

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
Applications for Consent to the Assignment) MB Docket No. 05-192
and/or Transfer of Control of Licenses)
Adelphia Communications Corporation,)
(and subsidiaries, debtors-in-possession),)
Assignors,)
to)
Time Warner Cable Inc. (subsidiaries),)
Assignees;)
Adelphia Communications Corporation,)
(and subsidiaries, debtors-in-possession),)
Assignors and Transferors,)
to)
Comcast Corporation (subsidiaries),)
Assignees and Transferees;)
Comcast Corporation, Transferor,)
to)
Time Warner Inc., Transferee;)
Time Warner Inc., Transferor,)
to)
Comcast Corporation, Transferee)

ORDER GRANTING REQUEST FOR EXTENSION OF TIME

Adopted: September 29, 2006

Released: September 29, 2006

By the Chief, Media Bureau:

1. On July 13, 2006, the Commission approved with conditions the sale of substantially all of the cable systems and assets of Adelphia Communications Corporation ("Adelphia") to Time Warner Inc. ("Time Warner")¹ and Comcast Corporation ("Comcast"), the exchange of certain cable systems and assets between affiliates or subsidiaries of Time Warner and Comcast, and the redemption of Comcast's interests in Time Warner Cable Inc. and Time Warner Entertainment Company, L.P.² One of the

¹ As used throughout this Order, the term "Time Warner" will refer generally to both Time Warner Inc. and its subsidiary, Time Warner Cable Inc.

² Applications for Consent to the Assignment and/or Transfer of Control of Licenses Adelphia Communications Corporation, (and subsidiaries, debtors-in-possession), Assignors, to Time Warner Cable Inc. (subsidiaries), Assignees; Adelphia Communications Corporation, (and subsidiaries, debtors-in-possession), Assignors and Transferors, to Comcast Corporation (subsidiaries), Assignees and Transferees; Comcast Corporation, Transferor, to Time Warner Inc., Transferee; Time Warner Inc., Transferor, to Comcast Corporation, Transferee, Memorandum Opinion and Order, MB Docket No. 05-192, FCC 06-105 (rel. July 21, 2006).

Commission's conditions was the requirement that, within 60 days after consummation of the transactions, Time Warner and Comcast each provide to the Commission an affidavit signed by a competent officer of the company certifying that the requirements of section 76.501(d) and (e) of the Commission's rules (the "cable/SMATV cross-ownership rule") had been satisfied.³ Because the transactions were consummated on July 31, 2006, the deadline for certifying compliance with the cable/SMATV cross-ownership rule is September 29, 2006.⁴

2. By letter dated September 22, 2006, Time Warner requests extensions of time to comply with the certification requirement with respect to 38 of the 92 SMATV systems it acquired from Adelphia.⁵ We grant Time Warner's request with the modifications described below.

3. First, Time Warner requests that it be provided six months to divest a newly acquired SMATV system in Kern County, California to Bright House Networks, LLC ("Bright House").⁶ The system is within a franchise area served by Bright House, not Time Warner. Time Warner, however, has attributable interests in Bright House.⁷ Time Warner maintains that the cable/SMATV cross-ownership rule is not applicable because Time Warner is not responsible for the daily operations of the cable systems that Bright House manages.⁸ Nonetheless, "in an abundance of caution," Time Warner intends to divest the SMATV system to Bright House so that the system can be interconnected with Bright House's franchised cable plant. We grant Time Warner's request and require that, by April 2, 2007, Time Warner provide an affidavit signed by a competent officer of the company certifying the date that divestiture is completed. We also require that Bright House provide, within 60 days after the date certified by Time Warner as the completion of the divestiture, an affidavit signed by a competent officer of that company certifying that the requirements of section 76.501(d) and (e) of the Commission's rules have been satisfied.

³ Section 76.501 prohibits cable operators from offering satellite master antenna television ("SMATV") service separate and apart from any franchised cable service in any portion of a franchise area served by the cable operator or its affiliates, unless the service is offered in accordance with the terms of a cable franchise agreement. 47 C.F.R. § 76.501(d), (e).

⁴ Letter from Arthur H. Harding, Fleischman and Walsh, L.L.P., Counsel for Time Warner, to Marlene H. Dortch, Secretary, FCC (Aug. 1, 2006) at 1.

⁵ Letter from Arthur H. Harding, Fleischman and Walsh, L.L.P., Counsel for Time Warner, to Marlene H. Dortch, Secretary, FCC (Sept. 22, 2006) ("Extension Request"). Time Warner states that 44 of the SMATV systems Time Warner acquired from Adelphia fall outside Time Warner's franchise areas and thus are not subject to the cable/SMATV cross-ownership rule. *Id.* at 2. Time Warner asserts that, of the remaining 48 systems subject to the rule, ten will be in compliance by the September 29, 2006 deadline. *Id.* at 2-3.

⁶ *Id.* at 2; *see also id.* at Attachment to Decl. of Jose Leon. Time Warner cites several Commission decisions providing extensions of six to 12 months to enable compliance with various ownership rules. *Id.* at 2 n.4.

⁷ *Id.* at Decl. of Jose Leon at ¶ 4; *see also Applications for Consent to the Assignment and/or Transfer of Control of Licenses Adelphia Communications Corporation, (and subsidiaries, debtors-in-possession), Assignors, to Time Warner Cable Inc. (subsidiaries), Assignees; Adelphia Communications Corporation, (and subsidiaries, debtors-in-possession), Assignors and Transferors, to Comcast Corporation (subsidiaries), Assignees and Transferees; Comcast Corporation, Transferor, to Time Warner Inc., Transferee; Time Warner Inc., Transferor, to Comcast Corporation, Transferee*, Public Interest Statement, MB Docket No. 05-192 (May 18, 2005) at 73.

⁸ Time Warner's contention that its lack of managerial authority over Bright House's cable systems renders the cable/SMATV cross-ownership rule inapplicable is not supported by any analysis of Commission precedent, and we therefore do not find it persuasive. However, because Time Warner intends to divest the SMATV system to Bright House, we need not consider Time Warner's contention further.

4. Second, Time Warner requests an extension through December 31, 2006 to comply with the certification requirement with respect to 16 SMATV systems in the Los Angeles area and one SMATV system in the Columbus, Ohio area.⁹ Although Time Warner expects to complete interconnection for some of the Los Angeles systems before December 31, 2006, it requests an extension through that date for all 16 of those systems so that those subscribers may undergo one channel line-up change, instead of two. Time Warner explains that because it is in the process of rolling out more uniform line-ups throughout its Los Angeles region, SMATV subscribers will experience two channel line-up changes in quick succession unless we allow Time Warner to institute a single change at the time that the more uniform line-ups are implemented. In addition, Time Warner anticipates that it will require an extension through December 31, 2006 to complete the interconnection of its SMATV system in the Columbus, Ohio area. We grant Time Warner's request for an extension through December 31, 2006 to bring those 16 systems in the Los Angeles area and the one system in the Columbus, Ohio area into compliance with the cable/SMATV cross-ownership rule. We require Time Warner to provide by January 2, 2007 an affidavit signed by a competent officer of the company certifying such compliance.

5. Finally, Time Warner requests an extension for an unspecified amount of time for 19 of its newly acquired SMATV systems in the Los Angeles area and for one SMATV system in the Cincinnati, Ohio area.¹⁰ Time Warner claims that, due to circumstances beyond its control, it still needs approval from the property owners for the proposed design changes before it can integrate 13 of the Los Angeles systems and the Cincinnati system. Although it has received property owner approval for the remaining six Los Angeles systems, it is in the process of obtaining the local permits necessary to begin physical construction for those systems. Time Warner provides a detailed description of the potential obstacles involved in the property owner approval phase and in the local permitting process. Time Warner states that it is working diligently to move these 20 systems past these phases and that it will provide updates to the Commission every 90 days. Recognizing that the integration of these systems poses particular challenges, we grant Time Warner an extension of time until April 2, 2007 to bring these 20 systems into compliance with the cable/SMATV cross-ownership rule.¹¹ Time Warner must provide by April 2, 2007 an affidavit signed by a competent officer of the company certifying such compliance. We also require Time Warner to provide an update by January 2, 2007 regarding the status of each of the 20 systems and to provide an affidavit signed by a competent officer of the company certifying compliance for any systems that have been brought into compliance by that date. If Time Warner finds that it requires additional time to complete the integration of any of these 20 systems, it may file a request for a further extension of time.

6. We find that granting Time Warner these extensions of time serves the public interest and will not unduly harm diversity or competition in the relevant markets. Accordingly, we grant Time Warner's request, with the modifications described above.

⁹ Extension Request at 3. These systems are listed in the attachments to the Extension Request. *See id.* at Attachments to Decl. of Jose Leon and Decl. of Randy Hall (listing each of these systems and providing the predicted interconnection dates).

¹⁰ *Id.* at 3-5.

¹¹ We base this timeframe on Time Warner's statements regarding the amount of time it needs to complete the particular phases of the integration process. *Id.* at 4-5.

7. This action is taken pursuant to authority delegated by section 0.283 of the Commission's rules.¹²

FEDERAL COMMUNICATIONS COMMISSION

Donna C. Gregg
Chief, Media Bureau

¹² 47 C.F.R. § 0.283.