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March 19, 2019

**VIA ELECTRONIC SUBMISSION**

Hon. Kathleen H. Burgess  
Secretary to the Commission  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

Re: Case 15-M-0647: Joint Petition of Altice N.V. and Cablevision Systems Corporation and Subsidiaries for Approval of a Holding Company Level Transfer of Control of Cablevision Lightpath, Inc. and Cablevision Cable Entities, and for Certain Financing Arrangements.

Dear Secretary Burgess:

After careful deliberation, I write to request that the New York Public Service Commission (“Commission”) immediately begin a comprehensive review of Altice USA Inc.’s (“Altice”) compliance with the Commission’s conditions regarding the approval of Altice’s 2016 acquisition of Cablevision Systems Corporation (“Cablevision”), including its News 12 subsidiary.

Recent actions by Altice, and its overall pattern of conduct since closing that 2016 transaction, raise concerns that Altice has flouted the commitments it made to the Commission and New York residents. In particular, Altice’s post-merger termination of approximately 70 employees at Cablevision’s News 12 subsidiary and its reorganization of News 12 operations stand in contrast to significant job protection commitments Altice agreed to in order to secure Commission approval of the transaction. These broken promises by Altice lowered News 12’s employee levels and, in turn, materially reduced service quality of News 12’s hyper-local news coverage in New York State.

These actions warrant a Commission review to ensure that Altice has complied with its obligations to the Commission and, if not, to determine if enforcement proceedings should commence.

A. News 12's Hyper-Local Approach to Journalism Appeals to Customers

Launched in 1986 as the first 24-hour regional cable news service in the United States, News 12 is a group of cohesive, regional cable news television channels serving nearly 3 million households in New York State, Connecticut and New Jersey, including two boroughs of New York City (Bronx & Brooklyn) and most of Nassau and Suffolk Counties on Long Island.

News 12's focus is providing award-winning, hyper-local, in-depth news coverage that is rare in the United States today. My family and I, as founders and stewards of News 12, deliberately and methodically built News 12 as a unique hyper-local news source for the benefit of viewers in the communities noted above.

News 12 located separate, stand-alone news-gathering operations in 5 different sections of New York and its suburbs to ensure reporters and staff are familiar with issues, residents and local organizations. For that reason, News 12 has a lengthy track record of providing major market quality coverage of important local stories that are generally ignored by the New York-based over-the-air television news outlets. Significantly, most of its on-air personalities, reporters and support personnel both live and work in the communities they serve.

This local presence and community-focused approach make News 12 unique and of singular importance to Cablevision viewers. That is especially true in times of major public emergencies such as blizzards and hurricanes, when it is often the only source of critical public safety information specific to its coverage areas. It is the most-watched television channel in the Cablevision system. The News 12 slogan is "As Local as Local News Gets," and the News 12 employees have for decades worked hard to deliver on that promise.

B. The Merger Approval Order Protects News 12 Employees

On September 16, 2015, Altice entered into an Agreement and Plan of Merger ("Agreement") to acquire Cablevision. The Commission undertook a detailed, months-long review of Altice's acquisition of Cablevision to determine whether the transaction was in the public interest.

At that time, the Commission concluded that Altice's acquisition of Cablevision was in the public interest, provided that Altice agreed to certain commitments and enforceable conditions.<sup>1</sup> These conditions were a prerequisite to the Commission's approval of the

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<sup>1</sup> See Joint Petition of Altice N.V. and Cablevision Systems Corporation and Subsidiaries for Approval of a Holding Company Level Transfer of Control of Cablevision Lightpath, Inc. and Cablevision Cable Entities,

transaction. Absent Altice's acceptance of these conditions, the Commission concluded that the required public interest standard would not have been met.<sup>2</sup>

Included among these conditions were strong "job protections" commitments that prevent Altice from, among other things, reducing the quality of News 12's programming through staff terminations and job eliminations. Preventing post-closing layoffs of any Cablevision employees by Altice (including News 12 staff), and the corresponding reductions in service quality and consumer benefits that would necessarily follow, were of paramount concern throughout the Commission's review of the transaction.

Commission staff repeatedly noted that for Altice to achieve its aggressive efficiency and synergy projections, there was "the real danger that Altice will look to gain operational efficiencies by moving or consolidating customer-facing jobs and other positions to out-of-state locations, or simply eliminate them altogether..."<sup>3</sup> In the view of Commission staff, such reductions raised concerns as they would make it difficult for Cablevision and News 12 to maintain their traditional quality of services for New York viewers.

Many commenters raised additional concerns regarding the impact of the transaction on News 12 employees and its news-gathering operations. For instance, State Senator Phil Boyle, the chairman of the New York State Senate Standing Committee on Commerce, Economic Development & Small Business, urged the Commission to recognize the value of News 12 to Long Island residents "as not only a major employer for Long Island but a vital source of news and information..."<sup>4</sup> Senator Boyle thus requested that the Commission adopt commitments and conditions that would protect News 12's employees and assure the continuation of its services and operations.

The Fair Media Council, a non-profit organization that advocates for quality news and journalism, raised similar concerns, arguing that Altice had not specifically addressed how it would manage News 12 and how it would protect existing employees and continue its news-gathering operations.<sup>5</sup>

The Commission agreed with these concerns, concluding that there was "a risk that job losses could lead to a reduction in service quality and a condition in this regard is appropriate."<sup>6</sup>

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and for Certain Financing Arrangements, Case 15-M-0647, *Order Granting Joint Petition Subject to Conditions* (June 15, 2016) (hereinafter, "*Merger Approval Order*").

<sup>2</sup> *See id.* at pp. 2-3.

<sup>3</sup> *See id.* at pp. 54-55.

<sup>4</sup> *See* Testimony of NYS State Senator Phil Boyle, Case 15-M-0647, at p.1 (submitted Feb. 2, 2016).

<sup>5</sup> *See* Comments of Fair Media Council, Case 15-M-0647 (submitted May 31, 2016).

<sup>6</sup> *Merger Approval Order* at p. 79.

The Commission accordingly imposed specific job protection requirements on Altice as a condition of its approval of the merger transaction. These conditions prohibit Altice from laying off, involuntarily terminating, or otherwise taking any action intended to reduce the number of “customer-facing jobs” in New York for the four years following the date of the *Merger Approval Order*.<sup>7</sup>

For purposes of the *Merger Approval Order*, “customer-facing jobs” was defined to include “those positions with direct interaction with customers; including, but not limited to call center and other walk-in center jobs, and service technicians.”<sup>8</sup>

To ensure that Altice complied with the job protection commitments, the Commission required that the company file an annual report with the Commission on the anniversary date of the closing of the transaction demonstrating its compliance with the job protection condition. In its most recent annual report filing, Altice claimed that the company remains in compliance with that job protection condition.<sup>9</sup>

While the report indicated reductions in the number of protected jobs from the positions reported in the company’s first annual filing, Altice dismissed these reductions as “due primarily to employee decisions to leave the company or to take a non-customer facing role in the company.”<sup>10</sup> As discussed in more detail below, the elimination of a large swath of News 12 employees since the merger warrants greater scrutiny concerning the accuracy of Altice’s filings.

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<sup>7</sup> See *Merger Approval Order* Ordering Clause IV.A.1.3. Aside from its commitments to the Commission, Altice had separately committed in the transaction documents to stand by News 12’s employees and to operate News 12 in accordance with its existing five-year business plan. Altice’s commitment to News 12 was expressly and unambiguously set forth in the Agreement and Plan of Merger dated September 16, 2015 (the “Merger Agreement”) by and between Altice and Cablevision, among others. In fact, Altice expressly agreed in the Merger Agreement to incur up to \$60 million in losses to maintain News 12’s existing level of 462 employees, as called for in the business plan. Altice’s failure to abide by the commitments set forth in the Merger Agreement are the subject of separate litigation recently commenced by the Dolan family against Altice. See Verified Complaint, C.A. 2018-0651-JRS, Court of Chancery of the State of Delaware (filed Sept. 4, 2018). On February 13, 2019, the Dolan family secured an order maintaining Status Quo and Expedite Trial Date that generally bans Altice from laying off News 12 employees but only for the short term.

<sup>8</sup> *Merger Approval Order* at fn 6.

<sup>9</sup> See Altice USA Second Annual Report, Case 15-M-0647, p.24-25 (filed June 21, 2018).

<sup>10</sup> *Id.*

C. Altice's Actions Since Issuance of the *Merger Approval Order* Raise Serious Concerns

Since issuance of the Merger Approval Order in June 2016, Altice has undertaken actions and engaged in a pattern of conduct that raises grave concerns regarding its compliance with the *Merger Approval Order's* job protection commitments.<sup>11</sup>

For instance, Altice laid off approximately 70 News 12 employees in the spring of 2017. Most of these employees were on-air personalities, reporters and customer-facing support staff subject to the job protection commitments.

Purportedly driven by Altice's desire to achieve its aggressive synergy projections, these layoffs reportedly reduced News 12's salary spend by approximately \$7 million annually, but at the same time seriously impeded News 12's ability to continue its hyper-local approach to journalism. The reductions involved firing experienced, trusted on-air staff who took with them their sources and knowledge of their communities. The studio facility in Westchester was also shut down and veteran news producers in Westchester were replaced with younger, lesser paid producers who were stationed hours away on Long Island. The ability to swiftly cover breaking news and weather events was compromised, as was the quality of special coverage.

Only months after implementing those cuts in spring 2017, Altice executives began discussing additional staff terminations and job eliminations. This planned second round of cuts included producers, directors, anchors, reporters and photographers. It would have worsened the earlier damage with poorer quality on-air reports, more repetition, and the virtual elimination of serious high school sports coverage.

As a result of these terminations and organizational changes, News 12's service quality has suffered, employee jobs that should have been protected by the *Merger Approval Order* were lost, and News 12's reputation as a champion of hyper-local journalism has been tarnished. These staff reductions have also violated News 12's high journalistic standards in the all-out pursuit of ratings and profits. Any further layoffs or organizational changes at News 12 would substantially dilute the quality of the service that New York customers currently receive.

D. The Commission Should Review Altice's Compliance With its Merger-Related Commitments

For the sake of News 12's employees and the quality of its news-gathering services, I respectfully request that the Commission commence an immediate review of Altice's actions to ascertain whether the company has complied with the *Merger Approval Order's* job protection commitments.

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<sup>11</sup> The instant request is not the first time concerns regarding Altice's compliance with the *Merger Approval Order's* job protection commitments have been raised. See, e.g., Public Utility Law Project Letter, Case 15-M-0647 (filed June 26, 2017) (requesting that the Commission investigate the discharge of 27 Cablevision workers).

Prompt review by the Commission is necessary to prevent further employee reductions by Altice that will do additional harm to News 12's ability to continue providing the hyper-local journalism that so many Cablevision customers and New York residents have come to cherish.

Commission review is also essential to ensure that commitments made by transaction parties to the Commission to secure regulatory approval are taken seriously and properly enforced by the Commission.

As part of its review of Altice's actions, the Commission should request detailed information from Altice regarding the 2017 layoffs of News 12 staff and any other contemplated staff terminations or reductions. I also ask the Commission to request that Altice provide detailed information regarding any organizational changes at News 12 that may have impacted New York jobs or the ability of News 12 to serve its local communities.

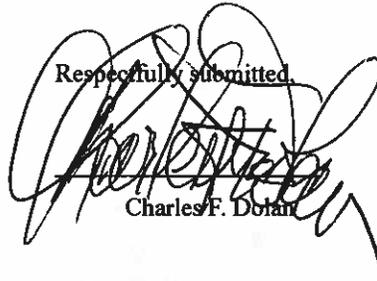
Finally, I ask the Commission to review whether Altice has undertaken any actions that sacrifice the quality of News 12's services as a consequence of Altice's efforts to achieve transaction-related synergies and internal financial goals.

Should the Commission find that Altice has violated its merger-related commitments, the Commission should order that Altice immediately restore or replace all terminated News 12 employees and enjoin Altice from making further staff reductions or job eliminations.

Additionally, the Commission should also review potential enforcement proceedings and fines against Altice pursuant to §§ 25 and 26 of the Public Service law.

If you have any questions or concerns, please do not hesitate to contact me.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'Charles F. Dotan', is written over the typed name below.

Charles F. Dotan