



MEMORANDUM IN OPPOSITION

A.3801 (Dinowitz)

AN ACT to amend the public service law, in relation to creating standards by which the public service commission reviews and approves a merger or acquisition between telephone corporations, cable corporations, and combination telephone and cable corporations

The Capital Region Chamber, representing 2,600 businesses and organizations from throughout the Capital Region that employ more than 150,000 area residents, opposes A.3801, which would amend the Public Service Law by directing the Public Service Commission (PSC) to impose burdensome new requirements relating to the Commission's review of merger and acquisition transactions by telephone corporations and cable corporations over which the Commission has jurisdiction.

The Chamber strongly opposes this bill as it would seriously undermine the Public Service Commission's authority over telephone company and cable company mergers. New York's public utilities have operated under the same merger and acquisition process since 1964. However, the industry has changed tremendously during the past 20 years and the process did not contemplate the existence of broadband or the Internet. Throughout that time, the PSC has exercised its regulatory authority and expertise to examine mergers and has approved those transactions it determined were in the public interest, while rejecting those it determined were not. The bill advanced by the sponsor retains the PSC's oversight function, but essentially dictates the final outcome of any findings by the Commission.

If this legislation is eventually enacted, a strong argument could be made that the Legislature intended to prohibit the PSC from even considering vital criteria in its deliberations. This outcome would be detrimental to the public interest itself. The Commission has a strong history of extracting merger conditions, but has done so on a case-by-case basis. The proposed legislation is unnecessary and will likely be harmful not only to the affected companies, but also to consumers and the administrative process in New York.

New York cannot afford to penalize an industry that is working to revitalize communities and raise the standards for services provided to New York businesses. It is an industry that has driven broadband innovation and created economic growth even in times of stagnation. Economic growth should not get derailed by bad policy.

For these stated reasons, the Capital Region Chamber opposes this legislation.

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