concluded their review of a telecommunications merger after the one-year expiration of the initial "clearance period."

⁷ *Re Verizon Communications Inc.* D.26-01-023 (Jan. 15, 2026) (adopting a final decision 30 days before end of HSR clearance period).

Charter notes that the DOJ is not required to, and typically does not, disclose publicly whether or when they have concluded their review of a transaction. Thus, comprehensive information is not readily available to respond to this question. However, in some rare instances information may be publicly available regarding the one-year expiration of the initial “clearance period.” Based on initial review of publicly available information regarding major telecommunications mergers before the Commission, Charter is not aware of any instances in the past decade in which the Commission has concluded its review after the one-year expiration of the initial “clearance period.”

Finally, Joint Applicants note that in the most recent major telecommunications transaction before the Commission, the Administrative Law Judge acknowledged the importance of the DOJ “clearance” deadline:

Nonetheless, we acknowledge the concern of the Joint Applicants and the parties that support their Motion that this proceeding should be resolved timely and in advance of the February 13, 2026 deadline for DOJ clearance. Resolution of the proceeding by this deadline can be achieved without modifications to the proceeding schedule, particularly if the briefing and settlement schedule are combined into a single set of pleadings as proposed by the Joint Applicants. Therefore, we find that parties shall file any comments on the three September 4, 2025 motions for adoption of settlement agreements as part of their briefs. This extends the deadline for submission of opening comments on the settlement agreements by four days and the submission of reply comments by 12 days. The proceeding schedule therefore remains as described in the July

23, 2025 Administrative Law Judge’s Ruling Modifying the Procedural Schedule with the modification described above.⁸

I. Question 9

If California issues its regulatory review of the merger after the date of the federal DOJ clearing period has expired, detail the impacts: e.g., must merging entities submit a new HSR filing with the DOJ? If the answer is “Yes,” does a new 30-day DOJ waiting period start?

Yes. As explained in the response to the ALJ’s Question 5, closing the transaction is conditioned on both (i) receipt of all required regulatory approval and (ii) clearance under the HSR Act. Accordingly, if the parties’ HSR clearance were to expire before California’s review is completed, the parties would need to start from the beginning and submit an entirely new HSR merger notification, which as discussed above would include a filing fee of approximately \$2.5 million and at least [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] in legal fees. The new HSR notification would be subject to a 30-day waiting period, just like the previous HSR notification, during which the DOJ could choose to issue additional requests for information, which could further delay closing and increase costs to the parties.

J. Question 10

If the Commission issues its Decision after the HSR filing expires, does Charter intend to submit a new HSR filing with the DOJ and/or the FTC?

As discussed above, should a state’s delay in approval require re-filing for HSR clearance,

[BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED]

⁸ Administrative Law Judge’s Ruling Granting in Part the Motion to Modify the Proceeding Schedule and Providing Briefing Instructions to Parties, Application 24-10-006 (Sep. 18, 2025), available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M580/K320/580320818.PDF>.

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Respectfully submitted this 17th day of February, 2026, in San Francisco, California.

/s/ Zeb C. Zankel

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